

DRAFT

Cost Scenarios for Providing Employer Paid Health Benefits for Part-Time Faculty at California Community Colleges

These scenarios are based on actual costs for providing health care benefits for Part-Time faculty at 5 California CCDs in 2020-21. The average total cost of these benefits was \$12,424 per employee and the employers paid 96% of the total cost.

Using these average costs and extrapolating to all 72 CCDs, the total cost would depend on the number of Part-Time faculty who were eligible and enrolled. The current eligibility criteria vary widely across the districts, as do the participation levels. Moreover, not all districts offer health benefits to Part-Time faculty. The scenarios shown below include a range of assumptions for participation rates:

- if 20% of PT Faculty enrolled, the total cost would be \$92.7 million.
- if 30% of PT Faculty enrolled, the total cost would be \$139.0 million.
- the scenarios also show differences in when costs are shared between employer and employee.

OVERVIEW OF COSTING FOR EMPLOYER PAID HEALTH CARE FOR PART TIME FACULTY

	<u>Annualized</u>	<u>Pct of Cost</u>
Average District Cost per PT Fac Enrolled	\$ 11,985	96%
Average Faculty Employee Cost PT Faculty Enrolled	\$ 440	4%
Average Total Cost per PT Faculty Enrolled	\$ 12,424	100%

Number of PT Faculty statewide	37,303	100%	IF COST SPLIT IS		IF COST SPLIT IS		IF COST SPLIT IS	
			<u>District</u>	<u>Faculty</u>	<u>District</u>	<u>Faculty</u>	<u>District</u>	<u>Faculty</u>
If Participation is:		Total Cost						
20%	7,461	\$ 92,693,926	\$ 92,693,926	\$ -	\$ 88,059,230	\$ 4,634,696	\$ 83,424,534	\$ 9,269,393
30%	11,191	\$ 139,040,889	\$ 139,040,889	\$ -	\$ 132,088,845	\$ 6,952,044	\$ 125,136,800	\$ 13,904,089
40%	14,921	\$ 185,387,853	\$ 185,387,853	\$ -	\$ 176,118,460	\$ 9,269,393	\$ 166,849,067	\$ 18,538,785
50%	18,652	\$ 231,734,816	\$ 231,734,816	\$ -	\$ 220,148,075	\$ 11,586,741	\$ 208,561,334	\$ 23,173,482

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ABOUT THE SAMPLE

This analysis is based on a sample of 5 community college districts (Grossmont-Cuyamaca, Los Rios, Marin, San Diego, Santa Monica) selected because they met the following criteria:

- 1) Participation by PT Faculty is >20% of PT Faculty employed
- 2) Total cost of health coverage, per employee, was >\$8,500 (statewide average was \$8,000)
- 3) Employer paid >85% of total cost

These 5 districts represent:

- 1,524 PT faculty enrolled in health care, or 43% of the total reported in the dataset.
- 4,324 PT faculty employed at these districts, out of 37,303 total statewide.
- 35% of the PT faculty in these districts participate in the health insurance benefit (eligibility rate is not reported)

These criteria were used to create a sample that included districts that offered higher quality coverage and is skewed towards the most expensive plans. Our desire is to cost out good coverage, plans that are equivalent or similar to the coverage that full-time faculty receive. The criteria were also used to create a sample that would include plans that were most widely used, so the sample excludes plans that few part-time faculty enroll in; low enrollment could be due to barriers to eligibility, overall cost to employee, cost to benefit analysis, or other reasons. We chose plans that the employer covered the majority of the cost and that were among the most popular as measured by participation (not eligibility).

DISTRICT	# participants	District Share of Premium	District % of Premium	Total Cost of Premium	Total Cost per Participant	Total Employee Cost per Fac	Total Employer Cost per Fac	PT Fac HC (F2020)	% PT Participating
Grossmont-Cuyamaca	152	1,863,940	100%	1,863,940	12,263	-	12,263	693	22%
Los Rios	386	2,901,437	87%	3,346,018	8,668	1,152	7,517	1,205	32%
Marin	56	994,767	97%	1,029,011	18,375	612	17,764	166	34%
San Diego	530	7,016,473	100%	7,029,438	13,263	24	13,239	1,350	39%
Santa Monica	400	3,656,400	96%	3,819,120	9,548	407	9,141	910	44%

Caveats: The data are based on reports submitted to the Chancellor's Office for reimbursement from the Part Time Faculty Health pool of funding, for the 2020-21 year. Some districts that do offer health coverage to Part Time faculty are not included in the data we analyzed. We do not know why some districts did not submit data (e.g., SF CCD) or if they would have fit the criteria to be included in the sample. The data for participation rates is based on the Chancellor's Office Datamart reports for Fall 2020 Part Time faculty headcount. These data overestimate the total number of Part Time faculty because some faculty members work at multiple districts and the data are not unduplicated across districts. Some data points, such as the percentage paid by employer and employee, and the cost per faculty member are estimated based on calculations using the aggregated data shown in the Chancellor's Office report. Actual rates paid per employee may differ, for instance based on whether or not the benefit covers dependents.