THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Faculty Governance Update

Major changes have been occurring in the health and retirement benefits that American industry provides its workers. Since higher education often follows the lead of the business community, the University's Senate Assembly and two of its committees, the Committee on the Economic Status of the Faculty (CESF) and the Budget Study Committee, in recent years have attempted to monitor faculty and staff benefits in order to anticipate and respond to any changes in benefits that might be suggested by the University's administration. During the past year, the administration made a significant change in the Medicare Plan B benefit, which it offered to retired faculty members, and, with the sale of MCARE, many now are concerned that major changes in health benefits might soon follow. Therefore, at its November 27, 2006 meeting the Senate Assembly adopted unanimously the following resolution:

WHEREAS the University of Michigan has made and is expected to make significant changes in the benefits that it offers its currently active and retired faculty, and

WHEREAS the members of the University Faculty Senate and their elected representatives on the University Senate Assembly and its executive committee, the Senate Advisory Committee on University Affairs (SACUA), have either not been consulted or have been inadequately consulted prior to the announcement of such changes in benefits,

BE IT RESOLVED THAT:

The University of Michigan establish a Faculty Benefits Oversight Committee with representation on that committee by faculty members selected by SACUA and confirmed by the Senate Assembly.

Some suggested that this proposed committee be modeled after the University's highly successful Pharmacy Benefits Oversight Committee (PBOC). The PBOC has participated in the management of a University program that provides medications to approximately 70,000 participants, and, in a era of rapidly rising drug costs, the University's program has been able to provide drugs for nearly five years without an increase in the amount that a member must make as a co-payment when a drug is purchased.

On January 19, 2007, University President Mary Sue Coleman announced the formation of the Michigan Healthy Community Advisory Committee (MHCAC). This Advisory Committee is being created as a result of a two-year effort by the Michigan Healthy Community Initiative Taskforce. The University's newly appointed Chief Health Officer Robert Winfield described in some detail the structure and function of MHCAC at the January 2007 meeting of the Senate Assembly. The MHCAC will include representation from faculty, staff, students, retirees, union members, and administration, and appears to be responsive to the November 2006 Senate Assembly resolution. Dr. Winfield's presentation was warmly received by the Senate Assembly, and Senate Assembly and SACUA members look forward with enthusiasm to this University-community initiative.

(Submitted, February, 2007)

Regents' Bylaw 4.04. The Senate Assembly shall serve as the legislative arm of the senate…The assembly shall have power to consider and advise regarding all matters within the jurisdiction of the University Senate which affect the functioning of the University as an institution of higher learning, which concern its obligations to the state and to the community at large, and which relate to its internal organization insofar as such matters of internal organization involve general questions of educational policy.