

INSTITUTIONAL POLICY AND PLANNING COMMITTEE
MEETING MINUTES
April 26, 2019 (Extended Meeting)

PRESENT: Cerri A. Banks; Marta Brunner; Grace Burton; Sean Campbell (by phone); Lisa Hobbs; Bill Duffy; Max Fleischman '19; Greg Gerbi; Philip A. Glotzbach, Chair; Tim Harper, Vice Chair; Katie Hauser; Michelle Hubbs; Carolyn Lundy; Crystal Moore; Martin Mbugua; Jennifer Mueller; Donna Ng; Michael Orr; Levi Rogers; Abdul Shokur '21; Amy Tweedy; Joshua C. Woodfork.

ABSENT: Mary Lou Bates; Joseph Stankovich.

GUEST: Brett Last.

The meeting was called to order at 10:32 a.m. by President Glotzbach with a moment of silence for Professor Giuseppe Faustini's son, Gerren Joseph Faustini, who passed away suddenly on April 13, 2019 at age thirty-six.

1. Approval of Minutes from April 5, 2019

Dean of the Faculty and Vice President for Academic Affairs Michael Orr asked for the following changes to the minutes:

- Page 2, paragraph 1: the Sustainability subcommittee memo is addressed *to IPPC*, not Vice President Donna Ng;
- Typo line 4—space, not spaces—and insert “the.”

He will email these suggested edits to Vice President for Strategic Planning and Diversity Joshua Woodfork. There being no further changes, the minutes were approved.

2. Presidential Transition

VP Woodfork announced that a discussion forum with the full presidential search committee will be held on May 16 from 3:30-4:30 pm in Gannett auditorium. All are welcome to attend. The position ad is out, and the search committee is now working on the larger job profile prospectus. When both are finished, they will be posted on the presidential search website.

3. IPPC Subcommittee on Budget & Finance Healthcare Recommendations

Vice President for Finance and Administration and Treasurer Donna Ng provided an update to IPPC on the subcommittee's work to-date. She reminded IPPC of the subcommittee's charge, and acknowledged the two additional staff members, Terri Kindl and Lisa Tuttle, who are serving on the subcommittee for this review and who were invited to this meeting, but could not attend. She introduced Chief Human Resources Officer (CHRO) Brett Last, and acknowledged the assistance of Assistant Director for Benefits Administration, Compliance and Wellness Laura Goodwin, who was also unable to attend IPPC today.

VP Ng emphasized that the presentation is a summary of data and a review of recommendations, but that no decisions have been made, nor are they seeking any endorsements at this meeting. Decisions on establishing premiums and employee deduction amounts will be required before Open Enrollment in the Fall. The goal for this meeting is to share a lot of information and

answer questions. She reported that the subcommittee has met four times, reviewed a great deal of benchmarking data, and discussed the process for moving forward and for community input and information sharing. The subcommittee recommended a two-year approach, with the first changes going into effect in January 2020.

The presentation showed existing salary bands and employee share percentages and that the majority of healthcare expense are claims. The financial analysis demonstrated a premium shortfall of \$1.1 million, meaning the total premiums Skidmore collects are not enough to cover the actual cost of healthcare because the College is subsidizing the premium rate. Employees are currently paying 18% and the College 82% of total healthcare costs. The premiums were developed by consultants last summer.

Q: Why are we subsidizing premiums?

A: When we first reviewed healthcare costs back in September, we had not prepared the community for a steep increase, so we implemented a 5% increase instead of what it should have been.

Q: Within the “Costs Funded By” section—is this where the shortfall is?

A: Yes; employees are paying their deduction based on a lower premium that does not cover costs.

Q: Of employees, how many are enrolled in single vs. family plans?

A: Not the majority; don’t know the number offhand.

For illustration only, VP Ng showed examples of what individual employees in different salary bands would pay for family coverage at a 12% increase vs. a market-rate (29%) increase, in dollar amounts and percentage change.

The subcommittee’s conclusions and recommendations as summarized included the following:

- End the College’s subsidy of premium equivalents, effective January 1, 2020;
- Change the plan design to add co-insurance and deductible, effective January 1, 2020;
- Require married employees to deduct at salary band of highest-paid employee, effective January 1, 2020;
- Continue analyzing salary bands and considering ways to reduce the plan’s claims liability and possible changes to plan structure, with the goal of making changes by January 1, 2021.

Q: For married employees, is it possible to split the difference between high- and low-band salary?

A: No; if you were not married, you would be in the higher band.

The plan change recommendations shown included adding deductibles and co-insurance. VP Ng explained that co-insurance applies to any services that do not have co-pays (such as hospitalizations). Within the summary of recommendations, timeline, and potential budget impacts, she stated that IPPC would need to endorse adding the deductible and co-insurance so

that premiums for next year could be developed, and that by adding deductible and co-insurance, premiums will go down. The subcommittee will have more information in September.

Q: Have you considered putting co-insurance rate or maximum out-of-pocket into salary bands?

A: Don't see how we can easily do that; can explore further.

A (CHRO Last): It would create a lot of administrative complexity; no other peer group schools do that.

A (VP Ng): Needs further discussion; there are various ways to do it. Premium increase for next year cannot be 5%; don't know how much higher we can go, but double-digit premium increases in higher education are not unheard of. We have been fortunate, looking at the last five years of premium increases.

Q: Could it be addressed by a rebate?

A: Possibly, but the out-of-pocket maximum is not applicable for a person who doesn't go to the hospital.

A (CHRO Last): We are self-insured, so we pay all our claims; our administrator will charge us more based on the complexity of the claims, and the income of the entire family. In some cases, this leads to families having to provide tax returns to insurance administrators.

As for IPPC endorsement, VP Ng explained that we are seeking: To develop calendar year 2020 premiums with coinsurance and deductible; HR to calculate employee deductions using current salary bands and rates. She said the subcommittee will bring this back in September.

Q: It is possible to compare cost vs. salary?

A: We can do that analysis, but it is very difficult; one way we got close to that was looking at the number of benefits-eligible employees compared to how many are enrolled in the Skidmore plan.

A (CHRO): Skidmore has by far the lowest cost for family coverage within our peer group.

VP Ng announced that there will be two open forum meetings, on May 3 and May 13, to educate the community and receive input. Another community meeting will be held in September, and there will be others as well.

Q: Will you discuss current numbers vs. longer term effects?

A: Yes.

Vice Chair Tim Harper offered the following factors and points of debate that arose during the subcommittee's meetings: 1, Consider total compensation; 2, Users should absorb more costs than non-users; 3, Two factors, cost of the plan and cost of using the plan—both are going up. Remember this in public comments; 4, Minimize negative impact; put things on back burner if not ready to address. At the same time, avoid sticker shock by discussing what other increases might be coming. Give people time to prepare people for short-term and longer-term changes; 5, Income matters; don't hit those least able to afford increases the hardest. Look at peer institutions. Be equitable.

Lengthy discussion followed, with committee members expressing concerns and opinions on various aspects of the presentation. These included:

- Skidmore is attractive because of the benefits, and the working environment; any change to healthcare will greatly impact people in the lower salary bands.
- It must be made clear to employees that whatever changes are made for January 2020 are not the end; more changes are likely coming next year that will raise costs for employees.
- Users bearing more costs than non-users makes sense in one way, but can we think more communally and more ethically? A person can have not been a user of healthcare benefits, then suddenly they are. For some, the maximum out-of-pockets are devastating. Let's be as visionary as possible and create structures that support greatest number of people.
- Collection of health-related info from employees is a privacy issue. To hear people discussing very personal medical info in a public forum is especially jarring.
- Healthy living incentives should be part of larger picture in next phase; on the other hand, a recent Harvard study said that wellness initiatives don't affect healthcare costs substantially.
- Regarding the summary of recommendations, timeline, and potential budget impacts, what is our goal? The practices that have the most harmful impact are delayed for further review, the short-term goals have least amount of damage. Employee cost is thus a later implementation. Every decision has a major trade-off.
- FSAs can be used to pre-save the amount of the deductible being taken out. High-deductible plan also has some of the same concept of pre-saving the deductible, but unlike an FSA, you don't have to use it within a year; it rolls over, and you can take it with you if you leave Skidmore.

VP Woodfork asked when is the deadline for these changes to be made. CHRO Last replied that, as open enrollment is in October, we need to know by September at the latest; VP Ng specified the deadline would be September 6, the first IPPC meeting of next year. VP Woodfork and Vice Chair Harper questioned whether this allows enough time for rollout to the community, and asked if final details could be made available to IPPC in late August. VP for Communications and Marketing Martin Mbugua asked if there was any flexibility in the open enrollment dates, and VP Ng said she would double check and push back open enrollment as far as possible. She also stated that the May community forums will be educational, seeking input; other discussions later in the year will be for moving decisions forward.

VP Woodfork expressed concern that there were no plans for focus groups or surveys from the community; he stressed that we do not want people to be angry about lack of input. He asked what means had been set up or considered for people to give feedback if they cannot attend the May forums, and what is the plan generally for outreach on this issue? He stressed that IPPC needs to do the due diligence of keeping the community informed, so that they have confidence in this body. Vice Chair Harper agreed, and said that some kind of decision and communication in August would be preferable.

President Glotzbach called on Human Resources and Communications and Marketing to coordinate on messaging and on getting further input in May, in addition to the two meetings. VP Mbugua also said that the forums should present time lines for implementation of proposed

changes. VP Ng stated that she and Director Last would meet with VP Mbugua and his team on these issues.

Associate Professor of Spanish and Chair of Theatre Grace Burton said that it is crucial that communications emphasize that there will be more changes coming. She also reminded the group that when major changes in health care were announced last time, employees were told that salaries would be adjusted to accommodate health care contribution, which is not the case this time.

A suggestion was put forth to create fewer but broader salary bands to help offset some of the shock to lower paid employees. Associate Professor and Chair of Physics Greg Gerbi said that he was uncomfortable endorsing the recommendations on co-insurance and deductibles without first looking at band structure and rates. He stressed that this is a substantial change with potential to put the biggest burden on the most vulnerable employees, and therefore not a decision that should be made on a rushed timeline. VP Ng asked if he would be more open to the concept of deductible and co-insurance if the amounts were lower than the 2500/5000 dollar amounts in the examples. She said such a change would alter premiums, but would address the concern. Associate Professor Gerbi replied that, while not knowing what specifically that would mean for someone making \$30,000, that would be a better approach.

Assistant Professor and Director, InterGroup Relations Program Jennifer Mueller asked whether it is possible to implement a deductible, but not co-insurance? VP Ng replied that it can be looked at, but it is important to introduce co-insurance as a concept. Vice Chair Harper added that doing so would not bring premiums down as much. CHRO Last cautioned that taking a piecemeal approach can become like a shell game, and can produce an unintentionally worse outcomes for people. President Glotzbach summarized by saying that there is agreement on not placing an undue burden on the lowest paid employees, and the task at hand is figuring out how to accomplish that. He noted that very few employers approach this question the way we do, which is to our credit.

4. Human Resources (HR) Update

CHRO Brett Last presented on two topics, the Human Resources Partner Model and the Position Questionnaire (PQ) process. HR Partner Model outlined his plan to institute a liaison model, giving areas an HR “partner,” so that employees know who their HR contact person is and work is funneled through the HR partner. Partners ideally become familiar with their areas and know any related challenges.

From his “listening tour” back in February, he reported that most of the feedback had to do with the position questionnaire (PQ) process. His goal is to simplify the process, utilize the expertise within HR, evaluate PQ in context of the market, and revise salary band if necessary; a review group would be able to do a next-level evaluation in case of disagreements. He showed an example of a new, simplified PQ form, which he said gives HR the information it needs to match an existing position to market data and place it within Skidmore’s band structure. He also plans to move from the current two committees (exempt and non-exempt employees) to one.

Q: Are you eliminating PQ committees?

A: They are being changed to review groups.

Q: Will the membership remain the same? Are there term limits or rotations in membership?

A: I'm flexible on this point.

VP Woodfork commented that the PQ committee, like some other HR groups, does not fall under Skidmore's typical shared governance model and, as such, is not as transparent as our other processes with clear rotating terms, selection, and functions. Dean of the Faculty and Vice President for Academic Affairs Michael Orr suggested that changes in the role of the Assistant Director for Employment, Compliance, and Workforce Diversity (ADEWD)'s handling of faculty matters are outlined in the *Faculty Handbook* so should remain consistent in structure or brought forward. College Librarian Marta Brunner expressed enthusiasm for a simplified PQ form, as the existing one is very cumbersome.

Q: Will existing position descriptions be revised?

A: Yes; all will be reviewed with the employee. Shouldn't result in shifts of people across bands on a large scale, unless not updated in many years.

As an additional note, Associate Professor and Director, Media and Film Studies Program Katie Hauser called attention to the fact that that both presentations today (on healthcare and HR) used green and red written text for emphasis, and said that since color-blind people cannot distinguish between green and red that this be altered in public presentations for greater accessibility.

5. Draft Language for Smoking Policy Implementation

Dean of Students and Vice President for Student Affairs Cerri Banks reported that as of now, almost four months into the smoke- and tobacco-free campus policy, all seems to be going well. The amount of cigarette butts around campus and smoke in the air have both been reduced. The final piece being worked on is enforcement codified in our written documents. The Implementation Committee and the IPPC Subcommittee on Student Affairs reviewed three documents, one each for students, employees (staff and faculty), and summer programs. The policy will also be added to the policies website for faculty. Dean Banks mentioned that other schools, such as Union College, that are further along in establishing the policy rarely need enforcement. The Implementation committee will produce further updates for the Fall.

Q: Besides signage, were students informed in any way?

A: Yes, there were several events; Dean Banks' office also has a supply of small cards that individuals can give to anyone smoking (including e cigarettes). Dean Banks said people should email her in case of any incidents.

Student Government Association President Max Fleischman '19 reported that he had received questions and some complaints about smoking cessation programs. Dean Banks replied that an email will be sent out concerning these issues. She added that the committee has put information in baskets in a number of places around campus, and that anyone interested can also go to Health Services for more information. President Glotzbach noted that the Smoke-Free Campus sign on the Palamountain Hall outer door was vandalized and needs be replaced. Dean Banks concluded by saying that a final campus assessment on the policy would be done next Spring.

6. Special Programs Update

Dean Orr explained that Special Programs has been under review for some time, since former Dean Paul Calhoun announced his retirement more than 18 months ago. The review initially involved a self-study, a visiting team of external reviewers, and a response from the unit. When Dean Calhoun retired in August 2018, Auden Thomas, Managing Director of Academic Programs, Residencies, Institutes, and Community Programs was appointed as Interim Executive Director. Dean Orr reported that, during the past year, he and VP Ng had been reviewing the operational structure of Special Programs, including the necessity for a Dean of Special Programs. Dean Orr and VP Ng worked closely with Auden Thomas and Managing Director of Operations and Conferences Wendy LeBlanc to better understand the operations. Dean Orr distributed an Org Chart for Special Programs, noting that Zankel reports to Special Programs during the Summer, and that the Master of Liberal Arts Studies (MALS) program was being phased out with just one student remaining after this year's Commencement. Special Programs' scope, particularly its academic focus and reach, has also changed a lot with the elimination of the University Without Walls (UWW) and MALS.

Dean Orr reported that he and VP Ng had concluded that non-academic operations should be more closely aligned with the Finance and Administration division, while academic-related programs should remain under Academic Affairs. With that in mind, the President's Cabinet had decided not to replace the Dean of Special Programs position. Dean Orr emphasized that no programs are being eliminated, but that we are looking to see how Special Programs can better integrate and collaborate with other divisions and offices of the College. Dean Orr said that during Summer and into Fall, Special Programs would report to both him and VP Ng on an interim basis, after which they will have a clearer sense of how to go forward.

7. Endowment / Responsible Investment Update

President Glotzbach summarized the status of the investments that make up the College's endowment, calling it a good number relative to where we started. Total fund value stands at \$437 million; excluding real assets and private equity, \$372 million. Skidmore's portfolio is distributed among more than 50 money managers and across seven different investment classes. For the first quarter of 2019, ending 3/31/19, the total fund showed an 8.2% return; excluding real estate and private equity, 9.6%, both against a benchmark increase of 8.8%. Year over year, the total fund returned 3.1% vs. a benchmark of 4.6%. This was due to a weighting in non-US stocks and holdings and undervalued US cyclical stocks. The investment committee chose to not "sell low," and some recently underperforming managers have historically done better, so changes were not made in those areas. The Investment Committee did restructure the hedge equity allocation in 2018, which resulted in a 12.1% return vs. benchmark 7.9%.

In terms of socially responsible investing, \$5 million was allocated last year to the Generation Sustainable fund, a private equity fund that invests in companies using environmental/sustainable/governance (ESG) criteria. To date, \$625k has been called (invested). Four other funds the College holds also use ESG standards; of these five total, four are also signatories to the United Nations' "Principles for Responsible Investment." Once Generation is fully funded, 9% of our investments will be managed following ESG standards.

Additionally, Colonial Consulting, an advisor to the Investment Committee, has over the past five years focused on identifying firms with substantial diversity represented in their ownership, in order to increase diversity among the investment managers they consider and recommend to clients. In their report for the quarter ending December 31, 2018, Colonial provided figures showing that the firms identified through this effort have outperformed their benchmarks in all but three of 19 asset classes. One such firm is currently under the Investment Committee's consideration.

Q: Endowment per student ratio?

A (VP Ng): \$141k; for comparison, Union is \$209k. But Skidmore has more students than many of its peers.

A (President Glotzbach): We're doing OK, but it would be nice to do better; next campaign will probably focus on endowment.

8. Selection of IPPC Vice Chair for 2019–2020

President Glotzbach explained that under the committee's Operating Code in selecting the vice chair, he consults with the current vice chair and faculty members of IPPC, as well as the Faculty Executive Committee (FEC), who make this recommendation. In doing so, Associate Professor Grace Burton has been chosen. President Glotzbach formally nominated Associate Professor Burton as the next Vice Chair of IPPC. **A motion to approve was made and seconded, and the motion passed on a voice vote.**

9. Call for Agenda Items

VP Ng: Continuing work of the healthcare subcommittee.

Associate Professor Burton: asked about the Peer and Aspirant Group's listing as a future agenda item, which she called a very difficult job that perhaps has not been done since before President Glotzbach's tenure. VP Woodfork explained that this item was a carry over from last year's IPPC. He noted that the call came from noticing that some schools in our two group, including Skidmore, have shifted with regard prestige and rankings, and that we are now using the New York Six as a peer group, but that one school is missing from our peer/aspirants.

10. Other Business

President Glotzbach asked everyone to please email if there are any further items, reminded the group that the next meeting will feature boxed lunches, and thanked the committee members.

With no further business, the meeting was adjourned at 12:57 p.m.

Please inform the President's Office of any changes to these minutes.