



University Operations

Employee Relations Committee
Tuesday, March 1, 2016 1:30-3:00

MEETING MINUTES

Andy Holt Tower, 8th floor conference room

Present

Tom Anderson, Brian Browning, Ashlie Czyz, Rachel Clemons, Robert Dykes, Rick Gometz, Mike Herbstritt, Dave Irvin, Kayla Kirkland, Debbie Lane, Charlene Laughlin, Mary Lucal, Jeff Maples, Rick McCarter, Ed McDaniel, Dan McGuffey, Randy Miller, Lori Owenby, Sammy Parcell, Ed Roach, Dennis Saben, Karen Valero, and Mike Werley.

Absent

Kyle Botica, T.J. Cansler, Carmella Ford, Holly Harmon, Debora Higgs-Thomas, Beverly Johnson, and Frank Wren.

Welcome

Dr. Mike Herbstritt, Executive Director of Compensation, Employee Relations, and Recruitment, welcomed everyone to the meeting. He introduced Rachel Clemons, Employee Relations Counselor, and Dan McGuffey, HR Generalist, to the group as new hires in Employee Relations. Dr. Herbstritt then introduced Dan Trentham as guest speaker.

New Business

1. Picnic on the Plaza – Dan Trentham, Manager of the UT HR Call Center

Mr. Trentham shared that he is the co-lead on Picnic on the Plaza for Human Resources. This is the second annual appreciation event for faculty and staff in this format. The food will be set up in the Plaza at the McClung Tower area. The menu will consist of black eyed pea and kale salad, pulled pork, grilled chicken, and a vegetarian option. There will also be picnic sides served. Posters were shared with the group with a request to post them in their areas. The event will take place on April 22nd from 11am to 2pm in the Humanities Plaza.

2. Proposed Fair Labor Standards Act (FLSA) Changes – Ashlie Czyz, Director of HR Services and Executive Recruiter, and Dr. Mike Herbstritt, Executive Director for Employee Relations & Recruitment

What is happening?

In 2014, the Department of Labor (DOL) announced a proposal to extend overtime protections to approximately 5 million additional employees nationwide. The proposal adjusts the minimum salary requirement for exemption by an estimated 200%.

There are three tests employees must meet to be classified as exempt: Salary Basis Test; Salary Level Test; Duties Test. Employees must satisfy all three tests to be exempt.

Currently, employees paid more than \$23,660 may qualify for exemption. This amount has not been adjusted since 2004. The proposed regulations would raise the minimum salary threshold to \$50,440 per year. The DOL is expected to finalize a decision later this year.

How does this affect UT?

Recent data shows that more than 1,500 employees statewide may be affected by this change. Approximately half of that number are Knoxville-area employees. Employees earning a salary below the proposed threshold may be directly affected and may lose their exemption and become hourly paid (non-exempt) employees.

How are we preparing?

Following the DOL's announcement, the Compensation Advisory Board (CAB) met and began discussing the proposed adjustments to the FLSA regulations. As a result of this meeting, three committees were formed to review the implications. The three committees are: an Issues Committee, Training Committee, and a Communications Committee.

The Issues Committee is charged with identifying concerns and making recommendations. The Training Committee is charged with developing and delivering multiple methods of training designed to meet the needs of different audiences statewide. The Communications Committee is charged with developing and implementing a comprehensive communications plan that will clearly and accurately explain the changes and resulting adjustments.

Next Steps

The three committees recently met in Franklin to share information, brainstorm ideas, and develop strategies for implementation. In early March, the work of these committees will be shared with the Chief Business Officers (CBOs). In mid-March, the information will be shared with the President and Chancellors.

Next Steps for Hiring Managers

Hiring managers should work closely with HR when preparing to fill and create positions. PDQs submitted to Compensation will be reviewed carefully to ensure correct classification of positions. HR Recruiters will begin communicating the proposed changes with hiring managers and candidates during the recruitment process.

Key Issues

- Annual Leave
- Pay Grades, Salary Schedules, and Titling
- Setting the Criteria for Granting Salary Increases to Maintain Exemption
- Scheduling and Recording Time

Morale Issues

- Impact on Retirement and Long Term Disability (LTD) Benefits
- If the affected employee is in the ORP plan, he/she must remain in ORP
- Although they still have the opportunity to convert to the defined benefit plan after five years of service
- The current Long Term Disability provider (Prudential) allows employees to remain in the exempt plan if their position changes

*NOTE: The State is in the process of bidding for a new LTD provider so this information is subject to change based on the results of the RFP

Deborah Higgs-Thomas asked if it was just Tennessee or the nation that has to implement this. Dr. Herbstritt answered that it is a national change. Six to fifteen million employees may be affected by this FLSA change. Dr. Lucal added that as this affects employers across the country the concerns about losing staff are not very likely.

Ed Roach asked if teachers are affected. Dr. Herbstritt shared that teachers, doctors, and lawyers are exempted from the threshold requirement. This is a narrow group that will not be affected.

Karen Valero asked who is funding either raising employee salaries or paying overtime. Dr. Lucal shared that no funding is associated with this change. UT will have to cover changes in costs. Dr. Lucal added that HR staff will be affected by this as well.

Dr. Herbstritt shared that UT has one advantage as a state institution. Compensatory time can be granted at a rate of 1.5 for hours worked above 40 in a workweek in lieu of overtime pay. Private employers do not have this option.

3. Finance and Administration Update

Jeff Maples, Senior Associate Vice Chancellor for Finance & Administration, shared that the Governor's state of the state address had little significant information related to UT. Hearings are underway regarding the proposed Tuition Stability Act. UT opposes this act as it would restrict UT's ability to generate necessary revenue through tuition increases. A meeting is scheduled for tomorrow where Diversity funding will be discussed.

On campus Human Resources has moved from the Conference Center Building to Student Services.

Dave Irvin, Associate Vice Chancellor for Facilities Services shared that the state will be releasing the RFQ for proposed outsourcing April 1st. The state is requiring UT and other state entities to remain in the process until the Request for Proposal. Mr. Irvin shared that the RFQ should be back in May. At that point three vendors would be selected to be involved in the writing of the bid. The RFP is expected around Labor Day. This would be a ten year contract for one vendor. Ed Roach shared that many long-term employees are leaving due to the uncertainty of whether they will remain UT employees. This uncertainty is harming UT and Facilities Services. Rick Gometz appreciated the information being shared with employees. Tom Anderson asked if the group would like him to raise this issue to the President at the Employee Relations Advisory Board meeting. Dr. Herbstritt shared that this issue was already on the agenda.

4. HR Update – Dr. Mary Lucal, Associate Vice Chancellor for Human Resources

Dr. Lucal reiterated that Human Resources has moved to campus. Facilities Services contributed so much to making this process as smooth as possible. The move took place with no break in services. There will be an open house held April 17th. Deborah Higgs-Thomas asked where HR is located now. Dr. Lucal shared that HR is at 105 Student Services Building.

Dr. Lucal shared that performance reviews are in process and being submitted to HR at this point. The deadline is March 31st for completion of these reviews. These are required for merit raises to be given. A tuition freeze may impact whether raises will be possible.

Sick Leave Bank open enrollment is underway. Deborah Higgs-Thomas asked what the restrictions are for new members requesting from the bank. Jonathan Ramsey, Employee Relations Specialist, shared that for pre-existing conditions employees must wait 6 months before they can request time.

4. Administrative Closing – Lori Ownby

Q: As you know on Monday, Feb. 15 the university was closed until 10:00 a.m. due to bad weather. We have several employees that report at 6:00, 7:00 and 7:30 a.m., but we have been told that we can only pay them for 2 hours of administrative closing. She said the official university working hours begin at 8:00 am and that these employees will have to take annual leave, leave without pay or make up the time within the week it occurred.

A: From Jeff Maples, Senior Associate Vice Chancellor for Finance & Administration, "Facilities Services and UTPD, because of these respective departments duties and responsibilities during an inclement weather event, have well defined, approved attendance policy for essential personnel. Therefore under the circumstances for these two departments the administrative closing timeline may be impacted. However, for all other departments without an inclement weather, approved attendance policy, the defined hours of administrative close, during this last event, was two hours. We realize some staff have a flex schedule, sometimes by design, but other times for the benefit of the staff member. If the campus began adjusting the administrative close hours based on these flexible schedules, this would create even more inequities.

5. UT Veterinary Medical Center Discount – Karen Valero

Q: Does the UT Vet Medical Center offer discount rates for full time employees for emergency situations for their pets?

A: From Claudia Featherstone, Director of Vet Hospital Operations, "Appointments for Small Animal Hospital (dogs and cats) are by referral only. Appointments for Avian, Exotic and Zoological Hospital or Equine or Farm Animal Hospital do not require a referral. However, patients presented to our After Hours Emergency Service (From 5PM – 8 AM Monday – Friday and all day weekends and holidays) will be treated and admitted to our hospital if necessary without a referral. We will contact your primary veterinarian the next business day to coordinate follow-up care. All walk-in emergencies will be accepted.

"Our payment policy is here:

<https://vetmed.tennessee.edu/vmc/Pages/VMCPaymentPolicy.aspx>. As noted, when patients require hospitalization, half of the estimate is due prior to services being provided with final payment due when the patient is discharged. We can offer payroll deduction to UT employees for the remaining balance at discharge. For additional information regarding payroll deduction please contact the Business Office at cymbusiness@utk.edu or 974-8756.

"Regarding our ability to offer discounts unfortunately we cannot but for good reason. We must maintain a good working relationship with regional referral veterinarians on whom we rely for the referrals that are vital to our teaching caseload. Offering discounts to UT employees could potentially be seen as putting us in an unfair competitive advantage over general practitioners. We must remain very sensitive to this and not create a situation that could be perceived as being competitive."

6. Middle Way Drive Traffic Issue – Lori Ownby

Q: Issues have been reported from students, staff and even some police officers that cars are stopping at Middle Way Drive and then proceeding the wrong way to Cumberland Avenue. We think there needs to be Stop Bars and Do Not Enter signs installed. Also, a crosswalk installed in this area would ease the traffic issues. We were told that these requests could not proceed until a committee was formed. This has been several months and we haven't heard anything. We just need to know how to proceed to get this intersection working better for vehicles and pedestrians.

A: From Brian Browning, Director of Administrative and Support Services, "This has been reviewed and approved to include additional signage, pavement markings, and crosswalks."

7. Impound Lot – Debbie Lane and Charlene Laughlin

Q: The Parking and Transit Service impound lot is located in a gravel parking area about a hundred yards from the entrance to the Kingston Pike Building. On a regular basis (and very often over the last couple of months) students come to our building and tell our front receptionist they want their car. In most cases these are less than happy people, and when we tell them we have nothing to do with impounds many verbally take out their frustrations on our front desk staff. Most tell us that the instruction given them by Parking and Transit Service was to go to the Kingston Pike Building. Most seem very

unclear as to what to do once they get here. They have a receipt of payment but don't really know what they need to do with it.

Can the instructions given by Parking and Transit Services to students be more clear, such as, 'go to the impound cage area adjacent to Tyson Park and immediately in front of the Kingston Pike Building and wait for the officer'? The impound cage is unmarked with UT Police 'No Trespassing' signs, but nothing to label it officially as the impound lot. Would it be helpful to install a sign that indicates that?

A: From Mark Hairr, Director of Parking & Transit Services, "We are currently working with Joel Reeves, IT Assistant Vice Chancellor & CIO, on this issue since he contacted me about it recently. Our efforts would likely include a message for online impound transactions which requires the IT department to add this to the online system. I would be glad to provide an update when these issues are fully resolved. In the meantime, if you have questions or need further information, please let me know."

Old Business

None

Announcements & Other Comments

- ❖ Chancellor Jimmy Cheek and Vice President of Human Resources, UT System Administration and Vice Chancellor of Human Resources, UT Knoxville Linda Harig will be attending the April meeting of the University Operations ERC.

Distributions

- ❖ Meeting Agenda

Next Meeting

Tuesday, April 5th, 2016, from 1:30 to 3:00pm
8th floor conference room, Andy Holt Tower

Submit agenda items to Jonathan Ramsey at jramse17@utk.edu or 974-8299.