Offering an employee benefit package is more than just medical coverage!

RECRUITMENT
- Benefits are used as a marketing tool to attract the best candidates

RETENTION
- The benefits package we offer is one of the top reasons that employees stay with the District

CULTURE
- Maintaining employee satisfaction
- In line with Board Strategic Priorities and District Services Strategic Goals
2017 Annual Projected Costs

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>2016 Plan Year</th>
<th>2017 Plan Year</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>$13,744,272</td>
<td>$14,768,256</td>
<td>7.5%</td>
</tr>
<tr>
<td>Dental</td>
<td>$1,054,244</td>
<td>$1,054,244</td>
<td>0%</td>
</tr>
<tr>
<td>Vision</td>
<td>$89,840</td>
<td>$89,840</td>
<td>0%</td>
</tr>
<tr>
<td>Basic Life/AD&amp;D</td>
<td>$36,341</td>
<td>$36,341</td>
<td>0%</td>
</tr>
<tr>
<td>Long Term Disability</td>
<td>$115,737</td>
<td>$115,737</td>
<td>0%</td>
</tr>
<tr>
<td>Annual Total</td>
<td>$15,040,434</td>
<td>$16,064,418</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

Employee Contributions $0 $0 0%
District Cost Share 100% 100% 6.8%

The District pays 100% of the premium. No contributions are collected from employees or retirees. All District benefits are contracted on a calendar year basis.

$1 million dollar increase in costs for 2017
### Medical Cost History 2008 - 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Self-Funded</th>
<th>Kaiser</th>
<th>VEB</th>
<th>National Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>34.9%</td>
<td>2.5%</td>
<td>-1.2%</td>
<td>9.9%</td>
</tr>
<tr>
<td>2009</td>
<td>-5.5%</td>
<td>-2.0%</td>
<td>5.4%</td>
<td>9.2%</td>
</tr>
<tr>
<td>2010</td>
<td>28.5%</td>
<td>25.4%</td>
<td>-1.2%</td>
<td>9.0%</td>
</tr>
<tr>
<td>2011</td>
<td>2.6%</td>
<td>-2.9%</td>
<td>5.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td>2012</td>
<td>5.8%</td>
<td>2.9%</td>
<td>2.6%</td>
<td>8.5%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td>-1.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td>5.4%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td>2.6%</td>
<td>6.8%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td>7.5%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

National Trend Source: PwC Health Research Institute medical cost trends 2008-2017
2017 Medical Cost by Plan

Although the PPO plan experienced a 15.9% change in premium for 2017, our overall medical plan renewal increase of 7.5% is due to a majority of the enrollment in Kaiser HMO and United Healthcare HMO Network 1.

United Healthcare HMO Network 3 experienced the most plan design changes to control escalating costs.

The renewal savings for that plan of 1.8% reflects these changes which included:

- In-patient hospital – from $250 per admit to 20% coinsurance
- Prescription deductible – from $0 to $250 for brand name drugs
2017 saw no significant changes in enrollment ratios.

Of the 76 retirees, 20 make up 41% of the $1.2 million retiree medical cost:

- 13 cover a spouse that is also on Medicare or a spouse that is age 65+ but did not qualify for Medicare
- 7 are in out of state plans

Enrollment Count = 962

**Tier Enrollment Split**

- Kaiser HMO 53%
- UHC HMO 41%
- UHC PPO 6%

**Enroll one or more dependents**

2

3
United Healthcare PPO and HMO Network 3 plans are the most expensive plans in our line up. **Introduced two new plans in 2017 to combat costs**

**NEW**
- Simnsa HMO
- UHC Alliance

Medical plans from least to greatest cost

17 employees left the PPO and HMO3 plans. This shift in enrollment is projected to produce **$201,348 in savings** for 2017.
Part-time Faculty Benefits

127 Participants as of Dec. 2016

- Kaiser HMO
- Delta Dental HMO
- VSP Vision

2017 Projected Costs $1.38 million which is $11,019 Per Enrolled Employee Per Year

February 2017 Newly Eligible Enrollment Period

- 18 New Additions
- 7 Left plan - Ineligible

Net change: 11 additions added in first half of 2017
8.6% increase to enrollment or 138 participants as of Feb. 2017

Increased dependent enrollment for 2017

Employees can add dependents at no charge at the next calendar year after initial enrollment.

Employee Only  80
Employee + One  22
Employee + Family  25
127 Participants as of Dec. 2016
Repeal of the Affordable Care Act?

March 6
House Republican leadership introduces American Health Care Act (AHCA) to replace tax elements of the Affordable Care Act (ACA)

March 24
American Health Care Act is pulled and no vote takes place

As of today - no changes to ACA

Employers still need to be mindful of 40% Excise Tax in Year 2020

“Cadillac Tax” - refers to an annual excise tax on high-cost employer sponsored health insurance. This tax was scheduled to go into effect in 2018 and was further delayed to 2020.

The tax is equivalent to 40% of the cost of health coverage beyond a certain threshold. This threshold has not changed since the introduction of the Affordable Care Act in 2010.

Three medical plans are already above the current threshold.

- United Healthcare HMO 2
- United Healthcare HMO 3
- United Healthcare PPO

$160,586 excise tax if in effect today
Employee Education Workshops

Workshops held in February/March for Kaiser and United Healthcare members

• Helping employees engage with their medical carrier to maximum their plan!
Employee Education Workshops

Workshops held in February/March for Retirement Savings plans

• Continue to educate employees about the importance of financial wellness

What is a retirement gap?

You have a retirement gap when the income that you will receive from various sources such as Social Security and your STRS/PERS pension plan is less than the income that you will need in retirement.

Please join us to learn how participating in a 403(b) and 457(b) can help you close your retirement gap!

Workshop Attendance

Why try to save more for retirement?

• District is able to offer both a 403(b) and 457(b)

• Able to put aside up to $36,000 per year PRE-TAX

• 8 sessions offered between both campuses

Individual Appointment

Review your retirement readiness!

• High demand to meet with the Deferred Compensation Counselor
  - Appointments for day set aside at District Services filled up within hours of announcement

• 40+ individual appointments scheduled beyond the day set aside
The launch of Workday finally gave employees access to view their benefits enrollment!

<table>
<thead>
<tr>
<th>Projected Rollouts in 2017</th>
<th>New hires can enroll in Workday</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Moving towards Employee Self Service</strong></td>
</tr>
<tr>
<td></td>
<td>Employees can launch life events in Workday (birth, marriage, etc.)</td>
</tr>
<tr>
<td></td>
<td>Open Enrollment will be handled in Workday and will eliminate most of the paper forms</td>
</tr>
</tbody>
</table>
Total Compensation = Annual Salary + Benefits

Total Compensation $71,747

This employee’s benefits = 49% of their annual base salary

Actual Classified employee with 100% employer paid family coverage on Medical, Dental, Vision, Life and Disability Insurance