



DIALOGUE



Fall 2006 • An Open Forum for Faculty at Santa Rosa Junior College • October 9, 2006

SOLVING OUR HEALTH INSURANCE CRISIS: A HEALTH SAVINGS ACCOUNT FOR THE DISTRICT

by Janet McCulloch

Regular Faculty Member in the English Department and AFA President

Recently I have been contemplating the meaning of the word “benefits” and the term “fringe benefit,” and although I normally discourage English students from beginning an essay with dictionary definitions, this piece really is about those definitions. A “benefit” is defined as anything that “promotes or enhances well-being; an advantage,” and the archaic meaning of the word refers to an act of charity. The more recent term “fringe benefit” is technically “an employment benefit **given in addition** to one’s wage or salary.” Of course, the bolding and underlining are my addition to the dictionary definition. When we choose to serve the public interest, like teaching at a community college, there is another issue to consider. As faculty we are not part of a system that uses raises and bonuses to reward its employees. Providing benefits is one way of “leveling the playing field” between public and private employment. Why then has this practice of “giving” a benefit become so problematic not just in our District, but in our society? The answer is quite obvious—these benefits are very expensive.

But what do individuals and families do when they anticipate large expenses? They set aside a portion of their monthly income so that the money is there when they need it. Health care is expensive, so we need to **plan** for that on-going expense.

The expense, however, is not a fair justification for withdrawing those benefits or diminishing them, especially in the public sector where our function as a non-profit organization is to provide the best kind of service to our public clients. I think that there is little doubt that the faculty and staff at SRJC do provide an excellent service to our community and to our students. The State of California mandates a 5% reserve, which is certainly prudent, and even up to 8% in

reserves is not unreasonable. We are all grateful that during the 2002-03 budget crisis there were sufficient reserves to safeguard most of our jobs. The 2005-06 Ending Fund Balance (Reserves) of \$9.2 million is more than adequate for the institution’s needs. The District is not required to save even more to make further “profit” to return to the Reserves. **The best way to provide benefits to the faculty is to put aside money in a Restricted Reserve Fund to pay for future increases.** In the same way that individuals create savings accounts for future expenses, so should businesses and institutions. This is sound fiscal policy and should lead the District to make such a commitment to its faculty.

(cont. on page 2)

**OCTOBER IS OPEN ENROLLMENT MONTH
HEALTH NET & KAISER PRESENTATIONS/Q & A
FRIDAY • OCTOBER 13, 2006 • 12:30 P.M.
BECH HALL • ROOM 1999**

During the month of October, all faculty who are currently enrolled in one of the District’s group health plans are able to switch from one health plan provider to another. Enrollment forms must be completed and returned to Human Resources by Tuesday, October 31, 2006.

Coverage will become effective January 1, 2007.

For more information, contact Louise Burke in the Human Resources Department at 527-4304.



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HEALTH INSURANCE CRISIS *(cont. from page 1)*

Fully-paid health benefits for Regular faculty truly does “promote or enhance the well-being” of the faculty. If Regular faculty have to pay any portion of their premiums, this is clearly a disadvantage for them. As the cost of living in Sonoma County increases, our College will have greater difficulty attracting qualified faculty and, when they learn that their salary will be less than advertised because part of it goes to pay health care premiums, well, you can do the math and so should the District. And that’s just part of the problem. Think how we will all feel during the years when increases in premiums will directly affect our salaries and potential retirement income. Poor morale does not make for happy or effective teaching.

Since the purpose of a benefit is to promote well-being, when

a benefit is in question, or is eliminated, it has the opposite effect. It continues to be a grave source of insecurity for the Adjunct faculty that their 50% paid health benefits are in jeopardy every budget cycle. Every year they live in fear that the Governor will not fund the line item for Adjunct Health Benefits and that AFA and the District will not be able to find a way to fund the portion for which the State does not reimburse us. Clearly, this is not an “advantage” for them.

The Latin roots of the word “benefit” imply “a good deed, the act of doing well.” Faculty would like the District to realize that, in the *ideal* sense, providing benefits is a good deed; in the *practical* sense, it contributes to all of us doing well. The world of academia has always been a place

aspiring to model higher social standards. In providing fully paid health benefits, SRJC will be better than much of the private sector. In searching for new and creative ways to fund our benefits package, faculty will try to lead the way toward solving this crisis. Cost-sharing in premiums is a simplistic solution to a complex problem. There are certainly more creative ways to approach the problem. During this year of increased funding and more stable equalization funding, our District, with the blessing of the faculty, needs to set aside money in a Restricted Reserve Fund to cover some of the rising cost of everyone’s health benefits. We can think of this as a savings account or maybe it’s more like overdraft protection—either way we look at it, now is the time to *plan* for the future.

THE AFA DIALOGUE HAS BEEN CREATED TO AIR CONCERNS OF ALL FACULTY. THE AFA UPDATE WILL CONTINUE TO BE THE FACTUAL VOICE OF THE AFA, WHILE THE AFA DIALOGUE WILL ENCOURAGE CONVERSATION AND PUBLISH OPINIONS ABOUT WORK PLACE ISSUES AND POLITICAL CONCERNS. WE INVITE ANY FACULTY MEMBER TO SUBMIT LETTERS, ARTICLES, OR OPINION PIECES. AFA RESERVES EDITORIAL PREROGATIVES.