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MEMORANDUM

DATE: October 30, 2008

SUBJECT: FY 2009-10 Budget Request – Health, Life and Dental

To assist in the preparation of the FY 2009-10 Budget Request for health, life and dental benefit costs (HLD), the Department of Personnel and Administration provided an extract of salary and benefit costs for July 2008 listed by employee. The extract included three agencies of DHE; CCHE, Division of Private Occupational Schools, and Colorado Historical Society. The extract correctly listed benefit costs in all cost categories for all employees except for HLD costs for non classified employees. For these employees, the life premium was captured but the health and dental costs were listed as zero dollars. This was due to these non classified employees obtaining health and dental coverage through the community colleges' health and dental plan. The non classified employee contributions toward the cost of those benefits are coded differently than with classified staff and as such were not included as part of the position by position extract.

To correct for these excluded costs, actual costs for non classified employees from the September 2008 payroll for HLD, grossed up to annual cost, were added to the total from the DPA extract. The result was a HLD estimate of costs of \$827,863 total funds. This amount is reported on Schedule 3 for Health, Life and Dental request column for FY 2009-10.

The computation details are as follows:

DPA extract HLD total	\$601,240
Non classified HLD costs – 1 month (\$18,515)	
Non classified HLD costs annualized (\$18,515 * 12 * 1.02)	<u>\$226,623</u>
Total estimated HLD costs	\$827,863