TO: Staff Senate

FROM: Pauline Palko

DATE: November 23, 2015

SUBJECT: Minutes of the November 18, 2015 Meeting

In attendance: Ms. Barrett Notarianni, Ms. Tokash, Ms. Mecadon, Ms. Palko, Ms. Tucker, Ms. Cali, Ms. Klien, Ms. Edwards, Mr. Hallock, Mr. Roginski, Mr. Sakowski, Ms. Shimsky, Ms. Thomas, Ms. Bevacqua, Ms. Butler, Ms. Cook, Ms. Driscoll-McNulty, Mr. Murphy, Ms. Johnson, Ms. Strickland, Ms. Vita, Mr. Krzan, Mr. Wetherell.

Not in attendance: Ms. Schofield, Mr. Barrett, Mr. Griguts, Mr. Pilger, Ms. Barnoski, Ms. Grissinger, Ms. Densevich , Ms. Hollingshead, Mr. Sheehan.

Guests: Mr. Tom Coleman, Mr. Kyle Thomas, Mr. Dale Zawicki, Ms. Doreen Wormuth.

Welcome:

- Mr. Wetherell called the meeting to order at 10:07 am, in the PNC Bank Board Room, Brennan Hall. Ms. Cali offered the opening prayer, Ms. Palko volunteered to offer the prayer for the December 9 meeting.
- Attendance was checked, quorum met for voting purposes.

Review of September meeting minutes:

Minutes approved with no changes.

Approval of Agenda:

Agenda approved with no changes.

Liaison Report:

Highmark has acquired Blue Cross of Northeastern Pennsylvania and is taking control beginning January 1, 2016. Our plans are transitioning to Highmark

Summary of changes can be found on the HR webpage or in the HR Office.

Plan names are changing to Highmark names; BlueCare PPO is now PPO Blue, the traditional is now called Classic Blue, no changes to HMO.

New cards will be received prior to January 1, 2016.

The group number will remain the same, but the alpha prefix will change on Highmark. Make sure you give the information to your health care providers.

Vision coverage information will be on the new card: no separate card for vision coverage. Use your new medical card at eye care provider after January 1, 2016. New coverage is as good or better than prior years.

New card will have a sticker asking you to call about coordination of benefits relative to a spouse having another plan. Call as soon as possible to prevent delay of claims processing.

Prescription formulary changes are minimal. Some drugs may be listed in different tiers for Highmark, than in BlueCross, resulting in a different copay amount

After January 1, 2016 you will have to submit a new application to receive your prescriptions through the mail. Prior authority for drugs should transfer, but medical policy under Highmark may differ, may have to have your physician respond to again for your prescription. Let Human Resources know immediately if anything upsetting happens with these new benefits. Ask for Beth or Eileen.

Walgreens is not in the retail manual for Highmark. Use Walgreens only for specialty self-injectable medications.

Plan design changes, means a change in copay amounts for PPO and HMO.

The traditional plan which is now called Classic Blue has only one change and that is the deductible amount. Classic Blue enrollments are grandfathered in, but after January 1, 2016 there will be no new enrollments into the Classic Blue plan.

Residential treatment for mental health is a new benefit. This benefit would cover care of an individual once released from inpatient care to outpatient care, but their situation is precarious. The University is working with Highmark on developing care coverage for that important interim.

New dental cards. No changes to dental coverage plans, only difference is that the last four digits of the social security number have been removed and are no longer an identifier. Now a unique numerical identifier.

Enrollment changes must be made by the first week of December.

Also, sign-ups for medical spending accounts are happening now. If you have questions, visit Human Resources they will explain the program to you.

Another exciting change is the addition of Swift MD telemedicine. This is a new pilot and separate from Highmark. No copay for service. Employees will soon receive an information packet. Swift MD provides basic care for sore throats, ear aches, pink eye etc. All you have to do is call in and talk to a physician. Service will call prescription directly to your pharmacy. Saves you making an appointment, going to the appointment, saves you money on co-pays.

Highmark also has telemedicine but this is through a separate company, Swift MD.

Can skype with the physician as well if you have the technology.

Senator asked if SwiftMD would also provide doctor's excuse for a child attending school or person attending work.

Ms. Tetreault offered to look into that and respond at a later date.

Guest Speaker:

Ed Steinmetz presented information on the annual budget for 2016-2017: Where we are and looking ahead.

A lot of what we do is based on our financial history/data. Working from financial projections.

Key variables: First year enrollment, market realities, and tuition increases.

Nine hundred sixty (960) is our benchmark for modeling purposes.

Can't have operating deficits. If all projections of the model held true, in the year 2020, we'd be looking at a 10 million dollar deficit. Forecasting allows us to make smart decisions today to avoid deficits down the road. Budget should be completed in the next ten days and presented to the Board at the December meeting.

Looking ahead to 2022, the total sticker price for a student coming to the university would be $62,000 per year before financial aid. Even with discount rate, families would bear a considerable cost.

Senator asked if not spending the surplus of this year would be a benefit for the following two years. Mr. Steinmetz replied that each year has to stand on its own.

This is just for illustration purposes, the staff window retirement and some other efforts will have a positive impact.

To retain our rating with Standard and Poor's, and some other rating agencies, we have to generate some operating surplus even though we are non-profit. Boards mandate is that we remain an A Rated institution. Rating was downgraded from A to A- over the last year. It's crucial that we increase our surplus so we can move back up in the rating. To do that we must enhance our revenue strategies and strategically cut our costs.

The last few years it has been increasingly challenging to enroll the class at the size we need. Tuition room and board is roughly 95% of our operating budget. Smaller class sizes of the last few years has created more pressure on the budget.

The 2014-2015 tuition increase did not balance the cost of aid the market demanded.

Had to increase the discount rate, but that cost us money per student and drove critical budget decisions.

Many institutions are in the same boat, forced to make up the difference in other ways and operate in non-stop budget pressure mode.

Budget for 2015-2016 is about two-hundred-twenty-two (222) million, 80-95% of our operating budget comes from tuition and fees.

Long term strategy for budget includes a comprehensive resource review with eight areas of emphasis, four that generate revenue and four that reduce costs. Need to generate eight to thirteen million dollars in revenue or cost savings. Made progress thus far.

Increase net undergraduate tuition revenue—affected by slow growth of discount rate necessary to attract students. Financial aid is 28% of our operating budget. Balancing act to reallocate some of the funds to leverage positive impact.

Going forward we must develop new undergrad and graduate on-line programs that attract students: new programs MA Accounting, Nursing, and MBA have generated 250,000 dollars that will help generate some of those needed revenues for our operating budget.

Must reduce cost of instruction: this is a complicated but crucial strategy that includes working on offering courses that are high quality and in demand, roll out faculty window retirement program next year, how to best fill slots and balance with full time faculty, adjuncts and specialist instructors, balance time slots, balance tenure track hires, change management process, re-allocate faculty slots, look at courses that are most in demand, evaluate courses not in demand. Don’t have the flexibility to keep adding slots.

Investigating how we can increase revenue from the Intersession and summer sessions when current special session tuition rates may be making us not competitive and pricing us out of the market. Looking at impact of offering more on-line courses for these sessions. Has to be part of the consideration, even though not as significant an impact as the main sessions, never-the-less if we can generate more dollars through these sessions we need to look at it. The more we can do to increase revenue takes some of the pressure off the cost cutting side.

A senator commented that interactions with students and their families indicate students want to take intersession courses here or on-line for a grade, but because of the high cost are forced to take summer session courses at schools closer to home for credit because of the savings.

Fundraising by Advancement helps in part, endowed gifts for scholarships are great but are restricted or dedicated. Annual fund has the most impact. Operating budget focuses on unrestricted annual fund support.

Most significant for the staff is when we did the staff retirement window program. Looked at areas that were impacted and opportunities that might allow us to restructure, use technology better. We made great strides in a relatively short span of time. Between the window plans, targeted reviews of the Registrar's office, Printing Services, and now IT, reducing staff costs through window retirement plan, restructuring departments, focusing on efficient use of technology, has generated a significant 1.8 million dollars in savings. Expectation is that a similar savings will result when the faculty window retirement plan rolls out next year. Will continue to focus on automating and increasing efficiency of processes.

Another way to reduce costs of fringe benefits by increasing the premium share of healthcare coverage participants.

Must reduce 710 budget lines, have cut so much there is not much room left to trim.

Have outstanding debt from our buildings. Have reduced debt for buildings by refinancing. Lower interest rates saved one million dollars.

Standard and Poor's downgrade of the University of Scranton from A to A- reflects softening of enrollment statistics, combined with decreased operation surplus, and financial ratings Comprehensive review was put in place to plan and navigate through the challenges. Due to current realities in the market the old model no longer works, therefore we are strategizing, as are other institutions, to remain solvent. We're blending two approaches, a responsibility centered approach working with the deans and directors in each area to look at each area and suggest targeted goals for them, and also to look at a 0 based budget for managing the 710 lines. Forces us to look at how we are spending our money in these challenging times and look for ways to make positive changes in the annual 710 budgets.

The senates and the whole campus community have and will continue to play a very important part in this process. Mr. Steinmetz strongly encouraged senators (and staff) to share with Joe (Wetherell) who is on the steering committee or Mr. Steinmetz any thoughts, ideas, or suggestions you have on saving money. So we can do this in a more effective way. The only way we're going to succeed in this is to work with the senates. We'll come through this a stronger institution if we work through these challenges together.

Message: No reason to panic, but business as usual no longer serves us well. May have to make some hard decisions.

A senator noted that many of the trash cans in the offices were lined with heavy leaf bags and suggested that using a lighter weight, indoor type bag would save money.

A senator also asked if corporate sponsorship of the Long Center had been considered. Mr. Steinmetz noted that it was something The University has to look at more seriously.

There are some agreements with beverage companies. D3 limits what we can do. Current conversations focus on new teams and upgrading facilities.

A senator asked how staffing levels are being looked at in the long term other than retirement incentive and attrition and position not filled.

Mr. Steinmetz said staffing levels are seriously considered and there is a strong inclination to avoid layoffs. It still happens at times in certain cases, but our focus is looking at other opportunities. The IT review is an example. Are we fully leveraging technology to our benefit? Are there inefficiencies we can improve on? Printing services, another core functional area was also reviewed and it was found that the University could save money by sending out some jobs because it cost more to process in-house.

The budget is built on an incoming class of 890 with a goal of 960. This 960 number allows no surplus to add into buildings, new positions, or programs. The only new position this past year was an unfunded mandate from the federal government for Title IX. Can't freeze tuition increase for a time because expenses continue to increase.

Presidents Report:

Mollie Vita is leaving the senate and the University.

Send items or questions needing attention from the recent roundtables to Joe Wetherell.

Amy BOT Committee. Joe strongly encouraged participation.

Senator reported concerns among staff regarding the recent communication from University President, Father Quinn: Father Quinn and the Board of Trustees has reached out to each of the senate's asking for volunteers to provide feedback on the President's quality of work thus far. According to the survey provider, volunteers must have a certain level of communication and experience working with Father Quinn to complete the survey appropriately. Mr. Wetherell hoped all constituencies would participate.

Communication sent out by Communications Committee was a formal request from the President for staff to participate in a survey.

Mr. Murphy noted that he hoped staff from all areas would respond.

Senators reported that their constituents are discouraged and distrust the process being used to conduct the survey.

It was noted that the Senate received very specific parameters to follow from the President's office regarding the survey.

Senators agreed that the survey should be completely random and distributed to everyone.

Concern noted that twenty individuals are not a representative sample of all staff. Also that having to submit your name negates the idea that the survey is anonymous.

Senators voiced concern that because the survey will not be distributed to all staff and faculty, rather only a chosen few, the survey will not authentically or accurately represent the opinions of the staff and the resulting data will be skewed before it is even collected.

In response to the question as to whether this survey had anything to do with the recent Faculty Climate Survey, Ms. Tetreault stated that this 360 Survey has been planned for some time and is completely separate from the Faculty initiated climate survey. Father Quinn attended the Faculty Senate November 13, 2015 to receive feedback from that survey.

Senate believes there should be a wider range of opinions using a survey monkey type program that randomly selects from anonymous responses.

Senate proposed and unanimously approved Senate president, Mr. Wetherell asking the President for an anonymous survey to be distributed to all staff, including those that do not have ready access to a computer so they have the opportunity to participate. Mr. Wetherell will take proposal to the President.

Committee Reports: Due to shortage of time, Committee Reports were not presented.

Items from the Floor:

The By-Laws committee brought forth three motions to amend the Senate By-Laws of June 27, 2012.

Motion #1 to change eligibility from two years to one year of employment.

Article III: Membership, opening paragraph, second sentence amend to read **Elected Staff representatives must have completed one (1) full year of employment as of April 15th of the election year.**

Motion passed.

Motion #2

Article III: Membership, paragraph #6, (regarding alternate vacancies) amend by adding the following statements. **If no individual is available from the election subgroup, filling the vacancy will be the responsibility of the Election and Membership Committee. If more than one individual volunteers, the employee with the longest continuous time of service at The University will be selected.**

Motion passed.

Motion #3 adds responsibility of filling alternate vacancy to the Election and Membership Committee charges.

Article VIII: Committees, 9b (Standing Committee responsibilities) amend to include **and filling alternate vacancies.**

Motion passed.

The Social Events and Community Building Committee asks each standing committee to provide a raffle basket for the Christmas Luncheon and to send your basket theme to Kelly Cook as soon as possible.

The committee also asks you to donate socks to be given away at the annual community breakfast Christmas morning. Drop boxes are located in several locations including DeNaples 2nd Floor outside the Office for Service and Social Justice. Donations may also be sent to Kelly Cook.

Motion to Adjourn:

Meeting adjourned at 11:50 am.