Minutes
Human Resource Council Meeting
Valley City State University, Skoal Room
November 7, 2007 8:30am – 4:00pm

Voting Members Present:
Gail Ebeltoft
Steve Bensen
Joann Kitchens
Barb Slagle
Broc Lietz
Wes Matthews
Jim Borkowski
Ann McGraw
Diane Nelson
Jean Altepeter
Erin Klingenberg
Rita Lindgren
Paula Kemnitz

DSU (chair)
MASU
LRSC
WSC
NDSU
MiSU – via phone
MiSU-Bottineau
NDSCS
UND
UND (doctoral rep)
VCSU
BSC
BSC (2-year rep)

Absent:
Susie Mack

Non-voting Members Present:
Joy Johnson
Laura Glatt
Kate Greicar
UND
NDUS
UND

Guests:
Elaine Wieser
Pat Hanson
Patti Gruman
Trudy Collins
Carla Sivesind
NDSCS
UND
VCSU

Meeting- start 8:45am

Introduce Kate Greicar, HRMS Business Analyst with NDUS CND
Kate is new liaison and minute taker for HRC, Kate replaces Teri as minute taker.

Agenda Review

Gail Ebeltoft
Approve meeting minutes from October 3 and October 22

Broc Leitz, vote to approve, Jim seconds the motion to approve. Motion carried

Additions to agenda
Joann Kitchens. Question– We are no longer allowed to do a payroll deduction for 403b for PT people. Joann wanted to know why we no longer allow it.
DSU, LRSC and Minot were offering, others were not so they dropped to match the other campuses.

Internal Controls – Broc Lietz
Update from Broc Lietz. He visited with Tricia Johnson, NDSU set up a meeting to develop a draft by end of November, would be ready by December 31. Review a document from the state and will plan to get it tweaked and sent out to the group. We asked 2 controllers and no one wants in, ask admin affairs. It is a concern that we do not have a controller on the committee. Prepare with group and distribute to campus. Get a call or meeting and start working on the draft.
**Criminal Background 602.3 Pat Seaworth, (via telephone)**

Chancellor’s cabinet update regarding the criminal background 602.3 proposal

The draft HRC recommended was favorably received except for one provision. Requiring a FBI criminal report on chancellor, presidents, and vice presidents was objected because.

1. Unnecessary, people who are already in mid to high level executive positions, have an extensive employment history, highly unlikely someone in these positions would have something in past that is not a matter of public record
2. The candidate must visit law enforcement to get finger printed. Some may be insulted or put off by this process, view it as an intrusion or waste of time.
3. Requiring an FBI check might discourage applicants from applying.

Pat was asked to contact a search consultant to get an opinion. He contacted Jim Appleberry, President of Academic Search. He has many years experience. Appleberry did agree with presidents who are concerned about the proposal. He has not been involved with any institution that requires an FBI search. He believes it might deter someone from applying and it may be considered unnecessary by the candidate.

Laura Glatt asked Pat how does criminal background and FBI check differ. We currently do criminal background. FBI gets information from state attorney general office and FBI, it is sent in with finger prints, form and check. They transmit electronically to FBI. Criminal background checks rely on publically available information; they do not have access to FBI background information. Criminal background can go back as far as we like, time is the factor. Each state and jurisdiction is different in what is provided. Several states do require FBI report on safety and security sensitive positions and senior executives and administrators; Arizona, Virginia, U of California system has policy for FBI reports for these types of positions. More and more states may start requiring FBI checks, but it is not the practice now. States that require FBI checks are in the minority.

The only president speaking in favor of FBI checks for senior level administrators was DSU. Pat's opinion is – he does not think it will cause people to not apply. Pat thought it was a good idea to include FBI reports, but based on Appleberry's concern it might cause some qualified candidates to not apply, Pat feels we should take it out and only require for police and security guards.

Broc Leitz asked are the presidents OK with a criminal history check of some kind? Is the finger printing requirement the concern? Yes.

Diane Nelson asked does information become part of open record on a search? Pat said yes. Campuses should include a statement on the from applicants sign which indicate that this document is subject to open record.

This policy and procedure is on the board agenda for November 15, Pat wants HRC recommendation.

**Motion - Diane Nelson moved to accept and forward the November 6 draft of SBHE 602.3 and NDUS Procedure 602.3 to the State Board of Higher Education. Seconded by Erin Klingenberg.**

**Laura Glatt,** I think we know where the presidents stand, with only 1 in favor of the HRC September 13 draft. What is your perspective as an HR professional?

**Discussion**

If a custodian is subject to a background check, they believe the supervisor of the custodian should be. Pat S says the revised policy puts the chancellor, presidents, and vice presidents in the group as custodian in that they receive a BCI check.

If you have a president that does not live in ND what good is it? We can do other states individually.
Jim asked, “Is an FBI more thorough then multiple state report?” Pat said the FBI is most complete report. State depends on different laws and states ability to search. Jim responded, why would we not do a FBI check if cost is similar and it is more thorough? Broc asked “Do you have to have finger prints for FBI”. Pat answers - yes, Wes feels there is an issue to get finger prints, once we get further in FBI check we need finger prints on a card with institution information, mail card to location where candidate is, it is more involved and may take more time.

The policy states campus can still do FBI check, it will be made by board or search committee.

Rita supports revised policy
VCSU supports revised policy
Diane, thinks it should be required. The trend is going that way and I think the hiring board will say to do FBI check. We are not there now and I will support the revised.
Broc agrees with Diane, but supports revisions
Jim same as Diane and Broc, personally he feels it should be a mandatory. He is not voting in favor of the revised draft.
Joann why would we pay a private firm and get a less thorough report then an FBI check? It says something about a leader who is willing to get an FBI check, I do not support revised proposal.
Barb does not support the revision
Gail, DSU does not support, if leaders are willing to go through same scrutiny as other employees; it reveals something about the character of that leader. FBI is safest way to go.
Steve says his president and vice President are long term North Dakota residents. Likes revised, because it gives flexibility to choose between BCI and a BCI/FBI check. Mayville president said he would not have been a candidate if it was a requirement up front. Steve supports the revision.
Minot, Wes says his president thinks finger printing is intrusive. He can support the revised version.

Broc asked who will we finger print now that it is approved. With resume fraud at a high level, we should be concerned.
Jim said “As a group, if it was HR decision it would mandatory, should we vote that way”. Wes reminds the group that paragraph 3 states we can still do the FBI check if we choose to. HR is not giving anything up.

**Laura Glatt** - HRC job is to represent their institution. Cabinet can choose to accept or reject. As the HR professional what do you support? Do you support the updated proposal to 602.3 by Pat Seaworth that does not require FBI background checks for chancellor, presidents, and vice presidents?

BSC –Yes
Minot- Bottineau- No
Minot - Yes
Four Year Representative - Yes
NDSCS Yes
NDSU - Yes
UND Yes
Doctoral Representative - Yes
Mayville - Yes
LRSC - No
VCSU - Yes
WSC – No
Two Year Representative - No
DSU no vote, chair

Motion carries – to accept and forward amended version to SBHE

**Annual leave payout of term employees – Pat Seaworth**
Previously discussed at May HRC meeting. The way vacation accrues in the PeopleSoft system we pay out leave at next payroll ending date, not the next pay date. The reason for this is because leave does not accrue until after the payroll is confirmed, and thus can’t be added to the
check being computed. This method of paying out leave allows for the most accurate payment.

Example, last day worked 10/15 salary paid 10/31. Vacation is still accruing and final payout would be made on 11/15.

As discussed at the May HRC meeting, WSC had this issue; DOL says they had to pay on next pay date.
Pat was asked for legal advice on this issue. Are we required to make payment on 10/31? HRC is asking to make payment on 11/15. It would be one pay period after final pay date.
Renewed action item from May HRC meeting

Pat, state law allows this if you have established regular pay dates.
HRC is asking to establish this procedure. Pat asked how other state institutes do this. Is leave normal wages?

Pat said we want to amend policy to include an exception of annual payment of sick and vacation leave balances.

**Action item:** Pat will amend 5.2 of NDUS HR policies

**Shared Leave/Donated Leave – Broc Lietz**
Broc out of room – Diane spoke for him. Broc’s question if someone is not accruing leave can they be given leave as a donation? Broc would like Pat to take a look at the leave share policy. Pat will wait to receive something about this from Broc.

**Probationary Period – Broc Lietz**
Probationary periods – Once an employee has passed his probationary period, there is not a second one if an employee moves to a different position. What about law enforcement as the case of a police officer coming from another campus? Pat said we have had that discussion. If you go from one institution to another, you do have another probationary period. Broc wants to revisit this issue.

**Employee Compensation report - Cathy McDonald via telephone at 10:25am**
Cathy would like HRC to approve or support process and timeline for submitting this report. She would like four HRC members to serve on this committee along with herself, Barbara Ness and four members of the CCF.

Cathy would like to review timeline, exit surveys and faculty and staff turnover report.

**Review of timeline – Compensation Report Process and Timeline**
Any comments on changes, dates etc.
Wes says it is good to have timeline it will help with coordination between CCF and HRC. Laura thinks it is a good idea to have the groups meet together.

**Gail** - Hearing no comments the group agrees to timeline, consensus of group is approve and support the timeline. - Yes

Cathy asks how do we want to select of appoint HRC members. Gail will ask for volunteers at this meeting.

**Volunteers**
Broc Lietz or Colette Erickson from NDSU
Rita Lingren - BSC
Wes Matthews MIS

Cathy will coordinate meeting arrangements for November 30.

**Exit Surveys – email to HRC on October 23 regarding Exit Surveys received?**
Some campuses did not know did not know surveys were to be mailed to NDUS office.
Over last couple of years, 80 people left, 30 exit surveys have been received.
Rita and Cathy discussed that we should encourage people to fill them out.

Steve says Mayville is good at providing the form as they leave but they are not all being filled out. Mayville thinks about half of employees who terminate fill out form DSU tries hard to get it completed, we like the option to send it directly to system office. The form needs some updating. Joann would like it electronically; LRSC gives both options mail directly or bring back in office

Diane – exit surveyed developed to get compensation information from those exiting.

Could the HRC come up with recommendations and improvement for the exit survey?

**Action Item – Gail will put this on the next agenda.**

**Exhibit A of compensation report reporting employee turnover statistics**

Cathy informed the group that Teri suggested she use report NDU_hr542. Cathy does not think that report is sufficient. Is there an alternative report that will give more accurate information for the campuses? NDU_hr542- Paula is unsure of what dates the report was pulling, the retirees are not pulling actual term date because benefits continue. When an employee changes from FT to PT it was not showing them. Cathy says it gives you option for payroll date – she used 6/30/06 and it went back to 2005??

Rita ran two different reports. The one that looked like the best one, contained: benefit columns, lists retiree with pay and shows status as term so you will know what not to include. Employee is listed twice if hired back as FT. It will work for smaller campuses; will it work for larger campuses? It does not distinguish, between faculty and staff. Could we add job code to NDU_hr_term_ee_ben_amts. We only want benefited positions. If we have job family or job code you could pull out who does not belong.

Cathy request that by November 16th, all campuses run that report and see if will work.

**Action item:** Cathy will talk with Teri to see if we can add job code or job family to the report. Cathy will ask Teri to modify the report before the campuses run it. Does anybody know any other reports that would work? Cathy will let us know what she finds out from Teri.

Cathy off call at 10:55am

A new query was found during the meeting that would work for all campuses. NDU_HR_BLS_terminating_ees, this query shows the job codes

All campuses should run that report by November 16 and give feedback to Cathy if report will work for turnover.

**Mandatory Direct Deposit - Laura Glatt**

The Administrative Affairs Council has discussed this issue. They would like one type of payment to be consistent across all campuses. Most campuses support direct deposit for non student employees, but would like flexibility for student employees. Concerns are international students, and students who have outstanding bills, (DSU, LRSC and BSC use this opportunity to talk to students about their bills when they pick up their checks.)

WSC takes a deduction for international student’s health insurance payment.

Pat Hanson said that UND business office has them sign a form authorizing payroll deductions. Other options include withholding registration or diploma to get students to make payments.

The intent is to allow campuses to have flexibility to issue a manual payroll check when needed such as international students.

Laura would like a recommendation from HRC.

**HRC - Make it mandatory for non students and leave students with options.**
Wes moves to adopt in principal option A but campuses have the flexibility as they see fit. Add to option A campuses can make individual exceptions as they see fit, the campus does not have the option to include an entire group of people, example all students are not included. Broc seconds the motion.

There are many reasons why some are against mandatory direct deposit. Misc reasons, they want the check, they want to decide where the paycheck goes, they do not want their spouse to see it, worried that the university could take money out of my account now that they know my account number.

Mayville wants all faculty and staff on direct deposit by 12/31.

Laura –hearing from this group and the small work group to discuss mandatory direct deposit she was a part of, all agreed they would like to include in the policy something that states that if there are retroactive corrections which involve withdrawing money from an employee’s account, the employee will be notified prior to the withdrawal.

Wes can a short term hire fit in campus flexibility?

If we pre note now will mandatory direct deposit make pre note not an option? No, you could still pre note.

Laura- Would Wes and Broc amend motion to include notification to employee regarding retroactive changes which require a withdrawal from the employee’s account?

Option A with addition, each campus will be given the flexibility to make individual exceptions as they see fit. If retroactive corrections must be made, the institution will attempt to contact the employee prior to making the corrections. Motion carried.

NDUS HR Policy 24 Reduction in Force - Wes Matthews
Changes include FTE reduction in policy, underlined in 24.1
24.4 deleted wording “terminated” and replaced with “affected”
24.4 add 5, Any documented understandings concerning the position in place at the beginning of employment.
24.6 change

Broc asked a question on 5, In some cases if tied to a grant, may that grant preclude that employee from being considered for RIF. Wes says adding 5 as one more factor to be considered in the decision, it is not the end all.

Vote to move amended policy to Pat Seaworth for review and if he approves forward to SBHE - moved by Wes Mathews second by Diane. Motion carries

SBHE 608.2 Non-renewal and Dismissals – Gail
At the February 2007 meeting, Peg Torrence volunteered to chair group to review policy 608.2. If someone is moved into an officer status from a broadbanded status, do their years as broadbanded, or just their time as an officer, count toward any notification period? The committee was also going to review to see if HRC policy 25 and 608.2 work together. Diane thought it was unnecessary to review unless another issue comes up.

Miscellaneous
WSI is auditing Mayville. Steve asked if any other campuses are being audited. None are.

The next meeting is February 13-14 in Bismarck. Does the HRC want to change the meeting date to accommodate the need to discuss the employee compensation report on February 27? Group agreed that the subcommittee will report at the regularly scheduled meeting and get the HRC recommendation at that time.
TIAA CREF - changes to 403(b) reporting regulations.

Lisa DeMorst Benson, Holly Kendrick, and Brad Bolkan of TIAA-CREF gave a presentation on changes to 401(b) reporting regulations.

Holly updated group on organizational changes within TIAA CREF

Rev Rul changes - unapproved vendors 90-24 (September 24, 2007) you can still transfer but provider must be tied to the plan already.

January 1, 2009 Written plan documents are required. Are we going to do separate plan documents for each institution or one document? There are many carriers for each campus. Brad thinks one umbrella plan document would be better. Laura asked if we can have different companies for different campuses.

Relationship annuity contract will override plan document – Everything has to be in order, plan documents have to coincide with contracts, we have to update plan documents. After initial set up annuity contract change will need to update plan document and if annuity company makes changes to product we need to update plan documents.

Unapproved carrier does not have a payroll slot (deduction)
Is there a risk to institution if you allow an unapproved carrier? Could be some litigation if employee does blame campus to let them use an unapproved? There is less risk to go with just approved carriers.

Meaningful notice – ex TDA (tax deferred annuity) plan, who sends out notice that they have option to participate in TDA plan. Written notice to new and existing employees. How do they know they are eligible to participate? Recommend sending out notice at least once a year.

Laura put together a list of all companies currently on the approved list. TIAA-CREF will get list and have it for all universities to use.

Who can we exclude – students and employees who work few then 20 hours week?

2008 limits – no changes from 2007
$15,500 – same limit
Age 50 and older additional $5000
15 years of service catch up rule $8000
Total is $23,500
15 year must be used first before $5000

Summary
What we need to do
• 1/1/09 must have plan documents in place, TIAA-CREF will help.
• Information sharing agreements for unapproved carriers, recommendation is to have no unapproved carriers, all carriers need a deduction or payroll slot
• Confirm the approved vendor list with your approved vendors before 9/25/07 – done
• Communicate changed to employees
• Discuss your options with your legal counsel

TIAA-CREF has sample email, pdf file to send out to all employees

Meeting adjourn

Next HRC Meeting, February 13 & 14, 2008 - BSC