

CONSENT AGENDA ACTION ITEM

Governing Board Agenda

Meeting Date: March 24, 2009

<u>Item Number</u>	<u>Item Title</u>	<u>Responsible Agents</u>
	Flex Credit Benefit Proposal FY 2009 – 2010	Mr. Albert A. Crusoe

Recommendation

It is recommended the Governing Board approve the funding for the employee Flex Benefit Program at the current fiscal year 2008-09 level for fiscal 2009-10. The Governing Board has historically approved full funding of the increase in medical flex benefit credits. Due to budgetary considerations, we are not proposing the Governing Board approve full funding for increased medical expenses for 2009-10.

Justification

The actuarial projection for the FY 09/10 medical plan, provided by our insurance consultants, is a 5% medical premium increase or \$1.1 million.

Approximately 4000 employees out of 4500 benefit eligible employees are enrolled in some level of medical coverage. With employees paying for the additional 5% medical increase, employees will see increased deductions from their pay. Depending upon which medical option is selected, the average range of out-of-pocket expenses for benefit costs are as follows:

<u>Annual Out-of-Pocket Expense for 2008-09</u> Employee Only – average of \$287 Employee and Child – average of \$1,697 Employee and Spouse – average of \$2,006 Family – average of \$3,566	<u>Annual Out-of-Pocket Expense for 2009-10</u> Employee Only – average of \$564 Employee and Child – average of \$2,259 Employee and Spouse – average of \$2,618 Family Plan – average of \$4,356
---	--

These increased costs will be distributed across all groups of employees.

Funding	Approvals/Certifications
<u>Source:</u> <u>Account Identification:</u>	Chancellor _____ Academic & Student Affairs _____ Business Services _____ Human Resources _____ ITS _____ Res Dev & Cmty Relations _____ College President _____