

**District's Counter Proposal  
to TALB  
K-12 and CDC/Head Start**

**January 19, 2012**

**K-12: Article VI, Compensation  
CDC/Head Start: Article VI, Compensation**

In an attempt to mitigate the effects of the current state fiscal crisis and its impact on the District the following proposals are presented to TALB for all K-12 and CDC/Head Start bargaining unit members for the purpose of implementing cost containment.

**A. Salary Schedules and Regulations:**

- ~~1. Implement seven (7) furlough days to modify the work year.~~
- ~~2. Freeze on salary steps~~

**B. Health and Welfare Benefits**

- ~~1. Effective January 1, 2012, eligible full time unit members will contribute 5% of their health and welfare insurance costs. Employee contributions will be collected over ten (10) months on a pre-tax basis under the IRS 125 plan.~~

~~Per paragraph 5 below, limit the District's allocation towards medical, dental and vision to a total annual maximum contribution per eligible unit member, or equivalent cost containment arrangement.~~

~~The District proposes that a small District/TALB subcommittee be formed to review current health benefits, relevant comparability data and options for substantially reducing the district's long term projected increased costs for health benefits. The subcommittee will meet during the month of October 2011 and report its findings to the respective District/TALB bargaining teams. The bargaining teams will convene negotiations on health benefits beginning no later than November 1, 2011. Three dates shall be initially established for the month of November.~~

- 1. Effective beginning January 1, 2013, the District's maximum annual contribution, (paid tenthly) for medical, dental and vision coverage for full-time eligible unit members shall be as follows:**

**Medical**

<b>Employee Only</b>	<b>\$ 8,680.64</b>
<b>Employee + 1</b>	<b>\$ 15,877.81</b>
<b>Family</b>	<b>\$ 19,939.06</b>

**Dental**

<b>Employee Only</b>	<b>\$779.42</b>
----------------------	-----------------

**Vision**

<b>Employee Only</b>	<b>\$49.70</b>
----------------------	----------------

**NOTE: The above maximum annual contribution represents 95% of the 2012 District premiums tied to the following District insurance programs: Blue Shield PPO comprehensive medical plan; the District's dental Delta Dental PPO + Premier plan; and the Medical Eye Services vision plan. The District's maximum annual contribution is based on actual enrollment in the District offered programs.**

2. **The above contributions shall be prorated for unit members working less than full-time.**
3. **The District will apply any health benefit cost containment changes, including plan design changes, implemented for active employees to retirees.**
4. **In the event the elected coverage in a District insurance program exceeds the above stated District maximum annual contribution, the cost difference shall be paid by the unit member through payroll deduction on a tenthly basis.**
5. ~~Consider alternative ways to address cost containment such as but not limited to increasing deductibles and co-pays.~~
6. **Effective January 1, 2013, the District will institute a high deductible health plan (CDHP) with a Health Savings Account (HSA) as a cost effective alternative to the PPO plan.**
7. **Change the pharmacy program for the Blue Shield HMO TALB employees from the self-insured to the HMO program.**
8. **Eliminate the names of all of the health carriers except for Kaiser within the contract to provide greater leverage for negotiating future contracts with vendors. A description of the plan will be included in the contract.**
9. **Adjust the co-pay for pharmaceutical services to be the same as other District employees.**



BUSINESS DEPARTMENT-Financial Services  
 Risk Management Branch  
 1515 Hughes Way  
 Long Beach, California 90810-1839

### **Estimated Benefit Costs (TALB Employees)**

The table below shows the cost for medical, dental, and vision coverage in 2012, as well as the estimated annual and tenthly cost to employees.

<b>Plan/Level of Coverage</b>	<b>2012 Annual Cost</b>	<b>Proposed Cap</b>	<b>Employee Annual Cost</b>	<b>Employee Tenthly Cost</b>
<b>Medical Plans</b>				
<b>Blue Shield HMO</b>				
Employee Only	\$6,404.04	\$8,680.64	No Cost, Below Cap	
Employee + One	\$12,527.88	\$15,877.81	No Cost, Below Cap	
Employee + Family	\$16,407.12	\$19,939.06	No Cost, Below Cap	
<b>Blue Shield PPO</b>				
Employee Only	\$9,137.52	\$8,680.64	\$456.88	\$45.69
Employee + One	\$16,713.48	\$15,877.81	\$835.67	\$83.57
Employee + Family	\$20,988.48	\$19,939.06	\$1,049.42	\$104.94
<b>Kaiser HMO</b>				
Employee Only	\$5,869.44	\$8,680.64	No Cost, Below Cap	
Employee + One	\$11,678.88	\$15,877.81	No Cost, Below Cap	
Employee + Family	\$16,500.72	\$19,939.06	No Cost, Below Cap	
<b>High Deductible Health Plan with HSA</b>				
Employee Only	TBD	\$8,680.64	No Cost, Below Cap	
Employee + One	TBD	\$15,877.81	No Cost, Below Cap	
Employee + Family	TBD	\$19,939.06	No Cost, Below Cap	
<b>Dental Plans</b>				
<b>Delta PPO Plus Premier*</b>				
Employee Only	\$820.44	\$779.42	\$41.02	\$4.10
Employee + One	\$1,577.16	\$779.42	\$797.74	\$79.77
Employee + Family	\$2,031.24	\$779.42	\$1,251.82	\$125.18
<b>Delta Care/PMI</b>				
Employee Only	\$261.96	\$779.42	No Cost, Below Cap	
Employee + One	\$393.24	\$779.42	No Cost, Below Cap	
Employee + Family	\$554.16	\$779.42	No Cost, Below Cap	
<b>Vision Plan</b>				
<b>MES Vision</b>				
Employee Only	\$52.32	\$49.70	\$2.62	\$0.26

\* The District only subsidizes employee coverage in the Delta PPO Plus Premier dental plan.

Please note:

\* Deductions are withheld from your paycheck on a pre-tax basis, lowering the overall tax liability.