

Eastern Kentucky University  
**Board of Regents**  
**Finance & Planning Committee Meeting**  
**Special Meeting Minutes**

**July 21, 2016**  
**9:00 a.m.**

**Stites & Harbison, PLLC**  
**250 West Main Street, Suite 2300**  
**Lexington, KY**

Janet Craig, Chair of the Finance & Planning Committee of the Board of Regents, called the meeting to order at 9:00 a.m. Ms. Craig appointed Regent Bryan Makinen and Regent Craig King to the committee temporarily. Craig Turner, Chairman of the Board, was also present.

**Committee Members Present:**

Janet Craig  
David Tandy  
Craig King (proxy)  
Bryan Makinen (proxy)  
Craig Turner (ex officio)

**Others present were:**

Dr. Michael Benson, President  
Dr. Janna Vice, Provost & Senior Vice President of Academic Affairs  
Dr. Laurie Carter, Executive Vice President & University Counsel  
Mr. Barry Poynter, Vice President for Finance & Administration  
Mr. David McFaddin, Vice President for Engagement & Regional Stewardship  
Mr. Nick Perlick, Vice President for Development & Alumni Relations  
Ms. Joslyn Glover, Interim Chief Human Resources Officer  
Ms. Dana Fohl, Deputy University Counsel  
Mr. Jeremy Raines, Executive Assistant to the President and Board of Regents  
Mr. Jerry Wallace, Director, Strategic Communications

**I. Review and discussion of health insurance benefit plans and option**

Barry Poynter, Vice President for Finance & Administration, and Joslyn Glover, Interim Chief Human Resources Officer, led the discussion regarding the health insurance benefit plans. A review of the current health benefits, as well as proposed changes, was undertaken. Documents which reflect these changes and proposals are incorporated by reference herein and attached with the official copy of these minutes.

In summary, the proposed change to health care benefits includes retaining the standard plan, retaining the economy plan, eliminating the high plan and implementing a high deductible health

plan with an HSA. Thus, the University will still offer 3 tiers of coverage and plans. 50% of employees spent less than \$1,000 in the year. The high deductible health plan is likely a favorable choice. This will save employees approximately \$800,000. ECU proposes to implement a defined contribution of \$450 per employee and \$600 per family, which will save the institution \$1.2 million. Additionally, ECU proposes to implement a tobacco surcharge following the Affordable Care Act guidelines. Further, we will implement and integrate Healthy U into the health insurance plan as a premium reduction if an insured meets certain criteria. Further, we will look at the dental care program, as currently it is fully funded by the University. If the University only partially funds that program, we could save an additional \$175,000. If these changes are made to the health insurance plan, it could result in a total savings around \$2.2 million. \$1.4 is savings to University and \$800,000 in savings to employees. We would propose these changes to take effect January 1, 2017.

Currently, there are 505 employees enrolled in high plan, 932 employees in the standard plan, and 650 employees in the economy plan. The biggest difference in all 3 plans is the doctor's copay, but that difference is not great enough to justify the tiers.

How do the plans compare to others? NKU and Morehead are moving toward defined contribution plans. WKU has a defined contribution. Adding a tobacco surcharge also places us in line with our counterparts. At this time, we would not implement a spouse surcharge for covering a spouse that can be covered elsewhere. ECU will still cover even if eligible for comparable coverage. How will we enforce the surcharge? Currently, we do not plan to institute a blood test or other nicotine test. We will have members sign an affidavit. If not tobacco free, but want to quit, we can put them in the tobacco cessation program through Healthy U and then the member is eligible to drop the tobacco surcharge. The surcharge will purely be on the honor system. How much is surcharge? We are looking at maybe \$50. In sum, the user is risking their coverage if they lie. The surcharge will only be for employees right now. We will look at the spouse surcharge and how to do that within the ACA guidelines regarding surcharges. Costs would be approximately 10% more if we moved to fully insured as opposed to self-insured.

## **II. Review and discussion of dashboard document**

Barry Poynter led a discussion regarding the dashboard documents.

First, an analysis of foregone revenue for 19+ credit hours. Students that take above 18 credit hours are our best and brightest, but we are losing revenue by not charging about 18 credit hours. Charging, however, could have unintended consequences.

Scholarships and Fellowship were discussed and a five year expense comparison was reviewed. The committee made requests for additional data related to scholarships and graduation rates. 10 mil more in expenses from 12 to 16. Is the 10 mil difference what's the cash burden?

Tuition Waiver Expense and Usage. Waiver is applied in Financial Aid based on the undergraduate rates. The employee only gets the undergraduate rate and the employee pays the differential. This policy, however, has not been consistently applied. We will work on that implementation. If we apply our own policy, we can pull in about \$250,000. The policy also allows a "dependent" to take the credit hours of an employee. ECU defines a dependent at less

than 25 years of age. As to a comparison with peers on the tuition waiver, WKU, Morehead and Murray all allow 9 hours only.

A document regarding summer school was reviewed. Overall, we have done a poor job budgeting for summer school. Summer school is profitable for us on P&L standpoint. Additionally, E-Campus is increasing year over year.

**III. New Business**

A special Board meeting will be held on August 18.

The committee discussed proposed tentative dates of September 22 and October 24 as additional meeting times.

**IV. Adjourn**

Without objection, Committee Chair Janet Craig declared the meeting of the Finance & Planning Committee of the Board of Regents adjourned at 10:49 a.m.

 1.4.17  
Dana Fohl, Secretary      Date