

Priorities in Focus

Your Institution's Response to COVID-19

Segal

Priorities in Focus: Higher Education Institutions' Responses to COVID-19

Institutions are continuing to manage their response to COVID-19's profound disruption to everyday life, often without much of a safety net. While some institutions are relying on their business continuity plans and emergency response and disaster recovery processes, all institutions appreciate that this pandemic has raised issues not even the best-laid plans could have foreseen.

To help you prioritize the plethora of organizational, HR management, and faculty and staff benefit issues the crisis has raised, Segal has created a COVID-19 Response Framework that provides a practical guide for your workforce priorities. The Framework is crafted to complement other processes your institution may be using, and at its simplest, can be used as a checklist of actions needed to progress through the predictable stages of recovery.

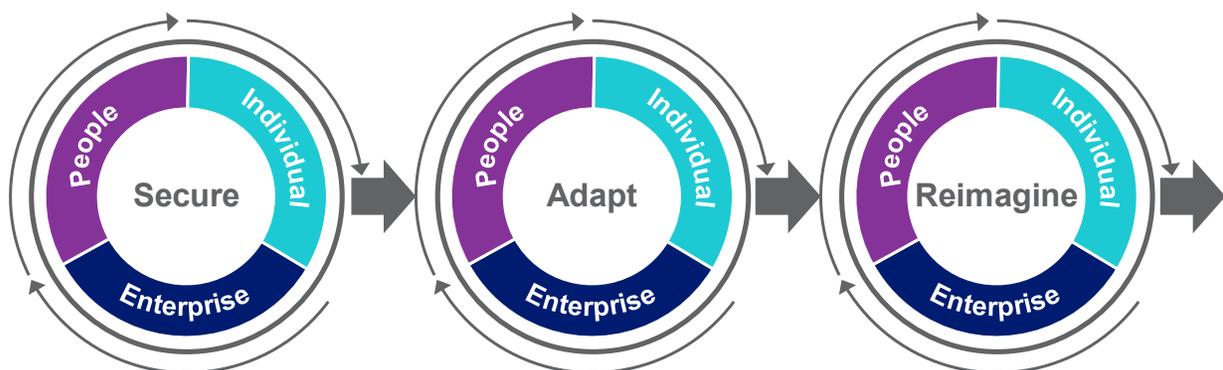
Three stages, three stakeholders

The Framework consists of three interconnected stages that represent the full scope of an institution's response to the pandemic.

These stages are:

- **Secure** the Present
- **Adapt** as the Impact of the Virus Evolves
- **Reimagine** the Future

Strategic organizations understand the need to balance and address the different needs and perspectives of their vital stakeholders. With each stage, institutions should define what success looks like from three crucial perspectives: the **Enterprise** as a whole, the various groupings of **People** in its workforce and impacts on **Individual** faculty and staff members.

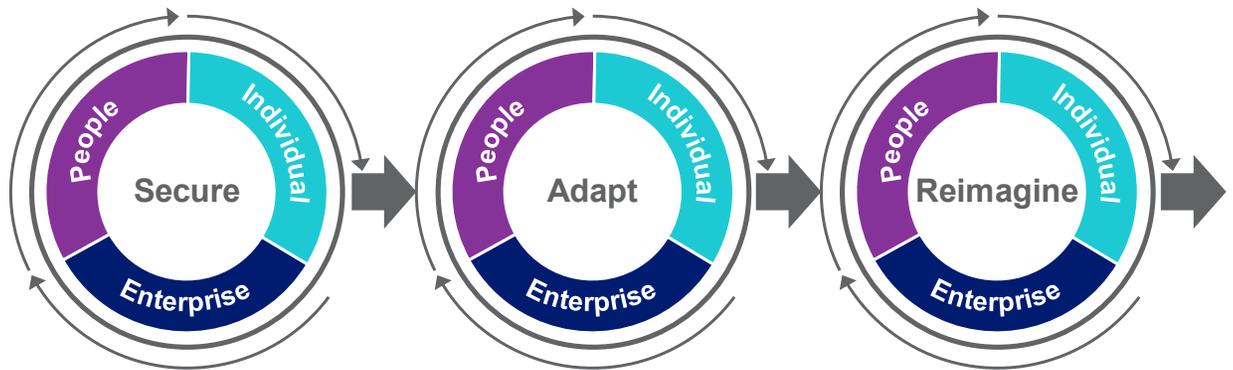


The stages do not follow a specific time horizon because:

- It is currently unknown how long the crisis will last.
- The virus will peak at different times in different parts of the United States.
- The crisis will impact different types of institutions differently.

Indeed, if the virus returns before a vaccine is available, organizations may need to revisit some stages.

What are Indicators of Success After Each Stage?



Enterprise	The enterprise is prepared to address the immediate needs of the institution and its constituents.	Leadership of the enterprise is clear on various business scenarios, their key trade-offs and their internal and external risks.	The enterprise has the information and resources it needs to craft and execute a reimagined business plan or/and operational model.
People	Groups of people associated with the institution trust that organizational leadership will chart the right path.	The people are productive and proud of the institution's response to the crisis.	There is clarity and clear understanding of leadership's decision-making process and long-term outcomes.
Individual	Individual faculty and staff members feel mentally, emotionally, and physically safe and know what is expected of them.	As plans evolve, individual faculty and staff know how they need to adapt as well as contribute to their institution's success.	Individuals understand how the macro effects of the crisis will impact their futures at the institution and their career trajectories.

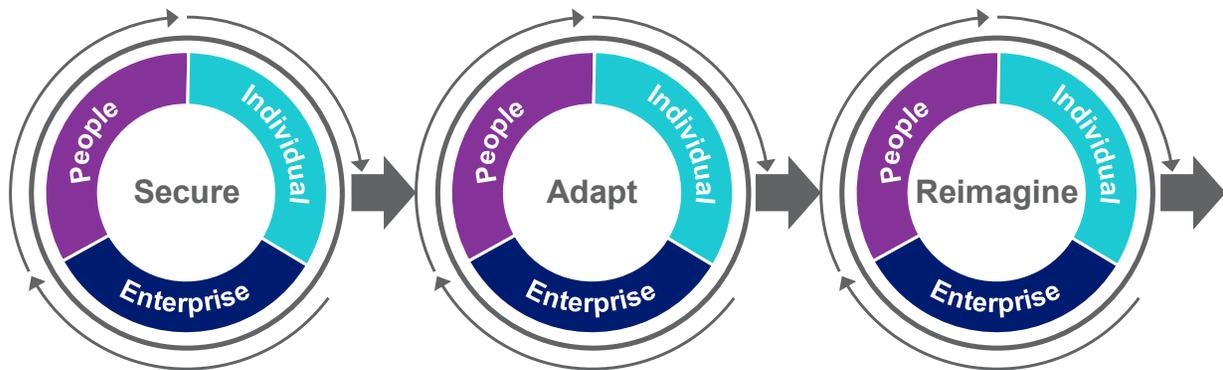
Index of Organizational, HR and Human Prioritization Impacts

Each stage suggests key institutional, HR and faculty and staff benefits issues to consider in order to achieve this success. To assist you, we have grouped recommendations into the following categories. Click on each link to see details.

Workforce Planning & Cost Reduction	Remote Work	Infrastructure Management	IT Security & Data Integrity
Leadership Support	Payroll & Compensation	Workforce Communications	Legislation
Health & Wellbeing	Business Continuity, Incident & Disaster Response	Financial Security & Retirement Savings	Insurance Brokerage & Risk Mitigation
Career & Performance	Absence & Time Off	Legal Compliance	Vendor Management

Proactively identifying your institution's priorities in each stage is vital. On the subsequent pages, based on our experience we present checklists suggesting the most strategic priorities for action.

Priorities Checklist: Workforce Planning & Cost Reduction



Priorities

- Assess talent acquisition issues (e.g., people who have been given offers and available job candidates).
- Identify potential business scenarios and forecast impact to workforce.
- Develop workforce strategies that address financial impacts.
- Apply value / mission based approach for making staffing decision.
- Explore new / alternative staffing and compensation approaches.
- Develop strategies for reducing labor costs.
- Assess other internal / external factors impacting the community and the workforce.
- Explore leading practices in cost reduction.
- Develop strategies for near and long term cost reduction.
- Identify untapped opportunities to stimulate new revenues.
- Review workforce planning impacts with regard to retirement plans; consider the possibility of a partial plan termination.

Priorities

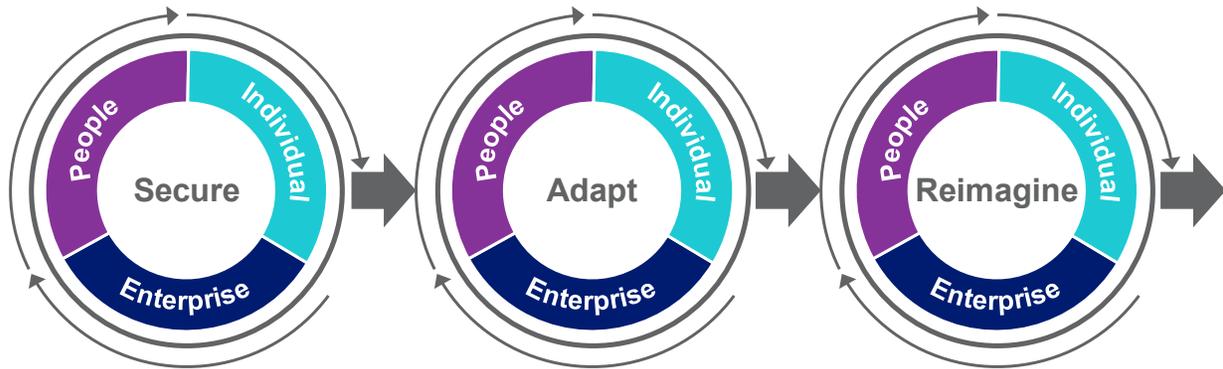
- Assess what you've learned from remote workforce
 - Operations
 - Organizations
 - Workflow
 - Culture
- Evaluate new perspectives on workforce competency and capacity requirements
- Identify opportunities, risks and benefits of potential long-term organizational changes.
- Identify near and long term impacts of the change on the workforce.
- Review and assess policy environment – identify opportunities to reduce and refine policies.
- Review and assess governance models and structures.
- Evaluate technology deployment and identify opportunities to expand or enhance systems and tools.
- Evaluate any disparate impact caused by layoffs, furloughs and salary reductions.

Priorities

- Engage in larger scale organizational and operational transformation.
- Design new service delivery models.
- Reimagine roles, responsibilities, and accountabilities.
- Redesign processes and workflows.
- Reimagine and redesign policies.
- Leverage technology to reduce or redeploy workforce.
- Engage in comprehensive change management practices to evolve workforce culture.

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Priorities Checklist: Leadership Support



Priorities

- Develop structures and processes to stay informed on fast-developing information from all critical sources (government officials and key stakeholders such as students, faculty and staff, donors, community members).
- Leverage leadership team to inform critical decision making.
- Build mechanisms and processes for decision making that allow for flexibility and adaptability.
- Develop and deliver authentic and candid communication and announce a central location for obtaining critical messages.
- Ensure that leaders are visible and accessible and speaking with a common voice.
- Engage in strategic scenario based planning and build a plan that is responsive and flexible.
- Develop mechanisms to ensure leaders remain focused, calm and in-control.
- Retirement Plans: Develop strategy to manage cash flow requirements.

Priorities

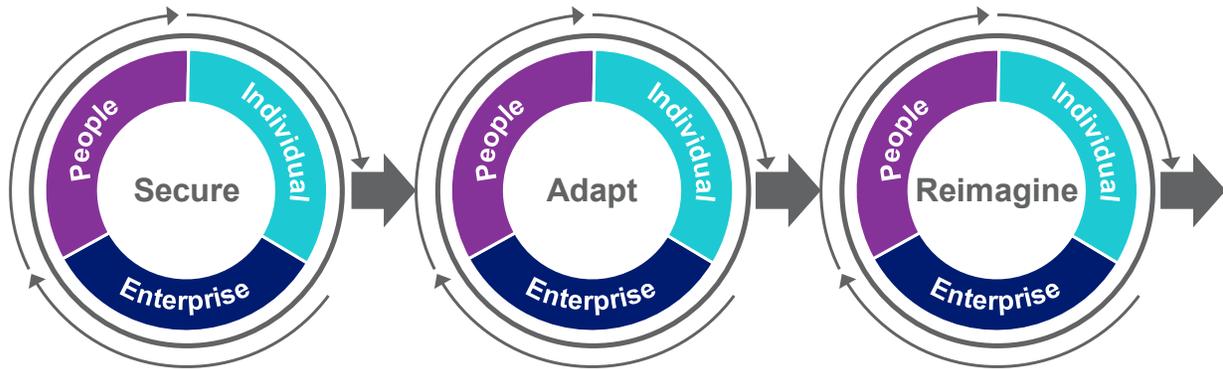
- Develop strategies and mechanisms to ensure leadership team and key faculty and staff are being nurtured, respected and valued.
- Develop strategies and approaches for connecting with customers, partners, providers and other external stakeholders.
- Develop strategies and mechanisms to lead the organization through significant change.
- Develop reliable and dependable forums and vehicles for communicating to key internal and external stakeholders - Commit to regular communication.
- Evaluate whether structures put in place to stay informed are effective and modify as needed.
- Modify scenario based strategic plans based on new data and information.
- Develop strategies and processes for staying connected to faculty and staff engagement levels, performance, productivity and morale.

Priorities

- Develop a process for creating a new / modified vision for the future.
- Develop a process for collecting and analyzing organizational and operational insights gained during crisis.
- Leverage insights to transform legacy departments, operations, systems and policies.
- Invest in effective and comprehensive change management strategies for evolving organizations and cultures.
- Develop approaches for providing ongoing coaching and leadership development to senior leaders.

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Priorities Checklist: Health & Wellbeing



Priorities

- Determine coverage levels with carriers for COVID-19 testing and treatment.
- Determine prescription plan policies for refills, quantity limits, and clinical programs.
- Ensure plans provide coverage for virtual visits.
- Communicate available healthcare options, including telemedicine, needed prescriptions, account-based plans, COVID-19 tests and treatment.
- Communicate and improve awareness of Employee Assistance Programs and other support services.
- Create means for measuring and providing COVID-19 reporting required by regulatory agencies.

Priorities

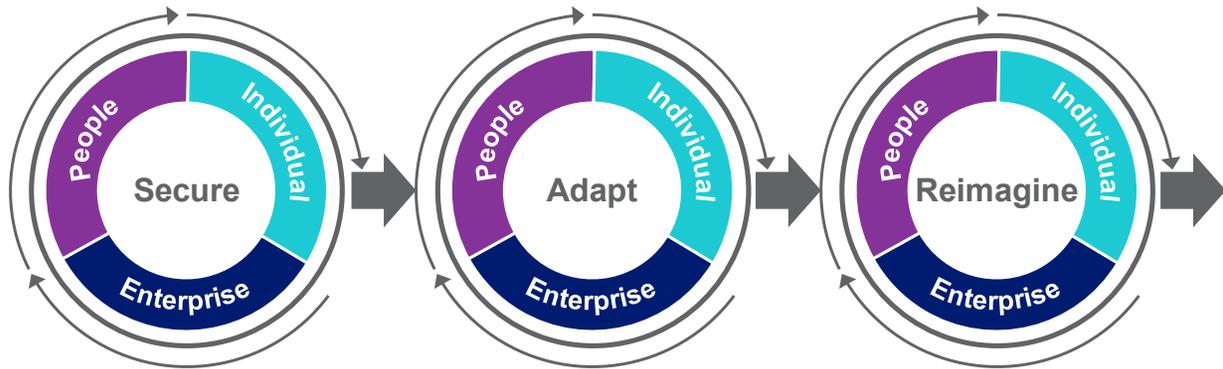
- Consider cost impact of COVID-19 in 2020 and beyond on plans
- Understand broader economic changes in your organization, and how the benefits budget may be impacted under different scenarios
- Modify benefits design and strategy based on changes to the organization's hiring – layoffs and furloughs, or part-time hires, gig or other workers
- Review vendor contracts to address changes in coverage, material changes in enrollment and performance standards
- Adapt wellbeing programs and communications to reflect COVID-19 environment – more work from home, special needs of first responders and essential workers
- Plan for back-to-office procedures – onsite thermometers or testing, protected privacy, etc.

Priorities

- Determine 2021 benefit plans and required employee contributions for all benefits, based on new workforce profile and budget expectations.
- Review voluntary benefit policies such as critical illness, hospital indemnity and disability insurance within the context of risk management tools for faculty and staff.
- Modify plan documents to reflect changes for COVID-19 coverage and other adjustments.
- Utilize data mining to determine true costs of pandemic on workforce.
- Encourage preventive and wellness visits be made up.

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Detailed Priorities: Career & Performance



Priorities

- Identify essential services faculty and staff.
- Continue performance management but revisit goals necessary to support current environment.
- Manage a remote workforce; identify new competencies that are needed and relate them to professional development.

Priorities

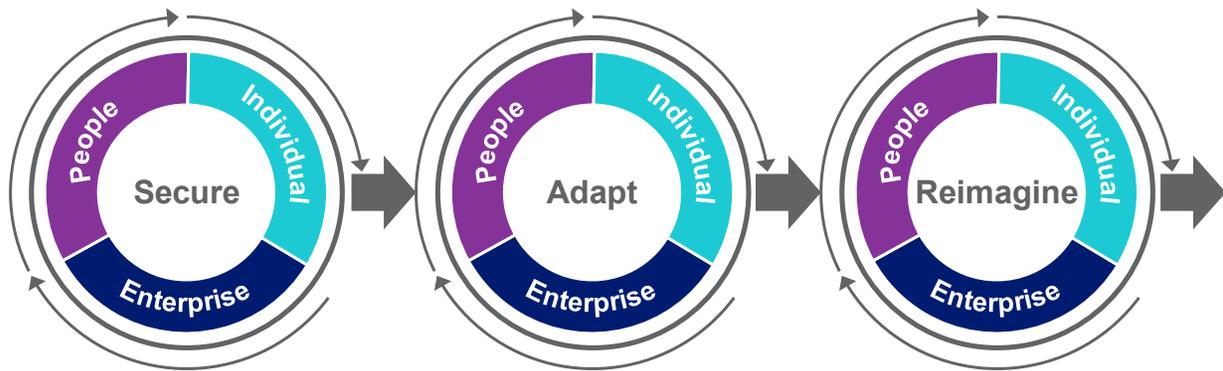
- Reconfigure work content and reporting relationships.
- Determine necessary promotion cycle adjustments.
- Evaluate training and development budgets and delivery.
- Convey individual performance expectations and priorities.
- Implement current succession plans or adapt with interim or acting roles.
- Examine current succession plans to identify new needs and gaps.

Priorities

- Develop an updated faculty and staff value proposition.
- Reconsider on-site, travel, remote work, and flexible schedule policies.
- Revamp career architecture and pathways.
- Determine go-forward staff development programs and policies.
- Evaluate institutional succession planning processes in light of your emergency management responses.

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Priorities Checklist: Remote Work



Priorities

- Create technology infrastructure to enable employees to work remotely in a secure environment.
- Distribute guidance on effective remote work practices.
- Provide basic training for on-line tools and applications.
- Develop processes and mechanisms to regularly connect with remote workforce.
- Continuously monitor the environment to assess and mitigate challenges.

Priorities

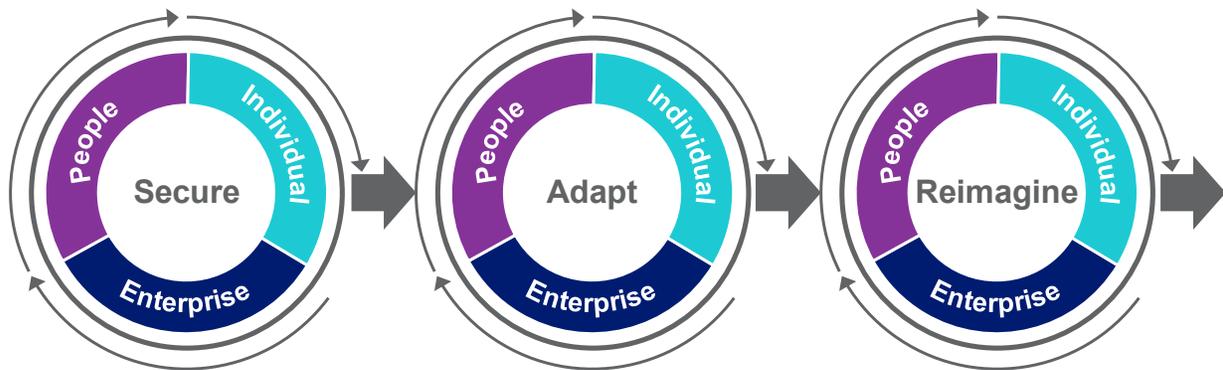
- Develop more detailed / permanent policies for remote work.
- Assess risk management factors and design policies / strategies for mitigating risks.
- Evaluate opportunities to extend work from home roles beyond crisis period.
- Develop performance management process and expectations for remote work.
- Plan for back-to-office procedures – onsite thermometers or testing, protected privacy, etc.
- Train/communicate HR professionals and managers to understand how to lead staff working remotely.

Priorities

- Assess learnings from crisis period and evaluate new opportunities to extend remote work options.
- Refine workflow and processes to enable more remote workforce opportunities.
- Review visitor protocols and appropriate questions related to exposure.

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Priorities Checklist: Payroll & Compensation



Priorities

- Assess payroll processing risks.
- Consider pay actions to preserve cash such as:
 - Pay freeze/reduction.
 - Promotional increase deferral.
 - Freezing retirement plan contributions/matches/accruals.
 - Consideration of furloughs vs. layoffs.
- Aggressively manage non-exempt overtime pay.
- Assess and comply with paid leave legal requirements.
- Consider hazard pay for select essential services provided by faculty and staff.
- Ensure employee deferrals are deposited and invested timely according to DOL regulations

Priorities

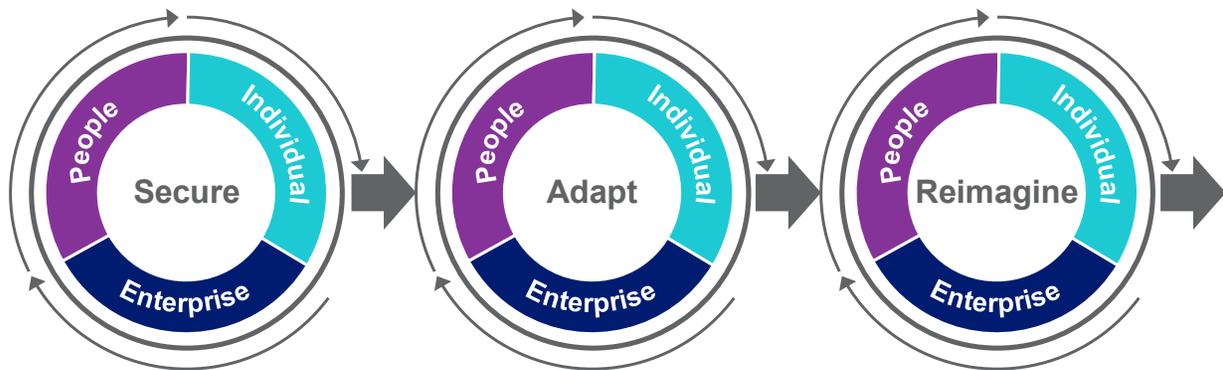
- Assess pay equity with workforce resizing.
- Evaluate severance pay at various organizational levels.
- Revisit performance targets and incentive plans.
- Review executive compensation strategy, compliance and optics.
- Consider use of retirement plans as incentive for early retirements.

Priorities

- Conduct job evaluations and market pricing studies.
- Evaluate the continued relevancy, competitiveness and sustainability of total compensation offered.
- Determine go-forward variable pay and equity opportunities.
- Update and communicate pay policies and protocols for current faculty and staff, “reboarded” faculty and staff and new hires.

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Priorities Checklist: Business Continuity, Incident & Disaster Response



Priorities

Protect People

- Initiate Business Continuity Plan and Disaster Recovery procedures.
- Mobilize Incident and Disaster Response teams.
- Assess immediate impact and develop action plans (employee health, medical needs, availability, and food, shelter and financial needs).
- Notify faculty & staff, contractors, customers, suppliers and vendors of status, restrictions, limitations, and interim procedures (building access, travel, meetings, events, deliveries).
- Address potential technology and infrastructure issues (remote access software, network bandwidth, cyber security, IT Help Desk support).
- Review your telecommuting policy that outlines the employer's expectations for faculty and staff who work from home.

Priorities

Protect Operations

- Identify and equip essential staff required to keep critical business processes operating
- Setup and support staff and contractors to work remotely as needed – adjust telecommuting policies if required.
- Stabilize supply chain (order management, new suppliers as needed, and risk management)
- Establish centralized communication function and provide ongoing updates to staff, contractors, students, suppliers and vendors (status, plans, risk mitigations, and issue resolutions).
- Make temporary adjustments to HR and other business processes.
- Review event cancellation insurance.

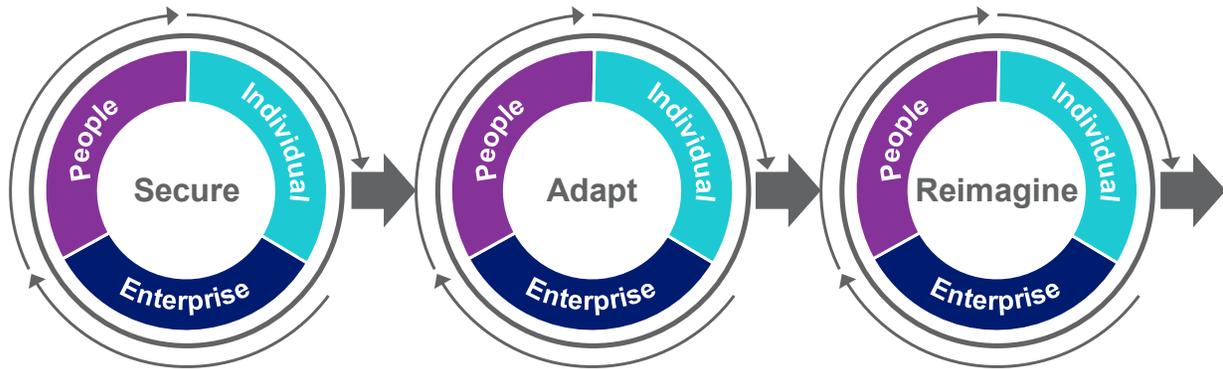
Priorities

Protect the Institution

- Conduct financial stress testing and trigger-based action planning. Model cash flow, budget, and balance sheet scenarios based on economic forecasts.
- Review Property & Casualty policies against risk exposures (equipment, personal property, values)
- Review and consider improving HR processes.
- Conduct technology assessment and remediate issues as necessary.
- Establish an annual process to update the business continuity plan, emergency response and disaster response programs, to train designated response teams, and to test elements of the plans and programs.

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Priorities Checklist: Absence & Time Off



Priorities

- Understand and implement applicable Federal and State COVID-19-related leave programs
- Create means for measuring and COVID-19 reporting required by regulatory agencies.
- Communicate and clarify current absence, leave and time off policies with your workforce.

Priorities

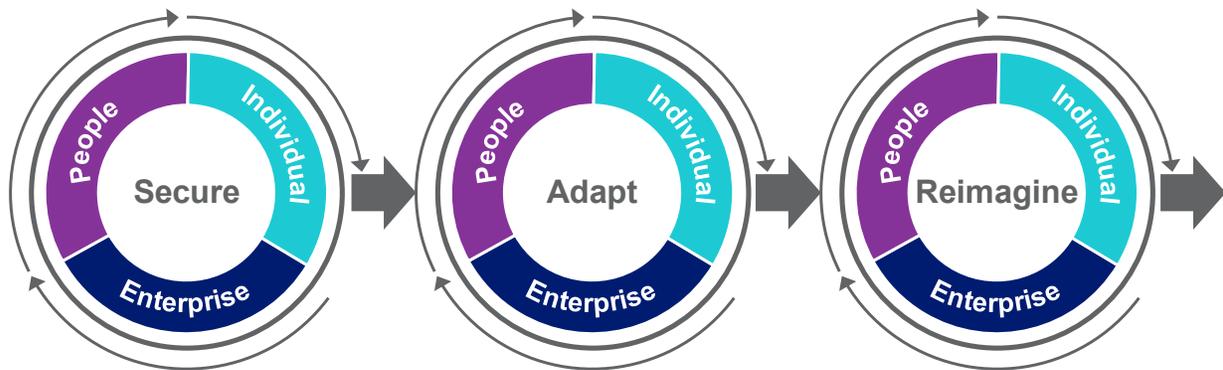
- Project and then measure impact of COVID-19 on sick leave use, paid family leave use and short-term disability claims.
- Consider impact of work-from-home environment on vacation and paid time off utilization.
- Explore paid-leave “donation” or “share” program among workforce.
- Expect high utilization of paid-time-off late in 2020 or modify vacation carryover limits and use-or-lose provisions.

Priorities

- Consider formalizing policies for various forms of emergency leave arrangements.
- Convey when the emergency leave arrangements sunset and the return to regular leave arrangements begins.
- Consider revising leave arrangements if remote working becomes more common.

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Priorities Checklist: Infrastructure Management



Priorities

- Determine on-site staffing needs including facility security.
- Reconsider on-site utility needs, supplies, generators, etc.
- Distribute on-site protective gear (e.g., masks, gloves).

Priorities

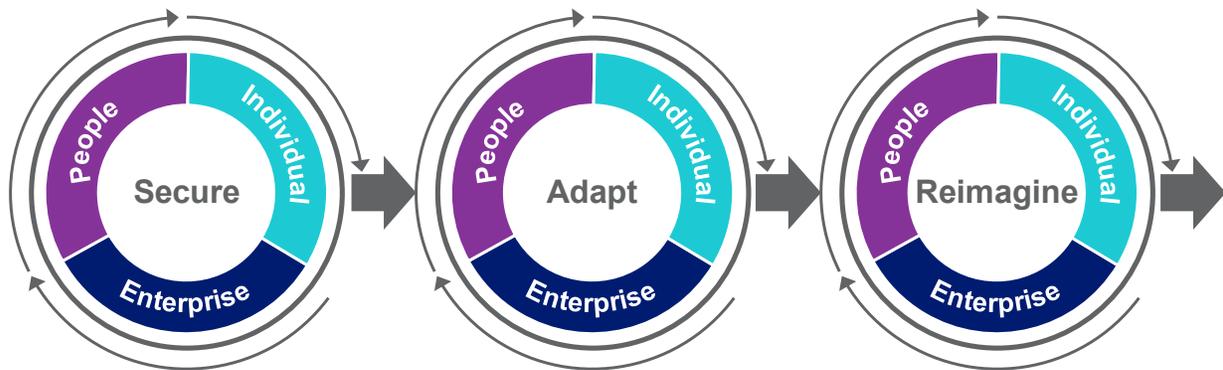
- Assess temporary re-purposing of buildings.
- Evaluate Capital Plans for needed short-term adjustments.

Priorities

- Review visitor protocols and appropriate questions related to exposure.
- Undertake revised Capital Planning to align with changes in vision and operating assumptions.

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Priorities Checklist: Workforce Communications



Priorities

- Align and assess communication needs for short-term priorities.
- Offer guidance to managers regarding strategies to stay in touch with their teams.
- Initiate crisis response and change management activities.
- Develop consensus among leaders about key messages and communicate them.
- Reinforce awareness of healthcare, mental health and financial resources for faculty and staff.

Priorities

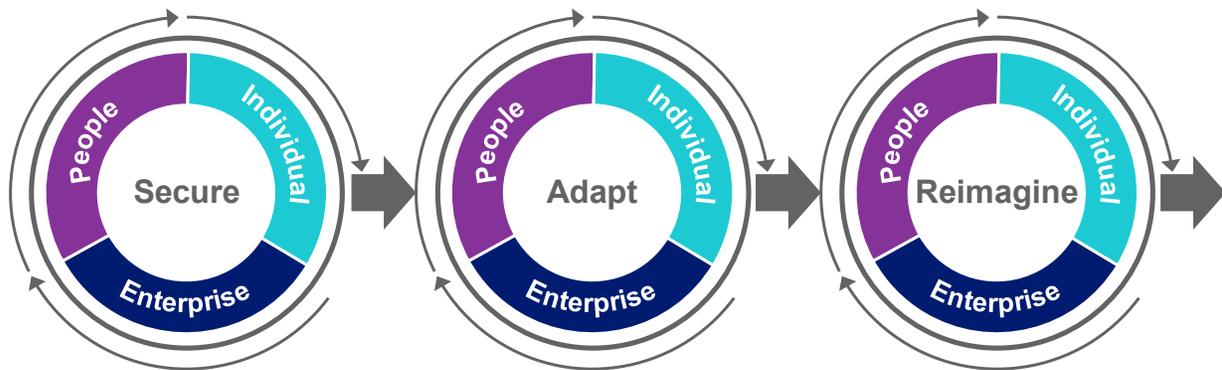
- Align and assess communication needs for mid-term priorities.
- Communicate and educate faculty and staff on how to effectively navigate through various work, employee benefit and community resource processes.
- Specifically communicate changes in processes or workforce expectations and their related time horizons.

Priorities

- Develop and deploy compelling communication about the reimagined future of the institution.

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Priorities Checklist: Financial Security & Retirement Savings



Priorities

- Continue essential payroll practices.
- Provide or refer to resources that assist with employee financial security, including:
 - financial wellness benefits.
 - new rules on 403(b) hardship withdrawals.
 - student loan assistance programs.
 - debt payment deferral.
- Decide whether to adopt CARES Act expanded distribution and loan provisions as a way to address employees' immediate financial needs
- Communicate available retirement plan loans and distributions to cover immediate financial hardship
 - Review internal and external processes and protocols for retirement plan operations (e.g. governance, best practices, fiduciary training, process documentation)

Priorities

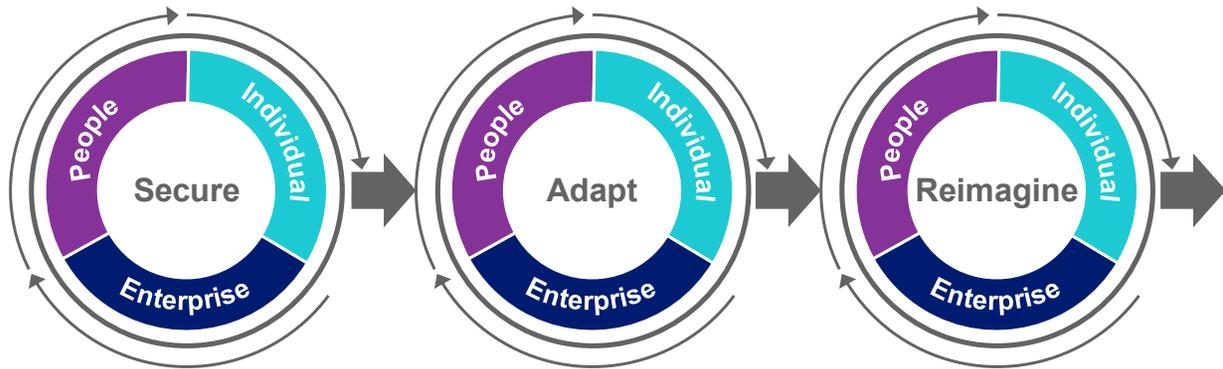
- Assist individuals with evaluating the need for 403(b) hardship withdrawals to cover immediate financial hardship.
- Evaluate additions to existing financial wellness programs.
- Consider CARES Act tax-advantaged student loan repayment benefit (\$5,250 of income tax-free contributions to pay down loans).
- Evaluate your workforce strategy in coordination with your retirement plan provisions.
- Consider implementing VSIPs (Voluntary Separation Incentive Programs).
- Consider implementing early retirement plan incentives.
- Assess bonuses, stipends, spot awards, and other variable pay programs.

Priorities

- Given the volatility in 403(b) plan account balances:
 - reassess the extent of retirement readiness among faculty and staff.
 - assess your retirement plan provider communications and supplement the messaging, if appropriate.
- Assess the extent of sub-optimal savings rates and investment selections.
- Encourage individuals to revisit their retirement goals, savings rates and investments
- Evaluate offering workforce financial literacy support, debt consolidation assistance, and retirement savings incentives.
- Evaluate whether to freeze defined benefit plans and/or enhance defined contribution plans.

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Priorities Checklist: Legal Compliance



Priorities

- Determine strategies to manage workers' compensation risks for telecommuters and remote faculty and staff.
- Determine the extent to which COVID-19 testing and treatments can be tied to occupational causes and workers compensation as a payor.

Priorities

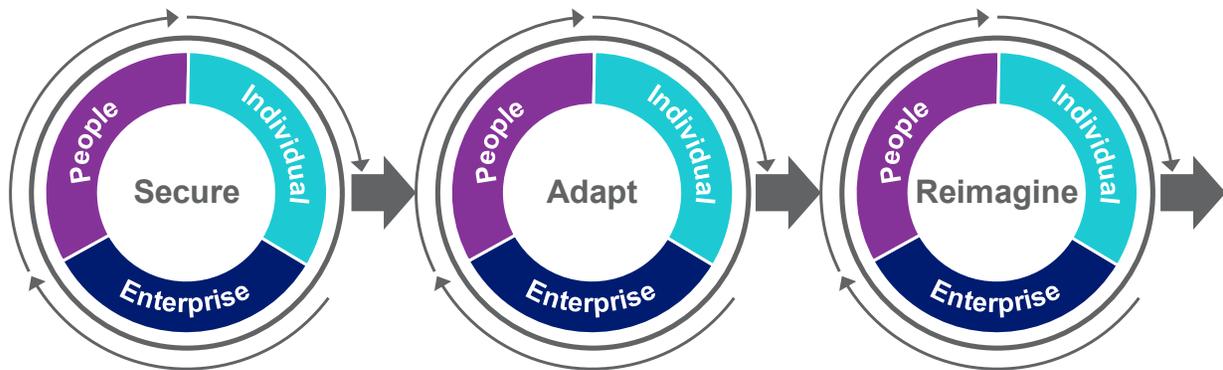
- Review fiduciary liability policies. Are policy limits sufficient, should layoffs or disputes on benefits occur?
- Review employment practices liability insurance to determine coverage for third-party claims.

Priorities

- Review errors and omissions insurance policies to determine sufficient coverage levels.
- Assess Directors and Officers Liability Insurance limits and insolvency coverage.

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Priorities Checklist: IT Security & Data Integrity



Priorities

- Review risk analysis and IT security protocols to determine necessary updates.
- Stay aware of latest malware affecting campuses in light of COVID-19.
- Disseminate communications to create awareness of increased malware and mitigation efforts.

Priorities

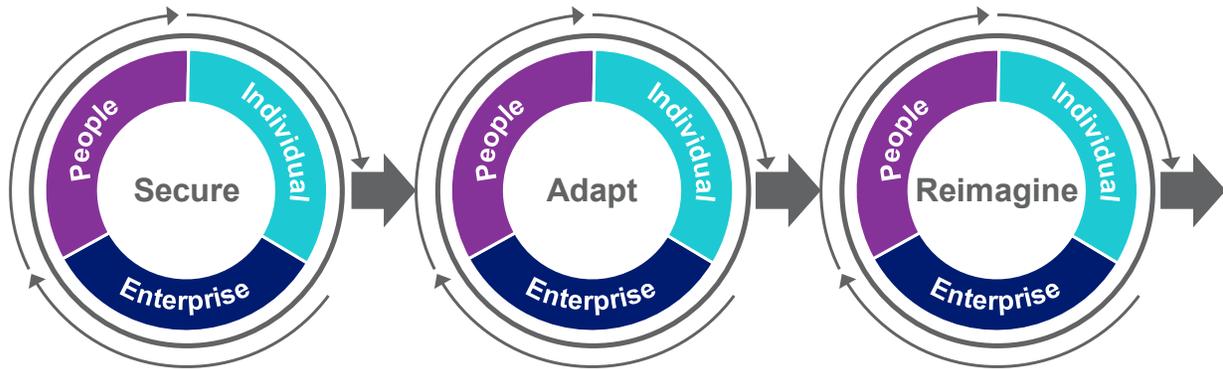
- Review security and data integrity of all HR, benefit and payroll systems.
- Most Cyber liability insurers provide pre-breach loss prevention tools, including online training and other protections while working remotely.

Priorities

- Conduct yearly IT security risk analysis.
- Review and update all cyber security insurance policies.
- Review business associate agreements for all IT security provisions.
- Review fidelity bonds and cyber liability policies to consider protection against social engineering.

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Priorities Checklist: Legislation



Priorities

- Maintain ongoing awareness of and appropriate analysis of COVID-19 legislation's impact on the institution, workforce and benefits.
- Engage with government relations professionals and legal counsel.
- CARES Act: Contemplate action items associated with Defined Contribution provisions (primarily loan and withdrawal-related) and Defined Benefit provisions (primarily contribution-deferral related).

Priorities

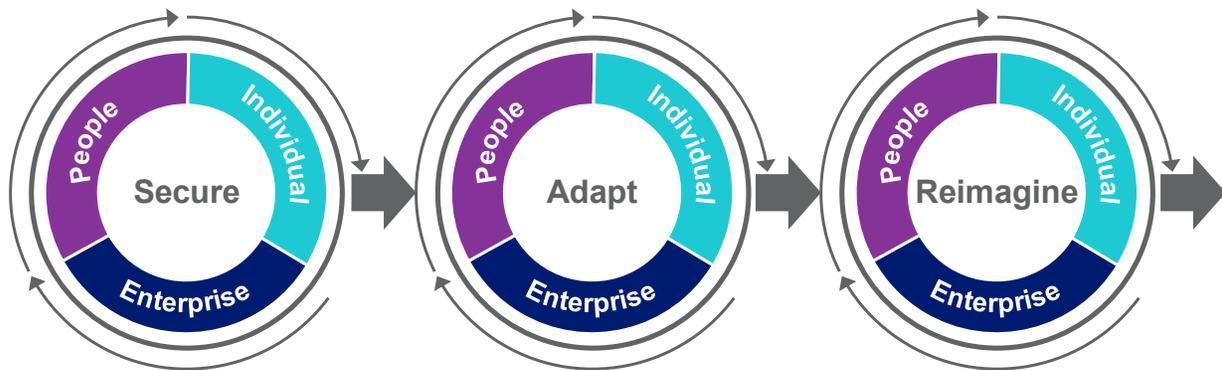
- Engage with professional associations and higher education partners.
- Evaluate the impact of emergency legislation on your institution, its divisions and faculty and staff.

Priorities

- Influence professional associations/affiliations to advocate for needed change.
- Emphasize institutional priorities to your internal legislative influence/lobbying efforts.

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Priorities Checklist: Insurance Brokerage & Risk Mitigation



Priorities

- Evaluate the performance of invested capital within the context of relevant capital market volatility.
- Evaluate opportunities to better manage pension plan risk with tools such as Asset / Liability Management and Pension Risk Transfer.
- Review Property & Casualty insurance as coverage may vary by state.
- Review Disaster Recovery planning and Business Continuity plans to help sustain business operations.

Priorities

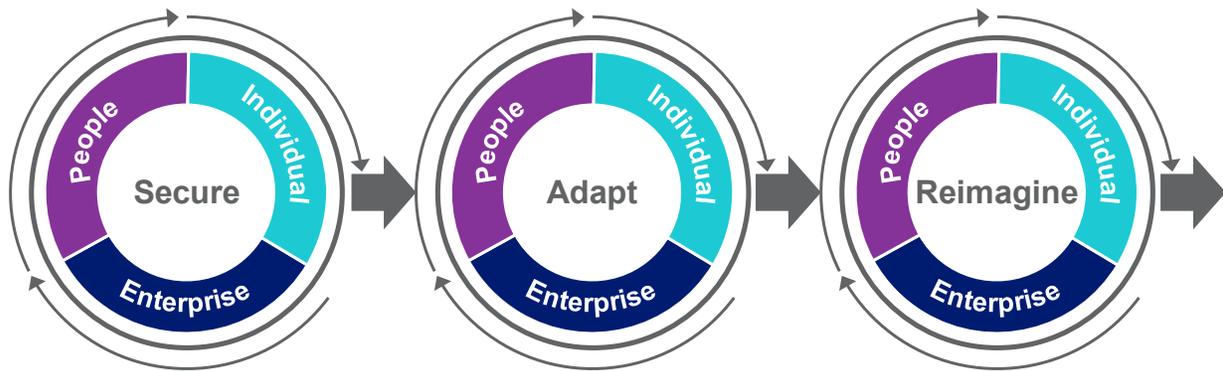
- Review Fiduciary liability policies for administrative errors and omissions due to COVID-19.
- Assess Cyber risk through incident response planning to prepare for a data event.

Priorities

- Review Employment practices liability insurance related to hiring practices and exposure.
- Review Directors and Officers Liability Insurance limits and insolvency coverage.
- Review long-term risk profile of pension plan.

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Priorities Checklist: Vendor Management



Priorities

- Contact vendors, partners, and other advisors to determine ability to continue goods and services, as well as contract fulfillment.
- Request regular status updates.
- Work with HR and employee benefit vendors to ensure that ongoing administration and operations are not interrupted (e.g. claims processing, benefit payments uninterrupted, mitigation of high call volumes, processing of increased distribution and loan requests)
- Confirm all vendors are prepared to handle changes prompted by the COVID-19 situation (such as the CARES Act provision)

Priorities

- Review vendor contracts to determine service guarantees.
- Ensure HIPAA business associate agreements are in place for all applicable vendors.
- Review errors and omissions insurance policies for vendors who cannot perform services.

Priorities

- Review current vendors, partners, and business associates to determine needed revisions to contracts. Carefully review service guarantees, limitations of liabilities and indemnification provisions.
- Consider newly needed or alternate sources of goods/services.
- Review external processes and protocols for employee benefit plan operations (i.e. best practices, process documentation)
- Consider assessing and coordinating vendor communication activities to align with your goals

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Please visit Segal's website for information
on all of Segal's COVID-19 resources.

www.segalco.com/covid-19

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