

University Staff Advisory Council: Summary Report on Benefits Comparison Study
January 2003

It's been almost a year since the Council decided that in order to "position ourselves" to better respond to suggestions from the staff community, we needed to perform a study to better understand the benefits offered University of Richmond staff and see how these benefits compare to those of our peer institutions. The larger goal is to "develop and implement a staffing strategy that will enable the University to recruit, develop and retain the best possible administrative and support staff"—*excerpt from the Strategic Plan*. It was clear that before we could consider changes to our current benefit program, we needed to better understand what we have.

Up to This Point...

Prior to this study, the Council accomplished many things in its first two years:

- The Donation of Leave program was implemented permitting staff to donate sick or vacation leave to another staff member or to a "pool" administered by Katherine Douglas, Human Resources. Seriously ill staff who have depleted all benefit time may draw from this pool; ensuring that he/she may still receive compensation while out of work during a lengthy illness.
- The Council also submitted a proposal to increase the number of credit classes permitted per semester; allowing staff to achieve educational goals sooner.
- From Council's recommendation, the five-day limit for using sick leave when associated with a family illness was eliminated. Accrued sick leave may now be used for personal illness or illness of immediate family members.
- We endorsed the Wellness Program that has now become an active and popular campus curriculum.
- And finally, we are currently awaiting the outcome of an Innovative Leave proposal enabling staff members to take leave to pursue opportunities for professional enrichment (similar to the faculty sabbatical).

All this to say that your Council has been hard at work proposing and endorsing issues that enhance our work environment here at the University of Richmond.

The Benefits Study...

To continue in this effort, we developed the format of the benefits study early in 2002 and began our inquiries and assessments in June of 2002. We determined there to be six general categories of benefits: Leave, Health, Educational, Retirement and Miscellaneous and/or Optional benefits.

Council members were assigned to contact our peer institutions with a predetermined list of questions developed by the Advisory Council. We then compared our benefits to theirs. Through this process, we were able to determine our strengths, which were many, and our weaknesses, which were few. We maintained an ongoing list of issues to

examine more closely once the initial data was gathered. We also continued to receive suggestions from staff *during* the study which were added to our list. Addressing issues on this list will now be our agenda over the next few months. Some will require significant assessment. Others will not be considered due to known financial restraints; however, it is the Council’s commitment to communicate these reasons to the staff community. It is our responsibility to respond to any suggestions we receive. At times, the responses may not be what the staff wants to hear, but they will gain a better understanding as to why our benefits are what they are and why some suggestions are not feasible.

As a reminder, the institutions identified by the administration as our “peer or aspirant institutions”, those with similar academic missions are:

Bucknell University	<i>Lewisburg, PA</i>	Rice University	<i>Houston, TX</i>
Davidson College	<i>Davidson, NC</i>	Wake Forest Univ	<i>Winston-Salem, NC</i>
Dartmouth College	<i>Hanover, NH</i>	Washington and Lee	<i>Lexington, VA</i>
Colgate University	<i>Hamilton, NY</i>	Wesleyan University	<i>Middletown, CT</i>
Princeton University	<i>Princeton, NJ</i>	Furman University	<i>Greenville, SC</i>

On Our Agenda...

In our January meeting, the USAC formed three committees to further examine the issues identified in the study. Over the next few months, these committees will obtain more in-depth information on each issue, determine what it might take to institute such changes here at UR and finally determine what issues are worth proposing to the administration.

Listed below are the three committees, the issues to be studied and the members of each committee. **YOU ARE STRONGLY ENCOURAGED TO CONTACT COMMITTEE MEMBERS ON ISSUES THAT ARE IMPORTANT TO YOU.** The USAC would like input from you as to which issues are both important to you as an employee as well as those you feel are important to the University in achieving the overall goal of recruiting, retaining and developing talented and qualified staff. It is all together possible that in order to *add* benefits, we may very well have to *give up* others. For this reason, it is just as vital we know what is *not* important to you. **What are you willing to give up in order to gain something else?** This is the tough question facing your representatives on the Advisory Council. Current economic times make it difficult to recommend additional expenditures. It is possible that recommendations are not economically feasible at this time, but could be considered in the future. **WE NEED YOUR FEEDBACK IN ORDER TO RESPOND ON YOUR BEHALF.** We also encourage you to let us know what benefits or issues we should leave alone. Please contact any Council member or the USAC web site with your thoughts or suggestions throughout this process.

The good news is we already have great benefits! We learned through our study that many of our benefits exceed the average, and in some cases, are #1 among our peers. Our benefits will never be exactly like our peer institutions, nor should they be. Taken as

a whole, we are very competitive amongst our peers. Anything we accomplish will only enhance what we already have.

The Issues and the Committees...

I. Leave and Educational Benefits Committee

Leave

1. Eliminate the “Vacation: Use it or Lose it” policy or possibly extend the number of days one can carry over to the next year.
2. Consider special recognition for staff who have accrued the maximum 1040 sick hours; this would be someone who has been with UR at least 13 years, seldom absent and doing something to live a healthy lifestyle.
3. Consider creating a 5th vacation accrual level for staff employed 20 or more years (currently: 20 days for 15 or more years is the maximum).
4. Consider lowering the 336 accrued sick hours (42 days) required to convert two sick days to a personal day...maybe to 32 days.

Educational

5. Why do we not permit spouses to take graduate courses through tuition remission?
6. Why do we not permit spouses to take undergraduate courses IF he/she already has an undergraduate degree?
7. Consider increasing the 5-class limit for non-credit courses.

Committee: Carolyn Foster, Chair
Robb Moore
Bonna Forstmann
Antoinette Ferrell
Holly Caruso
Jimmy Johnson

II. Health and Retirement Benefits Committee

Health

1. As health costs continue to increase annually, what can be done to offset these costs so that staff can expect the same level of medical coverage? Less plan options was implemented for 2003 (this decreases cost). Should the annual raise pool be considered as a resource for offsetting costs?

2. Is it possible for the University to add long-term care insurance (i.e.-nursing home) to our benefits package (paid for at least in part by UR)?
3. Consider a policy whereby part-time staff (30 hours/week +) may either forego the sick, vacation and retirement benefits they now receive in order to gain health insurance or possibly permit them to purchase health insurance on the UR plan, paying both the employer and employee portion.

Retirement

4. Develop and implement a formula that allows for earlier retirement than the 60/20 rule allows—possibly 55/20 OR possibly a graduated system combining lower age with higher years of service such as 55/25...56/24...57/23...58/22...59/21...60/20). We must consider what one gains, or loses, by retiring early.
5. What would it cost the University to continue paying the employer portion of medical insurance for those retiring early and would the University consider doing this as an incentive to those long-term employees who want to retire early?

Committee: Buddy Norton, Chair
 Louie Love
 Cindy McGuire
 John Jacobs
 Sue Hopfensperger
 Rich McDonald

III. Miscellaneous Benefits Committee

1. Consider a special fund to recognize in some way the extraordinary contributions to UR by individual employees.
2. Consider expanding our existing interest free loans to include more than just computers; possibly to assist with adoptions or whatever personal need someone may have.
3. Make flex scheduling “more flexible”...consider four ten-hour work days, year-round flex schedules; daily flex schedules to accommodate participation in UR wellness/fitness programs on campus.
4. Are greater athletic discounts feasible knowing it reduces revenue to run athletic programs but at the same time might fill more seats, thus generating more support for our teams?
5. Implement an Annual Benefits Orientation program for ALL staff in an effort to keep everyone up-to-date on staff benefits, policies, etc. (similar to *new* employee orientation but for everybody).
6. Consider less stringent qualifications, probations, eligibility requirements, etc. for staff who leave employment at UR and then *return* (within a reasonable amount of time).

7. Consider implementing annual appraisals for employees to evaluate their supervisors.

Committee: Kristin Ball, Chair
Iria Jones
Denise Bell
Natolyn Quash
Robnette Friend
Rob Smith

No Further Action...

In our January meeting, all issues were briefly reviewed. Herb Peterson informed the Council of some issues that are simply not possible at this time for financial reasons. These are issues that would cost the University millions of dollars. Due to the current condition of our economy, our endowment, although healthy, has suffered. The endowment provides 25% of the University's operating funds. In order to maintain financial security, we must make wise decisions regarding our resources. The following issues will receive no further action at this time.

1. **It was suggested that we consider offering payout options on unused sick leave (either annually or at retirement) to encourage banking of sick leave.**

Banking of sick leave ensures that when a person must be out due to illness, that he/she will be compensated. It is income insurance. Offering payout could provide incentive for staff to use sick leave appropriately; the inference being that "if I'm going to lose it, I may as well use it". However, there is a difference between sick leave and vacation, which *is* paid out upon termination or retirement. Sick leave is not an entitlement, whereas vacation is. Sick leave is a form of insurance; it's there for *when you need it*. If you (or family) are not sick, you are not entitled to it. You are entitled to vacation leave; you earn it and are entitled to use it or be compensated for it should you leave University employment. The intent of sick leave is to accrue it to its maximum, 130 days, at which time long-term disability begins. The overall plan assures compensation should you experience an extended illness/disability.

2. **What would it cost the University to provide the Medicare Supplement to those employees hired AFTER 1992 who currently do not have this benefit?**

Approximately six million dollars. In 1992, tax laws changed requiring an institution to disclose the cost of its policy commitment to provide the supplement to retirees and their spouses. Up to this point, the University was required only to report these expenses as they occurred. During this audit, the long-term cost was determined and it was found it was far more than the University could financially

commit to. So the Medicare supplement benefit changed in many ways. It was determined (1) to eliminate the supplement for spouses of retired employees (2) to eliminate the benefit for retirees hired after 1992 and (3) to cap the amount the University would spend on the supplement for those hired prior to 1992 (approximately \$180 per month).

3. Determine next step on the Child Care proposal submitted to USAC by the ad hoc Child Care Task Force.

The administration has indicated we do not have the physical space to provide a day care center on campus. Human Resources will continue to seek ways to initiate relationships with childcare facilities in the area so as to accommodate children of staff. The University does not expect to subsidize day care.

4. Consider changing 130 sick day maximum to “no maximum”

As mentioned above, the significance of 130 days of sick leave is to protect a sick employee until long-term disability goes into effect. In recent years, the University implemented a policy whereby those individuals who have accumulated 42 days or more of sick leave are permitted to convert two sick days for one personal day, up to five per year. So some effort has been made to reward those who have accrued significant sick leave balances. There will be no change in this policy.

5. Consider awarding annual vacation allowance on January 1 of each year to permit more vacation scheduling options.

A staff person suggested that vacation be awarded at the beginning of the calendar year, regardless of whether it had actually been earned or not. The employee would then be able to take vacation earlier in the year if desired, instead of waiting for time to accrue. The understanding would be that any vacation taken that is not yet accrued would be deducted from an employee’s last pay check should employment be terminated. The Council recommended no action. Not only would this require extensive record keeping, it is understood that vacation is something you earn over time and should not be taken until it has been earned.

6. Is it feasible to consider bookstore merchandise discounts for staff?

The Council learned that a significant portion of bookstore profits are used for student scholarships. Decreasing profits through discounts would decrease those scholarships. This being detrimental to our overall educational mission, the Council recommended no action.

7. Consider providing medical benefits to part-time staff.

Projections indicate that health care costs will increase approximately 15% next year. Considering this, the University's primary concern is the continuation of appropriate benefits to our full-time personnel rather than extending benefits to part-time personnel. It is an acceptable practice to offer greater benefits to those who accept full-time employment. At this time, providing medical benefits to anyone other than full-time staff is not feasible.

The Staff Advisory Council has 19 issues to examine and make recommendations on in the coming months. We will keep you informed of our progress in our monthly summaries posted on our web site within one week of each meeting. Please visit: <http://oncampus.richmond.edu/staff/usac> and keep in touch!!

We will look forward to hearing from you!!

Next Meeting: February 11, 2003