

BOARD OF EDUCATION OF HARFORD COUNTY

**APPROVAL OF SUPPLEMENTAL APPROPRIATION FOR
PREMIUM HOLIDAY AND OPEB TRANSFER
FOR THE FY 2016 BUDGET**

March 21, 2016

Background Information:

In December 2007, the Board of Education approved:

“Monies in excess of funding requirements in the Harford County Health Care Consortium Rate Stabilization accounts, Medicare Part D reimbursements, and unspent funds from the Harford County Public Schools flexible spending plan are to be transferred to the MABE OPEB Investment Trust as they become available and will be designated for this purpose in the future.”

Discussion:

The Healthcare Consortium balance exceeds the 10% reserve requirement by \$1,400,000. Of this amount, \$895,489 will be recognized as other revenue this fiscal year and will fund a health care premium holiday for employees and retirees in June 2016. The balance, \$504,511, will be directly transferred to the MABE OPEB Investment Trust.

The Delta Dental Insurance settlement of \$92,927, received in fiscal year 2016, will be recognized as revenue this fiscal year and \$42,564 of the settlement will fund a dental insurance premium holiday for employees and retirees in June 2016. The balance, \$50,363, will be transferred to the MABE OPEB Investment Trust.

The following items, received in fiscal year 2016, will be recognized as revenue and will be transferred to the MABE OPEB Investment Trust.

- Unspent Medical Flex accounts from FY 2015 in the amount of \$22,887.
- Unspent Dependent Care accounts from FY 2015 in the amount of \$5,212.
- Federal government Medicare part D reimbursements of \$1,236,567.
- CareFirst Neurontin Claim of \$37,183.

Source:	Amount	FY16 Supplemental Allocation	
		Premium Holiday	OPEB
Health Care Consortium Refund	1,400,000	-895,489	-504,511
Delta Dental Refund	92,927	-42,564	-50,363
FY15 Medical Flex Unspent	22,887		-22,887
FY15 Dependent Care Unspent	5,212		-5,212
Medicare Part-D Subsidy/Refund	1,236,567		-1,236,567
CareFirst Neurontin Claim	37,183		-37,183
Total	2,794,776	-938,053	-1,856,723

(\$2,794,776)

Superintendent's Recommendations:

The Superintendent recommends the Board of Education approve the \$1,856,723 transfer to the MABE OPEB Investment Trust comprised of:

- Direct payment from the Healthcare Consortium of \$504,511 and
- Miscellaneous revenue appropriated in the supplemental transfer in the amount of \$1,352,212.

The Superintendent also recommends the Board of Education approve the supplemental appropriation of \$938,053 to fund a Health and Dental Care premium holiday in June 2016 for all employees and retirees.

FY 2016 Supplemental Appropriation

DATE: March 21, 2016

Revenue:				
Accounting Unit	Account #	Description (AU)	Description	Appropriation
1REV	41610	Miscellaneous Revenue	Partial Healthcare Consortium Refund	\$895,489
1REV	41610	Miscellaneous Revenue	Delta Dental Refund	\$92,927
1REV	41610	Miscellaneous Revenue	Medical Flex - Unspent FY15	\$22,887
1REV	41610	Miscellaneous Revenue	Dependent Care - Unspent FY15	\$5,212
1REV	41610	Miscellaneous Revenue	Medicare Part D -	\$1,236,567
1REV	41610	Miscellaneous Revenue	CareFirst - Neurontin Claim	\$37,183
			Total Revenue	\$2,290,265
Expenditure:				
Accounting Unit	Expense	Description (AU)	(Expense)	Revised Appropriation
112-001-990-990	54690	Fixed Charges, Human Resources	Health Insurance	\$895,489
112-001-990-990	54695	Fixed Charges, Human Resources	Dental Insurance	\$42,564
112-001-990-990	54705	Fixed Charges, Human Resources	OPEB	\$1,352,212
			Total Expenditures	\$2,290,265

Justification: In accordance with HCPS Board of Education policy, to appropriate \$2,794,776 in one-time funding, received in fiscal year 2016, to fund a \$938,053 health/dental premium holiday for HCPS employees and retirees and to transfer \$1,856,723 to the MABE OPEB Investment Trust.

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