

Board of Trustees Agenda Item

Board Meeting Date: May 7, 2012

Title of Item: Request to Rescind Resolution 2012-12

Background and Analysis:

The board is requested to rescind Resolution 2012-12 “Electing to be Subject to Public Employees’ Medical and Hospital Care Act for less than Half Time Employees and Fixing the Employer’s Contribution at the Same Amount as Full Time Employees” approved by the board on March 12, 2012.

The district had requested board action on this resolution with the understanding that the resolution was necessary to meet the CalPERS’ terms for participation of the district’s part-time faculty who have contractual rights to participate in the district’s health benefit plans in accordance with the *Agreement* between the District and the Faculty Association. Upon further communication with CalPERS it became clear that such resolution is not necessary. In fact, Resolution 2012-12 would potentially create new and additional district financial liability related to the payment of the CalPERS employer minimum monthly contribution for current, former, and/or future less than half-time employees for whom participation in the district’s health benefit plan is neither currently provided for nor contemplated.

To resolve this misunderstanding and avoid unintended district liability related to the district’s health benefit plans, the board is requested to rescind Resolution 2012-12.

Recommendation: Vice Chancellor of Human Resources and Equal Opportunity and Chief Negotiator Dorene Novotny, recommends approval

Submitted by:	Dorene Novotny, Vice Chancellor of Human Resources & Equal Opportunity x6211
Additional contact names:	Suzanne Pfeiffer, Director of Human Resources x6109
Is backup provided?	Yes

**RESOLUTION ELECTING TO BE SUBJECT TO
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
FOR LESS THAN HALF TIME EMPLOYEES
AND
FIXING THE EMPLOYER'S CONTRIBUTION
AT THE SAME AMOUNT AS FULL TIME EMPLOYEES**

Resolution 2012-12


- WHEREAS, (1) Government Code Section 22922(a) provides that a contracting agency may elect upon proper application to participate under the Public Employees' Medical and Hospital Care Act; and
- WHEREAS, (2) FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT hereinafter referred to as School Employer is a local agency contracting with the Public Employees' Retirement System; and
- WHEREAS, (3) Government Code Section 22892(c) provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for annuitants at different amounts, provided that the monthly contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by 5 percent of the current monthly contribution for employees, until such time as the amounts are equal; and
- WHEREAS, (4) Government Code Section 22807 allows a school or public agency to obtain health coverage for less than half time employees; and
- WHEREAS, (5) The School Employer desires to obtain for all less than half time employees who are active employees or annuitants of the agency, the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations; now, therefore, be it
- RESOLVED, (a) That the School Employer elect, and it does hereby elect, to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer's contribution for each employee shall be the amount necessary to pay the full cost of his enrollment, including the enrollment of his family members in a health benefits plan up to a maximum of \$112 per month; and be it further
- RESOLVED, (c) That the employer's contribution for each annuitant shall be the amount necessary to pay the cost of his enrollment, including the enrollment of his family members, in a health benefits plan up to a maximum of ONE DOLLAR (\$1.00) per month; and be it further
- RESOLVED, (d) That the employer's contribution for each annuitant shall be increased annually by FIVE (5) percent of the monthly contribution for employees, multiplied by number of years of employer's participation in PEMHCA, until such time as the contributions are equal;

And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the School Employer for administrative fees and to the Contingency Reserve Fund; and be it further

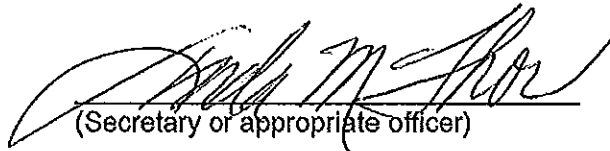
- RESOLVED, (e) That FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (f) That the executive body appoint and direct, and it does hereby appoint and direct, LINDA THOR, CHANCELLOR, to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said Public Agency all functions required of it under the Act and Regulations of the Board of Administration; and be it further
- RESOLVED, (g) That coverage under the Act be effective on JULY 1, 2012

Adopted at a regular/special meeting of the BOARD OF TRUSTEES
at LOS ALTOS HILLS, CA this 12 day of March
2012.

Signed:


JOAN BARRAM
(President, Chairman, etc.)

Attest:


(Secretary or appropriate officer)