

**2019-2020 Budget Adjustment Options for Consideration 11/28/18 Updated and prioritized  
for further conversation**

Area of Consideration	Explanation	Estimated Maximum Savings	Adjusted Estimated Savings Upon Further Research	Additional Notes
Professional Development/Curriculum	Reduce both PD and Curriculum by \$250,000 and move building PD back to district for distribution	\$500,000	\$500,000	
Memberships/Contracts	Restructure assessment configurations, charge service fee for AP tests, no longer pay for ACT testing	\$150,000	\$75,000	
Administration/ Support Staff	Restructure department responsibilities	\$200,000	\$200,000	
Operations and Facilities	Increase fees for Facility Rental	\$48,000	\$48,000	W/O Group 2, very little revenue generation
Operations and Facilities	Cleaning, maintenance, grounds, supplies reductions	\$75,000	\$75,000	
Programming	Utilize 916 for ALC programming	\$320,000	\$320,000	
Programming	Increasing 9-12 staffing ratio by 1 at the high school		\$321,000	This in place of credit reduction below
Programming	Increasing 7-8 staffing ratio by 1 at the middle schools		\$150,800	This in place of credit reduction below
Programming	Reduce HS programs to the level required by the state, and not above. Geography, PE/Health	\$428,000	\$0	Or reduce 3 FTE
Activities/Athletics	Increase HS athletic and activity participation fees to cover additional cost of programming (flat fee, %, actual coverage of cost)	Up to \$400,000	\$70,000	Pending survey results from coaches and advisors
Activities/Athletics	Remove MS athletics costs from general budget to Community Education Programming	\$170,000	\$170,000	Moves with parent fees remaining the same. Difference comes out of CE fund balance. Short term solutions
Supply and Materials	Reduce board expenses (travel, memberships, food, consulting, etc)	\$21,000	\$21,000	Board will share results
Programming	Remove 6,7 GATE FTE	\$214,000	\$214,000	
Supply and Materials	Freeze building supply budget (2% increase built into budget assumptions)	\$10,000	\$10,000	
District Wide	User of FeePay picks up fees for use of credit card	\$52,000	\$52,000	Meals/Activities - 3.99% charge Comm Ed - 2.99% + \$0.10 - Monthly fee - \$750 Transaction fee \$/month
		<b>Estimated Subtotal</b>	<b>\$2,226,800</b>	
Programming	Remove YCAPP program	\$107,000	\$107,000	
Supply and Materials	Reduction of 5% current building supply allotment	\$24,720	\$0	This OR the 2% freeze
Supply and Materials	Reduce Curriculum Supply budget	\$50,000	\$0	Part of line 4
Programming	Reduce Secondary music staffing	\$40,000	\$40,000	Staff HS in the same manner as other positions
Programming	Remove 5th grade district-wide band program	\$150,000	\$150,000	
Programming	Remove 5th grade district-wide orchestra program	\$150,000	\$150,000	
memberships/Contracts	Eliminate Employee Assistance Program	\$16,500	\$15,000	
District Wide	Contracts and working agreements for the 2019-20 and 2020-21 school years	\$0 - \$1,000,000 per year, for two years	\$0	
Programming	Remove 4 & 5 GATE Programming	\$321,000	\$321,000	
Programming	Reduce MS 1 FTE beyond Board allocated staffing ratio.	\$107,000	\$0	This number cannot be used if also increasing secondary staffing ratio above.
Programming	Remove MS 4 FTE for house model	\$428,000	\$428,000	This changes depending upon what is decided with regard to secondary staffing ration increase. Probably cannot do both
New items to consider (identified by board on 10/23/18)	Reduce administration (beyond \$200,000 listed above)Combi	TBD	\$0	
New items to consider (identified by board on 10/23/18)	Increase enrollment	TBD	\$0	Reflective in future budget assumptions. Identify strategies.
Programming	Reduce choice of electives in 8th grade at MS	Up to approx. \$107,000	\$0	
Activities/Athletics	Increase MS participation fees to cover cost of programming	\$0 - \$170,000		Already in line item above
Operations and Facilities	Close Oak Land swimming Pool, remove MS swimming unit (not a competition sized pool)	\$18,750	\$0	Need alternate location for classes to be held

New items to consider (identified by board on 10/23/18)	Eliminate board salaries	\$33,750	\$33,750	
New items to consider (identified by board on 10/23/18)	Reduce consulting	TBD	\$0	Legal, pest control, environmental, audit, actuarial, demographics, Cathy has comparisons for HR
District Wide	Increase staffing ratio/range by 1 district wide	\$667,000	\$302,500	Cathy provided a breakdown with estimates for elem/secondary – Elementary by 1 = \$302,500; Secondary by 1 = \$364,500
New items to consider (identified by board on 10/23/18)	Reduce sub-contracting (Teachers on Call)	Cost neutral	\$0	
New items to consider (identified by board on 10/23/18)	Reduce instructional coaches	TBD	\$0	Would have to be part of the PD discussion
Programming	Reduce elementary intervention	\$428,000		
Activities/Athletics	Remove lowest HS athletic participation per activity that does not impact Title IX	\$15,867	\$0	
Transportation	10 min. adjustment to ride times; impact third tier charter/non-public schools	\$9,000	\$0	
Operations and Facilities	Life Guard costs are eliminated due to swimming unit elimination	\$20,000	\$0	
Programming	Fortify GATE programming at the site level	-\$107,000	\$0	
Programming	Removal of GATE eliminates van transportation in the southern end of our district to SMS	\$90,000	\$0	
Programming	Removal of GATE eliminates bus transportation to Adventure Club, Oak-Land Middle School	\$55,000	\$0	
Programming	Remove Spanish Immersion paraprofessional	\$25,000	\$0	

\$1,547,250

**Potential High School Athletic / Activity Adjustments  
2019-2020**

1. Independent Provider fees increased to \$75.00	\$ 5,000.00
2. Increase cost of fan buses for students to state tournaments	\$ 500.00
3. Increase concert tickets by \$1.00 to \$8.00 and \$6.00 (note: No free admissions to concerts)	\$ 4,000.00
4. All clubs with paid advisors must have a fee. (NHS, Math League, Prom, Pep Band, Community Service, etc.)	\$ 5,000.00
5. Add a \$20.00 participation fee for all theater and music productions	\$ 2,000.00
6. Increase speech and debate participation fees by \$20	\$ 1,700.00
7. After school weightlifting transfers over to Community Ed. Eliminates advisor positions from the athletic budget, no longer a lettering activity	\$ 9,000.00
8. Academic or curriculum based lettering increase to \$10.00 (from \$9.00)	\$ 200.00
9. Increase fees \$70.00 per sport (\$20 district, \$25 sport, \$25 uniform)	\$10,000.00
• Eliminate all supply/equip budgets across the board (31 X \$250.00)	\$ 7,750.00
10. Eliminate post season mileage reimbursement for AD	\$ 800.00
11. Increase hockey fees to \$450/participant	\$11,500.00
12. Eliminate advisor position for clubs that do not have at least 12 paid members	\$ 1,700.00
13. Restructure price for all clubs and fine arts to \$75.00 each (no cap)	\$ 1,500.00
14. Cap entry fees to \$600.00/sport (where applicable)	\$ 5,000.00
15. Eliminate meal money for state tournament teams and individuals	\$ 7,500.00
<del>16. Eliminate third sport discount for all athletes</del>	<del>\$ 7,500.00</del>
<del>17. Captains purchase captains' patches</del>	<del>\$ 1,365.00</del>
<del>18. Yearly charge for senior citizens passes (\$15/year)</del>	<del>\$ 2,250.00</del>
<del>19. Reduce number of lower level (JV, B, 9) contests by 1 across the board</del>	<del>\$10,000.00</del>
<del>20. Eliminate all youth, parent, and food shelf nights for admission</del>	<del>\$ 3,000.00</del>
<del>21. Eliminate all 9B and 10B contests transportation and officials</del>	<del>\$ 5,000.00</del>
<del>22. Reduce number of coaches on staff. One coach per level of program offered</del>	<del>\$45,000.00</del>
<del>23. Eliminate Dome Rental time (lease levy dollars)</del>	<del>\$ 5,000.00</del>
<del>24. Charge participants 70% of the sports cost per athlete</del>	<del>\$15,000.00</del>

# SAHS Activities Department Proposed Budget Reduction Ideas

The ideas listed below were generated and shared with all SAHS head coaches, fine arts staff and administration via Google Docs. Individuals were sent the initial survey and 2 reminders to complete the information. 20 individuals responded and 15 opted not to participate.

Increase Athlete Participation Fees by \$70 per sport. \$20 to district/\$25 to individual sport/\$25 to department for uniform replacement program.

Strongly Agree	50%
Would Consider as an Idea	40%
Strongly Disagree	10%

Eliminate all club adviser positions for clubs with less than 12 registered students.

Strongly Agree	50%
Would Consider as an Idea	35%
Strongly Disagree	15%

Increase speech and debate participation fees by \$20.

Strongly Agree	70%
Would Consider as an Idea	25%
Strongly Disagree	5%

All clubs with paid advisers must have a fee.

Strongly Agree	75%
Would Consider as an Idea	20%
Strongly Disagree	5%

Eliminate 3rd sport or MSHSL activity discount.

Strongly Agree	40%
Would Consider as an Idea	30%
Strongly Disagree	30%

Eliminate free admission to athletic contests for youth nights, parent's nights & food drive events.

Strongly Agree	15%
Would Consider as an Idea	40%
Strongly Disagree	45%

Add participation fee for students participating in theater and musical performances. \$20 per student.

Strongly Agree	90%
Would Consider as an Idea	5%
Strongly Disagree	5%

Yearly charge for senior citizen passes. (Currently senior citizens who live in the district can get a free pass and get in to athletic contests and fine arts performances for free.)

Strongly Agree	35%
Would Consider as an Idea	30%
Strongly Disagree	35%

Eliminate club participation maximum fee of \$100. Institute a \$75 per club fee.

Strongly Agree	35%
Would Consider as an Idea	50%
Strongly Disagree	15%

Increase concert ticket prices by \$1 per ticket. No free tickets.

Strongly Agree	70%
Would Consider as an Idea	25%
Strongly Disagree	5%

Eliminate fine arts maximum fee of \$75. Institute a \$75 per fine arts activity fee.

Strongly Agree	40%
Would Consider as an Idea	40%
Strongly Disagree	20%

Eliminate all supply budgets for all sports.

Strongly Agree	10%
Would Consider as an Idea	40%
Strongly Disagree	50%

Increase independent provider participation fees from \$50 to \$75.

Strongly Agree	60%
Would Consider as an Idea	40%
Strongly Disagree	-

Eliminate meal money allowance for state tournament teams and individuals.

Strongly Agree	65%
Would Consider as an Idea	10%
Strongly Disagree	25%

Reduce budgets for entry fees to \$600 per team/sport.

Strongly Agree	15%
Would Consider as an Idea	65%
Strongly Disagree	20%

Transfer fall & spring weight room program and winter Pony Power to Community Education.

Strongly Agree	70%
Would Consider as an Idea	25%
Strongly Disagree	5%

Reduce lower level contests by one for each sport and season.

Strongly Agree	25%
Would Consider as an Idea	35%
Strongly Disagree	40%

Increase cost of letter award purchase by students receiving awards for academics or curriculum based programs by \$1.

Strongly Agree	70%
Would Consider as an Idea	25%
Strongly Disagree	5%

Reduce number of coaches on staff. One coach per level of program offered. (Football reduced by three coaches.)

Strongly Agree	10%
Would Consider as an Idea	40%
Strongly Disagree	50%

Captains pay for captains patches \$15.

Strongly Agree	50%
Would Consider as an Idea	15%
Strongly Disagree	35%

Eliminate paying for dome rental for practices and /or tryouts.

Strongly Agree	55%
Would Consider as an Idea	35%
Strongly Disagree	10%

Increase cost of fan buses for students to state tournaments from \$5 to \$10.

Strongly Agree	75%
Would Consider as an Idea	25%
Strongly Disagree	-

Eliminate 9B & 10B competitions.

Strongly Agree	25%
Would Consider as an Idea	30%
Strongly Disagree	45%

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Please submit additional ideas or suggestions in the space below. (Please do not suggest increasing advertising.)

1. Limit the number of paid bus trips per sport.
2. Thanks, all good ideas above
3. Place emphasis of sport budget on individual sport programs and allow sports who collect enough money to not use school allotted budget to return it to school or move it to other sport
4. If we give \$20 to the district, I believe that people should know the money is going to our district.
5. It would be easy for coaches in sports that do not charge fan admission to vote against allowing youth nights to happen.
6. I don't know what independent provider participation is.
7. Reducing or eliminating dome time for boys lacrosse would be dependent on turf field availability
8. I would drop all team supply budgets and let teams pay for that themselves. Our supply budget will maybe buy us a couple cases of pucks. I would give that money back to the athletic department. I don't see the point in the \$70 increase overall. Why would you collect money for uniforms when you don't pay for them now anyway. Just increase fees by \$25-\$50 and be done with it. Each individual team can buy their own equipment and uniforms without the school districts help.
9. Charge the state, section and conference for the use of our facility in all cases. Section cross country is assessed over \$5000 just in rental at the U of M for 6 hours of a cross country meet and the Section pays nothing to Stillwater for hosting a 2 day track meet? Hmmmmmm.
10. FYI, it's difficult to vote on these items when I don't know the costs of each one.
11. I generally support increasing fees if revenue needs to be increased.



## ALC Study Board Report

### Introduction

The St. Croix Valley Area Learning Center, also known as the ALC provides an alternative program designed to provide options for at-risk students who have experienced challenges succeeding in the traditional school system. The ALC is designed to provide students with smaller classroom settings and a more flexible learning environment.

The purpose of this report is to provide an overview of enrollment trends, information on students served, comparison data with other ALC programs, and key characteristics of effective ALC programs. The report also includes options for an ALC model moving forward, and systems designed to meet the needs of students.

### Demographics

Enrollment Trends:

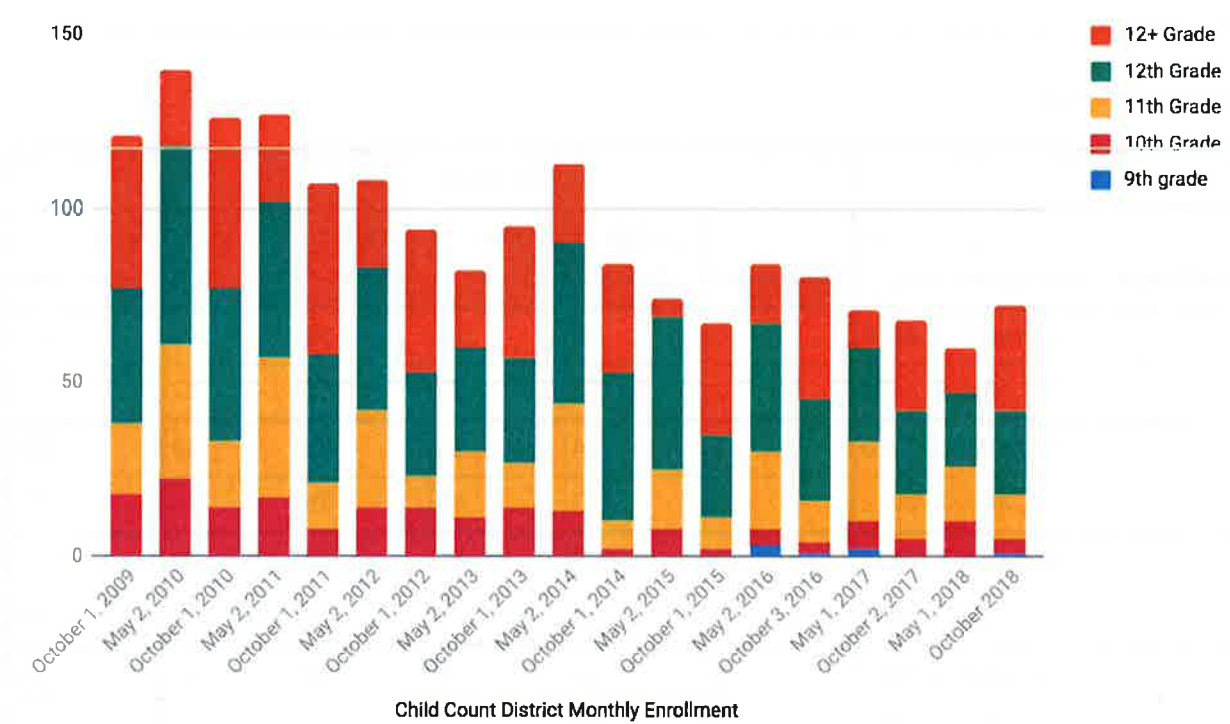
Enrollment: October and May	Grade Level					Total Enrollment
	9th grade	10th Grade	11th Grade	12th Grade	12+ Grade	
October 1, 2009	0	18	20	39	44	121
May 2, 2010	0	22	39	57	22	140
October 1, 2010	0	14	19	44	49	126
May 2, 2011	0	17	40	45	25	127
October 1, 2011	0	8	13	37	49	107
May 2, 2012	0	14	28	41	25	108
October 1, 2012	0	14	9	30	41	94
May 2, 2013	0	11	19	30	22	82
October 1, 2013	0	14	13	30	38	95
May 2, 2014	0	13	31	46	23	113
*October 1, 2014	0	2	8	43	31	84
May 2, 2015	0	8	17	44	5	74

<b>October 1, 2015</b>	0	2	9	24	32	<b>67</b>
<b>May 2, 2016</b>	3	5	22	37	17	<b>84</b>
<b>October 3, 2016</b>	1	3	12	29	35	<b>80</b>
<b>May 1, 2017</b>	2	8	23	27	11	<b>71</b>
<b>October 2, 2017</b>	0	5	13	24	26	<b>68</b>
<b>May 1, 2018</b>	0	10	16	21	13	<b>60</b>
<b>October 2018</b>	1	4	13	24	30	<b>72</b>
<b>May 2, 2019</b>						

\*ISD 916 ran and administered the ALC program for one year

- Enrollment has decreased by 40% from the fall of 2009 to the fall of 2018.
- 12+ enrollment typically decreases by 50% from fall to spring of each year.
- Most years enrollment increases for grades 10, 11, and 12 from fall to spring.

Enrollment by grade level:

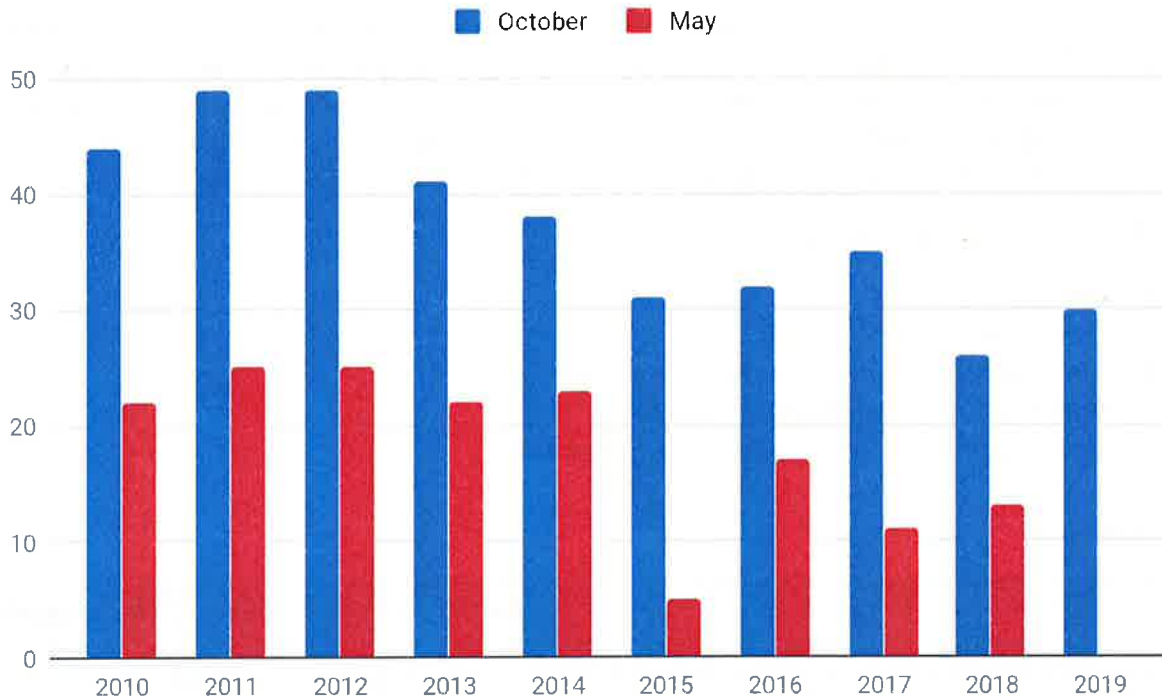


There have been three significant changes with potential impact on ALC enrollment:

- Intermediate Service District 916 ran the ALC during the 2014 - 2015 school year with a half-time assistant principal and full time lead teacher (at Stillwater location). ISD 916 changed the ALC program from an independent study model to a seat based model.
- The 10th-grade academy at SAHS was first implemented in the fall of the 2014-2015 school year.
- ALC moved to the High School for the start of the 2017 - 2018 school year



### Longitudinal 12+ Child Count between October and May by School Years FY2010 - FY2019



- The ALC provides educational services for students who have completed their 12th-grade year and have not earned enough credits required to graduate (12+ students).
- The number of 12+ students served consistently decreases throughout the academic year as a result of the student graduating or choosing to discontinue attending the ALC program.

### ALC Graduation Rates: FY2013 - 2017

Grad Year:	Four Year Graduation Rate	Five Year Graduation Rate	Six Year Graduation Rate
2012-2013	52.6%	63.0%	70.7%
2013-2014	52.7%	77.1%	72.5%
2014-2015	33.3%	80.7%	82.9%
2015-2016	47.8%	61.7%	82.8%
2016-2017	50.0%	72.7%	74.1%

- Average four-year graduation rate over the past five years has been relatively consistent at approximately 50%. The majority of students enter the ALC during their 11th or 12th-grade year as a result of falling behind on credits.
- The average five-year graduation rate of 71% and a six-year graduation rate of 76.6% indicate a significant increase in graduation rate.

## Comparison Data

One of the tasks of the ALC study was to do a comparison between the Stillwater ALC and five selected ALC's in the east metropolitan area. The Alternative Learning Center programs in the comparative study were reviewed by the number of enrolled students, number of students with Individualized Education Programs (IEPs), poverty indices of the districts and graduation indicators. Each of these items will be discussed below with the accompanying data included with a summary of the findings.

The five ALC programs selected were:

- White Bear Lake ALC
- South Washington County ALC
- East View ALC - Intermediate District 916
- Mahtomedi ALC - Intermediate District 916
- Metro Heights ALC - Intermediate District 916

Enrollment:

	Stillwater	WBL	SW Alt High	East View 916	Mahtomedi 916	Metro Heights 916
<b>Child Count</b>	75	107	97	118	73	115

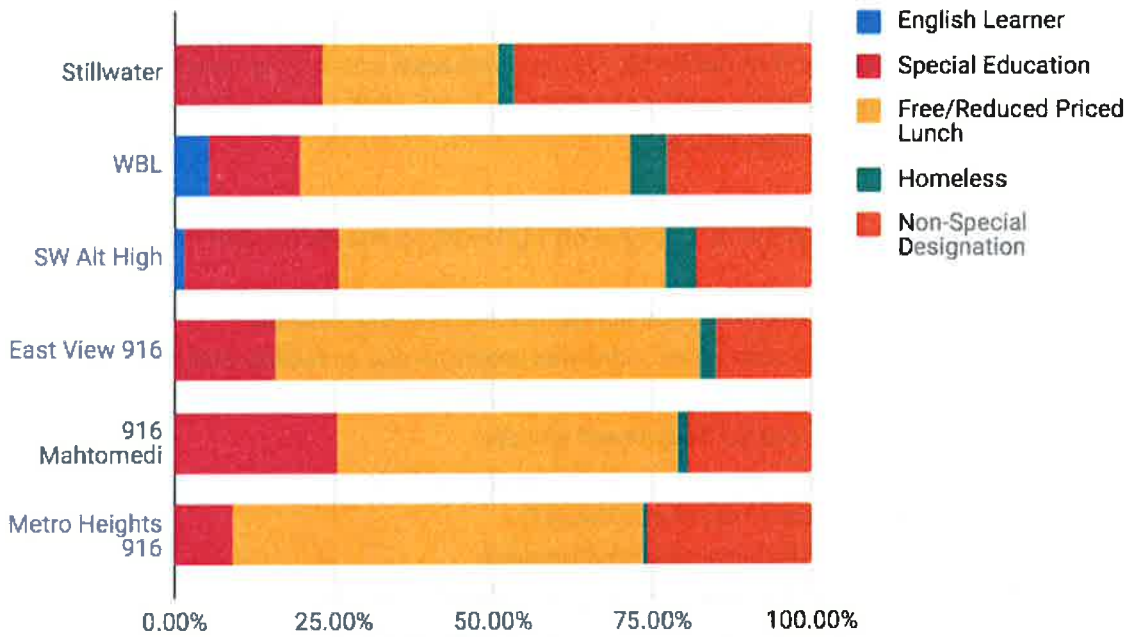
- Stillwater ALC serves 3.6% of high school enrollment and White Bear Lake serves 4.9% of high school enrollment. The only two Districts of similar high school enrollment.
- East View primarily serves students from Roseville and Mounds View.
- Mahtomedi ALC primarily serves students from North St. Paul and Mahtomedi.
- Metro Heights ALC primarily serves students from Columbia Heights and Fridley school Districts.
- Most districts have moved to regional ALC models.

ALC enrollment by special population categories for the Stillwater ALC as compared to the other five ALC's in the comparison group. The data is from the 2017-18 (FY 2018) school year.

<b>Special Population FY2018:</b>	Stillwater	WBL	SW Alt High	East View 916	Mahtomedi 916	Metro Heights 916
<b>*English Learner</b>	0.00%	5.30%	1.50%	0.00%	0.00%	0.00%
<b>*Special Education</b>	23.30%	14.30%	24.20%	16.00%	25.40%	9.20%
<b>*Free/Reduced Priced Lunch</b>	27.40%	51.90%	51.50%	66.40%	53.70%	64.20%
<b>*Homeless</b>	2.70%	6.00%	4.50%	2.50%	1.50%	0.80%
<b>Non-Special Designation</b>	46.60%	22.50%	18.30%	15.10%	19.40%	25.80%

\*Data assumes non-duplicated students, which means non-special designation is the lowest possible percentage.

Enrollment by special population (cont.)



Enrollment by Special Population: 2018

- Stillwater ALC has the highest percentage of students (46.6%) falling in the Non-Special Designation category of the comparative Districts.
- Stillwater ALC has the smallest percentage of students falling in the Free/Reduced Priced Lunch category of the comparative Districts.
- Stillwater ALC is among the three highest percentages of students in the Special Education category.

ALC attendance averages per quarter: SY16-17, 17-18 and Fall SY 18-19

School Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
2016 - 2017	85.0%	81.0%	68.3%	61.3%
2017 - 2018	93.0%	80.9%	78.8%	63.0%
2018 - 2019	91.1%			

## Current reality/ Perception Data

The St. Croix Valley ALC, has one administrator, 5 general education teachers, 1 special education teacher and 3.75 hours of para support per day. Currently, ALC students have access to chemical and mental health staff and counseling three days a week. As of November 1st, 2018, we have 7 students who are taking classes at both the ALC and High School.

- A focus group meeting of students was held on 11/19/18, to discuss reasons students choose the ALC:
  - SAHS teachers focused more on academics and not relationships.
  - There is a need/want for more individual attention due to feeling that high school teachers did not have the interest or time to help them.
  - The larger school created heightened anxiety.
  - Students wanted to “get back on track” for graduation.
- Student themes on what they liked about the ALC:
  - They like the ALC small learning environment.
  - They like the Individualized learning pace offered by the ALC.
  - The relationships with ALC teachers and Julia Geigle, Chemical Health Counselor were important to the students.
  - Sense of belonging at ALC was a key theme for why students liked the program.
- Student themes on what they disliked about the ALC:
  - Some students did not like the transition students have to make from their space to the lunchroom.
  - Students did not like the small space they have as an ALC. Classrooms are packed and not enough space for them and teachers.
  - They don't like students who only show up once in awhile and disrupt the learning of others.

## Characteristics for effective ALC programming (citations at end of document)

- Best Practice models based on research:
  - Students experience a sense of community.
  - Caring relationships are established between teacher and students.
  - Accessibility to counseling or mental health services.
  - Student-centered curricula and pedagogy.
  - Addressing the whole child. Social and emotional programming.
  - Individualized programming.

## Program Options

1. Continue with current model located at the High School
  - a. Pros: Access to SAHS spaces and resources, access to mental and chemical health services on a consistent basis
  - b. Cons: Perceived constraints on ALC space, limited separation from SAHS students
  - c. Budget Implications: \$320,000 in cost beyond revenue (inclusive of summer)
  
2. Current model, but move to Oak Park Building
  - a. Pros: Increased space, separation from SAHS students
  - b. Cons: decreased access to mental and chemical health support and other specialized programs, limited access to food services, reduced general course and elective opportunities, staff required to travel to provide services
  - c. Budget Implications: \$427,000 in cost beyond revenue (\$320,000 + additional nurse, chemical health, mental health and counseling). Cost of space reconfiguration needs and/or equipment are not included.
  
3. Current model, but move to leased space
  - a. Pros: Possibility of increased space, separation from SAHS students
  - b. Cons: decreased access to mental and chemical health support, limited access to food services, reduced general course and elective opportunities, staff required to travel to provide services
  - c. Budget Implications: \$550,000 in cost beyond revenue (\$320,000 + additional nurse, chemical health, mental health and counseling, custodian, food service, transportation shuttle, lease)
  
4. Move to Mahtomedi 916 ALC (decision by December for 916 staff)
  - a. Pros: Separation from SAHS students, access to mental health and chemical services on a consistent basis, students would be able to participate in credit recovery, after school hours, at SAHS
  - b. Cons: Distance away from the community
  - c. Budget Implications: Reduction of \$320,000 to the annual budget

Citations:

Aron, Stacey, (2015). Successful characteristics of a ALC program. American Institute of Research, table 1.

McLaughlin, M. and Santikian, H.,( 2011). Plus: San Jose's Successful Alternative Education Option.

Poole, J., (2016) Characteristics of Effective Alternative Schools in Georgia: Leaders Perceptions, Georgia University, Statesboro, GA,

Curocens Learning Dropout Prevention. 2017, The Missing Piece to a Successful Education Alternative Program. <https://www.curogenslearning.com/missing-piece-successful-alternative-education-program/>

# IMPACT OF MOVING TO IN-HOUSE BENEFITS ADMINISTRATION VS. CONSULTING

(Updated 10.30.18)

## **Budget Impact:**

If we bring benefit administration in-house we would need to hire two full-time employees in the HR Department. The costs for the two positions are:

### **HR Benefits Coordinator- total yearly cost around \$107,000 with salary and benefits**

#### Example of duties

- Legal oversight of benefits compliance including flex spending, Health Savings Accounts, Medical, Dental, Life, Supplemental Life and LTD
- Coordination of annual renewal process
- Entry and tracking of all changes to insurance plans including health, dental, life, supplemental life, and LTD
- Liaison to all insurance carriers
- Discrimination testing
- Ensuring compliance and processing of health reform related payments
- Oversight of insurance committee
- Resolution of claims issues for employees
- Responsibility for the RFP process; all plans at least every five years, medical every two years
- Administration of COBRA and retiree payments; collection for non-payment, etc.

### **HR Benefits Tech- total yearly cost around \$75,000 with salary and benefits**

#### Example of duties

- Processing of medical and daycare flex claims; determine eligibility and process payment
- COBRA administration

**TOTAL INCREASED STAFFING COSTS = \$182,000\***

\*Would also need significant funds to develop computer systems for enrollment and management.

**CURRENT YEARLY COST OF EBC, ONEDIGITAL, AND PLANSOURCE = \$99,130**

## **Benefits of Retaining Consultants:**

Consultants benefit Stillwater Area Schools in the following ways:

- Regulatory Compliance Knowledge
- Efficiency
- Software

**Regulatory Compliance Knowledge:** Laws and regulations regarding benefits change constantly. Districts with in-house benefit administration normally contract with a consultant to help them navigate changes in legislation, etc. Consulting companies have legal teams that help navigate the changing landscape. Some regulations, such as COBRA, have penalties that can be issued if rules aren't followed. Our consultants help us avoid penalties.

**Most important, because the benefits are handled on a pre-tax basis, failure to comply with all laws related to processing changes, reimbursing eligible expenses, etc. could result in a loss of the non-tax benefits requiring us to go back and charge all employees related taxes, and apply taxes to district costs as well.**

Example: COBRA (\$100 per day fine for each day a COBRA notice is issued outside the 14 day requirement), 403B loans and withdrawals, ACA, and 1095 Reporting all have penalties if not administered correctly.

**Software:** Technology changes quickly. Employees expect efficient systems to enroll and make changes to their HR information and benefits. The school district does not have technology staff to create user platforms to enroll in or make changes to benefits. A consultant can put together a great software product and split the cost of development and upgrades among many users. This keeps costs down for each user including Stillwater Public Schools.

Example 1: On-line benefit enrollment. Currently employees can log into a system that provides detailed information regarding the coverage they carry. It also allows them sign up for benefits much like they shop on-line. They add the insurance benefits they want to their shopping cart and check-out when the process is complete. Our current Human Resources Software does not have capability for this type of enrollment.

Example 2: EBC has developed ACS to track 403b contributions. ACS is a fully encrypted web-based application that will allow employers to track and maintain employee 403(b)/457(b) contributions, contribution limits, transfers, loan applications, loan repayments, catch-up provision, and hardship withdrawals.

EBC currently submits contribution data and funds to over 40 vendors. Our common remitter service is fast and effective. The whole process of uploading payroll information, reconciling, printing and posting should take your payroll administrator no more than 9 minutes. EBC staff is also available to employers and employees to answer compliance and administrative questions as they arise.

If we needed to develop our own in-house computer platforms for benefit administration it would come with high costs in development and up-keep.

**Efficiency:** There are many aspects to benefit administration; it would be difficult for two people to be experts in all these areas. It is far more efficient for an employee with our consultant to become an expert in one or two areas and then help multiple organizations.

Example: PlanSource has one employee to manage enrollment, another employee to manage Flex Spending and VEBA, another to focus on COBRA and Retiree information. This allows each person to become an expert in the area they work with. Combined with experts at EBC in 403b administration and insurance experts at One Digital, our employees receive high quality benefit administration.