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TO: Sergio Lopez, Chair, Faculty Senate and Ohio University faculty

FROM: Kathy A. <sup>KAK</sup>Krendl, Executive Vice President and Provost

RE: Response to Resolution on Health Benefits Surplus Passed May 12, 2008

Faculty Senate has conveyed to me that issues related to the university's existing cumulative health benefits surplus are a matter of great concern to faculty. I have given careful thought to Faculty Senate's Health Benefits Surplus Resolution and would like to share my response with all faculty.

I will undertake two specific actions in response to the resolution:

First, because the existing health benefits surplus derived from employee premiums affects all non-bargaining unit employee groups, it makes sense for all to participate in developing recommendations on its use. To that end, Bill Decatur, Vice President for Finance and Administration, and I will work with the leadership of Faculty Senate, Classified Senate, and Administrative Senate in July and August to develop a plan for handling the portion of the existing surplus derived from employee premiums.

Second, I will enlist the help of the leadership of the three senates in providing the university community with a clear accounting of the portion of the surplus contributed by the university. I want to clarify that the portion of the surplus contributed by the university is being held in reserve. The Faculty Senate resolution indicates otherwise.

These actions will be undertaken as expediently as possible.

In addition, the Budget Planning Council (BPC), which includes representatives of all of the senates, has studied this issue and recommended that a portion of the existing reserve resulting from university contributions be designated for an employee wellness initiative. As a result, it is included in the Five Year Vision Ohio Implementation Plan, and two strategies tied to that objective are set to be implemented in the fall.

However, because the Faculty Senate resolution recommends a different course of action in relation to these funds, I will initiate a discussion on the matter with the leadership of the senates. That conversation will take place along with the discussion about the portion of the existing surplus derived from employee premiums.

My view on the issues linked to the resolution is that there is room for compromise and also for bringing together constituent group representatives to make sure that the information and interpretations being relied upon to propose changes in policy are accurate. The resolution provides a useful point of departure for both pursuits.

