

Madeira Schools Planning Commission Report

Benefits

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PURPOSE OF STUDY

This study was conducted to provide data to the school board regarding benefits provided by surrounding school districts.

STUDY METHODS USED

This report was generated by sending a survey (see Attachment I) to 31 surrounding schools and extracting information from negotiated contracts filed with Ohio's State Employee Relations Board.

BACKGROUND

The School Board of Education intent is to provide competitive benefits for Madeira City School's staff. Knowledge of surrounding school's benefit packages is helpful in ensuring that Madeira remains competitive in attracting and retaining the best talent.

Key report focus areas are as follows:

- health benefits
- vision benefits
- other insurances
- other benefit programs

KEY FINDINGS

The committee collected data from 31 school districts, 32 including Madeira. 8 of the school districts completed the survey. Information on the 23 remaining districts was extracted by reviewing negotiated contracts filed with Ohio's School Employee Relations Board.

Of the 31 other school districts, 29 districts have negotiated contracts that include benefit language. Madeira and Mariemont do not have negotiated contracts. 12 districts are in the Greater Cincinnati Insurance Consortium (Madeira is the 13th member), and the remaining contract directly with carriers or are part of another health consortium/plan.

1. Health Insurance

a. 32 of the 32 schools offer health insurance. The average rate is 87%, with most schools paying 90% of premiums for full time employees.

- 90 – 100% - 18 districts
- 80 - 89% - 13 districts (Includes Madeira)
- <80% - 1 district
- Income based – 1 district

Note: Multiple Plans with varying rates – 2 districts

b. Full time coverage trends

- Moving from offering 1 plan to multiple plan offerings with varying options.
- Recently negotiated contracts include declining Board costs, and increasing employee costs
- Recently negotiated contracts include cost sharing between Board and employee if premiums increase from current coverage.
- Some contracts grandfather employees with current coverage and %'s, or provide a reimbursement mechanism for increased costs, and hire new employees under new insurance plan.
- Some contracts include different cost sharing for family plans vs. single plans.

c. Part time coverage trends

- When part time coverage is different, the rate is typically 50% or a prorated amount based on work days in a work year, work hours in a day, full time equivalent, or work days in a week.
- 1 district, Northwest, does not provide health insurance for part time employees.

d. Other trends

- 2 districts have schedules with changing rates based on actual usage performance where the district and employee share in the premium increase.
- 4 districts utilize a Benefit Committee in the negotiated contract to make decisions on health care coverage and other issues, not inclusive of the board share/employee share % cost share.
- 4 districts currently have language in their contracts that reduces the rate of contribution by the board in future years.
- Spousal language is included in 14 districts. Spousal language varies in content and includes but is not limited to the following examples:
 1. Both spouses employed by same district, only one family plan offered.
 2. Both spouses employed by same district, 100% premium paid for one family plan or two single plans.
 3. Employee charged a premium for carrying family plan, when spouse employed by another company has available insurance

2. Dental Insurance

- a. 32 of the 32** districts have dental insurance. The average amount paid for by the district is 89%, ranging from 75% to 100%.
- 90 – 100% - 26 districts (Madeira)
 - 80 - 89% - 4 districts
 - <80% - 2 districts
 - Income based-1 district
- b.** 2 districts had varying rates for family and single plans

3. Vision Insurance

- 5 districts provide coverage (4 of 5 100% coverage)

4. Life Insurance

- 32 districts provide life insurance; 100% paid by the board using a salary based formula.

5. Payment in-lieu of insurance coverage

- a.** 11 districts offered for full time employees; average annual payment \$1,240
- b.** 4 districts offered different rates for family vs. single.
- c.** 2 districts offered for part time employees; average annual payment \$530

6. Tuition Reimbursement

- a.** 23 districts offered; 2 offer full tuition; 2 offer 50% tuition; 18 other districts have varying reimbursement policies
- b.** 4 districts do not offer reimbursement; 4 districts did not provide information regarding reimbursement
- c.** Budget pools based on school budget size.
- 11 districts have caps
 - 8 districts did not indicate caps in the contract language

7. Paternity/Adoption

- 23 districts allowed time off without pay as part of the FMLA.
- 3 districts had specific language that addressed paid time off.

8. Other Benefits

Tuition Free Non-Resident Students

- a. 8 districts allow teacher's children the ability to attend school if the teacher lives outside of the district. 1 of the districts has grandfathered employees and is not currently accepting non-resident students.
- b. 1 district that accepts non-residents students requires payment for any cost to educate the student greater than the state tuition rate.

Tax Sheltered Annuities and Flexible Spending Accounts

- Most districts offer some form of Tax Sheltered Annuity programs, flexible spending accounts, other insurance plans (vision) at 100% employee cost that are allowed as payroll deductions.

9. Other Notes- Industry trend information

- a. National trend – employer pays 77% of benefits
- b. Tax Based Employee trends – employer pays 91% of benefits
- c. Industry Self funding trend
 - 50% of group claims less than \$50 in year
 - 3% of total claims paying premium for all people
 - 50% of group have 97% of all claims, 15% have 46%, 5% have 52%
- d. Consumer Driven Health Plan - you are sick and you pay, major medical deductible for \$250
- e. 2004 – 1% increase, 2006 – 10% increase

RECOMMENDATIONS

1. Benefit study provided every other year.
2. To maximize the study findings, the study should be completed after the salary study using key learnings from the salary study.
3. Board of Education direction for areas of concentration and specific information to obtain in future surveys to ensure Madeira remains competitive in attracting and retaining talent.
4. Planning Commission benefit study committee should include employee feedback.
5. Suggested benefit areas for Madeira to review in more detail that are considered by most or some other districts:
 - Tuition Reimbursement program
 - Paternity/Adoption language in sick leave policy
 - Spousal Language
 - In-Lieu-Of payments
 - Non-resident employee's children attendance

ATTACHMENTS

Attachment I– Data Table

Attachment II - Survey