

MINUTES OF THE MEETING OF THE PERSONNEL COMMITTEE OF THE  
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

May 13, 2010

In Open Session

Members of the Personnel Committee of the University of Louisville Board of Trustees met on Thursday, May 13, 2010, at 2:55 p.m., in the Jefferson Room, Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present        Ms. Marie Abrams, Chair  
                  Dr. Kevin Cosby  
                  Mr. Brent Fryrear  
                  Dr. Robert Curtis Hughes  
                  Prof. Melissa Laning  
                  Dr. Mark Lynn  
                  Mr. Frank Minnifield

Other Trustees

Present:        Ms. Sana Abhari  
                  Mr. Jonathan Blue  
                  Mr. Ron Butt  
                  Mr. Owsley Frazier  
                  Dr. Salem George  
                  Judge Rebecca Jackson  
                  Ms. Brucie Moore  
                  Ms. Debbie Scoppechio  
                  Dr. William Selvidge  
                  Mr. Bill Stone

From the  
University:

Dr. James R. Ramsey, President  
Dr. Shirley Willihnganz, Executive Vice President and Provost  
Dr. Larry Cook, Executive Vice President for Health Affairs  
Dr. William Pierce, Interim Executive Vice President for Research  
Ms. Angela D. Koshewa, University Counsel  
Mr. Keith Inman, Vice President for Advancement  
Mr. Mike Curtin, Vice President for Finance  
Mr. Larry Owsley, Vice President for Business Affairs  
Dr. Tom Jackson, Vice President for Student Affairs  
Dr. Priscilla Hancock, Vice President for Information Technology  
Mr. David Barker, Director of Audit Services  
Ms. Susan Howarth, Director of Budgets  
Mr. Mark Hebert, Director of Media Relations

Ms. Anne Rademaker, CPA, Director of Financial Reporting and  
University Accounting  
Ms. Carolyn Cochran, Assistant to the Provost  
Mrs. Kathleen M. Smith, Assistant Secretary  
Mrs. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Abrams called the meeting to order at 2:55 p.m.

Minutes Approved

Mr. Fryrear made a motion, which Mr. Minnifield seconded, to approve the minutes of April 8, 2010. The motion passed.

II. Action Item: Approval of Changes to Shared Leave Policy

Provost Willihnganz explained the Voluntary Shared Leave Program was originally authorized by the Board in 2000 on a trial basis and renewed in 2002 and 2005. The program has continued in operation under the Board's 2005 temporary authorization, though the University has not sought authorization from the Board to establish the program as a continuing benefit for staff employees.

Dr. Willihnganz said Human Resources evaluated the program in consultation with the Staff Senate, Human Resources Advisory Committee, Committee on the Status of Women, and the Council on Diversity and Racial Equality. The evaluation confirmed the shared leave program has proven to be a valuable resource for employees in significant need and fostered a greater sense of community and collegiality among staff employees by enabling employees to help one another, at a very modest cost to the University. Mr. Fryrear made a motion, which Prof. Laning seconded, to approve the

**President's recommendation that the Voluntary Shared Leave Program be re-titled Catastrophic Shared Leave Program and authorized as a continuing benefit for staff employees of the University of Louisville, consistent with the attached "Concept Proposal."**

The motion passed.

III. Action Item: Approval of Changes to Retirement Investment Options

Provost Willihnganz reported the University has adopted a public 403(b) Retirement Plan that permits employees to invest in retirement annuities and

equity funds, subject to the provisions and limitations of IRS regulations. The University does not currently have its own 457(b) Plan, but offers a Plan through the State of Kentucky. With these recommended changes, employees will be able to rollovers IRA funds into Employee 403(b) Retirement Accounts; permit After-Tax Contributions to Roth IRAs within Employee 403(b) Retirement Accounts, as well as adopt a University of Louisville 457(b) Retirement Plan. Dr. Lynn made a motion, which Mr. Minnifield seconded, to approve the

**President's recommendation that the University provide additional retirement investment options to employees through its existing 403(b) Retirement Plan and the adoption of a new 457(b) Retirement Plan, effective July 1, 2010, at no cost to the University, as described below.**

### **Background**

**The University of Louisville, through its Board of Trustees, has adopted a public 403(b) Retirement Plan that permits employees to invest in retirement annuities and equity funds, subject to the provisions and limitations of IRS regulations. The University does not currently have its own 457(b) Plan, but offers a Plan through the State of Kentucky.**

#### **I. Permit IRA Rollovers into Employee 403(b) Retirement Accounts**

**Our current retirement plan document permits pre-tax contributions from earned income derived from University sources only; however, IRS regulations permit IRA rollovers into employees' individual retirement accounts, upon approval of the University. When individuals leave their previous employer, they often affect a rollover from prior institutional retirement accounts to individual retirement accounts. Permitting such employees to roll existing IRAs into their UofL retirement accounts would enable employees to consolidate investment accounts and more effectively manage total investment funds. IRA funds would remain segregated from UofL employer retirement contributions within employee accounts.**

#### **II. Permit After-Tax Contributions to Roth IRAs within Employee 403(b) Retirement Accounts**

**Traditional retirement planning is predicated on making pre-tax contributions now, subject to taxable withdrawals during retirement based on the assumption that current income tax rates are higher than they will be during retirement. By contrast, Roth IRAs permit after-tax contributions now, with tax-exempt withdrawals during retirement. For many employees, this strategy may be more suitable for near-term retirement planning or augment traditional retirement**

**planning strategies. IRS regulations permit after-tax contributions to employees' 403(b) retirement accounts, upon approval of the University. Employee after-tax Roth IRA contributions would remain segregated from UofL employee pre-tax and employer retirement contributions within employee accounts.**

### **III. Adopt a University of Louisville 457(b) Retirement Plan**

**The University currently offers a 457(b) plan through the State of Kentucky, but the State plan enrollment process is paper-driven, its service record is uneven, and administrative fees (at 0.35% up to \$25,000) are high in relation to commercial vendors offering similar 457(b) plans. Reasonable access to 457(b) retirement accounts is critical for higher-compensated employees who are trying to maximize retirement contributions, because 457(b) contribution limits are independent of and in addition to 403(b) contributions limits. However, cumbersome enrollment processes and service delivery issues with the State plan often discourage employees from participating in the State 457(b) retirement plan.**

**Human Resources believes that many employees would prefer to make 457(b) contributions through the University of Louisville, so the 457(b) Plan is fully integrated with the University's existing benefit framework. A UofL 457(b) Plan would augment and not replace the State 457(b) Plan, which would continue to be available.**

**These recommendations have been endorsed by the Executive Committees of the Faculty and Staff Senates, as well as Vice Presidents & Deans. No additional costs will be incurred on the part of the University. If approved by the Board of Trustees, the Vice President of Human Resources, with the review and concurrence of General Counsel, will execute an Addendum to the January 1, 2009 403(b) Retirement Plan Document and a new 457(b) Retirement Plan Document, with both documents being effective July 1, 2010. One or more 457(b) Plan vendors would then be selected consistent with University Purchasing requirements.**

The motion passed.

#### **IV. Executive Session**

Dr. Hughes made a motion, which Dr. Lynn seconded, to go into executive session at 3:00 p.m. The motion passed.

#### **III. Open Session Reconvened**

The open session reconvened at 3:35 p.m. Chair Abrams reported that the Committee discussed personnel matters in executive session.

#### Personnel Recommendations

Dr. Hughes made a motion, which Mr. Minnifield seconded, to approve the

**President's recommendation that the following personnel recommendations be approved by the Board of Trustees.**

#### COLLEGE OF ARTS AND SCIENCES

**Lisa B. Markowitz, Ph.D., Associate Professor of Anthropology; additional appointment as Chair, Department of Anthropology, July 1, 2010. The appointment as Chair is at the pleasure of the Board of Trustees.**

#### COLLEGE OF BUSINESS

**Alan N. Attaway, Ph.D., Associate Professor, School of Accountancy; additional appointment as Associate Dean of Undergraduate Programs, July 1, 2010. The appointment as Associate Dean is at the pleasure of the Board of Trustees.**

**Robert M. Barker, Ph.D., Associate Professor of Computer Information Systems; appointment as Chair, Department of Computer Information Systems, August 1, 2010. The additional appointment as Chair is at the pleasure of the Board of Trustees.**

**Likoebe Mohau Maruping, Ph.D., University of Maryland; Associate Professor of Computer Information Systems, with tenure, August 1, 2010.**

**Christopher Todd Stivers, Ph.D., University of North Carolina at Chapel Hill; Associate Professor of Finance, with tenure, August 1, 2010.**

#### SCHOOL OF MEDICINE

**Sheldon J. Bond, M.D., Professor of Surgery (Pediatric Surgery); additional appointment as Assistant Dean for Clinical Education, July 1, 2010. The appointment as Assistant Dean is at the pleasure of the Board of Trustees.**

**Christina L. Butler, M.D.; promotion from Assistant Professor to Associate Professor of Psychiatry and Behavioral Sciences (Term), July 1, 2010, and continuation of appointment through June 30, 2011.**

**Deborah Davis, D.N.S., Associate in Psychological and Brain Sciences, College of Arts and Sciences; promotion from Associate Professor to Professor of Pediatrics, July 1, 2010.**

**J.B. SPEED SCHOOL OF ENGINEERING**

**Brent E. Stucker, Ph.D., Texas A&M University; Professor of Industrial Engineering, with tenure, and additional appointment as the Edward Reep Clark Chair of Computer Aided Engineering, July 1, 2010.**

The motion passed.

IV. Adjournment

Prof. Laning made a motion, which Mr. Minnifield seconded, to adjourn the meeting at 4:00 p.m. The motion passed.

**Committee Action:**

Passed       X      

Did not pass                     

Other                                 

Asst. Secretary           *Katalin M. Smith*

University of Louisville  
**Concept Proposal for Catastrophic Shared Leave**

**Name:** Change from Voluntary Shared Leave to Catastrophic Shared Leave, to clarify program intent.

**Purpose:** Expand purpose statement to read: “To promote a sense of collegiality and community among UofL staff by permitting administrators and staff employees to voluntarily contribute vacation or sick leave to fellow staff employees who would otherwise suffer a loss of regular income due to a personal or family catastrophic illness.”

**Program Enhancements:**

- Permit personal representatives (including supervisors) to request leave on an employee’s behalf, if the employee is incapacitated.
- Permit administrators to donate leave (even though administrators are not eligible to apply for leave awards).
- In addition to maintaining the current shared leave pool, permit direct transfers of leave from one employee to another (with the recipient employee’s permission), subject to the following safeguards:
  - Only HR could publish the need for shared leave on behalf of an employee.
  - Employees will not be permitted to solicit leave on their own behalf.
  - Supervisors and managers will not be permitted to solicit leave from subordinate employees.
- Continue sick leave donation limit of 24 days per year for pool donations or donations to unrelated employees; permit unrestricted donation of sick leave on a direct transfer to an immediate family member (for whom the donating employee would otherwise be eligible to use sick leave to provide personal care); permit unrestricted donation of vacation leave.
- Increase award limit from 320 hours to 480 hours per year, equivalent to Family Medical Leave (FML).
- Permit Catastrophic Shared Leave to be used to augment workers’ compensation leave and disability leave (to the same extent an employee would be eligible to use sick leave).

**Program Limitations:**

- Require 12 months of continuous service to be eligible to apply for catastrophic shared leave, equivalent to FML eligibility. [Employees may contribute vacation or sick leave, as soon as they are eligible to use their own vacation or sick leave, subject to maintaining minimum sick leave

- balances in existing policy.]
- Use of Catastrophic Shared Leave would trigger and run concurrently with Family Medical Leave.
  - Continue to use “serious health condition” as qualifying standard, equivalent to FML, subject to the following limitations:
    - Exclude illnesses of seven calendar days or less (similar to Workers’ Compensation leave) to encourage employees to save sufficient sick and vacation leave to cover short-term absences.
    - Require that the condition must prevent the employee from being able perform work and permit managers to assign alternative work within employee’s ability.
    - Exclude conditions not medically necessary.
  - Continue provision that Catastrophic Shared Leave may not be used to augment Parental Leave.

**Program Operation & Evaluation:**

- Ensure that a request for Catastrophic Shared Leave is acknowledged by the supervisor.
- HR will process all requests for Catastrophic Shared Leave and approve or disapprove requests consistent with policy (subject to appeal to the Shared Leave Committee).
- Shared Leave Committee would hear appeals and periodically evaluate program.

**Approval, Policy Dissemination, & Effective Date:**

- This concept proposal has been endorsed by the Human Resources Advisory Committee and the Staff Senate and enjoys the support of Vice Presidents and Deans.
- If approved by the Board of Trustees as a continuing benefit program for staff employees, the Office of Human Resources, in consultation with the Staff Senate, will exercise administrative authority to develop and publish policy statements consistent with this concept proposal, under the executive authority of the President to adopt University policy.
- Proposed effective date: July 1, 2010