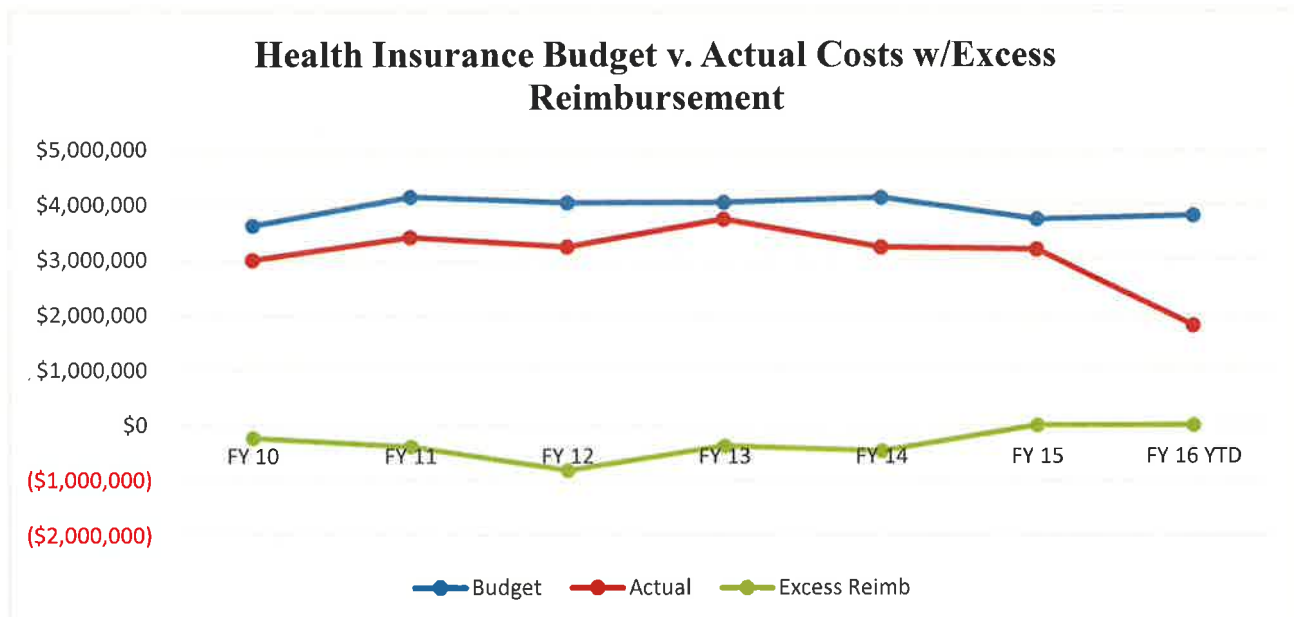


Health Insurance – As has been mentioned repeatedly in the past Dixon USD #170 is and has been self-insured for over 25 years. That means that the District utilizes a third party administrator, in our case IPMG, to process and pay claims based on the District’s Health Plan and then purchases excess reimbursement coverage for claimants who exceed \$125,000 per year (there is also an additional aggregating specific of another \$112,000 obligation to the District for claims over the \$125,000 threshold).

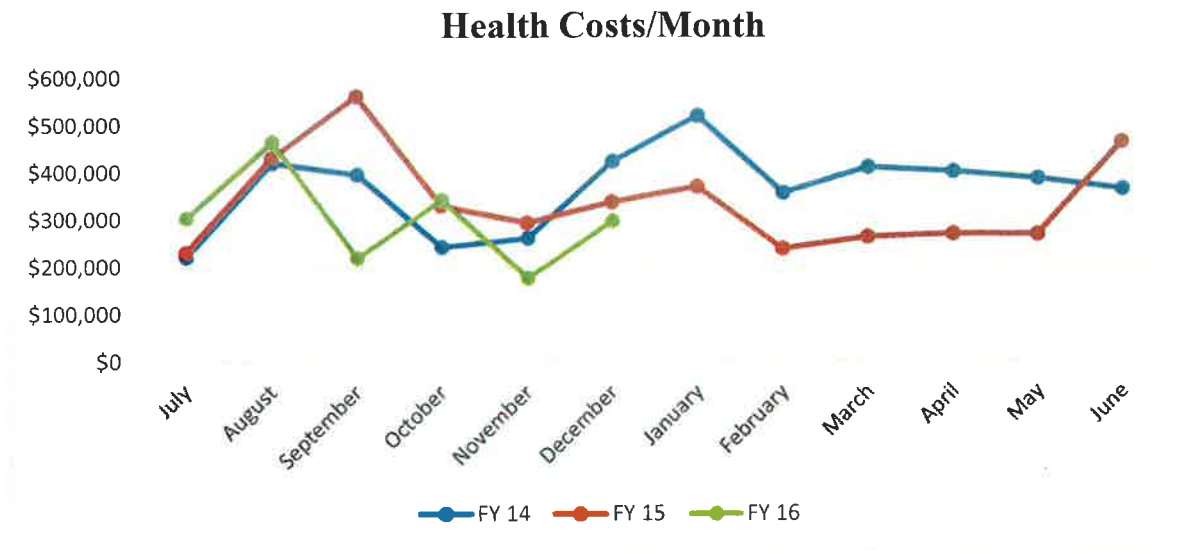
Although being self-insured is a very cost effective method of providing health care it can create some budgeting issues in that it is almost essential to budget “worst case scenario.” In addition, we cannot be guaranteed any reimbursement from our excess loss carrier for claimants that exceed \$125,000. There were no excess reimbursements for the 2014-2015 Health Plan Year.

It is our hope that each and every year that we will not spend as much as was budgeted and, as has been the case the past few years, the budget deficit projected in September shrinks by the end of the fiscal year in June. In FY 10 health costs were 82.72% of what was budgeted, FY 11 was 82.23%, FY 12 was 80.07, FY 13 was 92.37%, FY 14 78.13%, FY 15 85.20% and FY 16 YD is at 46.67%.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u> <u>YTD-6</u> <u>Months</u>
Budget	\$3,639,374	\$4,165,492	\$4,059,482	\$4,066,655	\$4,148,863	\$3,756,603	\$3,821,011
Actual	\$3,010,347	\$3,425,182	\$3,250,507	\$3,756,498	\$3,241,638	\$3,200,688	\$1,783,242
Excess Reimb	(\$227,152)	(\$384,898)	(\$811,422)	(\$372,224)	(\$466,001)	\$0	\$0



The claim costs first six months of FY 16 (\$1,811,325) are trending lower than comparable months in FY 15 (\$2,197,063). To date the Board of Education has contributed \$1,450,000 or 83.64% and the employees have contributed \$213,615 or 12.32% of the revenues used to fund the health costs excluding the Flex portion.



State of Illinois – Budget Status – There is really nothing new to report regarding the State of Illinois and the status of the 2016 budget. The legislature was scheduled to resume on the week of January 11th, but virtually nothing of significance was scheduled involving the rank and file members in that some of the committee meetings that had been proposed were cancelled. We are quickly approaching the State of the State address by the Governor and the need to propose a 2017 budget. We are truly in uncharted territory and it is impossible to predict anything at this point.