

**PROFESSIONAL STAFF EMPLOYEE ADVISORY COMMITTEE MEETING
9/25/08 MINUTES**

Present: Amy Diamond Barnes, Deb Caylor, John Jacob, Julie Knudson, Bev Lorig, Darlene Moore, Louise Uffelman, Mike Young

1. Health Insurance Changes

Amy reported that the transition to the new health plan was difficult, particularly related to pharmacy benefits. While some issues are expected when you change plans, W&L experienced some problems with Anthem's formulary and with their mandatory generic program (under this program if there is a generic drug available but the patient gets a brand name drug, s/he is required to pay the brand co-pay plus the difference in cost between the brand name and the generic drug). We had understood that if a subscriber is unable to take the generic due to an allergic reaction or for some other medical reason that the physician could easily request an override and the brand name drug would be covered without the additional fee. Our Anthem representative has been working to resolve these issues as they arise.

One member wondered why employees can no longer buy more than a month's supply from local pharmacies. Amy explained that the discounts are greater when subscribers use a mail order pharmacy so the plan is designed to encourage people to use mail order to help control costs. In the past, W&L paid a premium to maintain that benefit in the local retail pharmacies. Amy suggested getting two prescriptions – one for a 30 day supply to be filled locally and the second for a 90 day supply that is mailed into the mail order pharmacy.

There was also discussion about the co-pay increases this year. Amy explained that many insurance programs are moving towards charging higher co-pays for more expensive procedures to raise awareness about the real cost of health care. Southern Health co-pays would have increased this year had we stayed with them.

Amy mentioned that W&L has a new benefits consultant/broker, Charon Planning, who will work with HR and the Benefits Committee to negotiate rates and make recommendations on plan design changes. They will also help us automate benefits administration.

2. Proposal for Combined Time Off (CTO)

Amy explained that while W&L's sick leave policy is very generous in that there is no limit to the number of sick days that an employee can use for his/her personal illness and appointments, it does not allow employees to use sick time to care for family members who are sick and require care or to take a family member to a medical appointment. Most colleges and universities do allow employees to use some amount of sick time to cover those situations.

Washington and Lee University currently provides vacation time and floating holidays for 12 month, non-exempt employees based on years of service as follows:

Years of Service	Vacation	Floating Holidays
0-5 years	10 days/year	4 days
6 – 15 years	15 days/year	4 days
16+ years and all exempt staff	20 days/year	4 days

Exempt employees receive 20 days vacation per year.

HR is proposing moving to a “combined time off” (CTO) system which could be used for all of the following types of absences:

- Vacation;
- Floating holidays;
- Personal illness and doctor’s appointments; and/or
- other personal reasons including caring for members of the immediate family who are seriously ill and require care at home or for children’s doctors’ appointments which cannot be scheduled outside of working hours.

In a combined time off system, it is not necessary to distinguish how the time is being used and departments establish practices for providing notice of absences from work, and scheduling time away. Based on the current vacation accrual schedule shown above, a CTO program might look something like this:

Years of Service	Combined Time Off Accrual	Maximum Accrual
0-5 years	20 days/year	30 days
6 – 15 years	25 days/year	37.5 days
16+ years and all exempt staff	30 days/year	45 days

In addition to providing more flexibility to staff, HR would like to automate the tracking of leave time through the payroll system. Now that the Business Office has fully implemented on-line web time entry for non-exempt staff, it is possible to automatically accrue leave each time the payroll is processed. Additionally, when vacation or sick hours are reported, the system can automatically deduct that time from the employee’s leave balance.

Because employees would accrue time on a pay period basis (and would not be credited at the beginning of the calendar year), we would allow employees balances to go into the negative in the first year as long as they did not exceed their full annual accrual. This would allow employees to take time during school breaks even if they had not yet accrued the time.

The proposal also would change the current “carryover.” Instead of allowing staff to only carry over up to five days per year with a supervisor’s approval, in the CTO plan staff could accumulate up to 1.5 times their annual accrual amount. The system would automatically stop accruing when an employee’s accrual reaches the maximum. Once s/he takes time off, the accrual would automatically begin again.

In addition to the CTO, a Sick Leave Reserve (SLR) would be established and employees could transfer time from their CTO into their Sick Leave Reserve at any point during the year. Sick Leave Reserve time, however, would not be able to be converted back into CTO. SLR could be used in the event that the employee has a legitimate illness, injury or physically disabling condition or to care for an ill member of his/her immediate family. Immediate family includes spouse/domestic partner, children, parents and parents-in-law.

SLR could also be used to cover the first ten working days of an employee’s absence due to a serious illness or injury. After the first ten working days, the employee will be covered by the University’s extended sick leave policy for up to six calendar months. Because the University currently pays employees for the first two weeks of any illness or injury, Amy is proposing that the University grant

each employee five days to begin to fund the SLR. Employees would be encouraged to keep enough days in their SLR to cover at least the first ten working days of any extended illness or injury. The number of days in the sick leave reserve would be capped at sixty to cover the twelve weeks allotted for family and medical leave.

Upon termination of employment, an employee will be paid for any accrued but unused balance in his/her CTO pool (up to the maximum accrual). The sick leave reserve would have no cash value on termination of employment. When asked why SLR would not be paid on termination, Amy explained that typically sick time is not paid on termination and said that would add quite a bit of cost to the University.

Amy asked for the committee's feedback about the concept and about whether there should be a graduated accrual of CTO based on years of service for non-exempt employees, or whether all employees should accrue at the same rate regardless of seniority? Committee members voiced their support for the overall concept and there was much discussion about both accrual alternatives. Most felt that there should be a graduated accrual schedule as a reward for service and felt it was important to have a goal to work towards.

Amy mentioned the adjusted accrual schedule that had been discussed by other groups that would give staff increased leave accruals earlier in their tenure as follows:

Years of Service	Combined Time Off Accrual	Maximum Accrual
0-4 years	20 days/year	30 days
5 – 9 years	25 days/year	37.5 days
10+ years and all exempt staff	30 days/year	45 days

After discussing all the alternatives, the committee favored the above approach.

Amy explained that if the CTO program is adopted, there will be meetings to explain the new system before it implemented in January 1, 2009. A member stressed the need for uniform enforcement of the policy.

Amy asked the group to comment on the possibility of using Datatel to track exempt CTO. There is a new release that might allow us to accrue and track paid time off for administrative employees. The committee said that it would be easier to manage time off if there was an automated way to track and report leave. Some felt that since we track non-exempt leave we should also track it for exempt employees. In addition, the need for the Business Office to send e-mails out each year to request balance information would be eliminated.

3. New Hire Orientation

A member expressed concern about the changes that were made to the new hire orientation saying that he felt the bi-weekly program had been working well. He was concerned that quarterly orientation would not be enough and that it would be harder to get staff to come if they weren't scheduled right after employment began.

Amy explained that she was trying to make the new hire orientation process a bit more strategic and less transactional. HR staff are still meeting with new employees each Monday to go over benefits and payroll information and to cover other things that employees need to know immediately. The quarterly session would provide an introduction to the University and would

cover things like the institution's mission, culture and strategic priorities. There might also be an opportunity to hear from the President and members of his senior leadership team and to meet department heads and learn more about the resources that are available as employees of W&L. She agreed that it might be more challenging to get new hires to come once they have been on board for a while, but she hoped to have the support of supervisors in encouraging staff to attend.

4. Assistant Director for Work/Life Initiatives

Amy announced that Mary Katherine Snead has been hired as the new Assistant Director for Work/Life Initiatives. She is coming from VMI where she works in Human Resources. Her husband, Stephen, works in Development at W&L. She will be starting on Oct. 15th. Julie Knudson participated in the interviews as part of an interview group representing a cross-section of campus constituencies.