



**HUMAN RESOURCES COMMITTEE
JUNE 17, 2009
9:00 A.M.**

**BOARD ROOM
WELLS FARGO PLACE
30 7TH STREET EAST
SAINT PAUL, MN**

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

Committee Chair Ruth Grendahl calls the meeting to order.

- (1) Minutes of May 19, 2009 (pp. 1-2)**
- (2) Minutes of May 27, 2009 (pp. 3-4)**
- (3) Proposed Board Policy 4.11 Board Early Separation Incentive Program (First Reading) (pp. 5-9)

Members

Ruth Grendahl, Chair
David Paskach, Vice Chair
Cheryl Dickson
Jacob Englund
Allyson Lueneburg
David Olson
Christine Rice
Scott Thiss

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE
MEETING MINUTES
May 19, 2009**

Human Resources Committee Members Present: Ruth Grendahl, Chair; Cheryl Dickson; Jacob Englund; Allyson Lueneburg; David Olson; David Paskach; Christine Rice; Scott Thiss

Human Resources Committee Members Absent: None

Other Board Members Present: Clarence Hightower; Tom Renier; Louise Sundin; Terri Thomas; James Van Houten

Leadership Council Committee Members Present: Bill Tschida, Vice Chancellor for Human Resources

The Minnesota State Colleges and Universities Human Resources Committee held its committee meeting on Tuesday, May 19, 2009, at Wells Fargo Place, 4th Floor, Board Room, 30 Seventh Street East, in St. Paul. Chair Grendahl called the meeting to order at 12:35 p.m.

1. MINUTES OF MARCH 17, 2009

Chair Grendahl called for the motion to approve the minutes of the Human Resources Committee meeting on March 17, 2009. They were moved, seconded and passed without dissent.

2. MINNESOTA STATE COLLEGE FACULTY (MSCF) BARGAINING AGREEMENT

Vice Chancellor Tschida summarized the proposed salary and economic benefits in the FY 2010-2011 MSCF bargaining contract. With the MSCF membership having ratified the contract on April 17, 2009, it was brought forward to the Board for approval before moving on for legislative approval.

The Human Resources Committee recommended that the Board of Trustees adopt the following motion:

The Board of Trustees approves the terms of the 2009-2011 labor agreement with the Minnesota State College Faculty (MSCF), and authorizes the Chancellor to sign the agreement on behalf of the Board.

The motion passed without dissent.

3. MINNESOTA STATE UNIVERSITY ASSOCIATION OF ADMINISTRATIVE AND SERVICE FACULTY (MSUAASF) BARGAINING AGREEMENT

Vice Chancellor Tschida summarized the salary and economic benefits which had been proposed in the FY 2010-2011 MSUAASF bargaining contract. With the MSUAASF membership having ratified the contract on May 15, 2009, it was brought forward to the Board for approval before moving on for legislative approval.

The Human Resources Committee recommended that the Board of Trustees adopt the following motion:

The Board of Trustees approves the terms of the 2009-2011 labor agreement with the Minnesota State University Association of Administrative and Service Faculty (MSUAASF), and authorizes the Chancellor to sign the agreement on behalf of the Board.

The motion passed without dissent.

4. PERSONNEL PLAN FOR MINNESOTA STATE COLLEGES AND UNIVERSITIES ADMINISTRATORS

Vice Chancellor Tschida explained the more significant proposed changes to the Plan, which included the unpaid salary savings leave of absence, severance pay modification related to position reductions, and suspending merit increases.

The Human Resources Committee recommended that the Board of Trustees adopt the following motion:

The Board of Trustees approves the Personnel Plan for Minnesota State Colleges and Universities Administrators for 2009-2011, and authorizes the Chancellor and his designees to take all measures they deem appropriate to secure legislative approval to implement the Plan.

The motion passed without dissent.

5. APPOINTMENT OF VICE CHANCELLOR FOR HUMAN RESOURCES

Chancellor McCormick stated that upon the announcement of Bill Tschida's retirement as vice chancellor for human resources in the Office of the Chancellor, a nationwide search was conducted with the assistance of an executive search firm. Jim Johnson, president of Minnesota State College – Southeast Technical, chaired the search committee. Chancellor McCormick, members of the Board of Trustees, and Cabinet staff interviewed three finalists. Also, public forums were held where employees from the Office of the Chancellor and chief human resources officers heard from each candidate. As a result of this process, Chancellor McCormick recommended Loretta M. Lamb as the next vice chancellor for human resources.

The Human Resources Committee recommended that the Board of Trustees adopt the following motion:

The Board of Trustees, upon the recommendation of Chancellor McCormick, appoints Loretta M. Lamb as the vice chancellor for human resources effective July 1, 2009, subject to the completion of an employment agreement. The Board authorizes the Chancellor, in consultation with the Chair of the Board and Chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Personnel Plan for Minnesota State Colleges and Universities Administrators.

The motion was seconded and passed without dissent.

Meeting adjourned at 12:45 p.m.

Submitted by,
Vicki Schoenbeck, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE
MEETING MINUTES
May 27, 2009**

Human Resources Committee Members Present: Ruth Grendahl, Chair, Cheryl Dickson, Jacob Englund, David Olson and Christine Rice

Human Resources Committee Members Absent: Allyson Lueneburg, David Paskach and Scott Thiss

Other Members Present: James Van Houten

The Minnesota State Colleges and Universities Board of Trustees Human Resources Committee met at Wells Fargo Place, 30 7th Street E., Room 3310, Saint Paul, on Wednesday, May 27, 2009, at 2:00 p.m. Chair Ruth Grendahl convened the meeting.

(1) Discussion of Chancellor's Assessment Process

Committee Chair Ruth Grendahl noted that the schedule for this year's evaluation of the Chancellor has been condensed. Vice Chancellor Bill Tschida explained that each year the Board evaluates the Chancellor. The Chancellor prepares a self-report that is provided to the Board, along with a survey on his performance. At the June meeting, the Board will meet in a closed session with the Chancellor to discuss his performance. The Board releases a public statement on the Chancellor's performance.

(2) Review Timetable

Executive Director John Asmussen, Office of Internal Auditing, proposed that the Board will receive the Chancellor's self-assessment and survey on June 3. The surveys are compiled by the Office of Internal Auditing. The full Board will meet with the Chancellor in closed session on June 17.

Following a conversation, Committee Chair Grendahl noted that the survey will be by Board members only, rather than the broader group surveyed in prior years.

Trustee James Van Houten suggested adding a question to the survey on succession planning, particularly who would be acting if something happened to the Chancellor. He also suggested that the Board may want to have more measures than the single financial performance measure for presidents, which is to not run a negative balance. Vice Chancellor Tschida noted that succession planning was reviewed by the Human Resources Committee and also is addressed in the Chancellor's goals.

General Counsel Gail Olson explained that the Board's evaluation applies only to the Chancellor and his performance over the past year, citing Minn. Stat. § 13D.05, subd. 3. *"A public body may close a meeting to evaluate the performance of an individual who is subject to its authority."*

Executive Director Asmussen proposed that on May 28, Committee Chair Grendahl will send the Board a memorandum with information about the evaluation process and timeline. Chair Olson proposed that rather than convene the committee again at the close

of the survey, the results would be shared with him, and the Chair and Vice Chair of the Human Resources Committee. They will review the results and determine the report that will be provided to the Chancellor. The committee concurred with the suggestion.

Committee Chair Grendahl explained that there would be a closed session of the Human Resources Committee on June 17 at 8:00 AM to review the results, as well, and that all Board members would be encouraged to attend.

Board members discussed whether the Chancellor should be provided all Board member comments or receive a summary of Board comments. Vice Chair Grendahl explained that all of the Board members will receive all of the comments in the survey and that the Chancellor will be provided a report that she and Trustee Paskach, the Human Resources Committee Vice Chair, and Chair Olson will prepare with the assistance of Executive Director Asmussen.

Committee Chair Grendahl summarized as follows: on May 28, she will send the Board a letter outlining the details and timeline of the Chancellor's assessment after a discussion with Executive Director Asmussen. Tentatively, the Board will receive the Chancellor's self-assessment and survey on June 3 or 4 with survey responses due on or about June 11. The survey results will be provided to Chair Olson, Committee Chair Grendahl and Vice Chair David Paskach on or about June 12.

(3) Next Meeting

The next meeting of the Human Resources Committee will be a closed session to review the results of the Board survey regarding the Chancellor's performance on June 17, at 8:00 AM. All of the Board members will be encouraged to attend the meeting. The Board of Trustees will meet in closed session with the Chancellor to review and discuss his evaluation also on June 17.

Adjournment

The meeting adjourned at 2:50 p.m.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Human Resources Committee **Date of Meeting:** June 17, 2009

Agenda Item: Proposed Board Policy 4.11 Board Early Separation Incentive Program
(First Reading)

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

The 2009 legislative session authorized the Board of Trustees to implement a program of early separation incentives. Human Resources staff in the Office of the Chancellor prepared a draft framework for the Board Early Separation Incentive Program which is being proposed as a new board policy in its first reading.

Scheduled Presenter(s):

Bill Tschida, Vice Chancellor for Human Resources

Outline of Key Points:

- Purpose
- Definitions
- Eligibility
- Amount and Form of Incentive
- Other Separation Incentives
- Re-employment
- Report

Background Information:

Due to the necessity to expedite this program, solicitation for comments from constituent groups is still in progress. The Board is required to conduct a hearing, which has been scheduled at 3:00 p.m. on June 17, 2009. Also, they are required to post eligibility requirements on the Web site and notify selected members of the Legislature, steps which have been taken at this time.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
Proposed Board Policy 4.11 Board Early Separation Incentive Program

1 **BACKGROUND**

2 The 2009 legislative session authorized the Board of Trustees to implement a program of early
3 separation incentives. The Human Resources staff in the Office of the Chancellor prepared a draft
4 framework for the Board Early Separation Incentive Program which then was discussed with the
5 Leadership Council Human Resources Committee, followed by the full Leadership Council. The
6 result of this process is the draft which is attached in the Board packet. Development of this draft
7 policy has been expedited in order to make the program available for use as early as possible.
8 Therefore, solicitation of input from constituent groups is still in progress. Human Resources
9 staff are accepting comments through June 30, 2009.

10 The Board is required to conduct a hearing, which has been scheduled at 3:00 p.m. on June 17,
11 2009. Additionally, the Board is required to post the proposed eligibility requirements on the
12 Web site for the Office of the Chancellor and notify selected members of the Legislature. Those
13 steps have been taken.

14 **RECOMMENDED COMMITTEE ACTION**

15 The Human Resources Committee recommends that the Board of Trustees adopt the following motion:
16 The Board of Trustees adopts Board Policy 4.11 as presented in the Board packet.

17 **RECOMMENDED MOTION**

18 The Board of Trustees adopts Board Policy 4.11 as presented in the Board packet.

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25 *Date of Presentation to the Board:* *June 17, 2009*
26 *Date of Board Action:* *July 22, 2009*
27 *Date of Approval:* *July 22, 2009*
28 *Date of Implementation:* *July 22, 2009*

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY		4.11	
Chapter	4.	Chapter Name	Human Resources
Section	4.11	Policy Name	Board Early Separation Incentive Program

4.11 BOARD EARLY SEPARATION INCENTIVE PROGRAM

Part 1. Purpose. The purpose of this policy is to implement time-limited early separation incentives authorized by Minnesota Statutes section 137F.48 (2009 Laws of Minnesota, Chapter 169, Article 6, Sections 1 and 2). The goal of the incentive program is to encourage early separation of selected employees from employment with Minnesota State Colleges and Universities, in order to:

- reduce salary and benefit obligations in anticipation of reduced state funding;
- reallocate resources to departments and programs in response to changing needs or strategic objectives; or
- achieve other cost savings or efficiencies.

Part 2. Definitions.

Subpart A. Board early separation incentive. Board early separation incentive means the total amount provided under this policy to an eligible employee through a contribution to the health care savings plan administered by the Minnesota State Retirement System or cash payment, or both, in exchange for the employee’s voluntary separation from employment on a specified date.

Subpart B. Continuing position. A continuing position means an employment position of a classified or unclassified employee of Minnesota State Colleges and Universities that:

1. Has no specified end-date and is occupied by an employee with tenure, probationary, non-tenure track, or permanent status; or
2. Is an unclassified position occupied by an at-will employee on other than a temporary, interim or acting basis.
3. Is not held by an at-will employee with an individual employment agreement under Minnesota Statutes § 136F.40.

Subpart C. Continuous service. Continuous service means five years of continuous employment service with Minnesota State Colleges and Universities that meets one of the following:

1. Faculty and other employees with academic seasonal appointments must have completed ten consecutive semesters of employment with Minnesota State Colleges and Universities immediately prior to separation from employment. The ten consecutive semesters

1 includes any paid or unpaid leaves of absence, but does not include summer academic
2 terms.

- 3 2. An administrator or other employee with a full year appointment must have five years of
4 continuous employment, including any paid or unpaid leaves of absence, with Minnesota
5 State Colleges and Universities immediately prior to separation.
- 6 3. Employees who have a combination of faculty, academic seasonal, and full year
7 employment in the five years immediately prior to separation may meet the five year
8 continuous service requirement if their employment history is reviewed and approved by
9 the chancellor or designee as meeting the intent of the law and this policy.

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11 **Part 3. Eligibility.**

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13 **Subpart A. Intent.** A board early separation incentive shall be approved by a president or the
14 chancellor only if the incentive is designed to meet the intent and purposes of this policy.

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16 **Subpart B. Authority.**

- 17 1. The president or chancellor has sole discretion over whether to provide a board early
18 separation incentive.
- 19 2. Presidents may identify specific individual positions for elimination or replacement, or
20 programs or departments for reduction or elimination. The chancellor may identify
21 specific individual positions for elimination or replacement, or programs or departments
22 within the office of the chancellor for reduction or elimination.
- 23 3. When identifying a potential recipient of a board separation incentive payment, the
24 president or chancellor shall consider any other separation payments or incentives
25 available to the employee.

26
27 **Subpart C. Employee eligibility.** An employee may be provided a board early separation
28 incentive only if all of the following conditions are met:

- 29 1. The employee occupies a continuing position within Minnesota State Colleges and
30 Universities;
- 31 2. The employee's position is identified for elimination or replacement by the president or
32 chancellor;
- 33 3. The employee is at least 55 years of age at the time of separation from employment;
- 34 4. The employee has completed at least five years of continuous service as provided in this
35 policy;
- 36 5. The employee is in employment status at the time of separation from employment;
- 37 6. The employee is eligible for employer contributions for health and dental insurance
38 premiums, whether or not the employee chooses to receive them;
- 39 7. The employee is making employee contributions to a mandatory system retirement plan
40 immediately prior to the employee's separation date; and
- 41 8. The employee was not previously offered a board early separation incentive under this policy.

42
43 **Part 4. Amount and Form of Incentive.** The president or chancellor shall determine the
44 amount of the board early separation incentive and the separation date, subject to the limitations
45 and requirements of this policy.

1 **Subpart A. Maximum amount.** The total cost of a board early separation incentive paid under
2 this policy shall not exceed the employee’s annual base salary rate in effect at the time of
3 separation.
4

5 **Subpart B. Allocation of incentive.** The board early separation incentive shall be allocated
6 between health care savings plan contributions and cash payments as follows:

- 7 1. To the health care savings account, to the extent that:
 - 8 a. The president or chancellor has made available board early separation incentive
9 funding for the individual in accordance with this policy; and
 - 10 b. Projected health care insurance premiums from the date of separation to age 65
11 (age 70 for employees represented by AFSCME) would not otherwise be covered
12 by the individual’s applicable collective bargaining agreement or compensation
13 plan.
- 14 2. If the board separation incentive exceeds the amount necessary to meet the contribution
15 in paragraph 1 of this part, payment shall be made in cash to the individual, due upon the
16 individual’s separation from employment. A cash payment shall not exceed the lesser of:
 - 17 a. The amount of the board early separation incentive available to the individual
18 after contributions made under 1, above; or
 - 19 b. The established statutory limit on cash payments.
- 20 3. If any portion of the identified board early separation incentive remains following
21 allocation under paragraphs 1 and 2 above, the remainder shall be contributed to the
22 individual’s health care savings plan.
23

24 **Part 5. Other Separation Incentives.** The receipt of a board early separation incentive under
25 this policy shall not affect an employee’s eligibility, if any, for severance pay, early separation
26 incentives, early notice of retirement incentives or other separation incentives available to the
27 employee.
28

29 **Part 6. Re-employment.** An employee who accepts and receives a board separation incentive
30 pursuant to this policy shall not be re-employed or enter into a contract for services within
31 Minnesota State Colleges and Universities, including its colleges, universities or the office of the
32 chancellor, for at least one year following separation from employment, unless authorized by the
33 chancellor or designee because of exigent circumstances facing the college, university, or office
34 of the chancellor. Thereafter, employment of a recipient of a board early separation incentive is
35 subject to Board Policy 4.6.
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37 **Part 7. Report.** The chancellor shall establish annual reporting requirements concerning board
38 early separation incentives paid, and annually shall submit a report to the board and legislature.
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40 *Date of Adoption:* 7/22/09 [proposed]
41 *Date of Implementation:* 8/1/09
42 *Date of Policy Expiration:* 6/30/14
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