Restoring Institutional Management of Benefits Procedures

University Council
October 7, 2010
Objectives of Centralized Benefit Pools

- Maintain a culture of cost awareness and benefits management
- Maintain an overview of all General Operating Fund compensation commitments
- Ensure that appropriate benefit costs are funded
Processes (that are completed)

- Each executive has been allocated “baseline” salary authority
  - FY09 salary budgets plus FY10/FY11 longevity & promotion increases
- Executive health insurance FTE levels are as distributed in FY09
- Applicable FY11 benefits have been assessed and budgeted in the benefit pools
Processes (still to be completed)

- Reports will be developed
  - To allow departments to see and understand their benefits costs, even though the expense goes to the centralized pools
  - To allow Deans, Directors, and Executives to oversee and manage costs against their allocated “baseline” authority
  - To allow the Budget/Fiscal Directors and the Budget Office to monitor variances on a regular basis
    - Unusual variances will be investigated and communicated to the appropriate personnel
Procedures

• Department completes HR compensation form
  - HR forms are currently undergoing revisions to include estimated benefit costs
• The impact/increase of benefit costs will be calculated and funded when making an employment hire, compensation change, or funding change.
• Completed and approved HR compensation forms will be reviewed by each VP’s designee prior to processing by the Budget Office and HR
Procedures

• The “baseline” authority will be adjusted for any approved compensation or health insurance FTE increases
  ➢ Process for obtaining increased authority still needs to be finalized
    o Committee doesn’t have the authority to decide this so the process must be made at the executive level
    o This is authority for a department to fill a new line or when they exceed the baseline authority for an existing line
  ➢ Either the University reserve or the Hiring Department will be responsible for funding increased benefit costs – which will be determined during approval process
Discussion