

MINUTES

AP Salary and Benefits Subcommittee Meeting

1/19/2017 KC 1247 Allendale Campus

In Attendance

Stephanie Dombrowski (Group 2), Sherry Barricklow (Group 3), Jennifer Kamradt (Group 4), Michelle Cronk (Group 5), Michelle McCloud (Group 6-Chariperson), Jenna Poll (APC Liaison), Linda Yuhas (Compensation and Salaries Liaison), Dave Smith (HR/Benefits Liaison)

Old Business

- Reviewed and approved minutes from the last meeting.
- Set sub-committee goals for the remainder of the year:
 1. Create FAQ section (in progress)
 2. Review how promotions are achieved in departments (reviewed and HR to create philosophy statement)
 3. Look at how to use Exit Interview data (create statement to summarize findings)
- Overall role of the committee is to bring action items to the AP committee.

New

1. The following is a summary of a presentation Dave Smith provided to the AP Salary and Benefits Committee:

Grand Valley State University provides faculty and staff members with retirement benefits through the GVSU 403(b) and 457(b) Retirement Plans. As plan sponsor and fiduciary we have a duty to run the plans solely in the interest of participants and beneficiaries as we seek to:

- Identify a diversified fund line-up of best-in-class investment options
- Ensure that all fees are transparent, appropriate, and competitive with industry averages
- Ensure that the Plans comply with applicable laws and regulations, including fiduciary best practices

Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) is a retirement plan administrator and investment products provider. Contributions to these plans are typically invested in the firm's proprietary fixed or variable annuity products or its line of mutual funds. Investing with TIAA-CREF into one of the annuity investments (fixed or variable) requires an annuity contract to be issued. Prior to 2005, the only type of contract ("legacy") available for retirement plans were Retirement Annuity (RA), individual contract between TIAA-CREF and the participant used for any University Contributions.

Under the legacy contracts the University, as Plan Sponsor and Fiduciary, has no ability to move assets out of any of the annuity investments. Should the fiduciaries determine an investment option is no longer appropriate for the plan, the money that has accumulated in the legacy contracts cannot be moved without participant direction/approval. Under the legacy contract types, there is a requirement that the Plan(s) offer the TIAA Traditional fixed annuity as well as the CREF Money Market and the CREF Stock annuity funds as part of the investment line up for future contributions.

In 2005, TIAA-CREF introduced a “new” contract type the Retirement Choice (RC), institutional contract between TIAA-CREF and the University used for any University Contributions. The new contract provide the University, as Plan Sponsor and Fiduciary, the ability to take fiduciary actions, such as mapping assets (moving assets), should an investment become of concern to the fiduciaries. This contract does not require participant direction and/or approval and provide fiduciaries with the ability to execute actions in the best interests of participants.

After careful consideration of the above factors and other impacts, the GVSU Retirement Committee has endorsed the recommendation to move to the new RC contracts. Fiduciary and plan sponsor flexibility along with a higher current crediting rate and enhanced liquidity for participants are important factors in ensuring the best interests of participants are being addressed. Recent lawsuits alleging breaches of fiduciary duties by several prominent higher educational institutions highlights the importance of making a transition as soon as possible. See the appendix for an article of the litigation.

Dave asked the AP Salary and Benefit Benefits Committee for a vote of support for the transition noted above and the committee voted unanimously to support.

2. Dave reported that Dev has rolled out the Supervisor 101 Training.

Finalize Salary and Benefits FAQ Document

1. EPDP: three questions currently on FAQ section
 - A. Add merit increase information to EPDP
 - B. Explain what the raw score means (Dave to ask Dev)
 - C. What do we need to fill it out (Dave to ask Dev)
2. Merit increase: **Linda to provide answers to “why did I not earn the highest percentage in merit increase if I received the highest rating.”**
3. Promotions: no clear process. We need a statement from HR (university philosophy). Are there standards for awarding promotions? **Task will be to identify what is here already (looks at financial aid).**
4. Benefits FAQ: forward to AP committee to see where to house it (by April).
5. Exit Interview data: what do we do with it/how do we use it? Define what the data means.
 - *HR is currently looking at results to identify dept. “hot spots” and addresses as needed
 - *Challenge with gathering data is an employee may not want to have information disclosed.
 - *HR has phone number employees can call to leave a complaint.
 - *Also new training initiatives have been rolled out: Supervisor Training 101.

Action Items/New Tasks/Discussions

- Dave to clarify with Dev what the score means with the EPDP evaluation.
- Linda to provide answers to “why did I not earn the highest percentage in merit increase if I received the rating.
- Linda to work with HR to develop university philosophy on promotions.
- Committee will look at current models of practice for promotions. Michelle M. will create a visual document that shows all of the current GVSU AP positions across divisions, so that it is clear to see where promotion opportunities exist. This document or some version of it can be shared with the APC and/or the broader AP community to use a baseline in discussions around promotion opportunities. Along with the HR policy statement (which will be placed on their website) this document will help AP’s understand the type of promotion structures that exist at GVSU.
- Committee to determine use of Exit Interview data. Michelle C. will begin drafting language.

AP Committee Meeting Summary

- Jenna reported at the last AP meeting they discussed events: teach-in and provost search
- Spring events – AP luncheon April 20th and AP forum May 3rd. AP awards are open.
- AP election concludes May 20th.
- Eileen spoke the committee looking at student needs/trends.

Next meeting: Thursday, February 16th – CHS 140 (Downtown) at 8:30am.

Topic/Speaker: University Relations – Matt McLogan
