

BOARD OF EDUCATION OF HARFORD COUNTY

INFORMATIONAL REPORT

**DECISION ON APPROVAL OF SUPPLEMENTAL APPROPRIATION
FOR HEALTH INSURANCE CALL FOR THE FY 2019 BUDGET**

December 17, 2018

Background Information:

HCPS is self-insured. Health insurance premiums paid to Care First by HCPS during the year are an estimate of projected claims for the year. After the fiscal year end, Care First performs a reconciliation to compare premiums received vs. actual medical claims paid. Last year, FY2018, actual claims paid exceeded premiums received by \$3.8 million and HCPS has subsequently received a call.

Discussion:

In order to fund the \$3.8 million call, the following three steps are requested:

- 1) Remove the assignment from the \$1.2 million in fund balance for a health insurance call, thereby increasing unassigned fund balance by \$1.2 million.
- 2) Assign \$3.8 million in unassigned fund balance as a supplemental appropriation.
- 3) Increase the health insurance expense account by \$3.8 million.

Superintendent's Recommendation:

The Superintendent recommends the Board of Education remove the assignment from the \$1,225,166 fund balance for a health insurance call and approve the \$3,778,217 supplemental appropriation and transfer of fund balance to Fixed Charges, Health Insurance. (See next page for details).

FY 2019 Supplemental Appropriation

DATE: December 18, 2018

Revenue:				
Accounting Unit	Account #	Description (AU)	Description	Appropriation
1REV	47020	Revenue, Current Expense Fund	Prior Year Fund Balance	(\$3,778,217)
			Total Revenue	(\$3,778,217)
Expenditure:				
Accounting Unit	Expense	Description (AU)	(Expense)	Revised Appropriation
112-001-990-990	54690	Fixed Charges, Central	Health Insurance	\$3,778,217
			Total Expenditures	\$3,778,217

Justification: To appropriate \$3,778,217 in in Fund Balance in fiscal year 2019 and to transfer \$3,778,217 to Fixed Charges, Health Insurance, to cover the FY18 Health Insurance Call.

Supplemental Budget Transfer Approval

Date	Superintendent of Schools
Date	President, Board of Education of Harford County
Date	President, County Council of Harford County
Date	Harford County Executive

Please Return One Copy To: Superintendent of Schools
 102 South Hickory Avenue
 Bel Air, MD 21014