Anne Costain called the meeting to order at 10:10 AM.

Approval of Minutes from April 18, 2006 meeting

Costain asked for corrections or additions to the minutes. None were suggested. Paul Perales moved to adopt the minutes; Vickie Hilty seconded. Team members approved the minutes unanimously by voice vote, with MaryEllen Ancell abstaining.

DPA Compensation Update

Costain asked for roundtable self-introductions by team members, since Juana Giacolono from DPA was a guest. Sue Huang announced that Giacolono is being trained on salary survey and benefit utilization and will likely be a liaison to TCT in the future.

Huang reported that the Joint Budget Committee (JBC) has instituted some new and rather complicated salary adjustments for classified staff this year. First, the salary survey as updated in December 2005 will be used to adjust employee salaries, as well as pay ranges. This adjustment will vary with the occupational groups. This is the only raise that most employees who are well above pay range minimum will receive, since there is no performance pay this year. Second, pay ranges are being narrowed by adjusting the minimum up by 2%. Employees who are at minimum or less than 2% above minimum will receive salary increases with this adjustment. The amount of the increase will depend on whether the employee is at range minimum or slightly above minimum. Third, the legislature provided additional funds equivalent to 0.37% of total payroll to be applied to range minimums beyond what was recommended by the State Personnel Director. DPA Executive Director Wells consequently used this additional fund and made the decisions on how to further narrow pay ranges. Huang shared the information about the existing pay ranges and adjustments that are being made. Generally, Director Wells decided that state pay ranges would be adjusted to not exceed the market range width for the occupational groups, and not to exceed a system-wide amount of approximately 45%, which provides the ability to move through to range maximum in a reasonable time period once performance pay is funded.
Huang announced that there will be a Meet and Confer meeting on May 26 at Fort Logan to share these changes to the pay plan for classified staff. Jim Langstaff asked how pay ranges got to be 50%, since he recalled ranges of 35% a few years ago. Huang replied that both top and bottom adjustments were made that expanded the ranges. Ancell asked when DPA would be issuing the pay grid for classified staff salaries. Huang replied that it would be available on June 1. Ancell urged Huang to issue draft guidelines sooner to help with budgeting, and Huang stated that she would try to get pay grid information out sooner. Kym Calvo pointed out that changing pay ranges has an effect on employee transfers. Huang asked Calvo to send an email to Don Fowler at DPA describing her concerns. Huang added that DPA might continue looking into narrowing ranges in the future.

Mark Stanker asked if there is a DPA strategy to move employees upward within the ranges. Huang replied that DPA is looking at options for moving employees upward. The options may include a different kind of performance pay system, which might have some modified step increases as a component.

Huang reported that, in response to a question emailed to her by Audrey Newman, the amount set by the JBC in the Long Bill for the classified staff benefits employer contribution covers medical, dental and life insurance contributions. However, because CU classified staff members receive life insurance from CU, regardless of whether they choose state or CU health and dental plans, the actual dollar contribution to health insurance premiums can be different for a CU classified employee than for a state agency employee. However, the total employer contribution for all three plans is the same for all classified staff.

Huang and Giacolono left at 10:45.

**Campus HR Updates**

Calvo reported that UCB HR has received (and entered in PeopleSoft) ratings for 93% of 2005-06 evaluations. She reported that 150 or so are missing—many due to transfers of employees. This percentage is on target with last year and the department is confident that all evaluations will be in by June 1. She reported that the evaluation process went smoothly this year.

Perales reported that System Administration HR has received over 90% of evaluations. In addition most of the plans for 2006-07 are in. For evaluations that are not in, the main issue is confusion about who the supervisor is, due to staff changes.

Vickie Hilty reported that UCCS Personnel has received 90% and that the missing evaluations are mostly from habitually slow supervisors.

Kevin Jacobs reported that UCDHSC HR has 92.4% of evaluations in and entered. The department is not entering plan information yet; however, ratings for faculty and exempt professionals are being entered in PeopleSoft this year. The missing evaluations are from the usual late departments.
Budget Update
Costain reported that this agenda item was being eliminated, since Lynn Kirsling was unable to attend the meeting.

Salary Upload Progress
Ancell reported that she will send out revised budget projections to the budget offices and HR departments as soon as the new pay grids are provided to her by DPA. The projections will include employees at pay grade maximum and discretionary pay differentials. The new provisions for adjustments to the pay ranges make the process more complicated this year.

She stated that it is important that the employee rating be entered on the correct job record so that it shows up in reports. She added that the beginning date for the review period must be within the evaluation year or that employee may not show up on reports. Ancell stated that she is training two people on the salary upload process this year, since she will be retiring next year.

She reported that on May 26, PBS is inserting rows in employee records in PeopleSoft effective 7/1/06 for employees affected by outlier pay range adjustments. Departments will be able to insert rows with earlier effective dates, but changes made during this time might affect the compensation in the 7/1/06 rows. PBS and the HR departments will monitor this. The salary upload will occur on June 23. Because of the timing of payroll processes, PeopleSoft will be available on June 20 and 21. PBS expects these to be very busy data entry days.

PBS will mail a letter confirming pay adjustments to each classified employee during the first week in July. She stated that the language regarding the adjustments for employees at or near pay range minimum will need to be reviewed and possibly revised.

Ancell reported that there is a new field in the Compensation page in employee records in PeopleSoft. This field will capture base salary at upload. This allows a user to see base salary separate from additional stipends or discretionary pay differentials. The field has limited access, so that it cannot be changed by payroll liaisons. She stated that HR departments will be entering discretionary pay differentials. Ancell added that in August PBS will upload salary adjustments for AY faculty at UCB and UCCS and also UCCS student employees.

Update on Benefits
Stanker reported that PBS is in the middle of open enrollment for 2006-07. Open enrollment started on May 1 and ends at 5:00 PM on May 26. He asked team members to emphasize to employees that classified staff at CU must use the CU deadlines for enrollment, not the state deadlines. He reported that employee participation in the information sessions offered was down this year, but the participation in carrier fairs was high. He added that on the first day of web enrollment, May 10, there were some technical server access problems, which were solved within a day. In addition, UCB
email servers are rejecting the confirmation emails as potential spam. Employees will receive a written confirmation of enrollment in the mail at home after open enrollment closes.

He reported that in setting the employer contribution for faculty and OEP employees CU tried to mimic the increases set by the state for classified staff. He added that two years ago CU’s contribution increase had exceeded the increase set by the state, so that there is a difference in contributions for the two employee groups resulting from that.

Stanker noted that open enrollment posters were prepared for the Boulder campus in English, Spanish and Laotian, and encouraged the other campuses to ask for the posters in Spanish or Laotian, if needed. He added that the presentations from the information sessions with voice over commentary are available on the PBS web site. He encouraged team members to refer employees with questions to a benefits counselor at PBS.

Stanker reported that this year PBS did not use employees’ social security number (SSN) as an identifier for the web enrollment application. Each employee received a mailing with her/his PIN number to use for web enrollment. There is a look-up feature on the web site to help employees who forget their PIN or ID number. Also this year all carriers will issue new ID cards for participants that do not use their SSN as an identifier. Some carriers may not have the cards ready by July 1. He added that the state plans still use the employee’s SSN as an identifier, but that the state plans do not issue ID cards.

Stanker gave an overview of imputed tax liability based on IRS rule interpretations. There are two areas of CU benefits where the IRS is applying this. One area is in dependent health insurance coverage. The state of Colorado raised eligibility for dependent coverage to children up to age 25. Because the eligibility for a federal tax exemption for medical expenses covers only children up to age 24, the IRS has stated that there is an imputed tax liability for the extra coverage. In addition, there is a small imputed tax liability for employees who enroll in optional life insurance and are eligible for reduced rates because they are non-smokers. The PBS web site has information about fair market value as it applies to IRS computations. Employees are being encouraged to consult their tax advisors for more information.

Stanker reported that employees who do not take an action during open enrollment will default into the plans they were enrolled in last year. However, the flexible spending plan does not default. Employees must take an action to enroll in that plan. The default rate for optional life insurance will be the standard rate. Employees must enroll to take advantage of the discount for non-smokers.

**Public Employees’ Retirement Association (PERA) Legislation**

Newman distributed a handout with information about SB 06-235, the PERA reform bill passed by the state legislature. To reduce the PERA unfunded liability an additional 3% Supplemental Amortization Equalization Disbursement (SAED) will be taken from salary survey increases for employees at a rate of 0.5% per year for six years beginning in 2008. Newman reported that she was told by legislators that there is no political will to charge
the increase to employers (the state), even though in the past employers paid a higher percentage to PERA.

Newman discussed a provision in the bill to expand retirement choices for all higher education employees. The new provisions would allow faculty and exempt professionals to choose PERA defined benefits plan, PERA defined contribution plan, or the State defined contribution plan in addition to the existing Optional Retirement Plans (ORP). This would apply only to new employees. Stanker added that this provision would abolish the one-year waiting period for retirement eligibility for faculty and staff and would require a change to the CU plan documents. PBS is getting legal advice on this issue.

Costain asked for additional business. Langstaff announced that Meredith Williams of PERA will be speaking to staff on the DDC campus today and invited group members to attend the meeting.

The meeting was adjourned at 11:45.