

Cooperative Paying Off for Hoosier Colleges

Indiana's independent colleges and universities have learned there is indeed strength in numbers.

These institutions, looking for ways to make higher education as affordable as possible, are cutting operational costs thanks to collaborative purchasing agreements from the Independent Colleges of Indiana, Inc. (ICI).

Since the program's inception in 2001, ICI has organized access to more than 80 purchase agreements in which members can save between 5% and 15% off what each would have paid separately for the various goods and services.

According to Bob Hodge, executive director of collaborative services for ICI, 30 of the organization's 31 member institutions are active participants in the purchasing cooperative.

"Our most popular agreement is for office supplies," Hodge notes. "Second would be procuring building maintenance and supplies, and then software."

In fact, the software area is one in which additional saving possibilities is being investigated. Currently, ICI reports a six-digit savings for combining software agreements for all of its campuses.

Also on the horizon for ICI members are procurement cards (a.k.a. school credit cards) for small-dollar items, which would eliminate the need for many purchase orders, direct pay invoices, check requests and personal reimbursements. Hodge predicts that "procurement cards would cut the administrative cost of obtaining an item in half."

Resource: ICI at (317) 236-6090 or www.icindiana.org

Next Wave for Rooftops: Think Green

With energy concerns on the rise this winter amid higher heating bills, energy conservation talk is again being bolstered.

One initiative literally sprouting up across the country is growing vegetation on the rooftops of buildings; the term for which is "green roofs."

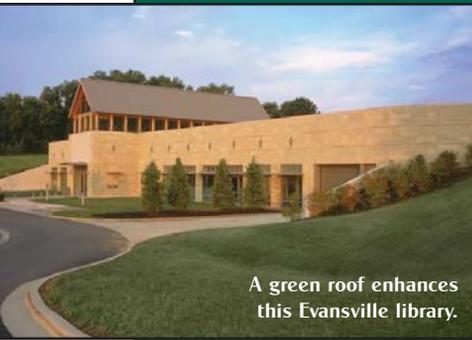
These coverings are energy efficient and reduce flooding. Plus, while a standard roof lasts an average of 15 years, industry experts believe a green roof can last twice as long. The one drawback to a green roof is the initial installation cost, which can be double or more that of a standard roof.

Green roof systems fall into two categories: extensive and intensive. Extensive ones are lower in weight cost and maintenance, and require only a few inches of soil and very little irrigation or additional care. Conversely, intensive roofs are heavier, costlier and require at least a foot of soil. Vegetables, flowers, shrubs and trees are common to intensive rooftop gardens.

A noted example of a green roof in Indiana is at the Oaklyn Branch Library in Evansville. Built in late 2002, the installation was recently honored by Green Roofs for Healthy Cities with the 2004 Green Roof Award of Excellence in the intensive institutional category.

The library said not only has the rooftop proven energy efficient, but it also made the building a community attraction, resulting in a three-fold increase in book circulation.

Resource: (416) 971-4494 or www.greenroofs.org



A green roof enhances this Evansville library.

Mandate-Lite Health Care Coverage Gaining Favor

Annual double-digit increases in health insurance premiums have hit many small businesses hard the last few years.

This reality has led many states to consider mandate-lite legislation, which focuses on making health insurance more affordable instead of imposing additional coverage requirements (e.g. mandates). Insurance industry estimates suggest that benefit mandates can increase the cost of health insurance premiums from 4% to 13%.

In 2004 at the Indiana Statehouse, legislation to assist employers with 50 or fewer workers ended up deadlocked in a Senate committee. This plan could have cut small-employer health insurance benefit costs by as much as 20%. A similar measure in Kentucky, which would have freed small businesses from state-imposed mandates, easily cleared the House this session, but later died in the Senate.

However, Kentucky did make related progress. In April, Gov. Ernie Fletcher signed into law a measure that will: "ban for three years all new state mandates requiring health insurers to cover specific medical conditions and treatments; eliminate regulations that require all insurers to offer standard benefit plans; and reduce bureaucratic paperwork and insurance rules to make them comparable to other states that compete with Kentucky."

The hope is to lure back the many insurers who left Kentucky over the last decade due to the passage of numerous mandates.

Today, the state leading the way on the affordable health care front is Maine, where a new program began taking enrollees this fall for coverage effective January 1 for small businesses and self-employed individuals.

Offered through Anthem Blue Cross Blue Shield of Maine, this program (called DirigoChoice) is a state-private partnership with a goal of universal coverage for all of the state's residents by 2009.

Resource: www.dirigohealth.maine.gov

Compiled by Rebecca Patrick

Asbestos Reform ... Only in Ohio for Now

Nationally, the estimated number of asbestos lawsuits tops 600,000. In Indiana, a number of companies have been impacted.

The problem: claimants not actually sick from asbestos exposure are taking legal action, clogging up the court system and taking the rightful compensation from those truly sick from the exposure. Additionally, because asbestos manufacturers went into bankruptcy long ago, lawsuits are primarily pinned on companies with only a tenuous connection to asbestos. The result: more bankruptcies.

Asbestos reform was hotly debated this year on Capitol Hill, but legislation finally died in mid-October when Senate leaders could not agree on the parameters for the victims' fund. This means of compensating victims – to be financed by asbestos defendant companies and insurers – would have ended their right to sue in courts.

Meanwhile, closer to home, Ohio was aggressively moving

forward with the nation's first statewide asbestos reform.

Ohio's new law requires claimants to prove they are actually sick due to asbestos exposure. Those who may have been exposed but are not yet sick are prohibited from filing suits in Ohio state courts. This measure also affects retroactive lawsuits.

Besides unclogging the court system, this new law would ensure that those truly sick have their day in court first, while also preserving a person's rights if he/she develops a related illness.

Supporters of Ohio's new law won round one in September when an Ohio appellate court let the measure go into effect. Trial opponents challenged the law's constitutionality based on the retroactive enforcement.

In late October/early November, the debate was scheduled to move to Ohio's 8th District Court of Appeals in Cuyahoga County, home of Cleveland, where the number of pending asbestos cases surpasses 40,000.

Group Targets 'Lean' to Better Compete with China

Facing increased competition from overseas, a contingent of southern Indiana companies have turned to each other for solutions.

Founded in January, the goal of Southern Indiana's Network for the Advancement of Manufacturing (SI-NAM) is "to improve manufacturing production and effectiveness through member collaboration across all industries," states David Wunderlin, one of the network's organizers and president of StemWood Corporation in New Albany.

SI-NAM membership is comprised of 16 diverse companies from the region.

One network benefit is sharing best practices, such as the rewards of implementing lean manufacturing, the principle whereby companies produce more with existing resources by eliminating waste. This tactic also helps develop and implement a long-term plan to streamline operations.

How to achieve lean manufacturing has been a recurring topic at the network's monthly meetings, and members have had the opportunity to tour facilities that have implemented this strategy to see lean tools in action.

Another real benefit of SI-NAM, Wunderlin says, is the identification of government funds and resources available to Indiana manufacturers to aid them in implementing lean manufacturing at their plants.

"Today's global economic revolution has forced companies to reinvent themselves," Wunderlin explains. "I would encourage other businesses in our region to consider the benefits of joining this network."

Resource: www.bmtadvantage.org/how/strategic/sinam/default.htm

Right to Work Laws' Impact on Economic Development

Economic development decisions and right to work (RTW) laws; is there a correlation?

Since the 1940s, 22 states have adopted RTW laws – statutes or constitutional provisions that secure the legal rights of employees to decide for themselves whether or not to join or financially support a union.

Every state below the Mason-Dixon line has enacted such a measure; no midwestern state has one.

While Indiana, Michigan and others in the region have lost countless manufacturing jobs to overseas destinations, the South is rising – and leading the nation in job growth – thanks in part to RTW laws, economists say.

Increasingly, a company's decision to relocate or remain in an area is being impacted by the RTW stance. Specifically when it comes to manufacturing, the top issue – above wages and hours – is productivity, in order to compete with the likes of China and India.

The *Effect of Right-to-Work Laws on Economic Development*, from the Mackinac Center for Public Policy, found that per unit labor costs (i.e. the measure of labor compensation relative to labor productivity) were generally lower in RTW states – 93.2 versus 98.1 in non-RTW states.

Moreover, this research contends RTW laws increase labor productivity by "requiring labor unions to earn the support of each worker, since workers are able to decide for themselves whether or not to pay dues."

Another gauge of a state's economic growth is gross state product, which measures the total of all goods and services produced by a state in a given year. According to the U.S. Bureau of Economic Analysis (covering 1981 to 2001), the economy in a RTW state expanded on average by 236%, while that in a non-RTW state grew on average by 221%.

Resources: www.nrtw.org; www.mackinac.org