

**UNAPPROVED MINUTES
PROVOST LEVEL EMPLOYEE COMMUNICATION COUNCIL
JOINT COUNCILS MEETING
July 10, 2002
Meeting 106**

Attendees: Representatives from the five Employee Councils

Guests: Gene Block, Vice President and Provost
Pat Lampkin, Interim Vice President for Student Affairs
Leonard Sandridge, Executive Vice President and Chief Operating Officer
Yoke San Reynolds, Vice President, Finance
Ed Howell, Vice President and Chief Executive Officer of the Medical Center

The 106th meeting of the Provost's Employee Council Joint Councils Meeting was called to order at 8:30 a.m. by chair Susan Fogler.

Ms. Fogler opened the meeting by introducing the guests.

The following text represents questions and answers that were presented to the Vice Presidents:

- 1) **Would the University be willing to revisit its policy and procedure regarding smoking in the workplace? It is a known fact that folks are not honoring the University's policy and procedure regarding smoking in the work place. It is understood that in almost all cases that the administration here at UVA wants a specific area where a violation is taking place, but in this case the constituent who has raised this concern does not want to identify where they work. In saying this, would the administration be willing to blanket the University with its stand of "no smoking" in the workplace? And would the administration be willing to enforce this policy by monitoring the different schools on Grounds?**

Yoke San Reynolds - There are "no smoking" signs posted and we have a policy in place. The only way we can enforce the policy is if instances of non compliance are reported to environmental health or your supervisor. If these situations are not reported to the appropriate resources, they cannot be properly addressed.

- 2) **Now that UVA workers have gone three years without pay raises, will our UVA lobbyists go to Richmond to lobby for pay raises for classified employees? The cost of living in the City of Charlottesville and its surrounding areas continue to rise which means that the state workers in this area continue to fall behind in their pay to make**

ends meet. We are hearing more and more in the news where localities are raising taxes and other costs, yet we are not reading about anyone fighting for higher salaries for the University's workers.

Leonard Sandridge -As a point of clarification, it is correct there were no base salary increases in 01-02 or 02-03 for academic division employees. There is a reserve for academic employees for a 2.75% base salary increase in the fiscal year 2003-2004, but that will depend on how well the state revenues do between now and then. As you well know, there is an attempt by the state to have a bonus in August of this year of 2.5% for staff employees that have met expectations. The medical center is doing a similar bonus of at least that much. Remember that the medical center is on a slightly different compensation schedule, different from the classified systems that the academic division has. The increases are much more in function frankly of how well the medical center is able to do from a business perspective and everything is geared so that the employees can try to influence that and then see the benefits of that.

As far as what the university does in Richmond, keep in mind that there is no opportunity for the university to get salaried increases for its classified staff independent of other state agencies and other higher education institutions. We don't have what technically are considered lobbyists. We do have two employees that work Richmond and their assignment is to make sure that they inform the legislators and in particular the staff on what the needs of the University are. Advocacy for classified staff support comes frankly in other ways. I do intend to be the one that goes with the President to meet with key legislators and conferees. I will tell you we do not have a session where there is not a discussion of the importance of rewarding those who do the work for the better of the institution. We do not attempt to suggest that the University of Virginia ought to be treated differently in that regard than other state agencies because it is not going to happen that way. So there is a general emphasis on the fact that this has to be a priority of the commonwealth and then done regularly. I do think that the state is in a very difficult period right now and candidly the revenues are not looking as good as the new governor hoped they would so we are not out of this thing yet. The impact of the general economy is a fairly significant issue. I think we ought to be watching that carefully.

3) Where or are there any “freedom of speech” zones on Grounds and at the hospital?

Gene Block - While some universities have policies limiting "free speech" to certain zones of their campus, the University of Virginia does not have such a policy. Students and employees can freely examine and exchange diverse ideas in an orderly manner in and outside the classroom and can associate freely with other individuals, groups of individuals, and organizations for purposes which do not infringe on the rights of others. In exercising those rights, you should be aware of the University's policy governing the use of University facilities, including use of the Lawn, which is published annually in the Graduate and Undergraduate Records. The Records are available on-line through the University Registrar's site and in print. Please contact the Provost's Office if you require a printed version of this policy.

- 4) **Since it is legal to join a labor union in Virginia, why are managers still telling their staff that it is illegal and they can be fired for joining one?**

Yoke San Reynolds - I think we have made it very clear in all discussions that we have had and in the news coverage in Inside UVA that it is perfectly legal to join a labor union so I would expect that all managers and all employees should know that. Because we are facilitating the payroll deduction of union dues that should be a clear indication that our official position is that joining a union is legal. What is illegal is for the University to collectively bargain with the union. If you hear an employee saying that their manager says it is illegal, we would appreciate knowing about it because we cannot deal with it otherwise.

- 5) **What is being built behind Bryant Hall near Dawson's Row? What is the new building near Kerchof Hall?**

Leonard Sandridge - I believe what you are talking about is something that is under construction right now and it is probably what you are seeing from JPA is the expansion of the University central chiller plant. The major construction is frankly a brick wall that is going around that facility that accomplishes two things: it makes it look better, but more importantly it directs the noise upward so that it doesn't spread out into the neighborhood. It is one of those improvements we are trying to make to insure that we are good neighbors as we possibly can be.

The addition to Clark Hall - This is where Environmental Sciences is held and the addition that is being put on this building which is immediately across from Kerchof is in fact for an expanded Environmental Sciences operation and will also include significant renovation to Clark Hall.

- 6) **I have been with the University for five years now and I have an issue that I have been working on to get resolved for the past year and a half. The issue is the parking situation in the E3 lot at Scott Stadium. The changes that were made two years ago to make what was then the Blue Lot at Scott Stadium into the Red Tag parking lot along with an area that is designated for E3 parking. To stay closer to my work, I opted to park my car in the E3 lot. What I have noticed since the change from a Blue Lot to a Red Tag area and E3 parking lot, I park my car in the E3 lot when the car parked right beside me is a Red Tag permit holder. The issue that I have is I pay \$20/month and the Red Tag permit holder is paying \$11/month. Why is it that the Red Tag permit holder can use the same lot as I do and pay a lesser amount? Why aren't the Parking and Transportation folks ticketing these violators? And why can't I pay for a Red Tag permit since these folks are able to use the same parking lot area as I do as an E3 permit holder?**

Yoke San Reynolds - We are cutting back on the number of red tag permit holders. There will still be a problem of encroachment probably through the rest of the summer, but we expect that by September – October we will have enough attrition of red tag permit holders and we are not replacing those that there should not be a problem.

- 7) **I have heard a rumor that St. Thomas Aquinas is adding onto their church. Currently I park in the Z-1 lot beside the church. Will I lose my parking place due to the impending construction at the church?**

Yoke San Reynolds - The construction will take away about 20 parking spaces in the E1 lot, but parking and transportation had advance notice of that so they managed the situation by keeping the permit holders low so no permit holders will lose their space due to the construction.

- 8) **I work in a department that allows its employees to have the two fifteen minute “work breaks” during the day. A number of the employees take this time to go outside and have a cigarette break. However it is has been deemed inappropriate for employees who are non-smokers to go outside and toss around a Frisbee, football, or whatever during this time. Why is it inappropriate for some employees to have a healthy alternative to smoking during these breaks? Keeping in mind that smoking is a lethargic activity and physical activity increases heart rate, blood flow, and energy thus potentially increasing productivity when an employee returns to work. Please note the physical activity would take place behind a University building in a grassy area, away from normal public view, and the fifteen minutes are strictly adhered to.**

Yoke San Reynolds - If a department is allowing two fifteen minute breaks, then those breaks should apply to smokers as well as non-smokers. The person asking the question is saying they want to go out and play Frisbee or toss the football around and the supervisor did not seem to appreciate that. Maybe it is an issue of the activity being so close to the building and perhaps the 15 minute break should be taken in some other form. My suggestion would be for the person asking the question to have a discussion with their supervisor and find out what their real objections are and if they still have an issue after that talk with Employee Relations.

- 9) **Can you give us an update on the proposed parking facility on Ivy Road?**

Leonard Sandridge - This is a project which has several purposes. First of all it is intended to house approx. 1,180 cars. It is very similar to the garage that was recently completed in the Medical Center area and almost identical in size. This particular garage is being located at that site for three reasons. First of all if you look at the entire University grounds, our heaviest demand right now is in the central grounds area, behind that is the medical center, but they are very closely tied together. Our growth area is really going to be in two primary areas around central grounds, one is the arts precinct where we have requirements for several buildings that will attract a good bit of public event traffic and then of course the arena. The location next to the railroad tracks behind the Italian Villa allows us to put it close enough behind those trees so that we can continue with our plans to build dormitories in front of the parking garage over the next several year. As many of you know, the long term plans would be to at some point (a decade out there) but at some point take down the Cavalier Inn and put a University building there so that the University buildings would go around the parking garage. There has been a lot of

neighborhood interest in the garage. What someone referred to as the dueling traffic study. A lady in the neighborhood came in yesterday with a traffic report that differs from the University's report. I suspect the City will release one in the next several days. All of this of course has the potential to slow down the construction of the parking garage. We will have to get several approvals from the state before we can go forward. Those may be as long as 60 days away or it could be less than that. I honestly do not know. Construction can begin as soon as they are achieved. The University has offered to build a lane that would be a dedicated lane out of the parking garage to go west. I think it would not only have a positive impact on the traffic from the garage, but would also help things in that area and we have also offered to pay more than half the cost of synchronizing the lights in and around the central grounds which would go all the way out to Barracks Road. We think again that based on what we learned from our traffic consultant that candidly that will improve traffic in and around the Ivy Road/Emmet Street area above what it is right now. Included with that the University plans to build a North Grounds Connector Road which will run from Massie Road to the existing bypass to take the high volumes of traffic, not only event traffic, but also daily traffic from those that park at University Hall. That will allow you to go North, South, East or West on to the bypass once you get to that location. I predict a good bit of opposition from the county on having an at grade intersection on the bypass where you have to put a stop light. All this is to say that none of this is easy, but the fact that we will be losing temporarily, not permanently, some 1600 parking spaces in the next three years while we are doing building construction, if we do not have places to put some of these automobiles we are going to have a much more serious problems than we have right now. The University is likely to grow, the medical center is most definitely going to see some increased activity over the years ahead. I think we will begin to see student enrollment growth as well. We are beginning to see pressures from high school graduates.

Final point on the parking garage, you have heard that there was suspected to be a cemetery on that site. We did discover as part of our investigative excavation that there appeared to be a grave shaft. We have been exploring that grave shaft. In fact we were anticipating that we might find human remains there. A person from Washington who was a member of the family that owned that property came forth to say that she recalled in 1954 that her great-grandmother was relocated from that site to St. Paul's Cemetery in Ivy. I personally went out and saw that grave site. I know that her great-grandmother is buried there. We now have approval from the Dept. of Historic Resources to completely excavate that grave site and confirm that there are no human remains there. That started in full swing on Monday. Through yesterday afternoon we had not found any human remains. We expect to finish that work today unless the weather precludes us from finishing that work today and it could because of the rain. At this point we do not expect to find that this is an active cemetery. There are options frankly even if there were human remains there. There are options to build around it and to do things, but it would obviously be a complication and an emotional complication.

- 10) **Can you tell us what the status is of COG (this the umbrella group that combined all organizational groups on Grounds)?**

Leonard Sandridge - This has to do with the Coordinating Council on University Groups (CCUG) which was a group that was put together to consolidate a series of advisory committees and groups. CCUG includes memberships from the advisory committee of women's concerns, the executive committee of the employee communications council (one from the health system and one from the academic area), the general safety and security committee, the equal opportunity programs office, the general faculty council, the benefits committee, the faculty senate and the equal opportunity and affirmative action committee - all of those were brought together because they were all dealing with the same kinds of issues and it was felt that if they had a committee of committees maybe they could deal better with it. In all candor that committee has not been very active over the past year. The chair was on a sabbatical for a portion of 2001 – 2002 year. Our last meeting was in April of 2002. Frankly the Chair, Gweneth West might be a better person to talk to about the status of that group.

- 11) What is the status of the University wide employee survey on the committee that Linda Bunker chaired? We have heard that this was put on the “shelf” because of financial restraints.**

Leonard Sandridge - This was a proposal for a climate study that would be conducted. There was actually an RFP that was put out and I was told was well received. Bids came in from two firms to develop and conduct the survey as well as to conduct focus groups. Both bids exceeded substantially the \$60,000 that had been earmarked for that so there was not adequate available budget to do completely what the committee wanted to do. Rather than reduce the scope of the work, there has been a temporary decision to table that exercise until there can be more resources found or a better way of going about doing that.

- 12) (a) Since the Governor has required the University to make cuts to our state budgets, how can an employee receive a monetary bonus if the individual departments/schools are impacted by these budget cuts? (b) Does the University receive funding from the State for the Pay for Performance Plan? If so, how is the money distributed throughout all of the areas that classified employees work?**

Leonard Sandridge - There is no simple source of funds for inband adjustments; that is what the question really pertains to. I think that there are clearly recognitions by many of the units that I have worked with that at a time when you are reducing budgets and are working with fewer people than we normally do, it may be the most important time to be sure that people are rewarded properly for the work that they do to the best of your ability. While budgets are being reduced, I would not want to suggest to you that there are not managers who do not plan to speak out as a priority and try to deal with some of those in-band adjustments that are absolutely necessary. What I answered has nothing to do with the 2.5% [bonus] which employees are to receive in August. Those are separately funded in those units that depend on the state for resources. But keep in mind that there are a number of units that you work with, the medical center being the big one, but housing, dining, people who have worked with student health, persons who are dependent upon grants and contracts, the state doesn't provide any money to those operations, so all of those activities have to be operated as businesses. Some of them are impacted by the state

budget cutbacks. Historically for example printing: when you see budget cutbacks in departments, their [printing] revenues go down, because people are not spending as much money on printing so it has an impact. But keep in mind out of the \$1.4 billion operation only 11% of our money comes from the state of Virginia, the rest of it is either tuition, or self generated, or it is grants and contracts from the federal government so we are a state institution but candidly we are one that depends a lot on the resources of the University itself.

- 13) Recently the Fire Marshall inspected our building (Cocke Hall). We were sited for the following violations: Code F-519.2 Fire extinguishers need recharging/inspection: 1) Fire extinguishers need monthly inspections; and for Code F2101.3 Improper Storage: 1) Attic – non-approved storage area. Why is it departments are responsible for the recharging and inspection of fire extinguishers? What is the University Policy/Procedure for Fire Safety? Who is responsible for paying for these charges? As for the storage violation, does the University have space for departments to properly store the mandated files?**

Gene Block - Note: There were apparently some unique circumstances surrounding the situation at Cocke Hall that make a complete answer here unreasonable (new system installed, occupants asked that extinguishers be left, EHS not informed of that fact until time for annual inspection, occupants had not been informed that they needed to inspect and initial extinguishers monthly).

The Policy: In fully sprinkled or fully detected buildings, the fire code does not require individual fire extinguishers. When this level of protection is added to a building, fire extinguishers are generally removed, in part to encourage people to evacuate the building, rather than fighting the fire. In the case of Cocke Hall, when the building was equipped with full protection, there was a request that the fire extinguishers not be removed.

Environmental Health and Safety (EHS) provides free training to use the extinguishers and documents the annual inspection (also free) to comply with the fire code. Facilities Management provides recharging and the 6 and 12-year maintenance of the extinguishers. This is a cooperative program where FM and EHS bear the costs and expect occupants to participate by being trained (at no cost to the department) and checking their own areas monthly.

*In terms of attic storage policy it is Policy XIV.C.1
If areas are not designated for storage, the fire code prevents them from being used for storage unless they are upgraded (at considerable expense) to meet the code requirements resulting from the change of use. There is off ground storage available and rental contracts have been set up through Procurement Services (they should be contacted for details).*

Ralph Allen's office, Environmental Health and Safety, can provide additional detail or look into specific complaints if people have concerns or questions.

- 14) Would the University consider giving its employees a discount on summer camps for their children? There are many wonderful camps on Grounds throughout the summer that employees would like to have the opportunity to take advantage of for their children.**

Yoke San Reynolds - Although shrinking resources will make it impossible for the University to subsidize the day camp fees, summer day camp costs are reimbursable expenses under the University's Dependent Care Flexible Spending Account. In that program, you can save up to \$5000 per year on a pre-tax basis to purchase before and after school programs, summer day camp, or day care for your child who is under age 13. Depending on your tax bracket, the pre-tax program can reduce the cost to you by almost 30%. You can sign up for this program during Benefits Open Enrollment. Also, these summer camps are not run by the University, but by private individuals or groups.

- 15) Will UVA ever pay contract workers a living wage or will they continue to blame it on the state? We know we can't tell a private company what to pay their employees, but it will be very simple to tell a contractor that UVA does not do business with companies that won't pay a living wage. In many cases, workers are working side by side with UVA employees that are earning \$2 more per hour for doing the same job as a contract worker.**

Yoke San Reynolds - The University believes that everyone should be paid fairly for the work that they perform and that is based on many different factors – the job responsibilities, the market rates in the area, and each company's expected revenues. When you contract with outside firms, the purpose is to have the outside firms manage the service. We judge the contractor based on the outcome and expect them to perform at certain standards and we hold them to it. We do not tell them how to manage, for example we do not tell a contractor how much they should pay for a bushel of apples or two loaves of bread just as we don't tell them how much they are going to pay their workers. We hold them to an outcome standard. That said, I should mention that the University counsel has looked at the state procurement law and the advice to us is that we do not have the prerogative to insert any clause in our contracts that requires our contractors to pay a certain wage.

- 16) How many jobs has the new department Career Services found for UVA employees? Are they helping get the applications from Human Resources into the hands of hiring officials? Are all the classes they are giving helping, or is it “lip service”? Why are there still so many hires from outside UVA when there are so many people here at UVA that are looking for better positions? I can't believe that there are no current employees that are qualified for jobs that are given to outside people. Does UVA actively pursue a policy of hiring from within? Are UVA employees given the first shot at a position that is advertised?**

Yoke San Reynolds - There seems to be a misconception about what Career Services does. What Career Services does is not to help an employee find a particular job. Career

Services will work with an employee or a group of employees to help them plan a whole career direction. They will help you determine the areas that you need to improve in your skills in order to achieve the next level in your career. It is not a service for the placement of people in a particular job.

Are all the classes they are giving helping, or is it "lip service"?

All we can do is give you some comments from employees who have attended these workshops. For example:

- *Employee comment: "The ECS workshops are relevant and helpful to me because ... I think I need to explore what my career options are within the University and what kinds of skills I need to grow with (or can build upon)."*
- *Employee comment: "ECS is the best thing UHR has done since I have been at UVA. Figuring out what I should be doing, and where, helps both me and the institution. I feel ... more valued and more motivated in both my current job and in future endeavors."*
- *"ECS and its workshops helped me in the following ways:
It has given me an opportunity to hear what others are doing or have tried in their careers. It allows me to see the success of others.
It gives me a sounding board for the many thoughts and ideas I have. That way I can decide if I want to continue on the track I'm on or if I need to reprioritize my steps.
It has given me direction and people to network with."*

Why are there still so many hires from outside UVA when there are so many people here at UVA that are looking for better positions?

Yoke San Reynolds - I am not sure what you mean when you say looking for a better position, it could be more responsibility, more money, different culture, different supervisory situation or stress. There are many reasons why people move around from job to job. If you look at the data actually we promote many of our internal candidates. In the period July 1, 2000 – June 24, 2002, out of our total positions there were 678 that were internal hires and competitive transfers, 141 that were internal promotions and 668 were external hires. That looks like more than 50% of our positions were filled by internal candidates. If you consider the fact that the external hires number actually includes temporary workers and wage workers, then the actual positions filled within that time period were filled with 70% of internal candidates.

Period	Internal (Hires) Competitive Promotions and Competitive Transfers	Internal Upward Role Changes	External Hires

7/1/00-6/24/02	678	141	668
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Does UVA actively pursue a policy of hiring from within?

Yoke San Reynolds - We don't have a current policy that requires hiring from within. We would have a difficulty with that because we are a federal contractor and there are all kinds of laws on our hiring pool and making sure that we provide equal opportunity. We need to hire from a pool of candidates that includes minorities, women, etc.

Are UVA employees given the first shot at a position that is advertised?

Yoke San Reynolds - Because we post all of our jobs on the web, we don't really limit it to internal candidates first. Anyone who has access to the web can find out about those jobs.

17) Given the privatization of the medical center, is it the future goal of the University to privatize the academic side as well? If so, what is the timeline?

Leonard Sandridge – I think this is a very important question, which has to do first of all with the way it is stated –it is a misconception, I believe-- and secondly with whether the University has any expectation or plans to become private or separate from the state. First of all, the question reads or suggests that the University of Virginia Medical Center has privatized. That is simply not correct. In fact twice in the last ten years the University Board of Visitors has looked carefully at whether it wanted to explore the feasibility of spinning the hospital off as many academic institutions have done and the Board made the decision that it did not want to do that. MCV as many of you may know did in fact choose to create a public authority, which is separate and apart from its Board of Visitors. But the University went through what is called codified autonomy, which essentially said we get some of the same benefits of the private sector operation as far as being able to purchase differently, being able to manage our resources differently, but we do that within the oversight of the Board of Visitors. I personally think that is critically important to have and have said that for a number of years because I think that what we are going to see over a long period of time is that hospitals that have become separate from their parent institutions will end up with separate boards, separate purposes, with a focus on finances that cause them to become wider apart rather than recalling that we have a joint mission, which is the teaching of medical students and residents and caring for patients--all of which is so innerwoven that I don't know how you would do it separately. I know enough about Ed Howell to know that he would agree with me.

That does not mean that the University has not placed importance on trying to work with the State to get more authority to do things locally that used to be done at the state level. If you have been here 8 years, you will remember that all of the paychecks used to come from the State of Virginia. Now they are produced locally. Until then, for example, it used to be that what we did was run the payroll, put it on a tape and carry it to Richmond. They would mount it on a machine, run it through the machine, print payroll checks, run them

through a check signer, give them to a carrier, brought them back to Charlottesville, we would separate them out physically by bank, put them in envelopes, carry them to the bank so that they could be direct deposited in your bank account on payday. Once they delegated that authority to us, there was never a check produced. We then could use the automated clearing house which meant that we could produce the check, not in card form, but in electronic form and go directly to your bank and I think that the experience we have been seeing is a much more reliable deposit of checks in that environment. We try to seize those opportunities to negotiate with the state, and quite frankly you are able to do that sometimes when they can't give you money, but they can give you some authority and this is one of those cases where we were able to do that. But don't confuse that with trying to become private. I have seen no interest on the part of the Board of Visitors, the General Assembly, the President or our alumni in separating from the University. There was a person in the Darden School at one point in time, an alumni, who got up and gave a speech that called for separation of the University and the state and people were on him like peanut butter. The State is proud of this University and I frankly think we can have the best of both worlds if we manage it right: the advantages of being a state institution as well as having the advantages of our private support. So more decentralization, more authority located in Charlottesville – yes, but a formal legal separation from the Commonwealth of Virginia I don't see that happening.

- 18) Concerning worker morale. There is a low measure of morale in many of the departments here at the University and it is common knowledge and we don't need a survey to confirm it although it would be nice. Recently we added to the staggering turnover rate in my department by losing a young person who came to work here with outstanding technical skills and a stellar attitude towards work and the University as a whole. The worst part of this loss was she a UVA graduate that came here with a sense of pride and enthusiasm for working at the school she had been so proud to graduate from. She was a victim of outstandingly poor management. She went to Human Resources and saw several different people about the problems she encountered while working for UVA. She was told that there was nothing HR could do to help with the encounters she had incurred. In fact, it was suggested that she look for another job. She was told there was nothing that could be done about bad managers and poor leadership because of autonomic nature of things here at UVA. My office suffers from managers that do serve not this University, but rather themselves. The University has adopted some philosophies from business, but in terms of accountability, it has not. Why don't we adopt bottom up management schemes especially given the fact they are hugely successful in the private sector? Peer evaluations? Proven methods of effective management are ignored here. Why? Do we use turnover statistics to evaluate employee health and happiness? And lastly, if HR cares about people, why then, do they not investigate claims of abusive managers and why are exit interviews not passed on to someone that can effect change? The price for these failings is good employees. Ones that would serve this university well!!**

Yoke San Reynolds - The University has several proactive programs in place. We have leadership development programs, Executive leadership programs for senior managers,

and leadership development programs for front line managers and supervisors. There is an Exceptional Assistant Program, a New Supervisor Orientation Program and various other things including an Annual Leadership Conference and some leadership networks.

We also put in the appropriate resources that are available to employees who have difficulty with their supervisors and cannot work it out with their supervisors on their own. We have University Employee Relations, University Ombudsman, we have the Office of Equal Employment Opportunity, and the Faculty and Employee Assistance Program, etc. So I encourage employees who are having difficulty with their supervisors to use one of those resources and if all else fails, we do have monitoring programs. If we do observe that there are some areas that have excessive turnover, we have a conversation with the management in that area. We also conduct exit interviews so that is another way we find out difficult areas and discuss it with the supervisors.

- 19) Would the administration here at UVA consider offering an enhanced severance package for senior classified staff members? What would be the projected cost of a reasonable severance package, say for classified staff that has 15 years of service, and does the University have a necessary or sufficient autonomy to offer such a package for its classified staff?**

Yoke San Reynolds - The answer is a very simple one because we are covered by the Virginia Personnel Act and all of our salaries and benefits programs have to be coordinated with the State and we cannot do anything on our own. So we really don't have the authority to do that if we wanted to.

There is no way to estimate the cost.

- 20) The United States Government, through its Office of Personnel Management (OPM) has set up a salary system where our civil servants who live in over 35 metropolitan areas identified by OPM as having unusually high cost-of-living are paid a variable salary differential to make up for inflated housing, food, and other living expenses. Our state government does pay a salary differential to employees in Northern Virginia, but that is said to be for recruitment/retention purposes. Setting aside for a minute the realities of the state budget and the political process, do you believe it would be the right thing to do to pay a salary differential to state employees residing in Charlottesville/Albemarle if statistical and market research shows conclusively that our cost-of-living is well over the state average?**

Yoke San Reynolds - The state does not endorse the concept of a "cost of living" on what the Federal government does, but we do see evidence that our managers have tried to take into consideration increases in cost based on performance through in-band salary adjustments. Since the in-band salary adjustment program has been in place, over half of the classified workforce has actually received base salary increases through the new pay practices and the average has been 6% base salary increase. So although the State does not give us the cost of living factor, the University does have the ability to provide some increases to classified salaries.

- 21) **Several months ago you (Mr. Sandridge) and Ms. White announced that you would delay raising parking rates for employees during this year of no raises. But on June 1st, with short advance notice, P&T raised the hourly parking rate at the Bookstore Garage from \$1.30/hour to \$1.50/hour, but only on weekdays; it remains \$1.30/hour nights and weekends. This seems as if you are targeting employees since Central Grounds staff and faculty typically use the garage only during the workday. Is this price hike in conflict with your earlier announcement?**

Yoke San Reynolds - Mr. Sandridge made a commitment to not increase parking rates at a time when there were no salary increases. The parking garage really does not cater to our employees. The parking garage is intended to house visitors, so we could not see that there was any reason not to increase our parking rates there because our costs had increased. Some of the rates given are wrong for the Central Grounds garage. The correct rates are:

*Monday-Saturday, 8AM-5PM, \$1.50/hour
Monday-Saturday, 5PM-Midnight \$0.50/hour
Monday-Friday, Midnight-8AM, \$1 for any portion
Sundays, 8AM-Midnight, \$0.50/hour*

- 22) **My co-workers and I have been reading about all of the scandals in corporate America—Enron, Arthur Andersen and now WorldCom and other companies fudging the books, deceiving their employees and stockholders, putting personal gain over the public good, and other ethical lapses. Then we read negative comments about the University in the local news media prompted by the new Ivy Road Parking Garage to be built this year.**

Last month Mr. Gibson of the *Daily Progress* wrote:

“Madison Hall only answers to God, the ghost of Thomas Jefferson and the governor or a few of his designated visitors, and chooses when, and which ones, to confer with.”

Mr. Gibson is obviously being ironic, but does his column indicate that many in our community feel that the University’s senior leaders (Madison Hall) have a management style that is high-handed, excludes employees and community input, and lacks accountability? Is there anything you as Vice Presidents can do to combat this (mis)perception and to bring additional “sunshine” into your operations? And can you assure employees that our accounting statements, and all our dealings, are ethical and in the best interest of UVA, its students and employees, and the Commonwealth?

Leonard Sandridge - The next question is one that is obviously important to me. It has to do with reference to an article that was in the Daily Progress that Bob Gibson had wrote which refers to Madison Hall answering to God, the ghost of Thomas Jefferson and the governor and it goes on to create a very serious set of issues. It does suggest in fact that the management of the University is high handed, excludes employees in any input and lacks accountability. I must tell you that I think that those of us who have worked together

would hopefully agree that that in fact is not what goes on within the University. I personally have tried to make sure that in everything that we do that we are above all honest, with impeccable integrity and that we are open to employee's suggestions and concerns. I will tell you as far as my predecessor is concerned that that has gone back for several generations. You would have had to have been here a while to know this person, but Vincent Shea, along with President Darden, was a senior administrator and financial person for years with an impeccable character; he died last month. Ray Hunt, who more of you might have known or heard of, was of equal character. I simply think that when we see an article like Bob Gibson wrote, it is important for us to look at what message it delivers but I think it is also important to look at reality. I personally—and I think this is also true of those that are sitting here today-- seize opportunities to meet with employees to see what they are doing. I will give you two examples – I devote two days a year, which I think are more fun for me than they are for anyone else, but I start here on graduation day at about 5:30 a.m. and I have a series of people that involve grounds people, ushers, bus managers and operators, people who are in police ranks, people that are out doing their job on a day when they are at their best and I make it a point to try to see them when they are feeling good about themselves. Another day that I do the same thing is the first day of school when it opens. Ed Howell spends time talking to nurses who are on the floor. We have all the formal ways of having input, but I will tell you from the conversations that we have as a cabinet that we have in trying to recognize that we would not be a University if it were not for our employees. We are a very labor-intensive group. There is a lot more attention paid to that than you might think.

In regards to these questions about are we confident that our financial reports are accurate and valid particularly in light of World Com and Enron and those kinds of activities, I think our situation frankly is different. There is not that profit motive for personal gain that exists with the private sector and you don't have those same incentives, but I will tell you to the best of my knowledge our financial reports fully disclose the condition of the University. They are audited by the Auditor of Public Accounts, they are audited by the internal auditor and I wake up in the middle of the night worrying about a lot of things, but one of them that I don't wake up in the middle of the night worrying about is whether the financial reports are accurate or whether they are fully disclosing the condition. I believe that they do. That is not to say that we don't take an article like Bob Gibson's very seriously. It would suggest that either he or persons with whom he is talking have different views of the University. I will tell you that we have tried to learn from the experiences with the garage. We have doubled our efforts essentially to work more closely with the neighborhoods to try very diligently to make sure that our long-range planning is done in the open, that people are aware of what is going on, and that we use the internet more and more to try to keep our plans in front of people all the time.

I will tell you that when you are the big organization in front of the media, it is hard to please everybody all the time. I will also tell you the obvious: we would not be doing our job if we only made those decisions that were easy to make. There are days when I would like to do that but would not be representing your interest properly or doing what was best for the institution in the long run. That is the bottom line. I would encourage you when you see evidences of high handedness, when you see evidences of a lack of concern about

employees, when you see evidences of lack of complete integrity on the part of anybody that represents this University, especially these people at this table, that you bring it to our attention. If it is me, go directly to the President. This is something that is the core of this place. It is the core of the way we deal with the students and it doesn't mean that when you are dealing with 25,000 people who are employees and sometimes during the year that we don't make a mistake. It doesn't mean that with the 40,000 people coming on these grounds every day, that we don't make some mistakes, but we try to learn from those and when this is a community of about 140,000 people and you are the size of the University of Virginia and as many people depend on you for a living as they do on the University, we touch everything in this community and sometimes it is an abrupt touch and sometimes it is a caring touch. The same people that are upset about our parking garage are also the same ones that have had careers with the University, who have retired from here or are currently employed, get their healthcare here and many many have gotten their education. So even there I think they would tell you that all their experience has not just been related to the garage. So I take an article like Bob Gibson's very seriously. I had morale problems for a couple of days after I read that, but you know you have got to keep your head up and you have got to go forward and you have got to do the best you can every day. If there are those who would like to talk personally about that or give observations that you think I may not have addressed properly in responding to that, I know that all of us would be delighted to hear from you.

- 23) Last summer I was surprised to read in the *Daily Progress* one day that QualChoice had been sold to Coventry. This caused a good bit of anxiety and concern among some of my co-workers. Several days later you sent out an email to everyone saying that our health benefits had not changed, but would it have been possible to let us know what was happening beforehand, even if just one day before *The Daily Progress* article, and even if you had to leave out the exact name of the new owner?**

Leonard Sandridge - The issue of QualChoice and the sale to Coventry. Let me just say first of all that there is the suggestion here that maybe we could have alerted people earlier to that sale. We couldn't. I mean there were absolute constraints on the timing of the announcement of it. I tried to promptly notify employees and I will tell you that that program of notification was arranged well before we knew for sure that the deal would go through. The important thing to remember is that we are not insured by Coventry. We weren't insured as an employee group by QualChoice. Those organizations simply administer our plan. We are a self insured health plan and it is a very healthy health plan. Financially it is strong. Financially, premiums that you pay go into a fund that supports the cost of your healthcare, which is fully funded and has the appropriate reserves -- and so the decision that we made was not to change the way your healthcare is supported but rather to change the agent that administered that program. I know from my own conversations with the Employee Communications Council that many of us have talked together and understood that. Now it also means that the University is not obligated to stay with Southern Health forever. We can choose to bid that business out and still maintain our own self insurance plan. Rest assured that when there is something that impacts employees, that we try very very hard to get that information out. I will give you a perfect example where the intentions were absolutely impeccable, but they didn't work

quite like we intended. When Mr. Howell was named as CEO of the medical center there was a very precise timing when that notice was going to be released and when employees were going to be notified. They were going to be notified one day before the general public was. I had respect and would have wanted him to do it for me, the fact that Mr. Howell also needed to tell the people at Iowa that he was going to be leaving before they read about it or got a call from a newspaper in Charlottesville, Virginia. As part of that process Ed called me on a Friday afternoon and said I am afraid that the announcement out here will leak before Monday. We struggled very diligently that afternoon and into that evening to hand carry notices that we would have mailed in a more leisurely fashion on that next Monday to all the employees who were working the night shift. We put it on e-mail. We did everything we could to get that notice out during the night Friday night because sure enough the newspapers from Iowa had contacted The Daily Progress during the night and there was an article in the Saturday morning paper. So when things don't work as perfectly as you would like to see them work, recognize sometimes that they didn't work the way we intended them to either. To some degree that is the story with Coventry. There is very little that is confidential in this University. If you have ever been on the end of the triangle to plan something that you need to distribute appropriately from a timing perspective, you probably know how hard that really is.

- 24) What is your assessment on how welcoming the University is for students and faculty of minority or international background, and how integrated are we as students, faculty and staff in your opinion? In many peer institutions, the Provost takes the lead in promoting diversity on campus, is this true of your office? For example, the University of Iowa, Kansas State University, the University of Connecticut, and Rice University among others, have an Associate Provost for Diversity. Virginia Tech has a Vice-President of Multicultural Affairs, the University of Michigan's Provost has established a Diversity Service Award for its faculty, at Emory the Provost has convened Faculty Diversity Council, UNC-Chapel Hill has a Post-Doctorate Fellowship for Faculty Diversity, and Cornell has a diversity fellowship. After our Envision sessions, is your office planning comparable initiatives?**

Gene Block - It is clear to me that this is an issue of great importance for the University's present and future. While I believe we have made some progress toward improving the diversity of our student body and the welcome we provide all our students, we still have much work to do. I look forward to working closely with the vice president for student affairs and the vice president for research and graduate studies in the coming year in this respect.

In terms of faculty, our progress is less encouraging. Addressing concerns in this area is one of my top priorities for the coming year. In searching for new vice provosts this summer, I am emphasizing diversity issues in the job description and search for a vice or associate provost for faculty advancement. Following the first Envision Diversity session this spring, I met with the deans to express my concerns about recruiting and retaining minority faculty. I am now organizing an advisory faculty group to help me and the new vice or associate provost address these issues effectively. I am also working closely with the director of EOP, Karen Holt, who, at my request, conducted exit interviews this spring

with most of the academic minority and women faculty who were leaving the University. Ms. Holt will be leading two more Envision Diversity sessions this fall, one with administrative faculty and the second with classified staff. The issues of integration throughout the University community will be an important theme for these sessions. I welcome your suggestions and input as we work to address these complex and challenging issues.

[NOTE: 25 AND 26 ARE ONE QUESTION]

- 25) Some years ago Mr. Dougherty, Head of the Housing Office, did away with the Off-Grounds Housing Office. This office was used heavily by both students and staff here, and I am not aware that Student Council or any employee councils were consulted before it was done away with. Almost every peer institution I have looked at has an explicit, college-operated off-campus housing office to assist its students who cannot get residential housing (In-state examples: VA Tech—VA Tech Off-Campus Housing Office; VCU—Division of Student Affairs, Off Campus Student Services; ODU—Off-Campus Housing Office; JMU—Office of Off-Campus Life. Out-of-state examples: Yale University—Off-Campus Housing Services of HRS; UNC at Chapel Hill—Dept. of Housing and Residential Education, Off Campus Housing; University of MD—Campus Housing; Cornell University—Off-Campus Life Services; Univ. of California-Berkeley-Cal Rentals Services for Students, Staff and Faculty, and many other campus have these same offices. This is a very incomplete list of university offices that provide assistance to students and in many cases staff and faculty in finding housing near campus.**
- 26) (a) I feel that not only have UVA staff been deprived of a helpful service, but that our students have even more so; and it is important for the Housing Office, the Dean of Students and the Provost to investigate and explain why the University has divested itself of its responsibility to facilitate its undergraduate and graduate students finding local housing when they cannot be accommodated in University housing, an action which is demonstrably out of step with peer colleges and universities. (b) Are the spaces, which I see empty often across the tracks still being offered? (not that many employees could afford them, but some might be able to.)**

25 and 26 have to do with the fact that the Off Grounds Housing Office has been eliminated and the short answer is that it was expensive to run this program on grounds and the only way to do that was by charging the undergraduate and graduate students who do live on grounds.

Yoke San Reynolds - (a) The costs associated with providing the off-grounds housing service had continued to increase. The only means of funding the service were the room charges to the undergraduate and graduate students who were living in University housing. The service was not funded by the users in any way (landlords, faculty, staff, etc.). The University was advised repeatedly that levying a user charge, particularly to landlords, would imply a property right to the service; and therefore, was not desirable for the University to do so. The University worked with Student Council and the off-grounds housing landlords to find an alternative means of providing the service. No one (student

government, graduate student council, UHR or Student Affairs) wished to take on this function, despite University Housing's offer to advise and support the service. Clearly, there was no institutional interest in continuing and supporting the service.

- 27) Does the child care center associated with our hospital still make nurses' and MD's children priorities above everyone else's in determination of who will be accepted for care?**

Ed Howell - Yes, there is a prioritization that is given there. That is largely because the Medical Center subsidizes the child care center. It is also important to understand that all others are eligible, but the priority is different.

- 28) Will employees the hospital has asked to finds new jobs get the bonus in August?**

Ed Howell - A point of correction, we are not asking employees to find new jobs. We are identifying that we need a reassignment and are working with the employees to give them opportunities for the reassignment. But this question suggests that we are simply letting folks go, they are on their own. That is not the case.

Now for the question, if the employee is indeed on our payroll, has met all the criteria -- passed probation, satisfactory performance, they will indeed get the bonus.

- 29) Will UVA be helping those they offer jobs which hours fall outside their current hours of work to find childcare/transportation if needed? (I'm under the impression the positions targeted are ones where the employees who work them probably already have problems in these areas.)**

Ed Howell - Again I want to talk about the process before I answer the question. The emphasis here is that we have already targeted those jobs. By being proactive and identifying for the most part and the exception here is largely managerial positions, which we have identified and begun the process of letting folks know those positions would not be maintained and giving them the opportunity to seek reassignment, but for all others we have not targeted the job. In fact what we are doing is waiting for a position to open up. We have between 8 and 9% turnover rate each year and out of 6000 employees that provides a real opportunity for a number of positions to be reassigned. Where that opens up we are giving the employees that may have the suitable skills and I'll use for this case a respiratory therapist, we will give that person the opportunity to reassign due to the reassignment process in an area that needs staff away from one which is already identified as being over staffed. We will then eliminate the position in the over staffed area. I want you to understand that in large part this is an on going process that is based on the number of positions that become available.

Now for the gist of the question in terms of providing additional assistance. We already provide assistance in the way of child care and transportation, but we are really not going to be providing any additional assistance beyond that which is already in place.

- 30) Will employees who decide they are unable to take jobs offered because of the shift variance be able to get unemployment compensation? (From what I have heard it will be documented as the employee terminating -- do you get unemployment insurance when you terminate rather than the business?)**

Ed Howell - First of all it is not our determination as to whether a person is eligible for unemployment compensation. That is indeed the Employment Commission's determination. We believe that if indeed there are those extenuating circumstances that a person who applied for unemployment compensation and we hope there aren't any of those by the way that they would note that on their application and certainly then there would be the opportunity for the Employment Commission to consider that in making the determination.

- 31) Do the employees who are offered jobs have a period to think about it, and if one job doesn't work out can they request a new look?**

Ed Howell - Of course they will have a chance to think about it. It can't be an indefinite period of time, but certainly they would have a day or so to think about it. As far as a new look, we will have to look at that on a situation by situation basis particularly looking at skills and what we think are possible other alternatives that might be made available.

- 32) Do those employees who are offered jobs (having been told their job is being eliminated) have anyone to talk to like going through a grievance board?**

Ed Howell - Correction here we are offering opportunities to transfer. First of all employees will be given the opportunity to make that determination. Certainly they can talk with their manager or administrator and make sure that they are understanding the options that are available to them. There is a specific complaint procedure that has been designed for this in the event that dialogue with the manager or supervisor does not prove satisfactory.

- 33) Who are the people being targeted for the job reassignments?**

Ed Howell - I think I have already answered that question.

- 34) When these people, who are to switch jobs, go to the new job, will they be considered new hires; and being so, will they earn lesser PTO/retirement accrument than they do now as grand fathered in employees or will they earn as those who are new outside hires (I read new hires will accrue less PTO each month and have less contributed to their retirement plan than current employees do)?**

Ed Howell - The individuals who are part of this program are considered "continuing" employees. They have not left the employment of the medical center through this process so their benefits would be maintained and they would not be considered as new employees.

- 35) **I eat sometimes at Newcomb Hall’s Pavilion XI or Bakery. They have pre-made sandwiches, chef’s salads and many other perishable foods in refrigerator cases, but none of these foods have a “date made” or “fresh until” date label on them. The sandwiches used to have different colored dots on them, which apparently means something to ARAMark staff, but lately they don’t even have the dots. Students and employees can go to any convenience store in town and their prepared foods have plain “fresh until” dates on them. Why can’t ARAMark provide this information for its customers? And is, Dining Services covered by state and federal food handling and safety regulations?**

Yoke San Reynolds - The colored stickers were intended to let Dining Services know which day the item was produced and when they item should be removed. Our rule is to remove items from the coolers when they are two days old.

Yes, they are regulated and regularly inspected by the Thomas Jefferson Health District Environmental Health Specialists and Federal Food and Drug Agency inspectors.

- 36) **I read that there were enough parking spots close to the hospital for all employees working here, but then recently I got an e-mail stating that new employees, who aren’t involved with direct patient care or aren't executives, will have to park at U-Hall rather than Scott's Stadium.**

Yoke San Reynolds - Back about two years ago there was an article in Link that said that there are enough parking spots close to the hospital for all employees who wanted them, but that was two years ago and since then things have changed and the demand has increased. In fact in stadium parking at least until 5 pm, the 850 spaces set aside are over utilized and newly hired employees have to park at U-Hall. We tried to minimize the impact by improving the bus service from U-Hall and this seems to be working out.

- 37) **Will prices ever go down on parking around this hospital? Not too many people can afford \$50 a month.**

Yoke San Reynolds - Parking and Transportation is an auxiliary service which means that it cannot be subsidized by the state. It has to stand on its own body so prices will probably not go down, but there are lower cost alternatives at U-Hall.

- 38) **Both Yale University and George Washington University’s have started a new innovative housing program for their employees. The Yale program is as follows and the George Washington University program is very similar.**

Here's how the New Haven Home Buyer Program works:

Eligibility

The program is available to any Yale University employee who is either:

- a) a faculty member with an appointment of at least one year at 50% or more of full-time;
- b) or a permanent staff employee of the University scheduled to work 20 hours or more hours per week. If there is more than one employee in the household only one benefit will be awarded.

Description

The benefit consists of ten annual payments. The first payment is \$7,000, which consists of a first payment of \$2,000, and the additional \$5,000 bonus. The remaining 9 annual payments are \$2,000 each. Benefit eligible employees may also receive a \$5,000 special incentive payment (increases the total benefit to \$30,000 over 10 years) by electing to purchase in a designated area of the Dixwell neighborhood prior to December 31, 2002. For information on this special incentive, contact <mailto:william.carney@yale.edu> or loretta.lincoln@yale.edu

Note: Benefit payments are classified by IRS regulations as ordinary income for income tax purposes. Yale is required to withhold all taxes (federal, state, and social security taxes) from the lump-sum benefit payments. Approximately \$1,200 of each annual payment and \$2,900 of the up front \$5,000 Bonus and \$5,000 Special Incentive payments will be made available to participants. Benefit payments and taxes withheld will be included the participant's annual Form W-2. Federal income tax withheld by Yale is normally off set when the participant takes a tax deduction for the mortgage interest on his or her annual federal income tax return.

In order to receive the benefit, the participant must be an eligible Yale employee (see "Eligibility" below) and must purchase and occupy a single, two or three family home or condominium within the designated area. The \$5,000 "bonus" portion of the first payment will be provided to the participant and closing attorney at the time of closing if it is needed for the closing. The remainder of the first payment will be made upon verification that the participant has acquired and moved into the home. If program funds are not needed for the closing, the entire first payment will be made when the participant has moved into the house. The remaining annual payments shall be made on the anniversary date of the first payment, subject to verification that the participant:

- a. remains an eligible employee
- b. continues to own and occupy the home
- c. remains in good standing with the first mortgage holder

Election Period Phase V

The option to apply for the Homebuyer Program began with home purchases on or after January 1, 2002, and ends with home purchases on December 31, 2003. Participants must commit to own and reside within the home for at least two years from the date of closing to qualify for the benefit. Benefit ceases if the participant ends occupancy.

Program Information

The program is administered by the HR Records /Homebuyer Program Office Room 320. Application forms may be picked up there or in the Benefits Office, room 130, 155 Whitney Ave., or on line here.

If you are buying a home in New Haven within the program's designated area, contact Bill Carney, manager of the Homebuyer Program at (203) 432-5535 or 432-5537 to ensure your benefit application and documentation has been received and reviewed for payment approval. Please fax documentation: Sales Contract, Benefit Application Form, and Closing Settlement Statement paperwork to: (203) 432-5536.

The website URL: <http://www.yale.edu/hronline/hbuyer/hbuyprog.htm>

Yoke San Reynolds - There are quite a few differences between UVA and those universities that were cited, first of all those are all private colleges and so they have more access to private funding. We would not be able to use state funding in order to provide these kinds of paid benefits. It is considered a paid benefit and again our benefits program must fit within state guidelines.

The other difference is that places like Yale and George Washington, those universities are located in urban areas and they try to encourage employees to purchase homes near the university to improve the area.

Overview of Medical Center Realignment by Ed Howell

The questions that are here largely identify what we are doing or how we are doing it. And perhaps still being sensitive to your time, I will step back and describe a little bit of why we are doing it and how we are communicating it before I go through each question. In essence the medical center is facing a \$28 million challenge at the end of this upcoming budget year. It is driven by a number of forces, but the most significant is that a year ago we added staff to respond to what was then a volume surge and that never really materialized. There are a number of reasons that explain it, but in reality as we sit here this morning the admissions that drive the revenues that support the staff that were added at that time has not materialized. In addition we have had reductions in medicare funding and in Medicaid funding and our support of unfunded indigent care has grown by some \$10 million. You add those up and other smaller elements and we are facing a \$28 million challenge. We believe that we can address this proactively without layoffs, but we can't delay any longer. We can deal with it proactively without a layoff really by a two fold concerted effort that manages our expenses as well as continue to try to grow the activity, the admissions if you wish, that generate the revenues to support the deficits. It is difficult for us to project exactly what the combination of those will be, so throughout the year it is going to be a very dynamic process. We have made some assumptions that begin with what we really need to at least have an appreciation of what happens if we have no volume growth and we have begun to take action to manage costs based on that assumption.

We have had a number of communication efforts. I met personally with leadership of our employee council, Ron Burchard and some of my staff. I have met with the entire employee council. We met with all the managers of the medical center and explained the process in some excruciating detail and asked them to go forth and have a direct conversation with the employees in their work areas to permit an exchange of questions that are probably very specific to that work area that may not ever come up in a large group setting. But we have also had large group settings including 5 town halls that occurred throughout the course of a 24 hour period and we have recorded the questions and answers to those questions and then given them to the manager so that they can review them with their staff and provide that additional information in the event that person did not attend the town hall. So that is a huge process.

We have begun the process of the call for realignment. Again I want to emphasize that our target is to avoid layoffs. Mr. Sandridge indicated that 11% of the University support comes from the state and state support is less than that for the Medical Center so we are self reliant to a large degree and it is important to understand. It is also important to understand that we are trying to be proactive, we are trying to be fair and we are trying to deal with everybody in a reasonable fashion. It is important to point out that a neighboring hospital that actually had a layoff, the medicare funding and Medicaid funding impacted them as well as it did us, so it is not unique to a medical center. What perhaps is a little unique is the staffing or the upramping that occurred last year that did not come through.

The last point before I go into each of the specific questions is to give you the reassurance that the beginning point for all of this was beginning with a target level for quality and moving backwards. We have done that through a process called benchmarking. Benchmarking says what it costs to support an activity at a peer institution. They treat similar kinds of patients and have the three fold position of education and patient care and service that we have and how do we compare with that.

One last comment before I get into the questions. One of the commonly used references of quality is RNs per occupied beds. As I sit here this morning and talk with you that is about 2.27 RNs per occupied bed in the Medical Center. U.S. News and World Reports ranked the top sixteen hospitals. Their average is about 1.57. UCLA on the low end is 1.1 and it is important to note that the Medical Center is more than twice that of UCLA, and the Medical Center has fewer beds.

Open floor for additional questions and comments:

- Some of the questions regarding regulations that the University already has and it seems to be a breakdown in enforcing them on management's part and I have heard you suggest a couple of times that these employees need to notify the management about these concerns. If there was any integrity regarding department heads and management, there wouldn't be any problems with the regulations, so the integrity is already in question and then you suggest that staff notify your office about this problem. Why not let us suggest that your office see to it that these regulations are upheld by the department heads and managers?

Leonard Sandridge - I will assure you that it is our intentions to support the application and enforcement if you want to use that term of regulations and policies at the university. We have a number of checks and balances in place that are intended to accomplish that. I would want to differ with you on one point. I think that to make a generalization that there is a level of distrust with management at all levels is not necessarily something that every employee shares. So there are a number of areas in this University, I want to believe the vast majority of them, where employees are able to raise their concerns to their managers and their managers become strong advocates for their employees in dealing with issues. I can cite many of those that occur on a daily basis. For those [employees] who believe that they are in a situation where they cannot trust management--and I don't know what your definition of management is--I have not seen a reluctance on the part of employees to elevate their issues, but would also tell you that the University tried as a result of the employee communications council, the particular recommendation of the Executive Committee of the Employee Communications Council, to establish an Ombudsman specifically for that purpose. So that if there is a situation where an employee believes they have not got an avenue of appeal or a management alternative bringing up issues, Brad is available. People do use his services. They are confidential, anonymous, and they are effective. So I will simply again differ with you, because I think the vast majority of managers in this University are concerned about the employees and they react immediately and they advocate for their employees. But if there are situations where that does not occur, my strong recommendation would be to use the Ombudsman position and that you take advantage of that and make sure that you bring your concerns to the attention of those individuals and they will work with the system to get it squared away.

- A question comes up quite often in the various areas of the Medical Center in terms of we have not seen the volume surge – the question being how in various areas the volume has not increased, but the patient acuity has doubled. What is management doing in terms of assessing that we might need more nurses because the acuity of patients has increased?

Ed Howell - The overall acuity of the patients actually hasn't increased much in this period of time. That is not to suggest that the individual acuity in one area hasn't changed. I would like to talk about the benchmarking point here. Benchmarking includes a severity indexing formula and the healthcare provider looks at a number of implications. DRG is the mechanism we use to identify disease. We then index the DRG. This indexing allows us the opportunity to measure severity.

Another point I would also make here is that we recognize that nursing is a very broad profession and there is a significant difference between a person who has skills in operating room nursing and a person who has skills in obstetrics and pediatrics nursing. The realignment process includes the training that is required to be able to move from one area to another.

- Are there any considerations being given to having more child care centers?
Good child care depends on how you do your job.

Leonard Sandridge – Yes, there are considerations being given to it. Over the years I don't think there is any thing that is more difficult to know how to deal with than childcare. First of all, the experience that we have had with child care is complicated this way: you have to keep the child care business independent of the medical center intending to recognize that we had a number of persons in more paid jobs at the University that simply needed a place for child care. What we found was that in order to have any kind of reasonable rate structure, those persons could not afford the child care that we were providing. So what we have found as a practical matter is that the lower paid employees simply have not regularly used the child care facility that we have provided. The other point of child care that has made it very difficult is there is nothing more important at a time in a person's life as child care, but by all measurements it is a fairly narrow period in one's career. So whenever we go out and ask employees to rank the new benefits that you would like to have, right wrong or indifferent it doesn't go to the top because there are a lot more people that are before that period in their life or after that period in their life who would like to have some other kind of benefit. So what we have tried to do is to look at making sure that we are able to provide reasonable child care also looking at other services that are available in the community. Exploring the feasibility of whether it would be better for us to subsidize some of those rather than operate our own. I mentioned CCUG. They spent a good bit of time looking at this very issue. They concluded that yes it would be nice to have more child care, but there was not overwhelming support when you looked at the employees as a whole group. Richard Kovatch, who is under the responsibility of Yoke San, continues to look at reasonable ways to be able to add that without it taking away from some other benefit that larger numbers of people would want. We don't have at this time a specific expansion planned.

We have found that our clients, those that use our child care, don't want us to operate at what the license will allow. They want us to provide a better faculty to student ratio. In other words while our license might allow us to have a 105 infants and toddlers, the parents who use the facility, and admittedly they are the ones who are already in, prefer to pay a little bit more and have fewer children served in that area. That makes it even more expensive to expand it because most of the private operations operate at the maximum their license will allow. If you have some thoughts on that, independent of the group, I know there are those of us who would like to hear your thoughts on it. It is a challenging thing and one that I have never felt we have the right answer on.

- Has the University ever looked at helping with tuition costs of employees with children attending the University?

Leonard Sandridge - There is a law in Virginia that if we wanted to allow employees with children to have educational benefits, it is just not a matter of saying okay let's crowd a few more people in the classroom. The appropriation act requires that we collect from every student getting credit for classes, that we collect tuition for those students. What we would have to do in order to provide that service is not simply do like some of the private schools and absorb it. We actually have to come up with like a scholarship and we have to put cash into the state coffer to pay for those tuitions. When we had our last capital campaign, the employee contribution went into an endowment to create employee scholarship program so that there is a process where each year employees who have children attending the University can in fact apply for a scholarship for those children and be considered. Now that doesn't come close to providing scholarships for all the employees, but it has been one where persons with a particular need have been served very well. The cost associated with doing that would be enormous and I simply don't see it happening anytime soon.

We have talked a lot about completely changing the benefit program for the University employees and that would require one of those delegation of responsibilities from the State that we don't have right now, but some day might have and that is to say look let's stop judging what benefits employees want, let's decide how much we are going to invest in benefits for employees and then you come in with a menu of options and you choose which one of these you want to take and it may be that there is a point in life where you want to take a subsidy for child care, there may be another point where you want to take a subsidy for tuition, there may be another point in your life where you want long term health care. So that is an area where I consider the most possibilities for us doing something innovative that we can get at some of these unique interest people and something I would like us not to lose sight of.

- Number 14 – The summer camp discount. I work part-time also at Piedmont Community College and I happen to have therefore personal knowledge that the President there does give a discount to the staff's kids when they attend summer programs that Piedmont sponsors. I think we all know that Piedmont is barely holding its head above water financially, I don't see how they can do it and we can't.

Leonard Sandridge - When you talk about summer programs, what are you talking about?

Baseball camp.

LWS - That is not a University activity.

Pat Lampkin – One of the things you will find is that just because the camps are held here does not mean that they are run by the University. You may have football, baseball or lacrosse camps, but they are private entities contracting with us for our facilities. One of the best deals here and they really run it at cost is the Cavalier Camp. It runs at \$125 a week. Any of us that have dealt with child care will find that that is reasonable. I think last year they may have made \$800 to come into next year.

Leonard Sandridge – The baseball camps, football, lacrosse – all of those are private enterprises, they pay rent for the facility. Their rates are not set by the University. For the most part, not totally, they are operated by one of the University's coaches, but they are through private corporations and they are part of your contract. If you hire a football or lacrosse coach today, part of the deal is that they can run their summer camps.

- # 20 – differential pay – cost of living being benchmarked example on the Federal Government's factors – It asks not the practicalities of it but a more hypothetical question -- Would it be the right thing to do? I realize that hypotheticals are hard to answer sometimes. Is it in principle or good practice?

Setting aside the reality of the state budget and the political process, in theory, in ethics would it be the good thing to do to give a pay differential to state employees in fact in any area of the Commonwealth where there is clearly a much higher than average cost of living. In theory would it be the right thing to do?

Leonard Sandridge - It would probably be the right thing to do and I would tell you personally having approached the state on several occasions. As you know there is a differential in Northern Virginia. That differential they have never been willing to expand that and one of the reasons they have always given is

yes Charlottesville is a high cost area, but there are parts of Williamsburg that are a high cost area and I suspect they would even tell you privately that they made a mistake in allowing Northern Virginia to do that. This is not something that has been ignored. I have tried personally two ways – one is institutionally as a whole. I have also gone back to the state on occasion relative to class of employees. About ten years ago we had a major problem with police, and the problem there was not only cost of living but the fact that you have the City of Charlottesville and Albemarle County paying substantially more. I could not make any progress on getting the state to give us a regional differential, which in the old system was like two steps, but I was able to get them at that time to say okay, [they] would go in and look at the class of employees, and they did a reclass of that group. Of course, now the intent is that if we have employees who are out of line from a market perspective, the in-band adjustment program is intended to be used to deal with that. But it is like any other business, you also have to have the money to pay for it. Some industries have clearly gone the route to say our policy is going to be to have fewer employees and pay the fewer ones more and expect a lot more out of them in productivity. I have often wondered if that is something that would work well in some parts of state government, but it has not been something that has been actively pursued. I can tell you that I have not sensed any willingness on the part of the state to designate Charlottesville as a high cost area.

- #25 and #26 - The question is about the off-grounds housing office. The question includes an example of both in-state and out-of-state universities that provide a service and there is a clear benchmark standard I think here that really needs to be addressed. The question applies to me that there is a standard that a residential college should provide to students, undergraduate or graduate, and your answer was we didn't have the money to cover it and it coming out of residential unit cost. But now I understand that Student council is struggling to provide this very service. They have a website that they have been putting out on posters around grounds and trying to do this responsibility that other colleges are taking care of. Why should we not be providing this service to the students?

Pat Lampkin - I remember when we dissolved that piece. It really broke down to it not being the level of priority that people wanted to give it – who wanted to own it. It was a service that the University could end up paying for the landlords and the landlords trying to work through different combinations of who wants to pay for it and nobody wanted to own it.

The website has actually grown and is very useful. Over the last year and a half I haven't actually heard any inquiries coming up through the student ranks. As we dissolved the service, I think it did not reside at the top as a

priority and at the same time we were charging the students who are living within residential area that fee and that becomes unfair.

There is a little bit of a sutlety in this question I am assuming that our students can't receive on-ground housing and the truth is that they actually can. They may not get their number one choice and exactly where they want to be, but I have watched it for twenty four years and know that if you absolutely stay with it, you will get housing. You may not get your absolute number one choice, but you will get housing.

Leonard Sandridge - We will start the year next fall with 80 – 100 vacancies and by the second semester that will be 150 vacancies.

Meeting was adjourned by Susan Fogler 10:30 a.m.