

*West Los Angeles College Chapter
AFT Local 1521
Minutes of April 23, 2009*

Attendance: Bruce Anders, Mark Rocha, Nancy Sander, Betty Jacobs, Bonnie Blustein, Fran Israel, Alice Taylor, Jackie Manheim, Danielle Jack, May Du Bois, Chuck Amauago, Jack Ruebensaal, Norma Barragan, Richard Block, J. Richard Olivas, Gary Willouby, Vidya Swamanathan, Matt Robertson, Dave Newell, Olga Shewfelt.

Guest Presenters: Susan Aminoff, Carolyn Widener, Don Sparks.

Proposed Health Insurance Benefits Changes: Chapter President, Olga Shewfelt introduced the three guest presenters from the Guild leadership. Susan Aminoff is the Guild's faculty representative on the Joint Labor-Management Benefits Committee (JLMBC); Carolyn Widener is Vice President of the Guild, and Don Sparks is the Guild's Chief Negotiator. Before their presentation, Olga invited President Mark Rocha to speak on the possible changes to health benefits.

Dr. Rocha stated that we are all in this together, as we are in the same insurance pool. He expressed praise and gratitude for the AFT leadership's proactive approach. He made an analogy to General Motors' situation, six years ago, that if its leadership had acted proactively, the company would not be in tenuous position that it finds itself in today. His own, more local goal, is to balance the college budget without laying anyone off. The college's budget allocations for next year will be less it was this year. The exact amount depends upon the fate of the May 19th ballot initiatives

Carolyn Widener began the presentation by noting that our LACCD group is composed of 43% retirees, and that the largest group of active faculty are within ten years of retirement. She concludes that because we will not replace all retirees, we are going to become a group of over 50% retirees soon, if this trend continues. Our group is 7,000 employees and their eligible dependants. By contrast, Cal-PERS covers 1.4 million in their healthcare group. CalPERS has policies that range 25% to 38% lower in premium costs.

A priority is to preserve retiree healthcare. Medicare now covers only about 70% of a Medicare policyholder's healthcare. Much of the co-pay should be covered by the Blue policy in CalPERS, as it is in the Blue policy with the LACCD, now. For retirees, there should be little-to-no change in coverage in a move to the CalPERS group.

She noted that some school districts are now eliminating retirees from their healthcare benefits groups, while others are asking retirees and actives to pay part of the premium costs. She also noted that the LAUSD no longer has a PPO, at all.

Suggestions from faculty at this point, included: Modify the present Blue Shield PPO, and wait to see what the current Obama administration does to alleviate healthcare costs.

About the latter, Carolyn asserted that teachers and others with adequate policies, are likely to be among the last to get any federal help. She left the possibility of modifying the Blue Shield PPO to Susan Aminoff.

Susan Aminoff began by thanking Alice Taylor for her help on the health Benefits and Retirement Committee, and noted that she can help answer West faculty's questions on these issues. She noted that those who are retired and those who are going to retire will not be affected by the proposed change, except for a \$5.00 increase in office visits co-pays. Kaiser subscribers, also, would not be impacted. Those impacted would be those in a Blue PPO. She presented the following chart to illustrate the changes that can be expected:

Comparison of Blue PPO Benefits Plans

Blue Shield PPO (LACCD)

Plan pays 100%, no co-ins.

\$200-\$600 deductible

Out-of-pocket max = \$0

Lifetime max = \$6 million

CalPERS ChoicePPO

Plan pays 80%; 20% co-ins.

\$500- \$1,000 deductible

Out-of-pocket max = \$3000-\$6000

Lifetime max = \$2 million *

*Once the lifetime maximum is reached, the subscriber is put into another plan.

In order to preserve the current coverage with Blue Shield, the LACCD would have to pay an additional \$3.7 million, raising the costs to the district to \$58.7 million. In order to bring the Blue Shield PPO costs down to the \$55 million the district is now paying for premiums, the following changes would have to be made:

1. 10% co-insurance with \$2,000 out-of-pocket
2. \$400.00 out-of-network deductible
3. \$250.00 hospital admissions co-pay
4. \$100.00 brand deductible for RX Plan

The proposed switch to the CalPERS Choice PPO would save the District \$15 million.

Don Sparks spoke to the possible uses of the \$15 million in savings, if the membership approves the switch to the CalPERS group. The ballot may be expected within a month and will present two options: A reduced Blue Shield PPO plan, within the LACCD present group or a move to the CalPERS with the 15 million in savings dispersed possibly as follows, based upon informal talks and tacit agreement from the Chancellor:

- 1) Health Reimbursement Arrangements (HRAs) for all active employees and retired employees under the age of 65. (An HRA is a plan designed to reimburse

- employees for qualified out-of-pocket healthcare expenses with non-taxable dollars, including long-term care policies and Medicare Part B premiums. These HRAs are funded solely by the district, not by the employee. They are not treated as income and are not subject to tax.) The district would fund each qualified employee's HRA for \$1,500 per year, for five years. Amounts unused, may roll-over into the employee's HRA account.
- 2) Enhancements to salary schedules for full-time faculty, including a step 11 in columns A and B, a step 12, in Column C, and a step 13 in column D of the Preparation Schedule for full-time faculty. Also, a 3% additional career increment for each of the five career increments
 - 3) Enhancement to the adjunct faculty salary schedule with a new step 10 for credit teaching at the rate of \$73.70 per hour.
 - 4) The district will increase its monthly contributions to adjunct faculty healthcare plans from \$180 to \$200.

Q & A

Q: What about the Health Benefits Trust? Is it still in play?

A: Yes; \$12 million.

Q: Will out obligation under Gasby be reduced?

A: Yes.

Q. Will there be changes in the length of time to become vested in healthcare benefits?

A. No. Vesting takes place after 20 years of employment.

Q. Presently, adjunct faculty must teach at least .33 FTE, and have taught at least .2 for three out of the last eight semesters in order to qualify for district contributions to their health benefits. Why can't we lower this threshold for adjunct faculty to obtain healthcare benefits?

A. Lowering the threshold would attract adjuncts to teach a course in the district simply to qualify for healthcare benefits.

MOU on Calendar Revisions: Olga presented an MOU between the district and the AFT to correct minor errors in the academic calendars in Appendix M of the 2008-'11 Agreement.

MOU on Student Learning Objectives: The MOU clarifies the meaning of "Participates in the Student Learning Outcomes Assessment Cycle" designation on the faculty evaluation form in Appendix C, page 185 of the current Agreement. Participating in program review, updating course outlines, and, as a discipline or department, writing SLOs and establishing assessment tools/rubrics are the responsibility of full-time faculty. Adjunct faculty may participate, but should not be required to do so. If an adjunct instructor does not participate, his/her evaluation will not be affected. If adjuncts do participate, they should be compensated for these ancillary activities. In order to be paid, before undertaking these tasks, they must obtain approval from the college president, the

requesting administrator/chair, and the AFT Chapter President, as stipulated in Article 43B2 of the 2008-11 bargaining agreement.” The district has not signed off yet, due to the ancillary pay issue.

Shanghai Teachers’ Union Resolution: The AFT E-Board passed a resolution supporting a forma exchange agreement with the Shanghai, China Teachers’ Union, in which teams from the AFT and teams of the Shanghai union would visit each other in alternate years “in order to further understanding between our two unions and our two labor movements, and ...strengthen the role of faculty unions, higher education, and global solidarity in the years to come.” Olga has asked Jack Ruebensaal to represent us in this endeavor. The final decision on who are going to be members of this program will be made by the Guild leadership.

Budget Concerns: Olga reported that the Chancellor has reported that the district will be \$20 - \$40 million in arrears depending on the fate of the ballot measures of May 19th. If all the ballot measures fail, California community colleges funding would be reduced by \$774 million, about ten percent of which would be funding lost to the LACCD. In the next fiscal year, we are looking at an even worse environment, with no COLA and a reduction in state funds for over cap enrollment from three percent to 1.3%. In the current fiscal year, the district is carrying an estimated five thousand unfunded FTES. The final number will be determined at the end of the academic year.