

To: Dr. Michael Riggle
From: Alice Raflares
Date: August 22, 2016
Re: Selection of Independent Broker for Employee Collaboration Process

Recommendation

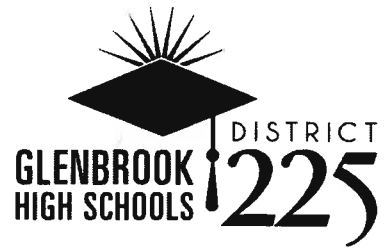
It is recommended that the Board of Education approve the designation of DSP Insurance Services as the independent broker / analyst for the Employee Benefits Collaborative.

Background

At the June 13 meeting of the Board, the administration presented a proposal to the Board based on feedback at the board retreat to develop a shared vision for employee benefits. As part of the proposal, an independent broker / analyst would be selected to serve as a consultant to a collaborative group of administrators and union representatives in addition to our current broker, HUB.

Following consensus approval of the Board for the process, a Request for Proposal (RFP) was developed and sent to five benefit broker / consulting organizations who were identified and recommended from various sources for this type of work. The five organizations included our current broker, HUB International, along with The Bjork Group, DSP Insurance Services, American Fidelity Administrative Services, LLC., and Wright Benefit Services.

Responses to the RFP were received from all five organizations by the advertised deadline of August 5, 2016. The proposals were then reviewed by Dr. Riggle, Mr. Swanson, and Mrs. Raflares. Following the internal review, three organizations were invited to participate in an interview on August 16, 2016 with Dr. Riggle, Mr. Swanson and Mrs. Raflares. Each organization was asked the same 7 questions regarding past experience, workload and project approach. Below are details from our Request for Proposal results.



Vendor	Fee Structure	Engagement Approach
American Fidelity Administrative Services	Fee Only - \$22,000	Technical Analysis based on Costs and Utilization Benchmarks
Bjork Group	Fee Only - \$15,750	Data Analytics Tool Implementation
HUB International	Fee Only - \$32,000	Independent Bid Process
DSP Insurance Services	Fee Only - \$15,000	Analysis in the following areas: <ul style="list-style-type: none"> ● Funding ● Design ● Administration ● Regulatory Compliance ● Communications
Wright Benefit Strategies	Hourly - \$285/hour Retainer - \$5000 Total Estimate - \$15,000 - \$25,000	Operational Analysis utilizing Support Services as key driver

Upon completion of personal interviews, Dr. Riggle, Mr. Swanson, and Mrs. Raflores evaluated the goal of the Benefit Collaborative and best fit for the projected engagement with a benefit consultant.

**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