MOTION:

The Faculty or Faculty Senate supports the action of the Economic Benefits Committee and the University Committee in their opposition to the UW System Proposal to fund the 2003-05 pay plan with increased employee contributions to health care premiums and recommends that the Board of Regents submits a 2003-05 pay plan to the Department of Employee Relations that freezes employee health care contributions at their current levels.

RATIONALE:

The proposed plan is highly regressive. The dollar amount of the proposed increase in health care premiums to fund this plan is the same for all employees; however, the proposed salary increases are to be a percentage of current salaries. Thus, this proposal will result in high-salaried employees benefitting at the expense of lower-salaried colleagues.

The proposed plan penalizes employees with family coverage. The proposal calls for a 20 percent increase in contributions for single employees, whereas contributions for family coverage would increase by 92 percent.

The proposed plan runs the risk of raising the expectation of lawmakers that UW System employees will continue to make these, and even higher, levels of contributions beyond the current biennium. Legislators could well view this as an opportunity to reduce the state’s cost of health care contributions by continuing the proposed level of employee contributions without passing the benefit of such contributions back to the employees in the form of future salary increases.

The trust created by the two-month forward payment of health care premiums is no longer needed and is to be phased out. This fund belongs to UW System employees and should be used for its stated purpose, that is, the payment of health care costs. The fund should be of a sufficient size to freeze employee health care contributions at their current levels for the 2003-05 biennium. Moreover, an added benefit of such a freeze is that the UW System would then have the time to explore a range of options in addressing the future health care coverage and costs of its employees.

Professor Randall Ryder, Member
Economic Benefits Committee
Presenting