

The Collegewide Benefits Committee
Summary of August 31, 2006 to July 5, 2007
Submitted September 2007

Submitted by: Sandra Burnett and Patricia Brown, Co-chairs
2006-07, Collegewide Benefits Committee

The Committee, comprised of the three bargaining entity representatives, Administration, Faculty Association and CSEA, met 17 during 2006-07. The over arching goal of the Committee is to maintain the quality of employee benefits and reduce costs.

Committee Goals/Projects

Committee actions begun 2005-06 which were continuing projects, namely:

1. Implementation of a Benefit Audit of dependent eligibility for health insurance coverage.
2. Providing information and increase employee awareness of pertinent health benefit issues and gather concerns from employees.
3. Implementation of a Third Party Administrator RFP to create an employee data base, COBRA services for employees and dependents who separate from the District, reconciliation of accounts, and an enhanced employee benefit website.

Additional 2006-07 goals were identified, September 28, 2006:

1. Discuss retiree health costs
2. Protect retiree health benefits and keep costs level
3. Review the District and unions' approach to GASB 45
4. Answer the question: Are the current health plans still meeting the needs of the employees?

Bargaining Agreement Statement

October 2006, the following agreement between Santa Monica Community College District and Santa Monica College Faculty Association, for August 21, 2004 - August 20, 2007, was adopted.

10.15 The Santa Monica Community College District ("District" or "administration"), the Santa Monica College Faculty Association ("Faculty Association") and the California School Employees Association, Chapter 36 ("CSEA") hereby agree to creation of a joint Collegewide Benefits Committee. The role of the committee is to contain the cost of the District's health benefits program while maintaining the quality of the benefits available to the employees, retirees, and eligible dependents. During the

period of time prior to the committee submitting its recommendation(s), there shall be no negotiations between the parties on anything contained in Article 10 and the status quo as set out in Article 10 shall be maintained.

Progress with Goals and Projects

Benefit Audit of Dependents

The Benefits Service Center was contracted to initiate an audit procedure with all employees with dependents receiving health coverage. The audit data base was constructed based on information from the County of Los Angeles payroll services.

At the conclusion of the BSC contract in March 2007, there were numerous non-respondents despite three separate request letters. HR discovered many "false positives" in the list of non-responders; in other words, the County list inaccurately identified many employees with dependents who did not have any dependents. In April, 2007, approximately 180 non-responders were sent a letter signed by the District Superintendent/President and the Presidents of both bargaining units. In June, 2007, HR created three separate lists dividing the remaining 87 non-responders by employment category. Pat Brown was given the list of Administrator non-responders, Sandi Burnett was given the Faculty non-responders, and the CSEA President was given the Classified non-responders, with instruction to contact each person individually. As of September 5, 2007, eleven faculty, one administrator, and twenty-two classified employees with dependents have not complied with complete documentation. The Committee recommends that those who have not complied with appropriate documentation of dependent eligibility by the start of open enrollment, September 15, 2007, re-enroll their dependents with documentation or discontinue dependent coverage January 2008.

The total effectiveness of the benefit audit is unknown at the time. The inaccuracy of the County data base does not allow us to estimate pre-audit and post-audit dependent costs.

Communication and Education of Employees

HR organized the 1st Employee Health and Benefit Fair to coincide with Flex Day, March 8, 2007. Fifteen vendors of health insurance, retirement plans and other employee benefit representatives were available throughout the day. The vendors and employees were very positive about the opportunity to exchange information.

Limited awareness of the Section 125 benefit was addressed through informational emails sent to employees. The

increased number enrolling has resulted in additional enrollment days added to the vendor's schedule. Pre-retirement workshops were conducted for Classified and Faculty in Spring, 2007 to address those concerns.

Third Party Administrator

The need for a TPA to establish a detailed District data base of employee benefits to produce efficient management of information and to comply with legal requirements such as COBRA notification with our vision and dental coverage, reconciliation of accounts, and the creation of an enhanced employee benefits website was discussed with the Superintendent/President. Dr. Tsang directed the Committee to research what other entities were using for their data base management and proceeding with a TPA once researched. Several local entities were contacted and none reported using a TPA, but Los Angeles and Culver City Unified reported that COBRA notification for dental and vision was done by Delta and VSP for their employees. June, 2007, LARISA had not responded to an inquiry about our employee COBRA notification needs. With the enhancement of the benefits website, discussions were initiated with the Chair of the college committee designing the new college website. Concern has been expressed by CSEA regarding use of outside contractors, such as a Third Party Administrator.

Retiree Health Coverage

Information gathered 2006-07 revealed to the Committee the vulnerabilities retiree health coverage present to individuals and to the District, especially when alternatives to CalPERS insurance were reviewed. This year also brought heightened attention to the initiation of new accounting standards under GASB 45, focusing on projected retiree health coverage costs. The Committee hosted a GASB 45 Leadership Forum, January 25, 2007, to discuss the implications and impact of the regulations on community college districts. The Committee gained several view points and generated several questions about the future implications for Santa Monica College.

Changes to Current Benefits

The Committee chose to postpone research into alternative health insurance coverage based on current insurance climate and the 2006-07 RFP results. Fall 2007 the Committee will review the feasibility of another RFP to study coverage for 2009.

Part-time faculty employment continues to increase as does concern for the health insurance coverage available to such employees. A comprehensive survey of adjunct faculty needs

has been proposed. The District offers Kaiser, dental or vision coverage to individual, qualifying adjunct faculty. Some employees purchase additional Kaiser coverage for family members in addition to their individual coverage paid by the District. It was recommended by the Committee that qualifying faculty who elect Kaiser be allowed to purchase dental or vision coverage. Additionally, it was recommended that medical/dental/vision coverage premiums paid by employees be taken from pay "pre-tax" as allowed by tax law.

Committee recommends addition of a "457 Retirement Plan" offered by STRS. ~~Board of Trustee approval of the STRS plan is required before a workshop about the plan can be offered.~~ A representative from STRS will be invited to attend a Benefits Committee meeting and give a presentation on the 457 Retirement Plan.