

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Senate Committee on
Education(SC-Ed)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **97hrSC-Ed_Misc_pt11**

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ **

➤ Record of Comm. Proceedings ... RCP

➤ **

Vote Record

SB 213

Senate Committee on Education

Date: June 4 97
 Moved by: Grobschmidt Seconded by: Roessler
 AB: _____ Clearinghouse Rule: _____
 AB: _____ SB: 213 Appointment: _____
 AJR: _____ SJR: _____ Other: _____
 A: _____ SR: _____

A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

Be recommended for:

- Passage
- Introduction
- Adoption
- Rejection

- Indefinite Postponement
- Tabling
- Concurrence
- Nonconcurrence
- Confirmation

Committee Member

Sen. Calvin Potter, Chair
 Sen. Robert Jauch
 Sen. Kevin Shibilski
 Sen. Richard Grobschmidt
 Sen. Alberta Darling
 Sen. Joanne Huelsman
 Sen. Carol Roessler

<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Totals: 7 0 _____

Motion Carried

Motion Failed



ASPRO SUPPORTS SENATE BILL 213

The Academic Staff Public Representation Organization (ASPRO) is a professional organization representing the academic staff in the University of Wisconsin System.

ASPRO supports SB 213 which would allow the University of Wisconsin to immediately cover the employer contribution for health insurance premiums for new academic staff and faculty.

We believe that this is a very important bill. In the coming years, the University is anticipating the retirement of many academic staff. The University's ability to offer a competitive compensation package, including fringe benefits, is a major factor in recruiting well-qualified replacements. Currently, new academic staff either have to pay the entire costs of the state group health insurance for the first six months of their employment, find alternate insurance, or go without any coverage.

If the new, and often young UW-Madison academic staff member, opts for the state group health insurance, then at current rates it will cost him/her an average of approximately \$1,200 for single coverage and \$3,000 for family coverage by a Dane County HMO (the two standard plans are not included in these calculations). The comparable figures in Milwaukee and Waukesha counties are \$1,150 for single coverage and \$2,900 for family coverage. This amounts to a hefty sum for a young person who may be entering the job market after an extended period of study, have significant outstanding loans, be moving to and furnishing a new residence and/or just starting a family.

If the employee decides to go without health insurance, then he/she better pray for good health. It is costly to treat even the most mundane of illness. If the employee or an immediate family member should have a serious illness during this six month period, staggering bills could leave the family in debt for years.

Both of these options are clearly undesirable. And, prospective academic staff often do not have to accept either of them because other prospective employers, including peer institutions, provide immediate health insurance coverage.

The University supports SB 213 because it recognizes how important first day health insurance coverage is to new academic staff and faculty. ASPRO urges you to do likewise.



Submitted Testimony of Sandra Hoeh-Lyon, Assistant Chancellor for University Relations
University of Wisconsin-Milwaukee
June 4, 1997 Senate Education Committee

Good morning, Chairman Potter and members of the Senate Education Committee. As Assistant Chancellor for University Relations at the University of Wisconsin-Milwaukee, I am pleased to submit testimony in favor of Senate Bill 213.

Eliminating the 6-month waiting period for medical coverage would greatly assist UWM in its recruitment efforts for faculty and academic staff. It is no secret that of our 15 peer urban institutions, UWM's salaries are ranked 11th. If we achieve a 4% pay plan in 1997-99, we will remain 11th. Lagging salaries, coupled with the \$3,000 burden to cover a 6-month family health plan, make it difficult to recruit top candidates.

The following are just a few observations made by UWM officials in the last year:

- In a recruitment procedure for a Budget and Policy Officer, one of the two top candidates withdrew from the search after an excellent on-campus interview. Although the individual is overall in excellent health, he has asthma. During the interview, he learned that he would not be covered for 6 months. In his withdrawal letter he stated, "The university's requirement to pay yearly parking fees and the first six months of health insurance premiums are key elements which made the UWM position less attractive." It is important to note that the candidate took a position with a public school system in Southeast Wisconsin that offered immediate health insurance.
- According to the College of Letters and Science, "Not having 'day one' coverage makes us highly uncompetitive for the best faculty who are entertaining offers from states who offer such things as 1) health care from day one, 2) tuition remission for spouses and children, 3) proper reimbursement for actual moving expenses, to name several key items."
- In the School of Nursing, where we are intensely competing with the private sector, many top potential hires withdraw to take a position with full benefits. According to the Assistant Dean, "...the 6 month waiting period is a significant deterrent."
- One young, healthy male faculty hire risked waiting out the 6-month period and did not purchase coverage. He was in an accident and required hospitalization and follow-up care. Disgruntled, he left UWM.

I urge you to support SB 213. First-day coverage for health insurance would aid us in our recruitment efforts. In the next decade, nearly one quarter of our faculty will be eligible for retirement. To preserve the quality of UWM, it is absolutely necessary to replace the retirees with top candidates.

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WFT, AFT, AFL-CIO

To: Members of the Education Committee

From: Edward J. Muzik, TAUWP/WFT/WEAC Representative

Date: June 4, 1997

Re: SB 213 – health insurance pickup



We urge your support of SB 213 which provides for pickup of health insurance on the first day of the month after entering into employment as faculty and academic staff in the UW System. Faculty and academic staff join a group that includes legislative aides, elected officials, and others.

Those of us involved in higher education have long recognized the need to provide this benefit on equity grounds, on competitive grounds, and on the unique and pervasive problems the UW System has in hiring new faculty and academic staff. Governor Thompson vetoed bills which provided this benefit in 1990 and 1991. He believed in one instance that all state employees should have this benefit. On the other occasion we were informed that such a benefit should be bargained.

We agree. It should be bargained. Unfortunately, faculty and academic staff are denied the right to choose to bargain and so the one avenue open to us is to come to you and urge you to give the UW an important tool in its effort to hire the very best.

We hope this bill is approved today by this committee and that it moves quickly through the legislative process. It should be our goal to have this measure signed by the Governor prior to the commencement of the next academic year.

Thank you.

STATEMENT ON SB 213
Senate Higher Education Committee
June 4, 1997

Susan Chamberlain
Director, Staff Benefits and Payroll
UW System

Chairman Potter, members of the committee, I am Susan Chamberlain representing the University of Wisconsin System. I appreciate the opportunity to appear before you today to speak on behalf of the University of Wisconsin System in support of SB 213.

Senate 213 would provide University of Wisconsin System faculty, academic staff and those serving in limited appointments, who are covered by the Wisconsin Retirement System, immediate employer contribution towards group health insurance premiums rather than requiring the current six-month waiting period.

Current law prohibits employer contribution for health insurance premiums during the first six months of employment for faculty, academic staff and other non-represented state employees except for legislators, their staffs and judges who currently receive the employer contribution immediately upon hire. Although Wisconsin's fringe benefits are competitive as a total package, we are seriously disadvantaged when we cannot offer employer supported benefits for six months. Many individuals we are recruiting either have paid health benefits at their current job or are considering another outside offer that provides it.

Except for Wisconsin, all of the Big Ten universities provide first day pick-up of health premiums, as do most public universities and a majority of large private sector employers. When we look at the employee cost during the first year of employment, our new faculty pay substantially more for both single and family health care coverage at Wisconsin than they would at other Big Ten schools.

The cost to a new Wisconsin employee, especially for family coverage, is prohibitive: \$445 to \$752 per month. The cheapest family coverage in most rural and smaller urban areas of the state is about \$500 per month.

For individuals accepting their first job after completing a degree, it is more of a financial hardship since these faculty and staff often have educational debt burdens. UW System institutions routinely are involved in national recruitment efforts for faculty and academic staff. As more and more employed adults are becoming uninsured and as health costs continue to rise, candidates frequently ask questions about health care coverage. Our chancellors, deans and department chairs who are on the front lines of faculty and academic recruiting efforts would support this assertion.

During the 1989-91 biennial budget deliberations this provision was added to the budget by legislators but was line-vetoed. Because of the importance we place on SB 213, UW System institutions would reallocate funds from current budgets to support this change.

In closing, I wish to emphasize UW System's commitment to work for passage of this legislation. SB 213 is fair and will provide a competitive recruitment tool that we can use to the advantage of the University of Wisconsin System and the state of Wisconsin. I would be happy to respond to any questions that you Mr. Chairman or members of the committee would like to ask with respect to SB 213.



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