

**FACULTY SALARY AND BUDGET COMMITTEE**

MARCH 3, 2017

**PRESENT:** Marty Abramson, Neal Buckwalter, Larry Burns, Gregg Dimkoff, Kathy Gulembo (ex-officio), Robert Hollister (Chair), Lori Houghton-Rahrig, Nancy Mack, Paul Murphy, Julia Mason, Len O'Kelly, Jon Rose, Ashley Rosener, Paul Stephenson, Joel Stillerman, Rachel Travis, Mike Yuhas.

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1. The meeting was called to order at 12:00pm and the Agenda was approved.

2. The Minutes of February 17, 2017 were reviewed and approved.

3. Dave Smith led a discussion on employee benefits.

First the committee reviewed a proposal to support a recommendation brought forth by the Retirement Plan Investment Committee to change the standard funds available from TIAA. In essence the change will make it possible for the committee to drop fund options that are poor performers. The FSBC voted to support this recommendation.

Second Dave provided an update on healthcare spending for 2016. In short, the increase in spending was only 1% per employee above 2015, in fact the last three years have all been less than the spend in 2013. This is in stark contrast to national trends which have consistently been above 4% increases each year. The medical cost for the administration was actually less per employee in 2016 than 2015 due to lower administrative fees; however employee costs were larger as expected due to an increase in the deductible. Pharmacy cost increased for both employees and the administration. It is anticipated that pharmacy costs will continue to be the source of the largest cost increases due to rising costs of existing drugs and new drugs on the market. Employees have continued to contribute more to their HSA account as the deductibles have risen. In 2017, the deductible again rose and is now \$2,000 for single and \$4,000 for dual and family. In 2018, there will be a co-pay for pharmacy applied after the deductible is reached and capped at \$250 for single and \$500 for dual and family annually. This change is aimed to contain prescription drug costs. Despite the increases in the deductible employees have overwhelmingly chosen the High Deductible Healthcare Plan and the cost of this plan to employees is well below national averages. No major changes are proposed for the near future, however the administration is looking at ways to provide more incentives for healthy choices and choosing lower cost providers.

4. The committee continued our discussion on the new program proposal – Early Childhood Education Minor and after significant discussion voted not to support the proposal.

5. The meeting adjourned at 1:35pm.