

GLENBROOK HIGH SCHOOLS
Office of the Superintendent
Glenview - Northbrook, Illinois

To: District 225 Board of Education

From: Mike Riggle

Re: Board Retreat Follow-Up – Employee Benefits

Date: June 9, 2016

At our board retreat on May 12, we began discussing the development of a vision for employee benefits. There was full agreement by the Board with Mr. Shein who stated that the cost of health insurance continues to escalate and there is a need for the district to focus attention on how to control this expense. He further stated that if we don't do anything, the increased costs will be unsustainable for the district.

We were joined for the discussion by Justin Petrarca, who encouraged the Board to take a step back and start looking at this issue with the end in mind. He noted that recent discussions have been focused on the specifics of the plan and noted that the district's salary and benefits package are what he sees as the norm in the education industry. Mr. Petrarca then quickly outlined what he believed the Board's goals or principles are for employee benefits:

- The Board desires to have a high quality benefit plan.
- The benefit plan must be affordable for all parties (both Board and employees.)
- All parties and participants should have a basic knowledge of the cost of the plan.
- There should be a high level of employee satisfaction in the benefit plan.
- The Board desires to maintain a good working relationship with the employee unions.
- The benefit plans should be comparable with other school districts in the area.
- The benefit plans should contain mechanisms to control costs.
- The benefit plans should be flexible to afford expert advice in various areas.
- Employee benefit plans should be equitable to all employees.

Plan for Employee Benefit Review/Vision

There are three important areas that deserve our attention in order to thoroughly study employee benefits and begin formulating a shared vision for the district. These three areas are:

1. SSCRMP Business Practices

The SSCRMP consortium was formed in the early 1980's for the purpose of shared liability insurance and Worker's Compensation. The health insurance

component was formed by the business managers in about 2007 for the purpose of reducing costs for broker services and the potential savings through a shared health provider. In the next few months, the superintendents and business managers in the participating districts will be engaging in conversations to review the current business practices under SSCRMP to see if there are adjustments that can potentially reduce benefit cost. District 225 will be joined in these conversations by District 214, District 207, SSCRMP Director Mike Nugent and our current broker, HUB. The results of these discussions will be shared with the Board during the year as they occur.

2. Cost Containment

Cost containment will continue as outlined in the GEA contract. This is a mechanism that is highly valued by the unions and the administration and it has served us well in recent years. We will review the scheduling of cost containment meetings with the unions and will continue to use it to discuss ideas for potential benefit changes that can be implemented prior to the next plan year.

Alice Raflares and R.J. Gravel will jointly lead this committee and we will have increased participation by our broker at the meetings to insure that all potential benefit changes can be thoroughly explained and questions and concerns addressed. We will continue to use this committee as an educational platform for the participants.

3. Employee Benefits Collaborative

A collaboration group will be formed to conduct a thorough study and review of all aspects of our current employee benefits. The identified members of this collaboration group will consist of the following members:

Matt Whipple, GEA President
1 or 2 Additional GEA Representatives
GESSA Representative
GESPA Representative
Mike Riggle
Brad Swanson
R. J. Gravel
Alice Raflares
Justin Petrarca
Current Broker (HUB)
Independent Broker or Analyst

The administration will work during the months of June and July to obtain an independent broker or analyst and outline the major areas for review and questions to be explored. Meetings of the collaborative will be set in August and meetings will be scheduled for throughout the school year.

The group will spend time developing agreed upon principles to formulate a vision for employee benefits and will engage with the brokers in reviewing current benefit plans as well as negotiation agreements utilized by other districts to define employer/employee contributions.

As common themes emerge and ideas are generated, short-term actionable items will be introduced to the cost containment process for possible implementation. Long-term strategies that hold interest for both the unions and administration will be documented for further discussion during the IBB process with the GEA during the 2017-2018 school year. By developing an agreed upon vision for employee benefits, the district will be able to go into the IBB process with a base of agreement and a clearer focus on desirable employee benefit changes.

Estimated Costs:

Broker Services -	\$50,000
Legal Services -	\$10,000