Benefits and Finance Committee Meeting
September 23, 2014

Attendance: Mark Hampton (Chair), Alan Chesney, Joe Holt, Peggy Fulton, Shirley Haymaker, Eugene Hamilton, Laura Johnson, Susanne Kelly, Andrea Lange, Ken Schweitzer, Mark Scott and Lansing Williams. Harriet Olsen attended as a guest presenter.

Mark Hampton, VP for Finance and Administration opened the meeting. The minutes from September 9, 2014 meeting were approved.

Alan Chesney, gave a brief overview regarding TIAA CREF. He stated that under the new Employee Retirement Income Security Act (ERISA) guidelines, employers must accept additional fiduciary responsibility for pension plans offered to their employees. The conversion between individual plans and TIAA CREF to contractual agreements directly between Washington College and TIAA CREF will take effect on December 22, 2014. Alan thanked Harriet Olsen for all her hard work that she has done and continues to do while serving on the Retirement Plan Committee (RPC). Harriet Olsen stated that the Retirement Plan Committee along with consultants will ensure “best in class” investments are available to all participants. Informational packets as well as important notices announcing open forums will be sent out to participating employees.

Alan presented a short summary on the current child care program being offered at Little Creek Child Care. This pilot program was available during Fall Convocation, New Faculty Dinner and the First Faculty Meeting of the semester. Alan stated that participation response has been somewhat low. Approximately six to eight children participated in the program. The age limit was revised to increase participation in the program at no extra cost to the college. Alan encouraged anyone who plans to hold an event during next semester to contact Human Resources.

Details were shared about a recent meeting that was held with Hilderbrant to discuss long-term child care. Hilderbrant distributed a report dated 8/29/14. This new model is based on 120 children. This would be a $2M capital investment plus operating costs. Mark stated in order to meet the goal of 120 children the college would need to engage in partnerships with LaMotte, Dixon Valve, University of Maryland Hospital and even Kent County Schools. If we could reach the goal of 120 children the college would see a loss of approximately $100,000 the first year. The second year we would break-even for the cost of operations. The analysis from Hilderbrant did not include the cost of the facility or capital depreciation. Joe Holt stated that this may not be feasible right now, but perhaps several years from now. Mark stated the strength relies in the partnership and he sees this as an on-going possibility. The committee agreed after meeting with Hilderbrant and seeing the report to take child care discussions off the table unless considerable changes take place.

Andrea Lange emphasized the importance of communicating this information to the faculty. Alan stated that this information will be communicated to the child care sub-committee as well as presented to the faculty.

Alan stated that due to the provision in the Affordable Care Act, the College’s refund from United Health Care is $42,000. Alan proposed using the refund as a “premium holiday.” He explained that the college would not deduct participants’ portion of the premium during one period. The cost to the college would be approximately $32,561. Alan stated according to the Affordable Care Act guidelines, this is an
acceptable option. Another option is to invest part of the refund in smoking sensation program for employees who would be interested in participating. This would be especially important in the event the college moves toward a smoke-free campus. The topic of a smoke-free campus brought up key factors about major cultural issues.

Alan reassured Joe that the refund from United Health Care should not be considered a reoccurring trend. Peggy Fulton suggested using the refund to help reduce cost increases in the coming year. Mark Scott stated that some employees want the refund paid directly back to them. Ken Schweitzer stated he liked the idea of the “premium holiday” option.

The committee agreed to use the refund towards the “premium holiday” option and to help reduce the cost of next year’s increase. Alan will discuss the committee’s two proposals for using the refund with Penney Farley.

Other business discussed was the tuition waiver program. The committee members agreed that the tuition waiver program is a huge benefit as well as a recruiting tool for hiring. Alan stated that oversight in the tuition waiver program should be considered. The committee will continue discussions and consider ways to control cost. Peggy stated that the tuition waiver program was $200K over budget last year and that a comparison of how other institutions handle the tuition waiver should be done.

There was no other business to discuss, the meeting was adjourned.