UNIVERSITY OF ILLINOIS OFFICE OF

Vice President for Business and Finance, Comptroller

CHICAGO

URBANA - CHAMPAIGN

Vertien 6

349 Administration Building · 506 South Wright Street · Urbana, Illinois 61801

RECEIVED

907 3 1 1989

VICE PRESIDENT FOR ACADEMIC AFFAIRS

October 31, 1989

Kenneth E. Andersen TO:

L. Denise Hendricks Judson C. Mitchell James J. Stukel Donald W. Ward Pierson J. Van Alten

Steven A. Veazie

FROM:

Craig S. Bazzani

Final Draft of Fortunato Task Force Report RE:

Enclosed is a copy of the Fortunato Task Force Executive Summary and Status Report, including the attachments that deal with "employee categorization" and "internal organization".

I plan to discuss briefly the Task Force Report at the November Policy Council meeting, and by copy of this memo am distributing these materials to the General Officers of the University.

Thank you for your time and effort to this point. I'll notify you as to next steps after the President and Chancellors have had a chance to react to our comments.

cc: General Officers

UNIVERSITY OF ILLINOIS

FORTUNATO TASK FORCE RECOMMENDATIONS

EXECUTIVE SUMMARY

The Task Force has reviewed the Fortunato Report on Personnel by Ray Fortunato focusing on twenty-one specific recommendations. Detailed responses to the recommendations made by the consultant are contained in the attached Status Report. This Summary integrates the recommendations into general policy items. Where the Task Force disagreed with the consultant's recommendations alternative proposals are made. As part of the review, the Task Force reviewed internal salary studies and information on personnel structure and function at other major universities.

CATEGORIZATION

Fortunato recommended changing the categorization structure for positions at the University to create five broad categories. He labeled these 1) Executive Administrator, 2) Academic and Non-tenured Academic, 3) Academic Administrator, 4) Administrative Professional, and 5) Support Staff. He specified key characteristics of each category.

The Task Force agreed with changing the categorization structure but disagreed with the categories recommended and the key characteristics suggested. The Task Force recommends four categories having an employment relationship with the University: 1) Senior Management, 2) Faculty, 3) Administrative and Professional, and 4) Classified. (See Attachment A of Status Report.)

Senior Management is a smaller group than recommended by the consultant. An "at will" relationship is not recommended by the Task Force, but instead, members of this category should have limited employment security as executives.

No change is recommended in the University's current definition of Faculty. This category should continue to consist of the traditional tenure/tenure track ranks, the current non-tenure track ranks plus faculty with administrative increments such as chairpersons. The Task Force specifically rejected the consultant's recommendation to include "bona fide researchers and agriculture extension county staff" in the Faculty category. Researchers without faculty status and agriculture extension county staff are currently academic professional and would become part of the new Administrative and Professional category.

The most significant change recommended in this area concerned the establishment of a new category titled Administrative and Professional. Fortunato described this category as being 1) those currently exempt from Civil Service as Principal Administrative, 2) and all employees currently covered by Civil Service who are exempt from overtime under the Fair Labor Standards Act. The Task Force disagreed with the specifics of both recommendations. Instead, the Task Force recommends that all current academic professionals, including agriculture extension staff, be included in the Administrative and Professional category. A broad movement of staff currently under Civil Service is specifically not being recommended. Instead, the Task Force recommends a set of criteria be developed to minimize overlap, primarily in the professional area,

between Civil Service and Principal Administrative staff exempt from Civil Service. The Task Force strongly recommends that a Bachelor's degree appropriate to the professional position be one of the criteria.

The final employee category recommended is Classified staff. This category would include the vast majority of those now called non-academic staff who are covered by Civil Service. The only modification recommended to the status quo is the review of overlapping positions. Of the 810 classes established at Urbana, 45 of the 179 open range classes which are FLSA exempt require a Bachelor's degree. Of the 593 classes at Chicago, 123 of the 323 open range, FLSA exempt classes require a Bachelor's degree. Of the 123 Chicago classifications, however, 25 classes, e.g., the Assistant Legal Counsel series, are not in use. 101 of the 5783 (1.86%) Civil Service employees at Urbana and 343 of the 5550 (6.1%) at Chicago are in classes which would be targeted for Not all classes reviewed will meet the set of criteria established; neither will all current incumbents in such classes minimally hold bachelor's degrees. The Task Force anticipates implementation plans will require provision for grandfathering of some incumbents.

Ray Fortunato recommended "some order be established for Administrative/Professional positions in regard to position and salary level." New position descriptions which accurately reflect duties and responsibilities were recommended together with the development of a system for placing positions equitably. The size of such a task led him to recommend the University seek assistance from a consultant specializing in higher education personnel systems.

The Task Force agreed with the major recommendation to analyze positions for function, complexity, scope of responsibilities, and so forth for the purpose of categorization. It looked at information on categorization structures at several major universities. Task Force participants are visiting three institutions (UW-Madison, Ohio State, and Michigan) to learn from the experience there.

The Task Force agreed with the consultant that categorization (and the companion salary issues) will be an enormous job. While neutral on the use of an outside consultant, the Task Force does not recommend this job be assigned to current personnel staff as an additional responsibility. A University-wide project team assisted both by current personnel staff assigned to the project and additional temporary staff is an alternative to a consulting firm.

SALARY STRUCTURE

Ray Fortunato recommended the development of "a system for placing . . . positions into levels and establishing salary levels". He also recommended the salary structure be flexible. The Task Force agreed with the general recommendation. Comparisons of substantially similar positions across academic and administrative units will promote salary equity. The Task Force looked at several salary studies of academic professional staff concluding that it is difficult to make good comparisons now. Salaries must be seen as fair and equitable. Preliminary data indicate we have a wide variation in salary with few formal mechanisms to explain differences. Analysis by gender indicates further attention is needed in this area soon to explain apparent differences prohibited by law.

External equity is also of concern. Market factors drive many salary decisions. Identifying positions in the market comparable to academic professional positions and then gathering salary data has not routinely been done. With accountability and productivity increasingly discussed as higher education issues, data on market comparisons for the various personnel categories may be essential.

The Task Force anticipates the categorization and other work clarifying positions will provide better salary data for management decisions. It is recommended that minimum salaries be established. Although maximum salaries were not recommended, some reasonable upper limit should be established with documented justification for salaries above the limit. Analyses of salary practices for personnel categories should be made available routinely to guide policy decisions.

The salary structure should be derived from the information gathered during the categorization process with appropriate precautions against re-establishing any existing inequities. Because of the linkage between categorization and salary structure, the implementation process discussed for categorization, i.e., external consulting firm or internal project team, should also include development of a salary structure.

CONSOLIDATION OF HUMAN RESOURCE FUNCTIONS

The consultant recommended several changes in the functions and organization of personnel. He recommended the implementation of a "planned decentralization" of human resource (rather than personnel) services. As many personnel activities as possible would be delegated to the campus level office with responsibility for university-wide policy remaining at the University level. To insure accountability, a dual reporting structure was recommended for the chief campus personnel officer. A recommended subdivision of assigned responsibilities for the two levels was included in the report.

The Task Force discussed this set of recommendations at great length. It agreed with the consultant on the undesirability of scattered personnel offices providing services to employees and units. It strongly recommends consolidation of basic personnel services at each campus. This office would have responsibility for employment, administration of classification and compensation programs, employee relations, benefit services, personnel records, and staff development programs.

The University-wide office would have responsibility for corporate policies, evaluating policy implementation and developing changes, as needed, in consultation with other offices and the appropriate employee advisory groups. The Task Force disagreed with the specific division of responsibilities recommended by the consultant. Agreement on an explicit division of responsibilities and the assignment of specific tasks to specific offices is essential to the success of any restructuring. The Task Force recommends a revised list of Tasks/Responsibilities (Attachment B of Status Report) for discussion.

The Task Force agreed with the consultant on the delegation of personnel activities to the service-oriented campus level office but did not endorse the dual reporting which accompanied it. A solid line reporting relationship between the chief officer of the service office and an executive officer of the campus was accepted. A solid line relationship from the service office to a policy making officer at the University level was not accepted although it was recognized the decision on reporting relationships at this level were the prerogative of the President. The Task Force recommends a dotted line relationship to a policy making officer at the University level as being sufficient to establish cooperative university human resource programs. Communication and consultation must be improved.

The specific recommendations of the consultant are each treated separately in the attached Status Report. Decisions on key issues raised here will establish the charge to the implementation team which will succeed the Task Force.

UNIVERSITY OF ILLINOIS

STATUS REPORT OF FORTUNATO TASK FORCE

CONSULTANT'S RECOMMENDATIONS AND TASK FORCE RESPONSE BY CATEGORY

PART I. CIVIL SERVICE

- 1. "Petition the Merit Board to exclude from the Civil Service System all positions that would be exempt from overtime under the provisions of the Fair Labor Standards Act. Thus, the System would cover only those positions eligible for overtime (clerical, secretarial, unskilled labor, semi-skilled labor, tradespeople, technicians, and so forth)."
 - Status: The Task Force does not recommend the removal from Civil Service of the broad group cited by the consultant. As part of the personnel restructuring process, the Task Force recommends a review of a limited number of positions where overlap occurs between positions within Civil Services and those exempted from Civil Service. These are primarily professional positions requiring Bachelor's Degrees.
- 2. "Recommend that the Merit Board hire outside consultants to eliminate the backlog of required validation and updating of the Civil Service examinations, and/or permit the University to prepare examinations subject to the Merit Board's expeditious approval."
 - Status: The Task Force recommends that the University work with sister institutions to provide consultation and assistance in concert with the Merit Board for review and validation of selected exams, e.g., clerical exams. The Task Force recommends a general review of the testing program to identify areas where exams may be unnecessary or inappropriate, e.g., where the primary criteria are training and experience.
- 3. "Petition the Merit Board to pursue the concept of "bracketing" qualified candidates with respect to implementation of the 'rule of three'."
 - Status: The modified education and experience exams introduced for some classifications by the Merit Board have resulted in excessive numbers of marginally qualified candidates receiving scores of 100 or more. A unit may have 25 or more "top" candidates referred for interviews. For other classifications, the "rule of three" still limits the unit to too few candidates. There is a need to reduce the number that have to be interviewed by the department while at the same time expanding the number of qualified candidates in areas where too few are available for consideration. The recommendations regarding examinations (No. 2 above) should help. The Task Force recommends this issue be monitored but no further action is recommended now.
- 4. "In regard to "bumping," seek to pull out from broad title groupings any positions within those titles that have unique qualifications and assign new titles to those positions. Consider expanding the number of positions in the group entitled 'selective certification positions'."
 - Status: The Task Force recommends that the University both petition the Merit Board to delegate responsibility for selective certification of positions to the University and seek agreement from the Merit Board for the development of classifications for specialized and narrowly focused needs.

- 5. "Recommend amendments to the Illinois Educational Labor Relations Act to provide specifically that, if an employee's discharge is subject to the grievance and arbitration procedure contained in a collective bargaining agreement, the parties are required to negotiate, upon the request of either party, over whether the contractual arbitration procedure is the sole and exclusive forum for challenging an employee's termination."
 - Status: The Task Force supports negotiation with collective bargaining representatives of binding arbitration procedures for employee discharge decisions, provided the employee is not also permitted to pursue the Civil Service discharge process. The University will continue discussions with unions concerning possible agreed upon legislation in this area.
- 6. "Recommend amendments to the Illinois Educational Labor Relations Act to provide that, with respect to certain designated matters (e.g., seniority and layoffs), such matters are subject to negotiations at the request of either party and that if an agreement is reached which conflicts with the Civil Service Act and/or rules and regulations issued by the Merit Board, then the provisions of the collective bargaining agreement shall prevail."
 - Status: The Task Force endorses the <u>objective</u> of the recommendation, i.e., clarifying the relationship and eliminating conflicts which currently exist between the Civil Service System and the Illinois Educational Labor Relations Act. Discussions will continue over the next six months with the state AFL-CIO in an effort to find a mutually agreeable solution to this issue. Past proposals by AFL-CIO or the University have not been acceptable to the other party.
- 7. "Eliminate the requirement that forces an employer to consider late entries on the register after the employer has initiated a recruiting campaign following permission to do so."
 - Status: The employment register is now frozen on the date that Personnel Services approves the position for the proper classification. Exceptions are made for affirmative action. This will help if not solve the problem.
- 8. "Study the potential need for some salary differentials for the Chicago labor market."
 - Status: A University-wide committee is being appointed in the Fall, 1989, for a complete study of the University Step Plan with recommendations to be made prior to FY91. This issue will be included.

PART II. ACADEMIC

- 1. "Establish five broad classification categories of staff members so that similar types of staff members are grouped together to make policy development more effective. The categories are as follows:"
 - a. "Executive Administrator (Top administrators who are employed on an "at will" basis.)"
 - Status: The Task Force does not endorse this recommendation and recommends instead the category of Senior Management to include positions currently

General Officers plus their counterparts at the campus level, i.e., Vice Chancellors.

- b. "Academic and Non-tenured Academic (The non-tenured academic would include bona fide researchers and agriculture extension county staff members currently in the Academic Professional group.)"
 - Status: The Task Force does not recommend the definition of the consultant. The Task Force recommends a category of Faculty which would include tenure/tenure track faculty and traditional non-tenure track faculty. Faculty with administrative increments, e.g., department heads and chairpersons would be defined as faculty. This would specifically not include the staff referred to by Fortunato as "bona fide researchers and agriculture extension county staff" which would be part of the Administrative and Professional category.
- c. "Academic Administrator (Those with academic rank who head up academic units.

 The administrative part of the appointment is on an "at will" basis.)"
 - Status: The Task Force recommends this category not be used. Persons holding Senior Management or Administrative and Professional positions may also have retreat rights as tenured faculty.
- d. "Administrative Professional (Those who are exempt from the overtime provisions of the Fair Labor Standards Act and who meet the Merit Board's definition of a "principal administrative employee.")"
 - Status: The Task Force recommends a broader category of Administrative and Professional which would include: Administrative/Managerial, Extension Service Advisors and Professional. All are exempt from overtime provisions of the Fair Labor Standards Act. Administrative/managerial and professional groups are exempt from Civil Service under Section 36e(3) (Principal Administrative Appointments) of the Statutes. Extension Service Advisors are exempt under Section 36e(4) of the Statutes.
- e. "Support Staff (Those covered by the Civil Service regulations. The consultant recommends that Civil Service cover only positions eligible for overtime under the provisions of the Fair Labor Standards Act and referred to as "non-exempt.")"
 - Status: The Task Force disagreed with the consultant's recommendation. The Task Force recommends a category called Classified which would include the majority of current nonacademic staff. Criteria to prevent overlap between categories should be developed. Where overlap occurs with the administrative and professional category, a review of open range, FLSA exempt classes requiring a Bachelor's degree should be made. Some positions currently academic professional may also need review after the criteria are developed. See Part III, 3, regarding use of term Classified.

Additional Recommendation: The Task Force recommends three additional types of relationships related to students and others who are not strictly speaking in an employment relationship: Student Assistants, Student Employees, and Fellows. Basic services such as processing for appointment, payment and record keeping for these three categories would be provided by the consolidated human resources office. Policy issues and other related functions would continue to be located with the appropriate

Vice Chancellor as determined by each campus.

- 2. "Introduce contracts (Memorandum of Personal Service) that indicate clearly the "at will" employment basis of those in [Part II,] section 1. a and c above."
 - Status: The Task Force recommends a written policy on removal for the Senior Management category allowing duties to be reassigned "at-will" but not severing the employment relationship without notice. It is recommended that limited notice be given, e.g., 6 months continued employment for staff without retreat rights.

<u>Additional Recommendation</u>: The Task Force recommends a change to Article IV, Sec. 3 of the Statutes to allow a head of a department to be relieved of title and duties as head by the President, on recommendation of the Chancellor in consultation with the dean of the college.

<u>Additional Recommendation</u>: The Task Force recommends a review of employment policies in the Statutes and General Rules to both streamline and ensure consistency.

- 3. "Establish ranks similar to academic ranks for bona fide researchers and agriculture extension county staff members (the recommended non-tenured academic group)."
 - Status: Specifically not recommended by the Task Force. While the creation of ranks analogous to faculty is not recommended, it should be noted promotional sequences for career advancement for many positions would be available.
- 4. "Promote staff members in 3 above from rank to rank on a basis similar to faculty members."
 - Status: Not recommended by the Task Force. For both No. 3 and No. 4, the Task Force notes prescribed promotional sequences may not be appropriate for some professional positions. Rewarding employees in a merit system should involve an annual performance review and evaluation as well as promotional opportunities.
- 5. "Eliminate annual contracts for all Administrative/Professional staff members except those paid on "soft" funds."
 - Status: The Task Force recommends retaining current practice of issuing annual contracts as the norm with additional study of multi-year contracts for certain units, e.g., athletics.
- 6. "Develop a policy manual and handbook for Administrative/ Professional staff members using many of the current applicable Academic Professional policies plus new policies on probationary period, termination of employment, and an appeal procedure."
 - Status: The Task Force endorses development of both a policy manual and a handbook with applicable policies as appropriate.
- 7. "Develop a salary administration plan for Administrative/ Professional staff members."
 - Status: The University has not had a salary administration program, per se, for such appointments which, over time, has resulted in wide salary ranges for

what appear to be similar positions. The University can and should have a better compensation system for this category of employees. A compensation system should provide remuneration based on such factors as market demand, internal equity, and the employee's training, experience and responsibilities. The development of an adequate compensation system will require balancing these factors against the need to maintain flexibility.

In order to design and implement a compensation system, descriptions of responsibilities of the various administrative and professional positions should be written or updated. Similar positions should then be clustered or combined into title groups. Criteria and procedures should also be developed for approval of new titles to avoid future proliferation of titles. Finally, a study should be conducted of the salary ranges of the title groups with a view toward implementing a compensation system satisfying the objectives stated above.

This will be a complex and time consuming effort. Consideration should be given to retention of a consultant to assist with the development of a salary administration plan for Administrative and Professional staff. Prior to this step, however, the Task Force endorses a staff effort to begin the project including the grouping of like positions based on current data.

PART III. ORGANIZATION

- 1. "Continue to have researchers and county agricultural extension staff (recommended non-tenured academic group) fall under the purview of the academic administration."
 - Status: The Task Force does not recommend the creation of this group (see Part II, 1 b., above). This group of staff should be included with the Administrative and Professional category.
- 2. "Assign responsibility for recommended new Administrative/ Professional group to the new Office of Human Resource Administration."
 - Status: Task Force recommends services for the Administrative and Professional group be consolidated under a single service-oriented Office for Human Resource Services. Reporting lines will be determined by each campus. The Task Force presumes Academic Affairs will continue to have overall responsibility for all appropriate campus level policy issues, regardless of formal reporting lines.
- 3. "Discontinue usage of the term 'nonacademic'."
 - Status: The Task Force agreed emphatically, recommending either Classified Staff or Support Staff as the new category designation.
- 4. "Introduce a program of planned decentralization by having the campus Human Resource Administration Office report to both the campus Chancellor and the Associate Vice President for Human Resource Administration."
 - Status: The Task Force recommends that the campus Human Resources Officer have reporting relationships based on function. Those functions which are services to the campus will report and be accountable at a campus level. Those functions which are corporate responsibilities, i.e., University wide, will

report and be accountable at that level. Attachment B is a table of these functions by subject detailing campus-wide and University-wide tasks/accountabilities. It is recognized these will be primarily, rather than exclusively, service or corporate functions.

- 5. "Change the name of the personnel function to the Office of Human Resource Administration."
 - Status: The Task Force recognizes the use of Human Resource Services/ Administration is a trend and is meant to convey a broader range of responsibilities than has been traditionally associated with Personnel. The Committee is supportive of the intent of the name change.
- 6. "Change the following titles:"
 - a. "Central Administration personnel officer function to the title of Associate Vice President for Human Resource Administration."

Status: The Task Force accepted this recommendation.

- b. "Campus personnel officer function to the title of Assistant Vice Present for Human Resource Administration and Assistant Chancellor."
- Status: Not endorsed. The Task Force recommends that the campuses proceed with consolidation of campus level personnel functions, and the title and reporting line of the chief campus personnel officer be determined by the respective Chancellors.
- 7. "Assign student employment to the Financial Aid Office under the Office of Student Affairs."
 - Status: See Part II. Additional Recommendation, regarding service responsibilities for student employees. Committee made no further recommendation. Assignment of student employment policy responsibilities is a campus decision.

OTHER ITEMS DISCUSSED BY TASK FORCE NOT INCLUDED IN FORTUNATO REPORT:

- 1. Establish one affirmative action office at each campus to be responsible for both Campus and Central Administration services.
- Study both the organization of and procedures for teaching, research, and graduate assistants.

REVISED PROPOSAL FOR CATEGORIZATION OF STAFF

SENIOR MANAGEMENT

General Officers of the University Vice Chancellors

FACULTY

Tenure/Tenure Track Faculty¹ Non-Tenure Track Faculty

ADMINISTRATIVE AND PROFESSIONAL²

Administrative/Managerial Extension Service Advisors

Professional: e.g., Advising & Instructional, Agriculture & Vet Medicine Research Specialists, Athletics, Chemical/Life Sciences Research Specialists, Continuing Education, Computing, Development, Health Sciences Research Specialist, Library, Physical Sciences/ Engineering Research Specialist, Publications and Communications, Social/ Behavioral Science Research Specialist, Student Services.

CLASSIFIED

Professional
Para-professional & Technical
Clerical & Secretarial
Skilled Crafts & Trades
Service & Maintenance

STUDENT ASSISTANT

Graduate Assistant Undergraduate Assistant Counselor/Resident Advisor

STUDENT EMPLOYEE

FELLOW

Post-doctoral Fellow Pre-doctoral Fellow

Note: may not be defined as "employees"

Fortunato Task Force: 10/19/89

 $^{^{1}}$ Includes faculty with administrative increment, e.g., Dept Heads & Chairpersons, other Dept level appts.

 $^{^2\ \}text{Staff}$ in Administrative & Professional positions may also have retreat rights as Faculty.

Fortunato Task Force

Division of Tasks/Accountability for Human Resource Functions

Function	University Wide	Campus Services
Policy	 Development, approval and maintenance of University personnel policy Analysis of new personnel-related laws and regulations 	 Input on new and revised policy Administration of University policy Campus policy
Personnel Programs	 Development and approval of new and revised policy- related programs 	Development of new and revised programsAdministration of programs
Liaison with External Agencies/ Organizations	- Regulatory agencies/ organizations	- Non-regulatory agencies/organizations
Employment	 New and revised rules Compliance with State and Federal law 	Recruitment/search processEstablish candidacyPlacementOrientation
Classification	 Develop and recommend structure for administrative and professional personnel Develop and recommend changes in classsified structure to SUCSS Coordinate approval of new and revised class specifications and position titles Class appeals 	 Develop and revise class specifications and new position titles Job analysis Assignment of positions to classes/title Campus appeals
Salary Administration	 Program structure Annual policy Review assignment of class title to salary structure 	 Assignment of classes to salary structure Conduct salary surveys Salary equity reviews Implementation of annupolicy Assist with salary surveys
Labor/Employee Relations	 Annual policy and strategy Negotiations New/revised bargaining units Unfair labor charges Arbitration proceedings Fourth step of grievance procedure on Civil Service grievances 	 Input to policy and strategy Recommendation on new and revised bargaining units Assist in collection of data

Function	University Wide	Campus Services
	- Union elections	 Serve as panel member for arbitration First, second, third step of Civil Service grievance procedure Administer elections Employee assistance and recognition programs Administer grievance procedures
Benefits	Program structureProcurementEvaluation	Input to structureAdminister programsAssist with evaluation
Records	 Coordinate design and implementation System Maintenance/ Retention Quality assurance Coordinate training of personnel 	 Access and input Data maintenance/ retention Training of personnel
Personnel Program Audit	 Post audit for compliance with University policy and rules, state and federal rules and regulations 	 Provide records for audit and implement change when required for compliance

10/23/89 hrf