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To the Faculty:

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Yesterday was a tough day. The Board of Regents met to discuss employee healthcare costs and their impact on the impending budget cuts. Several impassioned speakers outlined the pain being forced upon our employees. Generally speaking, they weren't wrong.

Lost somewhere in the kerfuffle over healthcare was the worst news I've heard in quite a while. David McFaddin (Governmental Relations) reported that the governor intends to hold tight to his declaration that performance-based funding cuts would be applied to 25% of all state allocations to higher education. That is being seen as *the floor* for future negotiations, not the ceiling! What that means is ECU likely has an additional \$16.1 million in cuts to look forward to within a couple of years. To put that into perspective; that would be a million dollars worse than twice the pain we are going through right now. I honestly do not know where the money might come from, but this is a serious threat to the institution as we know it today.

Between our state pension debacle and our outmoded tax code, Kentucky is so terribly broken right now that it does not bode well for the future: ours, or our children's.

Back to healthcare:

It was my opinion from reviewing university proposal and attending data, and from talking to a bunch of folks (relying on Health Sciences, mostly), that Families were receiving less help from the university across the board (which was confirmed by additional data the Board received from Barry Poynter yesterday morning), and that that group of approximately 306 ECU employees was getting hit hardest under the university's proposal. When campus leaders argued for additional help for other groups

(Employee Only, Employee +1...) at the \$500 level (up from \$450) we learned that this caused the savings to virtually disappear! I am told that this is the result of the number of people in certain pools, Employee Only (1,200+ people) being over half of all insured (2,126 in total).

The Board had asked for \$2 million in savings. The President directed his staff. The Administration returned with a proposal amounting to \$1.2 million in savings. And in my estimation, as of yesterday morning, the university recommended program was going to pass 8 to 3, or 9 to 2 (not knowing how Student Regent Collin Potter was going to vote).

That left me with a choice.

I had already told Chairman Turner that I was voting against the university plan. But it seemed clear that it was going to pass anyway. So, I could either cast a symbolic vote - and lose - because the university proposal would be adopted anyway; hurting everyone, but really clobbering families; especially those who could least afford it - or, I could try to help out those faculty members on the Family plan. And that's what I did.

I made the following argument to the Board:

Over the past three years, faculty leaders and university administration had been cooperating on a plan to improve the university. We had agreed upon, and were following a plan that included scheduled across-the-board and IPEP raises, in an effort to attract the most outstanding faculty we could find to work with our students. That plan had been progressing nicely until we were derailed by the present budget cuts.

We already had a solid benefits package – richer than our peers - and that went some distance in retaining faculty in the face of modest salaries. In a very real sense, it was those benefits that made underpaying us tolerable.

The budget reduction is now forcing the Board to find \$7.4 million dollars. And it is my hope that we don't find too much of it in the pockets of the faculty and staff.

But clearly, health insurance is one of many areas necessarily under review.

Many of you understand healthcare benefits better than I do. So it is my hope that you will agree with me that the proposal we are considering today tends to hit families the hardest – a bit too hard in my estimation. This seems particularly true for those families in the Economy plan where it appears premiums skyrocket by more than 300%.

The administration surely recognized this, because they looked at a range of options, including one that would **supplement Families by \$50 per month**. This is the option I think we should pass. While it is true that this plan would only save the university \$1 million as opposed to the proposed plan which saves \$1.2 million, in my view, it is a better and perhaps fairer option for retaining faculty members with families.

I later moved to amend the university proposal as described above. The Board voted in the affirmative, unanimously. As a result, we carved \$200,000 out of the projected savings and added \$50 per month to the university's contribution to Family plans.

Shortly thereafter I received a few messages of disappointment, or worse, regarding my action. The central question seemed to be whether or not I was representing the best interest of the faculty.

I understand the criticism and wish I could have done more. But I did the best I could.

The result of yesterday's action is outlined below:

PPO 1000 Family Plan monthly premiums paid by employees would have been \$1,013.61, but now it is \$963.61 - lower by \$50 per month or \$600 over the year. Total annual cost to employees would have been \$12,163.32, now it's \$11,563.32.

PPO 2000 Family Plan monthly premiums paid by employees would have been \$545.44, but now it is \$495.44 - lower by \$50 per month or \$600 over the year. Total annual cost to employees would have been \$6,545.28, now it's \$5,945.28.

CDHP/HSA Family Plan monthly premiums paid by employees would have been \$322.57, but now it is \$272.57 - lower by \$50 per month or \$600 over the year. Total annual cost to employees would have been \$3,870.84, now it's \$3,270.84.

I was told by my critics that the amendment was meaningless. And I must admit that nobody should be popping corks over this. But \$600 dollars in reduced premiums is not nothing to our ECU families.

Honestly, it would have been better for me personally if I had just echoed a few of the comments our speakers made and voted NO on the university proposal. That seems to be how it's always been done – make a symbolic vote and go down in flames. I don't know a single faculty member who expected more of me. Everybody would have thought I was a tough fighter and great guy. But I would have had trouble living with the knowledge that I could have done more, but chose not to for my own sake.

I know some will still disagree, but I hope everyone at least understands why I did what I did. If the faculty truly prefers symbolic No votes instead of fighting for improved

conditions for faculty (however limited that may be) please feel free to let me know what you think.

I also told the Board that “My hope is that in December, we come out of this imposed budgetary retraction in a position to get right back on track, reinstating raises, and building the university described in our strategic plan.” But McFaddin’s bad news looms large.

In December the Board is looking for a recommendation from President Benson to address the remaining budget cuts.

And finally, some breaking news from [WKYT](#):

Ky. Supreme Court rules Bevin can't cut budgets of public colleges, universities

Kentucky's highest court says the state's Republican governor cannot cut the budgets of public colleges and universities without the approval of the state legislature.

The 5-2 ruling by the state Supreme Court reverses a lower court ruling that said Gov. Matt Bevin had the authority to order public colleges and universities not to spend all of the money the state legislature gave them. Democratic Attorney General Andy Beshear appealed, arguing Bevin's order was illegal. A majority of the court agreed on Thursday, saying Bevin does not have that authority.

This should mean the immediate reinstatement of \$1.5 million dollars previously withheld from ECU by the state.