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Any comments concerning the contents in *The University of Akron Chronicle*
may be directed to the Secretary, Mrs. Rose Marie Konet (x6510).

facultysenate@uakron.edu

Minutes of the Faculty Senate Meeting of September 15, 2005

This special meeting of the Faculty Senate took place Thursday, September 15, 2005, in Room 201 of the Buckingham Center for Continuing Education (BCCE). Senate Chair Rudy Fenwick called the meeting to order at 3:10 pm.

Forty-three of the current fifty-seven Faculty Senators were in attendance for this meeting. Senators Boal, John, Linc, Londraville, Lyons, Mann, Qammar, and Zingale were absent with notice. Senators Broadway, Davis, Garn-Nunn, Kelly, Stachowiak, and Vijayaraman were absent without notice.

I. Approval of the Agenda – Chair Fenwick welcomed everyone to the special session of the Faculty Senate. He asked for a motion to approve the Agenda; Senator Kreidler made the motion; Senator Steiner seconded. The body responded unanimously in favor of approving the Agenda.

II. Special Announcements – The Chair made a couple of brief announcements. He mentioned the email forwarded to everyone from Senator Fedor’s office about the tentative agreement between the Legislature and Inter-University Council on Senate Bill 24, the Academic Bill of Rights. “It looks like there will be no legislation going forward, that universities will look to their own procedures for grievances regarding political speech on campus.” He assured the Senate that this would be monitored as it goes along and that this would be a subject of discussion at the October meeting of the Ohio Faculty Council. “As I hear of things, or as Dave Witt hears things, we will pass them along.”

Secondly, he reminded everyone that the Senate Orientation was scheduled for October 20. “I hope everybody is able to attend; there should be refreshments for that Orientation session, so please attend.”

The third announcement was that the handout, the hardcopy of the Well-being report, was incomplete in that it was missing every other page. “It copied back and front, so Senator Erickson will have to address that in her report.”

Chair Fenwick explained that the day’s meeting was necessitated by the Well-being Committee report on healthcare and the health insurance proposal process. In preparing for this meeting, it occurs to me that Yogi Berra was right. “It’s déjà vu, all over again.” He reminisced about a meeting in September 2001—his first Senate meeting—a special session that addressed healthcare, health insurance and a healthcare proposal that the Senate thought was not done according to process—four years ago.

“I looked back through *The Chronicle* and was reminded by Senator Erickson that, if you go four years beyond that—September 18, 1997—there was a special session of the Faculty Senate to

address what was felt at the time to be an inappropriate process in arriving at a healthcare proposal. So apparently we are on a four-year cycle. So please put down on your calendars—for September 2009—that there will be a special session of the Faculty Senate to address healthcare.”

In preparation for the day’s session, the Chair asked Vice President Roy Ray to attend. Mr. Ray was unable to attend; however, Mr. Sid Foster was there to represent his office. Dr. Chand Midha was present to represent the Provost’s Office.

Well-being Committee Report – Senator Erickson thanked everyone for attending the special session. She also apologized for the lateness of the report from the committee. She asked that everyone obtain a copy of the handout or else sit next to someone that had a copy. The Senator apologized for the amount of material that had been distributed, including the documents that had been provided for the day’s meeting. “The Well-being Committee was concerned about that and that’s why they put all the materials that you have in appendices rather than just as one page.” Additionally, one of the handouts represented questions that were sent to Vice President Ray along with his reply (see **Appendix A**).

Senator Erickson first addressed the report itself (**Appendix B**). Since the last Senate meeting [held on September 1], the Well-being Committee met on September 6, 8, and 13 to discuss the issues surrounding the health insurance, which were listed on the handout. More specifically, this special meeting would deal with item ‘D,’ a recommendation related to the health insurance outlined in the September 1 report. “After discussing the issues and taking into account the answers supplied to our questions by Vice President Ray, we make the following statement and recommendation to the Senate that we have in the appendices.” She referred everyone to the September 1 report which was attached to the September 15 Agenda.

Senator Erickson pointed out that the current statement, as submitted, needed to be put into ‘WHEREAS’ format. Since there was no time to rewrite the statement in the ‘WHEREAS’ form, she pointed out to the Senate the appropriate places where ‘WHEREAS’ should be inserted:

“The first ‘WHEREAS’ would start with sentence number two; the second ‘WHEREAS’ will be the next sentence. The third ‘WHEREAS’ will be the third sentence; the fourth ‘WHEREAS’ will be fourth sentence; the last ‘WHEREAS’ will be the last sentence.”
However, she chose to read it to the Senate as the Well-being Committee passed it.

STATEMENT:

The Well-being Committee makes a formal objection to the fact that the process for developing health care proposals has not been followed. The Committee has been involved with full faith in the development of proposals for bid by RFP based on a process with many years of precedent. Now suddenly there is a new unilateral administration proposal. This is not a version of health insurance developed by the Well-being Committee at the request of OAC (as the successor of PBC) as part of the budget process; we are to comment on an

administration proposal, which in addition is given to us so late that there is no time for detailed analysis and Senate action. As a result of this abrogation of trust, the Committee totally rejects the present proposal.

RECOMMENDATIONS

1. We consider that given the break down of the health insurance recommendation process by the nature and timing of the administration's proposal, we are left with no alternative but to recommend that no change should be made in the present health care insurance plan, passed by Senate on April 3rd, 2003, despite increases in health insurance costs.

2. For the future, we recommend that a University committee be set up involving elected bargaining unit representatives from AAUP and CWA and elected non-bargaining unit employees to develop the structure of health insurance in a fair and timely manner, based on the same type of process as Well-being. We note that KSU and YSU have such committees. We also recommend that such a fair and efficient process include an open and inclusive process, as a part of shared governance, to evaluate the level of cost absorption by employees based on the budget tradeoffs for the university. The Committee can then review possible changes in the present plan in a fair, responsible and timely way.

This was the motion from the Well-being Committee.

Senator Erickson followed this with a short summary of the situation, which she addressed in terms of the set of questions, as follows.

What is this? The problem is process, not to be confused as being a discussion of any of the details of the Administration's proposal being discussed at meetings with bargaining unit employees. The Administration made a unilateral change in an established and accepted process that is important, centrally, to the University.

What is the process and why is it important? First of all, the University Well-being Committee exists as a committee elected by the constituencies of the University of Akron under University Rule 3359-20042 and another one as well, which describes its function relating to health insurance.

The University Well-being Committee is to concern itself with matters relating to health and Well-being, such as insurance.

Senator Erickson referred to **Appendix C-1** in the materials that had been distributed. "That process and that phrase has been interpreted and accepted over many years, well before the 1994 version that is in the Senate, the year that the Senate was formed. It goes way back and it has been interpreted and accepted over many years to mean that health insurance changes are studied and developed by Well-being and recommended to the Administration, which usually accepts them with minor modifications. We know it's a recommendation process, it always has been, but it's a recommendation that has very seldom changed much.

Senator Erickson explained that this was a process that has withstood attempts by the Administration to move toward unilateral changes in health insurance. In his remarks, the Chair mentioned the 1997 and 2001 attempts, each at this same time of the year, to introduce unilaterally changes in health insurance. “In both cases, when the Senate stepped in, saying the issues needed to be studied by Well-being, the Administration accepted that interpretation, absorbed the costs for two more years during that study time, and then accepted Well-being recommendations passed by the Senate.”

Senator Erickson commented that a number of the Senators had been here in 2003, during the last step in that process. She recalled that in March 2003, the Well-being Committee brought a draft proposal to the Senate for its input; in April 2003 the Senate approved a health plan. The Senator thought it important that we realize that a portion of that whole plan was a recommendation that it should not be carried out without a pay increase. She related that in 2002 the committee had conducted a serious study of the whole problem of healthcare cost increases, since everyone here could not be an expert in an extraordinarily complex field; their goal was to provide an understanding of what the healthcare issues were. “We presented that in 2002 to the Senate, outlining out of that what we thought the general structure of a healthcare plan should be.”

Senator Erickson pointed out that healthcare costs continue to rise, at an alarming rate. “In fact the projections for now and in the future are double digit—a twelve to fourteen percent a year increase in costs, so yes we are going to have to pay something ourselves.”

Why is this process important? Senator Erickson thought we should know *why* this process is so important. “It’s certainly, of course, part of shared leadership/shared governance at the University. It’s important in a basic way to the continuity of the University’s community, as a civic entity, a community of trust. A responsible, elected committee of all constituencies in the University of Akron, as expressed in the rules. In short, a major goal of accepting fairness as what you need in an acceptable insurance plan.” She agreed that there were certainly different definitions of ‘fairness,’ but as a group, as a community, we should come up with that definition of ‘fairness.’ “While it may not be one that all of us accept, yet by agreement to compromise, it is the democratic process.”

The Senator emphasized that when faced with insurance cost increases, we want *our* representatives to evaluate the complexities and what should be done to decide what we should accept and what else should be given up. That’s what it’s about.

What has the University done? As outlined in the last Committee report, Senator Erickson stated that it was a matter of process and timing of process. She reported that, as outlined in **Appendix C-2**, this year’s process began in the Spring. The Committee understood—from 1997 and 2001—the problem of last minute cost increases. The Senator said that, after their study conducted in 2002, nobody should be surprised about healthcare cost increases. “There are national estimates and now we know from the University, given it has a two-year contract, that whatever the annual amount, it must be doubled. I’ve explained this many times in the Senate before.” She said it was important that when the budget estimates were made in the Fall, it must be decided at that time what costs we

should absorb—the split between employees and others—then approach the Well-being Committee in time to work out its proposal for the contract bidding process. She emphasized that the bidding process had to begin in the Spring to allow plenty of time for it to be passed by the Board in October so that we will have insurance. “I think that is being efficient and that is what we were trying to be.”

The Senator further explained that this was a matter of timing. “What we did, given that nobody came to us in the spring, the fall, the winter or the spring and said, ‘there are real cost increases that we want Well-being, to look at.’ No one—no one came to us.” She continued that the Committee went into the RFP process with the guidelines passed by the Senate and that was the basis for what Well-being developed for bid. Senator Erickson further remarked that the committee members realized that the AAUP was putting in some tweaks and changes which they were not privy to. She said there were fine with that and that they concentrated on doing their job, which was to develop the RFPs.

Why is it important that we do *our* job in this time when there is, after all, a union? Senator Erickson remarked that the Well-being Committee is still in the University Rules. “They are part of the rules because, under negotiating, you are supposed to stay with the present process. The present process was what we had been following and that was what was going on, so we followed the process, the *status quo* process, which we saw as a very good one, having a lot of really good characteristics to it.”

The Senator said the Committee completed the process, sent out the bids and began evaluating the vendors. She said that during the summer they received news about Summa, but they felt it was alright and that it wouldn’t make that much difference in the cost. Then at a meeting on August 29—a meeting of the Vending Committee, on which three members of Well-being serve—Mr. Sid Foster presented the Administration’s proposal. Senator Erickson reported that the Administration says it had reasons for doing this. “We went to them with questions of *why* they should have made this change in the process. You have a copy of their answers, which I know you haven’t had a chance to look at in any detail, but which I refer to in **Appendix C-3.**”

Senator Erickson listed several reasons that they consider the Administration’s answers unconvincing:

· Considering that the present Well-being Committee consists of both bargaining and non-bargaining unit members, there was concern that the bargaining unit members would get an idea of the Administration’s proposals before the bargaining unit team, something that could potentially raise a labor problem. She added that, as far as we’re concerned, what the Committee deals with is making recommendations not providing the exact aspects of the proposal for the University. “We’ve got a proposal—a recommendation—of a way of doing things. That’s number one.

· *The second is it was a problem only for them, since they could have come to the Committee in the spring to say, ‘we only want non-bargaining units discussing this, we need a change from the present plan, so will you look at it?’, even though it’s only the non-bargaining members.*

· *Thirdly, they used the present process in the spring. We all started on the present process. Additionally, they did not answer our questions of: why was the first step in the process left out? And why the OAC never made any determination or recommendation on the breakdown of how much should be paid by employees and how much by others, as PBC had done and as we had been told that OAC [consisting only of non-bargaining members] was going to replace? They did not answer those questions.*

· *They did not in any way explain the question of why the cost increases were not brought to the Committee’s attention in the spring. Reportedly they [the Administration] “only sort of found this out in the summer.” As an economist, Senator Erickson found it really disturbing that they did not know of the cost increases until the summer “despite three contract periods when you had high insurance cost increases—double digit each year, so twice as much, over twenty percent—you should have built it into the budget back in the fall!”*

· *They did not answer the question about the fixed fees in their plan. Her opinion was that, “Now anyone who has any notion about income and issues of fairness knows that, when you’ve got a fixed fee that everybody pays no matter what income, that regresses. That is, it is a greater burden on the people that are poor than those who are well off. What they did was replace a system.” She again reminded the Senate that in 2003, Well-being fought hard on the issue of fairness and made sure of what every single employee should pay. “We had good reasons for pursuing fairness that way. But what we then recommended was that family coverage should be done on basis of income, with the higher-income person paying more.”*

Senator Erickson reiterated that the Administration had presented their proposal, complete with fees and reminded us that it was *their proposal*, not one from Well-being. She said that perhaps we “could comment on it,” whatever that meant, but that the Administration’s proposal was one with regressive fees. The Senator pointed out that the Administration had mentioned that, for non-bargaining unit members with low income, they would offset the cost. Yet that statement did not deal with the fact that the high-income end *would be paying less than they are now*. “Not an increase, like the rest of us, but less than they are now if they have families.”

Senator Erickson said that Well-being asked about their definition of ‘fairness.’ “As I see ‘fairness’ ...it’s not fair that low-income people subsidize high-income people. “It is a definition of fairness that some people accept, but it’s not the one that we, in the university community, have accepted. We consider it really as a conflict of interest coming from the group that presented it, which, after all, had to come from that higher-income group. That is the point. I’m not pointing this out for the details involved, but why a structure of the kind we have is an important structure, that it’s not unilateral from the Administration.”

Lastly, Senator Erickson asked the body to read the last paragraph of **Appendix C-3**: “It seems that the Administration has not been trying on good faith to keep the present system in place, but is trying to make insurance budgeting and planning purely an administrative matter with no real attention to fairness, no real input from non-bargaining unit members and only an issue of negotiation at the bargaining table for bargaining unit members. It seems that the responsibility, effectiveness and efficiency of the present system are considered unimportant. We consider that the administration should be called to task for its action.”

Chair Fenwick summarized that the Well-being Committee brought to the Senate two recommendations, shown on the first page of the report. Since these recommendations come from Committee, they needed no second.

The first recommendation that Senator Erickson read was to consider that, given the breakdown of the health recommendation process and the nature and timing of the Administration’s proposal, the Committee was left with no alternative but to recommend that no change should be made in the present healthcare insurance plan passed by the Senate on April 3, 2003, despite increases in health insurance costs.

The Chair invited discussion of the proposal. Senator Taylor stated that since he was “new at this business,” he wanted to know what difference it made if the entire thing was rejected and the recommendation went back to 2003? “Are they legally bound to follow that or legally bound *not* to change it from 2003? What does that do for us?” Senator Erickson responded that “how much they are legally bound is, I guess, open to interpretation.” However, she added that the University Administration had on two separate previous occasions accepted such recommendations since they had backed off and accepted the Well-being’s recommendation until the process was done properly. “That is all I can say. What difference that will make to the Administration, what differences that will make at the University level now or in the future, I don’t know. All I can say is that, as far as we’re concerned, given that precedence, whether it’s technically illegal, I have no idea. All I can say is that it’s an abrogation of trust. We didn’t say it was illegal; we said it was an abrogation of trust.”

Related to questions of legality, Senator Gerlach asked if there was a suggestion that when they [the Well-being Committee] recommended that no change should be made, if there was an understanding that it would be “unless or until certain things are done”—until the process is duly observed instead of being unobserved. Senator Erickson confirmed this. Senator Gerlach suggested addition of the phrase “that no change should be made until such things happen.” Senator Erickson commented on that, “You will see the second item of our recommendation, shown in those terms because the world is not quite the same.” She reminded the body of how it had been done before. “We would have then gone back to Well-being for recommendations and brought them to the Senate.”

She explained the importance of making sure that the new committee that was set up had to be mutually agreed upon to avoid unilateral decisions of this sort. Senator Erickson said they had not specified the method of setting up the new committee. “I think the idea is implicit that it be a

mutually agreeable set up, in order words, a process of which we come up with the committee and that it [the committee] should then evaluate healthcare over the next few years and recommend changes.”

Senator Erickson again emphasized that, very simply, if the Administration had brought the issue to Well-being—in March or April—and done what they are doing now, we [Well-being] would have come to you and said, give it back to the Well-being Committee. “If they had done it in March, we would have had time to make it into the vendor bid process without having to modify it.” However, because the information came so late—in September—it was too late.

Senator Steiner asked for clarification that the motion before the body was to “maintain the plan that was passed in 2003. Is that the same plan that was approved and went out for bid in 2005?” Senator Erickson confirmed that, yes, in all essential aspects, it was. Although she couldn’t remember if they had the same deductions, that was not what had been voted upon. “In terms of the percentage of the premium structure, this is what we voted on in April 2003, yes.” Senator Steiner asked about recommendations made in spring 2005 by the Well-being Committee as it regarded the proposal sent out for RFP. Senator Erickson replied that Well-being had not changed it. “We didn’t change because it didn’t involve a change in the basic structure.” She reiterated that the changes in co-pays and such were slight ones, and, except for the fairness aspect of it—which it violates—the Committee considered the changes so minor that they did not think it necessary to have the Senate vote on it again since they had already voted on the major changes.

Senator Steiner asked if their [the Committee’s] recommendation was then to maintain the basic fee structure that was approved in 2003, with the minor modifications that were recommended this spring? Senator Erickson confirmed this. Senator Steiner added one other comment that his only concern with moving on with the issue was that, although the process had not been followed, he wondered about the wisdom of dismissing the University’s proposal out of hand as being a bad one simply because they had not followed the procedures. He added that he understood that the proposal was a problem, “but if it’s a really good plan, are we kind of foolish to say, ‘No, we’re not going to do it because we don’t like the way that you presented it to us’?” Senator Erickson replied that this had been a difficult issue for the Committee to deal with, that it would be nice to have a pay increase, but that this was more than just a money issue. “This is a total change in process from being one where we, the community, come up with the proposal which the Administration maybe makes some more changes to, to one which is unilaterally put by the Administration and—I speak here for the non-bargaining members of my Committee—all our input funnels through workshop forums because we, as individuals, don’t understand this healthcare stuff very well. Well-being saw this as a total breakdown in a serious input process. “It may not matter this time, but the process will matter in the future and they said that process matters.”

Senator Lillie commented, with regard to the quality of the proposal, that was why we had a Well-being Committee in the first place, to look at that and try to figure it out for us. He shared that he was invited to their last meeting and so only got a little bit of what they had been through. “From what I heard there was a lot of serious thought about how this might fit and there were a lot of

questions that had come up that just could not—at least not where I sat—be dealt with in a quick and easy way.” He challenged the Senate to think about the extent to which we had entrusted the Well-being Committee to do this kind of committee work.

Senator Lillie further remarked that he was trying to answer Senator Steiner’s question of whether process trumps a really good plan? The Senator said he was not sure but that he felt that the Well-being Committee was the group to make that decision. “It has done a wonderful job on that part of it. Process, as you know, is something I think is very important and I think it must come from this particular group because we can’t do the committee work. You have to do the committee work; we can deal with process issues.”

Senator Erickson responded to Senator Lillie’s remarks by stating that the Administration could have, in fact, come to the Well-being Committee to say that there were real cost increases and ask if they could come up with a plan in three weeks to deal with it, yet they did not. “If they had, we would be having a different conversation. We might have done it; we might have decided to do that because the process was being maintained. Yet in this case, it was the way it was, not to mention how do you deal with the fairness issue?” She emphasized the need for a process that is fair but yet if one looked at what it is and see that it is unfair by most people’s definitions.

Senator Rich spoke to a slightly different point in response to Senator Steiner, saying that “one might believe that while a good proposal should be accepted despite the process, the problem is it’s because of the lateness of the proposal it’s really impossible to tell whether this is a good proposal. The University Administration has made certain representations of fact about the consequences of the adoption of this, which, as I understand it, there hasn’t been time to independently analyze to see whether the projected impact or the asserted impact is likely to be correct. So, we’re in a position, I think, where we can’t say with confidence whether this proposal is a good one. So in addition to the points about the need for an inclusive process, there is the problem that we’re in a position where we really can’t analyze the adequacy of this proposal.”

Senator Siebert expressed his concern about the process issues and his appreciation for the work that Senator Erickson and the Well-being Committee had done in the recommendations they made. He inquired of the Chair about the representative from Vice President Ray’s office being in attendance. The Chair confirmed that Mr. Sid Foster was present. Before he voted, Senator Siebert asked to hear what Mr. Foster had to say in view of the process, if the Chair deemed it appropriate. The Chair asked if anyone objected to Mr. Foster speaking on behalf of Vice President Ray’s office.

Senator Kreidler asked to speak before that. The Senator remarked that as we talked about process, we need to look at the cost of what was happening to our Senate. “I’ve watched little by little, or maybe not so little by little, the undermining of all of our control—no it was never control—but of input. Well-being was allowed to function—*allowed*. Now I see this as there’s no longer a Well-being Committee. So I think this is our attempt to say, ‘we are going to fight—and it’s going to be on the table—that you’re taking everything away from us.’ That’s my opinion.”

Senator Lenavitt likewise remarked that according to the printout of the Administration’s argument that it was not able to use the present process during negotiations because of bargaining unit

members, “it seems as if we’re talking oranges and apples and they’ve got us drinking fruit juice of *some* sort in as much that getting us to mix everything up and not getting any business done. They’re serving up one thing and we’re serving up another, then we get two portions back and forth.” He continued on that the issue then becomes that we, until this contract is solved and all these things take place, “have allowed ourselves to become ineffective by allowing things to be taken away.” He reminded the body that, “in as much as we vote within our colleges to represent our constituencies and our colleagues, we are the only body that has or attempts to have a voice that is heard.” While the Well-being and a couple of other committees still have some level of input, the Administration has us second-guessing now by these kinds of statements and putting us through the wringer like this.” Senator Lenavitt suggested that the Senate needed to make a direct statement that we don’t agree, stating the reasons we *don’t* agree and continue onward. “But to go into debate over again and over again until this is solved is—pardon the expression—*fruitless*.” His opinion was that while we continued to give up more and more, we were playing into hands of the Administration. “We need to stand up for who we are and represent our faculty as best we can.”

Chair Fenwick then asked the Senate if they had any objection to Mr. Foster speaking; no one objected. Mr. Sid Foster introduced himself and stated the he was in attendance because Senator Ray was out of town and unable to attend. “I came, not to speak for him, but to listen for him. You have in the packet of materials that were given to you the response that Senator Ray gave to Professor Erickson as Chair of the Well-being Committee. And I think those statements would be what Senator Ray would say if he were here. What I would suggest is, if you have additional questions or anything I can take back to Vice President Ray in that regard, I would be happy to do so. I have nothing to add to what is in the written material.”

Senator Schantz commented on Senator Taylor’s earlier comments about “so what?” The Senator remarked that it seemed that regardless of what this body decided, given the current climate the Administration could and probably would do what it deemed best for the University. He added, “However, if we don’t say *something* about this change, I think we’re simply rolling over. We’re not recognizing what this body is all about.”

Chair Fenwick called for other discussion or comments; none were offered, so he called for a vote on the following motion that came from the Well-being Committee:

We consider that given the breakdown of the health insurance recommendation process by the nature and time of the administration’s proposal, we are left with no alternative but to recommend that no change should be made in the present healthcare insurance plan, passed by Senate on April 3, 2003, despite increases in health insurance costs.

Senator Brooks asked if that included the ‘WHEREAS’ section or if the ‘WHEREAS’ section was worded differently? Chair Fenwick confirmed that it included the ‘WHEREAS’ section. Senator Lillie asked for clarification since the motion had been read twice, as ‘Recommendation #1’ and now was to include the ‘WHEREAS.’ He stated his confusion over this and wondered if perhaps some might want to discuss the ‘WHEREAS’ section. Chair Fenwick asked if there was any dis-

cussion of the ‘WHEREAS’ section of the motion. Senator Konet reminded Senator Lillie that Senator Erickson had offered to read the motion with the ‘WHEREAS’ included and felt that perhaps it might clarify it for everybody to read it that way.

Senator Erickson agreed to read it and added that she hoped that any slight word change would be okay with the Well-being Committee. The motion she read:

*WHEREAS, the Well-being Committee has been involved with full faith in the development of proposals for bid by RFP based on a process of developing health insurance with many years of precedent, and
WHEREAS, now suddenly there is a new unilateral administration proposal, and
WHEREAS, this is not a version of health insurance developed by the Well-being Committee at the request of OAC (as the successor of PBC) as part of the budget process; instead we are to comment on an administration proposal, which in addition, is given to us so late that there is not time for detailed analysis and Senate action;
THEREFORE, as a result of this abrogation of trust, the Committee totally rejects the proposal and makes a formal objection to the fact that the process for developing healthcare proposals has not been followed.*

Senator Kreidler mentioned that what the Senator read was not as stated on the printout; “you’ve really changed it a lot.” Senator Erickson asked if it was because she had put the ‘WHEREAS’ in; Senator Rich replied that, no, there were too many for what we had. Senator Konet suggested that perhaps we did not have the current version.

Senator Erickson stated that it should read: “The Well-being Committee—I am reading it as a statement—makes a formal objection to the fact that the process for developing healthcare proposals has not been followed. That is the first sentence, which I thought should have gone in last.” Senator Rich made a point of order that the Chair of the Committee had no power to change the Committee’s report, so this would need to be a motion to amend, urging that Parliamentary procedure be followed. Senator Erickson agreed on that point.

Chair Fenwick stated that there was a motion to amend the proposal to include the ‘WHEREAS’ clauses as read by Senator Erickson. Senator Gerlach seconded the motion. The Chair asked if there was any discussion of the motion; none was indicated, so the Chair asked for a vote on the amendment to include ‘WHEREAS’ statements as read by Senator Erickson. The body voted unanimously to adopt Recommendation #1 as amended. Discussion returned to the main motion, yet no further discussion was raised. Chair Fenwick called for a vote on the main motion; the Senate approved the main motion unanimously.

At this point the Chair reiterated his plea to have a Parliamentarian at his disposal.

Moving on to the second proposal that was brought forward by the Well-being Committee, which was:

For the future, we recommend that a University committee be set up consisting of elected bargaining unit representatives from AAUP and CWA and elected non-bargaining unit employees to develop the structure of health insurance in a fair and timely manner, based on the same type of process as Well-being Committee. We note that KSU and YSU have such committees. We also recommend that such a fair and efficient process include an open and inclusive process as part of shared governance to evaluate the level of cost absorption by employees based on the budget tradeoffs for the University. The committee can then review possible changes in the present plan in a fair, responsible, and timely way.

Senator Lenavitt commented that in Recommendation #2, which was just read, he personally felt that there was no need to qualify ourselves in terms of comparison with Kent State and YSU. If there was a need to do so, he felt an asterisk at the bottom of the statement would suffice. Senator Erickson replied that she fixed that. Senator Lenavitt continued on, stating that after that, it says “we also recommend,” so therefore that would be the third recommendation.

Chair Fenwick asked if this was an amendment. Senator Lenavitt remarked that it was a friendly amendment. At this point Senator Kreidler asked for clarification of what “CWA” was that was mentioned in the amendment. Chair Fenwick explained that it stood for Communication Workers of America. Senator Erickson further explained that this was another union on campus and that this was an attempt to include other bargaining units in the new process.

Senator Lillie asked if this was speaking to debate and that the debate could wait. Chair Fenwick clarified that Senator Erickson was simply explaining the meaning of CWA. The Chair asked if this was a point of order. Senator Rich said that it was and asked if a motion to amend had been made and, if so, had it been seconded? Chair Fenwick replied that a motion had been made; it was then seconded by Senator Norfolk. The Chair requested that Senator Lenavitt please read his amendment to the motion.

Senator Lenavitt read:

¶2. *For the future, we recommend that a University committee be set up involving elected bargaining unit representatives from AAUP and CWA and elected non-bargaining unit employees to develop the structure of health insurance in a fair and timely manner, based on the same type of process as Well-being.*

¶3. *We also recommend that such a fair and efficient process include an open and inclusive process, as a part of shared governance, to evaluate the level of cost absorption by the employees based on the budget tradeoffs for the university.*

The next sentence would then begin “the Committee can then review...,” gets separated from one, paragraphs two and three would serve as the concluding statement. So that would be recommendation—number four—the conclusion.

Senator Lillie raised a point of order, asking if the Senator recommended that there be three separate votes, on paragraphs 2, 3, and 4. Senator Lenavitt responded, “Not number four.” Senator Lillie said that he was trying to clarify the intent of his amendment, stating that it sounded like it could be construed as suggesting the need for three separate votes by making the case for point 2, then point 3, and point 4. “Are you suggesting that we have three separate votes or are you suggesting that we have one vote with three separate items in it that are organized the way that you have suggested?” Senator Lenavitt replied that this was correct, but there was not a fourth, just one, two, three and the concluding sentence would be, “and the committee will do that.” Senator Lenavitt deferred to Senator Rich on the issue.

Senator Lillie again tried to clarify this so that it would be as clear as possible. “Later on when people are reading it for *The Chronicle* and other things, I want everybody to be sure of exactly what it is we’re suggesting be done and that we’re sure it’s done in the right way.

You are suggesting, if I understand it correctly, that this be one process to amend point two to include the three points in the way you described them.” There was still a bit of confusion about Senator Lenavitt’s intent, so Senator Rich was asked to intervene.

Senator Rich explained that this was not technically a point of order but rather a debate on the motion. “As has been suggested, but let me put it in slightly different words, it would be possible either for this motion be construed as simply changing the form of the resolution, or it could be construed as, in part, a motion to divide the question so that there would be separate votes taken on it.” He went on to explain that if the intent was to accomplish the latter as well as the former, he thought the problem was that the consequences of the motion [regarding its form] were unfortunate because of the way it had been organized, paragraph one dealt with the present situation and what would happen for the next two years. Paragraph two dealt with what would happen after that. Senator Rich felt that that the current organization made sense, yet if the second paragraph were broken up to form paragraphs two, three or however many there were, it just wouldn’t read properly. The Senator went on to express his confusion about why there would be a reason to divide the questions embodied in paragraph two. However, he said if there was, he would be glad to help do that procedurally by making the appropriate motions. “If that’s not the intent, I think the better way is to leave it worded the way it is worded, so that paragraph two encompasses all the material that concerns what is supposed to happen after this year, whereas paragraph one contains the material that is supposed to deal with what’s happening now.”

Senator Stratton commented that he may have misread the paragraph entirely, but read what he thought was the second and third point of paragraph two to really be a description of *how* the current Well-being process worked. “Therefore, I would see the first part of the paragraph to be the real motion and the second part to be a parentheses to say, ‘as the Well-being Committee currently works’ and so on.” Senator Stratton suggested an alternative amendment, if possible. After a brief discussion among the Senate body, the Senator offered the following for the future: “a University committee be set up involving elected bargaining unit representatives from the AAUP [American Association of University Professors] and the Communication Workers of America, and elected non-bargaining unit employees, to develop the structure of health insurance in a fair and timely

manner, based on the same type of process as is currently used by the Well-being Committee. That process was and should remain a fair and efficient process, including an open and inclusive process, as a part of shared governance, should evaluate the level of cost absorption by employees, based on the budget tradeoffs for the university and in which the Committee then reviews possible changes in the present plan in a fair, responsible, and timely way.”

Following this recommended amendment, Chair Fenwick asked Senator Lenavitt if he would withdraw his motion. The Senator said that he would. The motion was seconded by Senator Siebert.

At this point Senator Lillie thanked Senator Stratton for his work and for clarifying what they would do. However, Senator Lillie expressed concern that one of the things that occurred to him as still being unclear: (1) who will be charged with setting up this committee, and (2) to whom it will report. He wondered if there had been any thoughts on those issues and, if not, that maybe the Senate needed to consider those aspects as well.

Senator Norfolk asked Senator Stratton to re-read the part containing the phrase about ‘as is currently done.’ Senator Stratton agreed, saying that the first section was the same, with the exception to spell out ‘AAUP’ and ‘CWA’ with the names of the actual unions involved. It would end: “...based on the same type of process as is currently used...” Senator Norfolk responded, “Ah, thank you, thank you—‘is currently used.’ It is *not* being currently used; that’s what we’re debating here.” Senator Stratton commented that it should then be ‘that *has been* used.’

Senator Siebert asked if it might be possible to have a video projector for the next meeting. “At least the type could be written on screen so that we could see the actual wording of things before voting. “Just a thought for the future.” The Senator then asked if, as suggested in point two of the current amendment, that the Well-being Committee would go away? He wanted to know if the new committee would then supplant the Well-being Committee. Senator Erickson responded that no, this did not mean that the Well-being Committee would go away, that it would still have its functions per the University rule. The change is that the health insurance recommendation process would be taken away from Well-being, “something we see as legitimate.” In its place, the Committee recommended, for the future, formation of a University committee on health insurance comprised of elected representatives. She explained that it would include all the same processes as Well-being, but with a difference.

Chair Fenwick asked if there was any more discussion on the amendment. Senator Norfolk pointed out that his suggested change of wording had not officially been accepted. Senator Stratton asked him if he could accept this as a friendly amendment; Senator Norfolk agreed and Senator Stratton accepted.

The Chair asked if there was any further discussion on the amendment. Senator Rich asked if Senator Stratton might be willing to edit just a little more and get rid of the two “processes” to reduce them to one. The Senator replied that he would and asked for a suggestion. Senator Rich suggested, “...we also urge that this process be conducted openly and inclusively, as well as fairly

and efficiently.” After a bit more discussion of the exact wording, Senator Stratton attempted it: “That process should be fair, efficient, open, and inclusive.” This was followed by a bit more discussion of the exact wording.

Senator Kushner Benson raised the question of consequences if we held off on voting on the second recommendation until we had more time to word it in a sufficient way. Senator Gandee added that he would like to add to the composition of the committee, as lined out in the first sentence. “To the third line that is printed on the handout, following “employees,” add “and elected retiree representative.” The Chair explained that this required another amendment; Senator Gandee understood this. Senator Lillie raised a point of order, asking if Senator Gandee had asked to amend the amendment; Chair Fenwick said that he had. The Chair then called for a second to the Gandee motion. Senator Gerlach stated that he would ordinarily have seconded that motion, but suggested that the business on the floor be finished first, then deal with Senator Gandee’s proposal. Senator Gerlach also added that it seemed that the current proposal read something like “we also recommend that the process be fair, efficient, open and inclusive as a part of shared governance...” That way we get rid of the two “processes.” There was a bit of discussion over the wording of the paragraph. The Chair interjected that we not only needed a Parliamentarian, we also needed a grammarsmith.

When Senator Stratton finished rewriting the paragraph, he read to the Senate:

...That process should be fair, efficient, and inclusive as part of shared governance, to evaluate the level of cost absorption by employees, based on the budget tradeoffs for the university...

Senator Gerlach pointed out that all those words, “fair, efficient, open and inclusive” needed to be included, that the process should be all those things. Senator Stratton agreed, then decided to read it again, as corrected:

For the future, we recommend that a University committee be set up involving elected bargaining unit representatives from the American Association of University Professors and the Communication Workers of America, and elected non-bargaining unit employees to develop the structure of health insurance in a fair and timely manner, based on the same type of process that has been used with the Well-being Committee. That process should be fair, efficient, open, and inclusive as a part of shared governance, to evaluate the level of cost absorption by employees based on the budget tradeoffs for the university and in which the Committee then reviews possible changes in the present plan in a fair, responsible, and timely way.

Senator Steiner pointed out that there should be a comma between “employees” and “based.”

Senator Gerlach then moved to the previous question on the amendment and Senator Lillie seconded it. The Chair announced that a motion had been made and seconded to the previous question, on the amendment. Senator Kreidler raised a question about the wording of the amendment, asking if, when the four words were added, if they were repeated and asked if the phrase was at the beginning and also at the end. Senator Lenavitt responded that he did not think so.

Returning to the amendment, Chair Fenwick asked that all those in favor of cutting off debate to please say, 'aye.' The body responded unanimously in favor of cutting off debate. The Chair then asked that all those in favor of the amendment to the motion should say, 'aye.' The body voted unanimously in favor of the amendment to the motion. The amendment carried.

Following the text "elected, non-bargaining unit employees," Senator Gandee requested to insert "and an elected retiree representative." Senator Gerlach seconded the motion and explained that as retired senators they had an interest in some of these issues in terms of retirees and their dependents and that there should be some inclusion of the retirees' group. Chair Fenwick announced that a motion had been made and seconded, then invited discussion of the motion to include the text, "an elected retiree representative." Senator Erickson responded to the motion by stating that the Senators were correct to include the retirees, that it was simply a matter of omitting it. She added, "We have, as you've heard on many occasions, dealt with the issue of insurance for retiree dependents. The retirees' health insurance is not covered by our University, but that of the retiree dependents is. So, yes, as far as insurance, it makes sense. An esteemed member of our committee, Dr. Sugarman, was not there when we wrote that, or she would have pointed that out and I concur."

Chair Fenwick asked if there was any further discussion on the issue. None was indicated, so he asked that all those in favor of the amendment to include retirees should say, 'aye.' The body voted unanimously in favor of including a retiree representative. The amendment carried. The Chair asked Senator Stratton to again read the motion.

Senator Stratton read the following:

For the future, we recommend that a University committee be set up involving elected bargaining unit representatives from the American Association of University Professors and the Communication Workers of America, elected non-bargaining unit employees, and an elected retiree representative to develop the structure of health insurance in a fair and timely manner, based on the same type of process that had been used with the Well-being Committee. That process should be fair, efficient, open, and inclusive as part of shared governance, to evaluate the level of cost absorption by employees based on the budget tradeoffs for the university and in which the Committee then reviews possible changes in the present plan in a fair, responsible, and timely way.

The Chair asked if there was any further discussion on this main motion. Senator Vollmer asked if "for the future" needed to be defined or limited. Senator Lillie responded that he did not know, but suggested that what they intended was to say, "look, this is what we would like to have done" and in essence taking a stand. Senator Stratton commented that it was not indicated who would set up the University committee, we had not defined what "the future" really meant, and a number of other things that should be worked out. He did agree with Senator Lillie that this was a stand but that we needed to think about those processes at some point when there was more time to think it through.

Senator Ofobike asked about the very last sentence that read, "the Committee can then review possible changes in the present plan in a fair, responsible, and timely way." He asked if that referred

to the plan we had now or to whatever plan would be in existence. Senator Lillie suggested that pending any correction from Senators Gerlach or Rich, that if the Senate said ‘present plan’ and passed it today, it would mean the *present plan*. Senator Ofofibe sought to clarify this further by asking if it was supposed to refer to future plans as well, not just the present plan. The Chair answered, “Future plans, if in place, would be the present plan at *that* time.” Senator Gerlach suggested that the reference here was related to recommendation one, “. . .no change be made in the present plan passed. . .despite increases. . .” He added, “Now looking toward the future, this present plan that we have referred to would be under scrutiny and subject to change with new proposals. I think that’s the gist of it.”

Senator Rich commented that it addressed the meaning of the future as well. “It needs to be read in context as we are passing these altogether. Paragraph one deals with the present; paragraph two deals with the future. The implication is that’s what happens after what’s referred to in paragraph one has transpired. The same thing, I think, with the last sentence in paragraph two. If you read it by itself it is ambiguous, but if you read it all together, in context, it makes sense more or less.”

Chair Fenwick asked if there was any further discussion on the main motion. Senator Steiner wanted to clarify that the recommendation of the Well-being Committee suggested that they no longer would take part in structuring the health insurance plan, but instead proposed to form a new university committee with members of the various constituencies. Senator Erickson replied that this is what Well-being wanted in order to maintain the same type of process. “It’s not quite so important that the exact people be kept on the committee that deals with health insurance; it’s the process that’s involved.”

Senator Gerlach raised another question about how the University Committee would be set up. He wondered if something should be said about what that committee would do in relationship to the Senate and if it would be asked to report to the Senate. If so, he asked if something should be stated in the recommendation.

Senator Kushner Benson raised the issue of wording in the first line, and stated that the word “involving” was too ambiguous. “‘Involving employees’ is different from ‘made up exclusively of employees.’ I don’t know if that’s the intent and don’t know what the makeup of the Well-being Committee is, whether it’s all made up of faculty and employees.” Senator Erickson asked her if she wanted to make an amendment; Senator Kushner Benson just wanted clarification, reiterating that “involving” was ambiguous language, and stated that you could involve people in the process, but that was very different than having a faculty-led/generated committee. Senator Gerlach suggested that he would like to move to change the word “involving” to read, “be set up consisting of elected. . .” etc. Senator Lillie seconded it.

Chair Fenwick asked if there was any further discussion on the change of “involving” to “consisting of.” None was indicated, so he called for a vote. The body unanimously voted in favor of the amendment; discussion returned to the main motion. The Chair asked if there was any further

discussion of the main motion? None was indicated, so he asked those in favor of the main motion to say, 'aye.' The Senate unanimously approved the main motion to accept the two recommendations coming from the Well-being Committee related to the healthcare proposal process.

The Chair asked if there was any other relevant business concerning the Well-being report to come before the Senate. None was indicated. The Chair asked for a motion to adjourn.

Senator Gandee offered the motion to adjourn; Senator Norfolk seconded it.

The Chair then thanked everyone and said he would see everyone in a few weeks.

The meeting adjourned at: 4:35 p.m.

*Transcript prepared by Linda Bussey
Transcript edited by Rose Marie Konet*

APPENDICES TO MINUTES
OF
FACULTY SENATE MEETING OF SEPTEMBER 15, 2005

APPENDIX A**QUESTIONS FOR VP RAY FROM UNIVERSITY WELLBEING COMMITTEE****SEPTEMBER 7, 2005****PLEASE NOTE:**

In some cases, I found it necessary (and hopefully convenient for you) to repeat portions of previous answers in order to respond fully to each question.

1. Why did the University of Akron not go through the process in place for developing health care insurance proposals: requesting the Wellbeing Committee to develop the proposals and then take them to the Faculty Senate?

Following the process begun in 2001 and repeated in 2003, the University engaged the Well-being Committee early in spring 2005 to develop and prepare the request for proposals (RFP) from vendors interested in submitting bids on the University's group health plan. The RFP was based primarily on the existing health plans, with the addition of various alternatives specifically requested by Akron-AAUP.

The proposals submitted through that process were received during the summer and reviewed by the University's consultant, Steven R. Likovich of Watson Wyatt. In reviewing the proposals, it became apparent that a key provision of the existing plans could not continue as of 2006 unless the University could obtain an agreement from Summa and Medical Mutual of Ohio (MMO) regarding a special, one-year, direct-contracting arrangement for the University's Summa PPO option through MMO. Following several weeks of attempts to extend that arrangement beyond 2005, the University's consultant was informed on August 4, 2005, that our efforts were unsuccessful. I then immediately conveyed that development to the entire campus.

In the meantime, the Akron-AAUP's legal counsel renewed the union's request for it and its legal counsel to meet privately and confidentially with vendors who submitted bids in connection with the University's request for proposals. As part of that request, Akron-AAUP requested that neither University officials nor their legal counsel were to be present at those meetings. In response to that request, University General Counsel informed vendors that the University had no objection to their meeting with union representatives but that it was our position that any discussion between AAUP and their legal counsel and vendor representatives would not affect the University's decision-making process or its ultimate selection of vendors. (A copy of University General Counsel's letter to vendors is available upon request.) AAUP's legal counsel did in fact contact the vendors for the purpose of meeting with them, but that request was denied by the vendors.

During that same general time period, Akron-AAUP requested that negotiations proceed to the fact-finding stage. The initial fact-finding hearing was scheduled for July 22, 2005. It thus became incumbent upon both the union and the administration to present the fact-finder with their respective proposals upon which agreement had not been reached.

Because the University has a duty to bargain with the faculty's exclusive bargaining agent over such issues as benefits and because more than three-fourths of the current Well-being Committee is composed of bargaining unit members, including a sitting member of the Union's negotiating team, the University believed it necessary to present its benefits proposal for members of the bargaining unit to Akron-AAUP first. Presenting the University's benefits program to the Well-Being Committee before presenting it at the bargaining table might arguably be viewed by the union as committing an unfair labor practice.

Immediately after presenting the union with a specific proposal, members of the Well-being Committee and the University's non-bargaining-unit employees were informed generally of the model being considered by the administration, with a request for input and suggestions.

2. If the Administration does consider it is going through a process of consultation with Wellbeing now, why did they not contact Wellbeing early in the year, to develop the range of alternative proposals for the bid, as has been done in the past? Why were the present alternatives not included in that bidding process?

Following the process begun in 2001 and repeated in 2003, the University engaged the Well-being Committee early in spring 2005 to develop and prepare the request for proposals (RFP) from vendors interested in submitting bids on the University's group health plan. The RFP was based primarily on the existing health plans, with the addition of various alternatives specifically requested by Akron-AAUP.

Only after the bids were received and discussions were held with representatives of MMO and Summa did the University learn that the current arrangement between the University, Summa and MMO would not be continued into 2006. Not only was that fact not known at the time of the bidding process, it resulted in creating a delay in the University's ability to fully analyze all facets of the bid proposals submitted. Once the university realized that the "status quo" could not be maintained, a review of other state university health care initiatives and plan designs was undertaken for benchmarking and to identify best practices that might help to ensure that the University could ultimately provide the very best health care plan for the dollars it could afford to spend.

The administration continues to work with the Well-Being Committee to interview vendors with a view toward final recommendations to be submitted to the Board of Trustees at their October meeting.

3. VP Ray mentions the increase in health insurance costs. Wellbeing has reported many times on these costs and in Fall 2002 reminded PBC to include 25-28% increases in health care in the budget. We know that double digit increases are still occurring. What budget increases were put in the 2005-6 Budget for health care? Were they discussed with OAC? Did OAC recommend the 80/20 split discussed in the letter? We note that Wellbeing recommended and the Senate passed in 2003 a maximum cap of 15% of health care costs to be paid by employees.

The 2005-06 budget included an anticipated increase of about \$3 million dollars for health costs. The Operations Advisory Committee's involvement in the budget process did not include developing either the benefits proposal submitted to Akron-AAUP or the changes being considered that were communicated to the campus at large. Regarding your last point, much of the recommendation of the Well-being Committee in 2003 resembles the changes being suggested today by the administration for consideration by the campus. Perhaps the largest difference is the level of the cap of increased health care costs with the 2003 recommendation of the Well-Being Committee recommending a cap of 15 percent to be paid by employees and the administration today considering a cap of 20 percent. However, both models contain a similar theme that there be a raise in base pay for all employees to offset the expected increase in employee contributions.

Perhaps one of the most significant issues not readily apparent is that the proposal presented to Akron-AAUP was created with the knowledge that most members of that bargaining unit have base salaries above \$35,000. The proposal did not address the many other employees whose base salary is less than \$35,000, the majority of whom are not represented by Akron-AAUP. The University is committed to ensuring that those employees who earn less than \$35,000 are not disadvantaged in their health benefit opportunities because of these AAUP negotiations and that they receive a raise in base pay to offset any expected increase in employee healthcare contributions. Accordingly, we anticipate that the initial healthcare program currently under discussion will continue to evolve to address that issue. For example, one of the items being considered is the addition of a set dollar amount linked to coverage selected to be added to base salaries, in addition to a percentage-based raise, to address the cost that those employees earning under \$35,000 annually may incur as a result of the healthcare program being considered.

4. The administration is proposing a system of health care premiums based on percentage of income for individuals. Why did the administration recommend a fixed fee to cover families, rather than remaining with the income based system in operation at the moment which was developed by Wellbeing and passed by the Senate in 2003? Wellbeing spent several months determining what they considered fair in 2003 and provided justification for the fairness of their recommendation (see *The University of Akron Chronicle*, April 3, 2003, discussion and Appendix C). Does the administration have a justification for the fairness of their proposal? Low income employees with families would be paying 10-15% of their incomes for health care, which seems to us unfair and is not covered by a 1 ½% pay increase. Would the university be willing to base payment for family coverage under the health plan on a percent of salary similarly to the basic employee coverage?

The model under consideration is a hybrid that is based on a flat amount reflecting a percentage of the cost of the plan chosen by the employee and an amount indexed to salary. (In that regard, the chart that is being disseminated, ostensibly by representatives of the Well-being Committee, is inaccurate because it does not account for the set dollar amount increase that is part of the University's current proposal to the AAUP.) There also would be the usual consideration of salary in determining deductibles. We believe that the proposed model provides greater incentives to promote and maintain employee wellness, provide a variety of high-quality healthcare options and manage the impact of rising costs on individuals and the institution.

The University is committed to ensuring that those employees who earn less than \$35,000 are not disadvantaged in their health benefit opportunities because of negotiations and that they receive a raise in base pay to offset any expected increase in employee healthcare contributions. Accordingly, we anticipate that the initial healthcare program currently under discussion will continue to evolve to address that issue. For example, one of the items being considered is the addition of a set dollar amount linked to coverage selected to be added to base salaries, in addition to a percentage-based raise, to address the cost that those employees earning under \$35,000 annually may incur as a result of the healthcare program being considered.

5. Please can you give us the data on what would be the percentage increase in health care premium payments by income level, for those with spouse and with family coverage? We are especially interested in those with incomes of say \$20,000, \$25,000 and \$30,000 which are income levels relevant to the low-income end of the non-bargaining unit employees.

The proposal presented to Akron-AAUP was created with the knowledge that most members of that bargaining unit have base salaries above \$35,000. However, the University is committed to ensuring that those employees who earn less than \$35,000 are not disadvantaged in their health benefit opportunities because of these AAUP negotiations and that they receive a raise in base pay to offset any expected increase in employee healthcare contributions

REMINDER: General information sessions will be provided through the first week of October. We are developing a PowerPoint for use in these forums. Multiple sessions will be held each week, with days and times varying from week to week to allow as much participation as possible. This week's schedule is as follows:

Tuesday, September 13, 4:30-5:30pm, Zook 110

Wednesday, September 14, Noon -1pm, Student Union Theatre

Thursday, September 15, 8:30-9:30am, Student Union Theatre

APPENDIX B**Report of University Well-being Committee to Faculty Senate
September 15th, 2005**

The Wellbeing Committee met on Tuesday September 6th, Thursday, September 8th and Tuesday September 13th on issues relating to the health insurance situation outlined in Wellbeing report to the Senate on September 1st. The Committee:

- a. Developed questions relating to process and timing for VP Ray and sent them to him.
- b. Reviewed the answers we received last Monday, September 12th.
- c. Received an invitation from AAUP asking that the non-bargaining unit employees, represented by the members of Wellbeing elected by SEAC, CPAC and the Law School, plus the chair of Wellbeing, partner/ally with Akron AAUP on the current issue of health care. After discussion with their constituents the Wellbeing Committee members representing non-bargaining units declined this offer.
- d. Prepared a recommendation relating to the health insurance situation outlined in the September 1st report. After discussing the issues and taking into account the answers supplied to our questions by VP Ray the Committee makes the following statement and recommendations to the Senate. We attach three related Appendices: Appendix I History of Wellbeing and the health insurance process; Appendix II: Wellbeing Report from September 1st; Appendix III: Arguments against change in process by administration.

STATEMENT

The Wellbeing Committee makes a formal objection to the fact that the process for developing health care proposals has not been followed. The Committee has been involved with full faith in the development of proposals for bid by RFP based on a process with many years of precedent. Now suddenly there is a new unilateral administration proposal. This is not a version of health insurance developed by the Wellbeing Committee at the request of OAC (as the successor of PBC) as part of the budget process; we are to comment on an administration proposal, which in addition is given to us so late that there is not time detailed analysis and Senate action. As a result of this abrogation of trust, the Committee totally rejects the present proposal.

RECOMMENDATIONS

- 1. We consider that given the break down of the health insurance recommendation process by the nature and timing of the administration's proposal, we are left with no alternative but to recommend that no change should be made in the present health care insurance plan, passed by Senate on April 3rd, 2003, despite increases in health insurance costs.**
- 2. For the future, we recommend that a University committee be set up involving elected bargaining unit representatives from AAUP and CWA and elected non bargaining unit employees to develop the structure of health insurance in a fair and timely manner, based on the same type of process as Wellbeing. We note that KSU and YSU have such committees. We also recommend that such a fair and efficient process include an open and inclusive process, as a part of shared governance, to evaluate the level of cost absorption by employees based on the budget tradeoffs for the university. The Committee can then review possible changes in the present plan in a fair, responsible and timely way.**

Respectfully submitted,

Elizabeth Erickson
Chair, Wellbeing Committee

APPENDIX C-1

APPENDIX B-1: HISTORY OF WELLBEING & THE HEALTH INSURANCE PROCESS

The Wellbeing Committee's function of providing input on health insurance is found in the rules covering committees of the university and in the By Laws of the Senate. Under University rule 3359-20-042, the function of the University Wellbeing Committee is to "concern itself with matters relating to health and wellbeing, such as—insurance". That same rule specifies the list of groups to have elected representatives on the Committee. The function of that elected committee has been interpreted and accepted to mean that health insurance changes are developed by Wellbeing and recommended to the administration.

The University of Akron has a long history of including effective input from the university community in the health care area. The Wellbeing Committee has existed since at least 1970 as part of the then University Council. An effective system of informal communication developed between the administration and Wellbeing during the 1970's and 1980's, with Wellbeing suggesting changes to the administration in health insurance. In the early 1990's an Ad Hoc Committee set up by Faith Helmick from the Provost's office and including Wellbeing revamped the form of health insurance plans. The present form of the Committee, reporting to the Faculty Senate, has been in operation since the faculty Senate was formed in 1994.

Affirmation of the role of Wellbeing has withstood attempts by the administration to move to unilateral change in health insurance. In Fall 1997, a new member of the administration led a unilateral attempt to impose Preferred Provider Organization's (PPO's) rather than Traditional Indemnity (TI) insurance. The result was a series of protest meetings by university employees. The Executive Committee of the Senate pointed out that changes in health insurance had always been based on input from Wellbeing and that it should be that Committee which should study and potentially recommend a change to PPO's. The administration accepted that interpretation: costs were absorbed and no change was made in that biennium, until the study was carried out by Wellbeing. It recognized the increases in cost in health care, recommended a shift starting in 2000 to a free PPO and HMO system, with payment of the difference in costs by those wanting TI. This system was agreed to by the administration and Wellbeing undertook a process of education of the university community, through a number of open meetings. As a result there was acceptance by the university employees of the system as necessary and fair.

A second attempt at unilateral change took place in the Fall of 2001, and again Wellbeing's role was maintained. Then VP of Finance, Hank Nettling, faced by higher than expected health insurance bids (health insurance costs started to rise significantly at the national level from 2000 on) again suggested unilateral imposition of insurance premiums on employees. Again EC pointed out the role of Wellbeing and the university agreed not to proceed that year, accepting the cost increases, while giving time for Wellbeing to study the whole problem of health insurance and its possible solutions. Three members of Wellbeing were also included in the vendor bid and review process. The Committee gave their report to Senate in May 2002, indicating the problems of increases in health care costs and evaluating the alternative options available to deal with them. They recommended to PBC and the Senate measures to reduce health care costs, including a general recommendation on contributions by employees. They also recommended that the Planning and Budget Committee (PBC) take into account likely major health care costs in preparing its future budgets. Wellbeing had developed a significant expertise in the health care cost and insurance area to share with the university community.

Building on that expertise, Wellbeing worked on making its role in recommending changes as efficient and effective as possible. In Fall 2002, the health insurance process began with budget debates by PBC based on projected increases in health insurance costs that included data provided by Wellbeing using the many available expert sources at the national level. PBC evaluated the tradeoffs, recommending premiums rather than cuts in the academic budget: that is suggesting the appropriate split between university and employees. Wellbeing then developed a premium structure stressing fairness. As elected members of Wellbeing they contacted their constituencies as they worked on such a structure. The results were discussed at March 2003 Senate meeting, modified by that discussion and passed on April 2003. The recommendation was for the premium structure at present in use, but only if there was a 3% raise pool and with a 15% of budget cap on employee contributions. The proposals that went out to bid that spring reflected alternatives with and without designated premiums. What had evolved was a responsible (opportunity cost conscious), efficient (involving credible forecasts of cost increases), fair and inclusive process for health insurance. That the premium system had such overwhelming support in the Senate indicated the buy in of the university community and trust in the process.

In April 2003, university faculty voted in AAUP as a union. In August 2003, the Board of Trustees abolished PBC and other major Senate Committees. The Wellbeing Committee was retained and no changes were made in its charge. The process of determining benefits is supposed to be maintained during negotiations. The Wellbeing insurance structure was accepted by the administration and the Board, but no raises were given at that time.

In spring this year, the process of health insurance recommendation was undertaken in good faith by Wellbeing following many of the steps of 2002-3. The details are outlined in the Senate Report of September 3rd (attached again as Appendix II) The process was then cut short on August 29th with the unilateral proposal of the administration. The September 3rd report outlines our response to the administration for again introducing a unilateral proposal at the last minute.

APPENDIX C-2

REPORT FROM WELLBEING COMMITTEE TO SENATE, SEPTEMBER 1, 2005

This report comes from a sub-committee of the Wellbeing Committee that has continued to meet over the summer as part of the Committee which works on the process of setting up the health insurance contract. We had hoped to give a short description of our on-going activities, but instead we want to report matters causing us deep concern that we plan to discuss with the full Wellbeing Committee next Tuesday.

To understand our concerns requires a brief explanation of the historic role of Wellbeing in developing insurance plans for the university and of the process of setting up insurance contracts here. For many, many years Wellbeing has developed the recommendations for the insurance plans for the university. In addition over the past five years we have been involved in the process of developing the details of the call for bids (RFP) by vendors and in recommending those vendors.

These two tasks tie together through the time line for the process setting up the health insurance contract. The university has two-year contracts for health insurance: the present one ends on December 31st, 2005 . For the new contract to be in place for January 2006, the RFP is developed in early spring, with all the alternatives on which the bids are sought. When major changes in health insurance have been sought, the Wellbeing Committee has developed the recommendation for those changes and brought them to the Senate for ratification, so that they could be included in the RFP. We followed this process two years ago, when the Senate passed a resolution on level and form of premiums. Then the RFP goes out, vendors bid and recommendations based on those bids are developed over the summer, so that the Board can vote on the insurance contract by October, in time for enrollment in November.

This year the Committee (consisting of representatives from HR, Purchasing, NEOUCOM and three members of Wellbeing) developed the RFP in early spring. No request to consider major changes had been made to Wellbeing and the RFP went out with basically the plans we have had over the past two years. We know that AAUP were suggesting changes for the faculty bargaining unit and that they would be included in the RFP as other alternatives needing bids, but our job was to provide the input from Wellbeing, representing the whole university community and especially the non-bargaining unit majority of employees.

After the bids were in, the Committee met on June 10th to review the materials. Steve Likovich, health insurance consultant for the university, presented a summary of the bid information, which also included the estimated costs. At the end of that meeting, the Committee asked the administration and Board to comment on a technical issue relating to methods of insurance. We expected a reply within a few weeks, and a return to the discussion and interview of vendors, but no meetings were scheduled (we made queries every few weeks). Like everyone else, we then got an e-mail from the Vice president Ray referring to the problem of having Summa in the PPO. Finally a meeting was scheduled for this past Monday, August 29th . We expected to return to the consideration of vendors: but instead the three of us had a complete surprise.

Mr. Sid Foster announced that the counter proposal the University Administration had put on the bargaining table with the faculty for health care made major changes in the health care insurance that we have now. The University's proposal raises the aggregate employee health care contributions from 8% (current) to 20% of the university's total health care cost. Those of you not in the bargaining unit have received an e-mail from Mr. Roy Ray with its general outlines. It involves contributions for all employees: income based contributions for employee coverage, significantly higher deductibles and co-pays (up to double) for all , and spouse, child(ren) and/or family coverage at an additional flat fee ranging from \$1000 to \$1800 per year per employee depending upon vendor and level of coverage. It is highly regressive for employees with families: those with less than \$20,000 income could be spending 10% or more of their income on health care. A 11/2% pay increase in suggested to deal with the higher burden on everyone.

They say that they are interested in our input- our response to their proposal.

The members of the sub-committee have serious issues with the new administration proposal. Apart from the details of the proposal, it is the *process* and the *timing* that are major problems.

Process

Their proposal is a total change in the process by which health care insurance plans have been developed at the university. For years, the recommendations on insurance plans have been developed by the Wellbeing Committee, gone to the Senate and have been accepted with minor changes by the administration. Faced with problems of cost increase, we developed the premium system that exists now. It is part of the shared leadership structure of the university. There has been no negotiated change in the method of developing health care proposals. It seems to us that there has been a major breach of trust by the administration with special relevance for the non-bargaining unit.

Timing

The administration's request for input now is not an adequate inclusion of Wellbeing in the process. The timing of their proposal is such that there is no time to do any real analysis of their alternatives. We spent months working with our constituencies two years ago to work out what was fair. If they had wanted real feedback, they would have made their proposal to Wellbeing before the alternatives for bid in the RFP's went out earlier in the year. Because our health insurance contracts run out at the end of the year, a new proposal has be voted on by the Board in October. We have two or three weeks to respond, with no guarantee that our response will have any meaning.

At this point, we have no recommendation to bring to the Senate from the Wellbeing Committee, because Wellbeing has not had the chance to meet yet. The meeting will be Tuesday, September 6th at 3:00pm in the Senate Conference Room. Anyone is welcome to attend. We have asked the Executive Committee of the Senate to schedule a special meeting to discuss this issue on Thursday, September 15th. The Wellbeing Committee will be bringing a recommendation to that meeting.

Respectfully submitted
Elizabeth Erickson Chair Wellbeing
Rosemary Cannon, Member of Wellbeing Sub-Committee
Russ Davis, Member of Wellbeing Sub-Committee

APPENDIX C-3

APPENDIX B-3: ARGUMENTS AGAINST CHANGE IN PROCESS BY ADMINISTRATION

OUR CHARGE

It is our contention that the administration has replaced arbitrarily and unilaterally an insurance proposal process with maximum input from the university community, justification of costs, and a major stress on fairness. It is a system which has been effective, efficient and responsible and as a result has had acceptance by the whole university community. The suggested proposals for insurance outlined by VP Ray have been developed totally by the administration, come at the last minute, do not provide justification for the costs we are supposed to cover and is structurally regressive. None of these features can encourage buy in by university employees.

Their actions constitute a total change in the process by which health care insurance plans have been developed at the university. For years, the recommendations on insurance plans have been developed by the Wellbeing Committee, gone to the Senate and have been accepted with minor changes by the administration. It is part of the shared leadership and shared governance structure of the university. Although the introduction of a faculty union may change in part the insurance determination process in the future, there has been no negotiated change in the method of developing health care proposals: the status quo stands.

It seems to us that there has been a major breach of trust by the administration with special relevance for the non-bargaining unit members of the university, which now have no effective voice in health insurance recommendations.

ARGUMENTS

1. The administration claims that it was not able to use the present process during negotiations because “bargaining unit members would have the information from the administration before the bargaining unit negotiating team”. This does not make sense. First, the Wellbeing committee makes a recommendation to the administration: it is not binding on the administration. Secondly, if the problem were inclusion of bargaining unit employees in recommending the structure of the insurance system, as they had done before, why not just ask Wellbeing to involve only non-bargaining employee representatives in the process? Also the administration states that indeed they did involve Wellbeing in early spring.
2. The administration response refers to only to one part of the process. The first step of the process should have been a recommendation by OAC (the non-bargaining unit committee involved in budget deliberations) that premium increases were necessary, after evaluating projected health care cost increases (based on national projections and past experience) against other changes in the budget. In answer to our question on their involvement, the administration said OAC was not involved, even though the function of OAC is stated to be replacing PBC. The Administration in its response does not justify in any way why this was not done, although we

3. The administration does not effectively explain why it did not go to Wellbeing early in the spring with its problems of “maintaining the “status quo”” i.e. dealing with the problem of increased health insurance costs. All national sources and past experience would have projected over 20% increase in insurance for a two year contract. There should have been no problem in taking such an estimate (after consultation with OAC) to Wellbeing for their development of a fair way to change the plan, just as had been done before, so it could be included in the RFP’s. If the administration wanted real input and buy in, then the feedback provided by constituents to their elected Wellbeing members over the several month period in which the insurance structure was developed and would have been a real input giving real buy in and real fairness. Last minute open meetings asking individuals to comment on a vague version of a system proposed by the administration is no substitute at all for this process. People elect members to represent them on health insurance issues because these issues are complex, difficult and time consuming and it is not rational for each person to become an expert. Instead the administration states that only in the summer after they had seen the bids did they realize that there would be sizeable increases in insurance costs, requiring increases in employee costs sharing. Given the history of the last three health contract periods, with double digit annual increases in insurance costs nationally and for the university, that would indicate unacceptable ineptitude in budgeting by the administration.

4. The administration does not justify why they changed to a unilateral system which has no structural method of ensuring fairness. Because Wellbeing is made up of representatives elected by each constituency in the university community, it represents and expresses the concerns of all members of each constituency: it has meant that fairness has been a major goal in our decisions. That is role of democratic processes. Wellbeing in 2003 defined fairness as a system where payments are proportionate to income, recognizing that other definitions of fairness can be used, but deciding on this one after full discussion by all members and then further discussion by the Senate. In reply to our inquiry to why the university unilaterally proposed that families be covered at a fixed fee, and what definition of fairness was being used, given that such payments are regressive (low income earners have a greater burden than high income earners)the administration gave no specific answer, apart from saying they would try to mitigate the effect on the lowest income earners. They did not justify low payments to high income earners, which under such a system will pay less than they do now. The implicit definition of fairness is “it is not fair for high income earners to subsidize low income earners”. That such a plan comes from the part of the university community with higher incomes is surely a conflict of interest. There is no structural method in this unilateral method to ensure fairness as most of us see it.

SUMMARY

It seems then that the administration has not been trying in good faith to keep the present system in place, but is trying to making insurance budgeting and planning purely an administrative matter with no real attention to fairness, no real input from non-bargaining unit members and only an issue of negotiation at the bargaining table for bargaining unit members. It seems that the responsibility, effectiveness and efficiency of the present system are considered unimportant. We consider that the administration should be called to task for its action.