

Are PSERS and Healthcare Killing Your Budget?

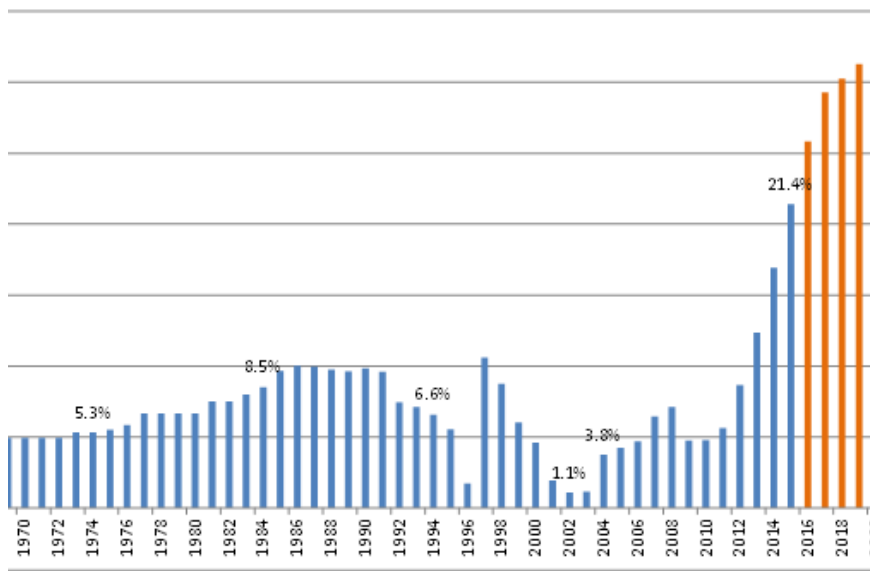
You are not alone.

The 2019-2020 PSERS Employer Contribution Rate has been set at 34.29%, a 2.6 increase from last year. Some projections expect that by 2023-2024, the rate could continue to climb to **36.30%**.

WHAT ARE THE OPTIONS?
Reduce staff, cut hours, outsource? Page 2 has the PROS and CONS.

PSERS, combined with the cost of providing health benefits to full time staff, is causing a lot of districts throughout the commonwealth to make difficult decisions to mitigate costs. One of the most controversial, but effective ways to do so, is to outsource district positions to a third party agency, thereby eliminating PSERS costs and, often times, healthcare costs as well.

School District PSERS Contribution Rate



“The biggest expense drivers for public schools remain pensions and health-care for employees, special-education costs, and charter-school payments. Pensions – the cost of which is split with the state – went up 30 percent for school districts.”

Philly.com

Limiting Hours vs. Outsourcing

Limiting Hours to Part-time

PROS

- Eliminate healthcare costs
- Reduces Special Education spending
- Staffing remains in-house

CONS

- Health Insurance one of the top job satisfiers
- Students are in school for more than 30 hours per week
- Less Continuity of care
- High employee turnover
- Difficulty managing part-time schedules
- Difficult to recruit

CONSIDERATIONS

Paras, PCAs and Teacher Aides are an integral part of a student's academic achievement. It's a difficult job, often times with low pay relative to national averages. By limiting the number of hours worked, and eliminating healthcare, a difficult job just became less desirable. In a time of low unemployment, and competition for candidates, especially those with degrees, this can severely hinder recruitment and retention efforts.

Outsourcing to GHR Education

PROS

- Control and Forecast costs
- Eliminate PSERS costs
- Reduce Healthcare costs
- Eliminate Workers Comp, Liability, or Unemployment
- Ability to maintain a 30+ hour schedule
- Ability to retain all current district employees
- More administrative time available
- Frontline Partner for automated staffing
- Customizable outsourcing plans available

CONS

- Can be difficult to gain community support
- Some reorganization required

CONSIDERATIONS

Saving money does not mean you have to sacrifice quality staff or consistency. GHR Education works closely with our clients to maintain current employees and hire locally. Not all third party agencies are the same. Some agencies limit staff to under 30 hours per week, or don't offer benefits. GHR Education allows for full time, 30+ hour per week schedules and offers competitive benefits packages. Outsourcing can be done over time or through attrition.

CONTACT US:

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WHAT GHR OFFERS OUR EMPLOYEES

- W2 Status
- Affordable Health Benefits
- 401k with Company Match
- Competitive, Weekly Pay
- Personal Interaction
- Annual Raises
- Trainings