Office of the President

May 29, 2010

From: Daniel Mark Fogel

To: Members of the University Benefits Advisory Council
University Governance Leaders
Presidents of UVM Collective Bargaining Units

Re: University Benefits Advisory Council and Post-Retirement Medical Benefits

Since its initial appointment in the summer of 2007, the University Benefits Advisory Council (UBAC) has brought together faculty, staff, and students—including members designated by collective bargaining units under provisions of the collective bargaining agreements—in order to provide an advisory forum concerning policies and decision-making processes that bear on the full range of employee benefits programs at UVM. I am now asking that the UBAC convene as soon as possible to embark on a process culminating in a report to me no later than September 29, 2010 on the Council’s best thinking with respect to the question of the sustainability of our current program of post-retirement medical benefits, including an evaluation of the problem and approaches to program adjustments that the Council deems worthy of consideration (the formal charge to the UBAC on this matter is appended).

I am also appending a list of the current members of the Council. I ask that all appointing authorities—including governance bodies and the labor unions—review and revise their appointments as they deem appropriate, informing me of any changes in representation no later than Monday, June 7. I may appoint additional members thereafter to fill out the roster. In addition, the UBAC may seek participation from faculty and staff members with relevant expertise to assist in its deliberations. I will also consider any request that the UBAC may make for the services of expert consultants.

As a reminder, because certain UVM employees are represented by certified bargaining units—with contract provisions cognizant of the UBAC—neither the UBAC process of deliberation and recommendation nor its outcomes are intended to, or will, operate in a manner in conflict or inconsistent with the collective bargaining rights of UVM or any certified bargaining representative of UVM employees, nor shall the discussions and exchanges of which the processes are comprised constitute collective bargaining with any group, organization, or individuals on benefits matters.

For an overview of the post-retirement medical benefits issue, please see the discussion materials for the May 2010 Board meeting (pp. 71-73 of the PDF linked here). It is critically important that the University administration be able to bring to the Board for continuing consideration at the October Board meeting a recommendation on post-retirement medical benefits informed by the best thinking of the community through the work of the UBAC as well as by the advice of external experts. Please act promptly on the process of appointing new members to the Council so that its work can get under way as soon as possible. Thank you.

cc: UVM Faculty and Staff, Board of Trustees
Charge from President Fogel to the UBAC re: Post-Retirement Benefits

1) Review and discuss the projected long-term impact on budget of our existing post-retirement medical benefits program ("the program"), including Governmental Accounting Standards Board (GASB) requirements;

2) Identify and examine options for adjustments to the program that reasonably balance its financial impact on the University and the needs of future retirees;

3) Generate an advisory report that includes possible program adjustment scenarios, with associated pros and cons of each. The report should articulate and discuss the impact of various options on the University, not only monetarily, but also in terms of our human resource philosophy and principles (please see the attached document "Parameters for Compensation at The University of Vermont") and of projected effects on recruitment, retention, and employee morale, along with any other issues identified by the Committee. The scenarios should:
   a. Include the likely impact on retirees, current employees, and prospective employees respectively;
   b. Be informed by what other similarly situated higher education institutions are doing (i.e., those that have programs that are not associated with, or administered through, a state retirement program).

Please submit this report to me in writing no later than September 29, 2010
Parameters for Compensation at The University of Vermont

UVM’s approach to compensation supports and advances our vision of being among the nation’s premier small research universities, committed to providing an exceptional educational experience to our students and to fulfilling our research and service missions. All that we do, including compensating employees, must serve these purposes.

Recruiting and retaining outstanding faculty and staff and assessing and rewarding their performance are essential elements of our ability to succeed. UVM is committed to compensating employees competitively and equitably, always with attention to student affordability and within the scope of available resources.

UVM compensation is guided by these parameters:

Compensation should be determined based on the following factors:

- Performance, including advancement of University and unit vision, mission, and goals
- Market competitiveness
- Equity, including attention to basic needs
- Recognition of the role of collective bargaining for unionized employees

Compensation equity encompasses several important factors, including awarding salary and benefits in a lawful, non-discriminatory manner. It also includes acknowledgment of the costs of living in this geographic area and the institutional interest in assisting employees, especially lower-paid employees, in meeting their basic needs. In doing so, we also recognize, and address where feasible, the differing impacts that required employee contributions to benefits have on employees at various compensation levels.

Compensation will be viewed as salary/wages plus benefits (total compensation).

In determining total compensation, the University recognizes that compensation rates for employees who are unionized are set through a collective bargaining process. As part of that process, the union has the right and obligation to bargain for compensation levels that reflect the needs and priorities of the employees it represents. Although the University can, during bargaining, express its own goals and priorities regarding compensation, the bargaining process resolves differences in perspective through negotiations and the resulting bargaining agreement.
UNIVERSITY BENEFIT ADVISORY COUNCIL 2010

Faculty Senate Reps
_____ Larry Kost, Senior Lecturer, Mathematics & Statistics
_____ Tim Murad, Associate Professor, Romance Languages

United Academic Reps
_____ Beth Mintz, Professor, Sociology

United Academic Rep – part time
_____ Elizabeth Haggart, Lecturer II, Art

Student Government Rep
_____ Kate Ash

Graduate Student Senate Rep
_____ Dustin Evatt (2010/2011)

Teamsters
_____ Michael Blow, Police Officer
_____ Sharon Patenaude, Dispatcher

UE
_____ Carmyn Stanko, Utilities Tradesperson Senior, Physical Plant
_____ David Hamilton, Sr., Building Access Specialist

Staff Council Rep
_____ Debra Stern, Office Program support Genl, COM Microbiology & Molecular Genetics
_____ Kelly Circe, Office Program Support Sr, CESS Dean’s Office

Others
_____ Dr. Jan Carney, Research Professor & Associate Dean for Public Health, COM
_____ Jean Held, Professor Emeritus, College of Nursing & Health Science
_____ Jackie Gribbons, Assistant Professor Emeritus Education
_____ Michael Gurdon, Professor, Associate Dean, School of Business Administration
_____ Claude Nichols, Professor & Chairperson, Orthopaedics & Rehab
_____ Claire Burlingham, Controller, Controller’s Office
_____ Clarence Davis, UVM State Relations Officer, VP State & Federal & Cmty Rltns

Non-voting
_____ Richard Cate, VP Finance & Admin
_____ Barbara Johnson, AVP HRS

Staff Support
_____ Lee Stewart, Director Operations HRS
_____ Greg Brown, Manager, HRS Operations
_____ Aleta Sweeney Admin Support HRS