Attened: Claire Burlingham, Jan Carney, Kelly Circe, Deane Dudley, Jackie Gribbons, Michael Gurdon, Jean Held, Larry Kost, Gary Mawe, Tim Murad, David Shiman, Carmyn Stanko, Debra Stern. Non-voting: Richard Cate, Barbara Johnson

New members: Gary Mawe, Professor (non-represented), Anatomy/Neurobiology Pharmacology, is the Faculty Senate Representative replacing Tim Murad. Deane Dudley, retired staff (non-represented), has been added as a staff representative.

Unable to attend: Claude Nichols, Clarence Davis, Dustin Evatt, Elizabeth Haggart, Beth Mintz, Kate Ash, Michael Blow, Sharon Patenaude

Attending from Hewitt: Chris Kardos, Steve Mendelsohn, Andrew Weeks, Ashish Sondhi and Robert Kennedy

Reminders: During the agenda review by Council Chair Jan Carney, the group was introduced to the consultants, who have been invited into the process to provide research and data to support the Council’s work.

Council members and public participants were advised that all materials will be posted on the HRS web site at www.uvm.edu/hrs/ubac.

Richard Cate Presentation

UBAC has been asked to focus on the retiree medical insurance issue due to dramatically rising costs, in the context of UVM’s last two years of fiscal challenges. The graphic illustration referenced by Mr. Cate reflects the cost trend of the current benefit over the actuarial lifetime of current employees, which will rise to approximately 1.3 billion dollars in approximately 50 years. The goal of the committee is to offer options to President Fogel so that he and the Board of Trustees can make informed decisions.

Hewitt Presentation

Hewitt is not offering recommendations or proposals; they will bring information relevant to the process and background information.

The presentation introduced private sector, higher education, peer groups, pre-65 and post-65 statistics as well as an overview of the current benefit and possible strategies to address changing the cost trend. The Hewitt staff members in attendance bring different expertise to the work: Chris and Robert are strategy experts, Ashish brings actuarial expertise and Andrew and Steve are the statistical experts.
Committee Comment/Questions:

Q: Our base dental plan is at no cost to employees. Will this be subject to discussion?
A: Not the primary focus.
Q: We have not talked about how hospital and physician cost increases are affecting insurance and personal costs.
A: We will talk more later about the reality of associated costs of health care in connection with a review of the impact of Health Care Reform.
Q: Is self insurance worth looking into?
A: The annual discussion during the renewal period includes a consideration of self-insuring our insurance plans. We gather data that includes demographics on how the population is using insurance. A healthier population can support self-insurance. Our demographics show a high number of employees with 2 or more health conditions which would bring costs too high to make self-insurance advantageous at this time.

Public Comment:

C: This data is comparing UVM to Fortune 500 corporations. Our salary structure is very different. This is not a helpful comparison.
C: (to R. Cate) It would be helpful to compare cost to anticipated revenue.
C: There are many private colleges used to compare information to UVM on the list in your presentation. UVM may be in the 80 something percentile for benefits but we are not in the same salary group.
C: The intent is to use comparisons similar to UVM and in higher education in general. We want to know how people at our level are doing in relation to our peer groups.
Q: When was the last time a committee has really looked at the benefits at UVM?
A: In 2007 this committee (UBAC) was created. We developed templates; looked at drivers of costs, population comparisons, chronic conditions, benefit configurations, and health assessments.
C: Parental Leave/Child Care working groups will post on UBAC web site soon. They will highlight childcare quality and availability.
Q: How important is the GASB45?
A: Government Accounting Standards Board (GASB) performs an annual review to decide what UVM will be financially responsible for in retirement benefits. The projected retirement financial obligation over 30 years is averaged and our assets are reduced on our balance sheet by what we will owe. While this cost affects the University’s ability to borrow funds, it is not the principle focus of our current work.
C: There are no degrees of retirement. You are either eligible for post retirement benefits or you are not. There are different medical plans and different “age plus years of service” requirements that determine eligibility for post-retirement benefits.

Closing Comments from the Chair:

- HIWG & RWG will meet July 22 from 9:00 - 10:30 in Billings North Lounge. If you are on the HIWG or not, please feel free to come to the meetings.
- Review the material and create questions for consultants and forward to Jan.
- Check out the web site.
- Questions, comments from anyone are welcome.