



# Responding to the Affordable Care Act (ACA)

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Board Workshop  
January 12, 2015



# Substitute Teachers

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- On January 28, 2013, the Board approved the plan to use our substitute service (Aesop) to set limits on substitutes, to stay below ACA thresholds. *(On July 8, 2013, this decision was deferred due to the federal delay in ACA implementation.)*
- There are currently *12 district substitute teachers* who have averaged 130 hours per month so far in 2014/15. (2 substitutes averaged 130 for the entire year during 2013/14.)



# Board Substitute Teacher Options

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## Board Option #1A: Offer Health Care Benefits to Substitute Teachers who exceed the ACA Threshold

Estimated budget impact range-

- \$210,000 for 12 currently averaging 130 hours per month
- \$1,510,000 for all 87 substitute teachers

Board decision timeline – March 2016 for 2016-17 budget



# Board Substitute Teacher Options

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## Board Option #1B: Offer Health Care Benefits

- Option 1A. Provide health care benefits to the 12 currently averaging 130 per month with 6% cost sharing

Estimated budget impact range-

- \$196,300 for 12 currently averaging 130 hours per month
- \$1,423,200 for all 87 substitute teachers

Board decision timeline – March 2016 for 2016-17 budget



# Board Substitute Teacher Options

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## Board Option #2: Use Outside Vendor

- Use outside vendor to retain all substitute teachers

Estimated budget impact - Net \$0

Board decision timeline – March 2015



# Board Substitute Teacher Options

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Board Option #3A: Implement Prior Board Decision to Limit Hours Below the ACA Threshold Through Aesop

Estimated budget impact - \$0

Other impact – Reduces Substitute Opportunities

Board decision timeline - June 2015



# Board Substitute Teacher Options

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**Board Option #3B: Implement Prior Board Decision to Limit Hours Below ACA Threshold Through Aesop and Increase daily substitute rate by \$20.00 per day.**

Estimated budget impact - \$106,000

Board decision timeline – March 2015



# Board Substitute Teacher Options

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## Board Option #4: Provide Substitute Teachers with the Option of Working Below ACA Threshold or Working for Outside Vendor

Estimated budget impact – Net \$0

Other impact – Increased Complexities in Administering Substitute Teacher Program

Board decision timeline – June 2015





# Board Substitute Teacher Options

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## Board Option #5: Pay the \$1.4 Million IRS penalty

On May 28, 2014, the Board agreed to comply with the provisions of the ACA, rather than pay the noncompliance penalty.



# Board Substitute Teacher Options

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## Board Option #6: Other



# Board Options for Variable Hour Employees

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## Board Option #1A: Offer Benefits to all 29 Existing Variable Hour Employees who exceed the ACA Hours Threshold

Estimated budget impact range –

\$504,000 for existing 29

\$1,875,000 for all 108 part time aides and teachers

Board decision timeline – March 2016 for 2016/2017 budget



# Board Options for Variable Hour Employees

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**Board Option #1B: Offer Benefits to all 29 Existing Variable Hour Employees who exceed the ACA Hours Threshold with 6% cost sharing**

Estimated budget impact range-

\$475,000 for existing 29

\$1,767,000 for all 108 part time aides and teachers

Board decision timeline – March 2016 for 2016/2017 budget



# Board Options for Variable Hour Employees

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## Board Option #2: Outside Vendor

Use outside vendor to retain all aides/paras

Estimated budget impact – Net \$0

Other Impact – potential staff turnover, increased potential for labor organization

Board decision timeline – March 2015



# Board Options for Variable Hour Employees

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**Board Option #3: Implement Prior Board Decision to Limit Extra Duty Remuneration Assignments to Prevent Employees from Exceeding ACA Threshold**

Estimated budget impact - \$0

Other Impact – Ability to Staff EDR's

Board decision timeline – June 2015



# Board Options for Variable Hour Employees

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## Board Option #4: Pay the \$1.4 Million IRS penalty

On May 28, 2014, the Board agreed to comply with the provisions of the ACA, rather than pay the noncompliance penalty.



# Possible ACA Compliance Options

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Board Option #5: Other