Attending from OSU: Joan Gross and B. Starr McMullen

The June IFS meeting began on Friday with campus reports.

Financial and budgetary hardship continues to plague several campuses. SOU faculty are finishing a second year of furloughs which their administration would like to extend for a third year. OIT anticipates a 17% cut in budget and has a Program Reduction and Elimination Committee working on ways to achieve this goal. On June 6 EOU is expected to announce their largest budget retrenchment in history.

Several campuses are now in the middle of union negotiations, notably PSU, SOU, and WOU.

Denise Yunker, Human Resources Director for OUS met with IIFS to discuss issues surrounding PERS and PEBB.

- The good news regarding PERS is that most of the bills brought to the legislature are not expected to get out of committee. The majority of the bills proposed were not anticipated to overcome legal challenges which resulted in the non-action. It is still likely that there will be a change approved in employer/employee contributions to the retirement system but exactly what will be passed is still up in the air. A final change which will affect those just getting ready for retirement is the proposed change in the 8% rate guaranteed to Tier 1 members. It is likely that a reduction in this rate will be approved and may significantly impact people planning to retire under money match. If the rate change is passed by July 1, people will have until December 31, 2011 to retire before the new rate is implemented.

- There will be major changes coming this fall in PEBB but the exact changes probably won’t be decided until sometime this summer, probably after union negotiations are completed on unionized campuses. What seems certain is that there will be mandatory open enrollment over the next 3-4 years as PEBB changes, and failure to enroll will lead to dropping people (and dependents) from the PEBB system. Thus, it is important to make sure people know that they have to enroll during October or they and their dependents will be dropped.

- The following link discusses the adoption of a Health Engagement Model (HEM) that PEBB plans to adopt which will require participants to have a health evaluation and imposes higher rates and lower quality plans to those who do not respond to their incentives for healthier behavior. It also shows some of the plans currently being proposed although none has yet been adopted: http://pages.uoregon.edu/ifs/dir11/PEBB-4June11.pdf

- Denise mentioned that it is likely that the health provider networks will be getting smaller over the next few years. Also, there are likely to be changes in the PEBB retiree coverage and the PERS plan for retiree health coverage.
Sona Andrews, Vice-Chancellor for Academic Affairs met with the IIFS. Her major points were:

1. The State mandated report on faculty assessment was filed without any further plans for action being taken.

2. Full implementation of the Federal legislation requiring permission from each state for distance education courses to be delivered to students in that state has been delayed until July 2014. As states are figuring out how to do this, some are engaging in reciprocity agreements that will lower the cost of implementing this Federal regulation. Currently, 8 states have given OUS system level permissions.

3. The Board heard a presentation by the Coalition on Color which demonstrated that the disparity in education between whites and persons of color is growing in Multnomah County and throughout the state. Sona reiterated the commitment of the Board to develop strategies to promote more diversity on OUS campuses.

Finally, the IIFS was given a very positive update on SB 242 which passed out of committee and is expected to be voted on in the near future. It seems that there is a very good chance that it will pass. Once it passes, then there is the need to better develop specific performance measures that will be used to assess OUS in the compact. There was concern that the main measure seems to be graduation rate—and focusing on that may create perverse incentives that would result in reduced quality. IIFS plans to actively participate in the discussion and selection of performance measures and will be acquiring information regarding what individual campuses are doing to develop such measures.