# **HEALTH INSURANCE**

# First 2 90-day options in place

Health Alliance, Humana now available; many groups want enrollment period extended past this Friday

# By DEBRA PRESSEY

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SPRINGFIELD — State employees and retirees got their first look at two of their 90-day health insurance plan options late Wednesday afternoon.

But the 5 p.m. Friday enrollment deadline remains.

"As far as we know, there is no extension" of enrollment, said Katie Ross, UI associate director of human resources administration. "It will end June 17."

The UI quickly posted information about the first 90-day health plans as soon as the state finalized the first contracts with two health insurers — Health Alliance Medical Plans and HealthLink.

Ross said there hadn't been word on 90-day contracts with Humana or PersonalCare as of the end of the day Wednesday, but those plans will be made available if and when the UI is notified contracts have been finalized.

Illinois Department of Healthcare and Family Services spokesman Mike Claffey said, as of Wednesday, the state had 90-day contracts in place only with HealthLink OAP and Health Alliance, "and we are continuing to negotiate 90-day contracts with all other current and (fiscal year 2012) vendors."

"We hope to conclude this process as quickly as possible and will post information to the benefits website on the available plans as soon as all the contracts are in place," he said.

Health Alliance CEO Jeff Ingrum told The News-Gazette's editorial board Wednesday that the company had been notified that 10,000 Health Alliance members had chosen one of the new state health plans after Health Alliance was no longer available as an option.

Those members can switch back to Health Alliance, he said, but they have to act fast by filling out a form indicating their new choice.

The Department of Healthcare and Family Services began negotiating new 90-day insurance contracts for the state's approximately

# **INSURANCE**

### **Continued from A-1**

400,000 group plan members Tuesday afternoon, after a special session of the Commission on Government Forecasting and Accountability was called to come up with an interim health insurance solution for state employees. An interim measure was needed after a Sangamon County judge ordered the state agency to halt contracts with its two Open Access Plan insurance vendors, leaving wide areas of the state without health benefit choices and an enrollment deadline to meet by Friday.

And it's not only state employees who have been mired in health insurance confusion.

Employees of the Champaign-Urbana Mass Transit District had just found out how much they were going to pay for their health coverage through state group health plans a little over a week ago.

They had just started enrolling early last week, days before the Sangamon County Court order. Now, MTD Assistant Managing Director Tom Costello says, "we're going to be really scrambling."

The MTD is one of many hundreds of local units of government — cities, counties, townships, library districts and others — that contract with the state for their health insurance.

The American Federation of State County and Municipal Employees Council 31 has continued to call for an extension of the enrollment period past the Friday deadline to give all state group health plan members time to make informed choices. Costello says he couldn't agree more

The MTD has 175 employees working various shifts who must now be called back to see information on the new 90-day temporary health plans, get them enrolled and get the paperwork to the state by the Friday deadline, he said.

"How reasonable is it to make the options change for 400,000 people and say you've got 36 hours to get the decisions in and get them to us?" he asked. Costello said if the state sticks to the Friday enrollment deadline, it's putting employers like the MTD in an untenable position. Worse yet, he said, it makes "pawns" of the employees.

"What part of all this is the fault of the enrollees, the people who need the health insurance?" he said.

Loni Gress, office manager for the city of Hoopeston, said she believes it won't be a problem to get the city's 33 full-time employees on the state's group health plans back in to enroll in the new 90-day health plans.

"They all work in this area, so it's not going to be hard to have them come in and fill out the form," she said.

But it has been confusing for everyone, she said.

Like the MTD, the city of Hoopeston didn't get its premium rates for this year's benefits choices until last week and had just finished enrollment. But Gress said the enrollment forms weren't sent to the state yet, in light of what has been going on in Springfield.

"It's like every day, they're in, they're out, they're in, they're out," she said.

### **UNIVERSITY OF ILLINOIS**

# New energy-conservation plan has financial rewards

# By JULIE WURTH

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URBANA — Financial incentives will flow to colleges and other units that save energy — and thus money — for the University of Illinois, under a plan approved by campus administrators this week.

Continuing a major push to trim energy costs, the UI will create a Campus Utilities Budget Fiscal Oversight Committee and an incentive pool to encourage conservation by rewarding units that reduce energy costs.

Colleges that save energy would be allowed to keep some of the associated savings. Conversely, when energy consumption goes up, they will have those costs passed on to them, according to Wednesday's letter from Interim Chancellor Robert Easter and Richard Wheeler, interim vice chancellor for academic affairs.

"We have made very great strides in bringing down our energy costs, but we're still significantly above the energy costs of most of our peers," Wheeler said Wednesday. "So there are clearly problems built into our facilities that need to be addressed and will have to be addressed for a long time to come."

Energy costs nationally have risen dramatically in the last seven years, and the campus has adopted new conservation measures and utility management practices in response.

Campus energy use has dropped 17 percent since fiscal 2007, and the campus took just three years to meet a five-year goal set in 2008 for reducing consumption, the letter said.

Wheeler said most of the conservation projects have been targeted at high-con-

sumption science labs and the like, but there are many more old buildings on campus that aren't "energy hogs" by themselves but together consume a great deal of energy.

"We all hear stories about people who have to put their air conditioner on in the winter," he said.

Referring to the new Campus Utilities Fiscal Oversight Committee, Wheeler said the campus needs the vantage point of people who work in those buildings as it decides how best to reduce energy use.

"Just getting a set of sensible voices from people who share our views on energy conservation and can give us good advice" will be valuable, he said.

The committee will help ensure accountability for the utilities budget by including all the stakeholders in rate-setting and incentives, added Jeffrey Oberg, who chaired a utilities project team that recommended the strategies announced Wednesday as part of the Stewarding Excellence review process.

The new committee will provide campus input on conservation strategies and utility management to Facilities and Services, the central unit that prepares utility budgets. The panel could also improve campus understanding of how utility rates and incentive payments are structured, their letter said.

To this point, all energy savings have flowed back to the central utility budget, Oberg said.

Under the incentive plan, units will get one-time payments for reducing their variable energy use from one year to the next. Savings from centrally funded projects, such as retrofitting lights with energy-efficient models, would go back to the campus. But the units would keep any savings from their own conservation projects — upgrading equipment, for example, or changing usage policies, Oberg said.

"It's all accountability. They're sharing in the savings," he said.

The incentive payments would have to be used on facilities — renovations, equipment, deferred maintenance and the like, he said.

Colleges are "very interested" in the incentive plan, said Oberg, former budget officer in the College of Engineering and now assistant director of the Committee on Institutional Cooperation.

"A number of them are already making investments in good faith," he said, adding that saving money benefits units down the line. "If the campus is having to cover costs centrally, that's less money to distribute out to academic units."

The campus will also pursue a corporate sponsor for an energy conservation award with a monetary prize, and begin an Energy Information Program to persuade students and employees to reduce energy consumption. Most of the savings to date are the result of technical initiatives, not widespread behavior changes, the letter said.

Neither the project team report nor the letter form Easter and Wheeler put a number on potential savings from the new efforts.

The full report is available at http://oc.illinois.edu/budget/nextsteps.html.

# **EDITORIALS**

# Stop this train

# Obama funding doesn't eliminate the high cost of high-speed rail

The Obama administration has showered Illinois with about \$1.6 billion for high-speed rail and other upgraded service, part of its vision for a nation in which trains zip around at 220 mph. Gov. Pat Quinn has gleefully accepted the cash.

Hey, it's free money from the feds, right?

Fed money, yes. Free money, no. The governors of Florida, Ohio and Wisconsin have said no to this largesse. What do those skeptical governors know that we don't?

They know that their taxpayers will be on the hook for a lot of money, now and later.

Though the first batch of federal funds didn't require a state matching contribution, Illinois and other states do have to provide about a 20 percent match for subsequent grants. Illinois has committed to about \$140 million in matching funds.

Not that that means you're done opening your wallet after \$140 million. If high-speed rail lines fail to meet operating expenses, the state will have to plug that hole. That's virtually a given.

Nationwide, Amtrak projects an operating loss of \$616 million for the next fiscal year, up from a projected loss of \$506 million this year.

Illinois covered about \$27 million in Amtrak losses this year. The Illinois Department of Transportation says that subsidy could nearly triple, in part because of service expansion and upgrades kick-started by these federal grants.

Joseph Shacter, IDOT's director of public and intermodal transportation, told us the state will likely need a new revenue stream to cover a growing rail subsidy. Maybe even a gasoline tax. The concern over subsidies is one reason the California legislature's fiscal watchdog urged state leaders to revise or abandon its high-speed rail plans.

The Congressional Research Service says only two high-speed rail lines in the world break even, one in Japan and one in France. U.S. Transportation Secretary Ray LaHood insists that the U.S. lines will be profitable.

"If we build it, they will come," he recently told the Tribune editorial board.

# The high cost of high-speed rail.

That sounded a lot more like wishful thinking than an elaborate economic analysis.

This doesn't mean Illinois should completely turn up its nose to rail improvements. The first money allocated to the state will help Illinois eliminate bottlenecks near major cities that slow passenger and freight traffic. When the upgrades are completed, the average speed for the St. Louis-Chicago run on Amtrak will jump to 80 mph from about 60 mph, shaving about an hour off a 51/2 hour trip. The trains should have a better on-time arrival record. Improvements in moving rail freight through Chicago are essential to the region's economy

Other projects are head-scratchers though. In October, the state committed \$60 million to link Chicago, Rockford and Dubuque, Iowa. There hasn't exactly been roaring public demand

for that.

Most of what's being dubbed as "high-speed rail" will in fact be, oh, medium speed rail.

To get trains to top 200 mph, the government will have to build entirely new track because existing track is inadequate. That means acquiring a lot of land and rights of way — at big cost

While Illinois has grand visions for rail, it struggles to maintain the essential rail service it has now. How do you tell a student who puts up with long, slow CTA service from the Loop to Rogers Park that we're going to throw millions into faster service from the Loop to Detroit? Yet money diverted from Florida to Illinois is pegged for that. Illinois has tremendous need for suburb-to-suburb Metra service that would link workers to the job centers cropping up in the suburbs.

The Obama administration's push for high speed rail has devolved from smart transportation into another stimulus program.

And Illinois is lapping it up. Quinn recently announced that the state would fund a study of yet another route, for 220 mph service between Chicago and Champaign, with possible spurs to St. Louis and Indianapolis.

Quinn suggested that "naysayers" simply lack imagination.

"We're Americans. We can do anything," he said. "We can't be piddly-diddly. We have to think big."

Yes, we're thinking big. The federal government — which is \$14 trillion in debt — is spending money to lure Illinois — which is nearly \$200 billion in debt — to spend money.

That's a high-speed trip off a cliff.

# Editorial: The road to obesity may, in fact, be a road.

By the Editorial Board | Posted: Thursday, June 16, 2011 12:00 am

In case your subscription to the journal <u>Transport Policy</u> has lapsed, here's some news that will startle you: A <u>University of Illinois</u> researcher <u>reports</u> in the current issue that the reason for America's obesity epidemic may have less to do with drivethru iunk food than the drive-thru itself.

Sheldon H. Jacobson-told the U-of I's news-bureau that the surge in car usage in the United States between the 1950s and today may be associated with surging levels of obesity.

"You can think of obesity as an energy imbalance," Mr. Jacobson said. "People consume food, which is a form of energy, and then they expend it in their activities. But if you look over the last 60-plus years, the automobile has become our primary mode of transportation — so much so, in fact, we have literally designed our way of life around it. It is that energy imbalance that ultimately may lead to obesity."

Mr. Jacobson and his research assistants analyzed driving statistics between 1985 and 2007. They identified, no doubt correctly, every moment spent behind the wheel as sedentary activity.

"When you are sitting in a car, you are doing nothing, so your body is burning the least amount of energy possible," he said.

"And if you are eating food in your car, it becomes even worse."

Mr. Jacobson discovered vehicle use correlated "in the 99-percent range" with national annual obesity rates.

"For the last 60-plus years, we've literally built our society around the automobile and getting from point A to point B as quickly as we can. Because we choose to drive rather than walk or cycle, the result is an inactive, sedentary lifestyle. Not coincidentally, obesity also became a public health issue during this period."

Mr. Jacobson and his team figure that if every American driver drove 12 fewer miles per day, the nation's obesity problem could be solved. "But here's the catch: We have to still do everything we are currently doing," he said.

This is a pretty big commitment. We're going to need to drive over to Ted Drewes' and think about it for a while.

# Quinn's road projects threat moves lawmakers

Return to Springfield on tap after vow to shut down construction sites

By Monioue Garcia

Tribune reporter

Lawmakers will return to Springfield next week to consider a plan aimed at avoiding Gov. Pat Quinn's threatened shutdown of summer construction projects.

The governor had declared his intent to halt the work on roads, schools and sewers because law-makers left for summer break without approving a measure that he has said gives him the power to spend money on the projects.

Quinn met with legislative leaders Wednesday and asked them to return to vote on the measure. If they don't, work sites would begin

shutting down on Monday, the administration said.

At issue is legislation that gives Quinn the authority to spend money in the state's construction fund, which must be passed every year. The bill did not get to Quinn's desk because Senate Democrats tacked on an additional \$430 million in spending for education and social services, which the House rejected.

Quinn argued that meant he would have to suspend construction work. But House lawmakers disagreed with that notion, saying they already gave the governor special powers to spend money through the fall. Critics contended that Quinn was creating a "manufactured crisis" to help him and Senate Democrats squeeze extra money into the budget lawmakers had approved.

On Wednesday, Quinn said that jobs take precedence, and that lawmakers should pass a "clean" construction program without the extra spending. He argues lawmakers can return in the fall to address Senate Democrats' concerns about budget cuts.

Quinn spokeswoman Mica Matsoff said that will likely mean moving around budget numbers to shore up funding in certain areas, not adding to the \$33.2 billion state spending plan lawmakers sent Quinn.

Democratic House Speaker Michael Madigan of Chicago has aligned with Republican leaders about the need to hold spending in place, but Senate Democrats remain the wild card as some members push for more money.

A spokeswoman for Senate President John Cullerton, D-Chicago, said he will confer with his members Thursday to see if that's an idea they can support. If not, Quinn's office says construction projects will begin to shut down.

Sen. Martin Sandoval, a Cicero Democrat who heads the Senate Transportation Committee, welcomed Quinn's suggestion and said lawmakers need to hold down spending and stop holding jobs hostage.

"We should move on with the business of putting people back to work and move on with our capital construction program," Sandoval said. Legislators are scheduled to return next Wednesday.

Meanwhile, the state's top gambling regulator sharply criticized a large gambling package recently approved by lawmakers, saying it will erode oversight of the industry. Illinois Gaming Board Chairman Aaron Jaffe also questioned efforts to shrink the measure to avoid a possible veto by Quinn, saying "you can't make perfume out of a pile of garbage."

Matsoff said Quinn continues to review the proposal, which he has criticized as "top heavy."

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# THE CHRONICLE

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## The Internationalization Devil Can Be in the Staffing Details

June 15, 2011, 5:18 pm By David Wheeler

As more universities develop international operations, the negotiating list is becoming clearer for faculty members considering overseas jobs. Ticket home twice a year? Check. Private schools for the children? Check.

But that old saying, The devil is in the details, certainly applies in this situation. Is the ticket business class or premium economy? Will the prospective faculty or staff members be given free time to pack up their belongings, or will they need to use vacation days?

Likewise, for administrators planning an overseas operation, minding the staffing details as well as the strategy can feel overwhelming.

A potential resource for those who are new to academic international efforts, "A Guide to Offshore Staffing Strategies for UK Universities," may have been overlooked, perhaps because its title suggests it is just for the British.

The report, released this spring, is actually based on nine case studies, including Texas A&M University's experience in Qatar and the Royal Melbourne Institute of Technology's experience in Vietnam. Many of the report's checklists and conclusions are applicable to a university in any country considering offshore operations. (The report was published by the UK Higher Education International and Europe Unit and the Leadership Foundation for Higher Education, and it can be downloaded along with the case studies. More U.S.-oriented information on such international administrative matters can be found at the Web site of the University of Washington Global Operations Support.)

The 48-page report plus the 56 pages of case studies are a lot to read. Use of a big highlighting pen and a little caffeine is advised.

But they are an especially close and rare public look at the administrative detail involved in international-academic efforts, occasionally reminiscent of the war stories international-relations managers swap privately. The lesson learned in one case study in Malaysia: "The bureaucracies of other countries can prove to be very confusing and incomprehensible to foreigners." In short, local support is needed.

The report sounds some alarms that echo what has appeared elsewhere. To avoid "brand damage" from international operations, the faculty and staff members need to be of the same quality as those at the home institution. Having a strong research element in an overseas operation is "proving to be a problem."

But the authors also ring a positive note. They say that finding people to work in international-academic programs is no longer an issue of "exporting staff from the home country, but of tapping global networks and markets for the best people." In short, university humanresource managers need to mimic the practices of multinational corporations. They need to switch their goal from persuading faculty members to fly out to international programs to finding those academics who are already internationally inclined.

The report gives checklists of topics to consider for institutional policy makers, human-resource managers, and faculty and staff members themselves.

Policy makers need to think ahead about what will happen to international-program employees in crafting an "exit strategy." (And, oh yes, they will need an exit strategy.) Human-resource managers need to consider what country's laws any contracts will be written for and in what currency salaries will be paid. Managers need to consider the morale problems that might arise when large gaps in pay and benefits crop up between those hired locally and those hired internationally.

Benefits packages may need to include a car in the new country or an allowance for transportation, help renting an existing home, and health screening. Those pesky "risk management" people will need to be called to take a look at international operations.

For those below the level of dean, or for faculty members who want to stay home, each detail may be another drumbeat of boredom.

But increasingly in the world of academic internationalization, information has a price. The British report offers up a lot of information for

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June 15, 2011

22 Elite College Sports Programs Turned a Profit in 2010, but Gaps Remain, NCAA Reports Says

By Libby Sander

Twenty-two elite athletics departments made money in 2010, up from 14 the previous year, according to an annual spending report released on Wednesday by the NCAA. The median surplus at those programs was \$7.4-million last year, up from \$4.4-million in 2009.

The numbers weren't nearly as rosy for everyone else. At the 98 other programs in the NCAA's Football Bowl Subdivision (formerly Division I-A), the median deficit in 2010 was \$11.6-million, barely changing from the previous year, while no programs in the Football Championship Subdivision (formerly Division I-AA) or at Division I programs without football operated in the black. At those programs, losses continue to grow each year.

Two surprises from the report: Overall spending slowed at the NCAA's 120 largest athletics programs, with expenses growing by just under 2 percent in 2010. The previous year, they had grown by 11 percent. (The report noted, however, that over the two-year period from 2008 to 2010, the increase in expenses was nearly 13 percent—largely because of growth in scholarship costs and coaching salaries.)

And at Football Championship Subdivision programs, generated revenues—money that programs earn, in contrast with institutional allocations—grew by a healthy 14 percent. This was an improvement over 2009, when generated revenues dropped by 3 percent.

Disparities persist, though. The largest reported revenue among the elite grouping in 2010 (\$143-million) dwarfed the median revenue for the entire bowl subdivision (\$35-million). The largest reported expenses in that subdivision (\$130-million) were more than triple the median (\$47-million). (The NCAA does not break down the data by institution.)

Among Football Championship Subdivision programs—which, unlike athletics departments in the bowl grouping, rely heavily on institutional support and student fees and generate only a fraction of their own revenue—significant gaps remain. The largest reported

revenue in that grouping was \$19-million; the median was just over \$3-million.

In that subdivision, which includes many programs new to Division I that are grappling with the intense financial commitment of bigtime sports, expenses continue to grow. Overall expenses among FCS programs increased by 9 percent from 2009. The largest expense reported was just over \$39-million; the median was \$13-million. (Expenses grew at an even greater rate—10 percent—at programs without football.)

At nearly all Division I athletic programs, public and private, large and small, a majority of operating expenses falls into two categories: athletic scholarships, and salaries and benefits for coaches and administrative staff.

At bowl-subdivision programs, scholarships accounted for 17 percent of athletics budgets in 2010, with programs spending a median of \$7-million annually on financial aid for athletes. Salaries and benefits for coaches and administrative staff represented a median of nearly \$16-million, or roughly a third of all budgets. In both categories, those expenditures have remained relatively steady in recent years.

At Football Championship Subdivision programs, scholarships were a greater burden, taking up 29 percent of all expenses; salaries were just under a third. Not surprisingly, scholarship costs were greater at private institutions, which tend to have higher tuition: While athletics departments at public institutions spent a median of \$3.2-million on financial aid for athletes, those at private institutions spent a median of nearly \$5-million.

Among other key findings in the report: