

Board of Governors
of the
Pennsylvania State System of Higher Education

Meeting Minutes

152nd Meeting
Friday, March 19, 2010
Via Conference Call
Boardroom, First Floor
Administration Building
2986 North Second Street
Harrisburg, PA 17110-1201

10:00 a.m.

ATTENDING

Board of Governors:

Representative Matthew E. Baker
Mr. Nick J. Barcio
Mr. John M. Brinjac (designee for Governor Edward G. Rendell)
Ms. Marie Conley Lammando
Mr. Paul S. Dlugolecki
Mr. Kenneth M. Jarin (*Chair*)
Dr. Richard Kneedler
Mr. Jonathan B. Mack
Mr. C. R. "Chuck" Pennoni
Senator Jeffrey E. Piccola
Mr. Harold C. Shields
Mr. Thomas M. Sweitzer
Mr. Aaron A. Walton
Ms. Mackenzie M. Wrobel

Ms. Donna Cooper (designee for Secretary Gerald L. Zahorchak), Representative Michael K. Hanna, Senator Vincent J. Hughes, Ms. Jamie L. Lutz, Mr. Joseph F. McGinn and Ms. Christine J. Toretta were absent.

Office of the Chancellor:

Dr. John C. Cavanaugh (Chancellor)
Ms. Karen S. Ball
Mr. Gary K. Dent
Dr. Peter H. Garland
Mr. Leo Pandeladis

Also in attendance from the Office of the Chancellor: Audrey J. Guistwhite, Lois M. Johnson, Kenneth D. Marshall and Michael A. Mottola.

Chairman Jarin called the meeting to order at 10:02 a.m.

Attendance taken at the direction of the Chairman established that a quorum of the Board was present.

Executive Session to discuss personnel matters convened at 10:05 a.m.

Executive Session adjourned at 10:55 a.m.

The Board meeting reconvened at 10:57 a.m.

PUBLIC COMMENTS

No public comments.

BOARD ACTION

Chairman Jarin noted that the Board had one action item to recommend to the Board for approval.

Chairman Jarin moved **THAT THE BOARD OF GOVERNORS (1) APPROVES WORKFORCE PLANNING TERMS AS PRESENTED BY PASSHE MANAGEMENT; AND (2) AUTHORIZE THE CHANCELLOR AND THE CHAIRMAN TO CONCLUDE THE NEGOTIATIONS WITH THOSE COLLECTIVE BARGAINING UNITS THAT HAVE REACHED TENTATIVE AGREEMENT REGARDING WORKFORCE PLANNING AND EXECUTE THE NECESSARY PAPERS; AND (3) AUTHORIZE THE CHANCELLOR TO IMPLEMENT EQUIVALENT WORKFORCE PLANNING PROGRAMS WITH NON-REPRESENTED EMPLOYEES. (ATTACHMENT #1)**

The motion passed unanimously.

ADJOURNMENT

There being no further items of business to come before the Board, the Chairman adjourned the meeting at 11:00 a.m.

ATTEST:

Peter H. Garland
Secretary to the Board

**Pennsylvania State System of Higher Education
Proposed
Separation Incentive Program**

The Separation Incentive Program consisting of two parts:

1. A voluntary retirement incentive program
2. Severance for abolished positions program

The elements of the Voluntary Separation Incentive Program are intended to be applied uniformly at all Pennsylvania State System of Higher Education (PASSHE) Universities and the Office of the Chancellor. Employees volunteering to participate in the program shall be required to sign a release and settlement agreement provided by the Office of the Chief Counsel.

Voluntary Retirement Incentive Program

Approximately, four hundred and ten (410) bargaining unit and non-bargaining unit employees are currently eligible for the voluntary retirement incentive program. Other employees may purchase additional time to qualify for the retirement. It is not expected that the number of employees who might take advantage of this will be significant.

PASSHE piloted a new approach to collective bargaining – Mutual Gain/Interest Based which focused on understanding each other’s interest, developing implementable options together (unions with management) to help address problems and reviewing data together. Management employees from twelve universities participated in this process along with the PASSHE labor relations staff. This was an exceptional learning experience which included three presidents, several vice presidents, human resources staff, provost and deans to name a few. Through this process we have achieved five tentative agreements with PASSHE unions. Management employees will also be included.

Eligible Employee Groups Include

- Employees Represented by:
 - American Federation of State, County, and Municipal Employees (AFSCME)
 - State College and University Professional Association (SCUPA)
 - Security, Police, and Fire Professionals of America (SPFPA)
 - Office of Professional Employees International Union Healthcare Pennsylvania (OPEIU)
 - Pennsylvania Social Services Union (PSSU)
- Management (non-bargaining)

We were not able to successfully negotiate with our other unions or they did not represent employees who met the eligibility requirement for the Voluntary Retirement Incentive Program.

Eligibility for the Voluntary Retirement Program

Active employees must be full-time, permanent and eligible for majority paid annuitant health care* coverage and a minimum of 60 years of age or any age with 35 years of service as of June 18, 2010.

*Annuitant health care benefits are determined by the applicable collective bargaining agreement for represented employees and PASSHE policies for nonrepresented employees.

Monetary Incentive

13 to 15 years of service:

10% of annual base salary with a minimum of \$6,000 and a maximum of \$10,000

More than 15 years to 20 years of service:

20% of annual base salary with a minimum of \$10,000 and a maximum of \$20,000

20 or more years of service:

30% of annual base salary with a minimum of \$14,000 and a maximum of \$30,000

- Years of service, including purchased service, as of June 18, 2010.
- Annual base salary is rate of pay for staff and does not include supplemental pay such as overtime, compensatory time, etc.
- Employees will be paid in a lump sum minus appropriate deductions.
- Employees must sign a release and settlement agreement.
- Not all bargaining units are eligible for each tier.

Timing

Acceptance Period: March 29, 2010 through May 28, 2010

Separation Date: June 18, 2010 through August 27, 2010

Employees will be encouraged to participate in Pre-Retirement Counseling sessions to be offered at their university.

Severance for Abolished Positions Program
--

Some universities may find it necessary to abolish positions of employees that are not eligible for retirement. In those cases where this might be necessary university presidents will have this tool to support the position abolishment process.

Eligible Employee Groups Include

- Employees Represented by:
 - American Federation of State, County, and Municipal Employees (AFSCME)
 - Security, Police, and Fire Professionals of America (SPFPA)
 - Office of Professional Employees International Union Healthcare Pennsylvania (OPEIU)
 - Pennsylvania Social Services Union (PSSU)
- Management

Eligibility to Receive Severance Payment

- Status:
 - Active full-time, permanent employees whose position is abolished
 - Active full-time, permanent employees whose position is subject to furlough or a seniority bump
 - Positions not fully funded by restricted funds

Timing

- Announcement of the program may begin at the discretion of the university
- Separations must occur no later than September 30, 2010

NOTE: positions may not be backfilled for 24 months.

Monetary Incentive

Less than 5 years of service:

2 months base salary and a payment equal to 2 months of COBRA health and supplemental insurance premiums

5 to less than 10 years of service:

3 months base salary and a payment equal to 3 months of COBRA health and supplemental insurance premiums

10 to less than 15 years of service:

4 months base salary and a payment equal to 4 months of COBRA health and supplemental insurance premiums

15 or more years of service:

6 months base salary and a payment equal to 6 months of COBRA health and supplemental insurance premiums

Important Notes Regarding the Severance for Abolished Positions Program

- Severance for abolished positions applies to employees affected by workforce reduction.
- All applicable collective bargaining agreement seniority bump, recall, and placement rights are voluntarily waived by employees who opt for severance.
- Severance payments will be paid in a lump sum minus appropriate deductions.
- Employees whose positions are eliminated will receive information regarding applying for Unemployment Compensation Insurance.
- Outplacement Services will be made available.
- Employees are eligible to apply for other PASSHE positions.
- Employees must sign a release and settlement agreements in order to participate.

**Pennsylvania State System of Higher Education (PASSHE)
Security, Police, and Fire Professionals of America (SPFPA)**

Voluntary Separation Program Agreement

March 17, 2010

On February 12, 2010, PASSHE executives initially met with representatives of the SPFPA bargaining unit. At this meeting, PASSHE provided SPFPA with information, data, and explanations of PASSHE's need to control its cost structure.

PASSHE proposed to SPFPA a Voluntary Separation Program during this and subsequent meetings. The Voluntary Separation Program includes a voluntary retirement incentive and a voluntary severance for abolished positions. The elements of the Voluntary Separation Program outlined in this agreement are intended to be applied uniformly at all PASSHE Universities and facilities. Employees volunteering to participate in the program shall be required to sign a release and settlement agreement in the form attached as Attachment A or B. The following are the agreed to elements of the Voluntary Separation Program:

A. Voluntary Retirement Incentive

1. Eligibility:

To participate, active employees must be full-time permanent and eligible for majority paid annuitant health care coverage consistent with the statutory requirements for superannuation status and the requirements of Article 24, Health Benefits, Section 6, of the SPFPA Agreement dated September 1, 2007 to August 31, 2011 (Agreement) and Recommendation 24, Health Benefits, Section 6, of the SPFPA Memorandum of Understanding dated September 1, 2007 to August 31, 2011 (Memorandum), as they pertain to majority paid annuitant health care coverage. The eligibility requirements include

(a) a minimum of 60 years of age or any age with 35 years of credited service as of the date of retirement and (b) a minimum of 13 years of credited service as of June 18, 2010.

2. Monetary Incentive:

Those active employees meeting the eligibility requirements who elect to participate in the voluntary retirement incentive, with:

- 13 years to 15 years of credited service shall receive a lump sum payment of 10 percent of their annual base salary, provided that the minimum payment shall be \$6,000 and the maximum payment shall be \$10,000.
- More than 15 years to 20 years of credited service shall receive a lump sum payment of 20 percent of their annual base salary, provided that the minimum payment shall be \$10,000 and the maximum shall be \$20,000.
- More than 20 years of credited service shall receive a lump sum payment of 30 percent of their annual base salary, provided that the minimum payment shall be \$14,000 and the maximum payment shall be \$30,000.

Annual base salary is defined as the employee's annual rate of pay as shown on the applicable standard pay schedule found in Appendix E or F of the Agreement and Memorandum, as referenced in Article 18, Salaries and Wages, of the Agreement and Recommendation 18, Salaries and Wages, of the Memorandum, and does not include supplemental pay, including but not limited to overtime (Article 19, Agreement and Recommendation 19, Memorandum), shift differential (Article 20, Agreement and Recommendation 20, Memorandum), call time (Article 21, Agreement and Recommendation 21, Memorandum), standby time (Article 22, Agreement and Recommendation 22, Memorandum), or court time (Article 36, Agreement and Recommendation 36, Memorandum).

The lump sum payment will not be considered compensation by the State Employees Retirement System (SERS) or Public School Employees Retirement System (PSERS) and shall be subject to appropriate payroll deductions. Further, for employees enrolled in an alternative retirement plan, there will be no employer retirement contribution made or employee retirement deduction taken from the lump sum payment; all other appropriate payroll deductions will be made.

This program will not affect leave payouts that are required by the Agreement and Memorandum, including but not limited to sick leave (Article 13, Agreement and Recommendation 13, Memorandum). Employees will be offered outplacement and pre-retirement counseling services.

3. Implementation:

The voluntary retirement incentive will be offered to employees beginning March 31, 2010. Employees will have until May 28, 2010 to volunteer for participation. Employees who have volunteered for participation must elect a retirement date during the period of June 18, 2010 to and including August 27, 2010 and sign the attached release and settlement agreement (Attachment A).

B. Voluntary Severance for Abolished Positions

1. Eligibility:

The voluntary severance for abolished positions is available to active full-time permanent employees who are subject to furlough as a result of the abolishment of his/her position or seniority bump occurring no later than September 30, 2010. An employee whose position is fully grant funded is not eligible for this program. Employees who volunteer for this program must sign a release and settlement agreement (Attachment B) which will include a voluntary waiver of all applicable collective bargaining agreement seniority bump and recall rights

found in Article 28, Seniority, of the Agreement and Recommendation 28, of the Memorandum. Employees will be eligible to apply for other PASSHE positions.

2. Monetary Incentive:

The monetary incentive will be determined utilizing an employee's annual base salary. Annual base salary is defined as the employee's annual rate of pay as shown on the applicable standard pay schedule found in Appendix E or F of the Agreement and Memorandum, as referenced in Article 21, Salaries and Wages, of the Agreement and Recommendation 21, Salaries and Wages, of the Memorandum, and does not include supplemental pay, including but not limited to overtime (Article 19, Agreement and Recommendation 19, Memorandum), shift differential (Article 20, Agreement and Recommendation 20, Memorandum), call time (Article 21, Agreement and Recommendation 21, Memorandum), or court time (Article 36, Agreement and Recommendation 36, Memorandum).

The lump sum payment will not be considered compensation by the State Employees Retirement System (SERS) or Public School Employees Retirement System (PSERS) and shall be subject to appropriate payroll deductions. Further, for employees enrolled in an alternative retirement plan, there will be no employer retirement contribution made or employee retirement deduction taken from the lump sum payment; all other appropriate payroll deductions will be made. This program will not affect leave payouts that are required by the Agreement and Memorandum.

- Employees with less than 5 years of credited service will receive 2 months of their base salary and a payment equal to 2 months of their currently selected tier COBRA medical insurance premiums for the current health plan including supplemental insurance coverage (hearing, dental, and vision).

- Employees with 5 to less than 10 years of credited service will receive 3 months of their base salary and a payment equal to 3 months of their currently selected tier COBRA medical insurance premiums for the current health plan including supplemental insurance coverage (hearing, dental, and vision).
- Employees with 10 to less than 15 years of credited service will receive 4 months of their base salary and a payment equal to 4 months of their currently selected tier COBRA medical insurance premiums for the current health plan including supplemental insurance coverage (hearing, dental, and vision).
- Employees with 15 or more years of credited service will receive 6 months of their base salary and a payment equal to 6 months of their currently selected tier COBRA medical insurance premiums for the current health plan including supplemental insurance coverage (hearing, dental, and vision).

Years of credited service for this program will be calculated as of June 18, 2010.

3. Implementation:

Universities may begin notifying employees of the program starting March 31, 2010.

Separation of employees must occur no later than September 30, 2010.

C. Parity “Me Too” Provision

If negotiations with any other employee organizations regarding the Voluntary Separation Incentive Program are successful in obtaining a greater economic benefit to eligible employees than set forth in this agreement, the results of those negotiations will be applied to this bargaining unit.

D. The terms of the Agreement and Memorandum shall remain in full force and effect except as specifically set forth herein.

Kenneth M. Jarin
On behalf of Board of Governors

Date

John C. Cavanaugh
On behalf of PA State System of Higher Education

Date

On behalf of SPFPA

Date