OSU STAFF ADVISORY COUNCIL MINUTES
March 12th, 2008, 416 Student Union, Case Study 3


Absent: Barron, Evers, Hammer, Lowe, Venard, Wieder, S. York

Carey Warner called the meeting to order at 1:15 p. m. and Katie Reim called roll.

Carey asked for approval of the February minutes. Bonnie Gladden requested that the year be added after the date on the minutes. A motion was made to approve the February minutes, seconded and approved by a voice vote.

Carey asked for approval of the agenda. There will be an addition to the agenda. Bruce Russell with Faculty Council will be speaking. There will be no executive update.

Faculty Council – Bruce Russell
Bruce Russell discussed OSU health insurance premiums in relation with other schools. OSU offers generous health insurance benefits to individual employees, but the worst benefits for employees with spouses and dependents. (There are 1,274 OSU employees with dependents) The issue of health insurance premiums is primary an issue of competitiveness. Faculty members have spoken on the difficulty of recruiting and maintaining faculty due to the current structure. Their recommendation is as follows:

1) The Health Insurance Premiums be adjusted such that the “out-of-pocket” expense for Health Insurance for all employees is made less than the “out-of-pocket” expense from the median of our Big XII peer institutions. Our recommendation would move OSU System’s health care premium for employees with dependents from LAST in the Big XII to No. 5 or 6.
2) OSU pay 100% of the Health Insurance Premium for “employee only” insured units. These employees are employees whose health insurance does not extend to dependents. Our recommendation keeps the OSU System’s health care premium for “employees only” as the best (no.1) in the Big XII.

3) OSU adopt the out-of-pocket premium rate schedule found in Table 2 of the appended Rationale, which includes rates for each type of insured group. The recommended rates are built upon the OSU System paying 100% of the health insurance premium for employees and only 70% of the health insurance premium for employee plus dependent coverage. The costs are based on 2008 insurance premiums. Budget projections are based on the employee selections in 2008. The recommendation elevates OSU into the top half of the Big XII institutions for health insurance premium costs across the board.

4) The University Paid Health Insurance Premiums for the BlueEdge and BlueLincs alternatives be adjusted commensurate with the premium changes recommended for BlueChoice.

**Faculty Council Update – Bonnie Gladden**

The meeting took place on March 11, 2008 in the Student Union. Highlights include:

- The council welcomed new President Burns Hargis.
- Christie Hawkins gave a presentation on a comparison of faculty salary trends comparing OSU to the Big 12 and Big 8. OSU is consistently lower than other Big 12 universities as are the staff salaries.
- Kelly Burley, KOSU director, spoke about the new direction of the radio station.
- The council reiterated their gratitude to Dr. Strathe for her service as interim president.
- Pres. Hargis spoke on his priorities for OSU.
- Three recommendations were presented and passed by the council.
- Discussion took place on HB2513, which will allow students (not faculty or staff) with permits to carry concealed weapons on state college campuses. OSU faculty council recommends State Legislatures get a clear message “Please do not allow this bill move forward.”
- Dr. Miller, Faculty Council Chair, encouraged members to assist SAC by volunteering to serve at the SAC appreciation picnic.

**Branch Campus Reports**

**OSU-CHS – David Barron**

David was absent therefore no report was available.

**OSU–Okmulgee – Allen York**

Allen reported there is a landscape revision starting on campus in May. The Business Professionals of American recently had 2,000 kids on campus and the FFA will have around 2,228 kids on campus in April.

**OSU-OKC – Trisha Turner**

Trisha reported that they just had the grand opening of the Agricultural Resource Center. Summer and fall enrollment is getting ready to start. May 17 is their Staff Appreciation Day.

**OSU-Tulsa – Dona Davidson**

Dona reported that they just hosted Career Week to help students with résumés, career development and also held a career fair. They also had Engineers Week where students came to campus.
Report of Standing Committees

Rules & Procedures – Bonnie Gladden, Chair
Bonnie reported that there are 11 seats are up for re-election. The council was asked to “suspend the rules” due to the number of seats we have vacant or up for election. Motion passed. Ballots will be sent by campus mail.

Awards & Recognition – Becky McIntire, Chair
Becky passed around sign-up sheets for helpers for the picnic. The raffle is a gazebo and she encouraged members to get tickets and sell them and also to volunteer for the raffle booth in the Student Union. Halliburton is providing the meal again this year and we are also offering vegetarian meals.

Policies, Benefits and Budget – Leslie Miller, Chair
Leslie had three recommendations brought to the council. The Faculty Council insurance recommendation, this motion was tabled. The tier recommendation was not voted on and the License Incentive Plan passed. Leslie’s report is attached at the end of the minutes.

Public Relations – Katie Reim, Chair
Katie reported the committee is gathering door prizes and contacting vendors for the SAC picnic. Tickets for the picnic will be sent out at the first of next week. Carey stated she will send out a mass e-mail about the picnic.

Old Business
Seat New Members – Susan Marshall from Employee Services will fill the classified seat in Administration and Finance.

Vacant Seats - We still have 2 open seats on the council: 1) A&P position in Administration and Finance and 2) A&P position in Academic Affairs. If any members know a staff member that is interested, have them contact Carey or Tara.

New Business
Blood Drive - Carey stated the blood drive will be April 22 from 10:00 – 3:00 at the Starlight Terrace in the Student Union. SAC members are encouraged to come help pass out cookies to blood donors.

Announcements
Annual elections for officers will be held at the June meeting. A reminder, that the current officers cannot be re-elected for their offices because they are serving their second term.

Respectfully submitted,
Lynette Venard, Secretary (with lots of help from Katie Reim)

PB&B Committee Report March 2008
**Members:** Leslie Miller (chair), Deborah Evers, Jason Pogue, Larry Curtis, Marsha Chapman, Lori Wieder

**Faculty Council Recommendation on Changes to Health Insurance Premiums**

Faculty Council passed a lengthy recommendation that would lower health insurance premiums for dependent coverage. Leslie Miller worked with Faculty Council members, Louisa Payne and Bruce Russell, to bring this recommendation to SAC for their endorsement. This recommendation reads as follows:

**The Faculty Council recommends to President Hargis** that OSU adopt a competitive cost structure for health insurance premiums. Specifically, we recommend that:

1) The Health Insurance Premiums be adjusted such that the “out-of-pocket” expense for Health Insurance for all employees is made less than the “out-of-pocket” expense from the median of our Big XII peer institutions. Our recommendation would move OSU System’s health care premium for employees with dependents from LAST in the Big XII to No. 5 or 6.

2) OSU pay 100% of the Health Insurance Premium for “employee only” insured units. These employees are employees whose health insurance does not extend to dependents. Our recommendation keeps the OSU System’s health care premium for “employees only” as the best (No.1) in the Big XII (nine of our 12 peers require some payment from “employees only”).

3) OSU Adopt the out-of-pocket premium rate schedule found in Table 2 of the appended Rationale, which includes rates for each type of insured group. The recommended rates are built upon the OSU System paying 100% of the health insurance premium for employees only and 70% of the health insurance premium for employee plus dependent coverage. The costs are based on 2008 insurance premiums. Budget projections are based on the employee selections in 2008. The recommendation elevates OSU into the top half of Big XII institutions for health insurance premium costs across the board.

4) The University Paid Health Insurance Premiums for the BlueEdge and BlueLincs alternatives be adjusted commensurate with the premium changes recommended for BlueChoice.

**Rationale:**

1. Oklahoma State University offers a generous health insurance benefit to individual employees, but the worst benefit for employees with spouses and dependents. The Faculty Council Retirement and Fringe Benefit committee has carefully studied the health insurance plans and out-of-pocket expenses of our peer institutions in the Big XII and Big 10 conferences. Compared to our peer institutions, out-of-pocket premiums for dependent coverage are, by far, the highest among our peers. OSU is 33rd out of 33 institutions in the Big XII and Big 10. OSU is the only institution to not have a cost-structure that includes substantial cost-sharing of dependent premiums by the employer. OSU’s current cost-structure for health insurance benefits places OSU at a considerable competitive disadvantage and will continue to cost us in recruiting and retaining the best possible faculty and staff.
2. The issue of health insurance premiums is primarily an issue of competitiveness. Several Faculty Council members have spoken about the difficulty that the current premiums structure places on recruiting new faculty. To ensure our continued competitiveness in recruiting and retaining our outstanding faculty and professional staff, we believe that recommended changes are imperative for the successful future of OSU. Table 1 highlights the disparity between insurance premiums paid by OSU employees with dependents compared to the median insurance premiums paid by our Big 12 peers. OSU employees covering their spouse pay annually $2,251.68 more than the Big 12 median represented by the University of Kansas (KU). OSU employees covering their spouse plus children pay annually $4,536.00 more than the Big 12 median represented by Texas Tech University (TTU).

3. Our recommendation (shown in Table 2) maintains a 100% premium benefit for “employees only.” Although each of these employees is asked to “give up” the $34.44 available as part of a cafeteria plan; we note that 2008 is the only year which these extra moneys were available due to the change in insurance carrier. The recommended coverage for “employees only” that continues to pay 100% of their health insurance premiums, which is consistent with years prior to 2008.

4. The projected cost of $0.9 to $1.3 mm annually is justified in that we believe it important to place our premium structure in the top tier of the Big XII instead of remaining content to lie fallow in the lower tier. Faculty and Administration alike must consistently demand excellence in all of our programs. Excellence must permeate every program at OSU including our premium structure. The long term goal for our benefits programs must be that we maintain our standing in the upper tier of Big XII institutions.

5. The recommended rate structure maintains our standing in the Big XII as No. 1 in Health Insurance Benefits for the group of employees without dependents.

6. Our recommendation improves the benefit for Employees plus Spouse from No. 12 in the Big XII to No. 6.

7. Our recommendation improves the benefit for Employees plus Children from No. 8 in the Big XII to No. 5.

8. Our recommendation improves the benefit for Employees plus Spouse and Child(ren) from No. 12 in the Big XII to No. 6.

9. We believe that the recommended rate structure will encourage healthy families and dependents to re-enter the medical insurance group represented by the OSU System. Accordingly, we believe that the group’s claims rate will decrease. If the claims rate decreases as expected, then as a group OSU employees can expect future savings in relation to the anticipated increase in the medical insurance costs.

10. The recommended rate structure should encourage more preventive medicine and is therefore consistent with the stated goal of becoming “America’s Healthiest Campus.”

11. We believe that the recommended rate structure will particularly benefit lower paid employees with dependents, as they are more likely to insure their dependents at the lower costs. We note that the RFB committee is proposing a separate recommendation for the Administration to review its policies for medical insurance cost for lower paid employees.
There was also discussion of a tiered structure to go with the faculty council recommendation that would provide greater benefit to employees making lower salaries. This tiered structure would benefit staff far more than faculty since faculty members generally have higher salaries than staff. The tiered structure was not part of the faculty council recommendation, so it would be up to SAC to recommend it independently.

The proposed tiered-structure recommendation is as follows:

**The Staff Advisory Council Recommends to Administration that:**
OSU adopt a tiered cost structure for dependent health insurance premiums that will provide smaller premiums for lesser paid employees and more cost sharing of those premiums on the part of the university.

Rationale:

1. In the pursuit of being “America’s Healthiest Campus,” health insurance and a strong emphasis on preventive medicine and well-care is very important. While the university does provides free insurance for its employees, health insurance for their dependents, the people with whom they spend the majority of their time, is often cost-prohibitive for our lowest paid employees. In order to maintain healthy employees, it is mandatory that their families also be healthy. Access to good preventive health care can achieved with affordable health insurance.

2. OSU lags behind the local pay rate for entry level positions. If this deficient is offset by excellent affordable benefits, OSU could be more competitive in the local job market.

3. It’s the right thing to do.

**Incentive Plans for Licenses**
PB&B is proposing the following recommendation that will request that Administration encourage, support, and fund incentive plans to reward employees who get licenses relevant to their trades and skilled technical positions:

**The Staff Advisory Council Recommends to Administration that:**
Employees who continue their education to receive or maintain licenses or certifications relevant to their trade or position receive a financial incentive or reward greater than or equal to the cost associated with getting the license or certification.

Rationale:
Currently, there is no financial incentive or requirement for skilled trades persons (such as plumbers and electricians) to maintain licenses and certifications relevant to their jobs. In many cases, these certifications are expensive to get and keep active. It is SAC’s belief that having licenses would increase the knowledge of these vital OSU employees, while at the same time increasing the safety of students, faculty, and staff on campus. It would encourage continuing education in their fields of expertise, enabling them to stay current with information about codes and the latest techniques.
Incentive plans are already in place for Administrative Support Staff and other positions on campus. While not universally adopted across campus, SAC strongly supports these types of incentive plans and feel strongly that they should be extended to trade positions and other skilled employees.