

*BOARD OF REGENTS
HUMAN RESOURCES COMMITTEE*

June 15, 2004

Persons in attendance (not all-inclusive):

Committee members: Sue Nieland (Chair), Robert Downer, John Forsyth (ex officio), David Neil, Jenny Rokes.

Others: Mary Ellen Becker, Owen Newlin, Greg Nichols, Robert Barak, Pam Elliott, Tom Evans, Deb Hendrickson, Joan Racki, Elaine Newell, Barb Boose, Dotti Hale, Barb Briggie, David Skorton, Michael Hogan, Patricia Cain, Doug True, Lola Lopes, Jordan Cohen, Gregory Geoffroy, Ben Allen, Warren Madden, Charles Dobbs, Robert Koob, Aaron Podolefsky, Tom Schellhardt, Jeanne Prickett, Jim Heuer, Dennis Thurman, Luann Woodward.

Regent Nieland called the meeting to order at 4:15 p.m.

Committee Responsibilities

There were no changes recommended.

Committee Work Plan

MOTION: Regent Nieland moved to accept the draft work plan, as presented. Regent Downer seconded the motion. MOTION CARRIED UNANIMOUSLY.

DAS/HRE Service Level Agreement

Director Evans provided Committee members with an overview of the DAS/HRE (Department of Administrative Services/Human Resources Enterprise) Service Level Agreement. The purpose of the Service Level Agreement is to provide human resources "utilities" services by HRE to Regent institutions. Services include collective bargaining contract negotiations, and collective bargaining administration and arbitration administration with AFSCME. The package of services offered to executive branch agencies includes services not used by Regent institutions. The proposed rates for Regent institutions for "program delivery services" are identical to executive branch rates notwithstanding the difference in services to be provided.

Director Evans said there have been a number of discussions about the rates proposed for FY 2005. He noted that, according to the Iowa Code, the Board of Regents is not obligated to receive any services from DAS unless it gives its consent.

Executive Director Nichols stated that negotiations continue with regard to a contract rate agreement. He anticipates the negotiations will be successfully concluded. The Board Office requested authorization to finish negotiations over the next couple of weeks and to execute an agreement.

President Forsyth suggested that greater participation by the Regents in collective bargaining negotiations be included in the agreement. He also suggested that the Regents pay for the services received and that there be benchmarking of reasonable costs for the services. Charges should be no higher than the prevailing labor market rate for the services.

Executive Director Nichols reported that the turning point in the negotiations came when he informed the Director of the Department of Administrative Services that the Board of Regents would be interested in comparing costs of all providers of human resources services (in-house, outside, state government).

President Geoffroy said he hoped that every effort is made to seek input from the institutions on the charges being negotiated since the institutions will have to fund the costs.

President Forsyth asked if President Geoffroy's input would be to direct that the services be as cost effective as possible, not to purchase any services that are not needed, and not to spend any more than is necessary to get those accomplished. President Geoffroy said he would also include benchmarking against what it would cost for those services "outside".

President Forsyth asked if President Geoffroy was comfortable with the Board Office proceeding with negotiations with the understanding of the input just discussed. President Geoffroy responded affirmatively.

Executive Director Nichols noted that the current negotiation is on a one-year basis for a subsistence level of services. He stated that institutional input will be particularly important with regard to services and cost structure for FY 2006.

MOTION:

Regent Neil moved to recommend the Board authorize the Executive Director to negotiate a cost effective Service Level Agreement between the Department of Administrative Services Human Resources Enterprise and the Board of Regents (Board) for FY 2005, at a rate consistent with the level of service used by the Regents. Regent

Downer seconded the motion. MOTION
CARRIED UNANIMOUSLY.

College of Pharmacy Incentive Pay Plan

Assistant Director Newell presented information on the University of Iowa's proposal to reward faculty for success in getting research grants/contracts that provide salary support. University officials requested authorization to expand the scope of participation in an existing pilot program that provides lump-sum reward payments to faculty who obtain these types of grants and contracts. The existing pilot program operates in the basic science departments of the Carver College of Medicine. Expanding the program to the College of Pharmacy would provide the University with the opportunity to assess how viable such a program would be in a more traditional academic setting. Dean Cohen from the College of Pharmacy was invited to answer any questions.

President Forsyth asked a series of questions. University officials provided answers which are summarized below:

While the College of Medicine salary offset begins at 50% via extramural funding, the College of Pharmacy begins at 20%. There is a different expectation scale for the responsibilities in the College of Medicine and most other programs. Therefore, University officials believe that 20% is a reasonable minimum for the College of Pharmacy.

It is anticipated that the maximum incentive pay amount would be awarded to one to two faculty per year. The number of faculty who would receive the \$5,000 for meritorious activities related to teaching and service would evolve slowly. One or two faculty may make contributions that dramatically exceed normal expectations. Discussion continues with respect to how they will identify exemplary teaching that would merit reward.

President Forsyth cautioned that the University not utilize the proposed incentive pay plan in lieu of base salary.

The incentive pay plan would not replace an existing program which allows faculty to return some of their grant funds to a research fund, enabling them to do things like purchase research equipment.

President Forsyth advised University officials to explicitly state that the supplemental pay does not count toward retirement.

President Forsyth suggested that, prior to the Board's approval of the proposed incentive pay program, University officials provide information on the evaluation criteria for success. Dean Cohen responded that the first objective of the plan is a stimulus for additional research, grant and contract support. One measure would be to determine

whether or not there was growth in the College's grant and contract funding. Another measure is to maintain competitive salaries and to evaluate the effect on retention. A third measure is that the program not have a negative effect on the quality of teaching. A fourth measure would be the effect on morale.

Dean Cohen stated, for the Committee's information, that the Deans of Pharmacy of the larger research-intensive institutions meet regularly. The Deans both benchmark and compare data and ideas. The incentive payment plan concept has been working well in many of the University of Iowa's counterpart institutions. In fact, not having a program has put the University of Iowa at a disadvantage in appropriately rewarding the very best faculty.

President Forsyth suggested that University officials spell out not only the four categories of evaluation criteria but also define success in bringing in additional research.

Regent Downer referred to information in the meeting materials regarding FICA payments. He said FICA would be applicable only in the event that the faculty member has not reached the maximum for Social Security.

President Skorton addressed the provision of benchmarks before the pilot period. He said the main point of both the College of Medicine and College of Pharmacy pilot programs is to increase research funding without harming the other missions. The major variable that affects all major research universities' funding level is that of federal appropriations. The assessment will have to be in relationship to the University's market share. University officials have discussed benchmarking in one of three ways. One method would be ranking. A second method would be calculation of market share, which would be figured by the amount of money provided by the National Institutes of Health. A third method would be a raw calculation of the overall amount of funding.

There was discussion about the amount of evaluation criteria information the Board would receive prior to being asked to take action on the University's request. Committee members agreed to recommend Board approval of the proposed incentive payment plan with the understanding that University officials would return to the Committee with the evaluation criteria once the criteria are developed.

There was discussion about the groups of peer institutions to be used for benchmarking purposes. There was agreement that the following was appropriate: The peer group for the University of Iowa for this purpose would be the Big Ten universities plus UCLA, University of Texas-Austin, Arizona and UNC-Chapel Hill.

Executive Director Nichols referred to the comparison institutions, and asked how many of the institutions have Colleges of Pharmacy with similar types of incentive programs. Dean Cohen responded that approximately one-half of the peer group institutions have comparable incentive pay plans.

MOTION: Regent Downer moved to recommend that the Board approve the College of Pharmacy Incentive Pay Plan, but instructed the University of Iowa to develop and report back on the evaluation criteria that would be used to determine 1) who would be awarded the funds in the teaching and service components of the plan, and 2) the overall impact of the plan on the institution. Regent Neil seconded the motion. MOTION CARRIED UNANIMOUSLY.

Faculty and Staff Salary Survey Comparisons

Committee members discussed information regarding faculty and staff salary comparisons and the need for a multi-year plan to attain competitive salaries. Committee members agreed that the Board Office and universities would establish a common format for collecting faculty and staff compensation data. Committee members further agreed that faculty and staff compensation data would be submitted by the universities in the agreed format to the Board Office in July.

Regent Downer noted that the Board's Public Policy Task Force is reviewing the development of salary data as a means of better articulating the institutions' needs to the state and, particularly, to the legislative and executive branches.

In response to President Forsyth's suggestion that the institutions agree upon a format, get the "blanks" filled in, and provide the information to the Committee members before the next Committee meeting, Executive Director Nichols stated that the Public Policy Task Force is charged with completing its work by the time of this Committee's September meeting.

Committee members agreed to have a one-topic meeting prior to the Committee's regularly-scheduled September meeting. The meeting could take place by phone or at the August Board of Regents meeting.

Executive Session – Collective Bargaining

Regent Nieland stated the Committee had need to meet in closed session pursuant to Iowa Code §20.17(3) to conduct a strategy meeting of a public employer for collective bargaining.

MOTION: Regent Downer moved to enter into closed session. Regent Rokes seconded the motion, and upon the roll being called, the following voted: AYE: Downer, Forsyth, Neil, Nieland, Rokes.

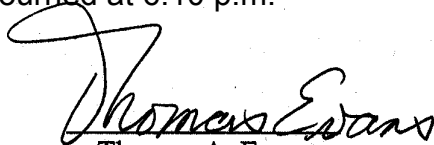
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

The Committee having voted at least two-thirds majority resolved to meet in closed session beginning at 5:15 p.m. on June 15, 2004, and adjourned therefrom at 6:10 p.m. on that same date.

Adjournment

Meeting adjourned at 6:10 p.m.


Thomas A. Evans


Gregory S. Nichols

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