8/24/2019

KPBSD Package Proposal to KPEA

to settle the FY19, FY20, FY21 bargaining

The current agreement continues for FY 19-21 except for all previous TAs that modify existing language, and except for the modifications to the existing language as follows, with applicability to those employed on the date of ratification.

- A change to the duration for July 1, 2019-June 30, 2021.
- Salary schedule increases in the amounts of .5 percent in FY19, 1 percent in FY20, and 2 percent in FY21.
- KPEA employees at C+90/M-T not receiving a step increase will receive an additional .5 percent in FY19, 1 percent in FY20, and 2 percent in FY21 based on the same year's salary in C+90/M-T.
- KPBSD offers the two attached healthcare plans.
- In addition for FY20, the district will replenish the Healthcare Employee Reserve Account to $750,000.00. This equates to a district contribution of $668,748.17, equaling $618.07 per employee.
- A Transition Agreement addressing employee contributions for both the Traditional Plan and High Deductible Health Plan for the months of July 2019 to December 2019, should be reached as soon as possible.

  Health Care Plan changes in a successor Negotiated Agreement may not be implemented until January 1, 2020. The District is particularly concerned with the contribution cost for employees on the Traditional Plan.

8/24/2019

KPBSD Package Proposal to KPESA

to settle the FY19, FY20, FY21 bargaining

The current agreement continues for FY 19-21 except for all previous TAs that modify existing language, and except for modifications to existing language as follows, with applicability to those employed on the date of ratification.

- A change in duration to July 1, 2019-June 30, 2021.

- A new shift differential for KPESA, for Article 17, Section A in the amounts of 40 cents per hour for split shift and 60 cents per hour for graveyard shift. This shift differential is retroactive to July 1, 2018 for those eligible employees employed as of the date of ratification.

- Salary schedule increases in the amounts of .5 percent in FY19, 1 percent in FY20, and 2 percent in FY21.

- KPESA employees not receiving a step increase will receive an additional .5 percent in FY19, 1 percent in FY20, and 2 percent in FY21, off base salary in that year's Column H.

- Addition of Article 37 Extracurricular Programs.

- KPBSD offers the two attached healthcare plans.

- In addition for FY20, the district will replenish the Healthcare Employee Reserve Account to $750,000.00. This equates to a district contribution of $668,748.17, equaling $618.07 per employee.

- A Transition Agreement addressing employee contributions for both the Traditional Plan and High Deductible Health Plan for the months of July 2019 to December 2019, should be reached as soon as possible.

  Health Care Plan changes in a successor Negotiated Agreement may not be implemented until January 1, 2020. The District is particularly concerned with the contribution cost for employees on the Traditional Plan.

Kenai Peninsula Borough School District
KPBSD HRA Proposal
50% Migration

District Portion of Cap Increase By $150 Per Month

		HDHP 90/10
	$	1,795.61
	$	199.51
	$	1,995.12
FY20 - Broker Recommended Rate HSA Plan	$	2,412.34
Amount above/below Cap	$	417.22
50% of Excess District	$	208.61
50% of Excess Employees	$	208.61
District per Month	$	2,004.22
Employee per Month	$	408.12
Total FY20 Monthly Amounts	$	2,412.34
Monthly District Cost For All Employees	$	1,076,266.14
Monthly Employee Cost For All Employees	$	219,160.44
Yearly District Cost For All Employees	$	12,915,193.68
Yearly Employee Cost For All Employees	$	2,629,925.28
Employee Contribution Amount		
Yearly	$	4,897.44
12 Month	$	408.12
9 Month	$	544.16

Benefit Level - HRA Benefits proposed by KPEA and KPESA 8/13/19

Deductible - Individual	*	$	2,500.00
Deductible - Family	*	$	5,000.00
Emergency Room Deductible for Non-Emergency		$	250.00
Coinsurance - Preferred Provider			80% / 20%
Coinsurance - Non-Preferred Provider			80% / 20%
Out of Pocket - After Deductible			
Medical and Prescription - Individual		$	2,000.00
Medical and Prescription - Family		$	4,000.00
(Prescription Drug included with Medical coverage)			

Plus an HRA Allowance of $750 per fiscal year.

*Change from Current KPBSD Plan

Kenai Peninsula Borough School District
KPBSD HSA Proposal
50% Migration

District Portion of Cap Increase By $150 Per Month

		HDHP 90/10
	$	1,795.61
	$	199.51
	$	1,995.12
FY20 - Broker Recommended Rate HSA Plan	$	2,403.35
Amount above/below Cap	$	408.23
50% of Excess District	$	204.12
50% of Excess Employees	$	204.12
District per Month	$	1,999.73
Employee per Month	$	403.63
Total FY20 Monthly Amounts	$	2,403.35
Monthly District Cost For All Employees	$	1,073,852.33
Monthly Employee Cost For All Employees	$	216,746.63
Yearly District Cost For All Employees	$	12,886,227.90
Yearly Employee Cost For All Employees	$	2,600,959.50
Employee Contribution Amount		
Yearly	$	4,843.50
12 Month	$	403.63
9 Month	$	538.17

Benefit Level - HSA Benefits proposed by KPEA and KPESA 8/13/19

Deductible - Individual		$	1,500.00
Deductible - Family		$	3,000.00
Emergency Room Deductible for Non-Emergency		$	250.00
Coinsurance - Preferred Provider			80% / 20%
Coinsurance - Non-Preferred Provider			80% / 20%
Out of Pocket - After Deductible			
Medical and Prescription - Individual		$	2,000.00
Medical and Prescription - Family	*	$	6,000.00
(Prescription Drug included with Medical coverage)			

Plus an HRA Allowance of $750 per fiscal year.

*Change from Current KPBSD Plan

Kenai Peninsula Borough School District
FY19 Year End Healthcare Reserve Balance and Payback

	FY19 Beginning Balance	FY 19 Reserve Repayment	FY19 Adjustment	FY19 Subtotal	FY19 Interest	FY19 Total	Percent for Int Split
ER Healthcare Reserve	1,572,408.17	-	1,440,730.28	3,013,138.45	74,258.48	3,087,396.93	97%
EE Healthcare Reserve	471,065.27	268,810.14	(660,577.86)	79,297.55	1,954.28	81,251.83	3%
Total	2,043,473.44	268,810.14	780,152.42	3,092,436.00	76,212.76	3,168,648.76	

Interest is calculated on beginning balance + adjustment/total reserve before interest.
Split is on a percentage of total.

FY19 Interest Earnings = $76,212.76

EE Required Reserve		750,000.00
FY19 EOY Balance		81,251.83
Amount to Repay		668,748.17
Average Employees per month FY19		1,082
Reimbursement per employee per year	$	618.07
668,748.17 / 1,082 = 618.07		
9 months	$	68.67
618.07/9 = 68.67		