

Financial Services
Mrs. Judith M. Marte, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 2, FY 2014-15 INTERNAL SERVICE
(HEALTH INSURANCE) FUND SPRING BUDGET REVIEW**

COMMITTEE: FISCAL ACCOUNTABILITY

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

Revenue reported in the Internal Service Fund is lower than anticipated as a result of the decrease in enrollment. Aon Hewitt, the District's actuary, has provided updated actuarial amounts based on claims data through December 31, 2014. They performed a trend analysis and the attached resolution includes adjusted figures for the estimated projected costs incurred for fiscal year 2014-15. Per the updated actuarial figures, we expect an increase in Ending Net Position of \$6,106,093.

This resolution amends the budget and aligns the projected revenues and expenses to reflect the latest information which has been provided to date.

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease premium revenue.	\$ (6,824,000)
2. Decrease other operating revenue based on latest available information.	(1,127,329)
3. Increase estimated interest revenue.	7,000
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DECREASE IN REVENUES	<u>\$ (7,944,329)</u>
 <u>EXPENSE CHANGES</u>	
1. Increase purchased services to reflect estimated expenses.	\$ 180,000
2. Increase dues and fees to reflect estimated expenses.	691,578
3. Decrease ASO/Stop Loss Fees to reflect projected expenses.	(340,000)

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**INCREASE
(DECREASE)**

4. Decrease the estimated claims cost per updated actuarial report (based on claims received through December 31, 2014).	\$ (14,582,000)
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TOTAL EXPENSES	<u>\$ (14,050,422)</u>
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CHANGES IN ENDING NET POSITION

1. Reflect change in Ending Net Position as a result of the change in revenue and expenses.	\$ 6,106,093
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TOTAL DECREASE IN EXPENSES AND ENDING NET POSITION	<u>\$ (7,944,329)</u>
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RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. adopt Resolution No. 2, FY 2014-15 Internal Service (Health Insurance) Fund Spring Budget Review, decreasing revenues, net position and expenses by \$7,944,329; and
2. adopt the Summary of Revenues and Appropriations (page 3)

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2014-15
 INTERNAL SERVICE - HEALTH INSURANCE FUND
 SUMMARY OF REVENUES & EXPENSES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/11/2015</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/13/2015</u>
OPERATING REVENUES:			
Charges for Services	\$ 360,428,000	\$ (6,824,000)	\$ 353,604,000
Other Operating Revenues	5,973,524	(1,127,329)	4,846,195
Total Operating Revenues	<u>\$ 366,401,524</u>	<u>\$ (7,951,329)</u>	<u>\$ 358,450,195</u>
NONOPERATING REVENUE:			
Interest & Investment Revenue/(Loss)	53,000	7,000	60,000
Total Revenues	<u>\$ 366,454,524</u>	<u>\$ (7,944,329)</u>	<u>\$ 358,510,195</u>
BEGINNING NET POSITION	<u>40,862,286</u>	<u>-</u>	<u>40,862,286</u>
TOTAL OPERATING & NON-OPERATING REVENUES & BEGINNING NET POSITION	<u><u>\$ 407,316,810</u></u>	<u><u>\$ (7,944,329)</u></u>	<u><u>\$ 399,372,481</u></u>
OPERATING EXPENSES:			
Salaries	\$ 163,314	\$ -	\$ 163,314
Fringe Benefits	48,417	-	48,417
Purchased Services	600,000	180,000	780,000
Dues & Fees	3,503,240	691,578	4,194,818
ASO/Stop Loss Fees	10,156,000	(340,000)	9,816,000
Other Expenses (estimated claims)	374,539,000	(14,582,000)	359,957,000
Total Operating Expenses	<u>\$ 389,009,971</u>	<u>\$ (14,050,422)</u>	<u>\$ 374,959,549</u>
ENDING NET POSITION	<u>18,306,839</u>	<u>6,106,093</u>	<u>24,412,932</u>
TOTAL OPERATING EXPENSES AND ENDING NET POSITION	<u><u>\$ 407,316,810</u></u>	<u><u>\$ (7,944,329)</u></u>	<u><u>\$ 399,372,481</u></u>