

BUDGET BY OBJECT NARRATIVE 2017 - 2018

2000 EMPLOYEE BENEFITS

\$2,373,884

Amounts paid by the school district on behalf of employees (amounts not included in gross salary but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personal services.)

Acct	Account Name	Adopted 2015-16	Adopted 2016-17	Adjusted 2016-17	Proposed 2017-18	Adj. v Req. Increase	Adj. v Req. % Increase
2001	INSURANCE	\$2,086,664	\$1,997,495	\$1,970,477	\$1,924,083	(\$73,412)	-3.68%
2002	FICA/MEDICARE	\$219,120	\$225,695	\$225,695	\$232,466	\$6,771	3.00%
2003	PENSION/NON-CERTS	\$89,600	\$80,000	\$80,000	\$90,000	\$10,000	12.50%
2004	TUITION REIMBURSEMENT	\$10,000	\$10,000	\$10,000	\$10,000	\$0	0.00%
2005	UNEMPLOYMENT COMPENS.	\$24,000	\$24,000	\$24,000	\$20,000	(\$4,000)	-16.67%
2006	WORKERS COMPENSATION	\$90,000	\$94,500	\$94,500	\$97,335	\$2,835	3.00%
2000	Total Benefits	\$2,519,384	\$2,431,690	\$2,404,672	\$2,373,884	(\$57,806)	-2.38%

Budget Drivers

Health Insurance Rates:

School Year 2016 - 2017

8.6%

School Year 2017 - 2018 (Projected)

10.0%

Health Plan Offerings:

School Year 2016-2017

High Deductible Health Plan

Group	BOE Share	Employee Share	HSA BOE Contribution
Administrators	84	16	60%
Teachers	84	16	45%
Non-certified (12 mo.)	85	15	50%
Non-certified (10 mo.)	81	19	50%

HMO/PPO

Group	BOE Share	Employee Share	HSA BOE Contribution
Administrators	Not available		
Teachers PPO	79.5	20.5	NA
Non-certified (12 mo.)	Not available		
Non-certified (10 mo.)	Not available		

School Year 2017-2018 **High Deductible Health Plan**

Group	BOE Share	Employee Share	HSA BOE Contribution
Administrators	83.5	16.5	50%
Teachers	84	16	65%
Non-certified (12 mo.)			
Non-certified (10 mo.)			

HMO/PPO

Group	BOE Share	Employee Share	HSA BOE Contribution
Administrators	Not available		
Teachers PPO	Not available		
Non-certified (12 mo.)	Not available		
Non-certified (10 mo.)	Not available		

Future Objectives

- Continue participation in insurance consortium
- Explore self-funded insurance option for 2017-2018
- Meet all Affordable Care Act requirements

Budget Considerations

- Open enrollment does not occur until the end of the school year, at that time we will have a clearer picture of the numbers of employees requiring benefits
- Moving to self-funded insurance could reduce premium costs, thereby requiring a lesser percentage increase for 2017-2018.
- It is important to consider establishing and maintaining a healthy reserve to offset the monthly cost of insurance claims.

Budget Impact Narrative

Our participation in our Region 8 Insurance Consortium has enabled us to negotiate an affordable and comprehensive health care option for our staff. Due to our current claim trends for the 2016-

2017 year, there exists the potential that our insurance rate could decrease for next year. Although our “not to exceed” percentage is likely to be 10%, our net increase could end up being a decrease from last year’s 8.6%. Also, as the consortium considers self-insurance, the rate may increase for the first year of our shift. Therefore, we are budgeting 10% at the recommendation of our broker, but this could potentially increase. We will know more within the next several weeks.