

# 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

 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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Board of Regents Policy: <i>Reservation and Delegation of Authority</i> (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**

Page 1 of 7

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(.)]TETBT1 0 0 1 270.86 292.13 Tm()]TET EMC /P <a href="mailto:kmclarge">MCI4 3</a> 3BDC BT/F2



### BOARD OF REGENTS POLICY

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Delegation of Authority

## RESERVATION AND DELEGATION OF AUTHORITY

Adopted: Amended

Technical Change:

Supersedes:



#### Delegation of Authority

## RESERVATION AND DELEGATION OF AUTHORITY

Adopted: Amended

Technical Change:

Supersedes:

#### **BOARD OF REGENTS POLICY**

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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.



#### Delegation of Authority

## RESERVATION AND DELEGATION OF AUTHORITY

Adopted: Amended

Technical Change:

Supersedes:

#### **BOARD OF REGENTS POLICY**

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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



Delegation of Authority

## RESERVATION AND DELEGATION OF AUTHORITY

Adopted: Amended

Technical Change:

Supersedes:

#### BOARD OF REGENTS POLICY

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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.

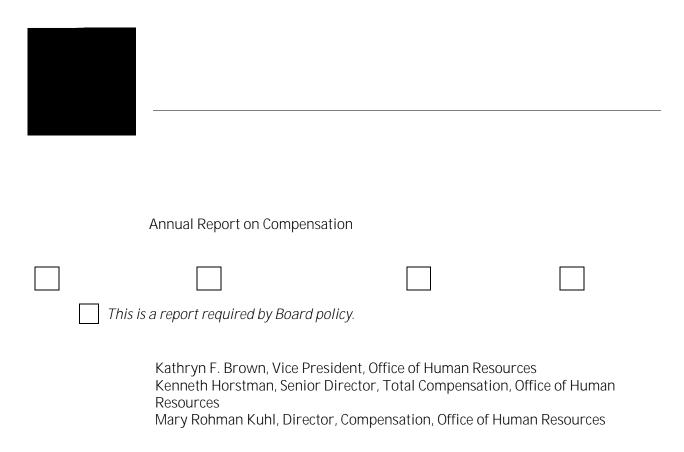
The secretary, treasurer, general counsel, and director of audits shall have authority to perform such duties for the Board as provided by Board Bylaws, policies, and directives.

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.

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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.

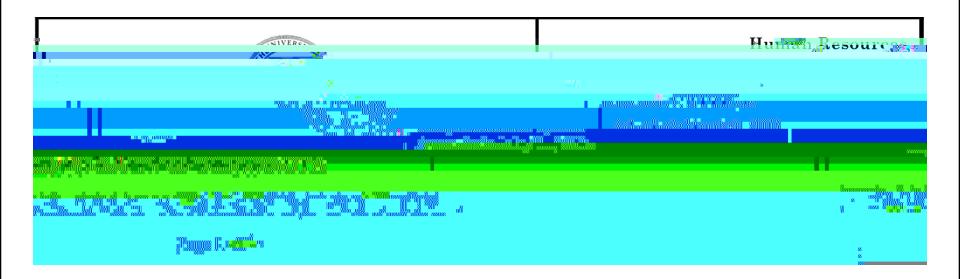
A review of the tools being used to manage compensation in non-faculty employee groups, including setting pay ranges as part of the Job Family Study, performance reviews and the use of merit pay principles and plans, and the negotiation process for labor-represented groups.

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.



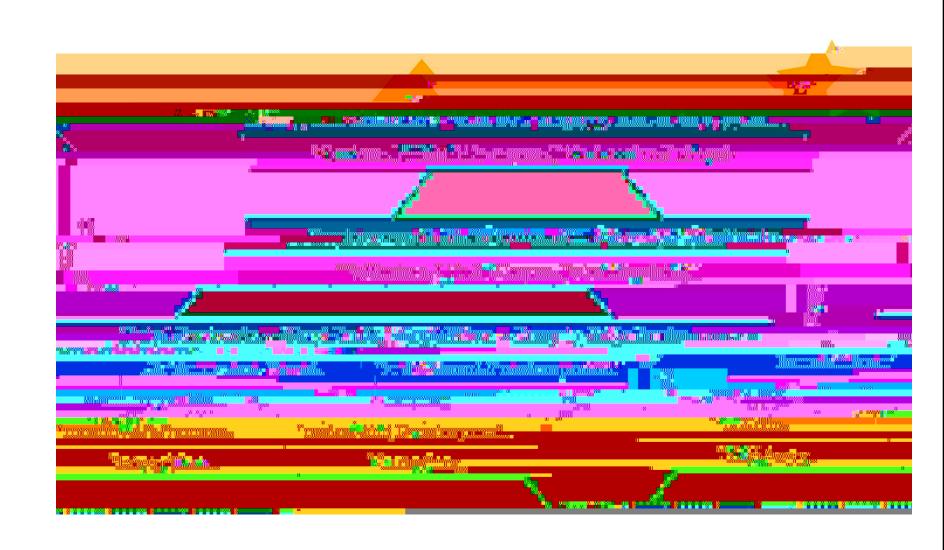




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- a) The University strives to achieve and maintain a compensation structure that, when combined with benefits and other rewards, is competitive relative to institutional peers and other appropriate labor markets and serves to attract and retain a 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



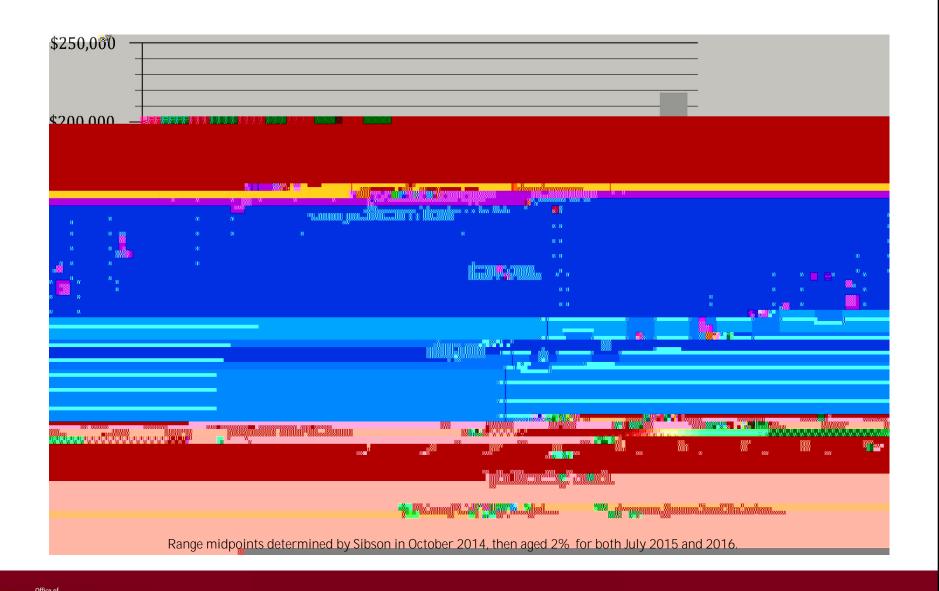
Civil Service and P&A employees are classified within job families.

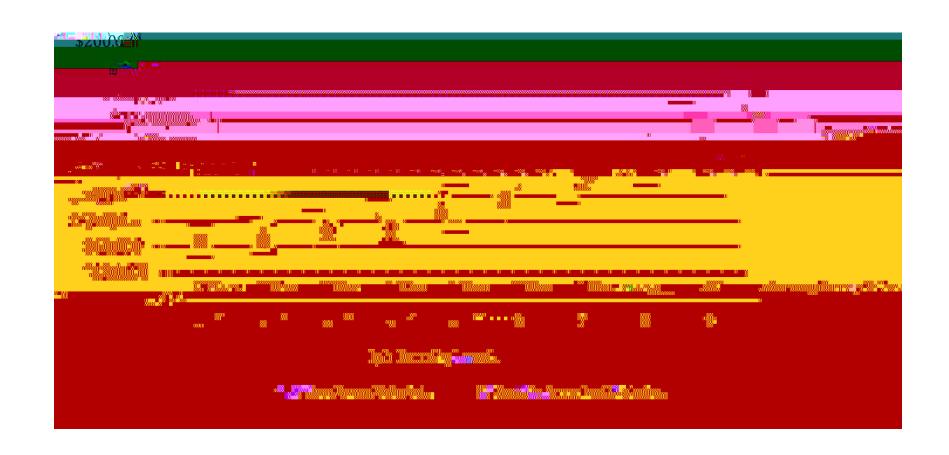
Each level within a job family has a salary range midpoint equal to the market median.

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	

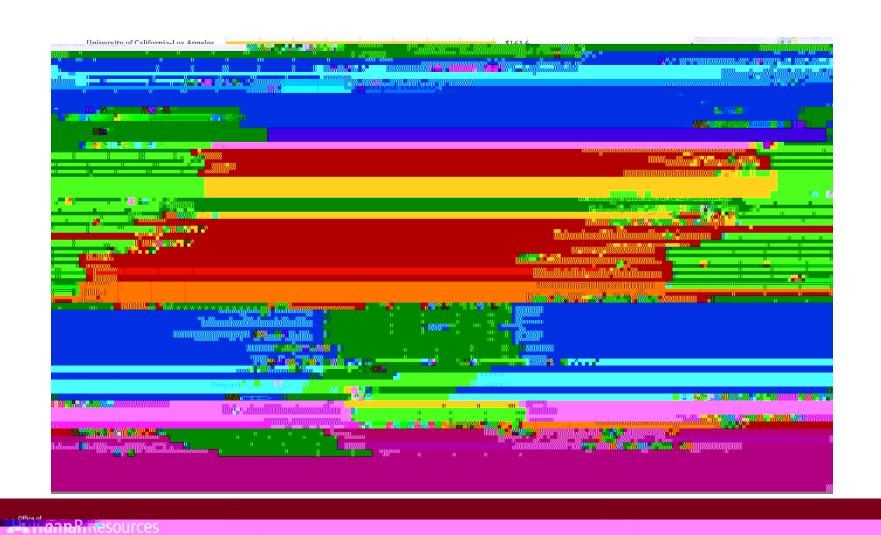
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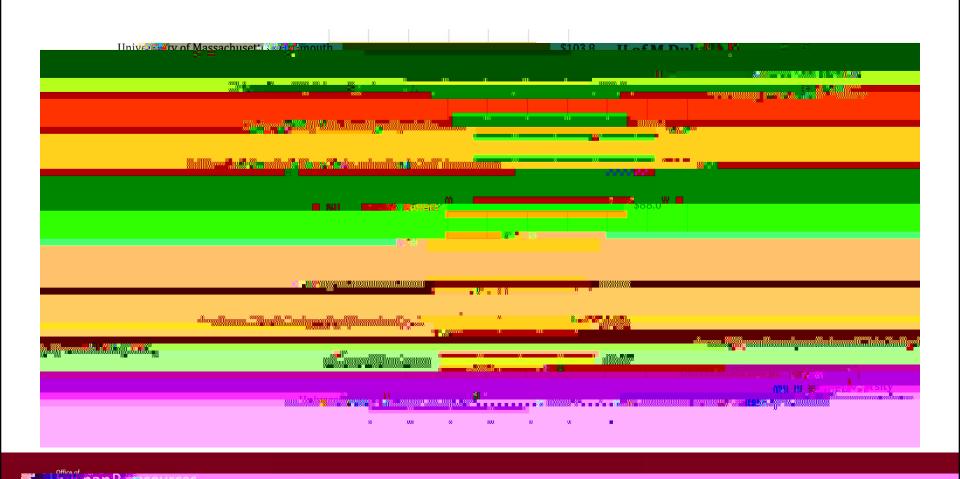
Rochester is a young and unique campus, which has made it difficult to identify true peers.

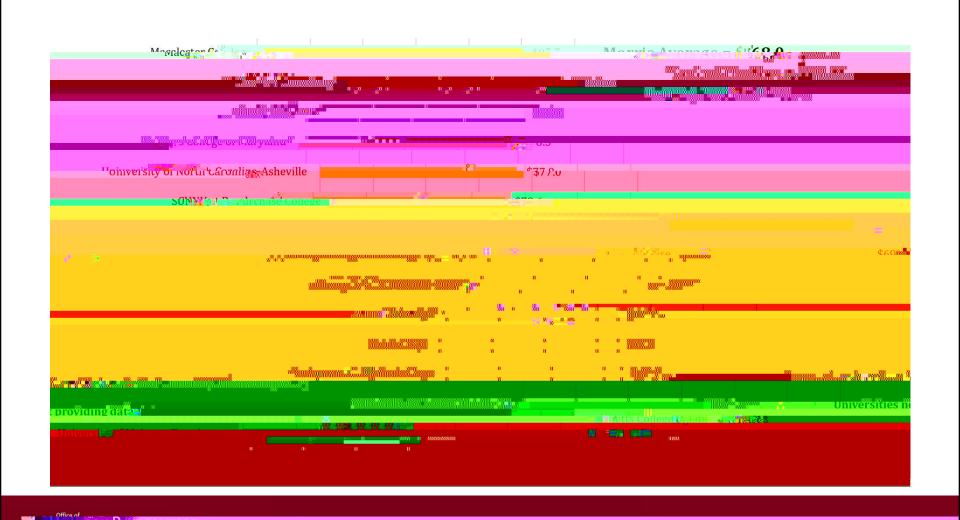
A preliminary set of comparison institutions is in development but was not yet available for this analysis.

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









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 followC 3ing 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 50<sup>th</sup> percentile of market, 75<sup>th</sup> for top performers, or something just short of 50<sup>th</sup>





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



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

## Board of Regents Faculty and Staff Affairs Committee

Kathryn F. Brown, Vice President, Office of Human Resources
Kenneth Horstman, Senior Director, Total Compensation
Dr. Brandon Sullivan, Senior Director, Leadership & Talent Development

December 8, 2016



## What We Will Cover Today

What is the challenge?

Context: The employee health risk problem

What is wellbeing and why is it important?

Designing a wellbeing approach what works?

Our approach: start with wellness and mature to wellbeing



## What Is the Challenge?

Hate Their Jobs, Even with Perks

USA Today



### The Employee Health Risk Problem

Nearly two decades of research\* conducted by Willis Towers Watson demonstrates that employee health risks

### What Employers Want to Achieve

Top priorities for health and wellbeing programs Improve and maintain workplace performance (74%) Improve and maintain workplace safety (73%) Raise employee awareness of health and risks (69%) Develop a workplace culture of health (67%)

Organizations that combine well-defined and measurable goals with a deep understanding of employee health risks are best positioned to develop targeted strategies and programs.

\*Sources: Employee Health and Business Success, Making Connections and Taking Action



## What Is Wellbeing?





## Why Is Wellbeing Important?

Individual wellbeing is a driver of:

Helping others (organizational citizenship)

Quality relationships

Healthy behavior

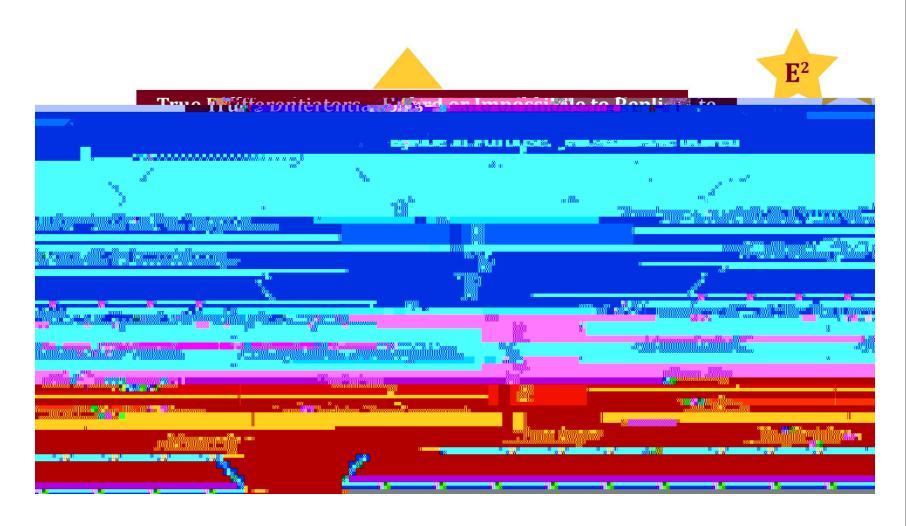
Health and longevity

Productivity, resilience, and turnover intentions





## The Employee Value Proposition





## Key Steps in Designing a Program



## University of Minnesota Wellness Program Is a Best-Practice Program





### Wellness Accomplishments

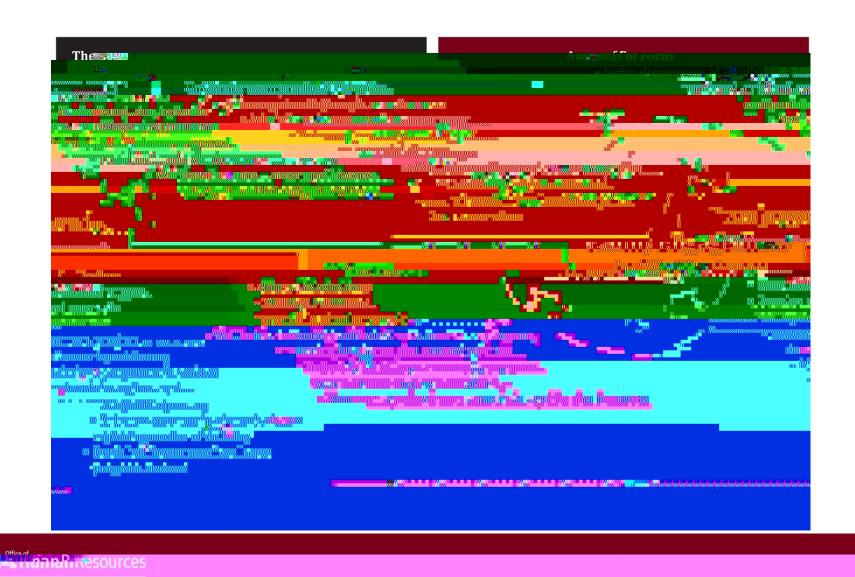
41% of enrolled population achieve points goal for premium reduction

60% participation

Average health risks per participant is 2.3 vs. overall BOB of 2.6

16.3% reduction in





## Proposed High-Level Wellbeing Vision

#### Mission

The University cares about the health of its employees and their family members. To support healthy habits and choices, the University invests in wellbeing programs that create an enjoyable and compassionate environment for our diverse population across all dimensions of wellbeing: social, emotional, spiritual, environmental, occupational, intellectual, and physical health.

#### Objectives

Create a University-wide program that increases employee engagement and productivity and enhances the reputation of the University as a great place to work.

Improve employee and dependent health through a healthy work environment, community involvement, and meaningful wellness programs.

Integrate wellbeing



## Proposed High-Level Wellbeing Vision

#### Strengthen the Foundation

#### 2017 Priorities

Promote wellbeing program awareness to employees and dependents
Integrate current wellness program offerings
Issue vendor RFP, select and implement vendor partner(s)
Evaluate incentive and value alignment

#### Expand and Integrate

#### 2018 Priorities

In addition to prior year priorities...

Increase engagement in wellbeing programs
Increase leadership involvement and add campus
medal recognition program
Optimize data integration

#### Evaluate and Refine

#### 2019 Priorities

In addition to prior year priorities...

Build a culture where wellbeing becomes part of

Identify opportunities for program expansion and innovation

Evaluate areas for refinement

#### 2017

Ensure alignment of current wellness programs

with goals and objectives

2018

2019

#### Key Activities

Road Map

Refresh wellness program branding with vendor partner(s) and rollout
Pilot new approaches
Refresh champion network and support
Administer vendor RFP and select wellness vendors for 1/1/18; implementation in Q3/4 2017
Establish stakeholders
Establish success metrics with baselines

for 1/1/18; implementation in Q3/4 2017 Establish stakeholders Establish success metrics with baselines Use segmented communications that reach both employees and dependents to increase relevance Initiate an evidence library Refine program based on first-year measures Implement wellbeing activities that are fresh and target both employees and dependents; expand pilots if appropriate

Ensure processes are in place to obtain timely employee input on wellbeing program
Leverage wellbeing champions to maintain momentum and promote engagement
Use vendor partners to promote wellbeing activities, increase meaningful engagement, and integrate wellbeing programs

Continue monitoring employee feedback and modify/ refresh programs as needed Evaluate leadership support and engagement Understand wellbeing program successes as well as areas for improvement; realign strategic goals where needed

Test using wellbeing messaging, activities, and content in department and staff meeting agendas, meeting notes/ other written communications (i.e., part of e-signature, wellbeing

leadership commitment Re-evaluate vendor landscape





## Wellbeing Emphasized Through New 2016-17 Wellness Program Offerings

Volunteerism Pledge: Complete minimum of three hours of service at nonprofit.

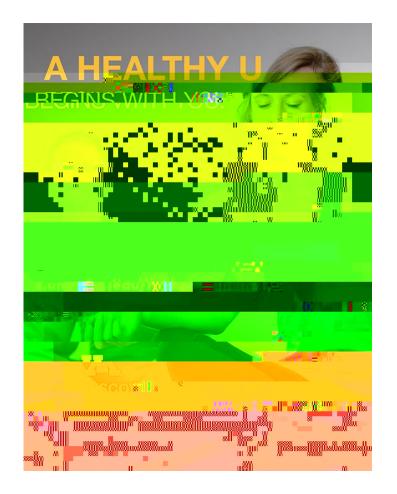
Advanced Care Directive Pledge: Complete and provide a copy to agent or primary care provider.

Stress Management: Programs added to Twin Cities and Morris

Four Cornerstones of Financial Literacy: Four sessions covering budget, debt reduction, credit, and consumer protection



## Wellbeing Communications Materials







### Questions





Faculty & Staff A	Affairs		December 8, 2016
AGENDA ITEM:	Consent Report		
Review	X Review + Action	Action	Discussion
PRESENTERS:	Kathryn F. Brown, Vice President, O	ffice of Human Resource	es
PURPOSE & KEY	POINTS		
The purpose of thi	is item is review and action on the fol	lowing:	
February 6	ent of Michelle Behr as Chancellor of t 6, 2017. of tenure for four outside hires.	the University of Minnes	ota Morris effective

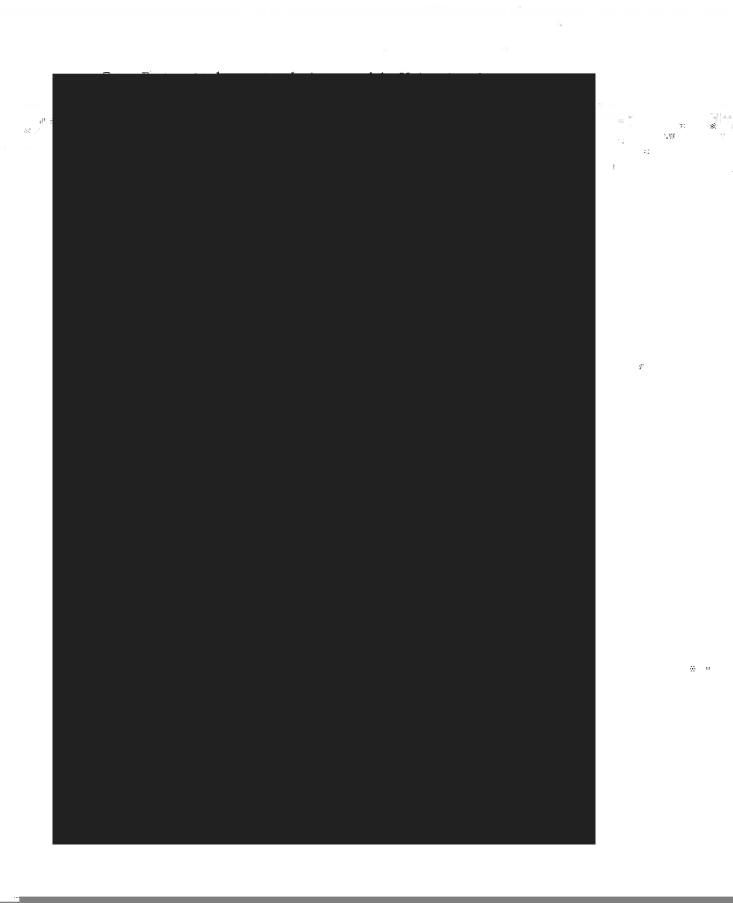
BACKGROUND INFORMATION

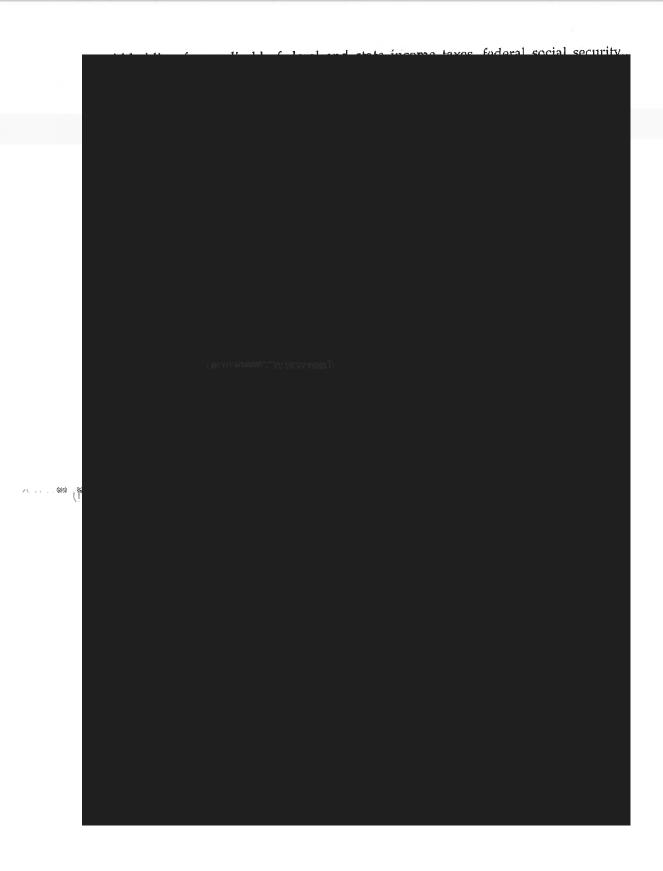
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#### Individually Negotiated Terms of Employment or Separation Agreements

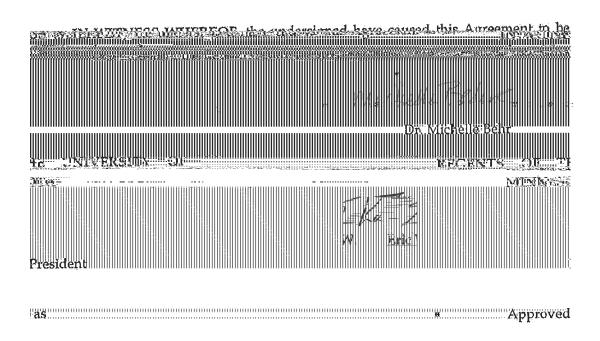
Dr. Behr will be provided an annual housing allowance of \$15,000. In accordance with the







# IX LINIVERSITY BOLICIES AND CENERAL CONDITIONS n Your appointment is subject to the போசன்பு a policies and procedures governybur position(http://policy.ur ureat//), which reay be smended from Hisputial TE PER TUSTIFICATION THREE TO Ш



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



#### UNIVERSITY OF MINNESOTA

#### BOARD OF REGENTS

December 8, 2016
Faculty and Staff Affairs Committee
Information Report

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.

Personnel Gary C. Anders Inclusivity

granting institutions ho

Laura Gagliardi, chemistry, has been elected as a fellow of the American Physical Society in recognition of her groundbreaking work in electronic-structure methods.

Ray Gonzalez, English, won the Witter Bynner Prize for Poetic Achievement from the Library of Congress. He will receive a \$10,000 fellowship and have a reading within the actual Library of Congress.

Sean Hall, director of technology for the UMD Pharmacy Program, has been appointed board chair of the NorthEast Alliance for Telecommunications, a consortium for education, communication, and technology.

The American Association of Pesticide Safety Educators (AAPSE) named Dean Herzfeld, Extension, as a f

Christine Mueller, nursing, was selected for the 2016 John A. Hartford Foundation Change AGEnts Initiative Policy Institute.

Fionnuala Ní Aoláin, law, has been elected to the American Law Institute, the leading independent organization in the United States producing scholarly work to clarify, modernize, and improve the consisting of eminent judges, lawyers, and law professors from the United States and around the world is limited to 3,000.

Stephen Parente, finance,