

Budget Planning Council Meeting Agenda
March 6, 2009
10:00 am – 12:00 Noon
HRTC 241 / 243

In Attendance: Joe McLaughlin, Bill Decatur, David Descutner for Kathy Krendl, Jeff Fulk, Ann Tickamyer, Chuck McWeeney, Hugh Sherman, Brenda Noftz, David Thomas, Peter Wickman, Betty Sindelar, Sergio Lopez, Michael Adeyanju

Absent: Dennis Irwin, Kent Smith, Kathy Krendl

Staff: John Day, Katie Quaranta, Rebecca Vazquez-Skillings, Marjorie Mora, Dawn Weiser, John Demmler, Diane Lucas, Craig Cornell

Guests: Greg Fialko, Steve Flaherty,

Goals of Meeting:

- Discuss Findings of Health Benefits Advisory Committee
- Share Summary Impact of BPC Recommendations from 2/27/09 Meeting
- Update on Fee Committee Activities
- Development of Planning Unit Scenarios & Next Steps

I. Salary Brackets for Health Benefits

- a. Review of Health Benefits Advisory Committee Findings
 - Greg Fialko shared impact of adding 2 additional brackets for EE premiums - \$100,000-\$149,999, and \$150,000+
 - Impact of holding \$30,000 harmless for increases resulted in a higher than anticipated increased premium for all remaining brackets
 - \$30,000 and less made up of mostly classified employees
 - Benefits Advisory wants to look at this again and possibly look at a percent of pay as a marker for premium – that suggestion gathered a lot of support with the Health Benefits Advisory Committee (HBAC) when the bracket impacts were reviewed; would result in an ~ 1.88% to be applied to salary – HBAC recommends that they investigate this further
 - Payroll issues for administering percent of salary premium would need to be investigated
 - There was discussion regarding the amount of increase on the lower bracket/salary levels and how to offset that increase
 - a. Reduce some of the ‘adds’ to benefits discussed at last meeting,
 - b. Take the higher than anticipated increase on the lower brackets and add to the top brackets
 - Reaction to added benefits: Admin Senate feels the vision is a much needed addition, it is complained about all the time, and really only feel impact of poor dental when they have dental issues. Members discussed having HBAC prioritize the added benefits
 - Consensus that the additional brackets and holding B1 constant didn’t result in an acceptable result. Will not move forward with this current proposal.

- Past arguments for not assessing health premiums as a percent of salary is that health care is a “good” and there is a market – a car is not priced differently based on the salary of the consumer.
- \$900,000 of the \$3M in the savings is generated from the premium increases, the \$900,000 pretty much offsets the added benefits cost of \$954,000. Members discussed the value of relinquishing plan additions.
- HOLZER QUESTIONS –
 - Holzer is being moved to out-of-network or to a second tier for reimbursement
 - The Holzer out-of-network decision can be revisited if Anthem is successful in negotiating down Holzer’s rates; discussions have been occurring with both Holzer and Anthem for well over a year

b. Develop BPC Recommendation

- **Regarding premium increases, the suggestion was made to adjust for the 2 additional brackets on the high end and not exempt the B1; Ann Tickamyer moved, Hugh Sherman 2nd, 1 no, 1 abstain, 10 yes, motion passed.**
- **Motion to maintain the enhancements to the health package the same as approved last week; David Descutner moved, Chuck McWeeny 2nd, 12 yes, motion passed.**

II. Summary Impact of BPC Decisions from February 27th Meeting

III. Continue Discussion of Educational Benefits

a. Develop BPC Recommendation

- Discussion of ‘straw person’ on educational benefits did not occur yet in most constituent groups – no savings have yet been built into the budget; a final decision on this item will be deferred for now
- A member wondered if the age limit of 25 for dependents was arbitrary. No, the age limit of 25 is tied to an IRS age for dependents
- Elimination of the general fee waiver item is included to eliminate the inequities and differential benefit for units with money who can pay versus those who can not

IV. Fee Committee Updates

a. General Fee Committee

- i. Focus on Development of Student Priorities
- ii. Committee Distributed Process Guidance to Planning Units
- iii. Planning Unit Submissions due March 17th
- iv. Committee to Provide Report(s) to BPC on April 3rd or April 17th

b. Student Fee Committee

- i. Committee has Nearly Completed Review of Requests
 - A member questioned whether golf course fees should be exempted since the golf course is a university owned venue – same as Memorial Auditorium for Fine Arts classes. Student Fee committee will grapple with this – may stem back to whether the building is a general fund or auxiliary building

- ii. Committee will Share Recommendations at March 13th Meeting
- iii. Committee to Review Room & Board Rates and Provide Recommendation by March 20th Meeting
- iv. Recommended Fees will be Presented to Board in April Following Approval of President

c. Internal Fee Committee

- i. Committee to Coordinate Activities with Development of Revenue Estimation Process

V. Next Steps in Budget Process

- a. Implementation of Savings Initiatives Underway
- b. Development of Planning Unit Reduction Plans (Funding & Staffing): Due Today
 - Between March 15 and April 2 we will need to begin implementation of the budget reductions – we will be giving notice to employees at the same time that employees are opting for the ERIP – units, if feasible, will be allowed to rescind layoff notices if ERIP results in unexpected vacancies
- c. Continue Efforts to Identify Savings Opportunities & Refinement of Estimates
- d. Provide Routine Updates of State Budget & Impact on Planning
 - Target date for House version of the budget to be March 19 based on discussions with several state officials
 - We are still dealing with the Governor's budget which is bound to change

VI. OTHER – ERIP being announced today by the President

- 1 Year buyout
- Short time frame for incentive so we can know before end of fiscal year
- \$5000 bonus for those that announce intention by April 1st and leave in May
- The offer period will be open 6 months rather than a year – thru August 31

VII. Next Scheduled Meeting: March 13, 2009, Baker 235, 10:00 - noon