

Update on Faculty Salary and Benefits Negotiation (4/19/2017)

Dear Members of the Fordham Community:

We are writing to you to explain why we have decided that the salary and benefit offer made by the administration is unacceptable to us, and we believe would also be unacceptable to you.

At the heart of Fordham's demands during this bargaining has been its insistence on eliminating the Enhanced and EPO Health Insurance Plans and forcing the 1,781 employees currently enrolled in these plans into either the Standard or HSA Plans. Ninety-six percent of our community will be adversely affected by this change.

The differences between the coverage and benefits available in the Enhanced/EPO Plans and the Standard Plan are very significant, as are the costs of the premiums. Thus, although the premiums for Fordham and you will be reduced, a large portion of the costs of virtually all medical procedures now born by the insurance company will be shifted to you. A side-by-side comparison of the two plans can be found [here](#).

Although we believe that the agreement we reached with the administration in 2014 prohibits Fordham from eliminating the Enhanced/EPO Plans, in light of the University's concerns about saving money on health insurance, we have worked tirelessly to come up with a solution that will address its financial concerns while still providing each of you with good health insurance coverage. We proposed a variety of incentives to encourage people to *voluntarily* enroll in one of the less costly health insurance plans and to provide a financial cushion for those who did so. These proposals were rejected by the administration.

We have also tried to negotiate plan changes with the administration in order to construct a new plan that provides better coverage than the Standard Plan, but less coverage than the Enhanced Plan. While we believe that these efforts could still be fruitful, plan design changes cannot be done properly under the time constraints the University has imposed and without the information from the insurance carrier about possible plan changes and costs.

From the beginning of our negotiations Fordham has insisted on reaching an overall agreement by April 20, 2017, the date it scheduled for the Board of Trustees to pass the budget for FY 2017-2018, and eliminating the Enhanced/EPO plans effective July 1, 2017. Although Fordham has now agreed to push back the plan elimination by two months, to September 1, 2017, making this change before the beginning of the next plan year on January 1, 2018 is unreasonable and ill-advised. Not only does this provide insufficient time to make careful and well-thought out plan design changes, but to the extent there are ways to mitigate the adverse financial impact of this change, they will be unavailable until January 1, 2018. We have brought the problems that we believe will occur as a result of this rushed, mid-year change in health insurance coverage to the attention of the administration from the early fall, but we are certain that there are many more problems that will manifest themselves that we haven't yet thought of.

We have also been unable to reach agreement with the administration about what fraction of the millions of dollars of savings in premium costs through the plan elimination will be earmarked for improvements to the Standard plan. The bottom line is that unless a reasonable amount of time, consideration, and money is allocated to:

- make the plan design changes that will be most protective for the greatest number of people;

- set up systems to ameliorate—to the extent possible—the adverse financial impact of the change;
- give people time to understand the coverage and benefits available under the new plan and explore other health insurance options they may have at Fordham and through other sources;
- provide education for our community so that people understand the tools available to help minimize health care expenses; and
- implement the enrollment process and plan changes smoothly;

the impact of this substantial change in health insurance coverage will be made even more difficult on the community.

Although the administration has struggled mightily to down play the impact of this change we strongly disagree with the example it has attached in the communication it sent out today. We have prepared a calculator that you can use to find out how the move from the Enhanced Plan to the Standard Plan, as currently designed, will impact you. You can access this calculator [here](#). (For ease of use, download the calculator as it works best in Excel rather than Google spreadsheets.)

While the proposed elimination of the Enhanced/EPO coverage is by far the most difficult issue we have faced in these negotiations, it is by no means the only one. Another important way to ensure that people do not suffer significant financial hardship as a result of the diminution of the health care coverage is to ensure that they receive adequate raises that will, at a minimum, keep up with inflation. At the present time, inflation in this region is running around 2.6% and will likely increase in coming years. Because of the timing of the administration's proposed raises, with 1.2% paid at the beginning of the year and the second 1.2% paid six months' later, the money that the faculty will actually receive during the first fiscal year will be the equivalent of a 1.61% increase. And as this includes merit, only one half of the faculty will receive this amount. The other half will receive the equivalent of 1.11%. The second and third years will be only slightly better: 1.86% and 1.96% respectively including merit. At the beginning of the fourth year, the faculty's base wages as measured from June 30, 2017 to June 30, 2020 will have increased by 7.74%, but they will have received additional income of only 5.43% of their base salaries. Even if the full raises were paid in the beginning of the year, faculty would be getting slightly less per year than the current rate of inflation, while incurring significant new costs for medical expenses, while Fordham obtains savings of many millions of dollars university-wide. A side-by-side comparison of the Administration and Faculty proposals as of yesterday can be found [here](#).

Like the administration we remain ready and willing to continue negotiations, but if the Board of Trustees passes a final budget on April 20th which it is unwilling to change, we seriously doubt whether bargaining could serve any meaningful purpose.

The Faculty Salary and Benefits Committee voted unanimously this morning to recommend that the Faculty Senate reject this proposal. The Faculty Senate voted unanimously this afternoon to accept the recommendation of the Faculty Salary and Benefits Committee to reject the administration's proposal.

The Vote of No Confidence in the President the University will proceed as scheduled beginning at 8 am this morning.

We encourage everyone to vote and attend the protest today at 4 pm in the outdoor plaza of the Fordham Lincoln Center campus against the proposed changes whose imposition by the Board and administration would be yet another violation of the statutes of the University.

The Faculty Committee on Salary and Benefits
 Andrew H. Clark, Chair
 Bruce Berg

John Drummond

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Beth Margolis, Esq. Legal Counsel to the Fordham Faculty Senate