June 16, 2010 Minutes

UBAC Post Retirement Medical Benefits Meeting #1

Attended: Claire Burlingham, Jan Carney, Kelly Circe, Jackie Gribbons, Jean Held, Larry Kost, Beth Mintz, Tim Murad, Claude Nichols, David Shiman, Carmyn Stanko, Deb Stern

Non-voting: Barbara Johnson, Lee Stewart

Unable to attend: Dustin Evatt, Michael Gurdon, Clarence Davis

Hand outs:

Project Timeline; GASB statement 45 on OPEB Accounting by Governments: A few basic questions and answers; Facts about GASB; and the May 29th charge to the UBAC

Jan Carney welcomed Council members and visitors, and the Council members introduced themselves.

Dr. Carney provided an overview of the Agenda, the President’s letter of May 29th, and Vice President Cate’s message to the UVM Board of Trustees at their May, 2010 meeting, highlighting the following points:

- UBAC is an advisory body to the President and Provost
- Post Retirement Benefits touch three groups of individuals: current retirees, prospective retirees and new employees
- Recommendations from UBAC to the President and Provost are due by September 29th
- Please review the guiding principles that were developed by the Health Insurance Working Group in 2009 and updated in 2010

The project timeline was discussed, including full UBAC meetings once a month in June, July, August and September and meetings of the HIWG/RWG between each UBAC meeting. The meetings will included an expanded public comment period, and Dr. Carney reminded attendees that multiple vehicles will be maintained for gathering feedback from University stakeholders. She urged everyone to read the information that is provided and to encourage their colleagues to remain abreast of the work, going forward.

Health reform information, GASB45 information and consultant information will be introduced at meetings as well as additional information, research and readings for home work.
Time Line

Meeting 1: June 16, 2010 Review Charge and time line, communications plan, homework

Meeting 2: July 16, 2010 Financial Sustainability Issues; UVM's Business Case

Review of National Experience: Higher Ed and Private Sector

Meeting 3: August TBD UVM Demographics; Impact of Potential Change Scenarios

Meeting 4: September TBD Draft Report Review

Discussion Summary

UBAC has already identified the complexity of issues as well as practical needs of affected employee groups; Need to communicate with accuracy.

UBAC will maintain a dedicated Web Site through HRS that links across MyUVM for easy access and will include GASB45 background, readable summary of Health Initiative, UVM documents, FAQs and a dedicated mailbox for questions. Information will be sent to retirees and employees on how to access the Web Site. Web Site will be up by end of week.

All meetings will be open to UVM community and will be listed on the new website with dates, times and locations.

We will plan to have at least two open information sessions with time for follow up questions.

Translations for employees that do not have English as their first language will be posted on the web as well. Many do not have access to computers.

Retirees have similar technology limitations, and need key information in a timely fashion.

Consultants

Hewitt Associates are national experts in the field of employee health care; they will present comparative data from other institutions as well as answer questions.

Vice President Richard Cate will present relevant UVM financial information and will be available for discussion.

Homework

Materials were sent around to be read by the next meeting. They will be also posted on the new website.

Discussion:

If possible, Council members would like to have presentations from Hewitt and Richard Cate in advance in order to prepare for the July 16 meeting.

It will be important for UVM to look at pay scales differently for recruitment purposes if benefits change….total compensation will change if benefits are reduced.

Suggestions were made to add a non-represented faculty member and a retired staff member to the UBAC during this special project.
Referring to the original Charge to the UBAC, Dr. Carney pointed out that anyone who is interested in the issues can attend meetings and comment; however, she agreed to inquire about adding individuals to the UBAC.

The Post Retirement medical benefit is the only liability that looks forward; UVM assets are not estimated in advance.

In response to concerns about the role of the consultants, Dr. Carney pointed out that Hewitt Associates are technical consultants. They are national experts and will give us data from higher education organizations as well as corporate organizations, providing actuarial data and comparative costs, with examples.

UVM follows the requirements of the Government Accounting Standards Board in performing its accounting functions.

Modifying Post Retirement benefits has a human impact that is not reflected in considerations of the University’s financial status such as its bond rating.

We must develop a plan that reasonably balances retiree health insurance needs with financial impact on the University…that is our charge and our responsibility.

Public Comment:

Staff Council has posted information about retiree medical insurance issues on its web site and has initiated a process to gather employee feedback.

The retired faculty and administrators group, Emeriti, has received information regarding ongoing negotiations between UVM and the clinical faculty at Fletcher Allen Hospital that might be of interest in the considerations of the HIWG.