

RESOLUTION ON HEALTH BENEFITS SURPLUSES

Finance and Facilities Committee

May 12, 2008

PASSED

Whereas during a discussion of Health Benefits Surpluses on February 14, 2005, President McDavis promised Faculty Senate that “The university portion will be held in reserve to offset future health insurance cost increases” (Faculty Senate Meeting minutes, February 14, 2005, p. 4); and

Whereas the University has ceased this practice during the last two fiscal years without any subsequent discussion with, or input from, Faculty Senate; and

Whereas significant monies (approximately \$3.5 million) have accumulated in the surplus account (the “managerial reserve”) and a percentage of these reserves derive from premiums paid by employees; and

Whereas these monies come from university funds budgeted for health care and are included in annual reports by our Office of Institutional Research to the AAUP survey of faculty compensation, data which is used by the university to compare our faculty compensation with peer institutions; and

Whereas, historically, Ohio University faculty have been told that our salaries lag peer institutions because health care is so costly;

Be it resolved that the accumulated health benefits surplus be considered compensation, as it has been until recently and as it has been officially reported by the University, and that it be used to defray and contain healthcare costs as previously promised by the President; and

Be it further resolved that the percentage of the surplus each year that derives from employee premium contributions be returned to employees, as soon as end of the year totals are determined, in the form of a premium holiday pro-rated to an amount commensurate with the surplus.