

Council of University System Staff (CUSS) Meeting

December 17, 2008

USMO Chancellor's Board Room – Adelphi, MD

In attendance:

Members

Marie Meehan	Bowie State
Victoria Kelly	Coppin
Absent	FSU
Jackie Eberts	SU
Gloria Gaguski	TU
Brenda Yarema	TU
Kimberley Lynne	Co-Secretary, UB
Karyn Schulz	Co-Secretary, UB
Ronald Kasl	UMB
Colette Becker	UMB, Vice Chair
David DeLooze	UMB
Roy Ross	UMB
Joe Hill	UMBC
Deborah Geare	UMBC
Jami Kosco	UMBI
Mary Stapleton	UMBI
Gus Mercanti	UMCES
Larry Lauer	CUSS Chair, UMCP
Sister Maureen Schrimpe	UMCP
Willie Brown	UMCP
Gus Mercanti	UMES
Ayman Abdo	UMUC
Michael Hughes	UMUC
Jessica McCarty	UMUC
Scott Wibbert	UMUC
Mary E. Reed	USMO

Alternates/Guests

Shelia Murray	SU Alt

Chancellor's Liaison to CUSS: Rosario I. van Daalen	USMO

Chancellor Brit Kirwan	USMO
Joe Vivona, COO/VCAF	USMO
Irv Goldstein, SVCAA	USMO
Jim Sansbury, AVC	USMO
Janice Doyle, Chief of Staff/EA	USMO

Larry Lauer called the **meeting to order**.

Mary Reed from USMO welcomed the members to the Chancellor's Board Room.

November **minutes** were approved with changes.

Chairman's Report:

Larry distributed copies of the Chancellor's Council 11/18/09 meeting at Bowie and the CUSS report for the BOR 12/12/08 meeting.

From the Chancellor's Council meeting: Council discussed Commission to Develop the MD Model for Funding Higher Education. The Legislative Affairs Committee distributed a letter from various state executives and legislative leaders supporting the USM budget and minimizing job loss. The Council discussed the MHEC State Plan for Higher Education Draft and continued to discuss BOR policy on Salary Increases and Bonuses.

From the CUSS Report to the BOR: budget discussions about shortfall. Also suggested creating a work group to address the issue of Salary Increases and Bonuses. Concern was expressed about implementations of the new MOU at UMCP and the change in PRD standards.

Nepotism Policies: BOR approved a combination of faculty and staff policies and it's posted.

Larry: Chancellor Kirwan wanted to review outdated policies – it was an initiative via Attorney General and the Chancellor.

Furloughs:

Governor O'Malley announced a state employee furlough plan and Joe Vivona was mentioned in the *Baltimore Sun* article reporting on the possibility of USM furloughs.

Larry sent draft letters on Friday, to Chancellor Kirwan, Joe Vivona and BOR chair, that suggested proportional tiering of furlough dates that should not mirror the state plan. USM formula should differ from the state formula. Chancellor Kirwan said he is "informed by the state plan", but USM has autonomy from the state. Governor has to negotiate with the union and each USM institution has to negotiate with the union. Apparently, the union was not pleased with the proposed state furlough plan. The unions owe the Governor a lot: COLA, insurance costs remained stable.

USM employees will have furloughs except for grant funded employees. (Statewide, only Legislators are exempt.) Questionable if those with H1B visas are exempt and contractual obligations will be handled on a case by case basis.

Before slots, the Governor announced \$1.9B state deficit due to projected revenues lower than expectations.

A potential \$34M can be saved by furloughs from \$200M deficit.

Each institution has to furlough and each has a number goal to meet.

Rosario suggested that CUSS members discuss furlough plans with their presidents if they haven't already. TU has talked to their provost. Colette talked to Dr. Ramsay. Dr. Mote at UMCP talked to the Executive Committee. At UB, the president of the Administrative Council talked to the VP of Finance. Furlough days will be spread over the remaining fiscal year. Two furlough days cannot be used in one week due to the Federal Fair Labor Act – otherwise, the employee would be eligible for unemployment insurance.

For this round of budget cuts, USM will have furloughs and not layoffs, but layoffs are projected in the next fiscal year 2010, beginning July 1. Historically, USM has not reduced salaries in tight budget times. There is no real savings in layoffs since those employees are usually re-hired and the system would have to pay accumulated leave.

Supposed to be no reduction in benefits, retirement, pension or leave days. Furlough reduces gross pay but not your salary.

Last Friday, the BOR passed a resolution and Chancellor Kirwan developed those policies. Much debate on protecting educational programs.

Governor signed an executive order:

- Combine furloughs in one-time reduction of salary base
- No furlough days until 1/14/09
- Shutting down state buildings 1/2/09 and 12/26/08 under Administrative Leave and pay to be reduced between January and June 2009 for those two days.

In this whole furlough discussion, CUSS proactively worked with VPs, lending validity and import to system of Shared Governance.

The **DBM (Department of Budget and Management)** reported almost \$2B budget shortfall. Projected no merit money and no COLA for FY2010 and questions the tuition freeze. Furloughs will reduce the deficit but there will be big cuts as of 7/1/09. (Any 2010 budget layoffs would get 90 day notice April 1, 2009.)

A positive hope: President Elect Obama might have a rescue package for the state – he proposes a 10% increase in federal donation that would save \$4B.

What should CUSS suggest for FY10:

Two-year salary management plan instead of salary reduction – what percentages? 1% reduction systemwide except for those who earn less than \$35K annually?

Larry said that the state is already doing that.

Average state salary = \$47,5K

Average USM salary = \$56K

Chancellor Kirwan, Joe Vivona and Irv Goldstein joined the CUSS members at 11:30AM.

The Chancellor thanked the CUSS members for their hard work. He said it's important that the organization exists, and, in difficult times, communication (including advice and idea sharing) is important. He thanked Larry specifically.

Chancellor discussed:

- Policy on Performance Evaluation Programs
- State budget and furloughs
- Shared governance and the MOU

Budget

Governor announced budget shortfall of \$415M from:

- Capital gains receipts down
- Corporate tax down

- Fewer people in the workforce
- Housing market decline

The state can collect \$50M through furlough plan

USM's share of furloughs = \$16M

BOR passed furlough order Friday, but USM has to develop a plan:

- Campuses engaged in furlough plans and submit to USM for approval
- Contract negotiations before the plan

Irv Goldstein met with CUSF. Faculty will take their share of furlough responsibility.

The Chancellor said that he would prefer if all the institutions' furlough plans are not varied and we can't be too different from the state plan.

Joe Vivona addressed the members:

He said USM will look closely at the state plan: furlough programs and salary reduction programs

State furlough plan:

- Over \$60K 5 days
- \$40-60K 4 days
- Under \$40K 2 days

Overwhelming amount of state employees are unionized. Joe met with AFSCME coalition on 7 campuses:

- Nonexempt employees only
- Much debate about cut-off of lowest salary
- Gave the unions an outline

State asked \$16M from USM in furlough days.

Debate:

- Exempt because of income
- What level cut off
- Income distribution – the highest paid will take 5 days furloughs definitely.

Want to reach a settlement and acceptable to shared governance. Quick closure before the holidays. CEOs/Executives will take 6 days.

Comment from the Members:

Larry: will USM combine furlough with salary reduction like the state?

Britt: Yes.

Ron Kasl: suggestion box for a community

Britt: will be more budget cuts after furloughs. Questions of: grant monies and cut off level. Met with the DBM on Friday and they don't know, they don't have a draft plan. Can't meet that deficit with layoffs. 2010 operating budgets next?

It is possible to get us to June 30 without layoffs – but these are all one-time fixes.

- Large rainy day fund of \$650M
- State accounts that won't be fully operational

- Federal stimulus package to the state

Leaving 2010 spending affordability – probably won't have much increase in general fund spending next year -- .7% increase was the lowest in history.

Still, the state priority is higher education. The DBM will do all they can to meet USM mandatory costs.

- Might be tuition increase
- No expanding programs
- No COLA
- No merit

Larry: the false economy of layoffs. USM runs now on a slim staff. CUSS would rather see other options like perhaps the two year salary reduction plan. We will discuss and bring suggestions to the Chancellor. Willie Brown asked about the salary cutoff for not eligible for furloughs?

Britt: Problems: no one can say where the economy is going and within USM we don't know the magnitude. Worst case: state cut \$1.9B from USM funding and USM funding reduced by 10%. \$2-250M reduction in the general fund (\$1B) or 20-25%. There would have to be huge labor cuts. Tuition isn't so low anymore but we would have to react. Reduction in scope of activities. In 1993, in tight fiscal times, USM cut a college and degree programs.

Britt can't prorate furlough days – in violation of federal policy – each campus is different and there is some flexibility.

Kimberley asked if the furlough combined with one-time salary reduction, what % would that be?

Britt: furloughs are arithmetic. 5 days = 5/52

Joe Vivona: cannot prorate reduction Exempt employees can only for Nonexempt. If reduce salary, affects benefits, and the Board resolved not to affect benefits.

Irv: try not to have furloughs that will impact class days

Brenda: different from snow days

Irv: make those up in spring break

Joe Vivona: can't force or allow someone to work if furloughed. If the campus shuts down for two days, grant paid administrative leave and reduce people's salaries officially and at the end FY restore the salary level, maybe the Nonexempt, but probably not Exempt employees.

Jim Sansbury talked about CUSS's request for Institutions' practices and procedures for Exempt Pay

Administration policy: he sent a memo requesting all the institutions to send updated information on the Exempt Staff pay administration for compliance with Board policy. Due 1/31/09.

Britt: there is a lack of inclusion of staff in decisions and basically is a campus issue.

Joe Vivona: we are in the second stage – each campus should discuss with its shared governance. It's a local shared issue.

Larry: but it violates Board of Regents policy. Suggested a white paper for discussion and will discuss in spring.

Britt: staff councils and campus senates should communicate with their presidents on this campus specific issue. Different unions create different issues.

Joe Vivona: won't be the same as before collective bargaining. Collective bargaining created 25 different bargaining units.

Chancellor's Liaison to CUSS Report - Rosario

Biennial Nonexempt Market Salary Survey: HR collected the data (much of it dated prior to September 2008's market crash) and will report that to BOR with recommendations. Surveyed state and Baltimore corridor. 3.5% increase on the market originally. Tracking declines now; market shows further decline before we present to BOR. Rosario proposes another look in July 2010.

No Committee Meetings but each chair made a report:

Roy, **Legislative Committee:** budget is a priority in Annapolis. Will meet with PJ Hogan in second or third week of January. Give him the newsletter? The Chancellor's remarks in the newsletter were from May 2008. Should attach a one page CUSS description.

Brenda suggested a CUSS day in Annapolis.

Larry suggested on Maryland Day with a common message.

Roy said we could introduce ourselves to the constituent legislators.

Jamie will be the chair of the **Communications Committee** because Mary has other responsibilities.

The Newsletter will be sent out electronically.

Deb Geare of **Community Development** extended deadline to 1/23/09 for BOR staff awards.

Exceptional contribution category = above and beyond the job description to either outside organizations and internal but did not need to benefit campus necessarily.

Jackie of **Compensation Committee** reported that she's waiting on the UMBl information.

Executive Committee will meet with Chancellor Kirwan sometime in January.

Old Business

CUSS Meeting Schedule

Resolved date adjustments: Coppin in January, TSU in April, UMCES in July

Was	At	Notes
1/27/09	Coppin	Victoria confirmed
2/24/09	UMCP	4 th Tuesday
3/24	UB	4 th Tuesday - Keep that date
4/28	TSU	Brenda confirmed 4/28
5/19	UMBC	3 rd Tuesday OK because of Memorial Day
6/23	UMES	4 th Tuesday
7/28	UMCES	Gus confirmed

Next meeting: January 27 at Coppin

Respectfully submitted by Kimberley Lynne, 1/23/09