

H-2: In Lieu Medical Benefits:

Summary:

The school offers two different medical insurance plans, Pacificare and Kaiser. (Pacificare is a typical HMO group policy.) The idea is to give employees a choice of plan types.

Currently only the Director at the school is receiving in lieu benefits, as it was offered as part of her compensation package last spring. The total cost to the school of that benefit annually is \$4800. Other employees are interested in having in lieu coverage. That benefit is taxable income, however, so the useable funds would be lower than \$460 per month. Attached is a sample policy from another school district. Fewer and fewer districts are sponsoring in lieu plans, however it is a way to provide more health care options for employees.

* Our current medical insurance broker (RESIG) has negotiated an option with Pacificare, one of the companies through which we offer coverage, that provides us with a 2% discount on our Pacificare premiums if we have NO in lieu recipients. This would mean an estimated savings of a little over \$1000 per year.

The Board has stated that they wish to continue to cover the cost of the most expensive medical plan for the employee. Currently the monthly stipend from the school is \$400; next year it will need to be \$460 to cover the individual Pacificare premium. Coverage of additional family members is at the employee's expense, although if an employee chooses the less expensive Kaiser option, the school's stipend covers some of the additional family coverage costs.

Recommendations:

If the school were to consider in lieu benefits for all employees, I would recommend that we pay this fee only if an employee use it for medical insurance. That means we would need to have an extra layer of paperwork to ensure that the employee did indeed have up to date insurance.

SAMPLE from another school

AUTHORIZATION FOR CASH IN LIEU OF BENEFITS

PLAN YEAR: October 2003 THROUGH September 2004

Employee Name: _____

Home Address: _____

City/State/Zip: _____

Social Security #: _____

Flexible Benefit "Cash" Election (Complete *only* if waiving medical coverage)

~ I acknowledge I have other health coverage and consequently elect to waive my health insurance benefits through the Mill Valley School District. By waiving this benefit, I understand I will receive \$438.00 per month for October 2003 – September 2004 (or appropriate prorated amount if less than a full time employee) in taxable earnings.

Please Note: If you would like to deposit your monthly amount (or the appropriate prorated amount) into a Tax Sheltered Annuity (TSA) this is a completely separate election and distinct from the flexible benefit plan "cash" option. You will need to contact your TSA representative and make arrangements to choose the appropriate investment option(s) for your circumstance and increase your contributions.

ELECTION AUTHORIZATION

By signing this agreement, I understand the following provisions of the Flexible Benefit Program:

The above election applies to the Plan Year and may not be changed except upon a change in my family status such as; marriage/divorce, death of a spouse or child, termination or commencement of a spouse's employment, full-time to part-time employment changes (or vice versa), the employee or spouse taking an unpaid leave of absence or a significant change in the health coverage of the employee or spouse attributable to the spouse's employment. Election changes must be made within 31 days of the family status change.

Employee Signature: _____

Date: _____

H-3

Loan Agreement for teacher training/credentialing costs

Summary:

The school currently pays for each teacher at the school, regardless of how many hours they teach, to attend a conference each year at the cost of about \$300-400. About half the teachers attend one and thereby request the funds. The school also budgets to help pay for other smaller costs; for example, this summer a number of teachers are taking a classroom management class at the school's expense, at the Director's suggestion. That will cost \$180 per person.

In the past, larger costs that teachers faced in order to meet the credentialing requirements of the state or the Waldorf training requirements of our school have been paid in part by the school. The method used to pay for these costs in the past was to have them considered a loan from the school that the teacher "worked off" over a period of four years. That way the school helped with the costs of training, but didn't pay to train a teacher who was just going to leave.

At the March 2006 board meeting we discussed reviving this policy with the caveat that we reduce the amount of time that teachers needed to work off the loan to two years.

Attached are the proposed "loan" application request form and the corresponding agreement.

Projected Costs:

We will have three full time teachers beginning a four year Waldorf training this summer at a cost of \$2700 per year. Two other teachers will have significant costs pertaining to completing their state credentials. One will likely be about \$1000 and the other much more. We do not have figures on her total cost, but could cap it at a certain amount (also \$2700 per year?).

Recommendation:

The Director recommends that we use this method to help pay for training costs leading to a credential or a Waldorf certificate. It is important for us to ensure that our teachers have the education and credentials to do their job as required by our school and the state. As long as it is feasible for the school to help pay for these courses, I recommend we do so, with a cap on the amount available per person per year to borrow.

* Prof. development plan that is quantifiable
→ Dominican costs?

Sebastopol Independent Charter School
Loan Request for Reimbursed Educational Expenses

Upon request, the school may approve a loan for educational expenses leading toward a degree or credential necessary for working at our school. Please fill out this request form and return to Susan. The School Board may approve such loans based on available funding and the nature of the request. In general, the school will normally approve a loan for half of the total amount needed to complete the course or credential, with exceptions considered on a case by case basis.

This reimbursement will be considered a loan from the Charter School to the Teacher, and will be repaid to the Charter School if the Teacher should leave the employment of the school as defined in the agreement. However, the loan will be forgiven at the rate of 50% per year that the Teacher continues to be employed at the school after the loan is made. A sample agreement is attached. You will receive a completed copy of this agreement if the Board of Directors approves your request.

Employee Name: _____

Credential or certificate working towards: _____

Granting institution: _____

Expected date of completion: _____

Loan amount requested: _____

Reason for request: _____

If I am awarded the loan, I will abide by the terms set forth in the agreement. I will also provide the school with receipts for educational expenses paid for with these funds.

Signature

Date

Office use only:

_____ *Reviewed by Director*

_____ *Approved by the Board of Directors*

Sebastopol Independent Charter School
Loan Agreement for Reimbursed Educational Expenses

1. This agreement is between _____
(hereinafter: the Teacher) and the Sebastopol Independent Charter School.
2. The date of this agreement is _____.
3. The Teacher has received the sum of _____ as reimbursement for educational expenses leading to a _____ degree or credential, or has requested the school to make payment toward such.
4. This reimbursement will be considered a loan from the Charter School to the Teacher, and will be repaid to the Charter School if the Teacher should leave the employment of the school as defined in number 5 below. *or if the course work is not successfully completed by the date stated above.*
5. This loan will be forgiven at the rate of 50% per year for every year that the Teacher continues to be employed at the school after the loan is made:
 - If the teacher is no longer employed at the school on or after _____ s/he will repay the school \$ _____.
 - If the teacher is no longer employed at the school on or after _____ s/he will repay the school \$ _____.
6. The Teacher agrees to submit grade reports and proof of completion of classes as soon as they become available.

7. If, before the end of the period in which loans for educational expenses are forgiven through continued employment at the Charter School, the Teacher must take a leave of absence for health or family reasons, and for reasons beyond the Teacher's control must interrupt said continued employment, then the Charter School may postpone collection of any loan repayment until the Teacher is able to return to work and continue the process of earning the loan forgiveness.

8. *If the teacher is unable to fulfill this agreement due to extenuating circumstances the School Board may elect to postpone or forgive repayment.*
Executed this _____ day of _____, 20____.

Prof. develop. plan attached - expected date of completion

Teacher

Susan Olson for the Charter School