The Faculty Council on Retirement, Insurance and Benefits met on October 10, 2002, at 1 p.m. Chair Jim Whittaker presided.

**PRESENT:** Professors: Bliquez, Brandt, Frey, Haley, Johnson, Kochin, Martin, Waaland, Whittaker  
**Ex-officio:** Chamberlin, Dougherty, Dwyer, Olswang  

**ABSENT:** Professors: Boxx, Dugdale  
**Ex-officio:** McKenzie, Henley

**Synopsis:**
1. Welcome and Introductions  
2. Approve Agenda  
3. Approve Minutes  
4. Senate Greetings and Update - Sandra Silberstein/Larry Bliquez  
5. Review Council Charge  
6. Benefits Update - Katy Dwyer  
7. Fund Review Committee Status - Charles Chamberlin  
8. UWRA Update - Pat Dougherty  
9. Budget Overview – Steven Olswang

The meeting was called to order at 1:04 p.m.

**Welcome and Introductions**
Jim Whittaker asked Council members to introduce themselves. He then announced that Patti Brandt (Nursing) has agreed to be vice-chair, and will chair FCRIB in 2003-2004. Whittaker thanked Larry Bliquez for attending two SEC meetings in his stead.

**Approval of Agenda**
The agenda was approved.

**Approval of Minutes**
The June minutes were approved.

**Senate Greetings and Update**
Whittaker welcomed Sandy Silberstein, Faculty Senate Chair, to frame the work of FCRIB in the context of the larger Faculty Senate, and provide an update on Senate Business.

Silberstein characterized the year as one filled with paradoxes and contradictions. She sees three major items on the Faculty Senate agenda:

- Joint Governance  
- Salaries  
- The Role of Faculty

At the heart of governance, said Silberstein, are the Councils. Last year, Brad Holt appointed the Rose Committee to look into the structure of the Councils, their resources, and their mandates. The Rose Committee recommended that all University Committees, Faculty Councils and Special Committees be disbanded, and replaced with joint faculty/administration councils. "It's a fascinating recommendation," said Silberstein, "because it calls all of our bluff." 

Silberstein described the current system as a set of parallel universes, where councils and committees are duplicated and no one is sure where to raise their issues. The Rose Report suggests that joint councils will mean that both
administrators and faculty will work on the same issues at the same time, and have equal opportunity for conversation and exchange of ideas.

The report will have to be very thoroughly discussed, said Silberstein. Some people think that joint committees will attract more enthusiastic participation and solve many problems; others view the proposal with horror because they believe that the Councils are the heart and soul of faculty governance. When people talk about a model of sitting together at a table and doing really good work, FCRIB is the Council they often talk about, Silberstein commented.

The Rose Report will be discussed at SEC for the next two meetings, and no one knows what it will look like at that point. Silberstein would like the members of FCRIB to familiarize themselves with the proposal, and would like FCRIB (as a Council that has worked well for a long time) to advise SEC on the report. Diane Martin asked the administration's opinion of the Rose Report. Silberstein said there are the same kinds of opinions among administrators as there are among the faculty. One suggestion was to try the concept with just one joint committee and see how it works.

Salaries and benefits are another issue that the Senate will be looking at this year – the President has told Silberstein that their mutual objective must be for faculty to have a raise this year. But the state is facing a 2.3 billion dollar deficit. What deeper program cuts would the University take in order to fund salaries? She would like to see the other side of salary increases be more broadly framed than program cuts.

Most important is the role of liberal arts and the role of faculty in general. The University should be constantly mindful of ways to use the expertise of the faculty, especially where donors are concerned.

Larry Bliquez asked Silberstein to comment on the working group on collective bargaining. "That's what I mean by paradoxes," she responded. Though the Senate is going all out to make shared governance work, Silberstein said, it also gained enabling legislation from the state legislature for collective bargaining and SEC judged it would be odd to be silent on this topic. AAUP has a panel on the issue, to discover what comparable institutions have done. SEC gave Silberstein a mandate to appoint a working group to explore this issue in greater depth, and to be able to answer the questions that will inevitably arise. Bliquez commented that the administration wants to mount a Website for faculty information of all kinds – RCEP, program eliminations, etc.

Diane Martin asked that collective bargaining be looked at not only in terms of salaries, but also in terms of benefits and tradeoffs – negotiating between those two issues. Silberstein thanked the Council for its service and offered encouragement for the work of the coming year.

**Review Council Charge**

Whittaker read the Council's charge, and asked for enthusiastic cooperation in staffing the various subcommittees that accomplish the work of the Council. He then asked for a motion to grant the vote to the ALUW and PSO representatives. It was moved, seconded and unanimously passed to grant the vote to Charles Chamberlin and Ross McKenzie.

**Benefits Update**

**Medical**

Katie Dwyer advised that PEBB open enrollment materials are on their way to all employees and that contribution rates for medical benefits have increased dramatically – Group Health, for example, went from zero to $30 for employees only. There are no more zero cost plans.

Current health plan rates are posted on the Web. Community Health is not accepting new members. The HCA is still struggling with cost issues, and have been mandated to reduce the cost of prescription drugs even as costs are going up. They are using the new rates to encourage people to use the mail-order drug services.

In response to Charles Chamberlin's question, Dwyer said that not all staff understand the increases in the medical premiums. Her budget does not allow for mailings, so she has been using email and University Week online to get the word out. In areas like the hospital laundry, for example, she is doing special outreach to staff who do not speak
English – this is a challenge. Chamberlin commented that the increases are dramatic for some staff members. Patti Brandt observed that this is like a salary cut, to some staff.

**Life Insurance**
Basic Life Insurance is being increased to $25,000 per employee, from $15,000, as a result of the settlement of a lawsuit. When the settlement runs out in 2005, the value may drop back down.

**Flexible Spending Accounts**
A pilot program for Flexible Spending Accounts begins at the UW January 1, 2003, and possibly at WSU, Western, and Central Washington as well. FSA's are a use-it-or-lose-it "savings" account used to pay out-of-pocket medical expenses not covered by insurance. For those who elect to participate, deductions will begin with the January 10 payroll and will be a pre-tax salary reduction. A minimum of $240/yr and a maximum of $2400/yr. may be allocated into a Flexible Spending account by each employee. Mailers will arrive in about a week to be distributed to faculty and staff.

The FSA accounts will be administered by a third party vendor in Florida. To enroll, employees should go to the Benefits Website and enroll directly with the vendor. There is an enrollment worksheet on the Web site, but no online enrollment as yet. Employees do not pay an administrative fee for the service.

**New HCA System**
Dwyer advised that the benefits office is working with the Health Care Authority (HCA) for a new systems implementation to make them HIPAA compliant. Benefits to the UW include year-round online enrollment into medical and dental plans, and year round enrollment into Life and LTD. Reducing the dependence on paper will change the entire dynamic in the benefits office. The new system is expected to come online in June 2003.

"**Right Now" Call Tracking**
The benefits office will be using a program called Right Now to track calls and answer simple benefits questions via recording – Dwyer hopes this will free staff time for more complex issues.

**Deferred Compensation**
Deferred compensation has not yet been implemented, but the benefits office is working on it. There have been some delays in implementation over the summer, because the benefits office took over the Graduate Insurance Program without the staff to run the program. After Winter Quarter, things should get better.

**Fund Review Committee Status**
At Katy Dwyer's request, and after several months of study, the Council in June passed a recommendation to create a Fund Review Committee to oversee the quality and quantity of investment funds offered to UW employees.

Charles Chamberlin reported that the proposal has been approved by the PSO and is now on Weldon Ihrig's desk for administrative approval. It will then go on to the Regents, who will approve the proposal as an amendment to the existing investment policy. It will then be up to Weldon Ihrig to appoint a committee. FCRIB should send a representative to the Regent's meeting when the Fund Review Committee proposal is passed.

**UWRA Update**
Whittaker introduced Pat Dougherty, director of the UW Retirement Center for an update on the UW Retirement Association.

UWRA is a nonprofit association of primarily retired UW faculty and staff, said Dougherty. It was formed in 1975 for advocacy for improved retiree benefits for employees and their spouses. Membership is about 2000, or 1200-1300 households. It's a very active organization – with health care benefits going up, UWRA is presenting programs such as Aron Katz, speaking on Oct 31 on the healthcare crisis.

The association also sponsors two retirement communities, University House in Wallingford and the new 212-unit facility in Issaquah. UWRA sponsors Graduate Fellowships and offers other benefits, events, and fellowship to retirees, and is now updating its committees and programs for a new generation of retirees. Dougherty and Ernest Henley (the association president) have recently met with the administration to work on tangible benefits such as
email for both staff and faculty retirees. In October and November, the Retirement Center will also be offering seminars on how to be a savvy consumer in eldercare.

Dougherty will be attending the Association of Retirement Associations in Indianapolis and will report back to the Council on her trip.

**Budget Overview**

Steven Olswang reported on the state of the UW budget. We are in the second year of the biennium, Olswang said, and we were required to make a significant budget reduction last July 1. Budget projections for the next biennium look dire – the state expects a 2.5 billion dollar shortfall; if nothing changes, the University will suffer 5-10% reductions for the next biennium.

There were no across-the-board salary increases this year. One third of the classified staff got a step increase, 300 faculty members got promotional adjustments, some professional staff got in-grade increases, some faculty and staff got retention increases. That happens in the normal course of events, but the vast majority did not receive salary increases, Olswang said.

For next biennium, there is the also prospect of no raises from the legislature. Olswang stated that is an unacceptable prospect and every effort will be made to adjust salaries no matter what the legislature does. That means deeper cuts elsewhere, and the cuts will be disproportionate among schools and colleges, and among academic and administrative units.

If the economy turns around, this could change. But the state has passed increased health care costs on to staff, and this is the equivalent of a salary cut. Faculty Affairs, said Olswang, wants to do some adjusting of the tuition waiver benefit to include spouses and children, but that will require legislation. They are studying this to see if they want to pursue it. There is the possibility of making more use of the AB salary option. "But basically, we're in trouble," Olswang said.

Whittaker asked if the 40% reemployment policy is endangered in any way – Olswang said it is not. This policy is on the Academic Personnel Website and will be included in a brochure.

For next meeting, Council members are asked to look at the "To Do" list, assign priorities, and be thinking about what subcommittees they'd like to join. Additions to the list are welcome.

The meeting was adjourned at 2:32 p.m. *Minutes by Linda Fullerton, Recorder.*