



Faculty & Staff Affairs

December 2016

December 8, 2016

8:45 a.m. - 10:45 a.m.

East Committee Room, McNamara Alumni Center

FSA - DEC 2016

1. Board of Regents Policy: Reservation and Delegation of Authority (Appointment Authority) - Review

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Revised Policy - Page 5

2. Annual Report on Compensation

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3. Wellbeing: A Holistic Approach to Supporting an Engaged and Productive Workforce

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4. Consent Report - Review/Action

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Personnel Appointment - Page 67

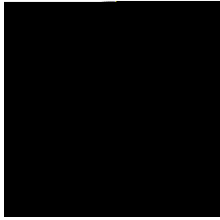
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Board of Regents Policy: *Reservation and Delegation of Authority*
(Appointment Authority)

Kathryn F. Brown, Vice President, Office of Human Resources

The purpose of this item is to review and discuss proposed amendments to Board of Regents Policy: *Reservation and Delegation of Authority*.

The proposed amendments extend the Board's reserved appointment and approval authority to initial appointments of, or substantive contractual amendments for, positions where the compensation as defined exceeds the base salary of the president.

The discussion in the Faculty & Staff Affairs Committee, which is the committee that ultimately recommends the appointment of senior leaders to the full Board in accordance with Board of Regents Policy: *Board Operations and Agenda Guidelines*, will further explore the proposed language. Important questions for the committee to consider include:

- Does the language achieve the desired objectives?
- Is this consistent with the governance role of the Board?
- Are there unintended consequences to this change in practice?
- What are the implications for practical implementation of approval authority?

The Governance & Policy Committee discussed the resolution at its May 2016 meeting, and then considered a proposed amendment to Board of Regents Policy: *Reservation and Delegation of Authority* at its June 2016 meeting. The committee forwarded a recommendation that the proposed amendments be adopted by the full Board. At the June meeting, the Board voted to refer the amendment to the Faculty & Staff Affairs Committee for further consideration.



BOARD OF REGENTS POLICY

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Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

Adopted:
Amended

Technical Change:

Supersedes:

The Board of Regents reserves to itself all authority necessary to carry out its legal and fiduciary responsibilities under the University Charter, the Constitution of the State of Minnesota, and the Board of Regents (Board) Bylaws. This reservation specifically includes all authority to enact laws and policies for the governance of the University of Minnesota (University) and to issue Board directives to executive officers and employees. The Board's reserved authority shall be exercised consistent with the University Charter, the Constitution of the State of Minnesota, Board Bylaws, and relevant Board policies.

The Board reserves to itself authority to ensure constitutional and institutional autonomy, to approve the University's mission and vision, to set the overall direction of the institution, including the adoption of fundamental plans for the educational, financial, and physical development of the University, and to declare a cn, isaraTRegcy4(.)JTETBT1 0 0 1 270.86 292.13 Tm{)JTET EMC /P 4MC14 3BDC BT/F2



BOARD OF REGENTS POLICY

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Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

Adopted:
Amended

Technical Change:

Supersedes:



BOARD OF REGENTS POLICY

Page 5 of 7

Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

Adopted:
Amended

Technical Change:

Supersedes:

The Board reserves to itself authority to approve capital budget amendments to approved projects and new projects when the amendment has a value greater than \$500,000.

The Board reserves to itself authority to approve project schematic plans for (a) interior renovations with a value greater than \$5,000,000; (b) projects with a value greater than \$2,000,000 that have an exterior visual impact; (c) projects that vary from adopted campus master plans or that have a significant visual impact; and (d) projects noted during the annual review of the capital budget.

The Board reserves to itself authority for a subsequent review of approved capital budget projects with a value greater than \$5,000,000 prior to the award of construction contracts.



BOARD OF REGENTS POLICY

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Delegation of Authority

RESERVATION AND DELEGATION OF AUTHORITY

Adopted:
Amended

Technical Change:

Supersedes:

The Board reserves to itself authority to approve the legal structure and scope of any relationship between the University and any associated organization, non-profit corporation, foundation, institute, or similar entity that substantially relies upon University resources or personnel to carry out its mission.

The Board delegates to the president authority to act as chief executive officer of the University, with such general executive management and administrative authority over the University as is reasonable and necessary to carry out the policies and directives of the Board, subject to the limitations noted in



RESERVATION AND DELEGATION OF AUTHORITY

Adopted:
Amended

Technical Change:

Supersedes:

BOARD OF REGENTS POLICY

Page 7 of 7

All delegations and revocations under this section shall be reviewed as to form, legality, and consistency by the general counsel.

Annually, the president shall report to the Board significant changes to the delegations.

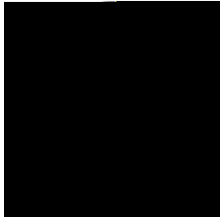
The chair and vice chair of the Board shall have such authority as is authorized by Board Bylaws and policies and is customarily exercised by such officers of a corporation. The chair shall have authority to execute any and all instruments and documents on behalf of the Board.

The secretary, treasurer, general counsel, and director of audits shall have authority to perform such duties for the Board as provided by Board Bylaws, policies, and directives.

The secretary shall have authority to execute such instruments and documents that would customarily devolve upon a corporate officer and are usual to that office.

The secretary and the general counsel shall have authority to accept legal service on behalf of the University.

No executive officer or employee of the University shall have any authority to take any action or make any representation on behalf of the University beyond the scope of, or materially inconsistent with, the authority delegated to such executive officer or employee as provided in this policy.



Annual Report on Compensation

This is a report required by Board policy.

Kathryn F. Brown, Vice President, Office of Human Resources
Kenneth Horstman, Senior Director, Total Compensation, Office of Human Resources
Mary Rohman Kuhl, Director, Compensation, Office of Human Resources

Board of Regents Policy: *Employee Compensation and Recognition* requires an annual report on compensation and recognition programs at the University. This item will include:

- An update on a total compensation policy and definition.
- Trends that impact the cost of compensation.
- The challenges of benchmarking compensation.
- A review of faculty base salaries as compared to peer institutions for each of the University's campuses.
- A review of the tools being used to manage compensation in non-faculty employee groups, including setting pay ranges as part of the Job Family Study, performance reviews and the use of merit pay principles and plans, and the negotiation process for labor-represented groups.

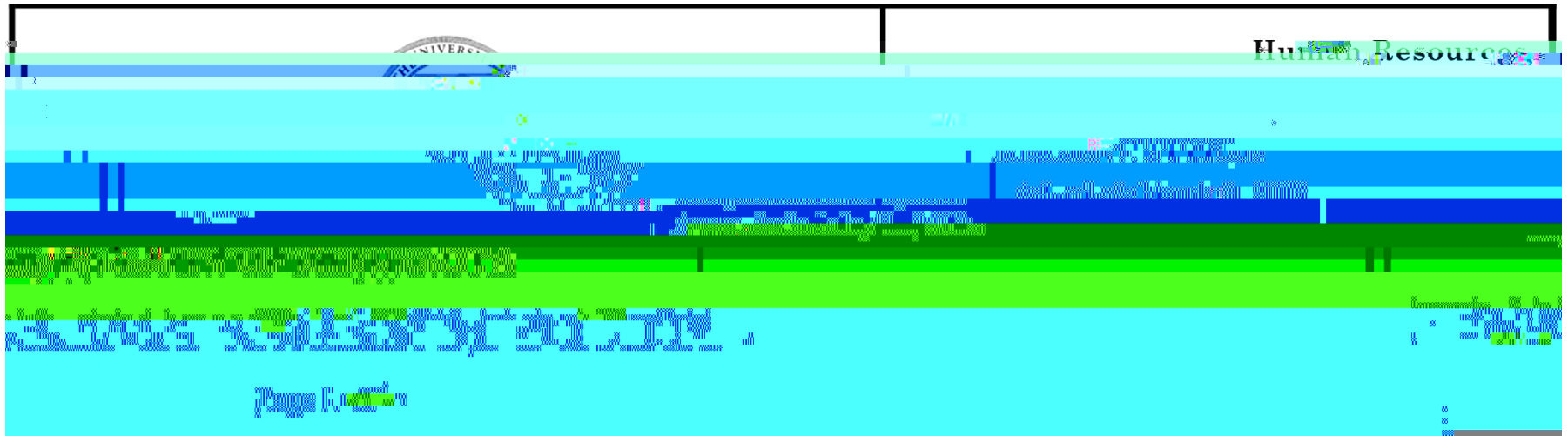
June 2015: *Information Items* included the Senior Leader Compensation Report, Faculty & Staff Affairs

May 2015: *Annual Report on Compensation*, Faculty & Staff Affairs

February 2015: *Annual Report on Compensation*, Faculty & Staff Affairs

September 2013: *Annual Report on Compensation*, Faculty & Staff Affairs

June 2012: *Board of Regents Policy: Employee Compensation and Recognition* amended to include an annual compensation report in response to the 2012 Report on Executive Compensation & Administrative Transitional Leaves.



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- a) The University strives to achieve and maintain a **compensation structure** that, when combined with benefits and other rewards, is **competitive** relative to institutional peers and other appropriate labor markets and serves to attract and retain a high performance workforce.
 - b) The University seeks to **reward meritorious performance** and employee contribution to the success of the University through compensation and other forms of recognition.
 - c) In the setting of initial salaries and subsequent pay adjustments, the University **considers the work responsibilities, market, internal equity, experience and expertise, performance, and other criteria as appropriate.**
 - d) The University adheres to compensation and recognition practices that are fair and **equitable in design, application, and delivery.**



Salaries and fringe represent 61% of total expenditures (non-sponsored funds).

Salaries alone count for \$1.4 billion for FY16.

Benefits count another \$393 million, not including FICA and Medicare taxes.

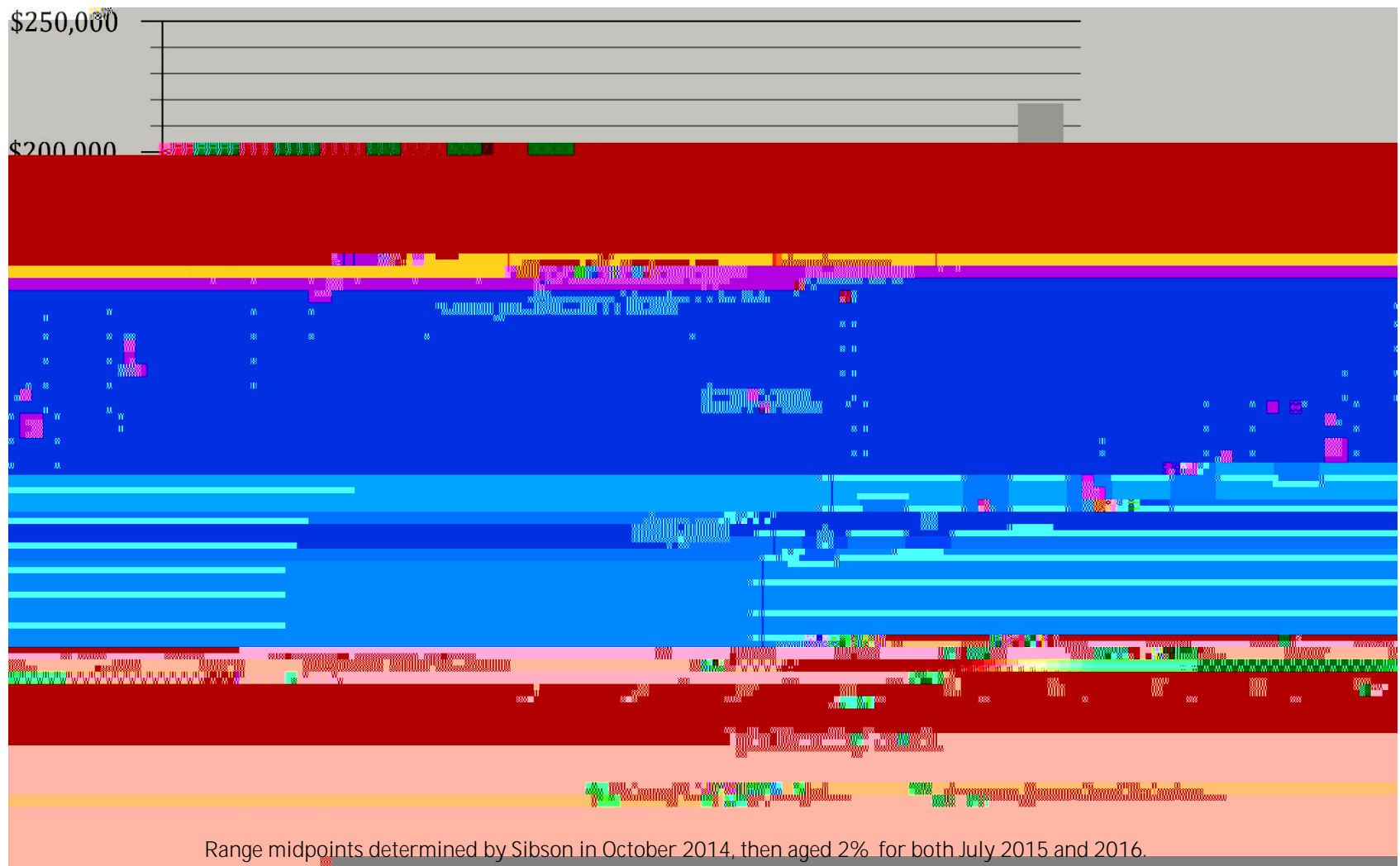
All labor-represented salaries are determined

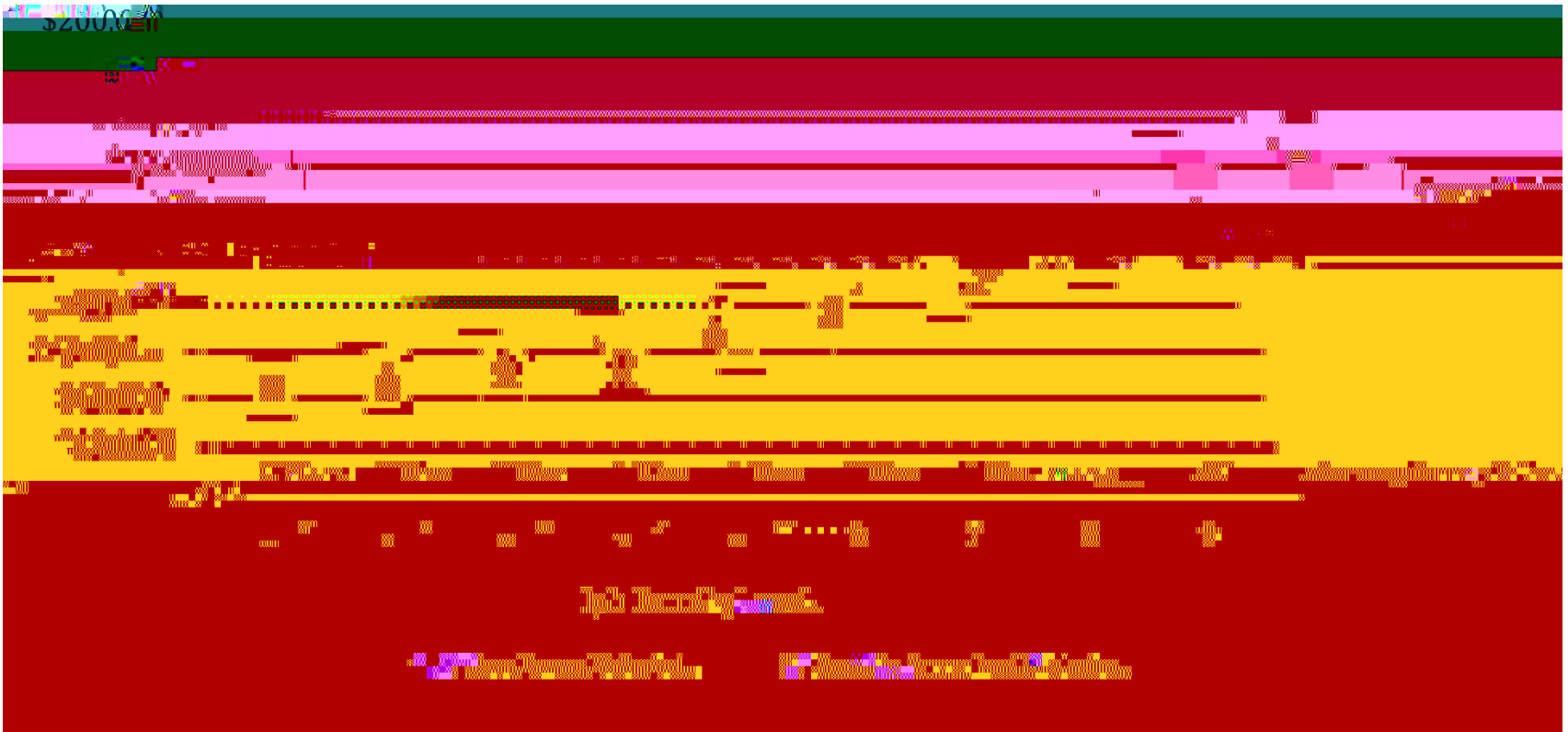
Civil Service and P&A employees are classified within job families.

Each level within a job family has a salary range midpoint equal to the market median.

We continue to define what is the most appropriate market for each job family.

Compa ratio: Measure of how closely individual or group salaries compare to the market median.





The market in which we compete for talented senior leaders and faculty is much different than the market for our staff.

Our senior leader and faculty market is different for each campus and includes selected peer institutions across the U.S. that share similar characteristics.

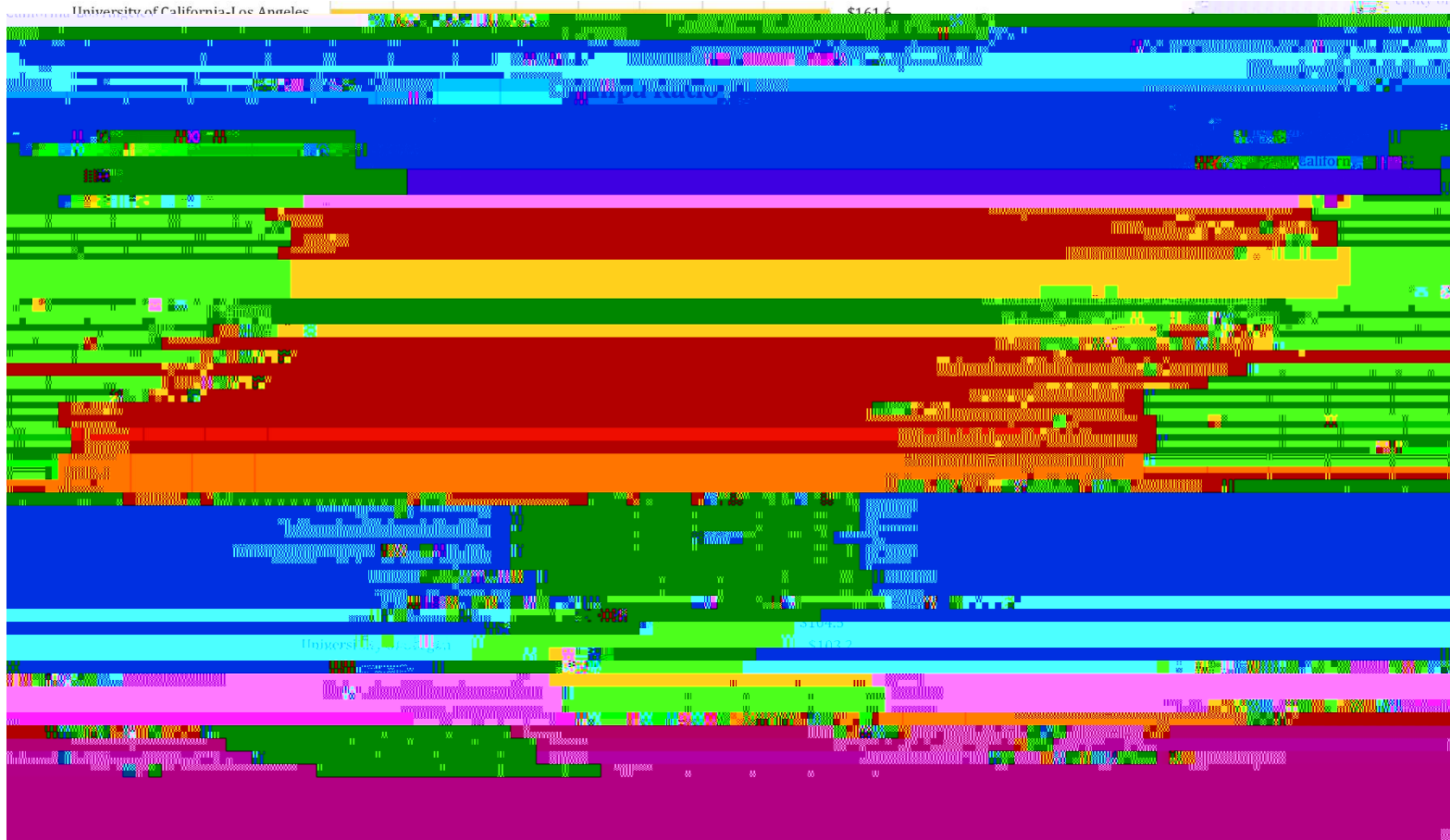
University of Arizona	AAU
University of California-Davis	AAU
University of California-Irvine	AAU
University of California-San Diego	AAU
University of California-Santa Barbara	AAU
University of Colorado-Boulder	AAU
Georgia Institute of Technology	AAU
Iowa State University	AAU
University of Kansas	AAU
University of Missouri-Columbia	AAU
State University of New York-Buffalo	AAU
State University of New York-Stony Brook	AAU
University of North Carolina-Chapel Hill	AAU
University of Oregon	AAU
University of Pittsburgh-Main Campus	AAU
Texas A&M University	AAU
University of Virginia	AAU

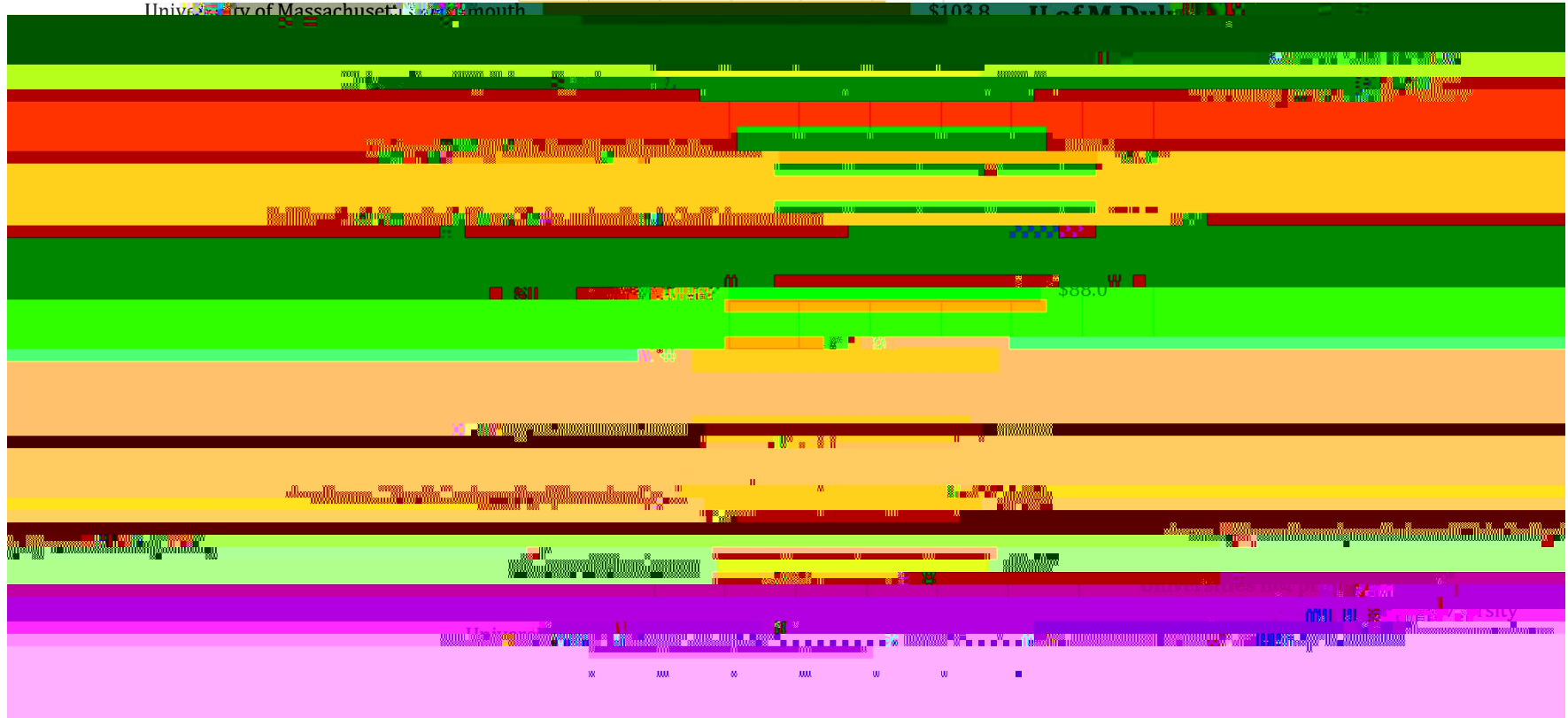
University of California-Berkeley	AAU, UMTC
University of California-Los Angeles	AAU, UMTC
University of Florida	AAU, UMTC
University of Texas-Austin	AAU, UMTC
University of Washington-Seattle Campus	AAU, UMTC
University of Illinois at Urbana-Champaign	AAU, Big 10, UMTC
University of Michigan-Ann Arbor	AAU, Big 10, UMTC
Ohio State University-Main Campus	AAU, Big 10, UMTC
Pennsylvania State University-Main Campus	AAU, Big 10, UMTC
University of Wisconsin-Madison	AAU, Big 10, UMTC
Indiana University-Bloomington	AAU, Big 10
University of Iowa	AAU, Big 10
University of Maryland-College Park	AAU, Big 10
Michigan State University	AAU, Big 10
Rutgers University-New Brunswick	AAU, Big 10
Purdue University-Main Campus	AAU, Big 10
University of Nebraska-Lincoln	Big 10

University of Maine-Farmington	True peer, COPLAC
St. Mary's College of Maryland	True peer, COPLAC
Massachusetts College of Liberal Arts	True peer, COPLAC
University of North Carolina-Asheville	True peer, COPLAC
University of Virginia's College at Wise	True peer, COPLAC
Coe College	True peer
Albion College	True peer
Concordia College-Moorhead	True peer
SUNY at Purchase College	True peer
Lycoming College	True peer
DePauw University	Aspirational peer
Kalamazoo College	Aspirational peer
Gustavus Adolphus College	Aspirational peer
Macalester	

Rochester is a young and unique campus, which has made it difficult to identify true peers. A preliminary set of comparison institutions is in development but was not yet available for this analysis.

Rochester senior leader salaries are outlined on the summary but without percentile ranking statistics.





Mercator College

\$107.7

Monica Averago = \$169.0

University of North Carolina, Asheville

\$37.0

SONN State Purchase College

\$70.0

providing data

Universities in

Stetson College, Lake Wales, FL

Faculty charts are based on overall faculty salaries rather than comparisons within each area of academic study.

To create a clearer picture we need:

- Market data for each area of study

- Clear assignment of faculty members to each area

Total compensation strategy for senior leaders should be:

Competitive

Market driven

Performance based

Equitable

Transparent

The board reserves to itself the authority to appoint all individuals in the following Reviewed

Data from each survey is reported in aggregate. We therefore are unable to provide pure order rankings of the institutions that provided data. The single-incumbent nature of these jobs makes percentile rankings the best indicator of how salaries compare to market.

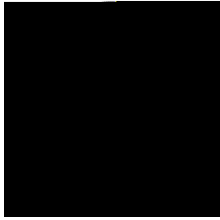
Our stated strategy is to be market competitive for senior leader total compensation

Base	45th	23%	18%	20%	25%	10%	5%
Total Cash	50th	15%	10%	18%	23%	13%	23%
							25%

Identify appropriate market for each job family, including appropriate geographic and industry comparisons.

Select our preferred market stance.

Do we want to target base salary at 50th percentile of market, 75th for top performers, or something just short of 50th



Wellbeing: A Holistic Approach to Supporting an Engaged and Productive Workforce







USA Today

Employee Health and Business Success, Making Connections and Taking Action



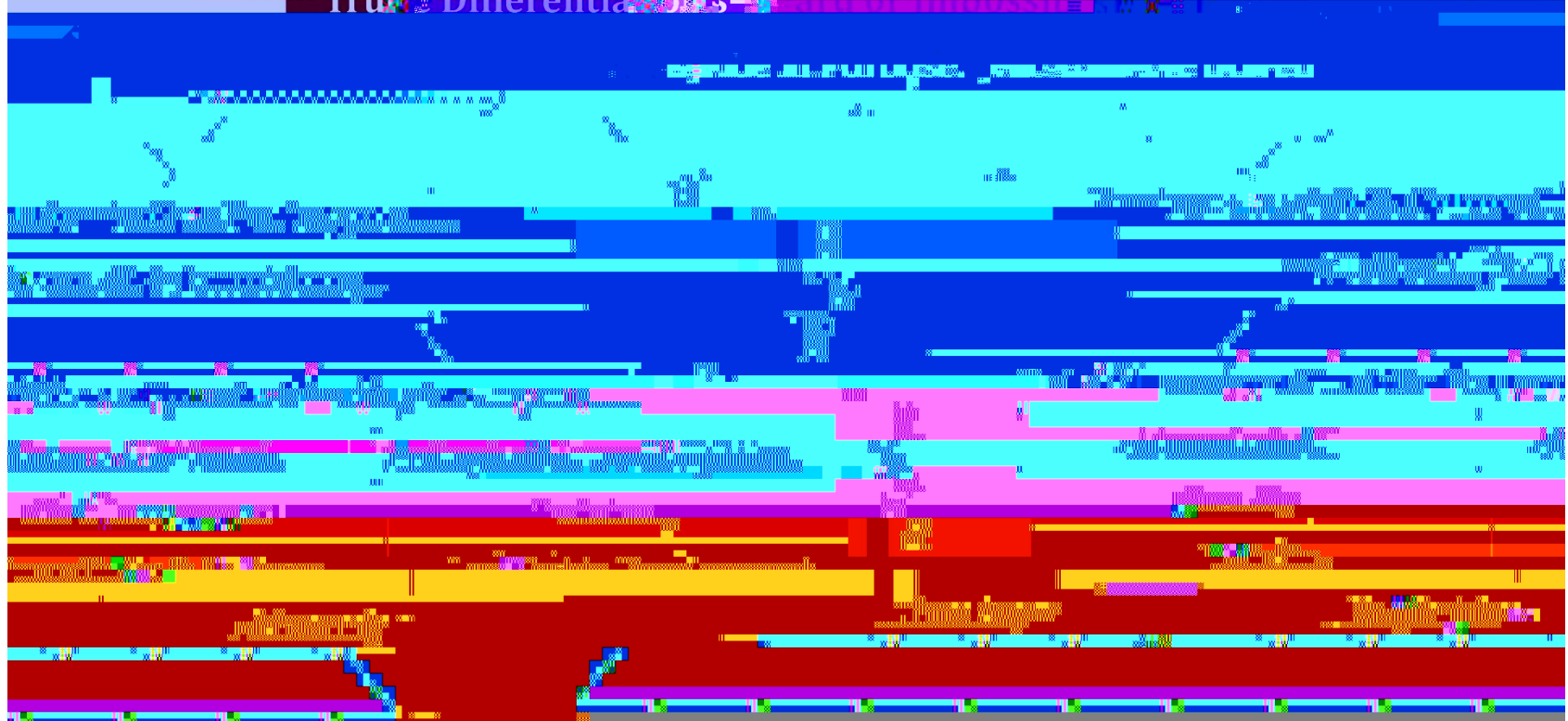
Mary Jo Kreitzer, RN, PhD, FAAN
 Director, Center for Health Equity Promotion & Prevention







Two Different Entertainment Eras, or Impossible to Perceive to



HERO scorecard benchmarking overview

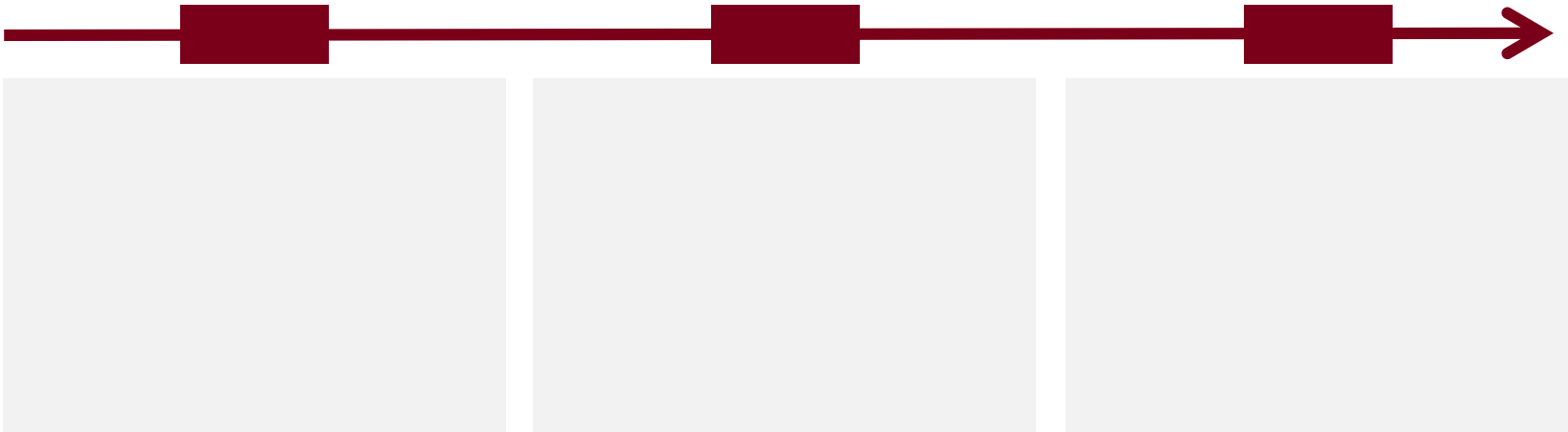


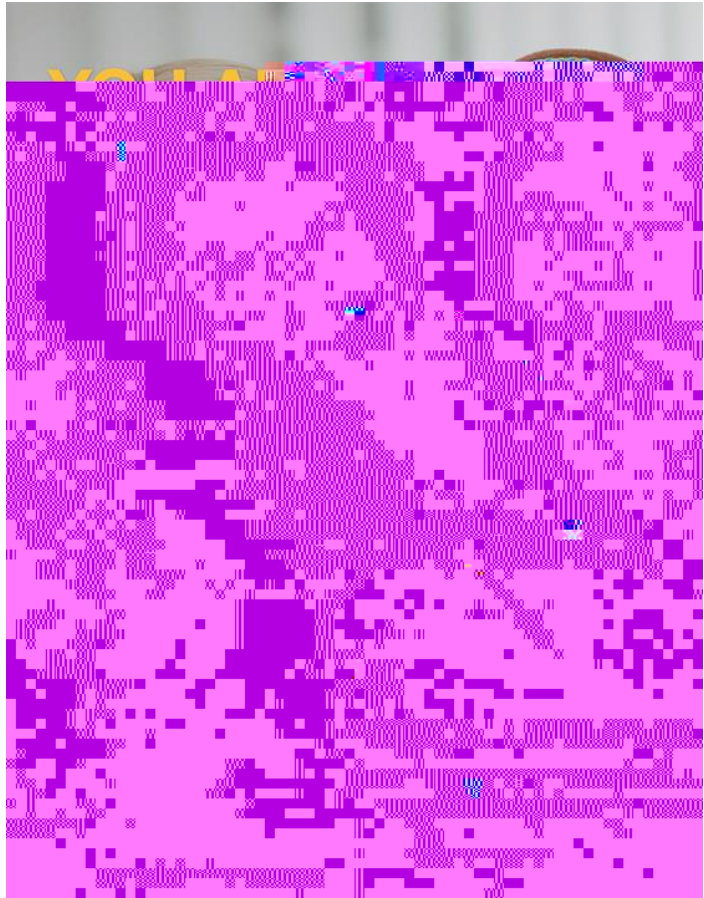
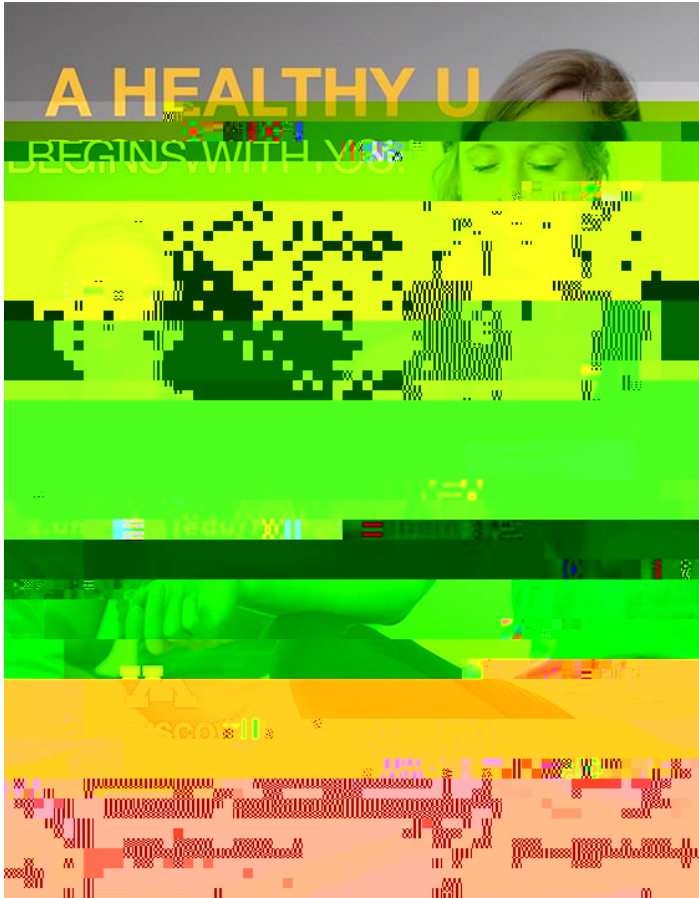


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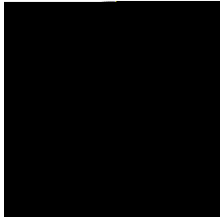
In addition to prior year priorities...

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Faculty & Staff Affairs

December 8, 2016

AGENDA ITEM:

Review

Review + Action

Action

Discussion

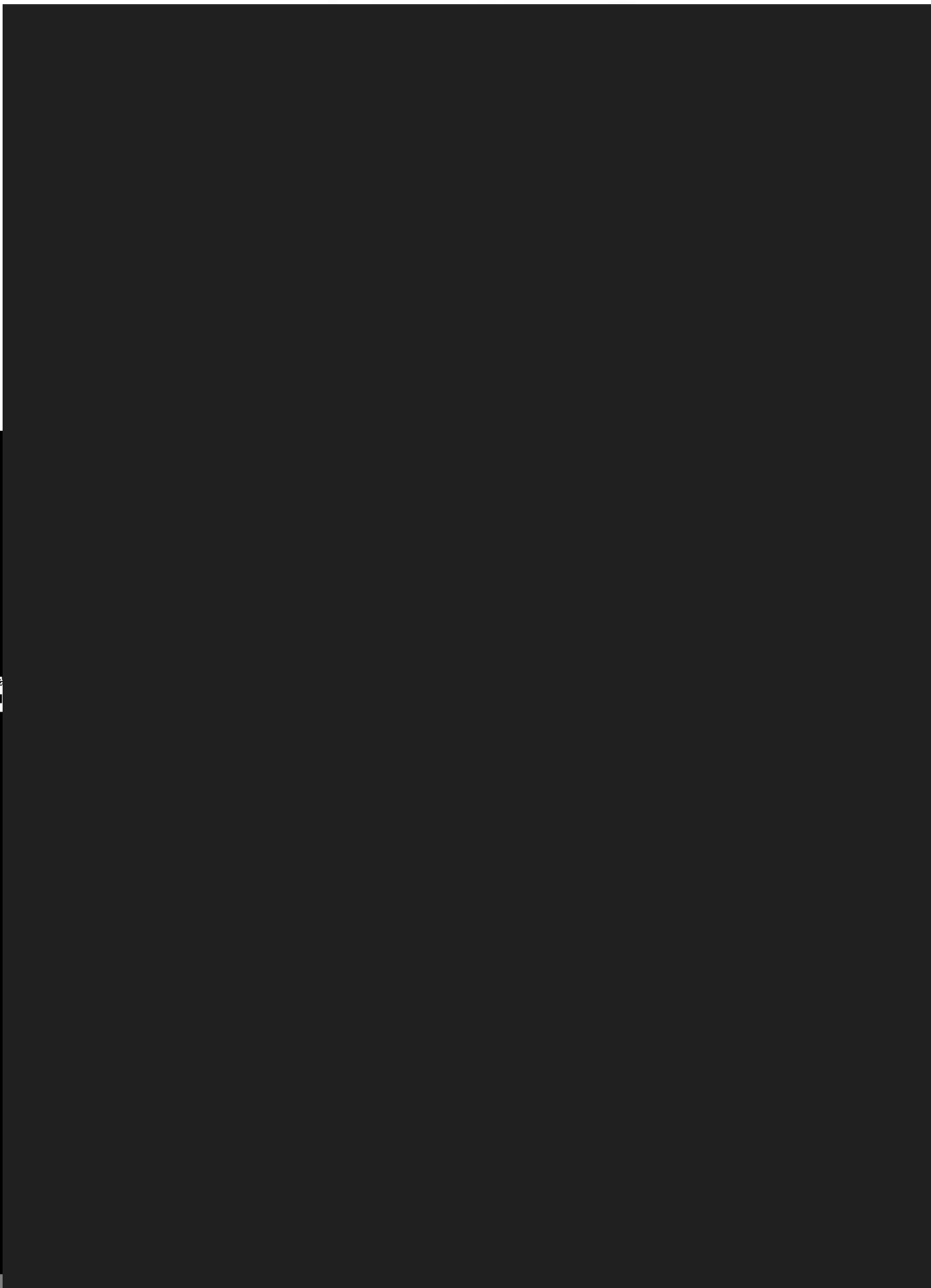
PRESENTERS:

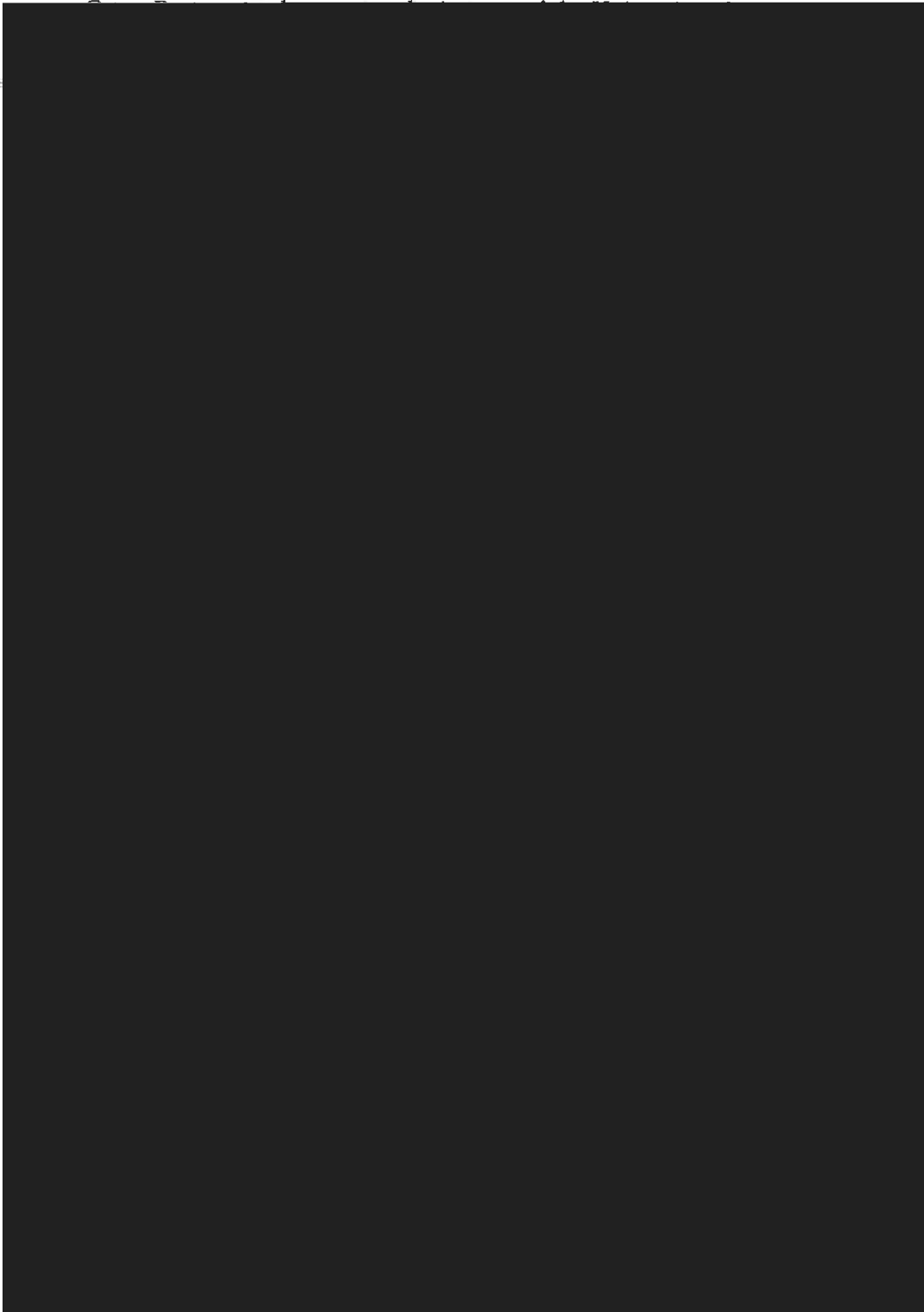
PURPOSE & KEY POINTS

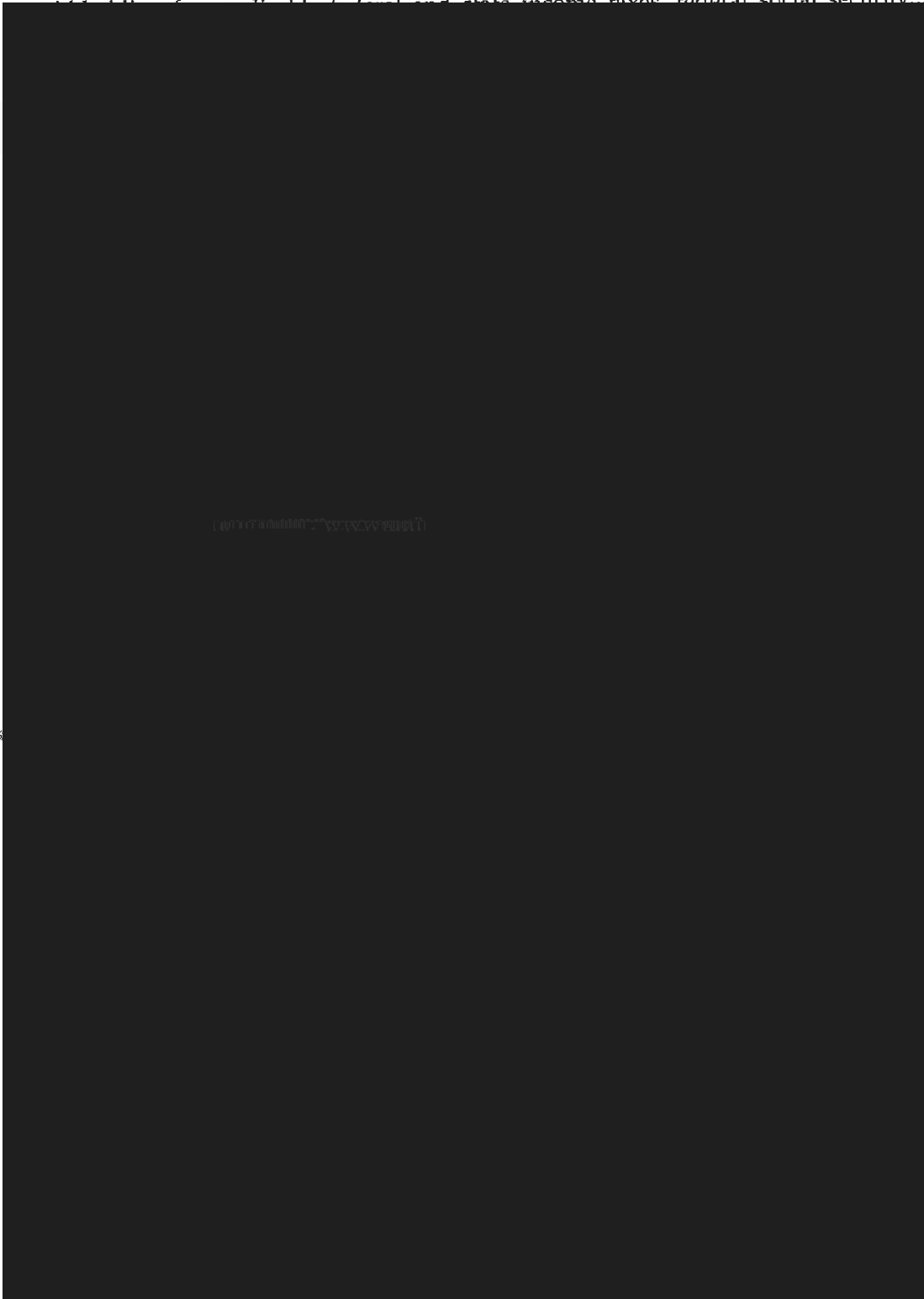
BACKGROUND INFORMATION

Reservation and Delegation of Authority

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IX. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University's policies and procedures
governing your position (attached policy on file), which may be amended from time to time.

...caused this Agreement to be

[Signature]

Dr. Michelle Bell

UNIVERSITY OF

[Signature]
Eric

President

as Approved

Peterson
Counsel

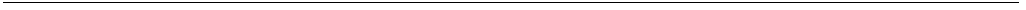
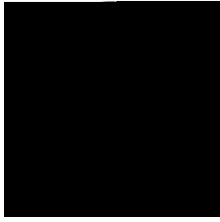
Tenured Outside Hires

The decision of the Board of Regents to confer tenure and rank for any individual faculty hire from outside the University of Minnesota becomes effective on the first day of that faculty member's academic appointment at the University.

**Tenured Hires for December 2016 Board of Regents meeting – Twin Cities campus
Recommended by Executive Vice President and Provost Karen Hanson**

Michelle Behr

**Professor with tenure
Division of Social Sciences
University of Minnesota, Morris**



This report does not capture and record a complete listing of the significant awards and activities of the University community but, rather, makes note of unit reported items in these areas. It also highlights reports and activities at the local, regional, and national level in the area of faculty and staff affairs.

