

**The School Board of Sarasota County, Florida
Budget Workshop December 7, 2010**

Health Plan Information

The school district currently is contracting with Blue Cross BlueShield of Florida. There are four plans available for employees to select. Employees are eligible if they are appointed, work no less than four hours per day, and coverage begins the first month of employment. There are two Health Maintenance Organization plans and two Preferred Provider Organization plans. In the table below are the amounts that the school district pays per employee on a calendar year basis and the coverage provided by each plan.

Coverage	Yearly Cost per Employee	Number of Employees in Plan as of 9/2010	Total Yearly Cost
High Deductible PPO – Deductible per individual of \$1,000 and a maximum family deductible of \$3,000. Coinsurance limit of \$2,000 per individual and a maximum of family coinsurance payment of \$6,000. Preventive care not covered. Physician services 20% payment after meeting full deductible for in network physicians out of network 40% payment after meeting full deductible. Hospital Services \$150 co pay than 20% after meeting full deductible for in network. Out of network everything is double. Drugs generic \$20 copay, preferred \$40 copay, non preferred \$60 copay.	\$4,731.12	357	\$1,659,010
Low Deductible PPO – Deductible per individual of \$300 and a maximum family deductible of \$900. Coinsurance limit of \$1,000 per individual and a maximum of family coinsurance payment of \$3,000. Preventive care \$25 copay in network and out of network 30% after deductible. Physician services 10% payment after meeting full deductible for in network physicians out of network \$300 copay and 30% payment after meeting full deductible. Hospital Services 10% after meeting full deductible for in network. Out of network \$300 copay then 30% deductible after meeting full deductible. Drugs generic \$15 copay, preferred \$30 copay, non preferred \$50 copay.	\$8,574	1,486	\$12,740,964

**The School Board of Sarasota County, Florida
Budget Workshop December 7, 2010**

Health Plan Information - continued

Coverage	Yearly Cost per Employee	Number of Employees in Plan as of 9/2010	Total Yearly Cost
<p>High Deductible HMO – Deductible per individual none and a maximum family deductible of none. Coinsurance limit of 0% per individual and a maximum of family coinsurance payment of 0%. Annual out of pocket limit per individual \$1,500, per family \$3,000. Preventive care \$25, specialist \$50. Physician services \$25 copay, specialist \$50. Hospital Services \$150 per day, \$750 maximum per admission. Drugs generic \$20 copay, preferred \$40 copay, non preferred \$60 copay.</p>	\$6,508.56	259	\$1,685,717
<p>Low Deductible HMO – Deductible per individual none and a maximum family deductible of none. Coinsurance limit of 0% per individual and a maximum of family coinsurance payment of 0%. Annual out of pocket limit per individual \$1,500, per family \$3,000. Preventive care \$15, specialist \$35. Physician services \$15 copay, specialist \$35. Hospital Services \$100 per admission. Drugs generic \$15 copay, preferred \$30 copay, non preferred \$50 copay.</p>	\$6,933.60	2,662	\$18,457,243
<p>Employees prior to 9/1/2000 were permitted to decline medical coverage based upon an affidavit that they have medical coverage through another plan are provided a monthly amount placed into a 401(K) plan.</p>	\$3,048.72	180	\$548,770
<p>Total of Health Plans</p>	Average Cost Per Employee \$7,098	4,944	\$35,091,704

**The School Board of Sarasota County, Florida
Budget Workshop December 7, 2010**

Dental Plan Information

The dental plan offered through a pre tax or after tax cafeteria plan option provides up to \$1,500 of coverage per calendar year to every appointed employee employed no less than four hours per day. The plan is through Delta Dental and the Dentist must be a participating Dentist in the plan. The cost for the 2011 calendar year is \$236.88 per employee. There are 5,054 employees covered as of September 2010 for a yearly cost of \$1,197,192.

Vision Plan Information

The vision plan offered through a pre tax or after tax cafeteria plan option provides an allowance for vision benefits. The vision care providers must be participating members of the plan. The coverage per calendar year to every appointed employee employed no less than four hours per day for the 2011 calendar year is \$50.28 per employee. There are 5,054 employees covered as of September 2010 for a yearly cost of \$254,115. The plan payment allowances to the participating vision care providers will cover service once in any 12 month period and one new frame once in any 24 month period. The allowances are vision examination \$30 after co pay of \$10, single vision lens \$20, bifocal lens \$40, trifocal lens \$60, lenticular lens \$100, contact lenses when necessary \$150, and contact lenses when elective \$105.

Group Term Life \$50,000

The school district provides \$50,000 group term life insurance at a rate of \$88.20, effective 1/1/2011 per calendar year for every appointed employee employed no less than four hours per day. There are 5,054 employees covered as of September 2010 for a yearly cost of \$445,763.

Long Term Disability Insurance

The school district provides long term disability insurance after a 90 day elimination period of 60% of an employee's salary subject to a maximum of \$4,000 per month at a cost of eighteen cents per \$100 of payroll. Every appointed employee employed no less than four hours per day is included. The yearly premium for only the operating fund is \$380,319.

Employee Assistance Program

This program is for employees to access help with any type of personal problem that may be upsetting their personal life, job, or family. The cost is \$45,000 yearly with no yearly cost per employee.

Kids Under the Weather Program

This program was established in the late 1980's for children of employees needing medical care during work days. The intent of the program is to allow employees the ability to remain at work and not require the use of substitutes for children with a temporary illness. For the most recent year the amount paid was \$11,203. The program is at the Sarasota Memorial Hospital.

The School Board of Sarasota County, Florida Budget Workshop December 7, 2010

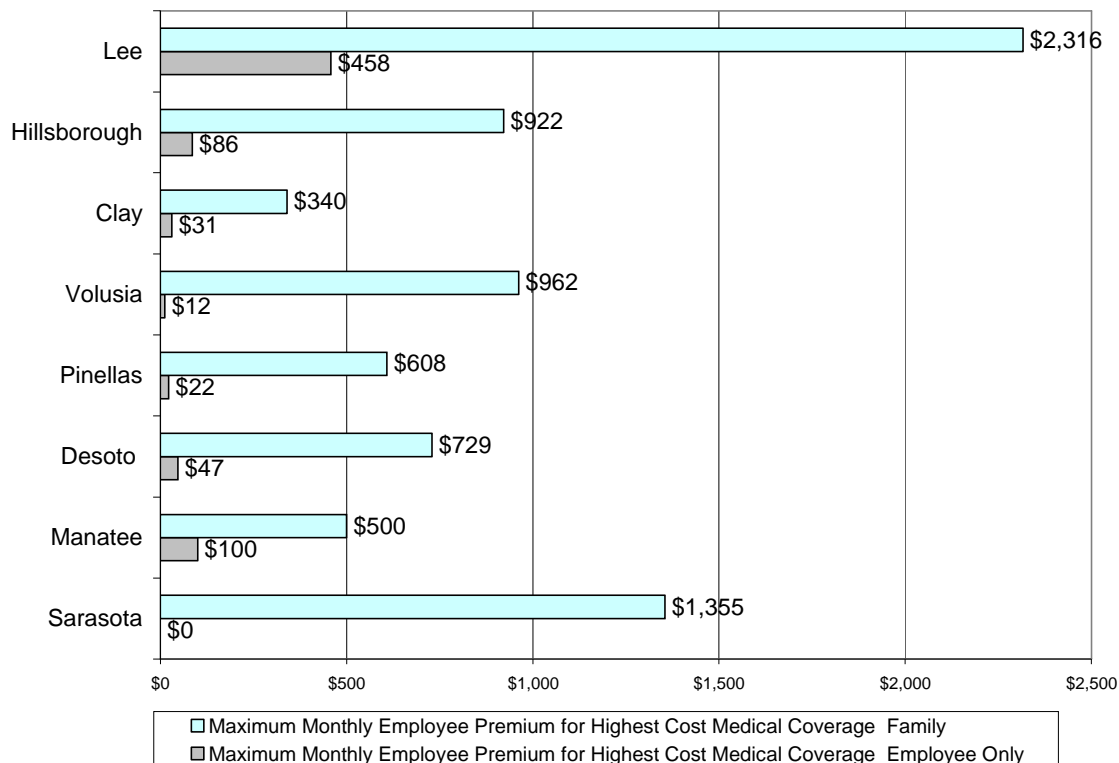
Total Employee Benefit Costs by Fund

In the above tables and narrative the total cost for each plan has been detailed. In the table below is the percentage each fund contributes to the employee benefits described above.

Fund	Percentage Paid by Fund
General Fund including the federal stabilization fund	88.02%
Special Revenue Fund – Federal, State, and Local Grants	5.28%
Capital Outlay Fund	.48%
Special Revenue – Food Service Fund (Note because Food Service workers normally work less than full time the percentage of employee benefit cost attributable to total wages is approximately 46%)	6.16%
Self Insurance Fund	.06%
Total	100.00%

National Study Shows Local Officials are Tackling Health Costs

In the November 12, 2010 edition of the Government Finance Officers newsletter there is an article about the results of a national study regarding health benefits. Fifty percent of the nation’s cities, counties, and townships are planning in the next two years to increase deductibles and copays, increase the amount employees contribute, and renegotiate with insurance negotiators. AON Hewitt compared five Florida school districts cost per employee and found that ours is \$370 more per year for 2010 and estimated to be above the others by \$580 per year for 2011. AON Hewitt provided the monthly maximum out of pocket medical premiums our surrounding districts are currently charging their employees. In the graph below is the information.



**The School Board of Sarasota County, Florida
Budget Workshop December 7, 2010**

Estimated range of the amount that will need to be reduced from the 2011-2012 budget

At the workshop held November 16, 2010 the request was made to prepare what the range of the budget reduction will be based upon the following assumptions. The tax roll for Sarasota County will decrease by five percent, the federal stabilization, federal stimulus funds from 2009 will not be replaced with other funding, the Federal Education Jobs fund appropriation will be carried forward into 2011-2012, the Florida state revenue funding per student will not change, the enrollment projection for the 2011-2012 school year will decrease, the workers compensation rate will be restored to the one percent level, the group health plan will increase effective January 1, 2012 by ten percent, the Florida retirement rate will increase 1.74% to fund the unfunded actuarial liability, and the unrestricted fund balance as of June 30, 2012 is to be 7.5%. All of the above assumptions are funded from two separate funds. In order to provide information that will help facilitate the range of the budget reduction tables have been prepared to analyze the General Fund separately from the Special Revenue Fund.

The Special Revenue Fund contains the stimulus funds that were provided in 2009 to both the Title 1 and Individuals with Disabilities grants. Also the Education Jobs Fund grant awarded in 2010 is a part of the Special Revenue Fund. In the table below are analyses of the impact of these fund changes that will take place in 2011-2012.

Description	Budget Reduction Action
Title 1 fund loss of stimulus funds. Currently 22 positions are funded from these funds. Loss of funding can be achieved by having less staff at each Title 1 school or decrease the number of schools being served. If the number of Title school's is decreased there is savings to the General Fund. Title 1 schools that are below 800 students receive an Assistant Principal position. The budget for a elementary Assistant Principal position is \$133,262. If all the Title 1 schools that are eliminated from Title 1 status were under 800 students, the budget savings in the General Fund would be \$666,310.	No adjustment is needed if the loss of funding is absorbed with a reduction in the number of schools identified as being Title 1.
Individuals with Disabilities loss of \$ 5,795,426 in stimulus funding. There are currently 43 positions funded from the IDEA stimulus funds. The allocation for elementary schools is 23 intervention teachers and 2 home school liaisons. At the other schools there are 18 behavior intervention teachers. The contract with an outside agency to provide career counseling services at the High Schools is also funded from the IDEA stimulus funds.	
Education Jobs Funding. In September of this year approximately \$8.8 million was allocated for staff salaries and benefits. The charter schools will use approximately \$800,000 leaving a balance of \$8 million. It is anticipated the Legislature may use this allocation as a replacement for the Federal Stabilization funds or to cover revenue shortfalls at the State level	

**The School Board of Sarasota County, Florida
Budget Workshop December 7, 2010**

The General Fund will be using approximately \$20 million of the unreserved fund balance to offset the loss of the stabilization funds and the increases in retirement and health care costs. After using the \$20 million reserve the range of reduction is estimated to be between \$11 to \$9 million. At this time it is uncertain if the Legislature will use the Education Jobs Fund allocation received after the beginning of school to fund the loss of the Federal Stabilization funds or to cover revenue shortfalls at the State level. The below table details the estimated use of the unrestricted fund balance and the range of reductions that will still be needed to balance the General Fund.

Description	Budget Reduction
Loss of the Federal Stabilization Funds in the amount of \$14,538,593. From these funds 274 positions are being funded.	This reduction will be off set through the use of the unreserved fund balance. This leaves a balance of \$5,461,407
The .748 discretionary millage on a reduced tax roll of 5% will have a revenue loss of \$1,604,926	This reduction will be off set through the use of the unreserved fund balance. This leaves a balance of \$3,856,481
The tax roll is anticipated to decrease by 5% for the next fiscal year. This loss of revenue from the voted millage is \$2,123,273.	This reduction will be off set through the use of the unreserved fund balance. This leaves a balance of \$1,733,244.
Restoration of the workers compensation rate from the current one tenth of a percent to one percent is \$2,094,530	This reduction will be off set through the use of the balance of unreserved fund balance of \$1,733,244. This leaves a balance of \$361,286 to be reduced from the budget.
The Florida Retirement rate increase of 1.74% for the unfunded actuarial liability in HB5101 passed in 2010. The increase is \$4,192,449	The accumulated reduction needed with this appropriation increase is \$4,553,735.
The group health plan increase is estimated to be 10% effective January 1, 2012. This increase is approximately \$1.4 million.	The accumulated reduction needed with this appropriation increase is \$5,953,735.
The yearly contractual salary step movement with benefits \$2,355,057. The yearly longevity movement with benefits is estimated to be \$440,000 for a total of \$2,795,057	The accumulated reduction needed with this appropriation increase is \$8,748,792.

In summary there are many unknown factors that may change the \$8,748,792 that is itemized in the table above. The major unknown factor is the Florida economy. The revenues for this year as of October 2010 are projected to be \$136.1 million below the budget estimate. The Office of Economic & Demographic Research indicates the fiscal year maximum state budget gap could be \$2.4 billion to a \$5.4 billion shortfall.