

HR Forum Minutes

June 4, 2007

Present: JaNelle Barnes, Lillian Garcia, Maria Sanchez, Gordon Thyberg, Janet Moseley, Sharon Nusbaum, Angie Mendez, Sylvia Mobley, Kathleen whetstone, Kay Ann Yaklin, John McBride, Floyd Quinn, Michelle Moritz, Deborah Mathews

John opened the meeting and mentioned the attendance has been dwindling and HR is thinking of surveying the members for ways to improve the meetings. The HR Forum was originally established to be an interchange of information and it has not exactly been that. Members are asked at each meeting if there is anything they would like to discuss but so far not many people have done that. The other purpose was to provide a more detailed explanation of what they would receive in writing on issues; because the members were identified as the movers/shakers HR person in their division. The idea was that the members would be able to disperse the information within each ones division/department. Also the members were to give their supervisors a heads up on items coming in the future. We have been tracking attendance and need to look at ways to improve the process.

HealthSelect Blue Point Program

Michelle Moritz gave a brief demo of HealthSelect Blue Points program. You must be a HealthSelect member to participate. To log into the program you can enter through the HR website; click on Benefits; then go to Health and Dental link. This will take you directly to the ERS website. Then click on the HealthSelect links. You can also access this by going directly to the Blue Cross and Blue Shield website.

Once you are in the website you will need to register for Blue Access. Employees can register the first time by using your member id on you HealthSelect card (leave out the ZGB00 at the beginning). There are many features that are beneficial on this site. Michelle demonstrated how to utilize the personal health manager. This feature is to promote health and wellness. You can set up exercise programs, diet plans, and send emails to a nurse or trainer. You can also earn points by using the different components on the site. The points earned can be redeemed for merchandise. An employee can earn up to 1000 points per week, and can redeem the points up to \$95 per calendar year. If you drop the coverage or terminate employment you have 30 days to redeem any points you have earned. Each member of your family can set up their own account in the program. There will be an announcement for Blue Points to the campus in the July HR Bulletin.

Legislative Changes

Employer contributions to the Teacher Retirement system and optional retirement programs will increase from 6% of salaries to 6.58%. Employees in Teacher Retirement won't really notice a change except the system is receiving additional funding to remain sound for future distributions. Employees in the optional retirement program will see an increase to the contributions; however employees who are grandfathered will still receive a total of 8.5%.

The Hazardous Duty Pay maximum of \$300 per month has been removed. The employees on our campus receiving this are the police officers.

ERS Changes

The ERS Board of Trustees met last month to approve plans and rates for FY08. We will offer the same health plans as last year. The premiums for HealthSelect will not change; HMO premiums will increase an average of 9%. Life insurance premiums will be going down. The long term and short term disability premiums will stay the same but they did raise the cap on salary for the short term disability. Right now employees are limited to \$3000 of salary. If an employee makes more than \$3000 per month the most benefit you can receive is based on that \$3000. Now it will be raised to \$10,000. The premiums will go up with it. There are no changes to the dental plans.

The biggest change for us is in TexFlex. They have decided to start an automatic re-enrollment. You will be re-enrolled at the same amount you are presently enrolled with. If you want to make a change or drop out it must be done during summer enrollment.

All of this information will be in the July HR Bulletin. Summer Enrollment starts July 23rd – August 17th. Labs for those employees who need assistance during summer enrollment will be held August 1st and 2nd. If an employee has no-changes they do not need to do anything.

Most of the changes Michelle reported will be effective September 1st.

SAP Upgrade will roll out June 18th. The system will be unavailable June 14th thru 17th. The whole system will be down while IT applies the changes and should be up and running on Monday 18th. Payroll will send out a message regarding the hourly employees time entry deadline being extended to June 20th. HR will send a memo regarding the changes to work-flow for time approval.

Market Adjustments/Restoration of BRP

The titles in the Texas State pay plan reside in two separate markets. The local market is titles we generally recruit locally for. The University market is typically titles we recruit nationally for. We have just reallocated a number of titles in the local market. When we do this, we don't make any changes to the title, or any changes to the pay grade. We move that title to a more appropriate pay grade. In doing so, for the local market, we are able to move the pay structure to 96% of that local market, using 2006 data. The effective date was June 1 paycheck.

As part of that process, we have to deal with the issue of benefit replacement pay. In 2006 a decision was made to take BRP and roll it into salary. It has always been a component of salary, but it now is not a separate line item. When we adjust the titles, those employees who have been in that title who have been adjusted, at the minimum of the new range and are BRP eligible, it must be added to the adjustment.

New Minimum Wage

We now have a new minimum wage. The increase goes into effect on July 25th. The new rate will go into effect in three phases. On July 25, 2007, sixty days after the bill was signed, the new minimum will be \$5.85 per hour. On July 25, 2008 it will increase to \$6.55 per hour and on July 25, 2009 to \$7.25 per

hour. On July 25, 2007 the only titles in our pay plan affected are the titles that reside in the 1st pay grade (pay grade 1). There are only 3 titles there and they are hourly employees. These titles will be moved to the 2nd pay grade. The number of staff impacted by this change is 5 employees. We will be working with the departments regarding pay implications. There will also be a number of students impacted and HR will be meeting with Career Services and Faculty Records to discuss this issue.

Gordon Thyberg spoke regarding the budget consequence of these adjustments. If the impacted employees are paid out of a method of finance account, that account will be increased for the amount needed, based on the snapshot from last year. If they are paid out of an account that is not a method account, the departments will fund their own wage increase.

Mr. McBride has requested a meeting to determine the implementation procedures for these changes. The people involved will include representatives from Faculty Records; HR/Financial Competency Centers; VPIT; Career Services; Budget; Payroll and Human Resources. This should be scheduled by Thursday June 7th so we can get the process started.

Janet Moseley asked if PCR's will be needed for each student. Floyd said hopefully the process would be automated.

Sharon Nusbaum asked for clarification on the effective date and was told July 25th is the implementation date of the new minimum wage.

Salary Review

The Budget office will freeze salaries on June 22nd. The figures from that date will be what we use to calculate the funding requirement for the 3% merit pool for the salary review this year. The time line is as follows:

July 2-13	Initial entry by department heads
July 14-20	Review by Deans/VP's
July 21-27	Review/Approval

This increase will show up on October 1st paycheck. More detailed information on this process will be sent out from Human Resources later this week. The requirements will be almost identical to last years. Any employee hired on or before 9/5/06 and who scored 301 or higher on his or her evaluation will be eligible.

Mr. McBride noted that the memo sent out from the President regarding the local market increases was technically incorrect. The memo stated that all local market salaries had been moved to no less than 96% of market. Technically that was not correct because we had rounding. Survey salary data was rounded to the nearest pay grade minimum. Every time we have an adjustment like this we will have a rounding effect. We only spent \$360,000 during this process which left \$140,000 available for other purposes. Mr. Nance is proposing, and the other VP's will have to agree to this, is that the \$140,000 be distributed to the VP's on a percentage basis to be used for equity adjustments. At this time the opinion of the Equity and Access director is that this money only be used to pay for real equity adjustments to employees in the affected titles.

The next step in the market study process is an analysis of the university market. The President is providing another \$500,000 to address needed adjustments to titles in this market. The preliminary cost to move the university market pay structure to 96% is about \$250,000 in appropriated dollars. That would leave another \$250,000 to be distributed for equity or any other manner deemed appropriate.

It is very important to remember that this has been based on data gathered for calendar year 2006. Over the last 5 years the market has been advancing 3% to 4% each year. In effect employees are already about 3% behind with these adjustments because we did not use calendar year 2007.

We do have 2007 data now. The reason the decision was made to use 2006 data was because we could not obtain the 2007 data until May 15th. That left us no time to do the analysis and submit the results to President's Cabinet for approval with a goal to have these adjustments in June 1st paychecks. We are now in a position to provide this information to President's Cabinet on an annual basis.

HR has recommended we implement a budget strategy each year to provide funding for future staff market increases.

Now that our pay relationships are established this process should be quicker and easier in the future. Each time we make these adjustments we will need to consider the impact of BRP. When an employee gets promoted or reclassified, and is BRP eligible, BRP will have to be considered in setting the new salary for the employee.

Non-student non-regular employees will automatically receive an increase retroactive to 5/1/07.

Having no further business the meeting was adjourned. The next meeting will be July 2' 2007 at 2:00 p.m.