

Finance & Benefits Committee Minutes

August 29, 2013

In attendance were: Jim Manaro (Chair), Joe Holt, Leslie Sherman, Ken Schweitzer, Lansing Williams, Alan Chesney, Shirley Haymaker, Peggy Fulton, Andrea Lange, Susanne Kelly, Lane Conaway (sitting in for Emily Chamlee-Wright).

Senior VP and Chair Jim Manaro called the meeting to order at 10:05am and turned the floor over to Director Alan Chesney.

Alan welcomed the attendees to the first meeting of the 2013-2014 academic year. He passed out a schedule of the meetings scheduled for the year and pointed out there were several benefits issues facing the committee over the coming months. At the September meeting the committee will host Prof. Ryan Kelty who will present some various child care options. The committee will need to consider whether enacting these programs makes sense given the current budget environment. In November the committee will examine our leave policies, including the sick leave pool for new employees and the currently very generous parental leave policies, and benchmark the policies against those of some comparable institutions. In December the committee must consider a placeholder budget allocation for an expected health care cost increase for next year. Finally in January the committee will take a look at what can be done to reduce the risks and costs of a change in our institutional retirement plan should the College ever decide to move away from TIAA-CREF. Alan invited all of the committee members to pass along any issues raised by their constituents so they can be added to the yearlong agenda.

Next Alan and Assistant Director Shirley Haymaker provided an update on the College's new Consumer Driven Health Plan featuring a combination of a high-deductible health plan and a health savings account. 20 employees are currently enrolled in the plan, approximately 50% above projections. A series of open meetings with HR staff, United Health Care, current plan subscribers, and interested other employees will take place over the academic year. The first such meeting is scheduled for September.

Shirley next presented a follow-up to the recent "Know Your Numbers" biometric screening. A total of 125 employees participated in the screening, and while no individual data was kept for privacy reasons, an analysis of the aggregate results shows four target areas for improvement:

- 1) blood pressure
- 2) stress management
- 3) cholesterol
- 4) weight

Based on this data HR is currently investigating some weight management programs they may roll out to the College in the future.

One area of good news from the screening was despite several predictors for high diabetes rates, the College actually has a below-average incidence of diabetes. Chief of Staff Joe Holt asked whether the screening data could lead to lower health premiums for the College, but currently premium levels are still based on the actual health care costs incurred by each institution.

Alan next requested volunteers to take the place of several members rotating off the committee this year and help put together a Request for Proposals to send to three or four outside consultants who we may engage to do a vendor check on whether we're currently receiving competitive rates and services from our benefit underwriters.

Alan and Shirley next discussed a refund recently announced by UHC. Due to the Affordable Care Act insurance providers must spend no less than 80% of their revenue on paying for member health care costs. UHC did not meet this threshold last year and will be refunding approximately \$13,000 to the College. The terms of the refund require the money to be used for the benefit of the employees enrolled in the plan, and it must be spent within 12 months. Complicating things, UHC shared information about the refund but few specific details with all College employees, and so some employees have been asking HR when they can expect to see a refund in their pay. Professor Ken Schweitzer asked about the potential refund amount to each employee, and Alan clarified that because the refund would need to be disbursed in proportion to each employee's contribution to the overall College premium (most of which is paid by the College), individual employee refunds may be in the order of \$1-3 and not the ~\$30 one might expect. HR is considering using the money for a one-time supplemental health program such as weight loss workshops. Joe asked about the possibility of hiring a nutritionist to host healthy eating workshops where attendees ate a healthy and balanced meal and learned about how to eat better day-to-day. Jim proposed individual weight loss counselors for employees who may not feel comfortable discussing their weight in a group setting. HR will present more details about some of these options at the next committee meeting, and in the meantime they will inform the campus that the individual refund would be very small and so the plan is to launch a campus-wide wellness initiative instead.

Next Alan and Shirley explained how the College's current policy for military reserve and National Guard duty is to allow employees to use their vacation time during their summer two-week training session. Three College employees currently use military leave, and one of them would like the College to revisit the current policy and consider offering additional paid leave for summer military service. The College is currently in compliance with military-authored best practices, which suggest either allowing

vacation time for summer military service or allowing the employee to take partial-pay leave where the year-round employer pays the difference between military pay and the employee's standard pay. At Washington College such a partial-pay plan would not work since the employees in question receive more income during their service week than they would from the College. One concern HR had to straight unpaid military leave would be covering the benefit costs for employees not receiving a paycheck during their leave. Joe pointed out the employees on military leave were ultimately benefiting the College with their service, and wondered whether we could have them turn their military pay over to the College and remain on their regular pay and benefits during their military leave, or instead go on unpaid leave and write a check to the College to cover the cost of their benefits while away. Ultimately the committee decided to alter the unpaid leave policy to allow employees on military leave to use their paid vacation time or instead go on unpaid leave even if they had vacation hours banked. In consideration for the small number of employees involved in military service, the benefits of that service, and the costs of developing a separate benefits repayment system, the College will cover the benefit costs for any employees on unpaid military leave.

Finally, Jim shared that the College's enrollment numbers did indeed come up short for the new academic year, and that he would present the budgetary consequences of that at the next meeting. Jim then adjourned the session at 10:45am.