

Healthy Ways to Attract and Retain Staff

With Scott Fritz and James English
SWMSBO 2022



Meet Your Presenters



Scott Fritz

Employee Benefit Consultant

- 16 years of experience in the insurance industry
- Licensed to sell insurance in MI and NC
- Specializes in health insurance, compliance, benefit integration, and early retiree benefits
- Responsible for the overall assessment and management of an employer's benefit plans

Meet Your Presenters



James English

Assistant Superintendent of Operations for Kalamazoo Public Schools

- Worked in the CFO role in both K-12 and higher education institutions over the past 19 years
- Employed in both small and large school districts serving anywhere from 825 students to more than 12,000 students



Welcome to

PURE MICHIGAN

About National Insurance Services

More than 30 Years Working with Michigan Public Sector Organizations

- We work with over 150 schools and municipalities in Michigan.

Exclusive Public Employer Focus

- Since 1969, National Insurance Services (NIS) has been committed to the needs of municipalities, schools, cities, counties, libraries, and community mental health organizations.

Public Employer Benefit Experience

- Whether it's Health, Disability, ACA, 401(a), HRA, HSA, or any governmental employee benefit, we have an expert ready to serve you.

The Agenda



- New Money and What to Do with It
- Review Behavioral Health and Potential Impacts
- Attracting and Retaining High Quality Staff Members
- How Do Negotiations Play a Role in Staff Retention
- Contact Information



New Money and What to Do With It

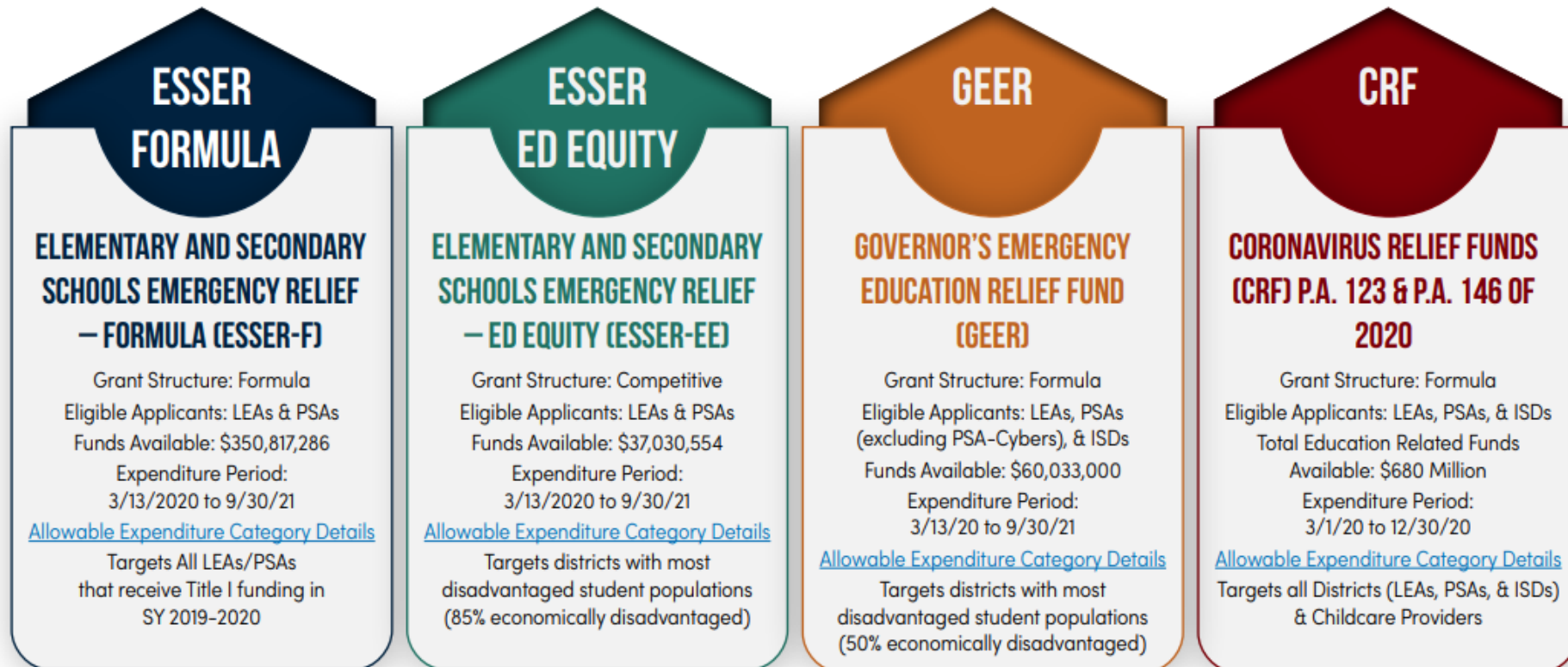


COVID-Related Grants



- Over the past one and a half years, schools have been awarded multiple grants from the government to assist schools during the COVID pandemic. These pandemic-related funds have come with some strings attached and with many names such as CARES, ESSER, etc.
- Important to identify claims that are directly related to COVID – this can bring more funds to the district

AVAILABLE DOLLARS FOR EDUCATION TO ADDRESS CORONAVIRUS RESPONSE EFFORTS



As of 09/02/2020

Find more information on these grants at www.michigan.gov/mde, search CARES Act.



Coronavirus Relief Funds (CRF) Breakdown

One Time Appropriations:

P.A. 123: \$143,000,000 to MDE

- Sec. 103 = \$125,000,000 for child care
- Sec. 103(2) = \$18,000,000 for instructional recovery programs, benchmark assessments, and health and safety - (\$12/pupil)

P.A. 123: \$327,500.00 to Treasury

- Sec. 602 = \$25,000,000 appropriation flow through to MAISA for device purchasing program and distance learning

P.A. 146: \$512,000,000

- Sec. 11p = COVID-19 response efforts - (\$350/pupil)

Small Group Activity: Creative Ways to Spend These Dollars

With a small group, take five minutes to name five creative ways each of your districts spent some of these grant dollars. Create a list to share with the whole group.





How Kalamazoo Public Schools Utilized ESSER Funds (\$60 Million)

- Teacher and staff Chromebooks
- Software for student cyber safety
- School safety equipment
- Online learning software
- Student Chromebooks
- HEPA filtration in cafeterias
- HVAC system improvements
- Installation of bottle drinking fountains

Review Behavioral Health and Potential Impacts



Negative Trends



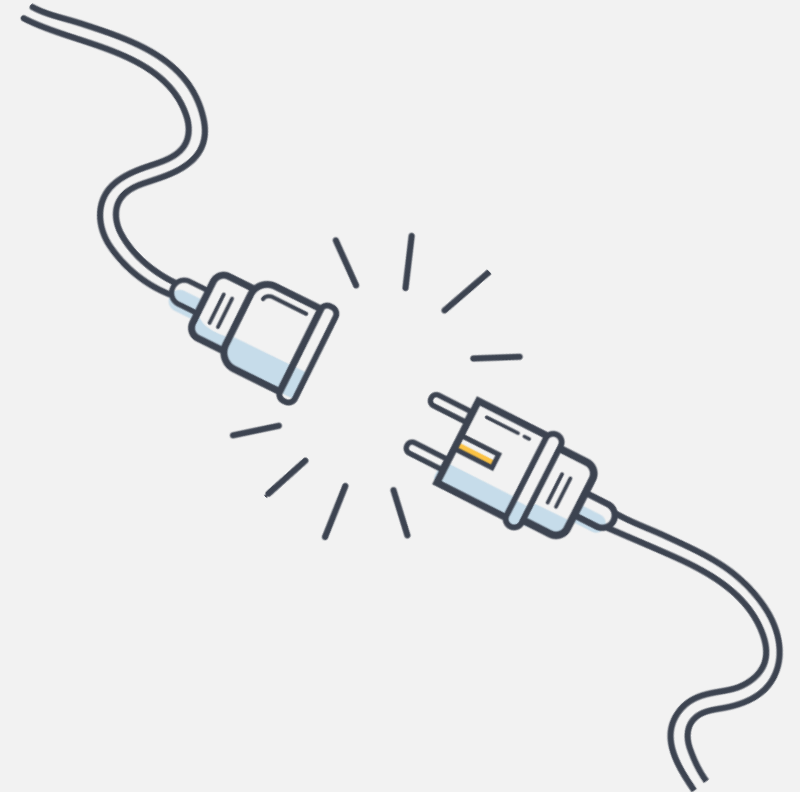
- People are having increased feelings of fear, depression, anger, sadness, worry, and frustration
- October 2020 saw a 250% increase in suicide attempts by children and teens*
- Substance abuse of alcohol, tobacco, and other drugs have increased dramatically

* <https://www.npr.org/sections/health-shots/2021/02/02/962060105/child-psychiatrists-warn-that-the-pandemic-may-be-driving-up-kids-suicide-risk>

Ways to Cope in this Environment



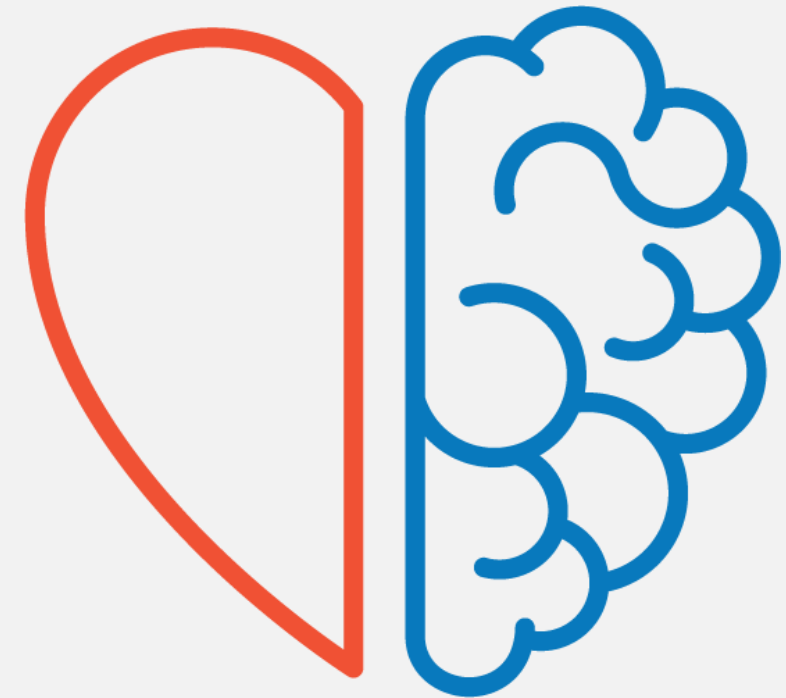
- Unplug from negative social media/internet
- Use positive media outlets to connect with friends and loved ones
- Regular exercise is important
- Continue preventive measures against COVID-19





Employee Assistance Programs (EAPs)

- EAPs can help employees sort through many common problems they may face, including:
 - Stress management
 - Domestic violence
 - Psychological disorders
 - Substance abuse
 - Family services, and more
- Standalone or with other products
- The average number of sessions per EAP counseling case is 2.5*
- Happy employees are 14% more productive**



* <https://www.perspectivesltd.com/2014/09/11/eap-utilization-data-trends-2/>

** <https://www.business.com/articles/employee-assistance-program-benefits/>

The Role of EAPs in Employee Benefits



Employee Assistance Programs (EAP)

- While EAPs are useful, they are an introductory step towards identifying problem areas
 - Ex: Parents taking on the role of a teacher
 - Low utilization. Nationwide, 4.5% of the population accesses EAPs*
- EAPs do not address the needs of ongoing behavioral health
- It's time to assess the virtual market for behavioral health

* <https://www.perspectivesltd.com/2014/09/11/eap-utilization-data-trends-2/>

What Is Behavioral Health?



- “Behavioral health” is the preferred term to “mental health.”*
- Behavioral health consists of the emotions, behaviors, and physical health changes related to mental well-being
- This can include a variety of areas – everything from eating habits to drinking habits to exercise and various mental health challenges
- Extended feelings of grief or regret can often lead to depression and manifest genuine physical and psychological damage
- Managed behavioral health programs provide
 - Clinical and professional consultative approach to behavioral health, substance abuse, and comorbid conditions
 - Integrate ongoing medical care to ensure better outcomes for patients

* <https://arraybc.com/defining-behavioral-health>

What Is Behavioral Health?



- People suffering from depression, for example, submit an average of \$14,967 in claims annually, as compared with \$5,929 for the total population
- Employees suffering from depression and stress have increased health costs estimated at:
 - 70% for illness
 - 46% for disability
- Many carriers offer services included in their health plans to address behavioral health disorders
 - However, this concern is not actively managed
- Telemedicine is a starting point

Telemedicine an Emerging Trend



- Allows employees to meet with doctors and health professionals virtually
- Types of access:
 - Acute care
 - Behavioral health (mental/chemical/physical)
 - Primary care
 - Pharmacy
- Does not handle emergency situations, such as:
 - Broken bones, heart attack, stroke

Attracting and Retaining Highly Qualified Staff Members



Helping Schools Improve Staff Mental Health and Retention



New Staff – Issues and Concerns

- Public perception of teachers
- Pay scale issues
- Lifetime earnings is a concern to all districts
- Employees hired after 2012 have different retirement options than veteran staff

Union Concerns

- Negotiation team is typically older teachers who may not look out for younger or future teachers
- Insurance task force or insurance committee

What Benefits Can We Provide to New Staff Members?

- Cafeteria Plans
- HSA

Retiree Health Reimbursement Arrangements



- Powerful retention tool
- Allows employers to provide a different approach to reimbursement and add value for employees
- 2% of an employee's salary goes into the fund every year
- The fund acts like an incentive to stay with the district
- The employee can't take the fund with them if they leave – however, it will stay with them if they retire from the district
- Saves on FICA taxes

Small Group Activity: Improving Staff Mental Health and Retention with COVID-Related Grants

Discuss in your small group for two to three minutes about ways you might be able to use some of your COVID funds to address the issue of staff mental health and staff retention (without necessarily paying them more salary).



Insurance Cost Savings Strategies



How Can We Save Money on the Insurance Side but Also Support Your Staff and Follow Your Contracts?

- **Compare Your Insurance Costs When Attracting New Teacher Candidates:** Creativity with plans that cost less (HMO). My district has a clause in the teacher contract to share some of the savings if a specific number chose our HMO plan, which is less than our cap amount.
- **Creativity with Plans that Cost Less (HMO):** My district has a clause in the teacher contract to share some of the savings if a specific number chose our HMO plan, which is less than our cap amount.
- **State Cap vs. District-Created Cap:** How does your district navigate and negotiate this increase?
- **Substitute Teacher Costs:** What can your district do to reduce your substitute costs across all departments?



How to Boost Your Benefit Package with Cash-in-Lieu

- Many times, you can't offer pay raises, but cash-in-lieu can be used to improve income
- Keeping children under 26 on their health plans can give employees an extra \$10,000 per child – saves both the district and employee money – a win-win for the district and employees
- Employees can see as much as \$1,000 per month by utilizing cash-in-lieu, which is a big deal to younger employees



How to Boost Your Benefit Package with Cash-in-Lieu

- Maximize 403(b) to increase employee incomes
- If an employee making \$40,000 per year contributes 10% of their salary into a 403(b) for 35 years, their 403(b) balance will be \$584,368*
- Part of lifetime earnings includes cash-in-lieu and can increase employee compensation by 20% when employees are new
- Going on a spouse's benefits can save the district money and help employees get more money in their paycheck

* www.bankrate.com/retirement/calculators/403-b-calculator/r (bankrate.com)

Small Group Activity: Staff Morale and Staff Retention

Within your small group, please list five ideas that your districts do to increase staff morale and staff retention (please come up with ideas that are not salary driven).



General Ideas for Improving Morale



- **“Staff Morale” Fund**
- **Staff Holiday Party:** (involve their families)
- **Staff Luncheons:** (involve district retirees)
- **Staff Tailgate:** (involve their families)
- **Birthday Celebrations**
- **Recognize Various Staff at your Board Meetings.** It is important to compliment all staff publicly at board meetings (don’t forget your hourly employees)
- **On-Site Daycare Options for Staff with Young Children**
 - Example: Bus drivers

Small Group Activity: How To Attract and Hire New Teachers

In your group, create a list of strategies used to attract and hire new teachers. These can be strategies you have implemented or ones you have heard other districts use.



Options Kalamazoo Public Schools Is Considering



- Reduce class sizes
- Increase preparation time
- Allow teachers to teach a lighter load and perform other duties

Increasing Opportunities for Teachers:

- Allow teachers to teach part-time and perform other work such as professional development or department chair work
- Helps prolong careers by reducing burnout

Retaining Staff Members



- Bus drivers currently not working 30 hours, and therefore are not eligible for ACA
- Lower standard to two runs per day – then cover health insurance premiums
- Benefits to wages situation isn't providing bus drivers with the income they need. Wages are surpassing benefits in importance

Small Group Discussion: Have You Noticed a Shift in Your Negotiations?

How has your district used (or will use) negotiations to attract new teachers? Take a few minutes to offer advice for new superintendents as they enter negotiations.



Future Negotiation Considerations



Strategies

- What changes can you make to improve the contract, but not increase your costs?
- Insurance hard cap? Do you put money to salary or to insurance?
- Staff input?
- Do you have an open discussion with your union in negotiations or do you do proposals/counter proposals?
- Right to Work: How has this changed union voting?

Let's Recap.

New Money/COVID Funds

The pandemic has allowed districts to receive new money, the goal is to find creative strategies to spend these funds in a way that supports district goals.

Behavioral Health and Potential Impacts

Have strategies in place to understand and support staff needs.



Attracting and Retaining Staff

Find ways to make your district stand out so people want to work for you and stay in your district.

Negotiations

Have negotiation strategies in place to focus on current staff and future staff needs.



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Thank You for Joining Us



Contact Us for More Information



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