

UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON BENEFITS AND RETIREMENT
Wednesday, May 13, 2009
1:00 p.m. – 2:30 p.m.
36 Gerberding

Chair Steven Demorest called the meeting to order at 1:04 p.m.

Meeting Synopsis:

1. Approval of minutes of the March 11, 2009 meeting
2. Open Announcements
2. Report from Mindy Kornberg
 - Legislative update
3. Old Business
 - Update on progress of “Opt out over 50” – David Lovell, Faculty Senate Chair
 - Report from the Fund Review Committee meeting – Jon Brock and J. Ray Bowen
4. New Business
 - Pursue an easy way for faculty to receive their pay over twelve months – by guests Ann Anderson and Cindy Gregovich

1. Approval of minutes of the March 13, 2009 meeting

The minutes of March 13, 2009 meeting were approved as amended.

2. Open Announcements

Council member Pat Dougherty announced that the UW will no longer continue to fund the UW Retirement Center as of January 1, 2010. She told the Council this was due to the budget cuts with which the University has been dealing. She feels the work of the center is extremely important and hopes they will continue to be able to provide their services to retirees. Chair Demorest wished her the best of luck in her endeavors.

3. Report from Mindy Kornberg – Vice President of Human Resources

Mindy Kornberg, Vice President of Human Resources gave a brief update on the status of legislative issues the UW has been facing. She noted two important issues. The first was that the Health Care Authority was able to work out a deal regarding the split for payment of health care premiums. The ratio will remain in the 88/12 percent split for the next two year and Kornberg felt this was a positive outcome. The second issue was the definition of eligibility to receive health benefits for part-time employees. Originally the threshold was 87 hours per month over a period of six months; however with the new legislation employees will be eligible after averaging 80 hours over six months. The new legislation would allow more people to gain eligibility. Kornberg noted that this will increase costs to the University.

4. Old Business

Update on “Opt out over 50” – by David Lovell, Faculty Senate Chair

David Lovell, Faculty Senate Chair began his report to the Council by telling them there has really been no progress to report. He noted the significance of this outcome. Lovell stated that there was a difference of opinion between the Provost and the Senate Committee on Planning and Budgeting (SCPB). At a minimum we know there were two proposals dealing with contributions and the Provost figured it would be an expensive issue. The discussion was revived last Fall at which time we reminded Provost of which provision was approved. The result was that Council Chair and Senate Chair needed to ask formally for it to be instituted. Chair Demorest and Chair Lovell sent a formal letter to the Provost and there has been no formal response from that office. Lovell spoke to Dan Luchtel, Chair of the SCPB and intends to put it back on SCPB agenda. Council members suggested Lovell and Demorest write the Provost another letter asking for an official response.

Demorest feels it would be important to get a response on the record regardless of the outcome. He feels communication about total compensation is important and the issue here is that faculty are able to see what the UW is paying for. Council members agreed. Lovell noted that he will get on the agenda for an upcoming SCPB meeting and if they receive a “no” from the Provost they will bring it through the process again. Demorest acknowledged that he needs to write a year-end summary for this Council and he will note this issue on that report.

Report from the Fund Review Committee meeting – John Brock and J. Ray Bowen

Council members John Brock and J. Ray Bowen attended the Fund Review Committee meeting. They provided a summary of that meeting to the Council. It is attached to this report. Bowen informed the Council that the timing was not right to act on anything. The Committee needs more data in order to make an informed decision. Brock asked the Council for suggestions to take to the Committee. Members embarked on a discussion and generally felt it was important to ensure the Committee meets as planned so as to stay on track.

Demorest acknowledged the Committee’s membership and the connection to this Council is of particular interest. He suggested the important issue will be to get consultants on board to analyze the data and advise the members. The Council discussed different fund options and how to analyze the data and get that information to the participant. Demorest would like by end of next meeting to have some sort of recommendation for the committee. Brandt suggested looking at other universities to see if they have similar committees and examine how they act.

5. New Business

Faculty pay over 12 months – by Ann Anderson and Cindy Gregovich

Ann Anderson, Controller, Payroll Department informed the Council that due to technical barriers, the UW is not currently able to offer a 12-month pay system for 9 or 10 month faculty. She also pointed out that her office is laying people off in the financial management and technical departments. In light of the layoffs, programming changes will have to be considered very carefully. In terms of modernizing her department’s systems, the Office of Financial Management (OFM) issued a report for her office to get more modern systems which would be in line with the business needs of UW. Anderson’s office is in the process of identifying its needs. She believes the new system will be 3-5 years away or perhaps even longer. Once the new system is in place it will be absolutely possible and beneficial to everyone. She wanted the Council to know that her office thinks this is a great idea, but realizes it will not come quickly.

Anderson noted that for faculty who wish to take advantage of a 12 month pay, there is someone in her office assigned as a 50% FTE to handle those transactions. It is a complex calculation given the various pay types and funding sources for each faculty member or employee. Demorest suggested that this is all the more reason to push for a modern payroll system. Kornberg stated the support is there but due to budget cuts there simply is no money available to fund such a project.

Cindy Gregovich advised members that there is one 50% FTE person who handles all of this work and it is basically a savings account service that people could handle themselves. There are only about 80 people participating. Anderson acknowledged that her department is considering not supporting the process anymore because resources are thin. The Council discussed timing and investing in new financial system. Given the current state of the University's budget, the FCBR could revisit this subject at a later to help plan out roadmap so that the outline is there when the resources become available.

Chair Demorest thanked Anderson and Gregovich for their time. He closed the meeting by informing members he would not be serving on this Council next year. He suggested they consider another member to be Chair of the Council and to be ready to discuss at the next meeting in June.

The meeting was adjourned at 2:28 p.m.

Minutes by Kelly Baker, Council Support Specialist kcbaker@u.washington.edu

Present:	Faculty:	Bradford, Brandt, Breidenthal, Demorest
	Ex-Officio Reps:	J. R. Bowen, Chamberlin, Russell
	President's Designee:	Kornberg
	Regularly Invited Guests:	Dougherty
Absent:	Special Guests:	Anderson, Gregovich
	Faculty:	R. Bowen, Brock
	Ex-Officio Reps:	Doherty-Renz, Pew
	Regularly Invited Guest:	Dwyer