

Bargaining Communication from the College

September 1, 2016

Urgent Decisions Needed for Classified Health Insurance Renewal

Greetings Classified Colleagues,

As you know from our last communication, the College's bargaining team met with the LCCEF bargaining team on Monday, August 29, for approximately sixteen (16) hours in an effort to close the gap between the College's and the Union's bargaining proposals for a multi-year agreement, with economic agreements to cover the 2016/2017 academic year. Unfortunately, even with the assistance of a State of Oregon Employment Relations Board (ERB) Mediator the two bargaining teams were not able to reach a comprehensive agreement.

Maintaining the current three PacificSource health insurance plans will impact classified employee out-of-paycheck premium contributions with increases of a hundred dollars or more per employee per payroll period depending on the plan in which the employee and their eligible dependents are enrolled. The Board authorized payment of the increased premium by the College for three (3) months to provide time for further discussion and information sharing. Since we do not have an agreement premium increases will take effect with the payroll on September 23.

While the College bargaining team plans to continue efforts to reach a comprehensive negotiated settlement with LCCEF leadership, resolving classified employee health insurance plans for 2016/2017 requires urgent attention. The mediation discussions on August 29 confirmed that LCCEF leadership has an important choice to make for classified employees. The options include the following choices.

1. Maintain the current three (3) PacificSource plans and classified employees will pay the 8.9% premium increases on these plans starting with the payroll on September 23. A rate chart is attached that reflects what the rate increases for the three current plans will be for 2016/2017. We have also attached the rate charts from 2015/2016 for comparisons.

Or ...

2. The College has proposed an agreement on insurance to reduce this impact on classified employees. Under this proposal, the LCCEF would select any four (4) out of six (6) PacificSource modified health insurance plan designs that still maintain very robust levels of benefits and that also provide reduced premium increases for at least one plan

to about 2% for 2016/2017. A rate chart is attached that reflects what the premium rates will be for the six optional PacificSource plans for 2016/2017 (LCCEF leadership could select any four of these plans). In mediation, LCCEF leadership did agree to choose four (4) plans but because we were not able to achieve a comprehensive agreement, this was not resolved.

Note the following important facts.

1. Lane Community College currently makes the single highest employer contribution toward the total cost of health insurance premiums among all public and private employers we have surveyed.
2. Lane Community College currently makes the single highest employer contribution toward section 125 flexible spending accounts among all public and private employers we have surveyed.
3. Lane Community College does not pro-rate the employer health insurance premium contribution for less-than 1.0 FTE classified employees (down to .50 FTE). Most employers DO pro-rate (reduce) the employer's contribution toward the total cost of health insurance premiums for less-than 1.0 FTE employees.

Lane Community College managers and faculty are currently completing health insurance open enrollment decisions for 2016/2017 with options to select adjusted health insurance plan designs that include reduced out-of-paycheck premium increases.

We will continue to bargain with LCCEF leadership to also provide all classified employees with choices to complete open enrollment health insurance plan decisions by electing plans that meet their needs, as well as their families needs, and that reduce the out-of-paycheck health insurance premium deductions for 2016/2017.

The deadline to commit to alternative PacificSource health insurance plans that reduce the cost of the 2016/2017 premium renewals is the end of next week. It is possible for the two bargaining teams to reach agreement on this item alone, even if the remainder of the bargaining issues cannot be resolved during that time period.