

March 16, 2023

Brookings School District
School Board Members and Superintendent
2130 8th Street South
Brookings, SD 57006

Re: Recommendations for the 2023-2024 employee benefits plan year

Dear School Board Members and Superintendent,

We would like to submit our recommendations for the 2023-2024 employee benefits plan year to the School Board and the Superintendent for your consideration. The below recommendations have been made with assistance of the Brookings School District insurance committee and our broker partners at Brown & Brown (formerly Hays Companies). We have included additional details in the attached document.

Medical Plan

Wellmark’s proposed overall renewal is a 6.8% increase to Wellmark Total Contractual Expected Cost. We recommend a funding increase of 9.0% for the 2023-2024 plan year. The district is currently funding at approximately 85% of Contractual Expected Costs and a 9.0% funding increase would be a directional improvement and reduce Brookings’ risk margin. We recommend no plan design changes for 2023-2024. Additionally, we recommend that the district share this overall increase with the staff, and increase the Medical Contributions by 9.0% percent.

Coverage Level	2022-2023			2023-2024 (Recommended)		
	Employee Contribution	District Contribution	Total Contribution	Employee Contribution	District Contribution	Total Contribution
Employee	\$140.25	\$420.75	\$561.00	\$152.87	\$458.62	\$611.49
Employee + Spouse	\$321.30	\$963.90	\$1,285.20	\$350.22	\$1,050.65	\$1,400.87
Employee + Child(ren)	\$280.50	\$841.50	\$1,122.00	\$305.75	\$917.24	\$1,222.98
Family	\$414.38	\$1,243.13	\$1,657.51	\$451.67	\$1,355.01	\$1,806.69

Dental Plan

The Delta Dental of SD renewal resulted in a suggested 3.0% increase to funding rates. Delta Dental of SD also increased their administration fees from \$4.50 to \$4.70 for the 2023-2024 plan year. We recommend no plan design changes for 2023-2024. Additionally, we recommend that the district share this overall increase with the staff, and increase the dental contributions by 3.0% percent.

Coverage Level	2022-2023			2023-2024 (Recommended)		
	Employee Contribution	District Contribution	Total Contribution	Employee Contribution	District Contribution	Total Contribution
Employee	\$11.54	\$34.62	\$46.16	\$11.88	\$35.66	\$47.54
Family	\$32.17	\$96.52	\$128.69	\$33.13	\$99.42	\$132.55

Vision Plan





The Avesis Vision plan is under rate guarantee until 2024. The current rates are guaranteed until April 30, 2024. We recommend no plan design or contribution changes to the District staff for 2023-2024.

Coverage Level	2022-2023			2023-2024 (Recommended)		
	Employee Contribution	District Contribution	Total Contribution	Employee Contribution	District Contribution	Total Contribution
Employee	\$13.71	\$0.00	\$13.71	\$13.71	\$0.00	\$13.71
Employee + Spouse	\$26.15	\$0.00	\$26.15	\$26.15	\$0.00	\$26.15
Employee + Child(ren)	\$28.51	\$0.00	\$28.51	\$28.51	\$0.00	\$28.51
Family	\$36.77	\$0.00	\$36.77	\$36.77	\$0.00	\$36.77

Ancillary Benefits

The renewal with The Hartford resulted in a flat renewal with a rate guarantee until 4/30/2024.

- **Basic Life and Accidental Death and Dismemberment (AD&D)**
 - The BSD provides eligible employees with Group Basic Life and AD&D insurance in the amount of \$15,000 to all eligible employees.
 - Brown & Brown obtained additional quotes on the Life and AD&D to increase the employees' Life and AD&D amounts to be more in-line with the marketplace. Quote options included:
 - \$15,000 for Basic Life and \$15,000 for AD&D – Current amount.
 - \$20,000 for Basic Life and \$20,000 for AD&D – This would result in an annual estimated annual increase to the district of \$2,908.
 - \$25,000 for Basic Life and \$25,000 for AD&D – This would result in an annual estimated annual increase to the district of \$5,773.

		 THE HARTFORD (Current)	 THE HARTFORD (Renewal)	 THE HARTFORD Alternate 1	 THE HARTFORD Alternate 2
				\$20,000	\$25,000
Basic Life	Life Volume	\$7,135,000	\$7,135,000	\$9,560,000	\$11,950,000
	# of Lives	478	478	478	478
	Life Rate Per \$1000 of Payroll				
	Class 1 - All Full Time Active Employees	\$0.087	\$0.087	\$0.087	\$0.087
	Estimated Monthly Premium	\$621	\$621	\$832	\$1,040
	Estimated Annual Premium	\$7,449	\$7,449	\$9,981	\$12,476
	% Change	-	0.0%	34.0%	67.5%
Basic AD&D	Volume	\$7,090,000	\$7,090,000	\$9,500,000	\$11,875,000
	# of Lives	475	475	475	475
	AD&D Rate Per \$1000 of Payroll	\$0.0130	\$0.0130	\$0.0130	\$0.0130
	Estimated Monthly Premium	\$92	\$92	\$124	\$154
	Estimated Annual Premium	\$1,106	\$1,106	\$1,482	\$1,853
	% Change	-	0.0%	34.0%	67.5%
Annual Total		\$8,555	\$8,555	\$11,463	\$14,328
		\$ Difference	\$0	\$2,908	\$5,773
		% Difference	0.0%	34.0%	67.5%

*Rate Guarantee through 4/30/2024

- Benchmarking data of similar organizations (Midwest/Upper Midwest, Elementary & Secondary Schools, over 500 employees), show the average coverage offered is \$50,000 or one times the employees' annual salary.

- **Supplemental Basic Life and Accidental Death and Dismemberment (AD&D)**
 - There are no increases to the employee rates. We recommend making no plan design changes at this time.

Employee & Spouse Age	2022-2023	2023-2024 (Recommended)
	Employee Rate per \$1,000 of coverage*	Employee Rate per \$1,000 of coverage*
0-24	\$0.05	\$0.05
25-29	\$0.05	\$0.05
30-34	\$0.06	\$0.06
35-39	\$0.08	\$0.08
40-44	\$0.11	\$0.11
45-49	\$0.17	\$0.17
50-54	\$0.28	\$0.28
55-59	\$0.39	\$0.39
60-64	\$0.51	\$0.51
65-69	\$0.80	\$0.80
70-74	\$1.42	\$1.42
75-111	\$2.47	\$2.47

**Supplemental rates are based on the employee's age and increase as you enter each new age category*

Employee Assistance Program (EAP)

EAP services are through Sand Creek. The current Per Employee Per Year cost for is \$15.00 PEPY. Sand Creek renewal for 2023-2024 will not be changing. We recommend renewing with Sand Creek at the \$15.00 PEPY rate.

Please feel free to contact me with any questions or concerns you may have regarding our employee benefits or any of the recommendations included with this letter.

If you have questions or need additional information, please contact me at 605-696-4708, or via email Brian.Lueders@k12.sd.us.

Sincerely,

Brian Lueders
 Director of Business Services
 Brookings School District #5-1

Enclosure