

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of October 25, 2011

ITEM # ||

ITEM TITLE: Acceptance of **Benefits Bridge Service Agreement** intended to improve employee records management and accurate bill payments to our benefit plan vendors.

SPECIFIC BOARD ACTION REQUESTED:

Approve Service Agreement for **Benefits Bridge**, a Keenan & Associates web-based product and service, to develop an integrated benefits enrollment capability and design a common remitting platform for accurate payment for medical, dental, life, long-term disability, employee assistance plan expenses for over 2000 employees, retirees and their eligible dependents.

Automating employee data creates a platform that will update all medical providers and affiliating business partners so that the source information is available immediately, consistently, and accurately with all vendors. Therefore, whenever an employee or retiree remits a change in status, that information is automatically updated with every Peralta affiliate associated with Benefits. The District seeks approval to execute this agreement prior to commencing the next Actuarial Study for fiscal year ending June 30, 2012. The service agreement is for one year, effective November 1, 2011, renewable annually.

ITEM SUMMARY: (PLEASE *DISCUSS THIS ITEM*)

Following Other Post Employment Benefits study performed in 2010, and the 2010 Dependent Eligibility Audit, it became apparent that the Benefits Office needed to improve the accuracy of internal and external enrollment records.

Upon the recommendation and findings of the annual financial report that noted areas of the District's Benefits Office could improve, it conducted a dependent audit in 2010. The purpose of the dependent audit was to identify eligible and non-eligible dependents of active and retired employees and thereby removing those who were ineligible to receive continued medical benefits from Peralta. This audit alone saved the District a substantial amount of \$800,000 as well as *reduced* the District's unfunded liability through the Other Post Employment Bond (OPEB) by having accurate data for the purpose of long-range planning through the use of an actuarial analysis.

Currently, benefits enrollment and bill paying is a manual process which is onerous to efficiently maintain with our major business partners Kaiser, Core Source and Delta Dental. With the successful implementation of the **Benefits Bridge** product, we expect to engage employees in the management of their personal data and benefit enrollment records; thereby allowing us to update records and receive credits in a timely fashion from our business partners. **Implementing this service with Benefits Bridge, the District will have accurate data and records in which to commence the actuarial study for fiscal year ending June 30, 2012.**

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

General Funds
\$40,000/YEAR

BACKGROUND/ANALYSIS:

In order to retain the cost savings of \$800,000 from the 2010 Dependent Eligibility Audit (DEA) and improve the data accuracy between our internal systems and our external vendors, the Benefits Office needs enhanced electronic integration. Incorporating this type of software was the next step after concluding the DEA. Through this electronic enhancement and development, we can:

1. Improve the quality of our data as we move forward in upcoming actuarial studies, and
2. Accurately reconcile our payroll to the billing statements which will lead to timely and accurate benefits payments processing on a monthly regular basis.
3. Reduce the District's unfunded liability through automated and accurate recordkeeping and by having an accurate projection of future liability through an actuarial study.

The desired outcome addresses the Benefits Office's commitment to implement and monitor procedures and controls which support effective budget management per the findings in the **Annual Financial Report of 2010**.

ALTERNATIVES/OPTIONS:

- The District considered using **PeopleSoft** modules (initial cost estimated at about \$50,000 plus consulting fees).
- The District also explored **Benetrac**, however, with the customizations required to integrate with our system, this product may not have yielded the desired results within budget or timeframe.
- **Benefits Bridge** has the ability to deliver the level of service integration at a reasonable cost in order to improve the Benefits Office data management and reporting to our other business partners such as Kaiser and Delta Dental.

EVALUATION AND RECOMMENDED ACTION:

We have previewed this product in another environment and believe that this undertaking will fit our culture and Keenan has provided a one year service agreement at a cost of \$3333/month; \$40,000/year.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES Human Resources, Information Technology NO _____

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (VICE CHANCELLOR)

Vice Chancellor Trudy Largent

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: Jennifer Benford Seibert
District Benefits Coordinator

Date: October 11, 2011

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: Trudy Largent
Trudy Largent, Vice Chancellor for Human Resources & Employee Relations

Date: 10/19/2011

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: _____ Date: _____
Ron Gerhard, Vice Chancellor for Finance & Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____ Date: _____
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Wise E. Allen Date: 10/20/11
Wise E. Allen, Chancellor