



Aug. 20, 2016

Dear Faculty,
Welcome back! We hope you enjoyed a break during the summer so you are refreshed and ready for a busy fall semester.

Before that happy chaos of the first week of school begins, please take a moment and mark these important dates in your calendar so you can attend a CCA campus meeting where we will explain proposed changes in faculty and faculty retiree health benefits. A SISC representative also will attend to answer your questions about the proposed health plans.

Bakersfield College:

Tues., Aug. 30, in SPArC Indoor Theatre: 4-5 p.m. for faculty and 6-7 p.m. for faculty retirees.

Wed., Aug. 31, in SPArC Indoor Theatre: 4-5 p.m. for faculty and 6-7 p.m. for faculty retirees.

Cerro Coso Community College:

Mon., Sept. 12, in IWV LRC 604, KRV 5, Mam 228, and BIS 197: 12:30-1:30 p.m. for faculty.

Fri., Sept. 16, in IWV LRC 604, KRV 5, Mam 228, and BIS 197: 10-11 a.m. for faculty retirees.

Porterville College:

Wed., Sept. 7, in Student Center Conference Room: 4-5 p.m. for faculty and 6-7 p.m. for faculty retirees.

Election Chair Mary O’Neal sent information this week announcing the Sept. 20-21 election on the proposed changes. She explained Sept. 14 is the deadline to join the union to be eligible to vote. Only CCA members can vote, so if you wish to have a say in your benefits, please complete one of the attached application forms.

We will explain the proposal in detail at our campus meetings, but if you read our July 19th CCA update (see attached update), you know negotiators and district officials reached a tentative one-year agreement called a Memorandum of Understanding, or MOU, regarding faculty health benefits based on the expectation that classified and management employees would join the larger SISC health insurance pool by fall. Since then, CSEA members have voted to join the SISC pool, and management employees are joining it as well.

Most of our faculty opposed joining the pool because we would give up the autonomy of being self-funded, and we must accept SISC pool-recommended changes to our benefits and premiums. That’s why CCA proposed an option to stay self-funded last spring. Trustees rejected that proposal saying it was too expensive for the district. We also explored the option of faculty staying self-funded on our own while classified and management joined the SISC pool. We learned that few groups would choose this option because small self-funded groups face higher risks of increased health costs should a few large claims occur.

We also had to consider the possible financial impact: If we did not join the SISC pool and faculty attempted to remain on their own as a self-funded group, could faculty afford the monthly cost? What about retirees living on fixed incomes? We decided having faculty and retirees choose the plans they could afford in the pool would be better than faculty and retirees paying more for our current self-funded health plan. We negotiated a range of pool plans, including a base plan with no monthly out-of-pocket cost other than co-pays and deductibles.

If approved, the CCA proposal to join the pool would prevent the district from charging faculty for “excess premium costs” for our current health plan, per existing contract language. We estimate this cost at about \$425 a month, which many faculty, and most faculty retirees, simply can’t afford. (This price does not include adding to our dwindling health plan reserves fund, a fund that SISC recommends for any self-funded plan. If we

contributed to the reserves, this estimated monthly amount would increase even more.) The same price for a similar plan in the pool is \$255 per month for working faculty. For retirees over 65 on tiered rates, the plan costs nothing for a single retiree and \$58 per month for a couple.

For working faculty, all deductions for health insurance costs would occur on a pre-tax basis, so the actual expense would be a bit less. Retirees do not have this pre-tax advantage. If they choose plans costing more than the district's contribution, they would make payments. However, only retirees, and not working faculty, can opt out of the district health insurance. Retirees also can re-enroll during the next open enrollment period.

We have attached the proposed MOU and a comparison of the plans for your review. The district's contribution for medical insurance of \$1,164 a month, or \$13,968 a year, per faculty member, is slightly higher than before. This amount does not include the cost for dental, life, and disability insurance the district will buy for working faculty members; it also does not include the cost of dental insurance the district will buy for retirees.

For working faculty and retired faculty under 65, the pricing for twelve monthly deductions for the five SISC PPO plans would be: 100-A plan, \$291; 100-C plan, \$255; 90-C plan, \$151; 90-G plan, \$89; and an 80-G plan, which is the base plan, \$0. SISC also will offer an inexpensive HMO Kaiser option. Because it costs less than the district's contribution, those who choose Kaiser can expect a \$96 annual refund.

For retired faculty over 65, SISC will offer the same plans at tiered-rates for single, two-party, and families. If single, they can expect to pay no monthly out-of-pocket costs for any of the plans other than co-pays and deductibles; if a couple, the monthly costs would be: 100-A, \$78; 100-C, \$58; and for the 90-C, 90-G, 80-G, and Kaiser plans, no monthly cost. An inexpensive Kaiser option also will be offered with no monthly cost.

We have been told that all retirees, with the exception of one person in the district, fall under the single or two-party category. The district and SISC officials have said retirees with eligible dependents will be able to choose between the tiered-rate plans or plans for working faculty so they can receive the least inexpensive family rates.

And those faculty members who retired before July 1, 1983 will continue to receive fully paid health benefits from the district through the 100-C plan, a plan that provides 100 percent coverage, per contract language.

We know you will have many questions regarding this proposal to change health benefits. Please bring these with you to the campus meetings. The district also hopes to videotape one of the sessions to post for those who are unable to attend.

This MOU is only a one-year agreement. We start negotiations on a new contract in fall, and we expect health benefits, and the district's contribution, to be a major area of negotiations.

In the meantime, we look forward to seeing you at one of the meetings.

Sincerely,

Kathy Freeman
KCCD CCA President
Bakersfield College

Ann Marie Wagstaff
Negotiator
Porterville College

Tom Greenwood
Chief Negotiator
Bakersfield College

Matt Crow
Negotiator
Cerro Coso Community College