

MEMORANDUM

To Board of Regents
From: Board Office
Subject: Annual Governance Report on the Operation of the Regent Merit System for Fiscal Year 2003
Date: October 6, 2003

Recommended Action:

Receive the governance report on the operation of the Regent Merit System for FY 2003. (Regent Exhibit Book)

Executive Summary:

- Statutory Purpose
- The Board receives the annual report on the Regent Merit System (RMS) pursuant to its governance responsibilities established in Iowa Code §19A.3.
 - The RMS provides employment rules and practices for nonprofessional employees categorized as supervisory, blue collar, security, technical and clerical.
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- Demographics
- There were approximately 8,100 employees in approximately 300 titles in the RMS.
 - Two-thirds of the RMS employees were female; 6.4% were minority.
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- Salaries
- The average salary was \$31,213, an increase of approximately 6% from FY 2002.
 - The AFSCME agreement for a 41 cent per hour increase in pay (average 3%). In addition the contract provided for movement to a new pay matrix and step increases valued at 4.5%. The overall average increase for RMS employees was about 6%.
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Classification,
Promotion, Turnover

- There were 321 reclassification requests; 284 new positions established; and three classification appeals heard by an independent panel.
 - Promotion by gender and minority status mirrored approximately their proportion in the RMS population.
 - The turnover rate in the RMS was approximately 11%.
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Link to Strategic Plan

- Key Result Area 3.0.0.0. addresses diversity and ensures equal opportunities in employment.
 - Strategy 3.1.2.0 requires the development and review of governance processes and reports for impact on equal opportunity.
 - Action Step 3.1.2.3 requires that information on diversity be provided with all relevant governance reports.
 - Action Step 3.1.2.4 requires the analysis of completed governance reports for their diversity implications.
 - This report identifies the percent of minority employees in the RMS and the percent of female employees. Part of the information used in developing this governance report is further refined in the diversity report on employment provided to the Board in the December-January time frame.
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BACKGROUND:

Authority and
Purpose

- The Regent Merit System (RMS) is authorized pursuant to Iowa Code §19A.3.
 - The RMS provides employment rules and practices for nonprofessional employees categorized as supervisory, blue collar, technical, security and clerical.
 - The Iowa Administrative Code 681-3 codifies the rules and practices of the RMS.
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Number of
Employees

- There are 8,089 employees (headcount) in the RMS.
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Classifications and
Pay Grades

- There are 299 job classifications in the RMS.
- A job classification is assigned to a pay grade within the pay matrix based upon the point count of the skill, effort, responsibility and working conditions pursuant to the state law on comparable worth.

Comparable Worth

- Classifications in the four AFSCME bargaining units (blue collar, security, technical and clerical) are paid on a single minimum-maximum pay matrix with 13 pay grades.
 - Supervisory classifications are paid on a matrix similar to the AFSCME matrix except it has 18 pay grades.
 - Employees received mandatory annual within grade increases valued at 4.5%. Increases are given not to exceed the maximum of the pay grade.
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Bargaining Unit
Representation

- The American Federation of State, County and Municipal Employees (AFSCME) represents unionized employees in the RMS.
 - AFSCME negotiates with the State for salaries and benefits for RMS staff pursuant to Iowa Code Chapter 20.
 - The Board establishes salaries and benefits for nonrepresented (supervisory exempt and confidential) RMS staff consistent with the State salary policy.
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Classification
Reviews and Appeals

- The rules of the RMS contain a classification review and appeal process. The process gives employees an opportunity to request review of the classifications of their positions.
 - Classification reviews are conducted at the departmental and institutional levels with a recommendation made at each level. The review process concludes with the decision of the Merit System Director in the Board Office.
 - Employees dissatisfied with the decision of the Merit System Director may appeal to a three-member committee. The committee is chaired by an individual not employed by the Regent institutions and who is well versed in position classification.
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ANALYSIS:

Demographics

- There were 8,089 employees in the RMS, an increase of 2 from the previous year.
 - In the last decade, a record number of 8,658 RMS employees was reported in 1991.
 - Two-thirds of RMS employees were female.
 - Minority employment decreased from 6.6% in FY 2002 to 6.4% in FY 2003.
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Salaries

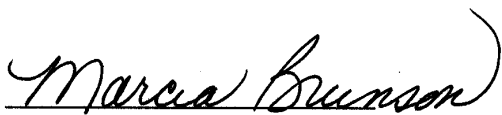
- The AFSCME agreement provided for a 41 cent per hour increase (on average a 3% increase) and for step increases valued at 4.5%. Those employees at the top step received their step increases on February 1, 2003, with other staff receiving their increases on eligibility dates throughout the year. Additionally, a new pay matrix for merit staff was effective July 1, 2003. It was necessary to bring a number of merit employees to the minimum of the new pay matrix. Supervisory and confidential merit employees were given increases equivalent to the organized staff. The average increase (including steps, across the board increases and movement to the new matrix) for staff in the Regent Merit System for FY 2003 was approximately 6%.
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- The Board provided a similar increase for the RMS staff exempt from collective bargaining because of supervisory duties or the confidential nature of their positions.
 - AFSCME represents 88% of the RMS employees.
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Promotions

- Of the 151 promotions, 12 were granted to minorities. Hence, minorities who constitute 6.4% of the RMS population received 13% of the promotions.
 - Of the 151 promotions, 42 were granted to males and 109 to females. Hence, females, who constitute approximately 66% of the RMS population received 72% of the promotions.
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Classification
Reviews and Appeals

- There were 321 employees (up from 250 in FY 2002) who requested review of their RMS classifications. The reviews resulted in no change for 20 employees; a change in classification but no pay grade change for 26; a change in classification and movement to a higher pay grade for 255; and a change in classification and movement to a lower pay grade for 20.
- The institutions reported classification assignments for 284 new positions.
- Four employees appealed the results of their classifications reviews to an outside panel. The appeals resulted in the decision of the Merit System Director being sustained two times and reversed once. One appeal was withdrawn.



Marcia R. Brunson

Approved: 

Gregory S. Nichols