

Minutes: Exempt Staff Council  
Tuesday, February 23, 2016 – 2:30-4:00pm  
Andy Holt Tower 8<sup>th</sup> Floor Conference Room

1. Business

- John Goddard welcomed all ESC Attendees.

- Guest Speakers:

**Rickey Hall, Vice Chancellor for Diversity & Inclusion**

403D Andy Holt Tower 974-6271 [rickey@utk.edu](mailto:rickey@utk.edu)

Chancellor Hall addressed the group and shared the role and the responsibilities of his office and how it enhances the University experience. Mr. Hall shared that he oversees four departments:

- Educational Advancement
- Pride Center
- Office of Multicultural Student Life
- Office of Equity and Diversity

Chancellor Hall also oversees 3 Commission Groups within the Diversity & Inclusion Office:

- Commission for Women
- Commission for LGBT People
- Commission for Blacks

Please visit their website at [www.diversity.utk.edu](http://www.diversity.utk.edu) for more information and a complete listing of all programs.

**Dr. Mike Herbstritt, Executive Director Employee Relations**

**Ashlie Czyz, Director of HR Programs & Executive Director**

105 Student Services Building [herbst00@tennessee.edu](mailto:herbst00@tennessee.edu) and [aczyz@tennessee.edu](mailto:aczyz@tennessee.edu)

*Please see the attachment to view the complete presentation.*

Dr. Herbstritt and Ms. Czyz addressed the Fair Labor Standards Act (FLSA) proposed changes, how these changes will affect the University, the upcoming changes for supervisors and what the University is doing to plan and prepare for these changes.

Ms. Czyz shared that The Department of Labor (DOL) is implementing these changes and not the University of Tennessee. This affects everyone, not just higher education.

- *Current Salary for exempt is \$23,660 a year (less than \$12.00 hour).*
- *Proposed regulations would raise the minimum salary threshold to \$50,440 per year.*
- *The DOL is expected to finalize a decision later this year.*
- *Estimated employees affected: 1,500 statewide, half this number are Knoxville-area employees*

Ms. Czyz shared that following the DOL announcement, the University formed the Compensation Advisory Board (CAB) to discuss the proposed adjustments to the FLSA regulations. From there, a statewide group was formed lead by Dr. Mike Herbstritt, Ashlie Czyz and Mike Fitzgerald, Associate General Counsel, to help our campuses and institutes prepare for this change. One of their first tasks was to form three committees, consisting of employee's state wide.

- *Issues Committee*
- *Training Committee*
- *Communications Committee*

In early March, the work of these committees will be shared with the Chief Business Officers (CBOs) then in Mid-March, the information will be shared with the President and Chancellor's. Feedback from all the Committees will be shared with administration.

Dr. Herbstritt shared some of the Key Issues:

- *Annual Leave*
- *Pay Grades, Salary Schedules, and Titling*
- *Setting the criteria for granting salary increases to maintain exemption*
- *Scheduling and recoding time*
- *Morale*

Dr. Herbstritt also spoke of the potential impact this will have on retirement and Long Term Disability (LTD) benefits.

**Q:** Kandi Hodges- I have received information from Social Security stating that my job is worth a specific amount of money when you add in all your benefits. Will this be considered in my salary?

**A:** Dr. Herbstritt- This is strictly cash compensation, the \$50,440 is an absolute minimum, it is not prorated for part time employees. Faculty members are exempt from the proposed FLSA changes.

**Q:** John Goddard- Will these affect some of the federal employees that still work for UT and are below the current salary level? How will this affect their retirement?

**A:** Dr. Herbstritt- This will affect everyone, Federal and State employees. Let us check into this with Jon Gushen in the Benefits and Retirement Office.

- Jon Gushen- All of the employees that are in the federal retirement would not be eligible to transfer to another retirement plan. Their status of exempt vs. non-exempt has no bearing on their FERS or Civil Service Retirement status.

**Q:** P.J Snodgrass- Will the employee's longevity pay be included in this?

**A:** Ms. Czyz- This is a flat salary.

**Q:** Eric Carr- What about Post-Doc's, Graduate Research Assistants (GRA's) and Graduate Assistant's (GA's)?

**A:** Dr. Herbstritt- GRA's and GA's are students so this will not affect them. Post-docs will be affected if they make less than \$50,440.00 as most Post Doc's are not teaching faculty.

**Q:** Deanna Flinchum- Will Research Faculty also be impacted? Tenure track?

**A:** Dr. Herbstritt- Yes, if they do not teach.

**Q:** Deanna Flinchum: What are you waiting on from DOL?

**A;** Dr. Herbstritt- We are waiting for DOL to set the dollar amount and the date for this to take effect.

**Q:** Rex Barton- This is going to impact our customer base as well, currently we are preparing to deal with this with our customers the same as you are here. What is your confidence level on this threshold?

**A:** Dr. Herbstritt- Very sure, we do not feel they would have announced this number, although until it is finalized, we will not be 100% certain.

**Q:** Eric Carr- What has been the proportion of change between exempts and non-exempts in the last 30 years?

**A:** Dr. Herbstritt- In the Knoxville campus we have approximately 1,200 exempt employees and 2200 non-exempt employees. Exempt employee's numbers have been increasing each year due to the number of research grants.

**Q:** Deanna Flinchum- Is this Higher Education only?

**A:** Dr. Herbstritt- No, this is nationwide, with the same set of rules for every employer.

Please contact Dr. Herbstritt or Ms. Czyz 865-946-8847 if you need assistance informing your departments or if you have any questions.

- External Commission Reports

- Campus Planning- LaShel Brown
- Commission for Blacks- Judy King
- Commission for Women- Teresa Fisher

Chancellor Hall was their guest speaker; he shared with them the bills our legislatures have submitted, 20 of these bills pertain to higher education and the University with two that are explicitly about diversity. He encouraged everyone to use their voices, e-mail, write letters and call your legislatures to let them know what you think of their actions and how you would like them to vote as these bills as the outcome would control how we educate in the future.

\*\*Dr. Herbstritt shared that you may tell your legislature that you work for UT although clarify that you are speaking as a private citizen and not representing the University.

- LGBT Commission- Eric Carr.

Chancellor Hall spoke at their meeting also and shared the same information as he did at the Commission for Blacks.

- Faculty Senate- P.J. Snodgrass

Was not able to attend but has obtained a copy of the minutes. One of the bills coming up in the senate on Diversity & Inclusion and how this will impact the University and encourage everyone to write and call, voice from a faculty standpoint how we feel about diversity an inclusion.

There was a motion to establish a committee to focus on diversity and inclusion. How this will affect faculty rules and the well-being of the University committee including student, faculty, staff and visitors.

Next meeting is in March.

- Work Culture Improvement- Brian Browning

John Goddard: Motion for Norma Wilcox to serve on ESC. Norma will replace Beth Phillips. Motion was made and second. Council voted and passed.

- Announcements: None
- Issues/ Questions

**Q:** Donna Spencer: Concern regarding annual review/ probationary review/ merit raise eligibility. Employee is hired in summer, their probation period was complete the end of December, by the calculation, they would be here almost 2 years before they received a merit raise.

**A:** Dr. Mike Herbstritt- Every year the merit pool establishes a set of limitations. 1<sup>st</sup> year employee cannot receive a merit raise.

Dr. Mary Lucal reminded the group that a variety of training opportunities exists around the topic of performance review.

**Q:** John Goddard- Inquiry about Short Term Disability

**A:** Dr. Mike Herbstritt- Jon Gushen, Human Resource Director, Benefits and Retirement shared this statement: At this time the University does not offer Short Term Disability but the state is looking to possibly add this benefit in the near future. It would be available to all state employees and we will know by June or so of this year if it will be available for open enrollment.

**Q:** John Goddard- Will the sick leave bank be eliminated if Short Term Disability goes into effect?

**A:** Dr. Herbstritt- We are not sure, this is something we will take a look at.

2. Future Business: None
3. ESC Committee Meetings
  - Nominating/ Orientation
  - Communications/ Website
  - Advocacy/Education

Meeting adjourned, next scheduled Exempt Staff Council meeting is March 23, 2016 in the Andy Holt Tower 8<sup>th</sup> Floor Conference room from 2:30-4:00pm

