



OHIO UNIVERSITY

Office of the Executive
Vice President and Provost

Cutler Hall
Athens OH 45701-2979

T: 740.593.2600
F: 740.593.9591

Date: July 29, 2009

To: Joe McLaughlin, Chair, Faculty Senate

From: Pam Benoit, Executive Vice President and Provost *PB*

Subject: Resolution to Clarify Faculty Handbook Language on Employee Health Benefits Contributions

This memorandum is to inform you that I cannot sign the resolution to Clarify Faculty Handbook Language on Employee Health Benefits Contributions passed at the May 11, 2009 meeting of the Faculty Senate.

I have given this resolution careful consideration. I have consulted with President McDavis and Vice President for Finance and Administration Bill Decatur. I have asked Marty Tuck to report on conversations with Gary Pfeiffer, former chair of the Faculty Senate regarding the intent of the original language related to the health benefits which was placed in the Faculty Handbook.

There are multiple reasons why I have decided that I cannot sign this resolution and they are outlined below.

First, as detailed in my response to the second resolution regarding health benefits passed by the Faculty Senate at their May meeting, I am convinced (based on the conversations Marty Tuck has had with Gary Pfeiffer, former chair of the Faculty Senate) that the intent of the original language which was placed in the Faculty Handbook defined "contribution rates" as the monthly premiums paid by employees and was not intended to include other health care costs such as co-payments, deductibles, etc. These "other" costs were to be discussed and negotiated in the Benefits Advisory Committee (BAC) in which all employee constituent groups are represented. Given the rapidly increasing costs of health care, our inability to exert control over these costs, and the significant effect these increased costs have on the university budget, I feel that discussions and negotiations related to additional health care costs paid by employees are more efficiently and equitably handled through the BAC, where all employee constituent groups are represented and have a voice in the discussions.

Second, considering the likelihood of future increases in health care costs and the financial limitations of the institution as a result in continued reductions in the state share of support, it is likely that such a formula to limit employee health care contributions as suggested in this resolution would result in a significant budgetary crisis and reduce Ohio University's ability to maintain essential fiscal flexibility as it faces what forecasters have predicted to be a very challenging economic future.

Finally, since the resolution further defines and limits health care contribution rates for all employee groups of the university, I feel it would not be in the best interest of the university as a whole to support such changes without input from the other employee groups. Such discussions should begin in the BAC and include the Budget Planning Council (BPC), with communications back to the constituent senates, and possibly also involve an external consultant to better inform our decisions. Such a policy change, as outlined in this resolution, is likely to have serious negative budget implications for the institution and as a result the consequences of such a decision should be fully discussed by all groups before a major decision is recommended. From what I have been able to understand thus far, such changes suggested in this resolution have not been discussed with the other employee groups. I am committed to a thoughtful and inclusive discussion of health benefits with BAC and BPC.

For the reasons stated above, I cannot sign this resolution.