FACULTY SENATE
FACULTY WELFARE COMMITTEE (Norman)
2010-2011 ANNUAL REPORT
SUBMITTED BY SCOTT MOSES, CHAIR

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1. Membership

The members of the 2010-2011 Faculty Welfare Committee, their departments and terms:

Debra Bemben	Health & Exercise Science	2008-11
Neil Houser	Instructional Leadership & Academic Curriculum	2008-11
Scott Moses	Industrial Engineering	2009-12
Al Schwarzkopf	Management Information Systems	2010-13
Deborah Trytten	Computer Science	2010-13

2. Summary of Accomplishments

Following are the major accomplishments of the Faculty Welfare Committee during 2010-2011:

1. Recommended that consideration by the Board of Regents of the proposal to change retirement savings programs be delayed from November 2010 until at least March 2011 so that adequate time would be available to fully understand the proposed plan and to identify and make improvements (recommendation was accepted)
2. Identified eight improvements that could be made in the proposal to change retirement savings programs (almost all of these improvements were incorporated)
3. Prepared a resolution for the Faculty Senate requesting a Roth contribution option be made available in 403(b) and 457(b) plans (approved unanimously, with one abstention).
4. Prepared a resolution for the Faculty Senate requesting an expanded commitment to wellness (approved unanimously, with one abstention).
5. Recommended that ‘wellness ambassadors’ be appointed in each unit to disseminate periodic information updates from the OU wellness program.
6. Held a number of discussions with administrators on issues related to wellness and healthcare
7. Continued to advocate for a tobacco-free campus (a resolution from the FWC on this matter was approved by the Faculty Senate during the previous academic year)
8. Provided feedback on process issues and coverage issues related to Long Term Disability and requested more informative summary communication be given to employees during enrollment.
9. Provided feedback on usability of the benefits enrollment website.

3. Improvements to Retirement Savings Programs

The Retirement Plans Management Committee (RPMC) was formed in 2008 to identify opportunities to improve retirement savings programs sponsored by the university including various Defined Contribution Plans (DCP) and the Optional Retirement Plan (ORP). In the Fall of 2010 the RPMC began to make specific information available about the proposed changes to the defined contribution plan offerings.

3.1 Summary of FWC Involvement

As details of the original proposal developed by the RPMC began to be made available in the Fall of 2010, the Chair of the Faculty Welfare Committee wrote an email to colleagues and to the RPMC on October 22 that outlined a number of concerns he had with the proposed plan. By November 5 his concerns with the proposed plan had gelled into the following list of objectives for improving the plan structure:[1]

1. Tier 1: Include index-based Vanguard Target Date funds (replace or augment the actively-managed Fidelity Freedom funds).
2. Tier 2 (now Tier 2 and 3): Include a larger number of asset classes (preferably represented with index funds when available).
3. Tier 2 (now Tier 2 and 3): Provide better transparency of criteria and develop a better mechanism for incorporating employee input into selection of Tier 2 (now 2 and 3) funds.
4. Tier 3 (now Tier 4): Waive the $75 transaction fee for all Tier 3 (now 4) funds at transition (not just for one fund) so that employees can maintain current holdings.
5. Tier 3 (now Tier 4): Improve communication on the availability of ETFs in the proposed plan (while also noting that these will not be available in the 403(b) plan).
6. Recordkeeping: OU to absorb $4/month fee (eliminate fee charged to employees) since currently there is no per person fee charged by OU for recordkeeping.
7. Recordkeeping: Develop a plan to add Roth contribution options for 403(b) and 457(b) plans, with these hopefully being available by January 2012.
8. Tier 2: Place index funds into a separate tier from actively managed funds [added in December after a review of a comparable process at Purdue University]

On October 25 the Faculty Welfare Committee unanimously recommended that consideration of the proposed plan by the Board of Regents be delayed from November 2010 until at least March 2011 so that adequate time could be available to communicate to the faculty, fully review the proposed plan, and identify and incorporate improvements to the proposal. This recommendation forwarded by the Faculty Senate Small Exec and was accepted by the RPMC on November 6.

From November 2010 through March 2011 the RPMC listened carefully and seriously reviewed and acted upon the feedback they received from a number of sources including the Faculty Welfare Committee and the Faculty Senate Small Executive Committee.

3.2 Summary of Improvements Made

As a result of this process, the FWC believes OU now has an improved and indeed an excellent plan. A change of this magnitude will involve “adjustment” by employees and its implementation will require substantial communication and education. However, the plan offers something for employees with varying investment objectives, investing styles, and degrees of sophistication. Employees will be well served by this plan relative to the current plan.

Following is a summary of the changes that were made to the original proposal from November 2010 to March 2011.

1) Tier 1: Include index-based Vanguard Target Date funds (replace or augment the actively managed Fidelity Freedom funds).

Outcome: Positive

A set of target retirement date funds that are built on low-cost index funds will be offered along with a set of target retirement date funds that are built on actively managed funds. Both sets of target retirement date funds are managed by Fidelity.

The expense ratio of the index-based TRD funds from Fidelity is a low 0.19%, which is essentially identical to the expense ratios of comparable Vanguard funds (ranging from 0.17% to 0.20%).

The index-based funds will be listed in Tier 2 along with other index funds, even though they are similar in purpose to the actively managed target retirement date funds in Tier 1.

2) Tier 2 (now Tier 2 and 3): Include a larger number of asset classes (preferably represented with index funds when available).

Outcome: Positive (generally)

The following asset classes were suggested

- REIT (Real Estate Investment Trusts)
  The RPMC added an index fund to the plan to represent this asset class.
- Short-term bond
  The RPMC added an index fund to the plan to represent this asset class.
- International small cap stock
  The index for the Vanguard Total International Stock Index Fund in Tier 2 was broadened in December 2010 to include international small cap stocks and therefore a separate fund was no longer necessary to provide exposure to this asset class.
- Short-term corporate bond
  This asset class was considered but a fund was not added since the risk/return profile did not seem sufficiently different from the short-term bond index.
- International bond
  A fund for this asset class was not included.

As a result of the changes made in response to this request, Tier 2 now has a rather complete set of very low-cost index funds that cover the following asset classes:

- Domestic stocks (single fund for the total domestic market with large, mid and small cap stocks)
- International stocks (single fund for the total international market with large, mid and small cap stocks from developing and emerging markets and including Canada)
- Bonds (single fund for the total bond market)
- TIPS (Treasury Inflation Protected Securities)
- REITs (single fund representing various types of Real Estate Investment Trusts), and
- Short-term bonds (for near-cash).

Furthermore, some of the funds will have a lower expense ratio than employees are paying if they currently own these funds.

3) Tier 2 (now Tier 2 and 3): Better transparency of criteria and better mechanism for incorporating employee input into selection of Tier 2 (now 2 and 3) funds.

Outcome: Positive and Pending

A single faculty representative was added to the RPMC in March 2010 after a request was made from the Faculty Senate. Two additional faculty representatives will be added in 2011 for a total of three faculty representatives serving staggered three-year terms. It remains to be seen how well employee needs are recognized and how employee feedback is received in the future.

4) Tier 3 (now Tier 4): Waive $75 fee for all Tier 3 (now 4) funds at transition (not just for one fund) so that employees can maintain current holdings.

Outcome: Positive

A re-registration process will be provided that allows current Vanguard clients to maintain their current positions without employees paying or the university absorbing several hundred dollars per employee in transaction fees. Note that a re-registration process avoids having to perform an automated sale of the fund in the closed account and repurchase of the fund in the new account. Also note that this applies to current assets (at the time of transition), not to future contributions.

Otherwise, the plan will absorb these fees for a limited time. After that time, purchases of Tier 3 (now 4) funds will be subject to the fee, unless they are NTF funds.

5) Tier 3 (now Tier 4): Do a better job communicating the availability of ETFs (note that these are not available in 403(b)).

Outcome: Pending

Communication and education will be performed during the transition.

6) Recordkeeping: OU to absorb $4/month fee (eliminate fee charged to employees) since currently there is no per person fee charged by OU for recordkeeping.

Outcome: No Change – Understandable

The fee will not be eliminated at this time, however the hidden nature of fees in the legacy plan and the size of the new fee needs to be put in perspective.

1) In the case of employees who do not invest with Vanguard, the new plan will reduce fees that are not explicit (i.e., hidden). These employees are likely to see significant savings, in the form of higher net returns on their investments than they would otherwise have had.

2) In the case of employees who do invest with Vanguard, the savings may be less dramatic but do exist. Some of the Vanguard funds in Tier 2 such as the Total Bond Market Fund and the REIT Index Fund have lower expense ratios than employees with Vanguard accounts currently pay.

3) The expanded availability of funds and ETFs in Tier 3 (now 4) provide choices that were not previously available, although these may require a nontrivial transaction fee.

Furthermore, over the next few years it is expected the $48/year fee and the expense ratios on some funds will decrease. This can be explained as follows. The cost of administering the retirement plans (roughly $1M/year) is recovered from two sources: (1) the $48/year fee being charged to employees and (2) a portion of expense ratios on some funds that is returned to OU (revenue sharing). Importantly, these revenues will be used exclusively for paying plan expenses and will not be used for other purposes at the university (revenues won't become a slush fund). Over the next five years the assets under management in the plan will increase but recordkeeping expenses will remain constant. As a result, the recordkeeping fee and/or expense ratios on funds will decrease (not increase) over the next five years.

7) Recordkeeping: Develop a plan to add Roth contribution options for 403(b) and 457(b) plans, with these hopefully being available by January 2012.

Outcome: Positive

In January 2011, the FWC decided to put forward a resolution requesting that the University provide Roth contribution options for the 403(b) and 457(b) voluntary retirement savings plans. This resolution was approved unanimously (with one abstention) at the February meeting of the Faculty Senate.

In mid-March Fidelity agreed to allow Roth provisions to be added to both the 403(b) and 457(b) plans with no implementation or ongoing costs.

8) Tier 2: Place Index funds into a separate tier from Actively managed funds

Outcome: Positive

Funds in the former Tier 2 have been separated and placed into distinct tiers, with index funds being defined as Tier 2 and actively managed funds being defined as Tier 3 (a higher numbered tier highlights the higher risk of actively managed funds relative to index funds).

4. Resolution on Roth Contribution Option

A resolution requesting a Roth contribution option for 403(b) and 457(b) plans

Whereas: The University of Oklahoma offers two voluntary retirement savings plans for employees, namely the 403(b) and 457(b) plans, hereafter referred to as VRSPs, and;

Whereas: Contributions to VRSPs historically have only been allowed to be made using pre-tax dollars and therefore withdrawals are treated as taxable income, and;

Whereas: A Roth contribution option to VRSPs is now permitted by law and allows employees to make contributions with after-tax dollars and thereby withdraw earnings tax-free at retirement (subject to rules on qualified distributions), and;

Whereas: Adding a Roth contribution option to VRSPs allows employees to increase the diversification of the taxability of their retirement income, and;

Whereas: A Roth contribution option to VRSPs would make Roth accounts available to employees who otherwise are ineligible to contribute to Roth IRAs due to income limitations;

NOW, THEREFORE BE IT RESOLVED that the Faculty Senate of The University of Oklahoma hereby requests that The University of Oklahoma provide a Roth contribution option for 403(b) and 457(b) voluntary retirement savings plans beginning no later than January 2012.

5. Resolution on Wellness

A resolution requesting an expanded commitment to wellness

Whereas: The University of Oklahoma has committed to improving the wellness of its employees as demonstrated through the creation of a Wellness Coordinator position and reduced cost membership to the Huston Huffman Center for employees, and;

Whereas: Healthcare costs are consuming an increasing portion of the University's budget as well as reducing the amount of employee take-home pay, and;

Whereas: Incentives that encourage employees to pursue healthy behaviors are demonstrated to increase the practice of healthy behaviors, and;

Whereas: The practice of healthy behaviors leads to an increase in employee wellness, which reduces healthcare costs for both the employee and the employer, reduces healthcare premiums, and improves employee productivity, and;

Whereas: Research findings support exercise as the key to increasing personal strength, endurance, and flexibility, as well as improving energy, attitude, and mood, and;

Whereas: The University community is more likely to make healthy eating and behavioral choices when they are available, affordable, and accessible;

NOW, THEREFORE BE IT RESOLVED that the Faculty Senate of The University of Oklahoma hereby requests that The University of Oklahoma intensify its commitment to wellness by expanding wellness programs, annually evaluating the state of campus wellness in an annual Employee Wellness Report that follows the format of the Certified Healthy Business Program or other similar scoring metrics, implementing a tobacco-free/smoke-free policy on all campuses, offering incentives, including financial, that encourage healthy behavior, and increasing the range and availability of healthy eating options.

5.1 Background

In recent years, the University of Oklahoma has begun to engage in several activities designed to improve the health and wellbeing of members of the University Community such as: reduced cost membership to the Huston Huffman facility for faculty and staff, smoking cessation programs, Weight Watchers at Work, consultation on bicycle paths, and moving toward a more bicycle-friendly campus, semi-annual health screenings, smoke-free campuses at the Health Sciences Center and the Tulsa Schusterman Center, and the creation of a Wellness Coordinator position to promote wellness activities that to date include monthly newsletters, classes, screenings, and promotions that provide information about health issues.

The University of Oklahoma should expand its commitment to employee wellness. Identified below are four areas for improvement recommended by the Faculty Welfare Committee and endorsed by the Faculty Senate.

5.2 Area 1: University Employee Wellness Report Card

The University should make it a priority to support employees' efforts to enhance their wellness. Other public universities encourage this, as confirmed by the Oklahoma State University Certified Healthy Departments initiative (http://news.okstate.edu/press-releases/839-oklahoma-state-universitys-announces-2011-certified-healthy-departments). In fact, the OSU Institute of Technology has received the "Healthy Business" award from the Oklahoma Certified Healthy Business Program (www.okturningpoint.org) for the past two years. The score sheet for this program is available at the following website:http://www.okturningpoint.org/2010CHB/CertifiedBusinessTally10.pdf.

It is recommended that a University Employee Wellness Report Card be developed collaboratively in the 2011-2012 academic year with representation from faculty, students, staff, and administrators. Possible areas of specific relevance to the University to consider including in the Employee Wellness Report Card are:

Facilities and Environment for Wellness

- Tobacco-free campus
- Goddard Health Center
- Huston Huffman Fitness Center
- Group fitness classes
- Murray Case Sells Swim Complex
- Bicycle paths and walking paths
- Faculty workout facility
- Campus food dining centers and offerings
- Campus catering

Programs for Wellness

- Free health risk assessments
- Group fitness classes
- Weight Watchers @ Work
- Tobacco cessation programs
- Educational seminars
- Events (e.g., fun run/walk, cycling)
- Information sharing (e.g., monthly newsletters)
- Advice and counseling (e.g., exercise, nutrition, weight)
- Goddard Outreach Programming
- Employee Assistance Program

Incentives for Wellness

- Reduced cost membership at Huston Huffman Center
- Preventative care coverage
- Tangible incentives for wellness
- Reimbursement for tobacco cessation products

5.3 Area 2: Tobacco-free / Smoke-free Campus

Over 380 U.S. colleges and universities are completely smoke free, which in Oklahoma include The University of Oklahoma Health Sciences Center, The University of Oklahoma Tulsa Campus, Oklahoma State University Stillwater Campus, Oklahoma State University Tulsa Campus, University of Central Oklahoma, Oklahoma City University, and the University of Tulsa. Numerous factors motivate the decision to become smoke free: (1) secondhand smoke causes lung cancer in nonsmokers, who have chosen to not smoke, (2) secondhand smoke causes heart disease in adults, with recent studies finding that smoke-free laws reduce the rate of heart attacks by an average of 17% in just the first year after adoption, with the largest reduction occurring in non-smokers, (3) the National Cancer Institute has concluded that “there is no safe level of exposure to tobacco smoke,” (4) eliminating exposure to secondhand smoke on the Norman campus will have a direct and significant positive effect on the cost of employee benefits over time, and (5) the highest rating for an Oklahoma Certified Healthy Business is only possible for entities whose entire property is tobacco-free, both indoor and outdoor.

5.4 Area 3: Incentives for Healthy Behavior

In both the private and public sectors, organizations have been adding incentives to their wellness programs to encourage healthy behavior. The University should analyze these incentives and develop an incentive program that will encourage healthy behavior by employees. Properly designed incentives will reduce health care expenses over time. The federal government’s HIPAA nondiscrimination provisions define the requirements that a wellness program must meet when structuring incentives.

5.5 Area 4: Healthy Eating Options

Like other public and private universities around the country, the University should promote healthy eating options in the regular meal programming options as well as for event programming. At Princeton, daily menus provide options for a healthy diet based on the principles of moderation and variety, and nutritional information is provided for the daily menus. Students at Louisville are encouraged to buy a season's worth of local produce up front, which is delivered in the form of a basket once a week during the Community Supported Agriculture Fair. Oregon State University promotes healthier options by simply making them more affordable, accessible and easy for the customer to choose.

6. Meeting Summaries

First Meeting (September 20, 2010)
Julius Hilburn (Associate Vice President & Chief Human Resources Officer) and Nick Kelly (Assistant Director of Human Resources) visited the FWC for our first meeting of AY10-11.

The first topic of discussion was the 2011 health insurance renewal. Topics included the higher rate of increase in HMO premiums compared to PPO and possible implications for the future such as alternatives to the HMO. A short discussion was held on current retiree medical coverage. A short discussion was held on encouraging initial results from the new wellness programs even though they are limited in scope.

The second topic of discussion was the proposed overhaul of retirement savings programs management. At the time of the meeting details were not available, and it was expected that the faculty would be given only a few weeks between the time that details are made available and when the changes are brought before the Regents.

Second Meeting (October 25, 2010)
We discussed the proposed changes to management of defined contribution plans. Members of the committee raised a number of concerns:

- The process is going forward too quickly. Faculty need more time to understand the impact of the proposal for their personal context. Faculty need to see impact scenarios available for each major group (e.g., their retirement plan based on years of service, investing tier, and current account provider), similar to what was done when major changes were proposed for health care benefits in recent years.
- It appears that there is insufficient awareness of employees of the changes that will be imposed on them by the proposed plan. For example, employees are likely to be unaware that under the proposal their accounts with providers such as Vanguard will be closed and reopened with Fidelity. Other employees may be unaware at this time that options in the proposed plan for TIAA/CREF are very limited.
- Faculty do not understand the impact of this proposal on employees with regard to TIAA/CREF, particularly going forward. TIAA/CREF has been the option selected by many employees and its treatment will be critical in their acceptance of whatever is adopted.
- We have questions about Tier 2 in particular, such as whether the set of funds proposed adequately meets the needs of employees. Specifically, we wonder whether more funds should be included in Tier 2.
- While the proposed plan may offer a larger number of investment options, certain investment patterns could lead to extremely high individual overhead costs relative to the current plan. In particular, an employee who is spreading his investments among four different transaction-fee funds in tier 3 will pay $4/mo + $5/fund per month, or $288/year in new fees, independent of how much is being invested.
- It appears there is insufficient awareness of the benefits for faculty members that will be obtained from the proposed management plan vis a vis the additional apparent cost to individuals. If the proposed plan is reducing costs for the institution, it is unclear why faculty members are each being asked to pay a new $4/month fee.

As a result of these concerns, we prepared a recommendation to the Small Executive Committee that requested that a decision not be put before the Board of Regents until March 2011 so that adequate time is available to fully understand and communicate the impact of the proposed plan and to make necessary changes and improvements.

Third Meeting (December 13, 2010)
First, we reviewed the status of discussions on changes to management of employee funds in defined contribution plans including improvements to the original proposal that have been suggested by the Faculty Senate Small Executive Committee. A question was raised as to whether employees would be better served if low cost target date funds from Vanguard were used in Tier 1 rather than target date funds from Fidelity, even if this would cause an increase in the cost of the contract with Fidelity. The committee strongly supported the addition of a Roth contribution option to the 403(b) and 457(b) plans, an option that has not yet been included in the proposal.

Second, we discussed what other issues should be a priority for the remainder of the year, although a continued focus on changes to retirement savings programs was felt to be the highest priority. Due to the growth rate of healthcare costs, it was felt that improvements to employee wellness should be our second priority. We agreed to study wellness offerings at other universities who have strong wellness programs, to identify potential wellness resources and offerings that could be made available at OU including through Health & Exercise Science, and to invite OU's Health & Wellness Coordinator to discuss with us how to improve campus wellness resources and programs.

Fourth Meeting (January 31, 2011)
We discussed the current status of the overhaul of retirement savings programs management and noted the significant improvements that have been made to the plan as a result of both the work of this committee and the willingness of the Retirement Plans Management Committee to make changes to their original proposal. We decided to put forward a resolution requesting that the University provide Roth contribution options for the 403(b) and 457(b) voluntary retirement savings plans.

We discussed the serious state of health insurance cost increases. If the University does not have sufficient budgetary resources to absorb the 2012 cost increase, faculty compensation will be negatively impacted. At our next meeting we will be joined by Human Resources and will be seeking to understand the magnitude of the cost increases and exploring ways to change the plan structure such that future increases are lower. Annual cost increases in the high single digits both nationally and at the university level seem unsustainable even in the short term.

We discussed topics related to wellness, in preparation for our next meeting when Breion Rollins (Health & Wellness Coordinator) will join us to discuss wellness. Generally these topics can be grouped under exercise, dining, culture and incentives. Specific issues we discussed:

1. Smoke-free campus – what would be the cumulative reduction in health insurance costs if the campus were non-smoking, what incentives can be provided for nonsmokers
2. Murray Case Sells Swim Complex – limited hours, scheduling issues, usage by external clients during peak hours, and status of new pool
3. Huston-Huffman – the center is primarily for students and thus is not oriented towards faculty wellness and yet where else can faculty members go?
4. Bicycling – update on the bicycle plan (when will paths be built on campus, what is the status of the path that connects main campus with south campus), concern about the lack of paths/lanes in the city of Norman

5. Healthier food selections for campus events (relevant to most catered events with examples including advisory board meetings and graduate liaison meetings) and is symptomatic of the general culture where we live.

Last fall the poor usability of the benefits enrollment website was noted. One member of the committee has expertise in this area and volunteered to assist Human Resources to improve usability of the website. This was noted in the November 18, 2010 meeting of the Employee Benefits Committee.

Subsequent to this meeting, a member of the committee with expertise on website usability met with representatives of HR to provide feedback on the benefits enrollment website. HR is in the process of redesigning the website. The design of the HR information system precludes having a website recognize an individual's role and display the options that are role appropriate. HR is working on tabbed pages for each role (Staff, Faculty, etc.), which should improve this situation, although the website will still not be able to customize itself at a finer granularity (for example, recognizing that a given employee doesn't have a spouse and therefore does not need access to spousal options). The committee member and HR representatives discussed general usability principles as they are applied to this particular domain. The FWC committee member offered to participate in the usability testing of the new site.

Fifth Meeting (February 28, 2011)

The focus of this meeting was on healthcare, with time given to discussing the longer-term issue of wellness as well as more immediate issues related to annual renewal and higher plan costs. Our guests were Julius Hilburn (Associate Vice President & Chief Human Resources Officer), Nick Kelly (Assistant Director of Human Resources), and Breion Rollins (Health & Wellness Coordinator).

OU's wellness program was almost nonexistent two years ago but has been expanding under the leadership of Breion Rollins. It is our hope that the scope of programs and participation continues to increase in future years. Many faculty members are not aware of current programs. We discussed mechanisms for improving the dissemination of information to faculty members about wellness programs, resources and incentives. It was felt that multiple channels of communication are needed – email, website, flyers, and word of mouth. The committee suggested the appointment of 'wellness ambassadors' in each unit who would provide a personal and direct means of dissemination to each unit based on periodic information updates provided to them by the OU wellness program. We also discussed mechanisms for advertising wellness within OU, such as on login pages for Ozone and other OU websites. We discussed improvements to the layout of the Healthy Sooners website home page, tweaks to a recently printed one-page flyer listing wellness programs, the need to use ou.edu rather than ouhsc.edu addresses when communicating to the Norman campus faculty, as well as other details.

Increased healthcare expenditures are resulting in increased costs for employees and increased interest in the breakdown of expenditures. In 2012, OU healthcare costs might increase by several percent. In previous years employees have been asked to absorb about half of the increase – thus the increase for 2012 could have a very significant impact on take-home pay and would be occurring during a period of several consecutive years when no cost of living increases in salaries have been made. We had an abbreviated discussion on incentives to employees that would reduce healthcare costs and on alternative plan structures that are under consideration for 2012, which would be intended to reduce the increase in cost.

As healthcare costs are apportioned among various groups, some facts to keep in mind are:

- The monthly cost of healthcare for employees/retirees are:
  - Active PPO: $433.70
  - Pre-65 PPO: $654.52
  - Medicare: $311.33
- Retirees, both pre-65 and post-65, do not pay any portion of their monthly premium for their healthcare.
- Active employees are paying an increasing amount of their monthly healthcare premiums. Pre-65 retirees currently do not pay any of their monthly premiums, even though pre-65 retirees are on the same plan as active employees.
- Per national and state figures, the average additional cost of healthcare for a smoker is about $1500 per year. Currently, nonsmoking and smoking employees pay the same healthcare premium.

Through an email dialogue we provided feedback on process issues and coverage issues related to Long Term Disability. We requested that better summary information be given to participants during the enrollment process about the LTD coverage, and we listed some specific items to include in that information that we thought would help employees evaluate the attractiveness of the LTD coverage. It was not clear that any changes would be made in response to our concerns.

Sixth Meeting (April 25, 2011)

Amy Davenport (Director of Fitness and Recreation) joined us to talk about improving access to the Murray Case Sells Swim Complex for faculty, staff and students during the academic year. Two outside entities have contracted in previous years to use the pool from 3:20pm to 6:30pm. This time period is 'prime time' for many swimmers, yet accommodating these groups has meant that zero lap swim lanes have been available for members of the OU community. The capacity of the current pool is inadequate to simultaneously accommodate both of the outside entities as well as OU faculty, staff and students, and compromises will be needed until a new pool is constructed. The committee asked that adjustments be made to provide a better balance of access to the pool for members of the OU community during prime time hours in the academic year.

Julius Hilburn (Associate Vice President & Chief Human Resources Officer) and Nick Kelly (Assistant Director of Human Resources) joined us to continue our discussion about health insurance issues.

First, we reviewed an outline of a proposal for retiree medical that improves upon the prior proposal while still satisfying the original set of guiding principles. Reaction by the committee to the proposal was positive. It is simpler and more equitable, assuming changes are needed to ensure the retiree medical benefit remains sustainable into the future.

Second, we discussed how the employee healthcare plan could provide incentives to encourage healthy behavior. We highlighted the need for more pervasive communication on campus about wellness. One suggestion was to increase awareness of walking paths on campus and to label them with mile markers.

Third, an RFP for Long Term Disability has been issued. OU will ask for improved summary communications that can be provided during enrollment so that employees can be better informed about the features and limitations of the coverage they are selecting.

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[1] Note that at the time this list was created, the original proposal defined three investing tiers. It now has four tiers. Tier 2 was split into Tier 2 and Tier 3 as a result of item 8 above, and the brokerage window Tier 3 is now called Tier 4.