

Madeira City Schools Planning Commission



Benefits Report

February 11, 2010

Committee Members

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1 Purpose of the Study

This study was conducted in order to provide data to the Madeira City Schools Board of Education regarding employment benefits offered by surrounding school districts to their respective staffs.

The committee was specifically asked to research topics such as spousal coverage language and employee contribution to health benefits.

2 Study Methods Used

The study is based on a questionnaire that has been sent out to 29 school districts in the Madeira vicinity (refer to page 8, for listing of districts) and extracting information from negotiated contracts obtained at the State Employee Relations Board website (www.serb.state.oh.us).

In addition, an online survey on the utilization of benefits was conducted among Madeira teaching staff.

3 Background

It is the intention of the Madeira City Schools Board of Education to provide competitive benefits for Madeira City Schools' staff as this considered a prerequisite to attract and retain best talent. Knowledge of surrounding school districts' benefit packages is helpful to determine Madeira's competitive position.

4 Key Findings and Recommendation

With its current benefit offering Madeira is well positioned.

The benefit study should continue every other year after the salary study with input from the Board office on trends or contracts that may need reevaluation. The committee recommends further monitoring any trends in spousal surcharge and opt-out language within the peer group.

Paternity / adoption language should be added to the sick leave policy stating in some fashion that immediate family includes step and foster children residing in the employee's household (similar verbiage found in Finneytown, Fairfield, Kings, Lakota, and Lebanon contracts).

Spousal language examples from other districts need to be reviewed by the Board to see if this is the direction staff benefits will be heading. If so, a focus on spousal language specified by topics of interest from the board needs to be noted for future studies. At this time, if the Board does not feel spousal language is necessary, it is not recommended to include such in benefits package.

Based on staff feedback of potential future benefits, the School Board and next benefits study should research the logistic and actions needed to offer a voluntary sick bank and early retirement bonus as these benefits seemed attractive to half or more of the staff who answered the survey.

5 Sensitivity and Trends

Compared to the 2007 Benefit Study, the committee found that 6 fewer districts offered contributions between 90% and 100% which may indicate an overall trend toward reduction in employer contribution.

Also, the study revealed some trending towards a reduction in employer contribution for dental care: The share of districts offering employer dental contributions between 90%-100% for full time staff dropped from 81% in the 2007 study to 77% in the current study.

Based on 26 districts' salary contracts 14 contracts end in 2010, 7 contracts end in 2011, and 5 contracts end in 2012. This data is helpful in knowing that over the next year trends for benefits may be shifting based on new contracts being made (refer to page 15 for district contract end dates).

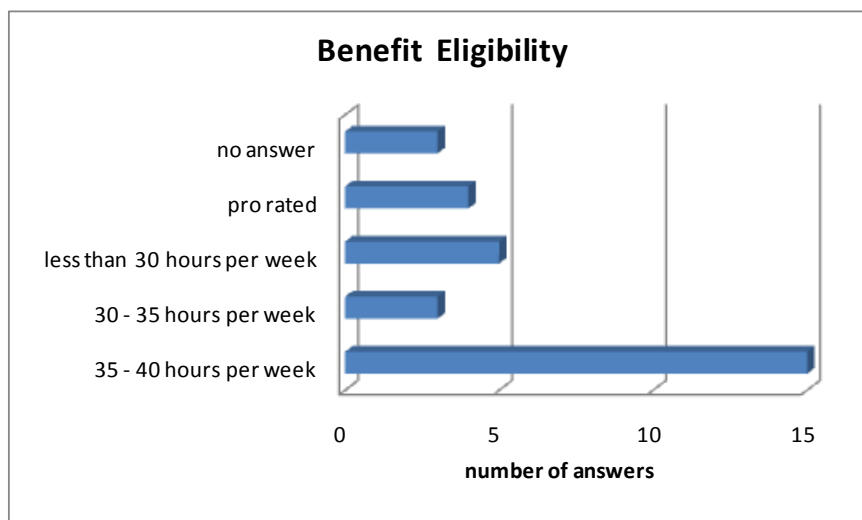
In order to provide the Board with a good basis for decision making, the committee felt it may be helpful to add a cost perspective on certain options:

- ❑ Based on the current mix of full time/part time employees, increasing the Boards contribution from 85% to 90% for full time health benefits would cost the district approximately \$50,000 per year.
- ❑ Decreasing Madeira's employer contribution to dental benefits from currently 100% to 75% would save about \$17,000 annually

6 Details

6.1 Benefit Eligibility

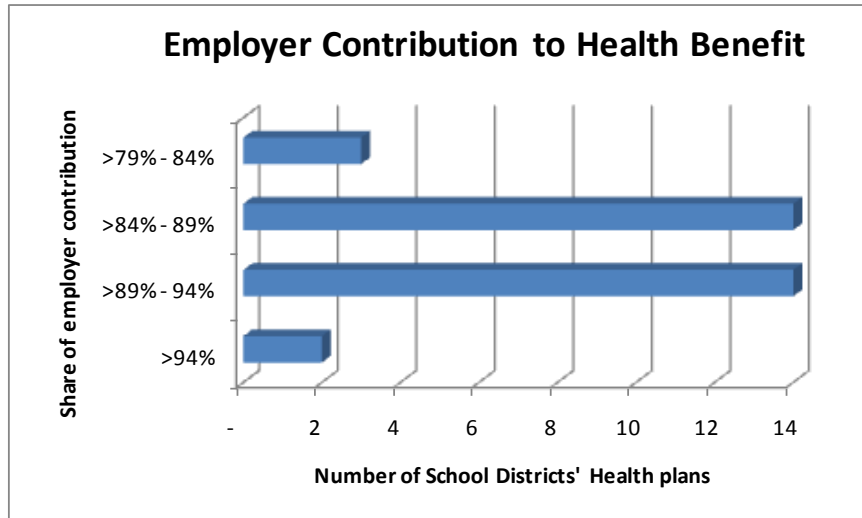
Of 27 school districts, that provided information on their definition of a benefit eligible employee, the majority (56%) have a full-time (37.5 hours per week) or comparable definition. Madeira's definition of benefit eligibility is 37.5 hours and thus is fully aligned with the majority of the peer group.



6.2 Split of Health Care Cost

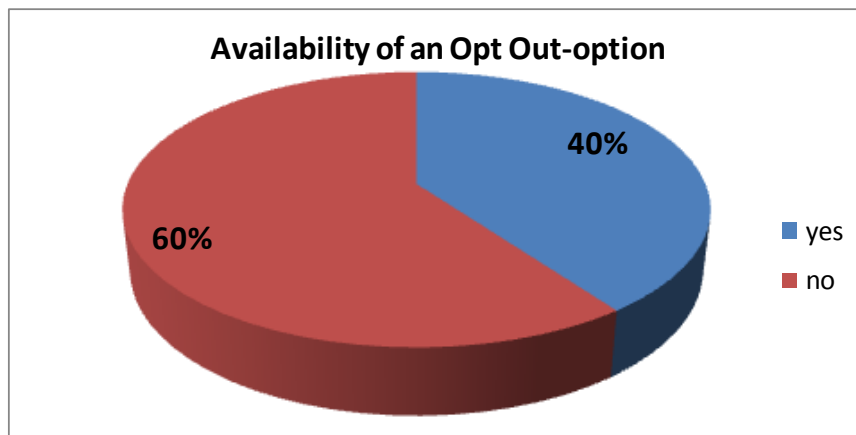
All surveyed districts offer their employees health care benefits.

The majority of plans (84%) are providing employer contribution between 84% and 94% of the actual premiums for full time staff. Madeira offers a contribution of 85%, which is in the lower third of contributions of surveyed districts. These data point do not reflect the value of the health benefit packages. As deductibles, covered services or the like have not been taken into account interpretation should be made with caution.



As some districts offer multiple plans with various levels of contribution, the number of answers displayed exceeds the number of districts surveyed.

9 school districts, including Madeira, offer health benefits to their part time employees. Employer's contribution was in most cases (6 districts) pro-rated to the hours worked per week. Three school districts which include Madeira have employer contributions between 50% and 60% for their part time employees.



The majority of surveyed school districts, including Madeira, do not offer employees an incentive to opt out of the health care benefit. Within the group of 12 surveyed school districts that do have an opt out-option, the incentives range from \$500 to \$4,000 per year.

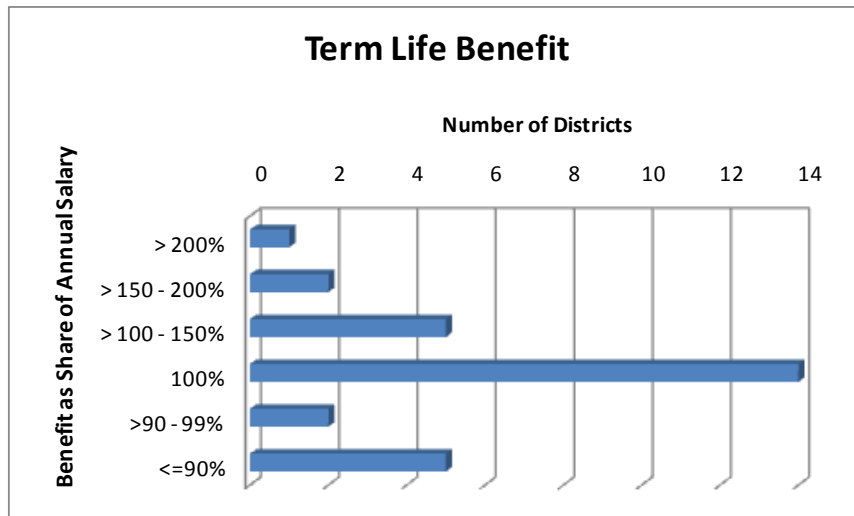
6.3 Dental and Vision Benefit

All surveyed school districts offer dental benefits. 11 of 22 districts answering this question offer 100% employer contribution as Madeira does. The remaining districts range between 75% and 90% employer contribution.

Only 7 districts, including Madeira, offer some level of Vision benefit. Employer contribution remains very limited with only one district offering a maximum contribution of \$180 per year.

6.4 Life Insurance Benefit

All surveyed districts offer a life insurance benefit to their employees. While the detailed responses vary and may be found on page 13, the largest number of districts (45%, 13 districts, including Madeira) provide a benefit equivalent of a year’s salary. The table below gives an overview of level of benefits, calculated on a standardized \$50,000 annual salary.



6.5 Spousal Language

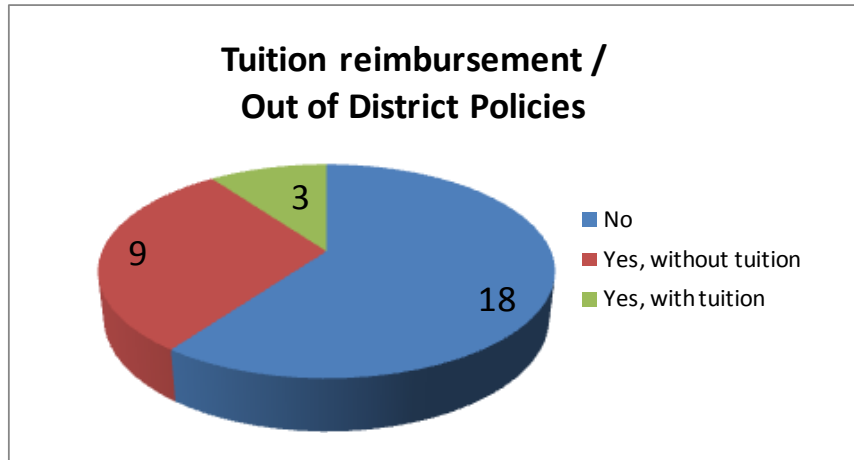
Less than one third (29%) of school districts that the committee was able to retain information from have specific spousal language in place. Such language typically restricts in some shape or form the utilization of health benefits by an employee’s spouse if alternate coverage is available. Based on the findings of the 2007 benefits study, the committee did not identify a trend towards or away from such restrictions or exceptions.

Please refer to page 12 for examples of spousal languages.

6.6 Out-of-District Tuition

Like Madeira, the majority (60%) of the surveyed districts do not have policies in place that allow children of staff who live outside the district to send their children to their work-district's schools.

Most of the remaining districts that do have such policies also have put language in place to prevent abuse and ensure that tuition benefits do not result in increasing average cost per student.



6.7 Other Benefits

The committee found or was provided with a range of additional information on school districts' benefits. These benefits include:

- Voluntary Sick Bank
- Voluntary supplemental life insurance and Critical Illness insurance
- College credit reimbursement
- Super severance
- Tuition loan
- Early retirement bonus
- Flexible fringe benefits
- TSA
- Additional life insurance
- \$1000 stipend for NBCT
- Disability insurance
- 403b
- 457
- Cancer insurance
- Gap insurance
- \$400 contribution to FSA
- Tuition reimbursement of \$75 per semester hr/\$50 per quarter hr for graduate work with B or better grade;
- Severance pay equal to 1/3 accumulated sick leave up to 70 days

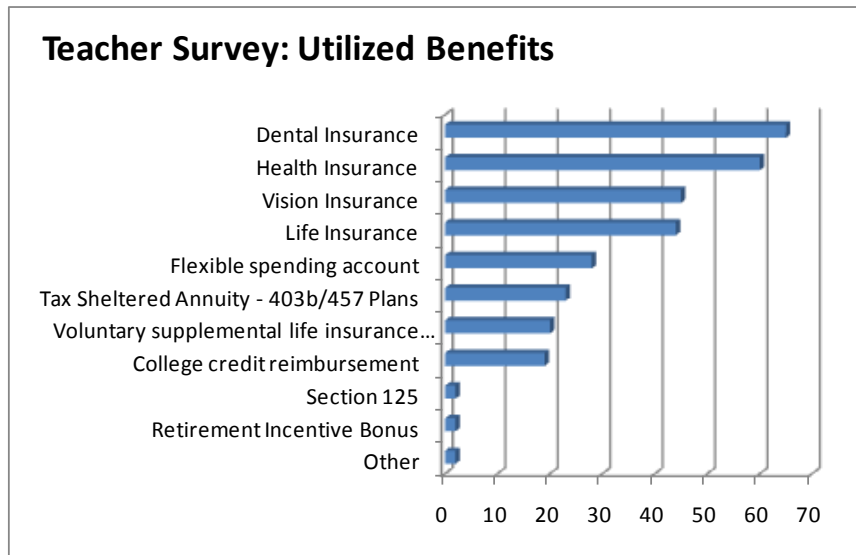
6.8 Teacher Survey

An online survey among Madeira staff was conducted using surveymonkey.com service. 74 respondents answered the two questions

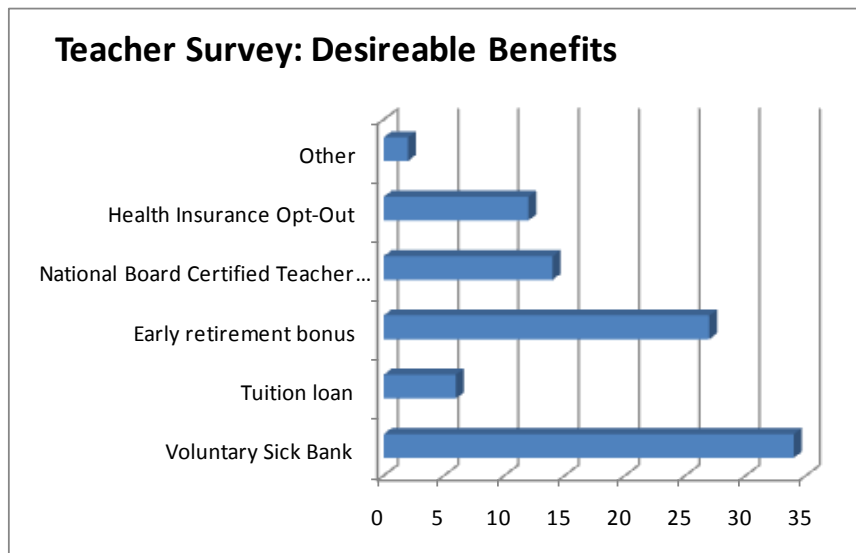
“Please check the offered benefits you currently utilize”

“Please indicate the benefits you would utilize if the district offered them”

As participants were able to check multiple answers, the number of responses exceeds the number of respondents. The results of the survey can be found in the two graphs below:



Comments included reference tuition reimbursement, disability insurance, Consecro, cancer and accident insurance.



One respondent added “professional development on-site during the school year” as a comment.

7 Appendix

7.1 School Districts

School districts considered for the study

Madeira	Lockland	Princeton
Deer Park	Loveland	Reading
Fairfield	Mariemont	Ross
Finneytown	Mason	St. Bernard/Elmwood
Forrest Hills	Milford	Southwest
Hamilton City	Mt. Healthy	Sycamore
Hamilton City ESC	New Richmond	Three Rivers
Indian Hill	Norwood	Winton Woods
Kings	Northwest	Wyoming
Lakota	N. College Hill	
Lebanon	Oak Hills	

7.2 Questionnaire

Benefits Study Questions 2009-2010

- i. What is your definition of an eligible employee, one who can receive benefits? (full-time status, more than 40 hours?
- ii. What is the employee/district split for your health care benefit? (ex. 20% employee pay – 80% district pay); how much is your premium?
- iii. Do you offer dental and vision benefits? If so, what are the premiums?
- iv. Do you have spousal language about eligibility and benefits? If so, what is it?
- v. What is your life insurance coverage based on? (ex. Salary, years of work, etc.)
- vi. Do you have a health insurance opt-out incentive? If so, what are the terms?
- vii. Do you have a policy about foster care situations? (ex. Foster child get sick-teacher sick day? Unpaid day?) What is the policy?
- viii. Do you allow staff who do not live in the district to bring their children to be educated? If so, is it free, pay tuition, etc.
- ix. Are there any additional benefits you offer?

7.3 Eligible Employee Definition

What is your definition of an eligible employee, one who can receive benefits? (full-time status, more than 40 hours?)

School District	Full Time Status/Hrs
Madeira	7.5hr/day
Deer Park	Full time
Fairfield	7.5/day
Finneytown	7.5/day
Forrest Hills	Full day
Hamilton City	>.5FTE
Hamilton City ESC	37.5hr/wk
Indian Hill	20 hr/wk
Kings	7.5 hr/day
Lakota	7.5 hr/day
Lebanon	7.5hr/day
Lockland	30 hr/wk
Loveland	Pro rate by hrs worked
Mariemont	.51FTE- pay proportional amt of
Mason	
Milford	20 hr/wk

School District	Full Time Status/Hrs
Mt. Healthy	Not specified
New Richmond	Pro rate by hrs worked
Norwood	32 hrs/wk
Northwest	37.5hr/wk
N. College Hill	7 hr/day
Oak Hills	Not listed
Princeton	Full time
Reading	Prorated
Ross	37 hr/wk
St. Bernard/Elmwood	30hr/wk
Southwest	20 hr/wk
Sycamore	5 days/wk
Three Rivers	7 hr/day
Winton Woods	22.5hr/wk
Wyoming	35hr/wk

7.4 Health Benefit Cost Split

What is the employee/district split for your health care benefit? (ex. 20% employee pay – 80% district pay); how much is your premium?

DISTRICT	Board	Employee	Opt Out?
Madeira	FT 85% PT 50%	FT 15% PT 50%	no
Deer Park	FT-90% PT prorated	FT- 10% PT prorated	no
Fairfield	FY-89% PT-89% prorated	FT-11% PT-11% proorated	Yes-\$500/yr
Finneytown	85%	15%	no
Forrest Hills	87%	13%	no
Hamilton City	80%	20%	\$500
Hamilton City ESC	80%	20%	no
Indian Hill	PPO-88% HDHP/HAS-90% (+start up)	12% 10%	\$1000/yr non-single employees
Kings	FT-85% PT,18.7hr/wk- prorated	FT-15% PT-prorated	no
Lakota	3 Plans: 90%, 89%, 88%	10%, 11%, 12%	no
Lebanon	80%	29%	no
Lockland	90%	10%	\$4000 family/\$2000 single
Loveland	prorated	prorated	\$1000
Mariemont	85%	15%	no
Milford	88%	12%	\$150/mo- one time only election- can't change
Mt.Healthy	90%	10%	no
New Richmond	92.5%	7.5%	no
Norwood	90%	10%	\$1000/yr waived
Northwest **	FT- 100% PT-60%	FT- 0% PT-40%	no
N. College Hill	FT 90% PT Hrsperday/7x90%	FT 10% Balance from formula	Yes-partial payment of cost
Oak Hills	90% (exception: if premium price >30% during contract then limit to payment)	10%	no
Princeton	86%	14%	no
Reading	85%	15%	no
Ross	90%	10%	\$1000 FT, \$500 PT
St. Bernard/Elmwd	90%	10%	Family to none: \$100 Family to single: \$50
Southwest	Single-95% 2 Person- 90% Family- 90%	Single-5% 2 person-10% Family-10%	no
Sycamore	FT prorated PT prorated	prorated	FT \$1000/yr PT prorated
Three Rivers	FT 90% PT prorated/hrs worked	FT 10% PT prorated	No
Winton Woods	FT- 85% PT- 59%	FT-15% PT-41%	Med-\$300 Dental-\$150
Wyoming	85%	15%	no

7.5 Dental and Vision Benefit

Do you offer dental and vision benefits? If so, what are the premiums?

District	Dental	Board Share %	Vision	Board Share %
Madeira	Yes	100%	Yes	0%
Deer Park	\$2500 max	FT 75% PT pro rated	No	
Fairfield	Yes	100%	No	
Finneytown	Yes	85%	No	
Forrest Hills	Yes	0%	No	
Hamilton City	Yes	80%	Yes	90%
Hamilton City ESC	Yes	100%	No	
Indian Hill	Yes		No	
Kings	Yes	100%, \$2000 max	Yes	\$180
Lakota	Yes	100%	No	
Lebanon	Yes	FT- 90% PT- pro rated	No	
Lockland	Yes	80%	No	
Loveland	Yes	??	Yes	0%
Mariemont	Yes	GCIC rates		
Mason				
Milford	Yes	90%	No	

District	Dental	Board Share %	Vision	Board Share %
Mt. Healthy	Yes	100%	No	
New Richmond	Yes		No	
Norwood	Yes	100%	No	
Northwest	Yes		No	
N. College Hill	Yes	100%	No	
Oak Hills	Yes	90%	NO	
Princeton	Yes	83%	Flexible fringe plan	
Reading	Yes	100%	No	
Ross	Yes		No	
St. Bernard/ Elmwood	Yes	100%	No	
Southwest	Yes	100%	Yes	
Sycamore	Yes	90%	Health plan only	0%
Three Rivers	Yes		Yes	
Winton Woods	Yes	FT-90% PT-Single plan	No	
Wyoming	Yes		Yes	

7.6 Spousal Language

District	Spousal Language
Madeira	no
Deer Park	No
Fairfield	Yes
Finneytown	yes
Forrest Hills	No
Hamilton City	Yes
Hamilton City ESC	No
Indian Hill	no
Kings	no
Lakota	If both spouses works for board- pay \$100/1 fam plan
Lebanon	Employed prior to 2004- 0% contribution one spouse
Lockland	
Loveland	No
Mariemont	No
Mason	
Milford	No

District	Spousal Language
Mt. Healthy	No
New Richmond	Employee pays 100% for spouse
Norwood	Yes
Northwest	No
N. College Hill	No
Oak Hills	
Princeton	
Reading	No
Ross	No
St. Bernard/ Elmwood	No
Southwest	No
Sycamore	Yes
Three Rivers	No
Winton Woods	No
Wyoming	No

Examples for Spousal language

- ❑ If spouse is eligible for an employer sponsored plan and pays 50% or less of the premium, then the spouse must take a single plan with their employer(Fairfield)
- ❑ If employees spouse is eligible for employer sponsored plan and is required to pay less than 51% of the premium they are required to enroll in at least the minimum single plan but can remain secondary on the district plan. Retired spouses are exempt. (Hamilton City)
- ❑ If employee and spouse are fulltime, both may sign up for individual coverage, or on person may sign up for family coverage and the other will be ineligible; if the spouse is eligible for the employers medical plan and does not enroll in that plan, the board will pay 80% Of the premium; when children are involved, the spouse whose birth date falls earlier in the calendar year is responsible for providing family coverage.(Finneytown)
- ❑ In the case of spouses who are both employees of the district the board will pay 100% of the family plan for one employee plus one dependent plan of the members choice(Lakota)
- ❑ Employed prior to 6/1/04 and both married spouses working for the board- 0% contribution for one spouse. If have not received arrangement prior to 2004 said teacher will be required to pay the premium(Lebanon)
- ❑ 100% employee pay for spouse working for system(New Richmond)
- ❑ legal dependent(Norwood)
- ❑ Spouse with employer coverage must take at least a single plan from employer. Insurance provider will assist in coordination of benefits with spouse's provider(Sycamore)

7.7 Life Insurance

District	Life Insurance Benefit
Madeira	FT=salary not less than \$40,000 PT=Salary not less than \$25,000
Deer Park	FT_Annual Salary PT=\$15,000
Fairfield	FT=\$50,000 .5FTE=\$25,000
Finneytown	Salary plus \$1000 raised to nearest 1000
Forrest Hills	\$30,000
Hamilton City	1.5xAnnual Salary
Hamilton City ESC	Based on Salary minimum\$10,000
Indian Hill	Salary up to next \$5000
Kings	\$50,000
Lakota	1.5xbase salary/minimum \$30,000
Lebanon	>.5FTE=\$40,000 <.5FTE=\$20,000
Lockland	\$40,000
Loveland	\$50,000
Mariemont	Salary up to nearest thousand
Mason	
Milford	\$50,000

District	Life Insurance Benefit
Mt.Healthy	FT=\$45,000 PT=prorated
New Richmond	\$37,500
Norwood	Bargaining Unit
Northwest	Salary up to nearest \$1000
N. College Hill	1.5 x salary up to nearest 1000
Oak Hills	\$49,000
Princeton	>.5FTE=prorated
Reading	\$49,000
Ross	Salaryx2
St. Bernard/Elmwd	Salary not greater than \$50,000
Southwest	2.5x ann. Salary
Sycamore	25hr/wk or greater: Base pay rounded up to nearest 1000
Three Rivers	1x base salary
Winton Woods	1xsalary
Wyoming	\$50,000

7.8 Children

Do you allow staff who do not live in the district to bring their children to be educated? If so, is it free, pay tuition, etc.

District	Children Attend
Madeira	No=some grandfathered
Deer Park	No
Fairfield	No
Finneytown	Yes/free
Forrest Hills	No
Hamilton City	Yes/Tuition required
Hamilton City ESC	No
Indian Hill	No
Kings	No
Lakota	No
Lebanon	Yes if not expelled from another district; tuition free except spec ed cost over and above statutory tuition rate
Lockland	No
Loveland	No
Mariemont	Yes/free
Mason	
Milford	No=some grandfathered

District	Children Attend
Mt. Healthy	No
New Richmond	Yes/free
Norwood	Yes/free
Northwest	Yes/free; employee pays for excess costs
N. College Hill	Yes- tuition \$1200/yr
Oak Hills	Yes-employee pays anything above average cost
Princeton	No
Reading	No
Ross	No
St. Bernard/ Elmwood	Yes
Southwest	Yes/free
Sycamore	No
Three Rivers	Yes/free + student fees
Winton Woods	Yes/free
Wyoming	Yes/employee pays ½ tuition

7.9 Contract Duration - Information from Salary Study

Contracts:				
District	Current Year:	Duration:	Start	End
Deer Park	2	3	7/1/2008	6/30/2011
Fairfield	2	2	9/1/2008	8/31/2010
Finneytown	2	3	8/1/2008	7/31/2011
Forest Hills	1	1	7/1/2009	6/30/2010
Hamilton City	1	2	7/1/2009	6/30/2011
Indian Hill	1	2	9/1/2009	8/30/2011
Kings Local	2	2	8/1/2008	7/31/2010
Lakota Local	2	2	9/1/2008	6/30/2010
Lebanon City	2	2	9/1/2008	8/31/2010
Lockland	2	2	7/1/2008	6/30/2010
Loveland	1	1		6/30/2010
Madeira	1	1	n/a	n/a
Mariemont	1	1	n/a	n/a
Mason Local	1	3	7/1/2009	6/30/2012
Milford Exempted	1	1	7/1/2009	6/30/2010
Mt. Healthy	1	1	7/1/2009	6/30/2010
New Richmond	1	3	7/1/2008	6/30/2011
North College Hill	1	1	9/1/2009	8/31/2010
Northwest	1	1	9/1/2009	8/31/2010
Norwood	1	1		
Oak Hills	3	3	7/1/2007	6/30/2010
Princeton	2	3	7/1/2008	6/30/2011
Reading	1	1	9/1/2009	8/31/2010
Ross Local	3	3		
Southwest	1	3	9/1/2009	8/31/2012
St. Bernard - Elmwood	1	3	8/1/2009	7/31/2012
Sycamore	2	3	8/1/2008	7/31/2011
Three Rivers	1	3	8/1/2009	7/31/2012
Winton Woods	1	1	8/1/2009	7/31/2010
Wyoming	1	3	7/1/2009	6/30/2012

Bold indicates one year extensions/contracts