NDUS Criminal Background Checks – Committee Report (Diane, Wes, Broc, David & Cindy)

Two common forms for BCI/FBI Check & 3rd party vendor (ask only for convictions or arrests too)
RFP – search out one vendor & get proposals
Who is being checked (consistency across system?)

Nothing new to report. Someone needs to chair the committee. Wes will work with Diane to organize the committee and work on the issues listed above.

Grandfathered payroll deduction 403(b) vendors – Laura (are we done with this?)

Yes, this is done. ConnectND HR functional team will conduct an annual review (at the beginning of the calendar year) of the vendors and submit the updated list to HRC members. Laura is handling 403b contracts with various vendors. Brittnee—question about posting the 403b plan document on the web. Laura said the adoption agreements are quite lengthy and complicated. She asked TIAA to provide a user-friendly document and they could not. So either the long document would be posted or nothing. It was decided to distribute the document to HRC members and do not post to the web.

TIAA-CREF Plan Definitions – Laura

Compensation means regular salary which is basic annual earnings and summer session pay, if any, but excluding overtime, continuation education and extension.

How change affects campuses.

Reviewed the cost involved with the revised definition. The revised definition was considered by the Admin Affairs committee and they had no concerns. The updated definition will move forward for Board approval but the definition seems to be up to each campus’s discretion. For example, UND pays retirement on all summer pay. NDSU differentiates between summer session and other pay (not summer session). NDSU’s situation is made more complex due to Ag departments. Summer session gets retirement, overload does not.

HRC has recommended the updated definition and it will go to the Board for approval. A motion was made by Wes Matthews to go forward with the updated definition with the understanding that the decision of which summer payments are eligible for retirement and which are not is up to each campus. Rita Lindgren seconded motion.

Laura (Decisions on ordering rule & years of service toward contribution rate under 401a)

Ordering rule: For the added 15 or more years of service contributions under the 403(b) plan, should we count years of service for: 1.) only the employing institution; 2.) all NDUS institutions; 3.) state government and the NDUS?

TIAA-CREF’s response: “…since there are separate Tax Ids for each of the institutions that make up the System, the 15-year rule would only be applicable to the employing institution and not the institutions within the system.”

NDUS Legal Counsel Response: “…disagree with the TIAA-CREF interpretation. The North Dakota University System is a unified system with a single governing board for all NDUS institutions… For purposes of applying the special code section 403(b) catch-up contributions for employees with 15 years of service, the SBHE - not individual NDUS institutions - is the "adopting employer" with authority to make the election and approve an adoption agreement providing that employees are eligible to make catch-up contributions. Accordingly, for section 403(b) catch-up contributions for employees with 15 years of service, the employer is the NDUS and employment includes employment with any NDUS institution.”
Issues: Can we capture years of service of former NDUS employers in the mass calculations information electronically submitted by CND to TIAA? Checking with CND.

John Lindstrom’s response: “The max tax sheltering process that is run annually for TIAA only sends the employee's birthday and the hire date that is from their benefited job.”

Diane expressed concern over any change to the ordering rule because of its implications. A broader definition would set precedent for other entities such as DOL. A broader definition for 403b should be explicit and only applied to 403b. It is important to maintain individual employer status.

Wes stated that data in PeopleSoft only goes back to 2003 or 2004 for the campuses. In order to capture years of service with former NDUS employers, campuses would need to ask for this information from their employees.

**Years of service for 401a:** Should years of service in higher education, both internal and external to the NDUS, be counted, whether or not they have a current TIAA contract?

Wes stated that any expanded definition could basically be used as a recruitment tool so they don’t have to start at the lowest rate. If used a recruitment tool, can it be negotiable? Diane and Brittnee stated they felt only TIAA-CREF service should be considered and the employee has a current contract that can be verified with TIAA-CREF.

A motion made by Wes Matthews to remain with current definition for 401a, which is to include only active contracts with TIAA-CREF. It was seconded by Becky Lang. The motion passed.

**Roth 403b Update & Proposal** – Wes

Wes conducted a comparison of the Roth 403b to standard 403b investments. When comparing “apples to apples”, neither investment is better than the other. However, if someone’s income while working is taxed in a higher tax bracket than their income when retired, the standard 403b is a better investment. If the opposite is true, then the Roth 403b makes sense.

Should the Roth 403b be pursued for implementation? Wes will find out more information from TIAA and it will be on the agenda for the next HRC meeting.

**NDPERs HealthCare Service Credit (extended to TIAA/CREF participants) & TIAA-CREF Retiree healthcare Savings Plan** – Laura & Wes

1.26% of NDPERs deduction goes to the HealthCare service credit. Should TIAA-CREF participants be considered in order to increase the fund? Need to find out what 1.26% of annual salaries are for TIAA participants. Discussion tabled until next meeting.

Retiree healthcare savings plan. Mainly for employees who have maxed out on tax sheltering opportunities. It might be better to wait until changes are implemented nationally for health care before a decision to implement a savings plan are considered.

**TIAA/CREF Actuarial Analysis** – Laura distributed information

**PERs Retirement** – Sparb’s powerpoint

Shortfall in defined benefit plan (NDPERS) due to economic downturn. PERS is looking for ways to recover the shortfall. Should the employer or the employee pay for 100% of the impact or should it be split 50/50? How many years should be taken to recover the shortfall? Are defined contribution employees (TIAA-CREF) (more participants) better or worse off than defined benefit contribution employees? It was found that defined contribution participants are worse off due to the economic downturn. So it would be fair to think the shortfall should be dealt with for both. There is risk in both investments. What would benefit the employee best? An increase in form of benefits or salary? Tax implications? Discussion tabled until next meeting.

**Pandemic Planning** – Update

No report.

**Veterans’ notification letters** – Pat was updating system policy 601.0 procedures.

(Cindy) The only change is:

**Notice Requirements:**

All veterans, or qualified veteran’s spouses (“applicants”) who are not offered employment must be notified by certified mail of the decision to not hire. Veterans have fifteen days after notification by certified mail that employment has been denied, to request a formal hearing before a hearing officer. The notification must include: the reasons for nonselection, inform the applicant of the right to an appeal hearing, inform the applicant of the requirement that the
request for a hearing must be filed by certified mail within fifteen days after the notification, inform the applicant that a request for an appeal hearing must be made to the commissioner of veterans’ affairs at the included commissioner’s mailing address, and inform the applicant that if the applicant requests an appeal, the applicant must mail a copy of the request for an appeal hearing to the employer or employing agency.

Wes Matthews moved to support the drafted changes and it was seconded by Anne Bergeron.

Funeral Leave – Joann (We list all in-laws except Father-in-law and mother-in-law.) Shouldn’t we list all or none.
The policy states the “family of the employee’s spouse” but does not specifically list mother/father-in-law. Employees are confused why other in-laws are listed and mother/father-in-laws are not. Rita looked to see if it’s in ND Century Code (44-07-14-02) and it matches NDUS policy. Anne recalled about four years ago the policy was updated to add brother-in-law and sister-in-law for clarification purposes only. “Spouses parent” covers mother/father-in-law and group members thought adding them would be redundant. Cindy referred to Admin Code. As long as policy does not “enlarge” the policy as stated in Century Code, it is permissible. Joann thought this answer was acceptable.

Family Sick Leave (increasing Dependent Sick Leave) – Committee report – Erin Klingenberg, Chair. Committee members: Wes Matthews, Carla Sivesand, Joy Johnson, Barb Slagle.

Erin reported no response has been given by the state on the topic of increasing dependent sick leave. The topic originally came up because many employees use their 40 hours of dependent sick leave but have many more hours of sick leave they could use before they use vacation. Many times employees run out of vacation quicker and then have to apply for shared leave rather than be able to use their accumulated sick leave. If increasing dependent sick leave will continue to be pursued, Rita recommended to use the federal rate as the limit (104 hours). The committee will draft a proposal then share it with state for their support or rejection. If the state rejects it, it would be difficult to get support for it for Higher Ed employees only.

AFLAC – Laura
AFLAC is offering a free service to provide employee benefit statements. Do campuses want to pursue it? BSC started issuing benefit statement with salary notification letters, issued at the beginning of the fiscal year. They use last fiscal year’s benefit total. Employee response is very positive but it is a time consuming task. Karin stated that PeopleSoft will deliver a benefit statement in version 9.1. Also, the information is on the paycheck statement but many employees don’t look at that. The benefit statement is something seen as a positive from the employee. Hardcopy statement seems to be more affective. Consensus was to wait until 9.1 to see what PS has to offer. Campuses will continue to use their custom process until then.

HR Policy 1.2 to reflect SBHE Policy 603.2 – Cindy (Pat Seaworth was going to change)
Adding Affirmative Action statement about sexual orientation. Pat has changed his mind and wants to hold off in order to further educate board members. Laura asked if HR 1.2 is necessary? Cindy stated SBHE policy trumps HR policy. HR policy 1.2 is statement of intent only and not enforceable. Sexual orientation and engaging in lawful activity during non-work hours is not in HR policy but is in SBHE policy. For consistency, both should match. HR 1.2 will be amended in due time but SBHE should be followed. Diane asked about genetics information—unlawful to discriminate. Cindy will look into this. Issue should only be a housekeeping item so may not need to be brought to HRC again. Will keep on agenda for informational purposes only.

Succession Planning - Committee report (also get legal advice) – Colette
Should each campus develop their own succession plan? Will succession planning be supported by upper management? Does it create discrimination or a contractual obligation? Laura asked if the campuses can have a disclaimer statement to avoid grievances or lawsuits. Cindy said there could be some sort of “protective” statement that would be helpful but not a guarantee. Wes is not sure if a succession plan would work on their campus. Rita stated that they have done some research of other campuses such as Harvard and they do not have formal succession plans, they are calling them Leadership Development plans. They use them for development of leadership/team building skills and for management development. BSC is looking at adopting a similar program where employees can apply to participate in the course. They must meet strict criteria to qualify. Colette stated that a policy or requirement is not the intent. Any plan should fit the institution and campuses can share ideas. Rita will share BSC’s plan with the group.

NDUS Exit Survey – Colette
Campuses will have access to own exit surveys. Still gathering feedback and writing final revisions to the survey. The software was developed by Distance and Continuing Ed. Group needs to decide if the format is ok and how to get data
back. Colette said that there are many options like charts, graphs, statistical data, etc. Colette will send out something in order for HRC members to vote. The group decided no motion was necessary.

**Potential Budget Initiatives** (Major new budget proposals must be submitted by 12-15)– Laura

For 2011-2013, are there any special salary and benefits issues or any special project or initiatives (not employee pay or benefits) to propose? One example brought up was to extend employee tuition waivers to any on-line course at any ND campus. Discussion followed about how any significant initiatives take a lot of money to sustain. Levels of increases will likely not match current biennium.

**Life Insurance** ($1300 policy) – Possibly raising $ amount – Laura encouraged group to have any proposals that would have a legislative fiscal impact by the end of the calendar year. Karin would have to check to see if we could take out premium once a month instead of twice.

Karin stated that it is possible to take life insurance deductions once a month but Higher Ed shares the deductions with the state. Since the Bank of North Dakota also pays semi-monthly, they would have to agree to take the deductions once a month versus every pay period. Joann asked if this issue should be discussed by the HR users group. She contacted Joy Johnston and Tricia Johnson about it. Carla stated that BSC would not be in favor of taking the deductions once a month. The cost is insignificant and reconciliation in minimal.

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**November 18, 2009**

**NDUS Staff Senate – By-laws include:** “A member of the NDUS Human Resource Council shall be in attendance at all NDUS Staff Senate meetings.” – Diane Nelson

Diane stated that we still need to name a person who will attend. They meet by IVN. Diane’s suggestion was to select an HR person from the campus where the president of NDUS Staff Senate is from. It would be a one year commitment and makes communications easier. This year the president is from UND so Diane volunteered to be the representative from HRC. As a backup, Broc Lietz was selected because the vice president is from NDSU. Next year Broc will become the representative and a backup will be selected. The HRC representative will report NDSU Staff Senate agenda items to HRC members at future meetings.

Other items at the last NDUS Staff Senate meeting included the ratification of by-laws and they started to formulate a request to get a seat on the Board.

**Employee Compensation Report** - Laura

*Approve draft process & timeline for 2011-13*

*Identify 3-4 members from council to identify needed changes before November 30*

*Review 2008 report and agree on process for each council to identify needed changes before November 30*

Broc Lietz and Wes Matthews volunteered to serve on the committee. Wes said that he would like to see compensation date for faculty be included in the report. Laura warned that any additional data elements need to be identified early.

**Campus Processes Utilized to Administering “Flexible Spending Account” annual employee sign-up** – Steve Benson

Steve asked if AFLAC’s requirement of 100% sign-off of flex spending account waivers is really necessary. Joann and Becky stated that on their campus, they do require it. Gail said on DSU’s campus, they send one email notification and follow up with one telephone call. They do nothing further to get 100% sign-off. Wes stated that Minot does not require 100% sign-off. Question for Laura-is it written in the contract with AFLAC that campuses must get 100% of eligible employees to sign off on the waiver and do they require employees to sign up for pretax premium deduction every year? Laura will look into it and report back. Consensus among the group was that 100% sign-off was not necessary as long as you can prove that you tried. Most campuses have employees sign the pretax premium agreement upon hire and do not require an updated agreement unless the employee wants to change the election.

**Bio-Demo Complexity Update** - Joann

Meetings have been held every other week. Discussions about differences between Campus Solutions and HR/Fin with key data fields—example: name changes. HR requires a copy of the social security card as verification of a name change. CS does not, saying it is illegal to ask for the ss card. Pat has been asked to offer his legal opinion.
OrgPlus Presentation – Karin Stinar
Karin gave a demonstration of OrgPlus, the software purchased by NDUS to be used by all campuses for organizational charts. Karin explained in order to use the software to its fullest potential, that campuses will need to clean up some data in PeopleSoft including; ‘Reports To’, ‘assistant’, phone numbers, emails, locations, etc. This clean up will also prove useful when campuses upgrade to version 9.1. General feedback of the software was positive. Some campuses have started their data cleanup and have been using OrgPlus.

TechTalk Article – Laura or David?
No report.

Schedule for rest of the academic year
   February 16 & 17, 2010 – Grand Forks
   May 4 & 5, 2010 - Bottineau