Faculty & Staff Affairs

June 2017

June 8, 2017
2:00 p.m. - 3:30 p.m.

East Committee Room, McNamara Alumni Center
1. Unconscious Bias in Hiring and Promotion
   Docket Item Summary - Page 3

2. Benefits at the University and Market Competitiveness
   Docket Item Summary - Page 5
   Presentation Materials - Page 6

3. Annual U Plan Update
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4. Consent Report - Review/Action
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   Docket Item Summary - Page 46
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AGENDA ITEM: Unconscious Bias in Hiring and Promotion

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Kathryn F. Brown, Vice President, Office of Human Resources
Karen Hanson, Executive Vice President and Provost
Michael Goh, Associate Vice Provost, Office for Equity and Diversity

PURPOSE & KEY POINTS

The purpose of this item is to discuss unconscious bias in hiring and promotion at the University. The discussion will include a sampling of national research on the topic, as well as an overview of how the University is working to address issues of bias. This agenda item will include a sample activity from a University workshop that will illustrate the training content, framework, methods, and products.

BACKGROUND INFORMATION

Recruiting and Retaining Diverse Field-Shapers

Building and retaining a diverse faculty of field-shapers across all disciplines is vital to the University’s mission as well as the quality, reputation, and impact as a major research and land-grant university. Faculty with impressive track records as scholars, teachers, collaborative leaders, and change agents shape the educational experience and drive the global research and creative work that enriches understanding and fuels collaborations needed to solve critical societal challenges.

Implicit Bias in Faculty Search Processes

Scholars have addressed implicit or unconscious bias in faculty recruitment and search processes as a major challenge. There is an extensive body of literature by social and cognitive psychologists that demonstrates the human tendency to make unconscious judgments and decisions based on stereotypes, including faculty hiring.

The Center for Institutional Change at the University of Washington calls this “unexamined bias” and describes it as “a form of stereotyping that is often unintentional, automatic, and outside of our awareness. Often contradicting to our conscious beliefs. Also called subtle or implicit bias. Framing it specifically as ‘unexamined’ puts onus for change on the person who harbors or acts on bias, holding them accountable.”
Harvard University’s Project Implicit, Ohio State University’s Kirwan Institute, and the research translated into practice of the Women in Science and Engineering Leadership Institute at the University of Wisconsin-Madison are a few examples of the research conducted on this subject matter.

Harvard University recommends that all search committees read Blind Spot: Hidden Biases of Good People by Mahzarin Banaji, a Harvard professor who is a leading authority on unconscious bias and its effects on decision making.

Evidence suggests that discriminatory practices can be addressed and reduced. Nobel Prize-winning Princeton psychologist Daniel Kahneman calls it breaking bad habits of faulty thinking.

**Workshop: Identifying and Challenging Implicit Bias in Faculty Search**

The University offers implicit bias training workshops as an evidence-based approach to help faculty search committees create and conduct searches. Each faculty search is an opportunity to attract a broad talent pool to identify future field shapers. Each search provides a strategic chance to reshape the faculty, enhance strengths in specific fields, and expand the diversity of the University community.
AGENDA ITEM: Benefits at the University and Market Competitiveness

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Kathryn F. Brown, Vice President, Office of Human Resources
Kenneth Horstman, Senior Director, Total Compensation, Office of Human Resources

PURPOSE & KEY POINTS

The purpose of this item is to discuss the University’s benefit offerings beyond traditional health benefits. The presentation will include an overview of the following benefits and resources:

- Employee Assistance Program
- Financial counseling
- Disability coverage
- Life insurance
- Long-term care
- Retirement
- Regents Scholarship
- Time away
- Other voluntary employee-paid benefit options

The discussion will also cover emerging benefit trends.
Benefits at the University

Board of Regents
Faculty and Staff Affairs Committee

Kathryn F. Brown, Vice President, Office of Human Resources
Kenneth Horstman, Senior Director, Total Compensation

June 8, 2017
Strategic Direction for OHR

• **Mission:** The Office of Human Resources strategically leads and partners with our community to provide the diverse workforce and organizational capabilities that drive excellence in the University.

• **Vision:** Create the diverse workplace of the future where people are engaged, connected, thriving, and achieving.

• **Values:** Integrity, service, innovation, collaboration, and responsibility.
Strategic Imperatives

• Define
  • Re-imagined, integrated OHR portfolio of services
  • Well-articulated partnership between central OHR and HR work in colleges, units, and campuses in which roles and responsibilities are clear and understood
  • Leader in providing HR professional skills and practice, and encouraging best practices in HR systems and service delivery

• Simplify
  • Simplified employment policies and administrative procedures
  • Streamlined employment processes and management

• Empower
  • Leaders and managers to make strategic decisions about talent
  • Employees to optimize their employment experience
  • Human resource professionals to be proactive, responsible, and responsive

• Deliver
  • Excellent, high-quality service in core OHR business functions
  • Improved business processes that support talent management
  • Strategic organizational development advice and practice
The Employee Value Proposition

True Differentiators—Hard or Impossible to Replicate
Mission, Pride In Purpose, “We Are the Driven”

Environment & Culture—Harder to Replicate
Wellbeing, Life Balance, Relationships

Total Rewards—Must be Competitive—Easy to Replicate

<table>
<thead>
<tr>
<th>Foundational</th>
<th>Performance Based</th>
<th>Career Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>Merit Increases</td>
<td>Training</td>
</tr>
<tr>
<td>Benefits</td>
<td>Incentives &amp; Bonuses</td>
<td>Leadership Development</td>
</tr>
<tr>
<td>Time Away</td>
<td>Recognition</td>
<td>Mentoring</td>
</tr>
</tbody>
</table>
Overview of Available Benefits

• Benefits with U Contribution
  • Financial Wellness
  • Employee Assistance Program
  • Disability Coverage
  • Life Insurance
  • Regents Scholarship
  • Time Away
• Optional, Employee-Paid Benefits
  • Long-term care
  • Short-term disability (P&A)
  • Short-term and long-term disability (Civil Service and Labor Represented)
  • Supplemental life insurance
  • U-Pet Wellness
Financial Wellness

University of Minnesota employees and their immediate family members have access to up to six sessions of financial counseling annually.

- No charge to employee or family member
- University expense per employee per year is $1.19.
- NFCC certified financial counselors
- Sessions are available in-person at any of the LSS Financial Counseling offices, by phone, or online.
# Financial Counseling Impact

$853,000 employee debt paid off!

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial Counseling Sessions</th>
<th>Financial Education Workshops</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>274</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>260 employees</td>
</tr>
<tr>
<td>2015</td>
<td>271</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>536 employees</td>
</tr>
<tr>
<td>2016</td>
<td>317</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>workshops, including workshops on the Duluth and Morris campuses</td>
</tr>
</tbody>
</table>
Employee Assistance Program

- Confidential counseling and consultation services for entire University system
- Available to all UPlan-eligible employees, spouses, and dependents
- Eight sessions at no cost
- Assessment and referrals are provided
- On campus, off-campus, telephone, and 24/7 coverage for emergencies

<table>
<thead>
<tr>
<th>Personal Concerns</th>
<th>Work-Related Consultation and Coaching</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adjustment to change/loss/grief</td>
<td>• Managing through change</td>
</tr>
<tr>
<td>• Chemical health</td>
<td>• Performance concerns</td>
</tr>
<tr>
<td>• Conflict resolution</td>
<td>• Conduct issues</td>
</tr>
<tr>
<td>• Coping with stress</td>
<td>• Work climate</td>
</tr>
<tr>
<td>• Family issues</td>
<td>• Concern for an employee</td>
</tr>
<tr>
<td>• Job concerns and productivity</td>
<td></td>
</tr>
<tr>
<td>• Mental health</td>
<td></td>
</tr>
<tr>
<td>• Relationships</td>
<td></td>
</tr>
<tr>
<td>• Work relationships</td>
<td></td>
</tr>
</tbody>
</table>
Voluntary Long-term and Short-term Disability
(For Civil Service and Labor Represented Employees)

- **Sick leave**
- Accrues on an hourly basis
- Provided by University at no employee cost

- **Voluntary short-term disability** (available to P&A)
  - Fully-insured, 100% employee-paid
  - $300 to $5,000, maximum of 66-2/3% of regular earnings

- **Voluntary long-term disability**
  - Fully-insured, 100% employee paid
  - $300 to $5,000, maximum of 60% of regular earnings
  - Paid on certified disability to Normal Retirement Age under Social Security
Medical Leave and Disability
(For P&A and Faculty)

Medical Leave Program
- 100% salary continuation for up to 3 months
- Self-insured, no cost to employee
- Medical plan subsidy, life insurance, and retirement contributions continue

Academic Disability Program
- Salary continuation months 4 through 12
- Self-insured, no cost to employee
- Amount of salary continuation and length of medical subsidy based on service
- Life insurance and retirement contributions continue

Academic Long-Term Disability
- 12-month waiting period
- Fully-insured, no cost to employee
- Benefits paid up to Normal Retirement Age on certified disability
- Retirement contributions and life insurance continue
- Medical subsidy continues for 1 year if over 10 years of service
Life Insurance

• 115% of base salary with a maximum of $200,000
• Premium paid by the University, if working at least 75% time
• Optional life insurance for employee and family
• Accidental Death and Dismemberment as part of basic coverage
Long-term Care

- Voluntary benefit
- Benefit bank $100,000 to $400,000
- Available within 90 days of hire to all employees age 18 to 65
- Age 66 to 79 require medical underwriting
Regents Scholarship

• Provides employees free or reduced tuition at the University of Minnesota
  • 100% reimbursement when pursuing first undergraduate degree
  • 75% reimbursement for post-baccalaureate classes

<table>
<thead>
<tr>
<th>School Year</th>
<th>Employees</th>
<th>Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2015 to Spring 2016</td>
<td>1,136</td>
<td>$4,052,858</td>
</tr>
<tr>
<td>Fall 2016 to Spring 2017</td>
<td>1,110</td>
<td>$4,199,659</td>
</tr>
</tbody>
</table>
Time Away

Life Balance
- Vacation: paid time off that accrues based on eligibility and employee group
- Holidays: 11 paid holidays each year

Personal and Family Health
- Academic Disability Program (P&A)
- Sick leave accrual (Civil Service and Labor Represented)
- Vacation Donation Program (Civil Service and Labor Represented)

Long-Term Leave/Special Circumstances

Health and Wellbeing
- Family Medical Leave
- Medical Leave
- Parental Leave
- Bereavement Leave
- School Conferences and Activities

Life Balance
- Personal
- Professional Development and Education

Civic Duty
- Military
- Court appearance
Retirement Benefits

• Faculty Retirement Plan (Faculty and P&A)
  • Defined contribution, single record keeper
  • Provides an employer/employee contribution of 15.5%
  • Replaces 67% of pre-retirement income based on 35 years of service and a starting salary of $95,800. Excludes social security income.

• Minnesota State Retirement System (Civil Service and Labor Represented)
  • Defined benefit
  • Employee and employer currently contribute 5.5% each.
  • Replaces 57% of pre-retirement income based on 35 years of service and a starting salary of $50,800. Excludes social security income.

• Voluntary Plans (100% employee contribution)
  • 403b and 457 plans
    • Tax advantaged savings
    • Multiple record keepers and funds
U-Pet Wellness

- World-class, comprehensive, and compassionate care for cats and dogs of University employees and students
- Coverage includes standard and preventative testing, reduced fee specialty exams, 20% off unlimited primary care, and immunizations
- 100% employee contribution paid through payroll deduction
Employer Trends

• Making EVP meaningful to employees and candidates
• Mental health support in the workplace
• Parental leave is a significant discussion
• Meaningful financial wellness education
• Emphasis on wellbeing and its correlation to a high performing work environment
• Flexibility in benefits and work schedules
• Millennials value other benefits
  • Student loan repayment, critical illness, flexible work arrangements, identity protection, and pet insurance
What Our Employees Tell Us...

My expectations were far surpassed. My (financial) counselor was personable, easy to talk to understanding, and wow—she really knew what she was talking about! ...it helped me understand my debt repayment options so well that I could repeat everything I learned to my family.

The U's overall benefits are generous. The health insurance is comprehensive and generous in terms of coverage, monthly premium, co-pays, and deductibles. Dental coverage is very good.

I love the focus on wellness, and the resources for wellness in a well rounded way—healthy lifestyle, financial fitness, emotional wellbeing...it's all incredible.

Regents Scholarship, great healthcare benefits at low cost, matching $ for retirement, option to have an HSA account, short-term disability. One of the reasons I love working here is the great benefits.

The vacation and sick accrual is great! I also love the great medical care options.

The retirement is amazing, specifically the University's contribution. Also the health insurance...having a $100 deductible is unheard of and very appreciated. The commitment to wellness in the benefits and from leadership is appreciated as well.
Questions?
AGENDA ITEM:  Annual UPlan Update

☐ Review  ☐ Review + Action  ☐ Action  ☒ Discussion

☒ This is a report required by Board policy.

PRESENTERS:  Kathryn F. Brown, Vice President, Office of Human Resources
Kenneth Horstman, Senior Director, Total Compensation, Office of Human Resources

PURPOSE & KEY POINTS

The purpose of this item is to discuss the UPlan, the University’s self-insured health benefits plan provided to eligible University of Minnesota employees. The UPlan includes medical, dental, and pharmacy coverage, as well as a comprehensive wellness program.

Board of Regents Policy: Employee Health Benefits requires the ongoing review of the effectiveness of the University’s health benefit programs, and an annual report to the Board on performance against the principles that govern the provision of health benefits. The item will provide the required annual report, and will cover the following key points:

- National cost trends.
- UPlan medical, pharmacy, and dental costs.
- 2018 medical and dental premium rates.
- Wellness Program update.
Annual UPlan Update

Board of Regents
Faculty and Staff Affairs Committee

Kathryn F. Brown, Vice President, Office of Human Resources
Kenneth Horstman, Senior Director, Total Compensation
June 8, 2017
UNIVERSITY OF MINNESOTA

BOARD OF REGENTS POLICY

Page 1 of 2

EMPLOYEE HEALTH BENEFITS

SECTION III. GUIDING PRINCIPLES

The following principles shall guide the University’s provision of health benefits.

(a) The University, in partnership with its employees, seeks to encourage a healthy and productive workforce.

(b) The University is committed to providing employees, retirees, and their families a health plan that offers choice and high quality, comprehensive, and cost-effective care.

(c) The University is committed to offering a health plan that is competitive with peer institutions as to its structure, coverage, and cost to employees.

(d) The University encourages the use of programs provided through its health plan to improve the health and wellness of plan participants, with emphasis on programs that over time control health care costs for the University and its employees.

(e) The University is committed to the consultation of covered employee groups in the design, implementation, and evaluation of the health plan.
What We Will Cover Today

• Cost trends
• UPlan medical costs
• Pharmacy costs
• 2018 medical and dental premiums
• Wellness Program update
Aggregate National Healthcare Trend

Note: Data based on a meta analysis of industry research, including research from Willis Towers Watson, Mercer, and the Minnesota Health Action Group.
Components of Medical Costs

- Medical claims
  - Preventive, primary, urgent care, mental health, specialty, inpatient, outpatient, emergency, medical, and pharmacy
- Pharmacy claims
  - Generic, brand, and specialty
- Plan administration
  - Claims adjudication and processing, customer service and support, medical management review, and case management
- Stop loss
- Wellness
  - Program and administrative costs
UPlan Yearly Health Care Cost Per Employee

History & Projections*

2013 2014 2015 2016 2017
$13,310 $13,046 $13,011 $13,017 $13,212
$9,811 $9,368 $9,491 $9,501 $9,644
$2,826 $2,797 $2,634 $2,613 $2,652

- **Avg Employee Out of Pocket**
- **University Contribution**
- **Avg Employee Rates**

*Per Employee Per Year Cost includes former employees such as early retirees and members on COBRA
Total Paid ($) per Claim by Drug Type: 2004 (Jan.) to 2017 (Mar.)

- **Average Drug Claim**: $153
- **Patented Brands**: $624
- **OTC Claims**: $41
- **Generic Rxs**: $38

Based on data from Univ. of Minnesota self-insured drug benefit (UPlan) 2004 to 2017 & compiled by PRIME Institute, University of Minnesota.
2018 Medical & Dental Premiums

2018 premiums will remain flat over 2017

- Medical
  - Favorable trend of 0.6%
  - End in 2017 of transitional reinsurance premium (TRP)
  - Wellness program savings
  - Projected ACO migration
  - Offset specialty drug trend with higher rebates
- Dental
  - Favorable trend coupled with claim factor reduction
**What is your planned percentage increase in your Health and Welfare budget from 2016 to 2017?**

<table>
<thead>
<tr>
<th>Planned Increase from 2016 to 2017 (n = 72)</th>
<th>Minimum</th>
<th>Average</th>
<th>Median</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.0% [0.0% Last year]</td>
<td>5.8%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Industry (n=25)</th>
<th>Minimum</th>
<th>Average</th>
<th>Median</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0%</td>
<td>4.7%</td>
<td>4.5%</td>
<td></td>
<td>15.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cities, Counties &amp; School Districts (n=47)</th>
<th>Minimum</th>
<th>Average</th>
<th>Median</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.0%</td>
<td>6.3%</td>
<td>5.7%</td>
<td></td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Overall health care trend is growing faster than premium trend and budgets, signaling even greater cost shift through plan design to employees.

*Variation in year-to-year results will be partially due to changes in survey participants year-over-year. Please note when making comparisons on a year-over-year basis.*
2018 Wellness Program
Current Wellness Program Impact

• 54% completed wellness assessment
• 65% participated in the program
• 41% increased wellness activities over prior year
• 92% were satisfied with their health coaches
• 41% achieved 2017 wellness premium incentive based on 2016 participation
• Hennepin County Wellness by Design Green and Gold award winner
U Wellness Program Ranks High Compared to Industry Benchmark

- The Health Enhancement Research Organization (HERO) Scorecard can be helpful in benchmarking against similar employers. For this, we will compare the University of Minnesota against other Universities (20) and employers with a similar number of employees (130).
- U of MN score = 126
- Universities average score = 107
- 5,000 + employees average score = 104
Reduced Health Risk Due to Ongoing Participation in Wellness Program

• Average number of health risks among repeat participants have decreased from 2.77 to 2.31 (-16.6%).

• Current average number of health risks is less than the norm of 2.4.
Wellness Program Changes in 2018

2018 will see changes to the Wellness Program vendor, programs, reimbursements, and premium incentive.

- Medica/Red Brick will be introduced as the new wellness vendor.
  - Comprehensive programming across all dimensions
  - Increased program engagement
  - Comprehensive communications across many channels
- Taxability of wellness reimbursements
  - IRS adds clarity to taxation of cash reimbursements.
  - This will impact class reimbursements and health club discounts.
- Wellness points for 2019 premium reduction adjusted
  - 500 for employee/750 for employee and spouse
  - Brings UPlan wellness to a more impactful incentive level
Takeaways

- Cost distribution between employer and employees has been constant over time.
- In pharmacy, patented brands have increased sharply over time, specialty drug trends have been double-digit, and generics in the future will also see increases due to changes in the market.
- The University’s health risk for Wellness Program participants has decreased below the average for large employers in our local market.
- Medical and dental premiums will not increase in 2018.
Discussion
Faculty & Staff Affairs

AGENDA ITEM: Consent Report

☐ Review  X  Review + Action  ☐ Action  ☐ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Kathryn F. Brown, Vice President, Office of Human Resources

PURPOSE & KEY POINTS

The purpose of this item is review and action on the following:

- Appointment of Bernard Gulachek as Vice President for Information Technology and Chief Information Officer effective June 12, 2017.
- Conferral of Tenure for ten outside hires.

BACKGROUND INFORMATION

Board of Regents Policy: Reservation and Delegation of Authority calls for items, such as proposed changes to retirement provisions, senior administrative appointments, tenure and/or promotion recommendations, approval of civil service rules, and appointments of certain trustees and board members, to be brought before the Faculty & Staff Affairs Committee for action.

PRESIDENT’S RECOMMENDATION

The President recommends approval of the consent report.
Faculty and Staff Affairs Committee
Consent Report
June 8, 2017

Personnel Appointment

Pending approval by the Board of Regents, Mr. Bernard Gulachek will be appointed Vice President for Information Technology and Chief Information Officer, effective June 12, 2017.

Position Overview

The vice president for information technology and chief information officer (VP/CIO) is a senior leadership position reporting directly to and serves at the pleasure of the senior vice president. As a member of the finance and operations leadership team, the vice president works in collaboration with peers in budget, finance, human resources, and university services to ensure the University community receive a high level of effective, budget-conscious, and service-oriented operational services.

The VP/CIO will assume responsibilities for all aspects of information technology, including ultimate responsibility for all staff and unit operations within the Office of Information Technology (OIT.) The VP/CIO leads OIT and campus stakeholders to optimize the efficiency of centralized systems, manage IT challenges involving risk, achieve greater levels of cost savings, service, and innovation, provide a high level of IT support to both central and local units, and ensure that these systems and services meet critical stakeholder needs. The VP/CIO’s responsibilities include:

- be perceived as a solid team player who has credibility and integrity and contributes broadly at system, campus, and division leadership meetings
- establish relationships to effectively maintain and enhance the current distributed IT model to ensure efficient, complementary, and coordinated approaches to IT service delivery
- assess the organizational structure of IT to ensure that the structure supports an innovative, highly productive, responsive, customer service oriented information technology organization.
- as part of an overall University of Minnesota initiative, participate in identifying areas of efficiency and cost savings across IT
- be an active contributor to the Finance and Operations leadership team that will work across functional support areas to build world-class and cost-effective support services for the University’s academic, research, and outreach missions
- ensure the successful completion of the $70 million enterprise-wide network upgrade, currently underway
- partner with academic leadership on a campus-wide dialogue and decision-making process for a Learning Management System (LMS)

Appointees Background and Qualifications

Mr. Gulachek has been with the University of Minnesota since 1986 and is a 1985 graduate of the College of Liberal Arts. For the past 21 months, Mr. Gulachek has served as interim vice president and chief information officer. During this time, he has worked to rebuild relationships, trust, and service excellence within OIT, and as a result he is held in high regard by senior leaders across the system. Prior to serving in the interim role, Mr. Gulachek held various positions in information technology and networking/telecommunications at the University, including overseeing the transition to Google Apps.
(saving over $15 million annually), leading the development of shared services in IT, and the installation of the institution’s first wireless network.

Mr. Gulachek’s track record at the University suggests he will be a visionary, innovative, inclusive, collaborative and entrepreneurial leader who is committed to the highest standards of excellence, integrity, and accountability and recognizes the importance of human capital. Under his leadership as interim VP/CIO, he has implemented efforts to diversify the OIT workforce, and recent hiring now meets or exceeds market availability for women, persons of color, and individuals with disabilities. Mr. Gulachek has demonstrated the ability to lead initiatives that streamline operations and reduce costs throughout his time at the University. He established the enterprise server service offering, centralizing nearly 4,000 distributed and locally owned servers into centrally managed virtual infrastructure creating capital and operational cost avoidance savings of nearly $4 million. Through network divestment Mr. Gulachek eliminated voice and data network costs totaling over $2 million annually, and by centralizing IT help-desks on the Twin Cities campus from 73 to 21 he created resource savings of over $2.3 million annually for deans and department heads to reinvest directly in the core mission.

**Recommended Salary and Appointment Type**

Mr. Bernard Gulachek’s annual salary will be $265,000. His appointment as vice president is a 100%-time, A-term (12-month), L-type (limited) appointment, reporting to and serving at the pleasure of the Senior Vice President. The full employment agreement between the University of Minnesota and Mr. Gulachek is attached as an exhibit.

**Individually Negotiated Terms of Employment or Separation Agreements**

There are no individually negotiated terms of employment or separation agreements.

**Comparable Market Data**

With respect peer institutions, the 2016 average salary for chief information officers in the Big Ten is $259,490. The 2016 Sibson executive survey, aged to 2017, places the median salary at $294,430. These market data do not support the need for incentive pay in this position.

Mr. Gulachek’s annual salary falls appropriately within the range for the position of chief information officer:

<table>
<thead>
<tr>
<th>Big Ten</th>
<th>Sibson</th>
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</thead>
<tbody>
<tr>
<td>Minimum – $240,934</td>
<td>25% – $261,605</td>
</tr>
<tr>
<td>Average – $259,490</td>
<td>50% – $293,651</td>
</tr>
<tr>
<td>Maximum – $272,700</td>
<td>75% – $310,621</td>
</tr>
</tbody>
</table>

**Recommendation**

The president recommends the appointment of Mr. Bernard Gulachek as Vice President for Information Technology and Chief Information Officer.
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is entered into as of this 1st day of June, 2017, by and between Regents of the University of Minnesota, a Minnesota constitutional educational corporation (the "University"), and Bernard Gulachek ("Bernard Gulachek," "you").

WHEREAS, the University wishes to employ Bernard Gulachek as the Vice President for Information Technology and Chief Information Officer, and Bernard Gulachek wishes to accept employment as the Vice President for Information Technology and Chief Information Officer;

WHEREAS, this Employment Agreement is subject to the approval of the Board of Regents of the University of Minnesota and the completion of a background check satisfactory to the University;

THEREFORE, the University and Bernard Gulachek agree as follows, subject to the approval of the Board of Regents:

I. EMPLOYMENT TERM AND DUTIES

Subject to the terms and conditions of this Agreement and University Policies and Procedures, the University appoints Bernard Gulachek as the Vice President for Information Technology and Chief Information Officer and he agrees to be so employed by the University for a term commencing on June 12, 2017. The Vice President for Information Technology and Chief Information Officer is a 100-percent time, 12-month L appointment in the professional and academic personnel classification who serves as an at-will employee at the pleasure of the Senior Vice President for Finance and Operations. As such, you report to and serve at the pleasure of the Senior Vice President for Finance and Operations and your appointment may be terminated at any time without advance notification.

II. DUTIES

During the term of your employment as Vice President for Information Technology and Chief Information Officer you will diligently and consciously devote your full-time attention and best efforts in performing and discharging the duties of the Vice President for Information Technology and Chief Information Officer as they are set forth in the profile for this position (attached) including, but not limited to, the following duties:

A. Partner with senior leadership and become fully integrated into the leadership team; be perceived as a solid team player who has credibility and integrity and contributes broadly at system, campus, and division leadership meetings;

B. Establish relationships to effectively maintain and enhance the current distributed IT model to ensure efficient, complementary, and coordinated approaches to IT service delivery;

C. Ensure the successful completion of the $70 million enterprise-wide network upgrade, currently underway;
D. Partner with academic leadership on a campus-wide dialogue and decision-making process for a Learning Management System (LMS);

E. Assess the organizational structure of IT to ensure that the structure supports an innovative, highly productive, responsive, customer service oriented information technology organization;

F. As part of an overall University of Minnesota initiative, participate in identifying areas of efficiency and cost savings across IT;

G. Be an active contributor to the Finance and Operations leadership team that will work across functional support areas to build world-class and cost-effective support services for the University’s academic, research, and outreach missions;

H. Perform such other duties as related to your employment position and assigned to you by your appointing authority.

III. PERFORMANCE

In accordance with University policy, you will receive regular annual performance evaluations and, in accordance with University policy, you will receive a broader systemic review of your performance no later than the end of your third year in the position.

IV. COMPENSATION

I. Subject to the terms of this Agreement for all services provided by you on behalf of the University, the University shall pay you an annual salary of Two Hundred and Sixty-Five Thousand and No/100 Dollars ($265,000).

J. All base salary shall be paid in accordance with the University’s regular payroll procedures for Professional and Administrative employees and shall be subject to withholding for applicable federal and state income taxes, federal social security taxes, and other applicable taxes and deductions.

K. In accordance with University policies and procedures, you shall be eligible for salary increases on an annual basis based upon the evaluation of the appointing authority or his/her designee.

L. The base salary is subject to furloughs, pay freezes, salary reductions, or other adjustments to the same extent they are required of other employees of the University.

V. BENEFITS

The University shall provide you with a benefits program as provided generally for its Professional and Administrative employees as described in its policies and Procedures (http://www.umn.edu/ohr/benefits/summary.) These programs shall be subject to amendments and modifications by the University.
VI. SEPARATION

A. Your appointment as Vice President for Information Technology and Chief Information Officer is an L appointment, which means you serve at the pleasure of your appointing authority. Your appointment may be terminated without any required notice period.

B. In the event you are separated from your administrative position, you may be eligible for certain benefits provided by the University, in accordance with University policy. Any exception from or waiver of University policy related to your separation must be approved by the Board of Regents.

C. If you are a faculty member at the end of your administrative appointment, you may return to the faculty at your established faculty salary.

VII. UNIVERSITY POLICIES AND GENERAL CONDITIONS

A. Your appointment is subject to the University’s policies and procedures that govern your position (http://policy.umn.edu), which may be amended from time to time.

B. Amendment. Any amendment to this Agreement shall be in a writing executed and delivered by the parties.

C. Parties In Interest/Assignment. This Agreement shall be binding upon and the benefits and obligations provided for herein shall inure to the parties hereto and their respective heirs, legal representatives, successors, assigns, transferees, or donees, as the case may be. No portion of this Agreement shall be assignable without the prior written consent of the other party.

D. Effect of Prior Agreements. This Agreement is intended by the parties as the final and binding expression of their contract and agreement and as the complete and exclusive statement of the terms thereof. This Agreement supersedes and revokes all prior negotiations, representations, and agreements, whether oral or written, relating to the subject matter hereof.

E. Enforceability. If any provision contained herein shall be deemed or declared unenforceable, invalid, or void, the same shall not impair any of the other provisions contained herein, which shall be enforced in accordance with their respective terms.

F. Construction. The headings preceding and labeling the sections of this Agreement are for the purpose of identification only and shall not in any event be employed or used for the purpose of construction or interpretation of any portion of this Agreement. No waiver by any party of any default or nonperformance hereunder shall be deemed a waiver of any subsequent default or nonperformance. As used herein and where necessary, the singular shall include the plural and vice versa, and masculine, feminine, and neuter expressions shall be interchangeable.
VIII. BOARD OF REGENTS APPROVAL

This agreement is subject to the approval of the Board of Regents and a background check that is satisfactory to the University.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first shown above.

By: [Signature]
    Bernard Gutachek

REGENTS OF THE UNIVERSITY OF MINNESOTA

By: [Signature]
    Brian Burnett
    Senior Vice President for Finance and Operations

Approved as to Form and Execution

By: [Signature]
    Douglas R. Peterson
    General Counsel
Tenured Outside Hires

The decision of the Board of Regents to confer tenure and rank for any individual faculty hire from outside the University of Minnesota becomes effective on the first day of that faculty member’s academic appointment at the University.

Tenured Hires for the June 2017 Board of Regents meeting – Twin Cities campus
Recommended by Executive Vice President and Provost Karen Hanson

**John Bricout**
Professor with tenure
School of Social Work
College of Education and Human Development

Prof. Bricout earned his Ph.D. in social work from Virginia Commonwealth University in 1998. He is currently professor and associate dean for research and professional development at the University of Texas at Arlington. Dr. Bricout’s work focuses on the role of social technologies to enable the participation and employment of people with disabilities.

**Ryan Demmer**
Associate Professor with tenure
Epidemiology and Community Health
School of Public Health

Prof. Demmer’s research focuses on prevention and control of cardiometabolic disease such as the elucidation of causes and correlates of cardiometabolic diseases, including diabetes, atherosclerotic vascular disease and congestive heart failure. He earned his Ph.D. from the University of Minnesota in 2005 and is currently an assistant professor at Columbia University’s Mailman School of Public Health.

**Brad Greenwood**
Associate Professor with tenure
Information and Decision Sciences
Carlson School of Management

Prof. Greenwood earned his Ph.D. in decisions, operations, and information technology from University of Maryland, College Park in 2013. He is currently an assistant professor at Temple University. Dr. Greenwood’s primary focus of research is the consequences of digital innovations for entrepreneurship and healthcare. In particular, he studies the emergence and impact of new digital technologies and platforms such as Kickstarter, Uber, Craigslist, and Physician Online Review Systems.
Joleen Hadrich  
**Associate Professor with tenure**  
Applied Economics  
College of Food, Agricultural and Natural Resource Sciences  

Dr. Hadrich’s research centers around answering relevant applied research questions in agricultural finance and production economics to help facilitate farm-level decision making considering the interaction between the biological process of the system studied and resource constraints. Prof. Hadrich earned her Ph.D. in agricultural economics from Michigan State University in 2009 and is currently an associate professor in the Department of Agricultural and Resource Economics at Colorado State University.

Evan Rawley  
**Associate Professor with tenure**  
Strategic Management and Entrepreneurship  
Carlson School of Management  

Prof. Rawley received his Ph.D. in management from the University of California, Berkeley in 2007 and is currently assistant professor of management at the Wharton School, University of Pennsylvania. In his research, he tests and develops theories that advance our understanding of how firms can grow and thrive through their corporate strategy decisions. In particular, Dr. Rawley looks at the interplay amongst governance regimes and operational activities to explain why scope changes succeed or fail.

Carol Strohecker  
**Professor with tenure**  
Design, Housing, and Apparel  
College of Design  

Dr. Strohecker comes from the Rhode Island School of Design where she serves as vice provost for academic programs. She earned her Ph.D. in media arts and sciences from the Massachusetts Institute of Technology in 1991. Her area of scholarship concerns topics related to learning theory and the development of environments in which people can learn through creative processes. Prof. Strohecker’s portfolio includes creative works in various media, as well as collaborative work in interactive media tools and methods that has resulted in four U.S. patents. Carol Strohecker has been named dean of the University of Minnesota’s College of Design, effective August 31, 2017.

Vlad Vicol  
**Associate Professor with tenure**  
School of Mathematics  
College of Science and Engineering  

Prof. Vicol is currently assistant professor of mathematics at Princeton University. He received his Ph.D. in mathematics from University of Southern California in 2010. The focus of his research
is on the intersection of partial differential equations and probability theory, with an emphasis on problems arising in fluid dynamics. Dr. Vicol is the recipient of a Sloan Fellowship, several NSF research grants, and an NSF CAREER grant.

**Song Yao**

**Associate Professor with tenure**
**Marketing**
**Carlson School of Management**

Dr. Yao received his Ph.D. in marketing from the Fuqua School of Business at Duke University in 2009 and he is currently an assistant professor of marketing at the Kellogg School of Management at Northwestern University. His area of expertise is in quantitative marketing with an emphasis on structural dynamic models and online marketing and advertising. His scholarship includes papers on online discount rates and the value of word-of-mouth “buzz” in creating consumer demand.

**Tenured Hires for the June 2017 Board of Regents meeting – Crookston campus**

**Recommended by Executive Vice President and Provost Karen Hanson**

**Mary Holz-Clause**

**Professor with tenure**
**Agriculture and Natural Resources**
**University of Minnesota Crookston**

Prof. Holz-Clause is currently a professor of agriculture business management at California State Polytechnic University, Pomona where she also serves as dean of the Huntley College of Agriculture. She holds an M.P.A in Public Administration from Iowa State University (1991), and earned her Ph.D. in Agriculture Education and Studies from Iowa State University in 2009. Dr. Holz-Clause’s work encompasses national and international issues related to small business development and administration, agriculture marketing resources, and new market opportunities for small to medium size farmers. Dr. Holz-Clause has served as principal investigator on contracts and grants totaling more than $40 million in the last decade, with extensive background in agricultural development and policy.

Mary Holz-Clause has been named chancellor of University of Minnesota Crookston, effective June 30, 2017.
Dr. Kern comes from Morningside College, Sioux City, Iowa where he serves as associate professor and chair of the Department of Biology and Chemistry. He earned his Ph.D. in plant genetics from Montana State University in Bozeman in 2002. Dr. Kern is an accomplished teacher whose scholarship is in the areas of agro-ecological and conservation genetics with an emphasis on restoration ecology of wild rice and population genetics of American hazelnut.
AGENDA ITEM: Information Items

☐ Review ☐ Review + Action ☐ Action ☒ Discussion

☐ This is a report required by Board policy.

PRESENTERS: Kathryn F. Brown, Vice President, Office of Human Resources

PURPOSE & KEY POINTS

The purpose of this item is to inform the Board of Regents of noteworthy items, administrative actions, and local, regional, and national policy issues affecting University units and departments. Specific items covered include personnel highlights, University highlights, and faculty and staff activities and awards.

BACKGROUND INFORMATION

This Information Report appears as a regular item on the Faculty & Staff Affairs Committee agenda.
This report does not capture and record a complete listing of the significant awards and activities of the University community but, rather, makes note of unit reported items in these areas. It also highlights reports and activities at the local, regional, and national level in the area of faculty and staff affairs.

Personnel
Laura Bloomberg has been appointed to a two-year term as dean of the Humphrey School of Public Affairs, effective June 12. She has served as associate dean of the Humphrey School since January 2013 and as dean will continue to provide strategic leadership and administrative oversight for the school, and work to maintain its stature. A national search will be launched in 2018.

Mary Holz-Clause was named chancellor of the University of Minnesota Crookston, effective June 30. She comes from California State Polytechnic (Cal Poly) University Pomona, where she has served since 2014 as dean of the Huntley College of Agriculture and as a tenured professor in the Department of Agricultural Business Management and Agriculture Science. She holds a B.S. in Agriculture Business, a Master in Public Administration, and a Ph.D. in Agriculture Education and Extension, all from Iowa State University.

Carol Strohecker has been named dean of the College of Design, effective August 31. Previously, she was vice provost for academic affairs at the Rhode Island School of Design, in Providence, R.I., from 2013-2016. She also served as inaugural director of the Center for Design Innovation from 2006-2013, where she held concurrent roles as chief research officer at the University of North Carolina School of the Arts and as a tenured professor in art and visual studies at UNC’s Winston-Salem State University. Strohecker holds a Ph.D. in media arts and sciences and a master of science in visual studies, both from the Massachusetts Institute of Technology.

University Highlights
The University of Minnesota Libraries is one of 10 recipients of the 2017 National Medal for Museum and Library Service, the nation’s highest honor given to museums and libraries for service to the community. The U of M libraries is just the third academic library to win the award in 23 years, which celebrates institutions that respond to societal needs in innovative ways, making a difference for individuals, families, and their communities.

The University of Minnesota Morris has earned two notable distinctions - 1) the #1 spot on the Sports Management Degree Guide’s list of "50 Most Affordable Selective Colleges for Sports Management.", and 2) the 2017 Minnesota Climate Adaptation Award by the Minnesota Climate Adaptation Partnership (MCAP).
**Faculty and Staff Activities and Awards**

Jacqueline Barber, College of Pharmacy, has been recognized by the American Association of Colleges of Pharmacy (AACP) as a mater preceptor, for her dedication and commitment to excellence in experiential education and professional practice. Preceptors supervise student pharmacist-interns in a clinical setting, and play a critical role in shaping a student’s future career through teaching and mentoring.

Frank Bates, chemical engineering and materials science, and Maury Bramson, mathematics, have been elected members of the prestigious National Academy of Sciences (NAS) for their excellence in original scientific research. Membership in the NAS is one of the highest honors given to a scientist or engineer in the United States.

Aditya Bhan, chemical engineering and materials science, has been named the winner of the 2017 Acid Base Catalysis Young Scientist Award. This award is given to an individual less than 45 years old, who has made novel and promising contributions to the field of acid and/or base catalysis.

Corey Bulman, a College of Education and Human Development and College of Liberal Arts alumnus, won the prestigious Minnesota Teacher of the Year Award, from Education Minnesota, an 86,000-member statewide educators union.

Jessica Hellman, director of the Institute on the Environment, is among eight individuals and organizations recently recognized at the National Adaptation Forum as recipients of the Climate Adaptation Leadership Awards for Natural Resources. The awards were established in 2016 to honor exemplary leadership in supporting the resilience of natural resources and the people, businesses, and communities that depend on them.

Alexandra Klass, Law School, has been awarded the 2017 Eldon G. Kaul Distinguished Service Award from the Minnesota State Bar Association’s Environmental, Natural Resource, and Energy Law Section. The award recognizes a member of the bench or bar who has demonstrated a significant commitment and made an outstanding contribution to environmental, natural resources or energy law in the state of Minnesota.

Katy Kozhimannil and her colleagues, School of Public Health, have won the 2016 HCUP Outstanding Article of the Year Award, presented by the Agency for Healthcare Research and Quality (AHRQ) and AcademyHealth. The award recognizes exceptional research conducted using AHRQ’s Healthcare Cost and Utilization Project (HCUP) database in the clinical and health policy arenas.

Jia-Liang Le, civil, environmental, and geo-engineering, is the recipient of the 2017 EMI Leonardo da Vinci Award, which recognizes outstanding young investigators for promising ground-breaking developments in the field of Engineering Mechanics and Mechanical Sciences as relevant to Civil Engineering.

Lisa Loegering, assistant director, Office of Community Engagement, UMC, has been named one of the 2017 Public Health Champions by Polk County Public Health. This award recognizes individuals who volunteer their time, skills, and abilities to promote healthy communities.

Benjamin Casper Sanchez, Law School, has been named the winner of the 2017 Elmer Fried Excellence in Teaching Award, by The American Immigration Lawyers Association. This award is one of the most prestigious in the field of immigration law.
Deborah Swackhamer, former Water Resources Center Co-Director, was awarded the Warren A. Hal Medal by The Universities Council on Water Resources (UCOWR). This award is in honor of her lifetime achievements in water resources research and education.

David Tilman, ecology, evolution and behavior, was elected a foreign member of the Royal Society of London. The society was founded in 1660 and counts among its membership Isaac Newton, Charles Darwin, Albert Einstein and many other eminent scholars from across the ages.

Julie Westlund, UMD Career & Internship Services, received the 2017 Jules Kerlan Outstanding Achievement Award from the Minnesota Career Development Association. This award is given out only in the years when one of its members is deemed worthy. It is the highest honor from the statewide organization, which is an affiliate of the National Career Development Association.