

# HR NEWS

January, 2006

## FROM THE DESK OF MARK KENNEDY

### The Long-Term Financial Outlook and Its Impact on Compensation and Staffing

The past several years have been especially challenging for Mott and other public and private organizations in Michigan. Over the past 4 years we have experienced an accumulative loss of State aid with a budget impact of \$9M. Our organization has handled these challenges better than many other organizations. Part of our success is due to the multi-faceted and balanced way in which we have responded. For example, we increased tuition, introduced new fees, and installed energy savings improvements, and all employee groups responded to the fiscal situation by agreeing to compensation adjustments, primarily small or no across the board pay increases.

In spite of difficult financial times, our organization has remained remarkably stable while simultaneously growing in terms of enrollment and continuously improving itself. From my point of view, one of the key factors contributing to our effectiveness is our long-term financial plan. This plan drives our decision-making, and is constantly updated as the underlying data changes. In FY 2003-2004, we faced a long-term deficit of \$40M which we were able to reduce to \$13M with all of the changes described above. Since then, as the State financial picture worsened and our costs continued to increase (primarily the cost of health insurance and retirement), our long-term forecast worsened and we are now facing a long-term deficit of \$19M seven years out.

It does not appear that the financial situation in Michigan will improve in the short-term. Although the State budget experienced a small surplus at 9/30/05, additional deficits are expected again this year and into the future. Like all consumers, the College is concerned about increasing energy costs. Our expense for

retirement and health insurance continues to increase faster than our revenue growth. For both the short-and long-term, Michigan's auto-oriented economy continues to be problematic. One bleak forecast suggests that employment in Michigan will not recover from its recent decline until the year 2016.

Closer to home, in 2007, we will need the voters to renew an operating millage worth \$7-8 million that without renewal would expire in FY 2007-08.

Needless to say, the financial environment impacts both hiring and compensation. One of our key strategies for maintaining financial stability has been holding positions vacant (this year, we must keep half of vacancies unfilled to ensure the budget is balanced). Many of these jobs are filled with temporary employees or subcontracted labor. This approach will undoubtedly need to be continued for some time into the future. Note that we are not doing a hiring freeze, like other organizations. Rather, we identify key positions that require filling and constantly reprioritize this list (because of workload considerations, we can only process thirteen vacancies at a time). During the first six months of 2006, we hope to hire twenty new employees, including nine new faculty members. On the compensation side, our long-term financial forecast suggests that we will be facing a second phase of "Fair Share" discussions in the upcoming months.

So, while it doesn't look like it's going to get much easier any time soon, we've done a great job of managing several very challenging years and there's no reason to think we won't be equally successful in the upcoming years. Thanks to everyone for your past and future help.

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**Emergency School Closing Number:**  
**(810) 232-8989**



## SOCIAL SECURITY NUMBER PRIVACY



The State of Michigan recently enacted the Social Security Number Privacy Act (MCL 445.81) to protect Social Security numbers of individuals by restricting the use of those numbers by employers and schools. This law requires those who obtain Social Security numbers during their normal course of business to create a privacy policy that ensures the confidentiality, prohibits unlawful disclosure, and limits access of Social Security numbers. Our policy, which was passed by the Board in December,

requires proper practices by College employees when disposing of documents that contain Social Security numbers and establishes penalties for violation of the policy.

The Human Resources Office is currently reviewing all of its forms and reports that contain or require Social Security numbers, and is eliminating the Social Security number when it is not absolutely necessary. You will notice that in many instances the revised HR forms will require an employee Datatel ID number in place of a Social Security number. In some cases, the Social Security number cannot be eliminated and will still be required (i.e., tax forms, insurance forms).

Of course, HR is not the only user of Social Security numbers, and we would like to remind all employees to be diligent when working with student, staff and contractor information that contains Social Security numbers or

other sensitive information. For example, it is not appropriate to save files with individual information such as Social Security numbers to floppy disks or “flash” drives since they can easily be lost or stolen. If you or your department utilizes Social Security numbers, please be sure to review your procedures for handling this information, or create one if it does not exist. A College-wide committee has been established to define and create standard practices for protecting Social Security numbers and to set up improved security for Datatel and other databases.

Human Resources remains committed to protecting your confidential information and, by using this opportunity to conduct a comprehensive review of our internal procedures, will ensure your privacy continues to be protected.

### REPORT ALL CAMPUS INJURIES

*Please remember to contact Public Safety to complete an injury report if you are injured on College property. If you are in need of immediate medical treatment, seek the needed medical services first and then file an injury report with Public Safety. If your injuries are not life threatening, contact Public Safety to complete the injury report before seeking medical treatment.*

## PREPARING FOR RETIREMENT

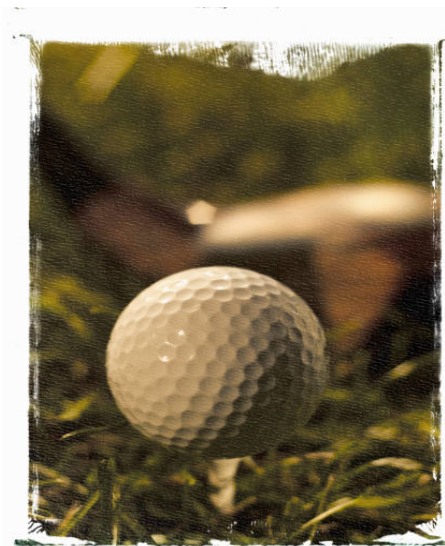
Is retirement knocking at your back door? If so, what should you be doing to prepare for it? Here are a few suggestions to help make the process go more smoothly:

1. Contact either MPSERS or TIAA-CREF (depending on which retirement plan you are enrolled in) a year prior to your anticipated retirement date to discuss the timeframe for processing your request. We know from our experiences with MPSERS that it can easily take four or more months to process your retirement. It may take even longer if you have any special considerations such as purchase of prior service time from another system.
2. Talk with your retirement company about the processing of your first retirement check. There is often a delay between your

retirement effective date and when you receive your first check. For example: if your effective date of retirement is July 1, you may not receive your first check until September.

3. Submit a letter of resignation to your supervisor, indicating your decision to retire and the effective date. Be sure to copy Human Resources on your resignation letter. Check the language of your collective bargaining agreement or employment agreement to determine the minimum amount of advance notice to be given. If you are in a position to do so, give enough advance notice, so the College can plan and recruit for your replacement. If possible and appropriate, we will make the effort to arrange a period of transition so that you can orient the new employee to the job.

4. Contact your Human Resources Representative to schedule an exit interview or if you have questions regarding retirement.



## SPRING RECEPTION

### Mark your calendars!

The 2006 Spring Reception will be held on Thursday, April 20<sup>th</sup> from 2:30 – 4:30 in the Prah Center Ballroom.

Recognition will be given to retirees and employees who have provided 25 years of service to the College. In addition, seven of your fellow faculty and staff members will receive a Chester D. Smith Outstanding Staff Award (Golden Apple) for their excellent and dedicated

performance. Watch your mailbox for additional information, including the Golden Apple nomination form.

If you are planning to retire during the current academic year and would like to be recognized during this year's reception, please notify Cindy Sanders at 762-0565.



## SUPPLEMENTAL RETIREMENT SAVINGS PLANS

Employees may defer a portion of their salary into tax-sheltered long-term savings plans (403(b) and/or 457(b) programs). Employees may choose to participate in either supplemental retirement plan or both plans. The 2006 tax deferral limit is \$15,000 per plan (\$20,000 per plan if you're over age 50).

### 403(b) Supplemental Retirement Savings Plan

Employees may choose to participate using any 403(b) company included in the List of Participating Annuity Providers.

It is the responsibility of the employee to make an appointment with a representative of the participating

annuity provider and to complete a 403(b) Enrollment Form for that provider. The 403(b) Enrollment Form and Salary Reduction Form must be completed and submitted to Human Resources before an employee may participate.

### 457(b) Supplemental Retirement Savings Plan

TIAA-CREF is Mott Community College's provider for the 457(b) supplemental retirement plan. TIAA-CREF enrollment packets may be picked up in the Human Resources Office. To participate, an employee must submit both a completed 457(b) Voluntary Salary

Deferral Agreement and a TIAA-CREF 457(b) Enrollment Form to Human Resources.

Additional information regarding the Supplemental Retirement Savings Plans, the list of Participating Annuity Providers, the Salary Reduction Form and the Voluntary Salary Deferral Agreement can be found at: [http://www.mcc.edu/hr/hr\\_retirementplans\\_supplemental.shtml](http://www.mcc.edu/hr/hr_retirementplans_supplemental.shtml)

Browse the HR website for lots of interesting and valuable information

## ADJUNCT STATUS

The Office of Human Resources often receives the following inquiry, "How do I become adjunct?"

A part-time instructor is eligible for adjunct status when the following requirements have been met:

- Six semesters of employment;
- Having taught a minimum of 30 contact hours; and
- Having received three written evaluations with a rating of satisfactory or above. The evaluations **must** be on file in the Human Resources Office.

Once these requirements have been met, the Dean is responsible for providing written notification that an instructor is eligible for adjunct status by submitting a

memorandum/e-mail to the Human Resources Office no later than the first pay of the semester in which the adjunct status is effective.

Note: Adjunct status will not be granted retroactively to prior semesters.

Once the notification is received, HR confirms the following:

- The required number of semesters and contact hours have been taught;
- There are three satisfactory evaluations in the personnel file;
- The official transcript is in the personnel file. The transcript is used to determine the employee's appropriate degree level on the adjunct scale.

Note: If the official transcript is not in the personnel file, the employee is placed at the C/E level on the adjunct scale until the official transcript arrives.

The employee is notified in writing that their status has been changed to adjunct, the degree level and the effective date. If additional information is required (e.g. official transcript), the employee is sent a memo indicating he/she needs to request that an official transcript be sent to Human Resources directly from the college/university.

If you have any questions, please contact your Dean or Human Resources.

## FULL TIME FACULTY HIRING

Hiring outstanding faculty is critical to our organization. Given the fiscal challenges of the past several years, we delayed recruiting new full-time faculty for fall until we were well into the calendar year. This put us at a competitive disadvantage where we ended up with only a few candidates to consider and, in several cases, concerns about the quality of the candidate pool that resulted in decisions to not hire and “redo” the entire recruitment effort. Additionally, the logistical complexity of scheduling meeting times for committees has, in some cases, extended the time to fill vacancies, resulting in the loss of good candidates. This is an especially frustrating situation when well-qualified minority candidates for underutilized positions accept offers elsewhere.

Thanks to the existence of our long-range

financial plan (discussed on page one of this newsletter), we have the opportunity to try a different approach this year. Management has identified eleven full-time faculty positions to start teaching this coming Fall. Sharon Ewles has provided the Deans with sample timelines for conducting an effective and timely process and has begun researching advertising sites. The timelines assembled by Sharon will allow us to make offers as soon as June 2 and as late as July 21.

If you are a faculty member serving on an interview committee, you participate in four critical tasks:

- Preparing for interview process, especially the determination of interview questions
- Screening of application materials

- Phone interviews, if part of your process
- On site interview

Our “fast track” approach to faculty hiring requires some minor modifications to our traditional process and Sharon has reviewed these differences with the Deans. We’ve already received the formal request to start the process for one position so we’re off and running!

## KEEPING US INFORMED

Please remember to notify HR if one of the following events occur:

- Phone number and/or address change
- Birth or adoption of a child
- Name change
- Marriage (your own or your dependents)
- Divorce
- Death of a spouse or dependent
- If you may require a leave of absence

You can notify us by completing the *New Hire & Personal Change Form* (located on the HR website) or by calling or emailing your HR Representative.

Additional paperwork may be required to process your changes. Please be advised that most insurance carriers require that changes be made within thirty (30) days of the event, and failure to provide timely notification may prevent you from making any insurance coverage changes until the next open enrollment period. Feel free to contact your HR Representative if you need additional assistance.

### HR Services Assignments:

- **Kate Accivatti** — ProTech, PSO, Exempt Managers/Other
- **Sylvia Green** — S&M, Secretarial/ Clerical, Other Employees
- **Susan Praski** — Faculty, M&O



## COLLEGE HOLIDAY CLOSINGS

### 2006

May 29, 2006	Memorial Day
July 4, 2006	Independence Day
September 4, 2006	Labor Day
November 23 & 24, 2006	Thanksgiving Holiday
December 22, 2006	Last day of work before Winter Break

### 2007

January 3, 2007	Return to work after Winter Break
January 15, 2007	Martin Luther King Day
May 28, 2007	Memorial Day
July 4, 2007	Independence Day
September 3, 2007	Labor Day
November 22 & 23, 2007	Thanksgiving Holiday
December 21, 2007	Last day of work before Winter Break