

As we part ways for the summer, the Benefit Trust wanted to provide you with an update on state health care funding and how this will affect us.

For many years your Benefit Trust has provided a higher level of benefits at lower per-employee costs than many other districts across the state. The Trustees of the Everett School Employee Benefit Trust are in the initial stages of reviewing health, dental and insurance benefit options for its membership for 2012, and some important issues are becoming increasingly apparent:

- We estimate a 9.7% increase next year in the cost for maintaining current benefits across all plans, due to the continually increasing expenses for medical and dental coverage.
- The recently-concluded legislative session passed a budget with NO increase in state allocation for K-12 health benefits for the next two years.
- To provide the level of coverage offered this year, the Benefit Trust expended \$2.9 million from reserves to minimize employee contribution increases. This is a contribution which can not be sustained.

Due to the flat level of funding from the state and the impending increases of coverage costs, we anticipate that in the coming year each employee will be required to choose a plan which either reduces current benefit levels, increases deductibles and copays, or which contains substantial increases in per-employee contribution rates, or a combination of these. Your Trustees remain committed to providing our benefit eligible employees with benefit plans including a wide a range of coverage, costs and benefits from which to choose.

The Benefit Trust will continue to review coverage options and will be in contact with you at the beginning of the school year to provide follow up information. We remain sincerely committed to your health, wellness and benefits.

The Trustees of the Everett School Employee Benefit Trust