

Board of Trustees Agenda Item

Board Meeting Date: June 18, 2012

Title of Item: Vice Chancellor Authorization to Implement Benefit Plan Alternatives

Background and Analysis:

The District contracted with CalPERS Health program to provide its benefit plans to eligible active employees and retirees effective July 1, 2012. During the implementation process CalPERS notified the District it would not certify former employees who were hired prior to July 1, 1997, separated employment, and qualified for continuation of benefits under the "20-Year Rule," and rejected the enrollment of these individuals.

The District intends to pursue an appeal of the CalPERS decision but must pursue other alternatives in the interim. In the interest of meeting the July 1, 2012 effective date, the District must act immediately to implement an alternative.

In an effort to meet its obligation for continuation of benefits, this Resolution authorizes the Vice Chancellor of Human Resources to implement an alternative to coverage under CalPERS which may include a separate self-insured plan for selected individuals, individual coverage under a Medicare supplement or non-Medicare policy, or payment in lieu of individual plan coverage. As each situation may have a unique set of facts, the solution for each individual may differ depending on plan type, Medicare eligibility, availability of other coverage and related factors.

Each solution would be made in the interest of meeting the District's obligation, while maintaining a fiscally conservative approach. We encourage the Board to approve this necessary flexibility and broad authority under these very unusual circumstances.

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 FOR VICE CHANCELLOR AUTHORIZATION TO IMPLEMENT
BENEFIT PLAN ALTERNATIVES
Resolution #2012-33**

WHEREAS, the District contracted with CalPERS Health program to provide its benefit plans to eligible active employees and retirees effective July 1, 2012; and

WHEREAS, during the implementation process CalPERS notified the District it would not certify former employees who were hired prior to July 1, 1997, separated employment, and qualified for continuation of benefits under the "20-Year Rule," and rejected the enrollment of these individuals; and

WHEREAS, the District has been unsuccessful thus far in reaching a satisfactory resolution with CalPERS Health program; and

WHEREAS, the District intends to pursue an appeal of the CalPERS decision but must pursue other alternatives in the interim, and in the interest of meeting the July 1, 2012 effective date, the District must act immediately to implement an alternative; and

WHEREAS, the District wishes to meet its obligation for continuation of benefits; and

WHEREAS, each solution would be made in the interest of meeting the District's obligation, while maintaining a fiscally conservative approach;

THEREFORE, it is hereby resolved that the Board of Trustees authorizes the Vice Chancellor of Human Resources to implement an alternative to coverage under CalPERS which may include a separate self-insured plan for selected individuals, individual coverage under a Medicare supplement or non-Medicare policy, or payment in lieu of District sponsored plan coverage.

Adopted at a regular/special meeting of the Foothill-De Anza Community College Board of Trustees at Los Altos Hills, California, this 18th day of June, 2012.

AYES:

NOES:

ABSTAIN:

ABSENT:

Joan Barram, President

Attest:

Linda M. Thor, Ed.D., Chancellor and
Secretary to the Board of Trustees