

Agenda for the Human Resource Directors Advisory Committee Meeting

Date: November 8, 2016

Time: 10:00 a.m.

1. Welcome and Introductions

2. Update on proposed rulemaking to Section 250.119 of the Code

Update on the status of the proposed rulemaking to Section 250.119 of the Code regarding furloughs.

- *JCAR Meeting Update*

3. FLSA changes as related to Merit Board Policy Relating to Employee Benefits

At the August 17, 2016 Merit Board Meeting, an action item was on the agenda for a vote to “grandfather” those employees hired before December 1, 2016 the opportunity to continue accruing vacation on the same accrual schedule prior to the mandated FLSA change. While concerns were expressed by specific board members, the board voted in favor of this language. .

- *Merit Board Policy Relating to Employee Benefits*
- *Work Study Committee – develop a committee to explore and to review ideas to change the benefit recommendations. Move to on vacation schedule, provide only base level of vacation and allow more flexibility for employers, etc.*
- *UI System representatives have requested a few minutes to discuss scenarios connected with ‘grandfathering’ employs and allowing them to continue to earn vacation at the current rate.*

4. Discussion regarding the proposed change to the “Merit Board Policy Relating to Employee Benefits” regarding sick leave based on Public Act 99-0841

On August 19, 2016, Governor Rauner signed HB 6162 which became Public Act 99-0841, effective January 1, 2017, that allows employees who earn paid sick leave to use their sick leave for absences due to an illness, injury, or medical appointment for their child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent.

5. Rule of Three Interpretation

- *Review of application of Rule of Three related to multiple vacancies*

6. Discussion of Seniority and Bumping for Professional and Managerial Positions

7. Grant Funded Positions, Seniority and Bumping Provisions

8. Discussion regarding possible statute changes

a. *Out-of-State recruitment*

- *Discussion on removing semi-professional from out-of-state recruitment lists (please note, some individual titles may need to be transferred to the professional designation)*

- b. *Allow municipal police to transfer to universities*
- c. *Additional authority to implement furlough programs*
- d. *Scheduling and completing a discharge hearing*
- e. *Clarify delegation of authority to the Executive Director*
- f. *Allow for Pilot programs*
- g. *Language changes*
- h. *Student Employment Pathway Program*

9. Update and action regarding proposed rulemaking to Section 250.110 of the Code (80 Ill. Adm. Code §250.110) –

- *Update on the status of the proposed rulemaking revisions to the new Section 250.110 of the Code. There has been a formal challenge to JCAR to the rule, details will be provided.*

10. Specialty Factors

Review of designated Specialty Factors that can be designated at the campus level. This will be in addition to the Specialty Factors already associated with the Custom Classifications.

11. Report of the Executive Director – Jeff Brownfield

- a. Class Update
- b. Occupational Area Classification Project (Professional, Clerical, etc.)
- c. Governance, Risk, and Compliance Audit Update
- d. Agency Budget / Staff Update
- e. Legal Updates
- f. Disciplinary Meetings
- g. Prevailing Wage
- h. Student Employment Pathway Program

12. Calendar 2017 Meeting Dates (may need to adjust based on MB dates)

- Friday, January 27, 2017
- Friday, April 28, 2017
- Friday, July 28, 2017
- Friday, October 27, 2017

13. Other Items as Presented

1 TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES
2 SUBTITLE A: MERIT EMPLOYMENT SYSTEMS
3 CHAPTER VI: STATE UNIVERSITIES CIVIL SERVICE SYSTEM
4

5 PART 250
6 STATE UNIVERSITIES CIVIL SERVICE SYSTEM
7

| | | |
|----|-------------------------|---|
| 8 | Section | |
| 9 | 250.5 | Definitions |
| 10 | 250.10 | Purpose, Adoption, and Amendment of Rules |
| 11 | 250.20 | The State Universities Civil Service System and its Divisions |
| 12 | 250.30 | The Classification Plan |
| 13 | 250.40 | Military Service Preference, Veterans Preference |
| 14 | 250.50 | Examinations |
| 15 | 250.60 | Eligible Registers |
| 16 | 250.70 | Nonstatus Appointments |
| 17 | 250.80 | Status Appointments |
| 18 | 250.90 | Probationary Period |
| 19 | 250.100 | Reassignments and Transfers |
| 20 | 250.110 | Separations and Demotions |
| 21 | 250.119 | Furloughs |
| 22 | 250.120 | Seniority |
| 23 | 250.130 | Review Procedures |
| 24 | 250.140 | Delegation of Authority and Responsibilities |
| 25 | 250.150 | Training |
| 26 | 250.160 | Suspension of Rules |

27
28 AUTHORITY: Implementing and authorized by the State Universities Civil Service Act [110
29 ILCS 70].
30

31 SOURCE: Rules: State Universities Civil Service System, approved January 16, 1952, effective
32 January 1, 1952; amended at 3 Ill. Reg. 13, p. 68, effective April 1, 1979; amended at 4 Ill. Reg.
33 10, p. 262, effective February 25, 1980; amended at 6 Ill. Reg. 2620, effective February 22,
34 1982; amended at 6 Ill. Reg. 7236, effective June 3, 1982; amended at 8 Ill. Reg. 4948 and 4950,
35 effective March 29, 1984; codified at 8 Ill. Reg. 12936; amended at 8 Ill. Reg. 24732, effective
36 December 6, 1984; amended at 9 Ill. Reg. 17422, effective October 23, 1985; amended at 11 Ill.
37 Reg. 8942, effective May 8, 1987; amended at 12 Ill. Reg. 3457, effective February 1, 1988;
38 amended at 12 Ill. Reg. 17079, effective October 7, 1988; amended at 13 Ill. Reg. 7324, effective
39 May 1, 1989; amended at 13 Ill. Reg. 19427, effective February 6, 1990; amended at 18 Ill. Reg.
40 1901, effective January 21, 1994; amended at 20 Ill. Reg. 4440, effective February 29, 1996;
41 amended at 30 Ill. Reg. 17384, effective October 23, 2006; amended at 31 Ill. Reg. 15848,
42 effective November 13, 2007; amended at 32 Ill. Reg. 17268, effective October 16, 2008;
43 amended at 33 Ill. Reg. 11644, effective July 22, 2009; amended at 36 Ill. Reg. 6014, effective
44 April 6, 2012; amended at 37 Ill. Reg. 419, effective December 26, 2012; amended at 39 Ill. Reg.

45 13504, effective December 1, 2015; amended at 40 Ill. Reg. 3105, effective January 26, 2016;
46 emergency amendment at 40 Ill. Reg. 3772, effective March 1, 2016, for a maximum of 150
47 days; amended at 40 Ill. Reg. 11192, effective August 4, 2016; amended at 40 Ill. Reg. _____,
48 effective _____.

49

50 Section 250.119 Furloughs

51

52 This Section is applicable through September 30, 2017.

53

54 a) Furlough. A furlough is the placement of an employee in a temporary nonduty,
55 nonpay status for a continuous or noncontinuous period of time due only to a lack
56 of funds. A furlough is not considered a layoff or a reduction in force action and,
57 therefore, is not subject to Section 250.110(d) regarding layoffs.

58

59 b) Employee Terminations. An employee on a temporary or extra help appointment
60 shall be terminated prior to implementation of the furlough program, unless the
61 appointment is required based on health and welfare or public safety, or a
62 designated grant or other funding source. All student appointments shall be
63 terminated subject to Section 250.70(e), unless the student appointment is
64 required for health and welfare or public safety, or the appointment is ~~based on~~
65 part of the student financial aid requirements, or if the student is receiving
66 academic credit as part of the conditions of the student appointment.

67

68 c) Voluntary or Mandatory Furlough Program. A furlough can be either voluntary
69 or mandatory. A voluntary or mandatory furlough program ~~may is not be~~
70 required to include ~~be inclusive of~~ all employees at a designated employer or
71 within a division or program, regardless of location. Except for those
72 positions/employees who have mandated funding, such as a grant or other funding
73 source, or whose absence would jeopardize the funding for a position/employee or
74 department ~~employees~~ may be exempted from the furlough program. Employees
75 in positions considered essential to the critical mission of an employer, such as
76 those related to health and welfare or public safety, may also be excluded from
77 participation in a furlough program. Uniform participation and selection criteria
78 shall be developed by the employer and consistently applied. This Section shall
79 only apply to employees who are designated within the employer's furlough
80 program in accordance with subsections (c) through (m).

81

82 d) Notification of Furlough Program to Employees. Once an employer plans to
83 implement a furlough program, the employer shall notify all employees at least 30
84 days prior to a furlough program being implemented. The process the employer
85 chooses to notify employees is at the employer's discretion, but must conform to
86 the employer's policies related to contacting an employee for official business.

87

88 e) Furlough Work Status. An employee who is furloughed shall not be at work, on
89 standby or on-call, and shall not perform any work for the furloughing employer
90 during his/her scheduled furlough time. For emergency situations, employees
91 subject to a collective bargaining agreement may be called back to work in
92 accordance with the agreement. For those employees not subject to a collective
93 bargaining agreement, employees may be called back to work in accordance with
94 standard employer policies.

95
96 f) Employee Benefits

97
98 1) Employees who are furloughed are not permitted to use vacation, sick
99 leave, personal leave, "floating" holidays, or any other compensable time
100 or similar benefit for the time during which he/she is being furloughed.

101
102 2) Notwithstanding any other Section in this Part, or the fact that an
103 employee's work hours or pay is reduced by the requirement to take a
104 furlough:

105
106 A) furlough time will be credited as if the employee were in pay status
107 for employee benefit programs such as health, life, dental and
108 vision insurance and any similar benefits; and

109
110 B) pension credit for furlough time can be purchased by an employee
111 as provided under Section 15-113.11 of the Illinois Pension Code
112 [40 ILCS 5] (i.e., for furlough time taken between July 1, 2015 and
113 June 30, 2017, pension credit can be purchased; otherwise, it
114 cannot).

115
116 3) A furloughed employee shall be entitled to the same benefits to which
117 he/she was entitled on the paid workday immediately preceding the
118 furlough day. These benefits include, but are not limited to, continued
119 accumulation of vacation and sick leave, holiday benefits, and benefits
120 established by the Merit Board Policy Relating to Employee Benefits as
121 approved by the Merit Board and by the Governing Boards of the
122 universities and agencies served by the University System.

123
124 g) Maximum Number of Furlough Work Days. A furlough program shall only be
125 instituted for a maximum of 15 work days in any fiscal year (July 1 through June
126 30).

127
128 h) Employer's Tracking of Furlough Days. In order for an employee to continue
129 under the State Employees Group Insurance Act of 1971 [5 ILCS 375], the
130 employer is required to track designated furlough days for each employee.
131

- 132 i) Accumulation of Seniority during a Furlough Status. An employee shall continue
133 to accrue seniority during any and all furlough work days.
134
- 135 j) Military Leave during a Furlough Program. An employee on military leave shall
136 not be scheduled for any furlough days during his/her leave and may be scheduled
137 for furlough days that may be prorated dependent upon the date the employee
138 returns to work, if a furlough program remains in effect.
139
- 140 k) Furlough Program Stipulations. A furlough program shall not be used by an
141 employer for the following reasons:
142
- 143 1) Permanent shutdown;
 - 144 2) As a substitute for permanent part-time employment; or
 - 145 3) As a disciplinary measure.
- 146
- 147 l) Collective Bargaining Agreements. Implementation of furloughs for employees
148 covered under a collective bargaining agreement is subject to applicable State and
149 federal labor laws and regulations. This Section is not intended to circumvent or
150 supersede other State or federal labor laws and/or regulations that apply.
151
- 152
- 153 m) Notification to the State Universities Civil Service System of a Furlough Program.
154 An employer may institute a voluntary or mandatory furlough program upon
155 notification to the Executive Director at least 30 calendar days prior to the
156 implementation of any employee being furloughed. The employer shall include in
157 the notification the following:
158
- 159 1) Whether the furlough program is for the entire employer or designated
160 divisions or programs;
 - 161 2) What considerations have been contemplated or invoked for other
162 employees, such as those listed in Section 36e of the Act;
 - 163 3) An explanation of the facts related to the temporary nature of the event
164 causing the furlough program;
 - 165 4) The funding deficit related to the affected work areas;
 - 166 5) The approximate number of employees affected by the furlough program;
167 and
 - 168 6) The beginning date and ending date of the furlough program.
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176 (Source: Added at 40 Ill. Reg. _____, effective _____)

b) Employee Representation

- 1) An employer that is considering implementation of a furlough program that would affect employees who are subject to a collective bargaining agreement:
 - A) if the collective bargaining agreement addresses employee furloughs, shall adhere to those provisions and to this Part to this extent it does not conflict with that collective bargaining agreement; or
 - B) if the collective bargaining agreement does not directly address the issue of furloughs, shall confer with the collective bargaining representative on the creation and implementation of the furlough program and comply with the provisions of this Part;
- 2) Implementation of furloughs for employees covered under a collective bargaining agreement is subject to applicable State and federal labor laws and regulations. This Section is not intended to circumvent or supersede other State or federal labor laws and/or regulations that apply or to contravene any collective bargaining agreement.
- 3) An employer that is considering implementation of a furlough program that would affect no employees who are subject to a collective bargaining agreement shall adhere to this Part.

TO: Members of the Joint Committee on Administrative Rules

Senator Don Harmon, Co-Chair
Representative Mike Tryon, Co-Chair
Senator William "Bill" Brady
Senator Karen McConnaughay
Senator Tony Munoz
Senator Ira Silverstein
Senator Chuck Weaver
Representative Tom Demmer
Representative Gregory Harris
Representative Louis I. Lang
Representative Andre Thapedi
Representative Keith Wheeler

FROM: Jeff Brownfield
Executive Director

DATE: November 2, 2016

RE: ***Proposed Rulemaking regarding Furloughs (Section 250.119 of 80 Ill. Adm. Code §250.119)***

The State Universities Civil Service System (University System) has proposed an administrative rule concerning furloughs to the Joint Committee on Administrative Rules. The intent is to enact a rule that addresses the process of implementing a furlough and its impact on employee's civil service rights for those employees subject to the authority of the State Universities Civil Service Act. We believe that the decision to actually implement a furlough is the subject of well-established law and procedure pursuant to the Illinois Educational Labor Relations Act. Application of those collective bargaining principles would only pertain to approximately 60% of those civil service employees who are represented by an exclusive bargaining representative. However, it should also be noted that any rule concerning furloughs would also affect approximately 40% of those civil service employees that are NOT represented as well.

The purpose of the rule is to allow our employers the ability to utilize a tool that provides the least amount of adverse impact to student services and yet, still allows employees to maintain their position, benefits, retirement etc., rather than experiencing a lay off and thus the loss of a job. The Furlough Program allows the university/agency to reserve funds with the least amount of disruption to the students and employees. Application of the rule to those employees who are subject to a collective bargaining agreement would be acted upon in a manner that respects the rights and obligations of the parties and is consistent with the Educational Labor Relations Act.

Attached we have outlined some additional legal research and background in an attempt to reconcile elements of the rule that were of concern to AFSCME (other unions) and our employers. These discussions have included a meeting in July with Human Resource Directors and union representatives, a meeting conducted by Executive Director Vicki Thomas with union business agents, university labor relations and Human Resource Director staff, other employee representatives, as well as our internal staff and numerous phone and email contacts regarding this topic.

If you have any questions, or wish to discuss this rule or any other issue that concerns the University Civil Service System, please do not hesitate to contact me. I would appreciate the opportunity to talk about this or any aspect of the University System with you and answer any questions you may have.

cc: Vicki Thomas
Matt Rice

Attachment

Legal Research and Overview of Furlough Policies:

As provided by University System Legal Counsel, David DeThorne, our interpretation of the Illinois Educational Labor Relations Act is that whether a furlough may be implemented is a mandatory subject of bargaining under precedent established by court opinions and those of the Labor Relations Board. *See, e.g., AFSCME, Council 31 v. Michael Schwartz*, 343 Ill.App.3d 553 (5th Dist. 2003); *AFSCME, Council 31 and County of Cook*, L-CA-11-054 (ILRB 2011); *Int'l Brotherhood of Teamsters and City of Chicago*, L-CA-10-045 (ILRB 2010).

The University Civil Service Merit Board (Merit Board) takes the position that whether this is a correct interpretation of the law is a question better left to the expertise of the Labor Relations Board, as both a function of the Labor Board's expertise and as a matter of Illinois law. Likewise, questions such as whether an employer would need agreement to impose a furlough, or could do so only after reaching impasse, or other similar questions, are also questions to be resolved by the Labor Board. It is respect for that expertise that lead this office to draft a rule that appropriately defers to the collective bargaining rights and obligations of the employers and employees imposed by the Educational Labor Relations Act.

It should not be overlooked that the furlough rule concept has already been tried and utilized. The brief history of the emergency rule, which was enacted in the spring of 2016, demonstrates both that a rule allowing furloughs is needed and that its scope is proper. An Emergency Rule was adopted based on the recommendation of the Merit Board recognizing furloughs, at the request of parties interested in using furloughs, rather than layoffs. After that rule was put in place, several bargaining units negotiated with their respective employers and agreed to use furloughs, at which time furloughs were implemented with those bargaining units. At the same time, several bargaining units rejected proposals for furloughs, and it is our understanding that none of those bargaining unit employees were furloughed. The right of the bargaining units to accept or reject the proposed furloughs remained, as did the bargaining obligations of the employers. The Emergency Rule did not alter those rights and obligations.

Revisions to the Initial Furlough Rule:

These updates to the original rule and/or Emergency Rule were based on a joint meeting with university administration/Human Resource Directors and union representatives—

- Length of Furlough Notice – Employee notice increased to 30 days; original language provided for 15 days of notice.
- Length of Furlough – Total number of furlough days in one year to 15 days; original language was maximum of 30 days.
- Restrictive Employment Process for Non-Status Employees – Added more restrictive language to only allow Temporary, Extra Help and Student employees to remain employed based on health, safety, welfare, grant requirements or student college credit or financial aid tied to student employment. This language was strengthened from the Emergency Rule.
- Report for Duty – Assures that any employee required to 'report for duty' while taking a Furlough day(s) would conform to current collective bargaining agreement or university/agency policy for those not covered by a collective bargaining agreement as related to other emergency call-in practices.

Changes Under Dispute:

The following requests were not implemented in the current draft because such changes were deemed inconsistent with the intent of the rule or deemed inappropriate/beyond the authority of the Merit Board.

- Withdrawal of the Rule in its entirety due to an implemented stop-gap budget, thus eliminating the need for furloughs. The existence of the rule does not require the implementation of furloughs, it merely allows for possibility of furloughs. Prior to the implementation of the Emergency Rule, some considered the lack of such a rule to mean that furloughs were legally impermissible.
- Change the language in (l) related to Collective Bargaining Agreements – As previously discussed, the language in the rule is neutral and allows for the collective bargaining process regarding furloughs. Proposed language changes were deemed to alter or potentially alter the rights and obligations of the parties to a collective bargaining agreement, and encroach upon the Labor Relations Board's authority and expertise.



STATE UNIVERSITIES CIVIL SERVICE SYSTEM
1717 Philo Road, Suite 24
Urbana, IL 61802

MERIT BOARD POLICY RELATING TO EMPLOYEE BENEFITS

(as approved by the Merit Board on June 24, 1970 and as Amended)

WHEREAS the Civil Service Statute provides that "the Merit Board shall have the power and duty . . .

. . . To prescribe the range of compensation for each class or to fix a single rate of compensation for employees in a particular class; and to establish other conditions of employment which an employer and employee representatives have agreed upon as fair and equitable. . . .

[to] . . . take into account the rate of compensation generally paid for similar work in the locality in which the work is to be performed. . . .

. . . To recommend to the institutions and agencies . . . standards for hours of work, holidays, sick leave, overtime compensation and vacation for the purpose of improving conditions of employment . . . and . . . insuring conformity with the prevailing rate principle.";

WHEREAS uniformity in benefits among institutions is desirable, and institutional representatives have expressed concurrence with this principle;

THEREFORE, BE IT RESOLVED that it is the judgment of the Merit Board that each of the governing boards, institutions, and agencies specified in Section 36e of the Statute should accord fringe benefits to its employees through adoption of the following benefit policies and develop administrative rules and procedures for uniform application of these policies throughout its organization.

I. HOURS OF WORK

A. Work Schedules

Each institution or agency shall report to the Merit Board the classes of employees for which it changes the hours of workweek. The Merit Board may recommend to the institutions and agencies standards for hours of work. (Amended and reinstated at Seventy-Third meeting of the Merit Board, September 27, 1977.)

B. Overtime Compensation

1. Employees nonexempt from the overtime provisions of the Fair Labor Standards Act will be compensated at time and one-half for all time in a work week in excess of the number of hours of work comprising an established full-time daily or weekly work schedule, whichever is greater, except, that for an employee paid on a prevailing rate basis, the number of hours before daily and/or weekly overtime begins, and the rate of the employee's overtime pay, will depend on the number of hours and the rate being paid locally, pursuant to the appropriate multi-employer area agreement.

II. ELIGIBILITY FOR EMPLOYEE BENEFITS

Except as indicated otherwise below for prevailing wage rate groups, employee benefits will be made available to employees in status appointments. Included in this group will be those in appointments designed to qualify employees for status in the class, e.g., learner, trainee, apprentice, and, where appropriate, provisional. Employees in other types of nonstatus appointments will not be extended employee benefits. Eligibility for benefits in relation to work, leave, layoff, or absence status shall be determined by each institution or agency. Rules for the uniform administration of each form of employee benefit shall be established by the governing board of each institution or agency or by an official to whom delegation has been made as needed to meet program requirements of the institution or agency.

III. HOLIDAYS

A. Employees other than Prevailing Wage Rate Groups

Eligible employees not in prevailing wage rate groups will be excused with full pay, except for necessary operations, on New Year's Day, Memorial Day (as determined by the Law of the State of Illinois), Independence Day, Labor Day (first Monday in September), Thanksgiving Day, Christmas Day and on five other holidays designated by the governing board of the institution or agency. These five other holidays may differ between institutions and agencies but shall be of commemorative or other significance as nonwork days (e.g., legal holidays in the State of Illinois) and shall result in a reasonable distribution of holidays throughout the year. Days suggested for consideration are Lincoln Day (first Monday in February), Washington Day (third Monday in February), Good Friday, Columbus Day (second Monday in October), Veterans' Day, day after Thanksgiving, full day adjacent to Christmas, full day adjacent to New Year's.

B. Prevailing Wage Rate Groups

Eligible employees in prevailing wage rate groups will be excused from work on the holidays of the institution or agency irrespective of whether the holiday is observed under the appropriate multi-employer area agreement but will be compensated as follows:

1. If the holiday is recognized for other employers under the appropriate multi-employer area agreement the employee will be compensated in accordance with practice under that agreement.
2. If the holiday is not recognized under the appropriate multi-employer area agreement the employee will be excused without pay.
3. Notwithstanding 1 and 2 above, each prevailing rate employee shall be extended the option of charging any unpaid holiday under 1 or 2 above to earned Vacation or Personal Leave accrued to the employee's credit on the date of the holiday.

C. Holiday Work

In the event that work is required of an employee on any holiday recognized by the employing institution or agency:

1. Employees in prevailing wage rate groups will be compensated in accordance with prevailing practice on those holidays designated in the appropriate multi-employer area agreement.
2. Other nonexempt employees, as defined by the Fair Labor Standards Act (including prevailing rate employees for holidays not designated in the appropriate multi-employer area agreement), in addition to regular compensation, will receive additional payment at the rate of time and one-half, or, if mutually agreed to, by time off at the rate of time and one-half.

D. Holiday on Nonwork Day

For employees who normally work a Monday-through-Friday schedule, holidays which fall on a calendar Saturday will be observed on the preceding day, and holidays which fall on a calendar Sunday will be observed on the following day. Employees who normally work other than a Monday-through-Friday schedule, and who are not scheduled to work on a calendar holiday, will receive, as necessary operations permit, either (1) a scheduled work day off within two weeks of the recognized holiday, or (2) an additional day's pay at the regular rate.

IV. PAID LEAVE

A. Initial Probationary Period

That employees' use of earned vacation (either days taken or paid days) during probationary period be permitted. If separation occurs during the probationary period, no penalty is imposed. (Approved by the Merit Board at its Ninety-First meeting, November 10, 1982.)

B. Vacation and Personal Leave

- Each employee who is nonexempt under the Fair Labor Standards Act, and each employee who is exempt as an executive or administrative employee but who (1) is required to work a fixed shift and (2) receives overtime compensation if required to perform overtime shall earn Vacation and Personal Leave at the rate which is shown opposite the employee's service years in Schedule A.

SCHEDULE A

| <i>Years of Service Completed</i> | | <i>Rate Earned Per Hour of Pay-Status Service (Exclusive of Overtime)</i> | <i>Approximate Leave Days Earned in One Year</i> |
|-----------------------------------|----------------------|---|--|
| <i>At Least</i> | <i>Not More Than</i> | | |
| 0 | 3 | .0462 | 12 |
| 3 | 6 | .0577 | 15 |
| 6 | 9 | .0692 | 18 |
| 9 | 14 | .0808 | 21 |
| 14 | | .0962 | 25 |

- Each employee who is (1) an executive, administrative, or professional employee as defined under the Fair Labor Standards Act, (2) not provided with a fixed or rigid daily and weekly schedule, and (3) required to discharge duties, the discharge of which usually requires a certain amount of flexibility in such schedule, shall earn Vacation and Personal Leave at the rate which is shown opposite the employee's service years in Schedule B.

SCHEDULE B

| <i>Years of Service Completed</i> | | <i>Rate Earned Per Hour of Pay-Status Service (Exclusive of Overtime)</i> | <i>Approximate Leave Days Earned in One Year</i> |
|-----------------------------------|----------------------|---|--|
| <i>At Least</i> | <i>Not More Than</i> | | |
| 0 | 3 | .0962 | 25 |
| 3 | 6 | .1000 | 26 |
| 6 | 9 | .1038 | 27 |
| 9 | | .1077 | 28 |

3. Based on mandated changes or compliance with Federal, State, and regulations, such as that contained within the terms of the Fair Labor Standards Act, and as applied to the definition of employees in section IV(B)(1) and (2), Paid Leave, an employer may allow an employee hired prior to the effective date of the mandated change the opportunity to continue accruing vacation on the same accrual schedule prior to the mandated change. (Approved by the Merit Board at its Two-Hundredth and First Meeting, August 17, 2016)
4. An employee may accumulate at the employee's then current earning rate an amount of leave equal to that earned in two service years but upon reaching this accumulation will cease to earn leave except as the accumulation is reduced. Employees converting from principal administrative positions to a status civil service position may be allowed to transfer balances greater than the two year accumulation maximum. (Approved by the Merit Board at its Two-Hundredth and First Meeting, August 17, 2016)
5. Institutions with present Vacation and Personal Leave plans which differ from the above shall move to these schedules after due notice to employees and shall place each present employee on the service year step of the above schedules that will most nearly preserve the employee's present earning rate of Vacation and Personal Leave.
6. Each institution shall issue appropriate rules and administrative procedures to assure that within the total amount of Vacation and Personal Leave accumulated, employer operations permitting, periods of up to one or two days at a time will be granted an employee for personal reasons upon request of the employee and without the need for advance planning. Longer periods of vacation should be planned and scheduled by the institution after taking into account employee preferences.
7. Where there has been a break in service, the service year shall be computed as though all previous State service which qualified for earning of Vacation and Personal Leave benefits is continuous with present service, i.e., service during each separate period of employment, whether institution or other State service, shall be added together to arrive at total service. This provision is effective October 1, 1972. It applies to the future earning rate of eligible employees on the institution's rolls on this effective date as well as to those who enter or reenter institution service after that date. (Amendment approved and added by the Merit Board at its Fifty-Sixth meeting, October 30, 1972.)

C. Sick Leave

1. An eligible employee shall earn credit for Sick Leave with full pay at the rate of one work day for each month (23 days of service (.0462 per hour for each hour of pay-status service). The amount of leave accumulated at the time when illness or injury begins shall be available in full, and additional leave shall continue to accrue while an employee is using that already accumulated.

2. There shall be no limit in the amount of Sick Leave which may be accumulated.
3. An eligible employee may use accumulated Sick Leave only when an employee is ill or injured or obtaining medical or dental consultation or treatment. Each institution shall reserve the right to require acceptable evidence of disability before allowing the use of Sick Leave.
4. Use of Sick Leave shall be for an illness, injury, or medical appointment of the employee, employee's child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent.~~limited to illness for employee, spouse and/or children. Exceptions and applications of this policy beyond spouse and children, e.g., members of household, may be granted. The use of sick leave for those listed above, except an employee, may be limited to an amount of what is accrued over a six month period if so listed in the employer's policy~~^[JB1].
5. A former employee who separates in good standing and returns to employment within two years, shall have former accrued Sick Leave restored. (Paragraphs 4 and 5 approved and added by the Merit Board at its Eighty-Fourth meeting, June 11, 1980.)

D. Funeral Leave

Approval, with pay, will be granted to an eligible employee for a leave of up to three work days for the death of a member of the employee's immediate family, household, in-laws, and/or grandparents of immediate family; and of one day to attend the funeral of a relative outside the employee's immediate family or household.

1. Immediate family is defined as: father, mother, sister, brother, spouse, and children. In-laws are defined as: mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law. (Amended and approved at the Seventy-Third meeting of the Merit Board, September 27, 1977.)

E. Jury Duty

An eligible employee shall be granted a leave of absence without loss of pay when called for Jury Duty service.

F. Military Training

Leave of absence with pay shall be granted in accordance with the Military Leave of Absence Act (5 ILCS 325/1) to an eligible employee for military training who is a member of any reserve component of the United States Armed Forces, including the Illinois National Guard. The length of the leave with pay for training will not exceed standards established by federal or state regulations for training activities required to maintain standing in the above military units. During leaves for military training, the employee shall be eligible for compensation and benefit programs in accordance with

applicable state and federal regulations. (Approved by the Merit Board at its One-Hundred and Fifty-Ninth meeting, November 16, 2005.)

G. Mobilized to Active Duty

Leave of absence with pay shall be granted in accordance with the Military Leave of Absence Act (5 ILCS 325/1) and section 36g of the State Universities Civil Service Act (110 ILCS 70/36g) to an eligible employee who is a member of any reserve component of the United States Armed Forces, including the Illinois National Guard or Illinois State Militia who is mobilized to active duty. During leaves for active duty, the employee shall be eligible for compensation and benefit programs in accordance with applicable state and federal regulations. (Approved by the Merit Board at its One-Hundred and Fifty-Ninth meeting, November 16, 2005.)

H. Excused Absence

Rules providing for excused absence with pay shall be issued by the governing board of each institution or agency or by an official to whom delegation has been made as the institution or agency determines to be in its best interest. Reasonable limitations on such excused absences shall be included.

V. EDUCATIONAL BENEFITS

A. Tuition and fee waiver shall be granted by each institution to an eligible employee of that institution or of any other institution or agency named in Section 36e of the civil service statute who enrolls in courses up to the following maxima in any semester or quarter.

Full-time employee..... 6 hours or 2 courses
3/4-time employee..... 4 hours
1/2-time employee..... 3 hours

B. These maxima are employee benefit limitations and do not apply to enrollment in approved work-related training programs, the purpose of which is to improve University services. The fees which will be waived include registration fees and admission fees, and, in the case of an institution's own employees, no charge will be made for service type fees such as those imposed to secure revenue for bond retirement, etc. These latter (i.e., service type) fees will not be waived for an employee of another institution. Employees may enroll for class work during regular working hours for only one course and only as approved by their supervisors and then if the course is only offered during working hours. When such permission is granted the employee will make up time (1) working outside of the employee's regularly scheduled hours as approved by the employee's supervisor or (2) deducting the time spent in class from the employee's accumulated Vacation and Personal Leave. A student as defined in Rule 250.70(f)(3) is not eligible for a status appointment and may not be granted tuition or fee waivers as an employee benefit.

|

VI. TRANSFER OF BENEFIT CREDITS

A current status employee within the System who is selected for employment by another institution within the System and enters on such employment without break in service will be (1) credited by the hiring institution with that amount of accumulated Sick Leave which the employee had credit on the last day of service with their previous System employer and (2) granted eligibility by the hiring institution to earn future Vacation and Personal Leave benefits based upon the employee's total continuous service to a previous System employer as computed by that employer.

The effective date of this Policy shall be July 1, 1970.

| Benefit (vacation) Policy Overview | | | |
|---|----------------------|----------|------|
| Overview of a couple of random vacation/paid time off plans. These are for discussion purpose only. | | | |
| State of Illinois | | | |
| | Vacation | Personal | Sick |
| 0-5 | 10 | 3 | 12 |
| 5-9 | 15 | 3 | 12 |
| 9-14 | 17 | 3 | 12 |
| 14-19 | 20 | 3 | 12 |
| 19-25 | 22 | 3 | 12 |
| over 25 | 25 | 3 | 12 |
| State of Michigan | | | |
| | Vacation | Personal | Sick |
| Less than 1 year | 12 | 2 | 12 |
| 1-5 | 14 | 2 | 12 |
| 5-10 | 16 | 2 | 12 |
| 10-15 | 18 | 2 | 12 |
| 20-25 | 21 | 2 | 12 |
| Private Company A | | | |
| | Paid Time Off | | |
| 0-5 | 14 | | |
| 5-15 | 20 | | |
| 15+ | 25 | | |
| Private Company B | | | |
| | Paid Time Off | | |
| 0-3 | 16 | | |
| 3-10 | 21 | | |
| Over 10 | 26 | | |
| For Assistant Vice President and higher, the employee may take Routine Time Off , (RTO) there are no restrictions on amount of days but must be coordinated with administrator. There is no 'pay out' when an employee leaves. | | | |

STATE UNIVERSITIES CIVIL SERVICE SYSTEM

*Sunnycrest Center
1717 Philo Road, Suite 24
Urbana, Illinois 61802-6099*



*James D. Montgomery
Merit Board Chair
Jeff Brownfield
Executive Director*

DATE: Thursday, September 22, 2016

TO: Senator Scott Bennett
45 East University Avenue, Suite 206
Champaign, IL 61820

FROM: Jeff Brownfield, Executive Director, State Universities Civil Service System

RE: Amendment of the State Universities Civil Service Act

As you know, the State Universities Civil Service System is a merit-based, civil service/ personnel administrative system created by the legislature solely to serve Illinois public universities and related higher education agencies. As of June 30, 2016, 22,887 of the 53,152 employees of our public universities and related agencies are subject to the Act.

The State Universities Civil Service Act has existed for over 60 years. It has undergone relatively little legislative activity over that time, notwithstanding changes in technology, employment practices and human resources that have occurred. During this period our agency has not proposed a legislative agenda, and continues to largely operate based on standards and authority that need to be modified. The world in which the university workforce faces challenges and opportunities that are different than those present half a century ago.

Based on communications with constituent agencies and universities, and with the concurrence of the Merit Board, I am seeking legislative support on a number of issues to 'bring the Act into the 21st century.' The following is a list of recommended changes that would enhance the abilities of our public universities to maintain excellence in their hiring and employment practices while preserving civil service protections for civil service employees, reflect legislative changes in other arenas, and permit the system the opportunity to try new methods of maintaining excellence while protecting the merit-based approach.

1. Allow for additional out-of-state recruitment.

Impetus:

The universities have requested the ability to recruit from out of state, there are even examples of universities removing positions from civil service simply because of the residency requirement.

Recommendation:

Add language that allows for the possibility for out-of-state recruiting to Professional, Semi-professional and Managerial positions.

In examinations for designated occupational technical positions as determined by the Merit Board, for which no qualified residents of this State are available the residence requirement may be waived.

2. Allow the employment of municipal or county law enforcement personnel on an equal footing with state law enforcement personnel.

Impetus:

This request is based on discussions with university police and their desire to have one more tool to recruit officers including diverse candidates, persons of color, gender, etc. Right now they are at a disadvantage to other state law enforcement agencies.

Recommendation:

Add language to allow a waiver of the requirement that “all examinations in the same classification shall be uniform” for law enforcement entry-level positions. 110 ILCS 36d(5). Allow current sworn officers the ability to transfer to a state university public safety vacant position.

The examination requirement for the initial appointment, entry level position only, of law enforcement personnel may be waived if an applicant has satisfied all the requirements established by the Illinois Police Training Act for appointment of law enforcement officers, and if the Merit Board allows for such waiver by rule. Additional positions may have the examination requirement waived where the occupational standards are regulated by the Illinois Department of Financial and Professional Regulation as designated by the Merit Board and provided for in adopted rules

3. Clarify the Universities System’s ability to administer the implementation furloughs programs.

Impetus:

The recent budget impasse led certain universities and unions to discuss and implement furloughs, but there was no civil service rule regarding the implementation of those furloughs at the time. Some understood this to mean that furloughs were prohibited. There is some dispute as to whether furloughs are permitted under the Act, and adding language would eliminate doubt. Furloughs are currently considered a mandatory subject of bargaining under the Illinois Educational Labor Relations Act.

Recommendation:

Add language recognizing the possible use of furloughs as provided for under the Educational Labor Relations Act.

Furloughs may be implemented in accordance with the Illinois Educational Labor Relations Act or other controlling labor law.

4. Allow for the practicalities of scheduling and completing a discharge hearing.

Impetus:

Currently, a discharge hearing must “occur” within 45 days of notice to the employee, who in turn has 15 days to demand a hearing, the effect of which is to require a hearing to occur and possibly be completed within 30 days of the demand. 110 ILCS 70/36o. Though there is

no call for change, upon completion of a legal review, this change of the deadline is a more manageable timeframe to assure both parties can have their appropriate rights.

Recommendation:

Add language that would require that the hearing commence within a certain time period of the employee demanding the hearing, rather than “occur”; the language under consideration, adapted from the Municipal Code, 65 ILCS 5/10-2.1-17, has been tested in litigation.

Upon the filing of such a request for a hearing, the Merit Board shall grant such hearing by a hearing board or hearing officer appointed by the Merit Board to commence ~~be held~~ within 45 days from the date of the service of the demotion, removal or discharge notice, which may be continued from time to time by a hearing board or hearing officer appointed by the Merit Board.

5. Clarify that the Merit Board may delegate its authority to the Executive Director.

Impetus:

Currently, the Act sets forth over fifteen different duties of the Merit Board, but specifically permits the Board to delegate less than half of those to the Director. Because certain delegations are specified, the legal implication is that the others cannot be delegated. As written, this suggests that the Merit Board cannot delegate the remaining duties to the Executive Director. The Joint Committee on Administrative Rules expressed concern that the System Office was promulgating rules. In addition, legal review reveals that by specifying certain duties may be delegated, the implication is that others may not. Adding language that states clearly that delegation is permitted removes that potential argument.

Recommendation:

Add language that would simply clarify that, by specifying that certain powers could be delegated does not mean that the others could not also be delegated.

The enumeration of specific duties and powers that the Merit Board may delegate to the Executive Director in this Section shall not preclude the Merit Board from delegating other duties and powers to the Executive Director.

6. The Act should be amended to allow for pilot programs.

Impetus:

Currently, the Act prohibits test or pilot programs of new human resources principles and ideas in that there is no provision for allowing the relaxation of the act/rules. This is inconsistent with its stated parameters and thus does not allow the introduction of new programs that might be inconsistent with the act/rules limitations.

Recommendation:

Add language that allows for the limited use of trial programs to enhance the ability of constituent universities and agencies to try new methods of hiring and promotion that are consistent with merit principles of employment.

To authorize the creation and use of pilot programs to further the goals of the Act, which may be inconsistent with any rules promulgated by the Merit Board, provided that such

programs are of limited duration and do not reduce any rights or benefits of employee subject to the Act.

7. Make various language changes that eliminate out-of-date, duplicative, or inconsistent language, language that the legislature has indicated is not preferred, or language that is presumably a result of presumed oversight.

- Change all references to “Director” to “Executive Director” for accuracy, consistency and to avoid possible confusion.
- Change repeated references to the “Civil Service System” or “System” or others and use “University System” which is the phrase chosen by the legislature in §36b(1), for accuracy, consistency and to avoid possible confusion.
- Move language concerning the exams themselves from §36d(5) which establishes the Merit Board’s power to offer exams, to §36f which focuses on examinations.
- Move language concerning filling vacancies through promotion from §36d(8) which establishes the Merit Board’s duty provide for rules for promotion to §36j which focuses on promotions.
- Move language concerning the activation of employees for military duty from §36g(g) concerning Veterans Preference to §36g-1 which actually concerns the activation of employees for military duty.
- Ensure that the employees of all constituent agencies are protected in the event they are activated for military service in §36g-1, rather than just those of the universities as in the current language by adding those entities to the list of employers.
- Delete language in §36c about the terms of trustees during the transition in 1995 from the Board of Regents and the Board of Governors of State Colleges to the current make-up of the Merit Board.
- Remove language concerning the length of the probationary period and the Executive Director’s role in establishing the term from §36d(9) which establishes the Merit Board’s duty to set a probationary period, because the time period and Executive Director’s role and limits in setting the period is set forth elsewhere, in §§ 36h(2) and j.
- Add language to §36d regarding powers of the Merit Board that it can subpoena witnesses and documents, which is also found in §36o, suggesting that the power is not limited to disciplinary matters, which is the subject of §36o.
- Delete requirements that employers to send information to the System Office, since the System Office may require them by rule.
- Add language to §36p concerning unlawful discrimination to add classes protected since the passage of the Act, using language from the Human Rights Act.
- Change references from “handicapped” to “disabled,” and “mental retardation” to “intellectual disability.”
- Remove time limiting references, such as references to employees activated for military duty after August 1, 1990 in Section 36g-1.
- Fix Section 360 to allow for demotions. The current language lists demotion as an option in its title but then the language requires removal of the employee if the Merit Board finds just cause, rather than demotion.
- Add paragraph numbering to those sections in which change is otherwise being sought to reflect current statutory drafting principles and ease of reference.

These changes are interspersed throughout the Act. If you wish, this office will provide a full version which includes all suggested changes.

44 13504, effective December 1, 2015; amended at 40 Ill. Reg. 3105, effective January 26, 2016;
 45 emergency amendment at 40 Ill. Reg. 3772, effective March 1, 2016, for a maximum of 150
 46 days; amended at 40 Ill. Reg. 11192, effective August 4, 2016; amended at 40 Ill. Reg. _____,
 47 effective _____.

48
 49 **Section 250.110 Separations and Demotions**

50
 51 a) Resignation. An employee having a nonstatus or status appointment, as described
 52 in Sections 250.70 and 250.80, may resign by presenting a signed resignation to
 53 his/her employer or by demonstrating to the employer by other means his/her
 54 intent to separate from employment. Upon receipt of a signed resignation by the
 55 employee or other evidence of intent to separate from employment, the employee
 56 will be separated from his/her employer employment. The employer shall
 57 maintain all resignations or other documentation of evidence in accordance with
 58 the employer's record retention policy. ~~The Executive Director shall be notified~~
 59 ~~promptly by the employer of all resignations.~~

60
 61 b) Leave of Absence

62
 63 1) Leave of Absence for Classification Changes. A status employee who
 64 accepts a position that represents a promotion in a class outside his/her
 65 promotional line shall be granted a leave of absence from a position of
 66 his/her former class for the duration of any intern appointment, provisional
 67 appointment, and/or probationary period in the new class.

68
 69 2) Leave of Absence for Disciplinary Actions. An employee placed on a
 70 Disciplinary Suspension or on a Suspension Pending Discharge shall be
 71 placed on a leave of absence from his/her position without pay.

72
 73 3) Leave of Absence for Disability Leave

74
 75 A) If an employee is no longer able to perform the duties and
 76 responsibilities of his/her position in the class due to a disability as
 77 determined by the employer's medical and/or psychological
 78 evaluation procedures, and/or in accordance with State and federal
 79 ~~laws~~law, the employee will be required to take disability leave in
 80 accordance with subsection (b)(3)(B).

81
 82 B) A status employee who becomes eligible for disability benefits to
 83 be paid by the employer or, as later determined, by the Illinois
 84 State retirement system to which the employee contributed, or
 85 becomes eligible for payment benefits as defined by the Workers'
 86 Compensation Act [820 ILCS 305], the Illinois Occupational

217 the employee may request a review of the termination decision
 218 pursuant to Section 250.130 of this Part. The review is limited to a
 219 determination of whether this Section has been properly applied
 220 and whether the employer's decision is deemed arbitrary or
 221 capricious. In the event a review is not requested within the
 222 allotted timeframe, the employee's termination from service shall
 223 be effective 7+5 days after the original notification.
 224

225 5) The employer shall notify the Executive Director promptly of all
 226 terminations of employment, setting forth the reason for the termination.
 227

228 d) Job Abandonment (No Call/No Show)

229
 230 1) An employee who fails to report to work for 3 consecutive regularly
 231 scheduled work days will be placed in a no call/no show status and may be
 232 terminated at any point following the third day of failing to report to work
 233 pursuant to an employer making a reasonable attempt, with supporting
 234 documentation, to make contact with the employee using the employee's
 235 last known address, phone contact, email or any similar contact
 236 information.
 237

238 2) Pursuant to Section 250.130, the employee may request a review of the
 239 employer's final notice of termination. The review is limited to a
 240 determination of whether this subsection (d) has been properly applied and
 241 whether the employer's decision is deemed arbitrary or capricious. In the
 242 event a review is not requested within the allotted timeframe, the
 243 employee's termination from service shall be effective 7 days after the
 244 original notification.
 245

246 ed) Layoff

247
 248 1) A layoff is defined as a stoppage of work required by management, a
 249 discontinuance of employment, or the permanent termination of
 250 employment of an employee for business reasons, such as the decision that
 251 certain positions are no longer necessary or a business slow-down or
 252 interruption in work has occurred.
 253

254 2+) The Executive Director shall be notified promptly of all employees on
 255 layoff status, together with the dates of the beginning of layoff and of
 256 return to employment from layoff status, when the layoff exceeds 30
 257 consecutive work days. A status employee shall receive a written notice,
 258 at least 30 calendar days in advance of the effective date of layoff, when
 259 the layoff exceeds 30 consecutive work days; however, the effective date

The Audit Charter

2.1 Jurisdiction:

The State Universities Civil Service System, as delegated and authorized through the State Universities Civil Service Act (Act) (110 ILCS 70/36b et. seq.), conducts operational human resource management audits of all designated places of employment at institutions (Employers) identified in the Act (110 ILCS 70/36b(2)). The Merit Board is responsible for approving the Governance, Risk, and Compliance Audit Charter, defining the purpose and objective, directing the implementation, and assigning resources to ensure audit program effectiveness.

2.2 Authority and Regulatory Powers:

As part of its statutory power, the Merit Board has promulgated rules that delegate to the Executive Director the authority and responsibility for conducting “ongoing audit programs of all Civil Service operations at all places of employment for the purpose of assuring compliance with the Statute [Act (110 ILCS 70/36b et seq.)] and this Part [Part 250 of the Illinois Administrative Code (Code) (80 Ill. Adm. Code 250)] and for improving the programs of personnel administration of its constituent employers” (80 Ill. Adm. Code §250.140(c)).

2.3 University System Office Responsibility:

The University System Office Executive Director will ensure that the Legal and Compliance Division conducts regular and systematic evaluations (audits) of all Employers under System jurisdiction to determine the efficiency and effectiveness of human resource and business operations related to the State Universities Civil Service Act, Illinois Administrative Code, and System Procedures. The Legal and Compliance Division is responsible for performing these evaluations in the following manner:

- performance of annual risk assessments and preparation of an annual fiscal year audit plan;
- determine the type of audit to conduct based on historical data and budgetary allowances;
- allocate appropriate resources and complete audit projects in accordance with established timelines;
- evaluate and recommend needed changes to the audit plan to the Executive Director, and to the Merit Board if needed;
- perform consulting services beyond that of the compliance audit to assist Employers in meeting human resource objectives;
- prepare and issue written reports of all audit related projects and functions, reporting significant observations, best practices, risk based findings, and corrective action plans to the Merit Board;
- monitor the Employer’s implementation of any administrative responses to findings or process corrections, and;
- maintain a professional audit staff with appropriate knowledge, skills, and experience to perform compliance audits in a fair and impartial manner.

2.4 Audit Definition:

An audit is commonly defined as a “systematic, independent, and documented process for obtaining evidence and evaluating it objectively to determine the extent to which audit criteria are fulfilled.” Even as the University System Office recognizes the audit program as a form of measurement, it will continue to operate as an essential process in providing confidence in the effective implementation of a quality management system while ensuring compliance with regulatory guidelines.

The State Universities Civil Service System Legal and Compliance Division has incorporated many of these concepts. The Governance, Risk, and Compliance Audit consists of a holistic approach to the review of an employer’s human resource management function and process, by determining compliance and evaluating performance based on pre-determined risk assessments that directly correspond to the State Universities Civil Service Act, Illinois Administrative Code, and System Procedures. This review will consist of all or part of an employer’s human resource management system measured against pre-determined Merit Board approved criteria.

2.5 Audit Purpose, Objective, and Frequency:

The purpose of the State Universities Civil Service System (University System) is to establish and maintain a sound program of personnel administration at each of its institutions and agencies of higher education, by administering, developing, and maintaining the basic rules and procedures related to the employment of professional, technical, and support staff at each employment location. Each employer is generally evaluated on a biennial basis in such areas as classification plan management, examination administration, employment and separation protocols, salary administration guidelines, disciplinary procedures, and an overall comprehensive review of human resource programs.

While our primary emphasis is to evaluate and verify compliance with the Act, Code, and System Procedures, the University System is also charged with building strategic partnerships, evaluating processes and performance, providing direct guidance and support services, and implementing flexibilities that meet the needs of each employer, consistent with the Act. The Executive Director reserves the right to modify the type and frequency of any given employer’s audit cycle based on several factors, such as positive audit track records and best practices, severity of issues or findings, or budgetary/staff limitations.

2.6 Audit Scope:

The scope of any individual GRC Audit will be tailored to the employer prior to initiating the audit process in the form of a “scope statement”; focusing primarily on pre-determined risk assessments, auditor discretion, and customer/employee interaction. This will include validation of statutory, rule, and procedural compliance, performance improvement and assistance, meeting detailed customer requirements, determining “best practice” programs and services, and maintaining critical liaison services to the Merit Board.

The primary audit topics include Assignment of Positions to Classes; Compensation Programs; Examination Procedures; Employment and Separation Procedures; Principal Administrative Appointments; Human Resource Programs and Follow-up Activities with respect to Outstanding Findings. These will continue to be the main areas of emphasis with some minor changes in the collection and targeted testing process for each topic.

2.7 University System Office Commitment:

The University System Office remains committed to the process improvement approach to compliance by increasing the intrinsic value and effectiveness of the audit program. This approach is critical due to the increasing employment challenges ahead that our constituent employers will face as we continue in our efforts to build partnerships and move our system forward.

The Legal and Compliance Division of the State Universities Civil Service System will accomplish many of its objectives through the Governance, Risk, and Compliance Audit Program, by utilizing a systematic and disciplined approach to evaluating and improving the effectiveness of Employer risk management and performance. This is accomplished in several ways:

- demonstrating the agency's ongoing commitment to public trust and transparency;
- ensuring reliability on the audit results to give a fair, accurate, and comprehensive picture of the issues, recommendations, and corrective actions;
- maintaining objectivity, due professional care, confidentiality, and independence utilizing an evidence-based approach and root-cause analysis to audit topics;
- streamlining requested audit information and materials as necessary to assist in providing a seamless approach to the audit program;
- continuing to provide an in-depth understanding of the respective universities and agencies' policies and processes, which will assist in identifying procedural causes and recommend appropriate corrective actions; and
- utilizing an objective and targeted approach to the overall audit scope and process, as well as conducting follow up activities and surveys as necessary.

In an effort to create an environment of transparency and public access, the Final Audit Report is published at the University System public website. We are confident that as we progress through current and future audit cycles, we will continue to research new and innovative methods to further streamline processes, continue to develop partnerships with universities to meet our common goals, and provide an effective audit and resolution outcome.

2.8 Merit Board Support and Enforcement:

Pursuant to the audit charter as previously defined, the Merit Board is charged with the enforcement of the audit program by being directly involved in reviewing audit outcomes and taking specific action when performance gaps exist. This is demonstrated through the committed enforcement of audit finding recommendations, the administration of employer sanctions, and follow up activities of necessary.

The Executive Director is responsible for effectively communicating audit activities to the Merit Board, and for ensuring that proactive measures have been demonstrated prior to the recommendation of employer sanctions. The Executive Director also ensures that decisions made with respect to the Governance, Risk, and Compliance Audit Program are implemented fairly, impartially, meet basic regulatory and procedural intent and objectives, and promote a relationship of quality auditing processes and practices related to compliance requirements.

Student Employment Pathway Program (SEPP) Demonstration Project

1. Description of the proposed project/program, including the goals, objectives, and related activities:

This program is designed to develop partnerships with higher education to provide employment opportunities for graduating or recently graduated students in professional occupations related to their particular course of study. This project will allow for the University System and affiliated higher education agencies to have direct contact and consultation with faculty and academic/placement counselors to employ students and recent graduates within the University System.

Initial employment will be designated utilizing a modified Intern appointment. This program allows for the recruitment and placement of current students who may not have yet completed their degree and would thus not meet the minimum qualifications associated with a specific vacant position. This also allows the opportunity to continue relationships with current student workers and also allows for the placement of recent graduates from both public/private institutions. The program allows University System employers the opportunity to be placed in a more competitive position to compete with private employers who routinely make tentative job offers to graduating students.

The genesis of this program includes concerns expressed by legislative leaders during the appropriation process and other legislative committees regarding opportunities for professional jobs for graduating students, i.e., what is their degree providing them in relation to employment opportunities. Their concerns can be illustrated in a recent book, *Reskilling America: Learning to Labor in the Twenty-First Century (2016)*, Newman and Winston, where they reported that recent statistics from the Bureau of Labor Statistics estimated that approximately 17 million college graduates were underemployed. This included approximately 18,000 parking lot attendants and 80,000 bartenders all of who were college graduates. More extraordinary was the fact that 320,000 restaurant servers had college degrees and more than one quarter of them held postgraduate degrees. Therefore, the program described is designed to assist in the recruitment and placement of students in positions where they have specific academic training.

University System employers and the University System Office routinely receive concerns from hiring departments regarding their difficulties in the recruitment and/or retention of highly qualified employees in the Professional (01), Semi-Professional (02), Managerial (03) and Medical Services (12) occupational groups. Therefore, classifications designated for participation in this program will be limited to those contained in these occupational areas. Special emphasis will be placed on hiring staff that are within one semester of graduation or recently graduated from formalized educational and training programs that include broad banded knowledge within the occupation designated. This employment pathway opportunity will provide for a seamless transition from student to full time employee with all of the opportunities and benefits of a Civil Service appointment.

2. Participating employer(s) and number (estimate) of employees or positions affected by project/program:

University System employers will designate vacant positions for inclusion in the SEPP. The program will be limited to no more than 10% of vacant positions within each designated occupational area each calendar year.

3. Timeline for development/implementation/completion of the project/program:

This project is designated for a three-year period beginning January 1, 2017 and will end on December 31, 2019.

4. Name(s) of personnel responsible for conducting and evaluating the project/program and who will be accountable for keeping the project/program on track:

The Designated Employer Representative (DER) / Human Resources Director and staff will provide the conduit for the program.

5. Describe any alternative procedures that will be utilized in order to conduct the proposed project or program:

A candidate will be selected who may not otherwise meet the Minimum Acceptable Qualifications (MAQ's) for the designated position/classification. The candidate will be employed in a modified Intern Program that will only require the newly hired employee to complete a maximum of one (1) month of initial training in an Intern capacity. During this period the employee will be acclimated to the position and receive training with respect to departmental process and procedures. The employee will be eligible for all standard benefits associated with University System employment including health insurance, participation in the retirement system, and other standard benefits.

Employment decisions will be made with input from the University/Agency human resources office, hiring department, and academic departmental personnel within the program of applicant participation. The University academic program contact at the supporting institution will have the opportunity to nominate candidates for inclusion within this program. The academic program representative(s) will be required to select two or three (or more) potential candidates to be provided to the sponsoring human resource office and employing unit. The hiring department will have the final selection decision authority, in conjunction with other standard university/agency policies.

6. Evaluation Plan

The University System Office has designed an evaluation plan for the project. The data collected will be used in the event that the program is successful and there is a Civil Service statute/rule revision. The local human resources office will be the point of contact to implement the program and provide routine data to the University System Office.