

UNIVERSITY PLANNING COMMITTEE
Meeting Minutes
 January 17, 2018

Attendees

Michael Adams	Rick Marrs (chair)	Edna Powell
Paul Caron	Marilyn Misch	Mark Roosa
Keith Hinkle	John Mooney	Brian Thomason
Judy Ho	Pete Peterson	Deryck van Rensburg
Connie Horton	Phil Phillips	Helen Williams
Lee Kats	Steven Potts	

Absent

Andrew Benton	Rick Gibson	Jeff Pippin
Michael Feltner	Gary Hanson	

Observers

Lisa Bortman	Marnie Mitze	Greg Ramirez
April Marshall	Jared Price	Jody Semerau

I. Call to Order and Devotional

Provost Marrs called the University Planning Committee meeting to order at 8:34 a.m. on January 17, 2018, in the Seaver Board Room at Pepperdine University - Malibu campus. John Mooney presented devotional thoughts.

Marilyn Misch and Helen Williams moved and seconded approval of the minutes for December 20, 2017, which were adopted.

II. Employee Benefits and Cost and Projected Increases; Employee Compensation and Market Comparison

Lauren Cosentino shared that the benefit cost per benefited employee for FY19 will be \$31,595. Market changes were projected to cause a 200% increase of cost to consumer. To mitigate these cost increases, Pepperdine 1) changed the benefit plan year to align with the calendar year, 2) negotiated prices with providers, 3) introduced a new insurance option (Vivity), and 4) held open enrollment period to allow employees to choose a new benefit package. After open enrollment concluded in November 2017, it was determined that cost to consumer increased instead by only 8.7%. These migration savings have totalled \$565,184 over Plan Year 2018 (which is divided between both

FY17 and FY18).

Chancellor Adams expressed concern that the insurance providers may have lowered insurance prices now only to heavily increase them in the coming years. Lauren added that her team was aware of this and avoided providers that appeared to be following this trend. Chancellor Adams and Pete Peterson discussed pro's and con's of a future government-funded medical system. Edna Powell and Deryck van Rensburg said that the biggest factor of insurance is loss history, not company size.

Lauren continued her presentation by sharing how the University is complying with the equal-compensation regulations. Recently completed reports demonstrate that Pepperdine employees are equally paid across gender, ethnicity, and race. These reports are readily available to any employee who inquires. Lauren also presented that recent reports show Pepperdine salaries, depending on discipline, to be 6%-30% higher than its peer schools.

Keith Hinkle and Lauren discussed that less than five equal-compensation complaints are filed per year. Judy Ho asked if geographic region applies to salary comparisons, which Lauren confirmed. After a question from Marilyn Misch, Provost Marrs added that faculty and staff salaries are determined through a peer evaluation of 60 schools chosen by his office, while executive salaries are determined through a peer evaluation of 60 schools chosen by the Board of Regents. Despite these two different peer pools, Provost Marrs assured the committee that 1) there is tremendous overlap between the two pools and 2) that changing executive compensation to the same pool as faculty and staff would lead only to increased executive salaries.

III. Proposed FY19 Budget Update

Greg Ramirez briefed the committee on the latest in the FY19 budget process including a standard review of costs over the past 10 years, external budget composition, renewal and replacement composition, and contingency reserve funding. Greg presented four possible scenarios for FY19 tuition, room, and merit rate increases. These scenarios will be further explored in future budget hearings.

In response to a question, Deryck van Rensburg added that the University is not budgeting for merit increases at the Graziadio School of Business and Management, but that instead merit increases will be funded within their school's budget. It will be comparable to those across other areas of the University. Greg confirmed to Connie Horton that Seaside Hall renewal and replacement costs were factored into his presentation. Greg responded to Marilyn Misch that nonschool merit includes that from athletics, landscaping, and other university-wide positions. Provost Marrs invited future comments to be directed to him so that he can relay them to President Benton and Executive Vice President Hanson.

IV. Faculty Representation at University Planning Committee

Provost Marrs presented a statement from the University Faculty Committee stating its rationale from a previous proposal to include one member from each of the five schools on the University Planning Committee, instead of the current three-person rotational model. Provost Marrs added that the University Faculty Committee is a faculty-only committee that both he and President Benton sit on as ex officio members and that he welcomes requests such as this from faculty.

The Committee discussed that this issue is centered on faculty representation, institutional transparency, and trust in leadership. Though many committee members agreed that there are not many disadvantages to increasing membership by two individuals, some expressed concern that increasing membership is unlikely to solve these complex issues. Some committee members added that previously there has been difficulty in getting three faculty members to serve even the on the current rotational model. Provost Marrs added that meeting minutes are available internally to all Pepperdine employees on the Pepperdine Community website.

V. Adjournment

The meeting was adjourned at 10:09 a.m. The next meeting of the UPC will convene at 8:30 a.m. on February 21, 2018 in the Seaver Board Room.