

August 2009 Unclassified Staff Open Forums—all local campuses

Accumulated Questions & Answers

Panelists: Dr. David Creamer, Dr. Janet Cox, Carol Hauser, SPHR, Robin Parker, JD

At the beginning of each open forum Dr. Creamer gave a brief summary of the university’s financial status, enrollment projections and patterns, and some observations on changing trends facing many Midwestern public universities during a period of considerable uncertainty.

Terms and Conditions of Employment

1. Question: Exactly what has changed in the terms and conditions of employment?

Some of what was outlined in the terms and conditions of employment are not changes. Miami University has had the authority to make some changes, but with the challenges of the budget, we wanted to make these conditions very clear. Also, they highlighted some actions that the university has not had to consider in the past. There were also changes made to the Position Elimination Policy, MUPIM Section 13.8. The following chart outlines the core changes.

Previous Terms and Conditions	New Terms and Conditions
Unclassified staff with 5 years of continuous service will receive 5 months notice of position elimination.	Same (MUPIM 13.8.A)
Unclassified staff with 5 years of continuous service in positions being eliminated will normally receive notice by February 1 and their position will be eliminated June 30, but if notice is not given by February 1, the date of termination will be 5 months from the notice.	Unclassified staff with 5 years of continuous full-time service in positions being eliminated will receive 5 months written notice. The 5 months notice can be given at any time during the course of the contract. (MUPIM 13.8.A)
Unclassified staff with less than 5 years of service are not guaranteed any notice period if their position is being eliminated.	Unclassified staff with less than 5 years of service are guaranteed 2 months notice of position elimination. (MUPIM 13.8.A)
Unclassified employees with 5 or more years of service qualify for professional leave which is with pay and benefits. The duration of professional leave is calculated as 1 month for the first five years of employment plus one week for each subsequent year of employment.	Professional leave for unclassified employees with 5 years of continuous full-time service is one month with pay and benefits followed by one week of severance for each year completed beyond 5. Professional leave is with pay and benefits, severance is pay only.

2. Question: Please give us the rationale for the new terms and conditions of employment as they compare to other colleges and universities.

Answer: Large declines in the university’s funding can happen much more suddenly today. These changes are intended to help the university manage these issues more effectively while also providing adequate notice to the employee when a position is affected. Under the new terms and conditions of employment, the university can make employment decisions based on budget constraints, reorganization, and reasons of efficiency or with the written approval of the appropriate vice president. (MUPIM 13.8.A)

University	Notice Period for Position Elimination for Unclassified Staff	Severance Pay
Akron	Fiscal year appointment (July 1-June 30) Non-reappointment – Two (2) years or less of employment – three (3) months notice prior to end of contract term (i.e., April 1). Three (3) years or more of employment - Six (6) months notice of non-reappointment prior to end of contract term (i.e., by Jan 1).	
Bowling Green	Fiscal year appointment (July 1-June 30) Non-reappointment – Three (3) years or less of employment - notice by March 1. Three (3) years or more of employment - notice by Jan. 1. Financial Exigency or Program Discontinuation – Three (3) months notice	
University of Cincinnati	At-will employment – One (1) month of notice for each year of service up to a maximum of six (6) months of notice.	Outplacement services after two (2) years
Kent State	At-will employment – 90 days notice of termination	
Miami University Proposed Policy	Fiscal Year Appointment (July 1-June 30) Less than five (5) years of full-time employment - two (2) months notice. Five (5) or more years of full-time employment rolling five (5) months notice.	Full-time employees with five (5) or more years of continuous full-time service - if other employment not found by end of notice period will receive one month of professional leave with full pay and benefits. If other employment not found by end of professional leave, entitled to one week of severance pay (no benefits except for employer COBRA contribution) for each year of service over five (5). If other employment obtained, employee receives ¼ of severance pay in a lump sum. Outplacement services.
Ohio State	At-will unless contract is for a term certain. Minimum of two weeks of notice for all employees with an appointment of .50 FTE or greater.	Plus 1.5 weeks with full pay and benefits for each completed year of service: 26 weeks of notice & pay (max). Severance ceases if other employment obtained.
Ohio University	Fiscal year appointment (July 1-June 30) 90 days notice of position elimination prior to end of appointment term (i.e., April 2).	"Every effort to place in another suitable position within the university."
University of Toledo	At-will employment – 90 days notice for termination.	

3. Question: What about the faculty?

Faculty received the same Terms and Conditions of Employment as did unclassified and SATSS employees.

4. Question: Are there alternatives to layoffs?

The Retirement Incentive Program is available again as an alternative to layoffs. If position eliminations are necessary, vacant positions would be eliminated first. Attrition is also a means to reducing staff. While a furlough is not presently being considered, there is the possibility of creating a furlough policy since it is possible under a new state law.

5. Question: Will the university consider reducing the 5 months prior notification of position elimination for an employee with at least five years service and provide a larger severance payment instead?

The general thinking is it is better to be gainfully employed while searching for a new position. The university also provides extensive career counseling services to staff whose positions have been eliminated and makes these services available to those staff while they are working.

Financial

6. Question: What factors are reviewed to determine the financial shortfall?

The university looks at multiple factors to determine its budget. Enrollment is especially important because it is the largest source of revenue for the University. Actual enrollments will need to be monitored against the budget estimate. There is also the possibility that changes in state support could occur during the year, depending on the performance of the Ohio economy. Information will be provided at key points during the year so the community is aware of any changes, positive or negative, that occur in the budget. In addition to concerns about the budget, we have many endowments that are no longer adequate to support positions they were intended to fund.

7. Question: Is enrollment for this school year an issue?

The smaller freshman class for the Oxford campus did change the Oxford campus budget outlook just before the budget was approved by the board of trustees. Enrollment information since then has generally been as projected for the Oxford and Middletown campuses and better than expected for the Hamilton campus. It is still too early to project the exact financial impact of this year's enrollment for each campus, but information will be shared with the university community in September when the enrollment statistics are available for fall semester.

8. Question: What are we doing to ensure an increase in enrollment on the Oxford campus?

While there are no plans to grow the overall enrollment of undergraduate students on the Oxford campus, the university is taking several steps to assess this year's first-year enrollment situation. While the yield (percentage of admitted students who accepted our offer of admission) for first-year students from both Ohio and out of state experienced highly unusual drops (-6%), the Oxford campus has been experiencing a gradual overall decline in yield for first-year students since 1988. In other years when the first-year class target may not have been met, the impact, while significant, was perhaps less profound than in this year, given the other economic and budget issues.

That said, much is being done to examine why this general decline in yield has taken place, and in this year, why the drop was more precipitous than anticipated. Simultaneously, many steps are being taken to try and turn this long-term trend in declining yield around. These include, but are not limited to, the following:

- Miami is contracting with a highly-regarded enrollment management consulting firm to review our cost and competitiveness in the marketplace, financial aid budget, and awarding strategies, and then to develop statistical models to maximize aid awarding and strengthen yield;
- Knowing that research indicates that the campus visit is one of the top two most influential factors in students' college choice, we are working with consultants to examine and strengthen our campus visit program, involving offices from across campus whose work impacts our visitors' experiences;
- Given the declining high school populations in Ohio and in many of our key feeder states, we are working with an enrollment management research collaborative as well as utilizing new data tools to help identify opportunities for continuing to strategically grow our applicant pool with outstanding and diverse students;

- We are raising visibility within Ohio, across the nation, and internationally through aggressive communications with students, parents, high school counselors, and community-based organizations, using print, electronic, web-based, and social networking media, while also conducting targeted, cost-effective recruitment travel;
- Through the leadership of the Associate Vice President for University Communications and her team, we are finalizing work on a new University web site, as well as working with marketing faculty and with current Miami students through the HighWire project to research and make recommendations for more effective branding and marketing of Miami;
- Through the leadership of the Provost and President, we are establishing a new Admission Advisory Committee to examine best practices and make recommendations for the future;
- We will continue to seek opportunities to further involve members of the university community, including faculty, staff, current students, and alumni, in Miami's recruitment and yield activities; and
- Given the significant rise in community college enrollments throughout the state and nation, we are seeking opportunities to grow transfer enrollment.

9. Question: Are we seeing any improvement to our investment income? When do you see Miami pulling out of the financial crisis?

While Miami investments, like those of other institutions, are improving, we still have not recovered our investment position from 14 months ago.

The possibility exists that we may face a difficult budget situation for a few years. The Ohio economy may be slow to rebound to historic levels. Ohio faces several challenges economically: a continued reliance on manufacturing jobs, an aging demographic and predicted smaller high school classes. We also expect that there will be more restrictions on raising tuition. Miami is capable of overcoming these issues but we also have to recognize that meeting this challenge will require us to make more changes than we are used to seeing.

10. Question: What changes need to occur? Other institutions are more costly, yet not having the financial issues that are facing Miami (e.g. Xavier University, University of Dayton).

We need to assess what happened with enrollment this fall but we also have to be careful not to undo what has historically made Miami successful. In response to the recent economic problems, students did make different decisions this year. Many elected to stay closer to home and attend universities located in urban centers. Urban centers are also benefiting from students returning to school for graduate education or other programs designed to help them secure employment.

We can't change where we are located but we can improve our effectiveness in communicating the value of a Miami education. The economic news may have been largely negative this past year, but the news about our academic quality has only been good. Numerous publications continued to laud the quality of a Miami education. Our very good undergraduate business school was ranked even higher this year. The beginning salaries of our graduates ranked 8th in the Midwest this past year.

As the economic situation improves, students once again will stress the importance of the quality rather than the location of the educational institutions. We must protect this quality during this period and communicate its value more effectively.

11. Question: *What can employees do to assist the university during this time?*

The university's highest priority is to protect the quality of its educational programs and services. We have tried to re-enforce this in the way the cuts have been allocated. As the president has addressed these issues in his communications throughout this process, each of us must do what we can to ensure the quality of the educational experience that each student receives.

12. Question: *Will the university implement furloughs?*

A furlough is a period of time during which employees do not report for work and are not paid. Employees cannot use sick or vacation leave balances during a furlough. Recent changes to Ohio law permit mandatory furloughs. While the university does not believe it will need to implement a furlough at this time, like many other colleges and universities in Ohio, we are drafting a policy that would guide how a furlough would be used.

13. Question: *Does each campus have a separate budget or are they all together?*

Each campus operates under its own budget and may be required to take differing actions based on its own situation. State government separately appropriates funding to each of the three campuses.

14. Question: *What happened to the private model for tuition?*

The university adopted this model several years ago but it did not meet our expectations and appeared to cause confusion for students and families. We have returned to the usual in-state and out-of-state tuition model.

15. Question: *Will there be raises next year?*

Our goal always is to find a way to provide employees with annual raises. We understand the potential implications of no raises for the retention of our employees. However, we must also consider the impact that further budget cuts may cause in order to fund a pay increase. Both of these issues will be considered when determining if pay increases are possible next year.

16. Question: *What about increasing revenues?*

The university is exploring a number of ideas for increasing revenue. Some may be as basic as seeking students in more states and countries or as complex as the creation of a new programs designed to reach new student audiences. We also must be more efficient in how we operate the university and not depend exclusively on new revenue sources. While new revenue sources are important, they must fit the mission of the university. Some things that other universities are doing may not be appropriate for Miami or we could lose the students that seek us out today. These changes will take time and likely will not immediately improve our situation.

17. Question: *Has the university considered across-the-board pay reductions?*

Not at this time. There are many obstacles to implementing a payroll reduction for every employee.

Benefits

18. Question: Are there planned changes to benefits?

The benefits committee makes recommendations annually to promote the wellness and long-term health of employees and to manage the increase in health care costs. Our benefits package, even with the recent changes, continues to be very competitive with other universities and organizations. Changes in retirement contributions are not expected because they are governed by state law and cannot be changed by the university. We do expect to announce some changes in health care benefits near the beginning of the fall semester. While changes in benefits are always difficult, slowing the growth in these costs does save jobs.

19. Question: Is there a planned reduction for tuition fee waiver? How much does it cost?

There are no planned changes to tuition fee waiver for eligible employees and dependents. The cost of the fee waiver for Fiscal Year 2009 was \$5,161,000.

20. Question: Will there be changes to the per pay employee contribution for health coverage?

At this time we don't foresee broad changes to the per pay employee contribution. A modest increase in the monthly contribution by the university's highest paid employees is likely. Other changes in the plan that would affect all employees, like a deductible, are likely.

21. Question: Has there been any progress on the negotiations between Humana and Premier Health Partners who represents Atrium hospital?

At this time there appears to be no progress on this issue. We need to remember that the increase that Premier is demanding would result in higher costs for both employees and the university. If all of our medical expenditures were with Premier Health Partners, our total medical bill would increase from \$30,000,000 to \$45,000,000.

General Questions

22. Question: Is there any consideration for providing more online courses?

Miami is exploring more distance learning initiatives. It is important for the university to strike the right balance between in-person and online classes.

23. Question: Will there be additional wellness initiatives and programs on the Hamilton regional campus?

The health and wellness budget includes programs and allocations for each campus. Employee Health & Well-being works with liaisons on each campus. The monies distributed to the Hamilton campus were used for upgrades to the fitness facilities and programming as requested.

24. Question: What is Miami doing about the possibility of a H1N1 (Swine Flu) pandemic?

There is a committee led by Vice President Barbara Jones that includes constituents from all areas of the university. This committee developed the original Pandemic Flu Response Plan and is currently updating it. Additionally, we are in contact with the Butler County Board of Health and the Center for Disease Control to broaden our input for decisions. While Miami will continue to provide

opportunities for regular flu shots for employees, we do not know at this time if we will secure shots for the H1N1 strain and how much vaccine we might be provided.

25. Question: What is the timeframe for a permanent dean at Middletown?

We are actively working on the timeline for a search for the new dean.

26. Question: Will there ever be a retirement buyout? Many people need just a year or two of service credit in order to retire. Will there be a retirement incentive in 2010?

There are no plans for an offer to purchase service time as part of a retirement buyout. We have a \$10,000 retirement incentive offer open at this time. Buyouts are incredibly expensive and given our financial situation, a buyout is not practical. .

There are so many unknown variables to the financial situation that we cannot yet determine whether there will be a retirement incentive in calendar year 2010.

27. Question: Do you see the regional campuses sharing more positions or will we continue to have discreet positions at each campus?

This is a time of transition for the regional campuses. The report on the future of the regional campuses is available online and the changes that may result from that study are undetermined at this time.

28. Question: Are we looking at how we charge tuition for students? For example, a student registered at Hamilton may take the majority of their classes at Middletown yet the money stays with Hamilton.

We know this is an issue and that there will be issues involved no matter how we align tuition. It is still under consideration.

29. Question: How many people who were laid off have secured another position within the university?

Seven unclassified staff members secured other positions within the university. Twenty unclassified staff members were hired by the new owners of RedLantern.

30. Question: Why do we have paid parental leave? Doesn't that cost the university a lot of money?

The university needs to remain competitive with other colleges and universities to assure that we attract and retain the best faculty and staff. Most others offer paid parental leave.

31. Question: Are there any constraints on unclassified staff having other part-time jobs?

There are two concepts that must be addressed prior to an unclassified employee accepting another job while working at Miami. First is the possibility of a conflict of interest, and second is the conflict of commitment. Unclassified employees who wish to accept a part-time job outside of the university must fill in the Request for Approval to Perform Outside Service/Consulting form that is available on both the Academic Personnel and Human Resources Web site. Details about this policy can be found in MUPIM 3.10.