

Budget, Planning, Finance and Audit Committee Meeting
Jason Blake, Committee Chairperson
Wednesday, September 12, 2018
Minutes

Present: Jason Blake, Adam Guss, Dave Secrest, Amy Blazier, Erica Brusco, Jeremy Davis, Jay Sargeant, Steve Olson, Craig Kingston, Devin Hester, Stacey Gierut, Wendy Williams

- Call to Order
- Roll Call
- Pledge of Allegiance
- Approval of June 18, 2018, Minutes
- Discussion and Recommendation of High Deductible Health Plan Option for District Employees

Jeremy Davis, Assistant Superintendent of Finance and Operations, introduced Wendy Williams, First Vice President and Stacey Gierut, Lead Account Manager from Alliant Employee Benefits.

Their presentation began with the basics of qualified High Deductible Health Plans (HDHP's).

- Higher deductibles mean lower premium costs.
- To be compatible with Health Savings Accounts (HSA's) the plan must not have any first dollar coverage (i.e. copays).
- All services are subject to the plan deductible and coinsurance.
- Preventive care and early detection screenings are at no cost to the member.
- Each year, the IRS determines the plan limits for deductibles, out-of-pockets and HSA contributions.

The basics of a Health Savings Account (HSA)

- The HSA is NOT the health plan.
- It is a tax-advantage savings vehicle that is offered in conjunction with a qualified health plan
- The account is used to accumulate pre-tax funds that can be used to pay for eligible medical, dental and vision expenses
- It is triple tax-advantaged. All contributions, distributions and interest income are tax exempt.
- The employee must be enrolled in a qualified HDHP to contribute to an HSA

Q & A followed regarding:

- preventive care and maintenance prescriptions;
- HRA's which are owned by the employer and forfeited upon the employee leaving;
- The average per month claim per employee paid by the District ;
- Comparison of an HAS to FSA and Limited FSA;
- Funds availability and usage rules and regulations
- Tax Penalties for non-eligible expenditures or early withdrawals
- HSA vs. FSA differences

In summary, the District believes that by providing the High Deductible Health Plan to its employees, both the District and employees covered by the new plan can save money. Below is the option that D155 administration, its employee unions, and District 155's Budget, Planning, Finance, and Audit Committee agree to recommend to the Board of Education for its approval.

Embedded HDHP	In-Network	Out-of-Network
Individual Deductible	\$2,700	\$5,400
Family Deductible	\$5,400	\$10,800
Coinsurance after Deductible	90%	70%
Individual Out-of-Pocket Max	\$5,400	\$10,800
Family-Out-of-Pocket Max	\$10,800	\$21,600
Prescription Drug	\$10/\$25/\$50 after deductible	

- Discussion of Impact Fees

Jeremy Davis stated that he wanted to keep the Committee up-to-date on Impact Fees. Recently the city of Crystal Lake called a meeting to discuss Impact Fees. Mr. Davis explained that Impact Fees are incurred by developers and passed along to new families moving into the city boundaries. There is no mandate other than the local municipalities own laws that require the collection of such fees. The current formula was created to satisfy a bond payment in 1992 when capital projects like building new schools were proposed. Crystal Lake is now proposing a new formula created based on the number of students generated per household; using data from the schools for the number of students per school type and number of acres per school type. The new formula has been legally tested, and is defensible based on the Naperville challenge. It is also widely employed among Illinois counties and municipalities. The new impact fee for a single family detached 4 bedroom house in Crystal Lake would be \$4,555.

Mr. Davis pointed out that on average we have only collected \$30,000 during the past couple of years. Mr. Davis went on to say that McHenry County has already decided to suspend any collection of Impact Fees for unincorporated areas without even asking for any input from us.

- Public Comment(s)

There were no public comments.

- Adjourn