

Public Comment

Information Item: Retiree Access to AASD Health Insurance Plan

Information Item: Employee Handbook Revision

AASD Board of Education

Mon, Jan 09, 2023 6:00PM

Kay Eggert (Board President) 36:47

Okay, so that concludes our special presentations. At this time, we would have an opportunity for public input. We do have one individual who has signed up to speak tonight. And just as—just a few points prior to hearing from our individual, just a few reminders that I want to share and these are directly from board policy 187 and its rule. Individual may speak for up to three minutes, and we will have a timer running. I'm now I'm looking at Kim; will we have a timer running Kim? We have a timer perfect great. And so, the board will respectfully request that any speakers refrain from presenting comments that introduce complaints or concerns that are directed toward or identify individual staff members or individual students. Such personnel related and student related manners implicate a variety of rights that require careful attention, and the district has alternative procedures for appropriately addressing such concerns. If a speaker does present a complaint about an individual staff member or inappropriate information concerning individual students, the speaker will be asked to—will be directed that the remarks are not appropriate, and the opportunity to address the board has concluded. So, in addition, the Wisconsin open meetings law allows only brief discussion of topics that are not listed on the agenda and therefore we may not be able to fully address comments that are shared tonight. So, with that, Daniel [W] has signed up to speak and I hope I pronounced your name close.

Daniel W. 38:44

Close enough.

Kay Eggert (Board President) 38:45

Okay. Why don't you. Why don't you tell us your name? That'll be...

Daniel W. 38:48

My name is Dan [W]. I'm a resident of Appleton. Thank you for the opportunity to approach the board and have—expressed an opinion here. For those of you who don't know my wife is a teacher in the Oddison—er the Odyssey magnet school housed in Highlands. She started her teaching career in 1991, in Verona, taught for a year in Freedom and have been in Appleton since 2005.

Daniel W. 39:15

We're getting ready to retire at the end of the 24-25 school year. I'm guessing maybe some of you have been in her classroom. I know she invites the board every year.

Daniel W. 39:24

What I wanted to bring to the attention of the board is the issue of sick leave in the Appleton Area School District. I know the leadership team is working on this. Mr. Hartjes has said so to my wife already, but I wanted to bring up just a couple of quick points. When my wife started teaching in 1991, one of the reasons that she went into teaching was the security of long term deferred compensation. When she started teaching, accrued sick leave would be transferred to a balance would be used to pay health insurance once she had retired. I know the Appleton Area School District is not currently doing that with accrued sick leave.

Daniel W. 40:08

I know that the district's focus this year is on having every teacher there every day being engaged with their students. My wife currently has over 900 hours of accrued sick leave. I'm pretty sure she's been there pretty much every day. In fact, she's still at school. She texted me to come and get her when I was done here. My understanding is currently the policy with the AASD is that once my wife retires, those accrued sick leave benefits stay with the district, they just disappear. I'm wondering if that perhaps disenfranchises some of your people, or disincentivizes, some of your staff to not use their sick leave.

Daniel W. 40:54

I work in the private sector; I've maxed out my bank time off. I get x amount per year, and I use every day of it, because I can't bank any more. I can't save any more than what I have. I'm honestly encouraging my wife to use some of her accrued sick leave. I mean it's 900 plus hours. That's a lot of dollars that she's accrued as a benefit. And I'm just asking the board and leadership to take a look at perhaps updating that policy. I think it would help keep your staff in schools. I think it would help you tremendously with recruitment. And I thank you very much for your consideration. Have a pleasant evening.

Kay Eggert (Board President) 41:37

Thank you. Okay, then that concludes our public input.

[...]

Kay Eggert (Board President) 56:39

All right, thanks. Okay. Now we'll move back to personnel services. Julie King, can you join us again?

Julie King (Chief Human Resources Officer) 56:53

Certainly. All right, so moving back to the two items of information that were listed. Starting with the first item, which was the Medicare eligible retiree access to AASD health insurance plan. Just wanted to provide a little bit of background and history. So, during the 2014-2015 school year, we had an [indecipherable] liability study, which is basically the cost, the projected cost, of our postretirement benefit. That study is connected or conducted by our business department and still is every two years. That study illustrated that the current program at that time was not sustainable moving forward. That plan prior to 2015-16 was a defined benefit which means the district paid for months of health insurance and the employee stayed on the district health insurance for an established amount of time, could be up to 10 years.

Julie King (Chief Human Resources Officer) 57:57

For the 2015-2016 school year, we transitioned into a defined contribution, where funds were placed into vehicles 403(b) and retiree only HRA. And those funds were afforded to the employee in order to purchase health insurance after retirement. Since that time, we've allowed staff retirees to continue on the health insurance plan at their own expense. So, they purchased the plan. And there was no established age limit or cap as to how long they could remain on the district plan. This is a practice, so as it's shared in the item it's a practice and not handbook language. So that's why we're bringing it forward as an item of information today.

Julie King (Chief Human Resources Officer) 58:47

The AASD has been, as the item states, has been a vital advice to discontinue this practice, because although the retirees pay the premiums, the district would pay the cost of claims that are not covered by Medicare. So particularly now that we are self-funded as well, we see those claims as real claims impact on the district budget.

Julie King (Chief Human Resources Officer) 59:12

In addition, there are Medicare supplemental plans that are available. So, this year as part of the open enrollment meetings we would roll in (and we did this for our retirees) some Medicare options and some connections to other resources for those supplemental plans.

Julie King (Chief Human Resources Officer) 59:32

There is an exception surrounding Cobra that we would work through with our third-party administrator, our Cobra administrator which is Diversified Benefit Services. So, before we go any further on that item, are there questions particularly surrounding this item?

Kay Eggert (Board President) 59:51

Julie about how many retirees are using the option to stay on the district plan and pay their out of pocket.

Julie King (Chief Human Resources Officer) 1:00:01

So, we have about 21 retirees on direct bill and for AASD bill. So that means AASD bill would be there's—the district's paying the health insurance they were on prior to the change. And then there'd be 21 after.

Kay Eggert (Board President) 1:00:24

So, 20, just 21 individuals. Maybe I'm not understanding. About how many how many. I didn't understand the explanation.

Julie King (Chief Human Resources Officer) 1:00:34

So, I'm sorry, those are beyond the COBRA period.

Kay Eggert (Board President) 1:00:37

Oh, so okay.

Julie King (Chief Human Resources Officer) 1:00:38

So, retirees do get offered the retiree benefit for COBRA period, which would be 18 months. That's law. But we do have 21 retirees that are on direct bill after that period, as well as for retirees that we're still paying their monthly benefit. So, they're on the AASD bill. Does that make sense?

Kay Eggert (Board President) 1:01:01

Yes, thank you. I don't see any other questions. I'm sorry. Kris has some. Hang on.

Kris Sauter (Board Member) 1:01:13

I have a question, Julie. Do you sense that this will be a concern to 2023 retirees, given that they have just, you know, a couple of weeks before they indicate their retirement plans?

Julie King (Chief Human Resources Officer) 1:01:30

Yeah. A couple pieces. It depends on the situation when—this is a change that we're making moving forward. So, what that means is the 21 retirees and the for—those that were previously on the plan—would not be removed from the plan. This is a grandfathered practice. But I understand, Kris, from your concern or your question, it's those that might retire this year and be 65.

Julie King (Chief Human Resources Officer) 1:01:56

So, there are certain rules that that play in as far as if somebody turns 65 during, er during that period of Cobra, they are noticed that they can they switch the plan. So, it goes to Medicare primary for and then the district

becomes secondary. That's one of the reasons why we put in that piece about the Medicare supplemental options and that education piece so we can provide our retirees with other options. A lot of times there's a less costly option than the AASD plan, but it's kind of that known of I know the district plan. I know who to contact at the district if I have issues. So, where some people may be concerned about that, we do have pieces in place to provide options and other information for those individuals.

Kris Sauter (Board Member) 1:02:56

Thank you. I appreciate that information.

Julie King (Chief Human Resources Officer) 1:02:58

Thank you.

James Bacon (Board Member) 1:03:01

Hey, Julie. It's James. Just out of curiosity, how many people do we have retire on average on any given year?

Julie King (Chief Human Resources Officer) 1:03:09

Um, most years, it's between 35 and 40 educators. I would say in totality, it's probably closer to 70 employees. That's about our average.

James Bacon (Board Member) 1:03:23

Okay. And I guess in the past, how many of those on an average year would like this—would choose this path? I guess. So, I'm trying to get a sense of like, how many people this coming year might be impacted? I guess is what I'm trying to understand.

Julie King (Chief Human Resources Officer) 1:03:41

It's really challenging because this is those that are age 65. So, it's not all retirees. Many of our staff retire at anywhere from 55 to 58 because 58's the eligibility. So, it's a much smaller number of people that would retire close to the age of 65.

James Bacon (Board Member) 1:04:06

Okay

Julie King (Chief Human Resources Officer) 1:04:06

I can, I can provide you with numbers as follow up. But

James Bacon (Board Member) 1:04:12

Yeah, what you've given me so far—we can talk offline, too. That's helpful, but that's helpful to contextualize it already. Thank you.

Julie King (Chief Human Resources Officer) 1:04:23

Other questions on the first item?

Kay Eggert (Board President) 1:04:26

I don't see any other questions.

Julie King (Chief Human Resources Officer) 1:04:29

Well, then I will move into the second item. So, the second item is an employee handbook revision for educators' semester retirements. So, this is a proposed change in the handbook language. Thus, we're providing

the item of information this evening, and this will be presented as an item for consideration at the January 23 meeting. The premise for this recommendation is the district has had a growing number of semester retirements while there have been a decline in candidates, particularly at that semester time. I previewed this when I brought forward the retirements in October for the semester retirements. But this really results in an inability to secure a quality candidate at that time of the school year, thus disrupting the students' academic experience. Therefore, the recommendation would be to allow only retirements at the end of the school year with the post retirement benefit. I'll open it up for questions on this one as well.

Kris Sauter (Board Member) 1:05:42

Julie, I understand the importance of continuity for students, and I also understand the challenge of hiring candidates for positions at any time of the year, particularly in the hard-to-find subject areas. This proposal does seem to decrease options for staff. And there's one group I'm particularly concerned about, and that would be individuals who might find themselves in poor health after they've been able to—or after the February deadline for retirement. And I'm just hoping that those individuals with, say, an illness would possibly be considered for retirement at semester if they've met all of the other requirements. So, can you speak to that possibility, please?

Julie King (Chief Human Resources Officer) 1:06:37

Yeah, thank you, Kris. That certainly has been the case sometimes in the past. Even prior to the change in handbook, we have worked through certain memorandums of understanding if there's an exceptional situation, where there's a diagnosis or a health outcome that impacts somebody's ability to continue the employment. So those we do handle on a case-by-case basis.

Kris Sauter (Board Member) 1:07:08

Thank you.

Kay Eggert (Board President) 1:07:14

I don't see any other questions. Comments from board members? So, did you have anything else Kris? Okay. Okay, go ahead

Ed Ruffolo (Board Member) 1:07:25

I have one, Julie. Is staff aware of these changes and have you had an opportunity for them to provide feedback as to any questions or concerns they may have?

Julie King (Chief Human Resources Officer) 1:07:39

So, our opportunity would be we do have an upcoming postretirement benefit meeting. So, we certainly have individuals that will be retiring here this month. This would apply to those retiring who might want to retire at semester next year. So, where we had discussion with employee relations and talked about, "is this something that could potentially be curbed based on education or something of that need?" So, there has been discussion with employee relations member, but not the broader full body of staff.

Ed Ruffolo (Board Member) 1:08:27

Thank you.

Kris Sauter (Board Member) 1:08:31

Julie, Ed's question, kind of—I'm just wondering if we know whether individuals who have retired at semester planned to retire the previous spring and then gave us an extra semester, or whether their initial plan was to retire, say next spring and so they're a semester short. I'm not sure. I guess I'm just wondering if that might affect any retirements that are upcoming.

Julie King (Chief Human Resources Officer) 1:09:04

Yeah, no, I appreciate that, Kris. We do not have a sense on if it was if they had altered their plans prior to. What I can share is over the past eight years since the change has gone into effect, we've had 15 semester retirements, 73% of those, or 11 of those, were the past three years, which have been our most challenging times to recruit candidates. So, we are seeing an increasing number of semester retirements. I would notice as well as it's a very uncommon practice that we allow with a post retirement benefit as substantial as ours a mid-year retirement. We used to allow retirements at the end of first, second, first, second, third and the end of the school year, which had been changed many years ago to just the two options for a similar reason. But those—that's just a little bit more background information on the breadth of people that may elect for a semester retirement.

Kay Eggert (Board President) 1:10:20

Okay, I don't see any other questions in the room. So, thank you, Julie.