

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Annual Governance Report on Operation of the Regent Merit System for Fiscal Year 2001

Date: October 8, 2001

Recommended Action: Receive the governance report on the operation of the Regent Merit System for fiscal year (FY) 2001.

Executive Summary:Statutory Purpose

- The Board receives this 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 staff.

Demographics

- There are approximately 8,300 employees in approximately 300 titles in the RMS.
- Two-thirds of the RMS employees are female; 6.2% are minority.

Salaries

- The average salary was \$28,517.
- Base salaries increased 2.4% and step increases averaged 1%.
- More than 45% of the RMS staff are on step 10 of the salary scales.

Classification, Promotion, and Turnover

- There were 315 reclassification requests; 258 new positions classified; and 20 classification appeals heard by an independent panel.
 - Promotions by gender and minority status mirror approximately their proportions in the RMS population.
 - The turnover rate in the RMS is 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 which is a 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 timeframe.

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, security, technical, and clerical staff.
- The Iowa Administrative Code 681-3 codifies the rules and practices of the RMS.

Number of Employees

- There were 8,321 employees (headcount) in the RMS.

Classifications and Pay Grades

- There are 299 job classifications in the RMS.
- All RMS job classifications are assigned to one of five pay matrices based on the category of employment (supervisory, blue collar, security, technical, and clerical).
- A job classification is further assigned to a pay grade within the pay matrix based upon the point-count of the classification when analyzed pursuant to the comparable worth job evaluation instrument.
- There are ten pay grades in all but the supervisory matrix which has 18 pay grades.
- Employees receive mandatory step increases within the pay grade for years of service/experience to a maximum of step 10.

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 non-represented (essentially supervisory exempt and confidential) RMS staff consistent with State salary policy.

Classification Reviews and Appeals

- The rules of the RMS provide for employees to request review of the assignment of their classification to a pay grade when they believe the assignment is inaccurate.
 - Employees dissatisfied with the decision of the internal administrative structure may appeal to an outside panel.
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Analysis:

Demographics

- There were 8,321 employees (headcount) in the RMS, seven fewer than in FY 2000.
- In the last decade, a record number of 8,658 RMS employees was reported in 1991.
- Two-thirds of RMS employees are female.
- Minority employment increased from 5.9% FY 2000 to 6.2%.

Salaries

- The State's collective bargaining agreement with AFSCME provided salary increases of 2.6% on the base salary plus a step increase averaging 1%.
- The average RMS employee salary increased 3.6% to \$28,517.
- The Board provided a similar increase for those RMS staff exempt from collective bargaining because of supervisory duties or the confidential nature of their work.
- The American Federation of State, County, and Municipal Employees (AFSCME) represents 88% of the RMS employees.
- The RMS staff is approximately 40% of the statewide AFSCME unit.
- About half (47%) of the RMS staff are at the top of their pay scales and do not receive a step increase.

Promotions

- Of the 291 promotions, 8 were granted to minority males and 14 to minority females. Hence, minorities, who constitute 6.2% of the RMS employees, received 7.6% of the promotions.
- Of the 291 promotions, 85 were granted to males and 206 to females. Hence, females, who constitute approximately 67% of the RMS employees, received 70.1% of the promotions.

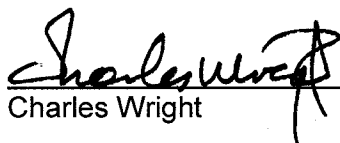
Classification Reviews and Appeals

- There were 315 employees who requested review of their RMS classification. The reviews resulted in no change for 65 employees; a change in classification but no pay grade change for 20; a change in classification and movement to a higher pay grade for 194; and a change in classification and movement to a lower pay grade for 36.
- The institutions requested classification assignments for 258 new positions.
- Twenty employees appealed the results of their classification review to an outside panel. The appeals resulted in the institutional review decision being sustained 8 times, reversed 9 times, and three were withdrawn.
- Of the nine reversed, the panel sustained neither the institution nor the employee in 3 instances and assigned the position to a different classification or remanded the issue to the institution for further findings and analysis.

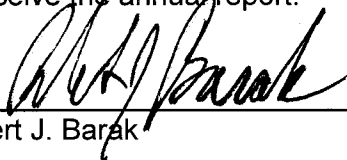
Performance Indicator Charts:

This report relates to the Regent Merit System component for Performance Indicator #41.

The Annual Report – Regent Merit System/Fiscal Year 2001 is in the Board's Exhibit book with Minutes Secretary Briggie. It is recommended that the Board receive the annual report.


Charles Wright

Approved: _____


Robert J. Barak