Call to Order

The meeting was called to order by Chair Philipsen at 2:35 P.M.

Voting membership for ex-officio members of the Council

After a brief discussion, the council voted to recommend to the Senate Executive Committee that voting rights be extended to ex-officio members of the council, because the work of the council applies broadly to faculty, librarians, and professional staff.

Approval of the minutes from the May 27, 2010 meeting

The minutes of the May 27, 2010 meeting were approved without changes.

Update on health plans (Katy Dwyer, Executive Director, HR - Benefits & WorkLife)

Dwyer gave an update on recent health plan changes. The biggest change is for the Uniform medical plan, which will have Regence as its new administrator. She also discussed some impending changes as a result of health care legislation.

The council brought up an email they had received from a faculty member concerned with Regence. Dwyer said that they are keeping track of complaints, though there have not been many, and they are usually related to providers in specialty areas being included on the new Regence list. Appeals about Regence can be taken outside their system, to the Health Care Authority. A question was also asked about possible contribution rate changes for 2012. Dwyer said that the governor’s office controls the rates, with negotiations occurring every two years, but that nothing has been set yet.

Update on Fund Review Committee (Katy Dwyer)

Dwyer gave the history of the Fund Review Committee (FRC) and its selection of Hewitt as a consultant. She introduced the three recommendations the FRC has made to the provost:

1. The Committee recommends that the UW implement four tiers for the UWRP investment structure:
   a. Tier One: Target Retirement Date Funds, selected and monitored by the Committee
   b. Tier Two: Core Funds, selected and monitored by the Committee
   c. Tier Three: Annuity Window: this addresses the large number of participants currently using TIAA-CREF annuities in their UWRP.
d. Tier Four: Mutual Fund Window – allow access to a broad range of mutual funds through a recordkeeper’s brokerage account.

2. The Committee recommends a substantial reduction in the number of Core funds offered in the UWRP. We recommend the use of Target Retirement Date Funds (Tier One, above) plus 10 to 20 Core Funds (Tier 2).

3. The Committee recommends that the UW retain a consultant to conduct a Recordkeeper search to assist the Committee in determining if consolidation of recordkeeping services will be of benefit to the Plan and participants.

The council engaged in a long discussion about these recommendations. The primary issue was the balance between offering an array of investment options and having reduced investment fees through more concentrated funds. Points made related to this issue included that the core funds in Tier Two should be broad enough to be attractive and capture people, but narrow enough to get substantial administrative and cost benefits; that breadth in the core funds is very important; and that those who wish to invest more broadly can use the mutual fund window, but those funds will not be monitored by the university.

The council expressed that it needed to see more concrete concepts of the core funds, such as their groups and distributions, in order to provide feedback. Members noted that they were pleased with the idea of the investment restructure, but felt that they had a responsibility to provide expertise and input before any final action was taken by the Provost. Dwyer thanked them for their input and explained the communications process being undertaken from FCR to various constituencies and stakeholders. She said that a website is being prepared that will accept comments, that she would check back with the council to ensure that their concerns have been captured correctly, and that she would look further into the possibility of FCBR reviewing the proposed core funds. Ray Bowen added that it would be useful for the council to get a detailed summary of what the FCR has done so far.

Discussion of future agenda items
Council members suggested additional agenda items for the year:

- An update on the Voluntary Retirement Incentive option – was it successful, what were the numbers, will it be continued?
- Ongoing update of health plan costs
- Legislative update before the session starts
- Faculty and staff needs for child care

Adjournment
The meeting was adjourned at 4:00 p.m.

Minutes by Craig Bosman, Council Support Analyst. cbosman@uw.edu

Present: Faculty: Philipsen (chair), Nihan, Brock
Ex-Officio Reps: Tyl, Chamberlin, Bowen
Guests: Dwyer

Absent: Faculty: Breidenthal, Bowen, Bradford
President’s Designee: Kornberg