

An Evaluation:

Personnel Policies and Practices

University of Wisconsin System

October 2006

Report Highlights ■

Faculty reported using considerably less sick leave than other types of staff.

Many unclassified staff within UW System reported using little or no vacation time.

Policy changes related to back-up positions will require continued scrutiny.

Some consultants' salaries exceeded the pay ranges for positions with similar responsibilities.

The University of Wisconsin (UW) System provides instruction, research, and public service statewide through 26 campuses and an extension service. In September 2005, it employed approximately 42,000 individuals, including faculty, administrators, and other staff outside the State's classified service, as well as classified employees such as custodians, financial specialists, and information technology staff.

UW System's classified staff are typically represented by unions that negotiate salaries and fringe benefits through collective bargaining agreements. Its 28,100 unclassified staff are typically eligible for the state benefits afforded classified staff, including sick leave and vacation time, but they are subject both to personnel policies that are defined in statutes and administrative rules and to UW System policies.

At the request of the Joint Legislative Audit Committee and the UW System President, we evaluated UW System's personnel policies and practices related to:

- the use and reporting of sick leave and vacation time by unclassified staff;
- the availability of "back-up positions" and extended paid leave to unclassified staff in administrative positions;
- the employment of consultants; and
- the use of faculty sabbaticals.

Our analysis of UW System's employment of felons, which was also requested by the Audit Committee, was released as a letter report in February 2006.

Key Facts and Findings

In 2005, 45.2 percent of all UW System employees who earned sick leave reported using none.

Reported sick leave use by UW System employees declined since 2003.

In 2005, retirees from UW System generally converted more sick leave to health insurance credits than other state employees did.

Back-up or concurrent positions provide job protections for limited appointees.

Despite policy changes, the number of employees with back-up positions is unlikely to decrease rapidly.

In September 2005, 134 unclassified UW System staff had the position title of consultant.

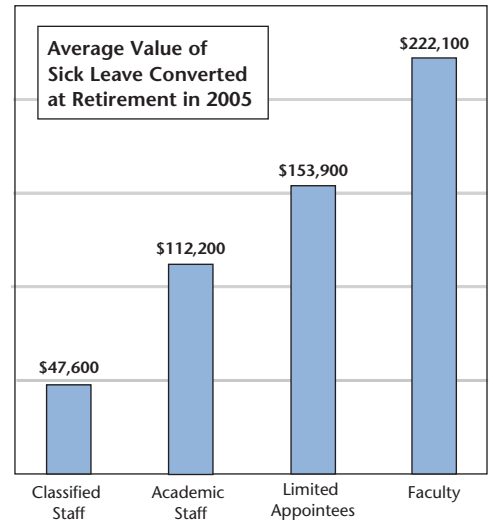
Sick Leave

In addition to faculty, UW System's unclassified staff includes:

- senior administrators such as the UW System President, the chancellors of individual institutions, vice presidents, and other limited appointees in administrative positions that are designated in statutes or system policies; and
- academic staff, who are administrative, professional, and research personnel.

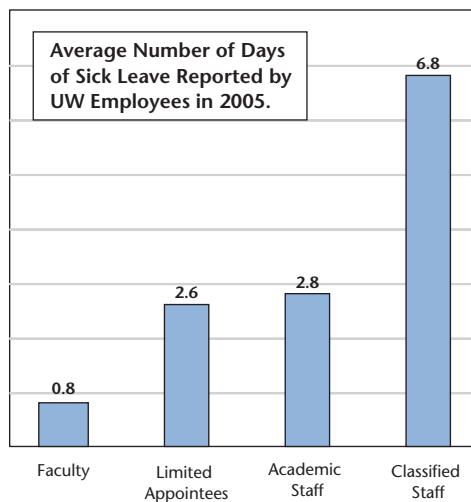
We found that unclassified staff within UW System, and particularly faculty, reported using considerably less sick leave than classified staff. In 2005, 45.2 percent of all UW System employees who earned sick leave—including 4,975 faculty, 5,756 academic staff, and 613 limited appointees—reported using none.

Most employees can be expected to report using at least some sick leave



over a three-year period, but 6,772 unclassified staff reported using none from 2003 through 2005.

UW System's unclassified staff, and particularly faculty, also convert more accumulated sick leave to health insurance credits than other state employees do. Statutes provide that unused sick leave is to be converted at retirement to credits that can help individuals pay post-retirement health insurance premiums.



We analyzed the value of conversion credit accounts for state employees who retired in 2005. The average account value for unclassified staff within UW System was greater than the average value for classified staff within UW System and for staff in other state agencies.

Although faculty salaries are higher, on average, than those of most other UW System staff, the number of hours of unused sick leave explained most of the variation in account values in 2005.

Vacation Time

Full-time unclassified staff within UW System, including faculty with 12-month appointments, earn 22 days of vacation time annually. Faculty with 9-month appointments do not earn vacation time.

From 2003 through 2005, faculty who earned vacation time reported using less of it than other UW System employees did. During this three-year period, 197 unclassified staff reported using no vacation time at all, and 1,176 reported 20 days or less.

The large number of unclassified staff who reported using little or no vacation time raises questions about the effectiveness of UW System's current reporting requirements and compliance with them.

Limited Appointments and Back-Up Positions

Unclassified UW System staff in limited appointments are "at will" employees who serve at the pleasure of their appointing authority. However, statutes provide that both tenured faculty and academic staff who accept limited appointments with any of 17 statutorily enumerated position titles cannot lose their original faculty or academic staff positions.

In December 2005, 1,088 UW System employees held limited appointments, including 117 with statutorily enumerated position titles and 971 others whose titles are

not enumerated in statutes but whose positions were allowed to be limited appointments under UW System policies. All of these employees held "back-up positions" into which they could transfer when leaving their limited appointments, but only 218 of the 971 were in positions that required them to have faculty tenure. Most of the 753 remaining employees held back-up positions as academic staff.

In July 2005, after increased public attention was given to back-up positions, the UW System President suspended the practice for all newly hired limited appointees. In November 2005, the Board of Regents adopted a resolution to further limit the granting of back-up positions by amending UW System policies and, in some circumstances, offering up to six months of termination notice.

The policy changes permit limited appointments for only the 17 position titles enumerated in statutes, unless the UW System President authorizes an exception. They also stipulate the circumstances under which what they term a "concurrent position" may be granted.

The Board of Regents noted, "The effect of this resolution is to eliminate 'back-up' appointments." However, there appears to be no substantive difference between concurrent and back-up positions, because in both cases an individual is guaranteed a faculty or academic staff position when leaving a limited appointment.

An important unanswered question is the number of employees who will hold concurrent or back-up positions in the future. Some UW System officials have indicated the policy changes will significantly reduce the number of positions with some form of job security, but that may not be the case. Employees who held back-up positions retain their job protections, position titles are being added to those eligible for limited appointments, and future hiring practices are not known. As discussion continues, effective oversight will continue to be important to ensure adequate accountability.

Consultants

"Consultant" is a position title for certain employees within UW System who may be either classified or unclassified staff. In one month—September 2005—134 unclassified consultants were paid a total of \$308,600, and 56 classified consultants were paid a total of \$21,000. We focused our analysis on September 2005 payroll data for 24 unclassified consultants who worked at least half-time and whose annualized salaries were at least \$65,000.

UW System policies do not limit the salaries of unclassified consultants, and we found instances of unclassified consultants' salaries exceeding the pay ranges for positions with similar responsibilities. Under system policies, unclassified consultants are to be hired on a short-term basis, but 6 of the 24 consultants on UW System's

payroll in September 2005 were also on the payroll in March 2003, March 2004, and March 2005.

We also reviewed UW System's sabbatical leave program, which allows faculty to engage in intensive study for up to one year in order to enhance their teaching, or to conduct other scholarly activities. In the 2004-05 academic year, there were 205 faculty sabbaticals. We reviewed 73 sabbatical files and found that most demonstrated compliance with statutory and policy requirements. However, we found some inconsistencies among UW institutions in sabbatical policies, such as for sick leave reported and compensation received while on sabbatical.

Recommendations

We include recommendations for the Board of Regents to:

- ☑ consider modifications to policies for reporting sick leave use by unclassified staff, and report to the Joint Legislative Audit Committee by June 1, 2007, on an improved method (p. 34);
- ☑ consider modifications to policies for reporting vacation time use by unclassified staff, and report to the Joint Legislative Audit Committee by June 1, 2007, on its proposal to improve reporting (p. 39); and

- ☑ report to the Joint Legislative Audit Committee by June 1, 2007, on the number of position titles that have been or are being considered for designation as limited appointments and the job protections available to those who hold them (p. 48).

We include recommendations for UW System Administration to:

- ☑ report to the Joint Legislative Audit Committee by June 1, 2007, on efforts to ensure UW institutions provide and track concurrent and back-up positions uniformly (p. 49);
- ☑ annually report to the Board of Regents on the employment of consultants by UW System (p. 64); and
- ☑ develop both a standard agreement that lists all requirements related to faculty sabbaticals and a standard form to use in determining total compensation received by faculty on sabbatical (p. 75).

We also include a recommendation for the Legislature to consider a review of the sick leave conversion credit program in light of new financial reporting requirements for public employee benefit programs (p. 34).

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Additional Information

Report 06-12 includes a response from the President of UW System.



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