

MINUTES

UNIVERSITY MANAGEMENT COMMITTEE

June 15, 2017

ATTENDEES: Phil Phillips (chair), Gary Hanson, Hung Le, Edna Powell, Lauren Cosentino, Lee Kats, Marnie Mitze, Michael Feltner, Mark Davis, Rick Gibson, Donna Nofzinger-Plank

BENEFITS COMMITTEE ATTENDEES: Grant Nelson, Joseph Fritsch, Jack McManus

ABSENT: Abraham Park, Marc Goodman, Paul Lasiter, Rick Marrs, Connie Horton, Pete Peterson, Robert Popovich

I. **UNIVERSITY MANAGEMENT COMMITTEE CALL TO ORDER:**

Vice President for Administration Phil Phillips called the University Management Committee meeting to order. The date was Thursday, June 15, 2017 in the TAC Lobby Conference Room – Malibu Campus. Chief Business Officer Edna Powell opened in prayer.

II. **April 20, 2017 MEETING MINUTES**

Upon the motion duly made and seconded, the minutes of the April 20, 2017 meeting were approved as presented.

III. **BENEFITS - Update**

Chief Human Resources Officer Lauren Cosentino proposed a Staff Volunteer Leave Policy allowing staff to take up to five full days of paid leave dedicated to service of their choosing for every five years of continuous full-time employment at Pepperdine. The leave provides an opportunity for staff members to model the life of service that is the heart of Pepperdine's mission. This leave must be requested four weeks in advance with a written application, which requires approval by the employee's supervisor, the department head, and Human Resources.

Next, Chief Cosentino proposed offering a new paid holiday for employees' birthdays. This proposed holiday must be taken on a normal workday in the calendar month of the employee's birthday. The date must be requested with the employee's supervisor at least two weeks in advance of the requested day. The Committee proposed adding language to the policy to specify this holiday applies only to staff.

The Committee unanimously moved to approve the Staff Volunteer Leave Policy and the Employee's Birthday holiday with the suggested changes.

Chief Cosentino then shared medical plan premium renewal increases. The Committee looked at the Fiscal Year 2018 rate increase detail (27% or 4.6 million dollars, of which \$600,000 are attributed to American Care Act taxes). Medical trend rate increases are between 6% and 8%, and projected to be at 8.9% by 2020.

Next, Chief Cosentino showed a graph of medical premium history versus salary history. A Committee member explained that in previous years, Pepperdine was ahead of competitors in this metric. Now, at 79%, Pepperdine sits at the middle of the market. Chief Cosentino then shared the estimated fiscal year 2018 increases to each plan and explained a lot of Pepperdine's problems with benefits are tied to the University's loss history. In order to decrease loss history, the Committee recognized a need to analyze age and demographics data to determine the reason for Pepperdine's high loss ratio.

A Committee member asked about the possibility of expanding the campus student health center to include employees. Chief Cosentino explained a recent faculty and staff benefits survey administered by Human Resources indicated employees strongly oppose attending the same health center as colleagues and students. Additionally, the savings of this merge would not be significant.

The Committee stressed the importance of over-communicating and collecting input from all constituents. Because of the rapid pace of the benefits decisions timeline, the community will need to be engaged intentionally, and it will be crucial to give enough notice to all employees as to not affect their personal lives. Chief Cosentino will host a live-streamed benefits town hall meeting in July and will give a benefits presentation at the August President's briefing.

IV. ADJOURNMENT

There being no further business, the meeting was adjourned. Unless otherwise notified, the next meeting will be held on July 20, 2017.