

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

**SUBJECT: RESOLUTION NO. 2, FY 2015-16 INTERNAL SERVICE  
(HEALTH INSURANCE) FUND SPRING BUDGET REVIEW**

**COMMITTEE: FISCAL ACCOUNTABILITY**

**LINK TO STRATEGIC  
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

The District's consultant, AON, has provided updated actuarial projections based on claims data through December 31, 2015. Revenue is being increased to reflect the changes in premium equivalent rates as well as dependent subsidies in the salary bands for 2016 which affect Board funding. AON performed a trend analysis and the attached resolution includes adjusted figures for the estimated projected costs incurred for fiscal year 2015-16. Per the updated actuarial figures, we expect an increase in Ending Net Position of \$8,247,221.

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. Increase charges for services (premium revenue).	\$ 2,797,000
2. Decrease other operating revenue based on latest projection.	<u>(940,000)</u>
<b>INCREASE IN OPERATING REVENUES</b>	<b>\$ 1,857,000</b>
1. Increase interest revenue based on latest projection.	<u>\$ 60,000</u>
<b>INCREASE IN NON-OPERATING REVENUE</b>	<b>\$ 60,000</b>
<b>TOTAL INCREASE IN OPERATING REVENUES, NON-OPERATING REVENUES &amp; BEGINNING NET POSITION</b>	<b><u>\$ 1,917,000</u></b>

**E-19**

**EXPENSE CHANGES**

**INCREASE  
(DECREASE)**

1. Increase salaries/fringe benefits to reflect estimated expenses.	\$ 63,120
2. Decrease purchased services based on latest projections.	(240,000)
3. Decrease dues and fees based on latest projections.	(739,066)
4. Increase ASO/Stop Loss Fees to reflect projected expenses.	713,725
5. Decrease other expenses to reflect projected claims per the actuarial report.	<u>(6,128,000)</u>
<b>TOTAL EXPENSES</b>	<b>\$ (6,330,221)</b>

**CHANGE IN ENDING NET POSITION**

1. Reflect change in Ending Net Position as a result of the change in revenue and expenses.	<u>\$ 8,247,221</u>
<b>TOTAL INCREASE IN EXPENSES AND ENDING NET POSITION</b>	<b><u>\$ 1,917,000</u></b>

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida:

1. adopt Resolution No. 2, FY 2015-16 Internal Service (Health Insurance) Fund Spring Budget Review, increasing revenues, net position and expenses by \$1,917,000; and
2. adopt the Summary of Revenues and Appropriations (page 3).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FY 2015-16 INTERNAL SERVICE FUND  
 SUMMARY OF REVENUES & EXPENSES  
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 2/3/2016</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 5/11/2016</u>
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 346,846,000	\$ 2,797,000	\$ 349,643,000
Other Operating Revenues	1,800,000	(940,000)	860,000
<b>Total Operating Revenues</b>	<u>\$ 348,646,000</u>	<u>\$ 1,857,000</u>	<u>\$ 350,503,000</u>
<b>NONOPERATING REVENUE:</b>			
Interest & Investment Revenue	90,000	60,000	150,000
<b>Total Revenues</b>	<u>\$ 348,736,000</u>	<u>\$ 1,917,000</u>	<u>\$ 350,653,000</u>
<b>BEGINNING NET POSITION</b>	<u>51,665,963</u>	<u>-</u>	<u>51,665,963</u>
<b>TOTAL OPERATING &amp; NON-OPERATING REVENUES &amp; BEGINNING NET POSITION</b>	<u><u>\$ 400,401,963</u></u>	<u><u>\$ 1,917,000</u></u>	<u><u>\$ 402,318,963</u></u>
<b>OPERATING EXPENSES:</b>			
Salaries	\$ 284,295	\$ 15,370	\$ 299,665
Fringe Benefits	85,860	47,750	133,610
Purchased Services	800,000	(240,000)	560,000
Dues & Fees	2,650,000	(739,066)	1,910,934
ASO/Stop Loss Fees	9,119,000	713,725	9,832,725
Other Expenses (estimated claims)	345,542,000	(6,128,000)	339,414,000
<b>Total Operating Expenses</b>	<u>\$ 358,481,155</u>	<u>\$ (6,330,221)</u>	<u>\$ 352,150,934</u>
<b>ENDING NET POSITION</b>	<u>41,920,808</u>	<u>8,247,221</u>	<u>50,168,029</u>
<b>TOTAL OPERATING EXPENSES AND ENDING NET POSITION</b>	<u><u>\$ 400,401,963</u></u>	<u><u>\$ 1,917,000</u></u>	<u><u>\$ 402,318,963</u></u>