

Lack of

# negotiations progress report



U OF M UNIVERSITY UNIONS UNITED

Negotiations Bulletin of University of Minnesota AFSCME Unions

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## Percentage vs Flat Rate...

# Having Your Cake and Eating It Too?

The University has a double standard for how they figure the take-home pay of its employees. When negotiating expenses (i.e. health care premiums per paycheck), the University says everyone should pay the same amount. This is a flat rate.

However, when the University talks about income (wages) for employees, there is no talk of a flat rate. Instead, percentages are the way the University negotiates wage increases. Take a look at how this plays out in the following examples.

### Health Insurance – Flat Rate Increases

One group makes \$15.40 an hour (the approximate average salary for clerical, technical and healthcare workers at the University). The other group is the average salary of Senior Administrative Officers. (*See the following link for a list of these officers:*)

[http://www1.umn.edu/twincities/11\\_admin\\_officers.php](http://www1.umn.edu/twincities/11_admin_officers.php)

The graph below shows that the highest premium paid by a senior administrative officer does not amount to even 1/2 of one percent of the administrative officer's salary, whereas the lowest premium is 1.5% of a union employee's salary.

### Wages – Percentage Increases

Now look at the way wage increases are calculated: a 6% raise for clerical, technical and health care workers earning \$15.40 / hour equals a \$1,921.92 raise per year. This is a raise of less than \$1.00 / hour.

A 1% increase based on the average senior administrative officer's salary would equal about a \$2,292.33 raise per year.

Calculating health insurance on a flat rate and calculating wage increases on a percentage basis means that the lowest paid pay the most for health care and receive the least in wage increases.

The union's proposal for sliding scale health insurance rates would fix this. It's fair and equitable. It's not like this is a huge deal. In fact the University already has a wage-based fee structure for their Child Care Center. (*See Child Care Center website:*)

<http://education.umn.edu/ChildCareCenter/fee.html>

The concept of wage based premiums is not a fantasy. It is used at the University of Illinois at Champaign Urbana, and by the City of Chicago and Cook County, Illinois. Given the wage freezes, the increase in health care, and the rate of inflation that Union employees have suffered over the last two years, choosing either flat rate or a wage based percentage for both wages and health insurance premiums is not a huge expense.

A report from University's HR department, said, "The University's position is that the current AFSCME proposal is extremely unrealistic given our financial situation, is not fair or equitable with other employee groups, and does not allow for proper stewardship of taxpayer dollars."

Our sliding scale health insurance proposal is a neutral cost to the University, and our opening economic proposal is just.

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% of Gross Wages per pay period <i>(These figures do not include other health care costs such as co-pays)</i>									
Proposed Health Ins. premiums per pay period	Single Employee		Employee with child/children		Employee & spouse / domestic partner		Employee with child/children & spouse/DP		
	Medica	H.Partners	Medica	H.Partners	Medica	H.Partners	Medica	H.Partners	
	\$18.50	\$22.00	\$48.10	\$54.20	\$59.90	\$67.40	\$78.50	\$88.50	
Average Union Employee	1.5%	1.78%	3.9%	4.39%	4.8%	5.47%	6.37%	7.18%	
Average Administrative Officer	.008%	.009%	.02%	.023%	.026%	.029%	.034%	.038%	

# What's Wrong with Mgmt's 4-Tier Health Ins. Proposal?

The University is proposing a radical restructuring of dependent coverage for University employees. The proposition was brought forward under the cover of summer, and many people who would be profoundly affected by the changes have not had a chance to weigh in on the plan. The Employee Benefits department claims their proposal would save money for the University. We have heard this claim before. Saving money was the rationale for moving away from insurance with the State of Minnesota. State employees still have the option of a full employer-paid premium plan, while the University has shrunk our paychecks by shifting premium costs onto workers. Last summer AFSCME found out during a contract re-opener that the University had over-projected premium increases for 2006 by \$6 million. The University

saved money. We all know how much of those savings were shared with us.

We are opposing the University's latest "trust us" experiment with health insurance. Their idea of a four-tier premium structure is divisive and unfairly shifts additional costs to families that are already struggling to make ends meet. AFSCME is proposing a sliding-scale premium proposal that links health care costs to salary. All employees earning under \$60,000 annually would see reduced premiums. We want a plan that fairly distributes health care costs. The University proposal is just another way to squeeze more money from employees.

Please contact the University Administration and support AFSCME's proposal. Tell them to shelve the four-tier premium plan. ©

## Upcoming Activities to Increase Union Visibility

### TUESDAY, SEPTEMBER 6 UNION VISIBILITY DAY ON THE FIRST DAY OF CLASSES

Wear something green & wear the new union stickers. Put up a union poster in your work area.

### WEDNESDAY, SEPTEMBER 7 WELLNESS WALK

1:03 - 1:23 P.M.

Union Members' Convergence on the Washington Ave Bridge (East Bank side)

### FRIDAY, SEPTEMBER 16 INFORMATIONAL PICKETING

NOON – 1:00 P.M.

Raise our visibility in front of your building to support our union negotiating committee

### SEPTEMBER 19–20 MEDIATION BEGINS AGAIN

### SIGN THE SIGNATURE POSTER

Ask the union rep in your building or email [union@afscme3800.org](mailto:union@afscme3800.org) to sign the poster supporting our negotiating committee

### VARIOUS DATES LEAFLET WITH THE UNION AT THE U's HEALTH INSURANCE FORUMS

Let people know what's wrong with 4-tier and why wage-based premiums make sense

University Unions United



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To encourage a wage / health insurance policy that will force a number of the lower paid employees off of the University's health plans to either join MN Care or to just hope for the best and go to ER and Urgent Care rooms for their health emergencies is a very bad example to set for the rest of the state and *very* poor stewardship of taxpayer dollars.

In the long run such policies will cost the taxpayers more dollars, not less dollars. If the University tightens the belts of its lowest paid employees, the private sector will be saying, "see, even the University has to do this." Then the University will say, "see, all the private sector companies are doing this, you still have it better than many of them." When do we stop getting saddled with short-term fixes, ones that may make some individual politicians look good, but do not solve the problems? We need leadership that stops this dive for the bottom, and instead takes a long-term perspective that will be good for the state's economic health overall. ©

[www.UofMUnionsUnited.org](http://www.UofMUnionsUnited.org)