MINUTES
UAF STAFF COUNCIL MEETING #91
Friday, June 6, 1997
Wood Center Ballroom

I

Ron Pierce called the meeting to order at 8:35 a.m.

MEMBERS PRESENT:
Banks, P.
Chapman, C.
Christensen, S. (for C. Plowman)
Downes, I. (for B. Geick)
Enochs, K.
Frey, B.
Guinn, L.
Harris, L.
Howald, C.
Kenworthy, M.
Leavy, D.
Long, P.
McDaniel, D. (for P. Carroll)
McHenry, Y.
Oleson, B.
Pierce, R.
Scalise, G.
Stubsjoen, A.
Thomas, M.

MEMBERS ABSENT:
Bender, L.
Cushing, N.
Johnson, J.
Jordan, S.
Magee, P.
Murawsky, N.
Powell, D.
Wilken, S.
Underwood, S.

OTHERS PRESENT:
Burton, M.
Humphrey, M.
Hunter, S.
Kastelic, P.
Mosca, K.
Rice, M.
Schatz, M.
Sowell, P.
Sporlander, L.
Van Flein, E.
Wadlow, J.
Wisdom, M.

B. The agenda was adopted as distributed via e-mail.

C. The Minutes to Meeting #90 (May 7, 1997) were approved as distributed via e-mail.

II

President's Report - R. Pierce and P. Long

President Pierce declared the past year a success for Staff Council and thanked everyone for their hard work. Resolutions of appreciation were presented to: Karen Enochs, Cheryl Plowman, and Irene Downes for staff representation on the Health Benefits Task Force; Darlette Powell and Elizabeth Ritchie, co-chairs of the Staff Training Committee; Barb Oleson, chair of Rural Affairs; Pam Sowell, president-elect; Laura Bender, chair of Elections, Membership, & Rules; Marie Scholle, representative on Staff Alliance; Bev Frey, chair of Staff Affairs; Paula Long, president-elect; and Kathy Mosca, Staff Council secretary. President Pierce passed the gavel to Paula Long.

The following handout was distributed and the Staff Council formally recognized the work of Ron Pierce as president of Staff Council. The resolution passed with unanimous approval.

RESOLUTION PASSED (unanimous)

RESOLUTION OF APPRECIATION FOR RON PIERCE

WHEREAS, Ron Pierce has served the University of Alaska Fairbanks Staff Council as president in a manner deserving of the University of Alaska Staff Council's greatest admiration and respect; and

WHEREAS, Ron accomplished all the goals he set during his tenure as president which included improving communication with administration, establishing a viable supervisory training program, and establishing an employee recognition program; and

WHEREAS, concerns and wishes of the University of Alaska Fairbanks classified and administrative professional and technical staff have been strongly presented by Ron through his tireless participation on several governance committees, including several University of Alaska Fairbanks Staff Council committees; and University of Alaska Fairbanks Governance Coordinating Committee; and
WHEREAS, Ron Pierce has done an excellent job as president of the University of Alaska Fairbanks Staff Council during times of change affecting the staff and a declining budget climate; and

WHEREAS, The University of Alaska Fairbanks Staff Council wishes to acknowledge the outstanding service rendered the council by the hard work of Ron Pierce as he concludes his term as president; now

THEREFORE BE IT RESOLVED, That the University of Alaska Fairbanks Staff Council wishes to acknowledge the many contributions of Ron Pierce and expresses its appreciation for his exemplary service.

Dated this 6th dated of June, 1997.

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President Long stated her goals for the following year as president of Staff Council and they include continuing to enhance the supervisory training program, establish a wellness program, and continue communication between staff and administration.

III Chancellor's Remarks - J. Wadlow

Chancellor Wadlow endorsed the comments regarding Ron's leadership this past year as president of Staff Council and thanked him for the fine job he did. The Chancellor reiterated her support for the supervisory training program and the recognition program.

UAF Budget - As soon as the Chancellor knows the budget numbers, she will let everyone know. Budget planning began in January with workshops to address the budget. The budget planning process has been ongoing and systematic. The Chancellor presented some slides which were used in a presentation to the Board of Regents at their April meeting and a summary presentation was made at another Board planning meeting. Funds that have to be reallocated for the annual maintenance fund are unclear. It will either be $700,000, which is mandated by program assessment or approximately $1.3 million which meets the Board policy. It is still unknown what the Governor's action will be on the agriculture funding. A contingency plan was developed by SALRM.

Highlights include maintaining momentum and health program while paying bills. The goals at UAF were integrated with the goals of the Board of Regents and program assessment. The workshop focused on the reality that there would be shortfall of $4.2-7 million and it will probably be at the higher end. New critical needs were identified as follows: student retention and enrollment. Health benefits will be much higher next year than anticipated. The RIP positions were looked at and the function of the position was addressed. Business will be done differently in the future, there will be more joint appointments, appointments financed by state funds and grants. The positions will be filled first from the RIP positions to optimize unique facilities and meet Alaska needs and to reorganize administrative services to meet goals from program assessment. Multiple tools will be used to meet this shortfall. Savings from the RIP and other vacancies, along with selective "taxes" on departments and vertical cuts. Vertical cuts were assigned to Student Services, Provost, and Administrative Services. Most units will have to pay own salary increases.

Information regarding the University of Alaska budget was placed on the web by Statewide administration at http://info.alaska.edu/UA/OPA/ Sixty UAF positions were announced for layoffs. However, this was not calculated correctly and has caused horrible rumors. There will be layoffs at UAF, but there will not be sixty. Most will be covered by attrition and retirements.

Discussions have taken place on the high administrative costs in the College of Rural Alaska and business offices will be reorganized. External Advisory groups were apprised of the current budget planning and their input was secured.

On June 11 there will be a community picnic on campus.
Invitations have been sent out to all seniors in the area to attend the picnic and check out UAF. The Chancellor thanked everyone for their help on the community picnic and the staff picnic on June 6.

IV Vice Chancellor for Administrative Services Remarks - M. Rice

Vice Chancellor Rice concurred that this past year was a success for Staff Council and stated that it has been helpful to meet each month with Staff Council.

The Business Council has been dealing with the budget challenges. The work that Staff Council representatives have done on the Health Benefits Task Force has been invaluable. Tackling the rising cost of health benefits will be a challenge in the coming years.

Vice Chancellor Rice touched on a few of the positive things happening at UAF, such as how fast the International Arctic Research Building is going up.

President Long thanked the Chancellor and Vice Chancellor for speaking at the meetings and stated that she would continue this exchange of information in the coming year.

V Governance Reports

A. Faculty Senate - M Schatz

Madeline Schatz, newly elected president-elect of the Faculty Senate gave the report. John Craven took over as president at the May meeting. At the May meeting, there were awards given, new members were seated, end-of-the-year reports were given, endorsed a wellness program, and developed an ethics statement that is similar to that of AAUP. Professor Schatz looks forward to working with Staff Council. Open communication is a very important component of effective governance.

B. ASUAF - S. Nuss

No report available.

VI Guest Speaker

A. Wendy Redman, Vice President for University Relations was unable to attend the meeting so Mary Lou Burton, director of Budget, gave a legislative recap. A handout on the FY98 Operating Budget Summary was distributed. The reductions were as severe as past years. The end result for the University's general fund was a reduction of $3.4 million, but this does not include salary increases, increase in deferred maintenance, fix cost increases, and initiatives that need to be funded. Add up all the increased and the reduction is more like $10-15 million. The legislature has restored the funding for SALRM and this is pending the Governor's approval. The legislature funded collective bargaining agreements, along with a few other items. It also passed a resolution that it didn't want to see any new collective bargaining unit agreements that have salary increases. PERS rates will decrease next year as a result of better than anticipated investments. The legislature has set up a deferred maintenance task force to develop a plan to reduce the backlog. There is conditional funding for the coal water project in the capitol budget.

VII Committee Reports

A. Elections, Membership & Rules - L. Bender

No report available.

B. Rural Affairs - B. Oleson

The committee met face-to-face on June 5 to address downsizing and how to stay positive and reduce the impact to students and how to be a part of the planning process. Staff wants to provide input in this climate of declining budgets.
C.  Staff Affairs – B. Frey

1. Resolution on Health Benefits

Staff Affairs also discussed being a part of the planning processes and providing input. Concerns were expressed regarding changes to the health benefits when people are off contract or off for the summer. A survey would be helpful to identify priorities of health coverage. Irene Downes clarified that any changes to the health benefits would not take place until January 1998. Staff members recommended that communication be increased regarding changes to health benefits. HBTF members clarified that DRAFT proposed changes would be presented to staff and the Board of Regents in September. No final decisions will be made until September when everyone is back on contract. Representatives asked if passing the resolution would change what the committee is working on. The intent of this resolution is to increase communication and that is what the HBTF is doing and the members felt that open communication and input from all staff is very important. There needs to be a survey and forums to communicate what options are being looked at for health benefits. The main concern of Staff Affairs and other staff is that this information needs to be communicated.

RESOLUTION PASSED (2 abstentions)

WHEREAS, The University of Alaska Health Benefits Task Force (HBTF) has presented its draft Executive Summary including history, statistics, and suggested changes to the current health plan; and

WHEREAS, The options for change presented in the summary included individual suggestions which were not supported by the entire committee; and

WHEREAS, The committee disagreed on four options in particular (dental deductible, elimination of 4th quarter deductible carryover, vision care, and $100 per employee charge for the benefit package); and

WHEREAS, The summary does not specify which changes may or may not be implemented or dates of implementation, nor have University of Alaska employees at large been advised of the changes or asked to comment; and

WHEREAS, Informed consent of University of Alaska employees is essential to any proposed changes to the health benefits package; and

WHEREAS, The request of the Fairbanks members of the HBTF for an employee survey and open discussion forums regarding benefit package changes has not as yet been implemented; and

WHEREAS, The proposed timeline prevents the meaningful involvement in the decision process of those employees who are off contract during the summer months; now

THEREFORE BE IT RESOLVED, That NO CHANGES TO THE HEALTH BENEFITS PACKAGE be brought before the Board of Regents for voting and implementation until information on these proposed changes has been disseminated to all University of Alaska employees by direct mail, and until one to two opportunities have been provided for employee discussion in an open forum.

Dated this 6th day of June, 1997.

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D.  Staff Training – E. Ritchie

Elizabeth Ritchie thanked everyone for the work on the longevity awards program. The program was a success and there were a number of positive comments on the media presentation for the staff member participating in the RIP. There will be some training offered this summer. Provost Keating presented Mentoring and Role
Models on June 5. The next training session will be How to Deal with Illegal Activities presented by Terry Vrabec on July 16 from 11:30 a.m. to 1:30 p.m. in Room 202 of the Natural Science Facility. And the third session will be Job Evaluation Form (JEF) Process presented by Patty Kastelic on August 5 from 3:00-5:00 p.m. in Room 202 of the Natural Science Facility. The Committee is looking for more members for the fall. There is a great deal of work, but it is very rewarding. Barb Oleson stated that she would be willing to work with the committee to develop the rural training sessions.

E. System Governance Council - P. Long

Marie Scholle was unable to attend the meeting, Paula Long gave the System Governance report. A handout was distributed regarding information on the University of Alaska budget and the URL is http://info.alaska.edu/UA/OPA/ Chancellor Wadlow clarified the information regarding the 60 layoffs.

F. Task Force on Health Benefits - I. Downes

1. Executive Summary from Health Benefits

Task Force - Mike Humphrey

Mike Humphrey, Director, Statewide Benefits presented an executive summary from the Health Benefits Task Force. Task Force members, Irene Downes and Karen Enoch assisted in answering representatives questions. The main concern of staff is that this information get distributed in various mediums and that staff input be provided for any changes are made. Representatives strongly recommend the implementation of a wellness program. Information regarding the Health Benefits Task Force is on the web at http://info.alaska.edu/UA/benefits/

HEALTH BENEFITS TASK FORCE
EXECUTIVE SUMMARY - MAY 1997

BACKGROUND

The University of Alaska has always recognized that the health care plan is one of the fundamental core benefits provided to employees. The University's health care plan is intended to promote and foster a sense of economic security against uncertain health care events and their potentially catastrophic costs. It is also an expensive benefit; the cost of the health care plan to the University has more than doubled in the last 10 years to about $16.0 million in 1996. It is the one benefit that nearly all employees and/or their dependents will use during an employee's career with the University.

Recognizing the essential importance of the health care plan to all employees and/or their dependents, Statewide Human Resources asked governance in January 1997, to identify staff members willing to help the University review its health care programs. The Health Benefits Task Force was created for this purpose.

ROLES OF THE HEALTH BENEFITS TASK (HBTF)

During the first meeting HBTF established its two primary roles:
- help identify health plan options that would slow the plan's rate of cost increase
- maintain the comprehensive nature of the health care plan

HBTF also established several secondary roles:
- help identify effective communication methods
- act as a sounding board for health plan design options
- assess the pros and cons of proposed options

It was considered unreasonable, given the diversity of the task force participants and the range of employees' health care needs, to expect the task force to arrive at a
consensus on health care plan modification options.

CONCEPTS

The task force agreed on the following concepts:

If the cost of the health care plan grows unchecked, the University of Alaska would have fewer resources to serve students.

As the health care plan evolves, the overall increase in the cost of the plan must be controlled.

Any new or additional coverage must be offset by new resources or reductions elsewhere in the plan.

The health care plan needs to tap into regional health care delivery options to optimize the cost of the plan.

For the health care plan as a whole, plan modifications should be incremental.

Employees and dependents need to be educated to use the health care plan more effectively.

The benefits task force should be continued and charged with reviewing health care options to identify ways to provide optimum coverage for the least dollars.

FACTORS AFFECTING THE HEALTH CARE PROGRAM

The task force identified the following factors as affecting the University of Alaska's health care program:

- Legislative funding for the University of Alaska
- The increasing cost of health care
- More care and more sophisticated care being delivered in-state
- More health care services are generally needed as the average age of University employees increases.

HEALTH CARE PROGRAM OBJECTIVES

HBTF affirmed that the health care programs should meet the following objectives:

- Continue to meet the diverse coverage needs of employees and their dependents.
- Operate within the cost constraints of the University of Alaska.
- Must be valued by employees.
- Must develop long-term wellness options.

AREAS REVIEWED

HBTF reviewed and discussed:

- National, state, and University of Alaska health care trends.
- The demographics of people covered by the University's health care plan.
- The University of Alaska's current plan design.
- Short-term and long-term plan options.
- Current and future methods for communicating health care plan information.

SHORT-TERM OPTIONS

The task force recognized early in its discussion that short-term options for controlling cost increases in the next two years were limited. Traditional plan design options would have to be used to control cost increases.

LONG-TERM OPTIONS

HBTF recognized that to slow down the future cost increases of the health care plan to the employees and the University, long-term options would have to be identified which include:
- developing a managed care network
- expanding physician networks
- changing participants' lifestyles
- maximizing regional health care delivery differences

CURRENT COMMUNICATIONS

The task force identified the need for a genuine marketing effort to get information about the health care plan to employees through the use of the following methods:

- selective printed pieces mailed to employees' homes
- e-mail distribution of topical information
- training or re-orientation programs regarding the health care plan
- posters or fliers in the workplace
- creating resource centers where people can turn for information
- using easy-to-understand terminology in benefit communications
- training key staff to function as resource people who would know simple answers or know where to look for answers on more complicated issues
- a frequently-asked-questions document
- flyer-type pieces to post or put on-line

HEALTH CARE PLAN OPTIONS

HBTF identified the following list of options for controlling 1998 health care plan costs:

PLAN OPTIONS: Eliminate first $100 coverage on Lab and X-ray

IMPACT ON 1996 CLAIMS EXPERIENCE: $82,000

PROS: Eliminates a confusing element of the health care plan with minimal cost impact to employee.

CONS: Increases cost to employee by $20 if they have $300 in lab and X-ray services.

PLAN OPTIONS: Vision Care, increase exam reimbursement to $45 and delete coverage for lenses, frames, contacts

IMPACT ON 1996 CLAIMS EXPERIENCE: $150,000

PROS: Large cost recovery maintains a routine eye examination while providing a good savings to the plan.

CONS: Loss of lens coverage may cause some employees to avoid getting new glasses or contacts.

PLAN OPTIONS: $100 per employee charge for being on health plan

IMPACT ON 1996 CLAIMS EXPERIENCE: $350,000

PROS: Potentially large cost recovery with a predictable reduction in bi-weekly take home pay for all employees.

CONS: Impacts all employees regardless of plan usage or family size.

PLAN OPTIONS: Increase deductible to $150 individual/$450 family

IMPACT ON 1996 CLAIMS EXPERIENCE: $288,000

PROS: Large cost recovery; only a $50 annual per-individual increase in the deductible; deductible would still be less than most plans.

CONS: Additional cost to employee with a possibility of an additional family cost of $150 for three or more dependents who reach their deductible.

PLAN OPTIONS: Increase Out-of-Pocket Maximum to
$500/$1,000
IMPACT ON 1996 CLAIMS EXPERIENCE: $152,000
PROS: Large cost recovery; would not effect most employees.
CONS: Additional expense for those incur high claims.
PLAN OPTIONS: Increase Dependent charge to add "4+" tier

IMPACT ON 1996 CLAIMS EXPERIENCE: $52,000
PROS: More equitable distribution of cost based upon family size and potential increased use of the plan.
CONS: Affects employees with larger families who may have higher health care costs.
PLAN OPTIONS: Dental deductible of $25 on level two and level three serves (not on preventative/diagnostic)

IMPACT ON 1996 CLAIMS EXPERIENCE: $82,000
PROS: Moderate savings while still maintaining a comprehensive annual cleaning.
CONS: Additional deductible to track for employees; additional communications to employees and dental community; savings small when compared to "cost" or hassle.
PLAN OPTIONS: Increase pharmacy maximum out-of-pocket to $150

IMPACT ON 1996 CLAIMS EXPERIENCE: $27,000
PROS: Cost shift based upon utilization; would not effect most employees who do not reach the pharmacy maximum out-of-pocket.
CONS: An additional out-of-pocket cost for employees who have high pharmacy claims.
PLAN OPTIONS: Increase pharmacy mail order copay to 90/10% from 80/20%

IMPACT ON 1996 CLAIMS EXPERIENCE: ($13,000)
PROS: Long-term savings to employees and the University
CONS: Short term increased cost of the pharmacy program and the "hassle" of getting medications by mail order.
PLAN OPTIONS: Eliminate 4th quarter deductible carryover.

IMPACT ON 1996 CLAIMS EXPERIENCE: $68,000
PROS: Not noticed by most employees since most use all of deductible during the year.
CONS: Loss of positive "incentive" for those employees who do not reach their deductible in a given year.

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SUMMARY COMMENTS

While HBTF identified a number of health care plan provisions that could be modified to slow short-term cost increases, HBTF did not believe all the identified options should be implemented at the same time. If all the identified options were implemented simultaneously, HBTF believes communicating such a wide range of changes would be difficult and that employee confusion, frustration, and disappointment would be high.
As a next step in the evaluation of the plan options, HBTF would like to see Governance distribute information to staff on the work of the task force. HBTF would also like to invite other employee groups to participate in the evaluation of plan options. The task force's request is to have the identified options refined by the University Administration over the summer so final plan communications and announcements can be made during the month of September, 1997, for implementation January 1, 1998.

In order to achieve the above timeline, the task force believes it is necessary for:

- this report to be included in the information going to the Board of Regents for their June 1997 meeting
- Governance to discuss the information contained in the task force report and provide their input by mid July 1997
- senior University administration to outline a plan of action by mid August
- employee communications to be developed by mid September

This timeline will allow for employees to be fully informed of any plan changes during the University's annual open enrollment period.

This document provides a summary of the Health Benefit Task Force's discussions. A more detailed account of meeting topics and discussions is available at the HBTF web site (http://sygov.swadm.alaska.edu/Bentask/), or in your regional personnel or governance office.

G. Picnic Committee - K. Mosca and P. Long

The staff picnic will be this afternoon, June 6 at 4:00 p.m. next to the student recreation center. A number of local businesses have donated door prizes and Chancellor Wadlow will be drawing the winning tickets for the Staff Council raffle. Chancellor Wadlow will also be presented the outstanding staff award to Ruth Evern.

VIII Other Business

Patty Kastelic, Executive Director, Human Resources stated that the Board of Regents meets six times a year. In order to have Regents approval, items need to be presented on this schedule. The Regents meet during the summer and this is why some items are presented during the summer. Patty Kastelic also complimented the Health Benefits Task Force on the work they have done during this past semester. In 1994 when dependent charges were instituted, administration stated that there would be no other changes prior to January 1998. The future cost increase of health benefits needs to be controlled. Any proposed changes need to be communicated to all UA employees across the state, so that employees can make informed choices during open enrollment, which is in November. There are some time constraints due to the Board of Regents meeting schedule and open enrollment. Representatives stated that the information needs to be distributed in various mediums for effective communication.

IX Comments and Questions - none

X Announcements

A. Staff Picnic, June 6, 4:00 p.m., next to Student Recreation Center

XI The meeting was adjourned at 11:21 a.m.

Tapes of this Staff Council meeting are in the Governance Office, 312 Signers¹ Hall, if anyone wishes to listen to the complete tapes.

Submitted by Kathy Mosca, Staff Council Secretary.