MINUTES

in their 1995 collective bargaining agreement. Mike Humphrey was invited by the State to sit in on the development of this flexible benefits plan over the last 18 months. A committee consisting of labor and management developed the program. The committee addressed the challenges of manageable costs, satisfied employees, financial predictability, good coverage, reasonable prices, and choice from both the employer and employee stand point. The flexible benefit plan will be implemented July 1, 1997.

The current University benefit program historically has been developed along a paternalistic model. The University has determined what the benefit program should contain to meet employee needs and pays nearly all costs of the program. The objective of a good benefit plan must meet the needs of a diverse employee population, as well as operate within cost constraints.

IV Comments and Questions

Where does the University go from here, how do we address these issues, how do we collectively begin to explore these issues so that an efficient-effective program is developed. The floor was open for questions.

Question: The State has put a cap at $424 for employee benefits, what is the equivalent cost for the University?

Response Humphrey: It is difficult to say what the equivalent cost is because-46(at)-31($4consment)-77mucture(employee)-46( )]TJ 0 -yla ofA so

Costs are increasing and funding levels are decreasing and this needs to be addressed.

Question: A recommendation was made to evaluate the costs over the next year. Also, what is the cost of the total benefit package and what plans have been made to cut the other benefits, i.e. education assistant (tuition waivers), long term care, dependent coverage, parking?

Response Humphrey: It was reiterated that no area has been targeted for cuts. The administration is firmly committed on working with governance to see where we go from here.

Question: Concerns were expressed regarding medical travel for rural employees.

Response: The current health benefit plan has this provision and due to the geography of the state, medical travel should be a component for whatever type of medical plan that the University has.

Question: Clarification was asked on if tuition waivers would be allowed according to IRS rules.

Response Humphrey: Tuition waivers are allowed by certain sections of the IRS code. Tuition waivers could not be made a part of the flexible benefit package. It would have to be a separate plan.

Question: Combination of sick and annual leave and what will happen with current leave balances.

Response Kastelic: The State has a paid time off system that puts no limit on the time you may accrue. The program is completely funded and there is no cap of the leave balances. The University has sick and annual leave. Annual leave is fully funded; however, sick leave is not. The University is exploring the idea of combining leaves and employees would not loose any of the current balances.

President Pierce thanked Patty Kastelic and Mike Humphrey for including governance on the ground level of this discussion on health benefits. Staff Council will be appointing two members to serve on a statewide task which will address health benefits.

V Announcements

The next