# Regular

Monday, October 24, 2005 6:00 PM
Granbury ISD Board Room, 600 West Pearl St., Granbury, TX 76048, W Pearl St, Granbury, TX 76048

1. **Call to order**
2. **Invocation**
3. **Pledges - U.S. Flag & Texas Flag**
4. **Personnel**
   a. Consider staff appointments
5. **Property**
   a. Review status of sale of property at 205 E. Pearl Street
   b. Update future property development
6. **Superintendent's Report - Goals 1, 2, 3, 6, 7**
   a. Student Recognition
   b. Granbury Middle School report
   c. Donation update
   d. Investment report
7. **Public comments/audience participation**
8. **Board members special reports**
9. **Consider Consent Agenda Items - Goals 2, 3, 5**
   a. Minutes of the October 3, 2005 regular board meeting
   b. Budget amendments
   c. Purchase of Acton Elementary technology equipment
   d. Pest Management Services CSP 2003-34 - renewal
   e. Golf services and supplies CSP 2005-37
10. **Review investment policies and consider resolution**
11. **Consider facilities review**
12. **Consider salary exceptions**
13. **Consider renewal of Medicaid Administratiave Claims**
14. **Consider employee health insurance benefit package**
15. **Adjourn**

Granbury
Independent School District

Granbury Middle School
Jimmy Dawson, Principal

2000 Crossland • Granbury, TX 76048 • Phone • 817-408-4850 • Fax • 817-408-4899

# Granbury Middle School Board Presentation

- GMS Proud Pirates
- Enrollment is up 100 students
- TEAMING/Pirate Time/DEAR
- Math Dept. & PHA
- Science TAKS at 8th Grade
- PSAT
- Participation in Athletics & Character Counts
- Brazos Pregnancy Center Presentations
- Dub Gillum's Meth / Drugs Presentation to Science Classes

Highlights of Title I Funding Activities:

- Parent Involvement – "Dad's and Donuts" & Spring Beach Bash
- Parent & Family Books
- Student Planners/Agendas for 7th & 8th grade
- Feb. 28th DREAM Night (Doing Right Educationally Achieves More) Community Members are invited to GMS for Open House to visit with Parents regarding financial planning for their child's future.
- Video Production Lab
- ESL Tutor
- Training for English and Reading Teachers in "New Jersey Writing Project Training"

…..AND MUCH MUCH MORE!  PLEASE COME FOR A VISIT SOMETIME!

**GRANBURY INDEPENDENT SCHOOL DISTRICT**

**INTEROFFICE MEMO**

**FINANCE AND BUSINESS AFFAIRS**

To: Board of Trustees
Date: October 24, 2005
For: Information

**TO**: Mr. William Harris, Superintendent

**FROM**: Sharay Boynton
**DATE**: September 28, 2005
**RE**: Donation Update

**SUMMARY:**

According to Board Policy CDC (LOCAL) "The Board or Superintendent may accept any bequest or gift of money or property on behalf of the District." Mr. Harris has accepted the following donations on behalf of the District

- Pratt's Stereo and Video has donated audiovisual equipment to the GEA 7 program. The value of the equipment and installation is $1,225.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: William Harris
Sharay Boynton

Date Submitted:

Granbury Independent School District

**Sharay Boynton, CPA**
**Executive Director of Finance**

October 17, 2005

Granbury Independent School District Board of Trustees:

The Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) requires the investment officer of each local government to submit to its governing body a report, not less than quarterly, of investment transactions.

The **Portfolio Summary Report** identifies all areas that are required to be reported to the governing body. The report summarized the information for all six groups of funds that the District invests funds. The report shows that all six funds are being invested at a rate similar to the average benchmark yield. The benchmark used is the 90-day T-Bill.

The total book value of investments held by the District on August 31, 2005 was $17,656,187. The General Fund holds the majority of the investments.

The District invested in the pools and the interest bearing checking accounts during the last quarter. During this time, the market started realizing a rise in interest rate on short and long term monies. The yield between the pools and the interest bearing checking accounts is starting to lag behind that of individual Treasuries and Agencies. TexasTerm has a fund that allows for purchases of set maturity dates, which are realizing larger yields than the daily fund due to this lag. Funds have and will be reallocated to take advantage of the higher yield associated with the long-term investments.

Throughout most of last quarter, TEXPOOL maintained a higher yield than LOGIC, TexasTerm Daily and TASB-Lone Star. TexasTerm I, investments with set maturities, yield was similar to the TEXPOOL fund, however, funds are not as liquid as they are in the pools and with the interest rate steadily rising, it does not serve well to limit interest income for a period of time. The interest yield on the checking accounts is lower than TEXPOOL. The new depository agreement entered into effective 9/1/05, realizes a floating interest rate depending on 90-day t-bill and should allow for a more competitive rate with the rising interest rate market. This will be beneficial for the funds that invest primarily in the checking accounts. Due to collateral and diversity issues, funds are invested in the pools, TexasTerm I and the bank depending on the needs of the individual funds.

Funds are invested to yield the highest return and security at the time of investment or withdrawal. Graphs showing the percentage breakdown of investments as well as transactions for all funds are attached for your review.

The information presented above and the attached are submitted to you as the quarterly report of investment transactions for Granbury Independent School District.

William Harris
Superintendent

Sharay S. Boynton, CPA
Executive Director of Finance

William Harris, Superintendent
600 West Bridge • Granbury, Texas 76048 • Phone (817) 408-4015 • Fax (817) 408-4033
sharay_boynton@granbury.k12.tx.us

# PORTFOLIO SUMMARY REPORT
# PERIOD ENDING 06/30/05

## GRANBURY ISD – GENERAL OPERATING INVESTMENT FUNDS

| | |
|---|---|
| Beginning Book Value | $15,728,761 |
| Beginning Market Value | $15,728,761 |
| WAM at Beginning of Period | 2.42 Days |
| Change to Market Value | $ 0 |
| Ending Book Value | $15,728,761 |
| Ending Market Value | $15,728,761 |
| Gain/Loss | $ 0 |
| WAM at Ending Date | 2.42 Days |
| Period Yield to Maturity | 3.36% |
| Period Average Benchmark Yield | 3.45 % |

## GRANBURY ISD – FOOD SERVICE INVESTMENT FUNDS

| | |
|---|---|
| Beginning Book Value | $ 440,856 |
| Beginning Market Value | $ 440,856 |
| WAM at Beginning of Period | 1.0 Days |
| Change to Market Value | $ 0 |
| Ending Book Value | $ 440,856 |
| Ending Market Value | $ 440,856 |
| Gain/Loss | $ 0 |
| WAM at Ending Date | 1.0 Days |
| Period Yield to Maturity | 2.71% |
| Period Average Benchmark Yield | 3.45% |

## GRANBURY ISD – SCHOLARSHIP/TRUST INVESTMENT FUNDS

| | |
|---|---|
| Beginning Book Value | $ 63,323 |
| Beginning Market Value | $ 63,323 |
| WAM at Beginning of Period | 1.0 Days |
| Change to Market Value | $ 0 |
| Ending Book Value | $ 63,323 |
| Ending Market Value | $ 63,323 |
| Gain/Loss | $ 0 |
| WAM at Ending Date | 1.0 Days |
| Period Yield to Maturity | 2.25% |
| Period Average Benchmark Yield | 3.45% |

**GRANBURY ISD – DEBT SERVICE INVESTMENT FUNDS**

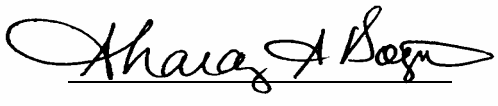
| | |
|---|---|
| Beginning Book Value | $ 1,061,121 |
| Beginning Market Value | $ 1,061,121 |
| WAM at Beginning of Period | 1.0 Days |
| Change to Market Value | $ 0 |
| Ending Book Value | $ 1,061,121 |
| Ending Market Value | $ 1,061,121 |
| Gain/Loss | $ 0 |
| WAM at Ending Date | 1.0 Days |
| Period Yield to Maturity | 3.49% |
| Period Average Benchmark Yield | 3.45% |

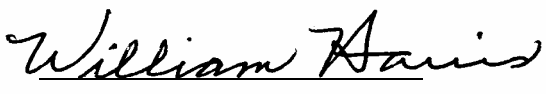
**GRANBURY ISD – BUILDING FUND INVESTMENT FUNDS**

| | |
|---|---|
| Beginning Book Value | $ 102,790 |
| Beginning Market Value | $ 102,790 |
| WAM at Beginning of Period | 1.0 Days |
| Change to Market Value | $ 0 |
| Ending Book Value | $ 102,790 |
| Ending Market Value | $ 102,790 |
| Gain/Loss | $ 0 |
| WAM at Ending Date | 1.0 Days |
| Period Yield to Maturity | 3.58% |
| Period Average Benchmark Yield | 3.45 % |

**GRANBURY ISD –SELF INSURANCE INVESTMENT FUNDS**

| | |
|---|---|
| Beginning Book Value | $ 259,337 |
| Beginning Market Value | $ 259,337 |
| WAM at Beginning of Period | 1.0 Days |
| Change to Market Value | $ 0 |
| Ending Book Value | $ 259,337 |
| Ending Market Value | $ 259,337 |
| Gain/Loss | $ 0 |
| WAM at Ending Date | 1.0 Days |
| Period Yield to Maturity | 2.25% |
| Period Average Benchmark Yield | 3.45% |

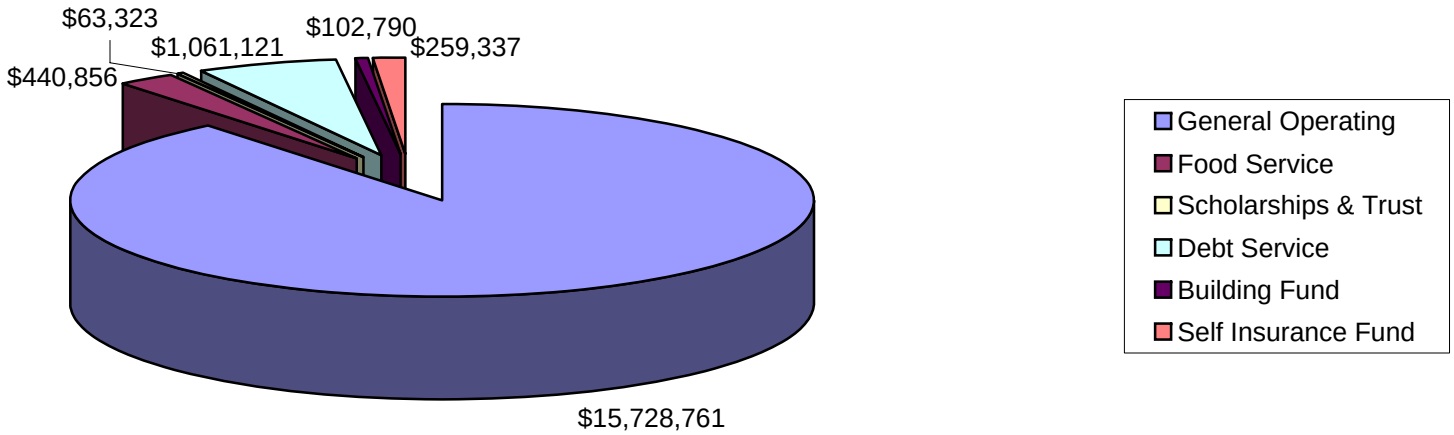
Prepared by: Finance Director 

Superintendent 

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**STATEMENT OF POSITION - BY FUND**
**ENDED AUGUST 31, 2005**

| FUND | CHECKING | LOCAL GOV'T INVESTMENT COOP (LOGIC) | LONE STAR INVESTMENT POOL | TEXPOOL INVESTMENT POOL | TEXAS TERM | | TOTAL BY FUND |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| General Operating | $674,108 | $3,912,474 | $61,580 | $4,452,383 | $6,628,216 | | $15,728,761 |
| Food Service | $281,442 | $104,119 | | $55,295 | | | $440,856 |
| Scholarships & Trust | $63,323 | | | | | | $63,323 |
| Debt Service | $40,692 | $381,490 | $6,441 | $619,460 | $13,038 | | $1,061,121 |
| Building Fund | $85 | $24 | | $102,681 | | | $102,790 |
| Self Insurance Fund | $255,928 | $2,582 | | $396 | $430 | | $259,337 |
| | | | | | | | |
| Total by Type | $1,315,578 | $4,400,689 | $68,021 | $5,230,215 | $6,641,685 | | $ 17,656,187 |

## Granbury ISD Statement by Position - By Fund



**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**GENERAL OPERATING FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 7,378,450 | 7,378,450 |
| 7/27/2005 | 2,000,000 | Pool | Open | 2,000,000 | | 2,000,000 | (2,000,000) | (2,000,000) |
| 7/31/2005 | 19,539 | Pool | Open | 19,539 | 19,539 | | 19,539 | 19,539 |
| 8/24/2005 | 1,000,000 | Pool | Open | 1,000,000 | | 1,000,000 | (1,000,000) | (1,000,000) |
| 8/25/2005 | 500,000 | Pool | Open | 500,000 | | 500,000 | (500,000) | (500,000) |
| 8/31/2005 | 14,485 | Pool | Open | 14,485 | 14,485 | | 14,485 | 14,485 |
| | | Pool | Open | | | | - | - |
| | | Pool | Open | | | | - | - |
| | | Pool | Open | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 3,912,474 | 3,912,474 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**GENERAL OPERATING FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 61,247 | 61,247 |
| 7/29/2005 | 162 | Pool | Open | 162 | 162 | | 162 | 162 |
| 8/31/2005 | 172 | Pool | Open | 172 | 172 | | 172 | 172 |
| | | Pool | Open | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 61,580 | 61,580 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**GENERAL OPERATING FUND:**

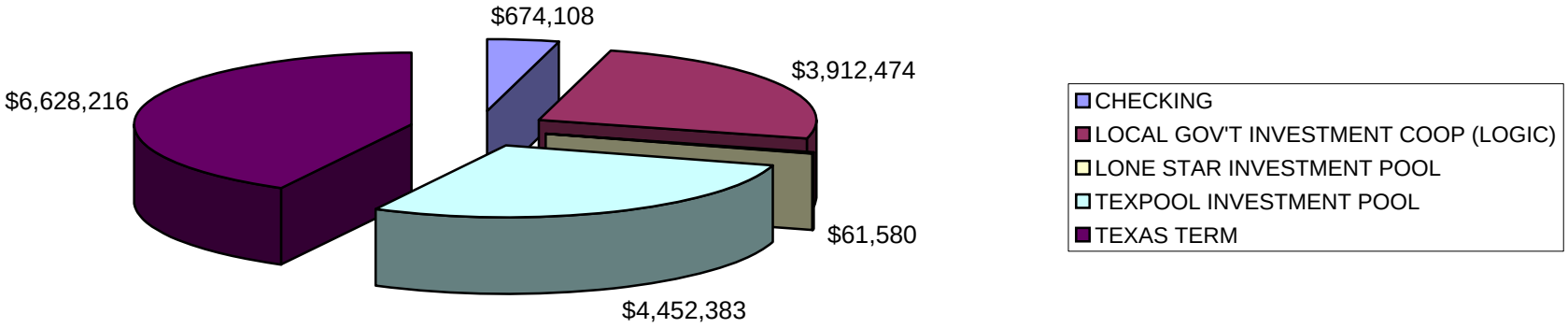
| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 4,924,623 | 4,924,623 |
| 7/29/2005 | 13,263 | Pool | Open | 13,263 | 13,263 | | 13,263 | 13,263 |
| 7/29/2005 | 362 | Pool | Open | 362 | 362 | | 362 | 362 |
| 8/25/2005 | 500,000 | Pool | Open | 500,000 | | 500,000 | (500,000) | (500,000) |
| 8/31/2005 | 13,750 | Pool | Open | 13,750 | 13,750 | | 13,750 | 13,750 |
| 8/31/2005 | 385 | Pool | Open | 385 | 385 | | 385 | 385 |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 4,452,383 | 4,452,383 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**GENERAL OPERATING FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 7,093,144 | 7,093,144 |
| 7/31/2005 | 3,303 | Pool | Open | 3,303 | 3,303 | | 3,303 | 3,303 |
| 7/31/2005 | 1,902 | Term | 8/5/05 | 1,902 | 1,902 | | 1,902 | 1,902 |
| 7/31/2005 | 7,287 | Term | 9/1/05 | 7,287 | 7,287 | | 7,287 | 7,287 |
| 7/31/2005 | 4,909 | Term | 9/12/05 | 4,909 | 4,909 | | 4,909 | 4,909 |
| 8/5/2005 | 811,169 | Pool | Open | 811,169 | 811,169 | | 811,169 | 811,169 |
| 8/24/2005 | 500,000 | Pool | Open | 500,000 | | 500,000 | (500,000) | (500,000) |
| 8/31/2005 | 5,168 | Pool | Open | 5,168 | 5,168 | | 5,168 | 5,168 |
| 8/5/2005 | 307 | Term | 8/5/05 | 307 | 307 | | 307 | 307 |
| 8/5/2005 | 811,169 | Term | 8/5/05 | 811,169 | | 811,169 | (811,169) | (811,169) |
| 8/31/2005 | 7,287 | Term | 9/1/05 | 7,287 | 7,287 | | 7,287 | 7,287 |
| 8/31/2005 | 4,909 | Term | 9/12/05 | 4,909 | 4,909 | | 4,909 | 4,909 |
| | | Pool | Open | | | | - | - |
| | | Pool | Open | | | | - | - |
| | | Term | 8/5/05 | | | | - | - |
| | | Term | 9/1/05 | | | | - | - |
| | | Term | 9/12/05 | | | | - | - |
| | | | | | | | 6,628,216 | 6,628,216 |

## Granbury ISD - Statement of Position - General Operating



**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**DEBT SERVICE FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 1,925,005 | 1,925,005 |
| 7/26/2005 | 1,200,000 | Pool | Open | 1,200,000 | 1,200,000 | | 1,200,000 | 1,200,000 |
| 7/29/2005 | 2,700,000 | Pool | Open | 2,700,000 | | 2,700,000 | (2,700,000) | (2,700,000) |
| 7/31/2005 | 5,252 | Pool | Open | 5,252 | 5,252 | | 5,252 | 5,252 |
| 8/30/2005 | 50,000 | Pool | Open | 50,000 | | 50,000 | (50,000) | (50,000) |
| 8/31/2005 | 1,232 | Pool | Open | 1,232 | 1,232 | | 1,232 | 1,232 |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 381,490 | 381,490 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**DEBT SERVICE FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 6,406 | 6,406 |
| 7/29/2005 | 17 | Pool | Open | 17 | 17 | | 17 | 17 |
| 8/31/2005 | 18 | Pool | Open | 18 | 18 | | 18 | 18 |
| | | Pool | Open | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 6,441 | 6,441 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**DEBT SERVICE FUND:**

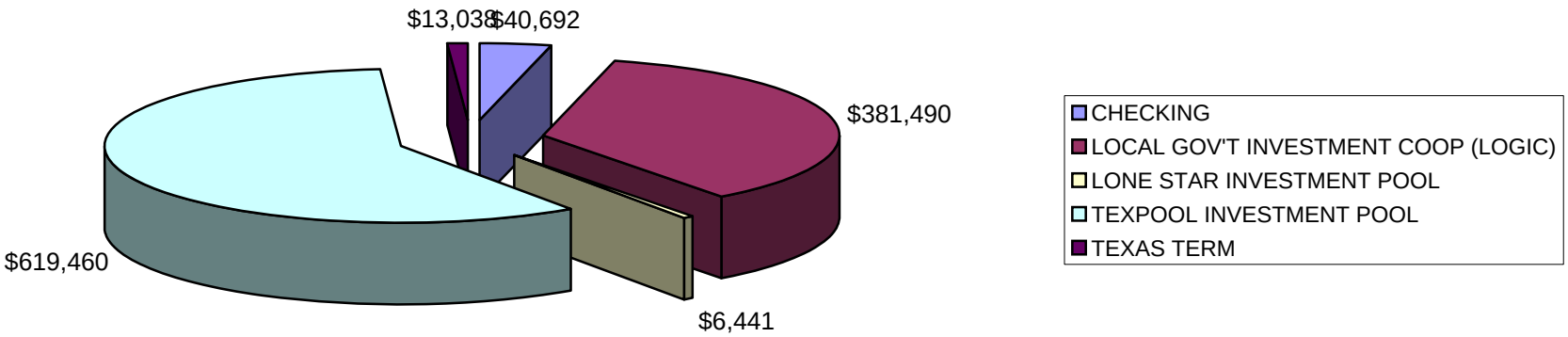
| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 516,838 | 516,838 |
| 7/25/2005 | 1,200,000 | Pool | Open | 1,200,000 | 1,200,000 | | 1,200,000 | 1,200,000 |
| 7/29/2005 | 1,500,000 | Pool | Open | 1,500,000 | | 1,500,000 | (1,500,000) | (1,500,000) |
| 7/29/2005 | 1,671 | Pool | Open | 1,671 | 1,671 | | 1,671 | 1,671 |
| 8/23/2005 | 400,000 | Pool | Open | 400,000 | 400,000 | | 400,000 | 400,000 |
| 8/31/2005 | 951 | Pool | Open | 951 | 951 | | 951 | 951 |
| | | | | | | | - | - |
| | | | | | | | 619,460 | 619,460 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**DEBT SERVICE FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 2,612,219 | 2,612,219 |
| 7/25/2005 | 4,566 | Pool | 7/25/05 | 4,566 | 4,566 | | 4,566 | 4,566 |
| 7/25/2005 | 2,404,303 | Pool | 7/25/05 | 2,404,303 | | 2,404,303 | (2,404,303) | (2,404,303) |
| 7/29/2005 | 200,000 | Pool | Open | 200,000 | | 200,000 | (200,000) | (200,000) |
| 7/31/2005 | 519 | Term | Open | 519 | 519 | | 519 | 519 |
| 8/31/2005 | 37 | Pool | Open | 37 | 37 | | 37 | 37 |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 13,038 | 13,038 |

## Granbury ISD - Statement of Position - Debt Service



**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**BUILDING FUND:**

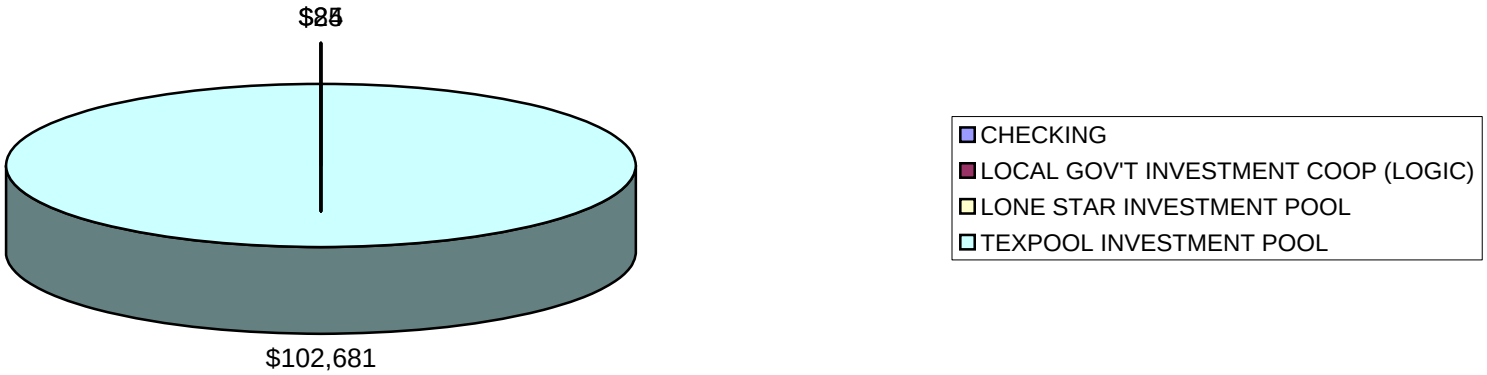
| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 24 | 24 |
| 7/31/2005 | 0 | Pool | Open | 0 | 0 | | 0 | 0 |
| 8/31/2005 | | Pool | Open | 0 | 0 | | 0 | 0 |
| | | Pool | Open | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 24 | 24 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**BUILDING FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 102,098 | 102,098 |
| 7/29/2005 | 282 | Pool | Open | 282 | 282 | | 282 | 282 |
| 8/31/2005 | 300 | Pool | Open | 300 | 300 | | 300 | 300 |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 102,681 | 102,681 |

## Granbury ISD - Statement of Position - Building Fund



**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**SELF INSURANCE FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 202,195 | 202,195 |
| 7/22/2005 | 200,000 | Pool | Open | 200,000 | | 200,000 | (200,000) | (200,000) |
| 7/31/2005 | 380 | Pool | Open | 380 | 380 | | 380 | 380 |
| 8/31/2005 | 7 | Pool | Open | 7 | 7 | | 7 | 7 |
| | | Pool | Open | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 2,582 | 2,582 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**SELF INSURANCE FUND:**

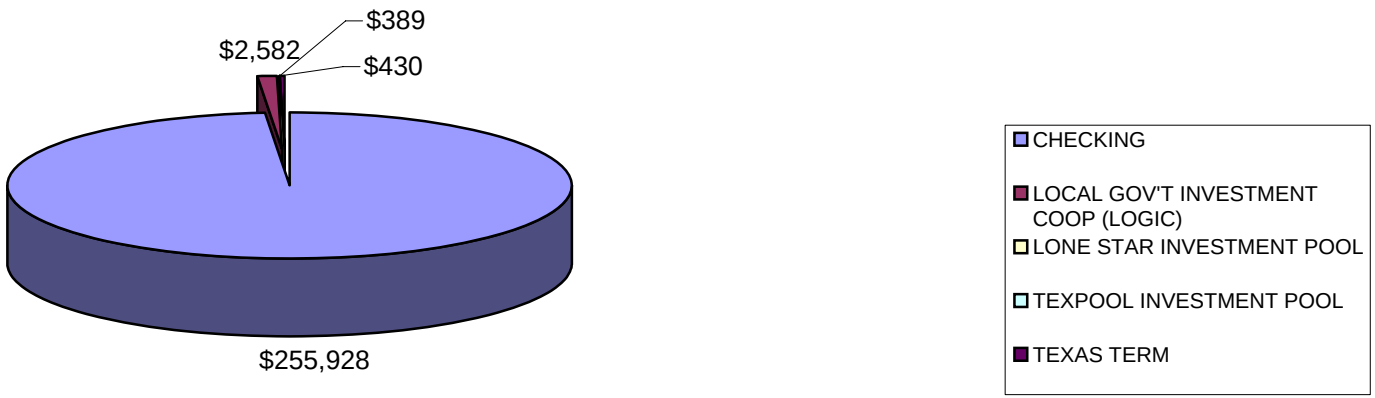
| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 394 | 394 |
| 7/29/2005 | 1 | Pool | Open | 1 | 1 | | 1 | 1 |
| 8/31/2005 | 1 | Pool | Open | 1 | 1 | | 1 | 1 |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 396 | 396 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**SELF INSURANCE FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 428 | 428 |
| 7/31/2005 | 1 | Pool | Open | 1 | 1 | | 1 | 1 |
| 8/31/2005 | 1 | Pool | Open | 1 | 1 | | 1 | 1 |
| | | Pool | Open | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 430 | 430 |

# Self Insurance Fund



**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**FOOD SERVICE FUND:**

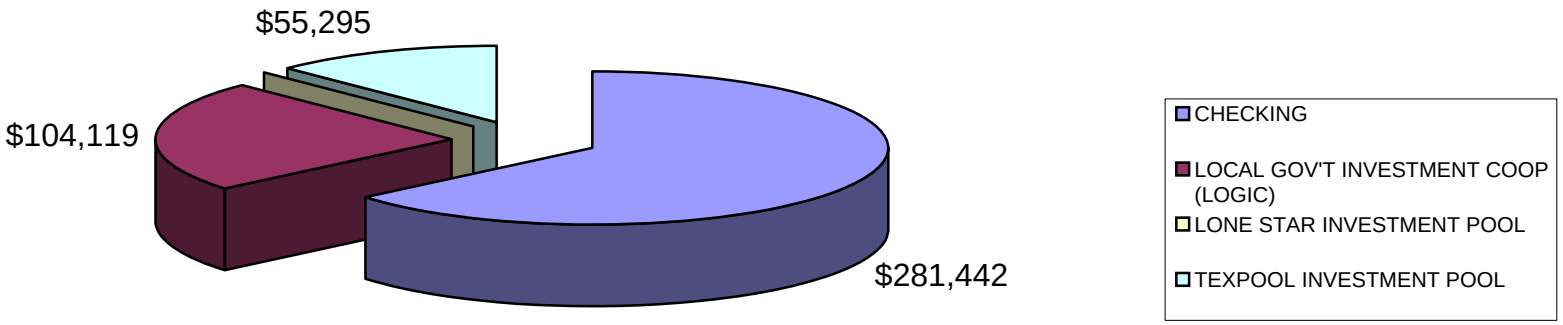
| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 103,533 | 103,533 |
| 7/31/2005 | 287 | Pool | Open | 287 | 287 | | 287 | 287 |
| 8/31/2005 | 300 | Pool | Open | 300 | 300 | | 300 | 300 |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | - | - |
| | | | | | | | 104,119 | 104,119 |

**GRANBURY INDEPENDENT SCHOOL DISTRICT**
**SUMMARY OF INVESTMENT ACTIVITY - BY FUND**
**ENDED AUGUST 31, 2005**

**FOOD SERVICE FUND:**

| Purchase Date | Purchase Price | Type of Investment | Maturity Date | Maturity Value | Purchases | Maturities | Ending Par Value | Ending Book Value |
|---|---|---|---|---|---|---|---|---|
| 6/30/2005 | | | | | | | 54,981 | 54,981 |
| 7/29/2005 | 152 | Pool | Open | 152 | 152 | | 152 | 152 |
| 8/31/2005 | 162 | Pool | Open | 162 | 162 | | 162 | 162 |
| | | Pool | Open | | | | - | - |
| | | Pool | Open | | | | - | - |
| | | Pool | Open | | | | - | - |
| | | Pool | Open | | | | - | - |
| | | | | | | | 55,295 | 55,295 |

# Granbury ISD Statement of Position - Food Service Fund



**GRANBURY ISD**
**BOARD OF TRUSTEES**
**OFFICIAL REGULAR MEETING**
**MINUTES**
**October 3, 2005**

The Board of Trustees of the Granbury Independent School District convened in an official **REGULAR** meeting on Monday, October 3, 2005 at 6:00 p.m. in the Board Room of the Administration Building, 600 West Pearl St., Granbury, Texas

Presiding Officer..... Barbara Herrington

**Board Members Present**

Bowen Brawner
Jerry Campbell
Brian Condit
Gene Ellis
Doug Funk

**Board Members Absent**

Charlie Cloud

**School Officials Present**

William Harris, Superintendent
Jan Van Dorn, Assistant Superintendent
Sharay Boynton, Executive Director of Finance
Troy Green, Executive Director of Human Resources
Ton Potappel, Director of Technology
Judy Duncan, Recording Secretary

**Others Present**

School Employees
Media
Community Members

**Meeting Called to Order**

President, Barbara Herrington, called the meeting to order at 6:00 p.m. and noted that a quorum of board members is present, the meeting has been duly called and that notice of this meeting has been posted in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Convened in Closed Session**

The Board of Trustees convened in closed session at 6:01 p.m. under the Texas Open Meetings Act, Texas Government Codes, Chapter 551.074 - personnel matters and 551.072 – purchase, exchange, lease or value of real property.

**Reconvened**

The board reconvened at 7:04 p.m.

**Invocation & Pledge**

Tiffany Danna, 1st United Methodist Church, led in the invocation and Mambrino School students, Connor Lively-Adams and John Finn led in the pledge to the US Flag and the Texas Flag.

**Superintendent's Report**

Marsha Grissom, Granbury High School Principal updated the board on the great things happening at Granbury High School this year. Grissom reported that three GHS students, Michael Sullivan, Brier Steenberge and Michael Baker received the Commended National Merit Scholar award.

Grissom also told about other exciting things happening this year at GHS such as opening the school library on Tuesday and Thursday evenings to allow students an opportunity to come use the library for homework and research, achieving an employee perfect attendance day, implementing the Pirate Pete II award and many other activities that are involving the students, parents and staff.

**Public Comments**

None

**Board Member's Special Reports**

Barbara Herrington reported that UIL in Austin has approximately 500 applications for athletic waivers for students who have been displaced by hurricanes. Herrington stated that UIL will have a 15 day waiting period before students can participate in UIL athletics; however, upon returning to their home school, there will be no waiting period.

Herrington reported that the TASA/TASB convention has been rescheduled and will be held in Dallas on October 28 – 30, 2005. Herrington asked that any board members who will be changing their plans on attending the convention to contact Judy Duncan as soon as possible in order to make the arrangements.

**Consent Agenda Items**

A motion was made by Jerry Campbell and seconded by Brian Condit to approve the consent agenda items as presented. **MOTION CARRIED** Yes 6 – Noe 0 Consent agenda items approved: (a) minutes of the September 19, 2005 regular board meeting; (b) general merchandise and consumable supplies 2005-04 – renewal; (c) athletic supplies – spring sports 2005-31; (d) automotive lubricants bid no. 2005-33

Gene Ellis nominated Michael Carmichael and himself for the Hood County Appraisal District Board of Directors and Jerry Campbell nominated Larry Shafer. **MOTION CARRIED** Yes 5 – Noe 0 – Abstained 1 - Gene Ellis abstained

A motion was made by Gene Ellis and seconded by Jerry Campbell to approve policy BE (LOCAL) as presented. **MOTION CARRIED** Yes 6 – Noe 0

A motion was made by Brian Condit and seconded by Doug Funk to table the salary exception agenda item in order to give Superintendent Harris an opportunity to receive clarification from the board on their direction. **MOTION CARRIED** Yes 6 – Noe 0

**Convened in Closed Session**

The Board of Trustees convened in closed session at 7:28 p.m. under the Texas Open Meetings Act, Texas Government Codes, Chapter 551.074 - personnel matters

**Reconvened in Open Session**

The board reconvened in open session at 8:18 p.m.

**Adjournment**

There being no further business, the meeting was adjourned at 8:18 p.m.

Barbara Herrington, President

Gene Ellis, Secretary

**GRANBURY INDEPENDENT SCHOOL DISTRICT**

**INTEROFFICE MEMO**

**FINANCE AND BUSINESS AFFAIRS**

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

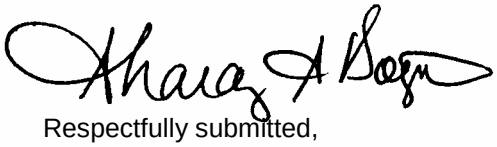
**FROM**: Sharay Boynton, Finance Director
**DATE**: October 13, 2005
**RE**: Budget Amendments

**SUMMARY:**

Attached are budget amendments that are for Board approval.

**RECOMMENDATION:**

I recommend the Board approve the amendments.



Respectfully submitted,

Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Emmett Whitefield
Date Submitted: October 13, 2005

## BUDGET AMENDMENTS RECOGNIZING DONATED & MISCELLANEOUS REVENUES

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes funds in the amount of $530 allocated to function 11. These funds are generated from instrument rental fees and will be used for the repair of those instruments.

Fund 199, Mr. Jimmy Dawson, Originator
This Amendment recognizes donated funds in the amount of $1000 allocated to function 31. These funds are generated from a donation by the PTO and will be used for Red Ribbon Week.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $600 allocated to function 11. These funds are generated from instrument rental fees and will be used for the repair of those instruments.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes donated funds in the amount of $9,000 allocated to function 12. These funds are generated from a donation by the PTO and will be used for library books.

Fund 199, Mr. Bobby Mabery, Originator
This Amendment recognizes funds in the amount of $120 allocated to function 12. These funds are generated from library fines and will be used to purchase additional library books and media.

Fund 199, Mr. Marc Malloy, Originator
This Amendment recognizes donated funds in the amount of $500 allocated to function 11. These funds are generated from a donation from Mobil and will be used for student field trips.

Fund 199, 181, 495, Ms. Sharay Boynton, Originator
This Amendment recognizes donated funds in the amount of $7,500 allocated to function 36, $10,000 allocated to function 41. These funds are generated from a donation from Coca Cola and will be used additional supplies.

Fund 199, Ms. Sharay Boynton, Originator
This Amendment recognizes donated funds in the amount of $2,725 allocated to function 13. These funds are generated from a donation from various business' to fund the new teacher inservice lunches.

## FUNCTION TO FUNCTION BUDGET AMENDMENTS

Fund 199, Ms. Sharay Boynton, Originator
This Amendment recognizes funds in the amount of $29,190 allocated from function 12; $155,773 from function 21; $32,096 from function 23; $15,968 from function 41; $20,364 from function 51; and $3,417 from function 61. The funds are allocated to function 13 in the amount of $155,773; to function 31 in the amount of $23,895; to function 34 in the amount of $71,737, and to function 52 in the amount of $5,403. These funds are being amended to adjust salary and benefit budget appropriately. (Please note: Original salary and benefit budget based on % allocation, this amendment is based on actual posting of salaries and benefits.)

## GRANBURY INDEPENDENT SCHOOL DISTRICT

## INTEROFFICE MEMO

## FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

**FROM**: Sharay Boynton
**DATE**: October 17, 2005
**RE**: Technology Equipment – Acton Elem

**SUMMARY:**

The Acton Elementary PTO is donating $10,683 to purchase technology equipment, four Smart Board set ups, for the use of Acton Elementary. Mr. Purget and Mr. Potappel have reviewed the purchase and agree that this purchase would benefit the children of Acton Elementary. The funds will be deposited and allocated to function 11 for these purchases.

According to Board Policy CDC (LOCAL) "The Board or Superintendent may accept any bequest or gift of money or property on behalf of the District."

Board Policy CH(LOCAL) requires board approval on purchases in excess of $25,000. The policy states "The Board delegates to the Superintendent or designee the authority to determine the method of purchasing, in accordance with CH(LEGAL), and to make budgeted purchases. However, any purchase that costs or aggregates to a cost of $25,000 or more shall require Board approval before a transaction may take place". The above limit will be met with GISD technology purchases this year. GISD will purchase the above technology equipment using CISV and DIR contracts.

The following recommendation is that of Mr. Ralph Purget and Mr. Ton Potappel.

**RECOMMENDATION:**

It is recommended that the above donation be accepted and that the purchase be made from CCS Presentation Systems, Inc. (CISV Pricing) and Dell, Inc. (DIR Pricing).

Respectfully submitted,

Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton
Debbie Johnson
Ralph Purget
Ton Potappel

Date Submitted: October 17, 2005

**GRANBURY INDEPENDENT SCHOOL DISTRICT**

**INTEROFFICE MEMO**

**FINANCE AND BUSINESS AFFAIRS**

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

**FROM**: Sharay Boynton
**DATE**: October 14, 2005
**RE**: Pest Management Services
CSP No. 2003-34 - Renewal

**SUMMARY:**

A competitive sealed proposal (CSP) was let to request proposals from companies to provide pest management services on an annual basis at all district facilities. The proposals were received October 2003 and award made October 20, 2003. The award called for an option to renew for additional two one-year terms if agreed by all parties. The current renewal will expire on October 31, 2005.

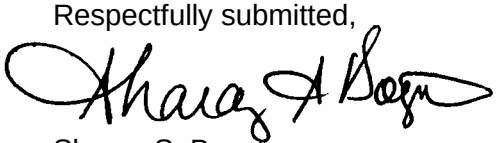
A summation of the process and outcome as well as a copy of the tabulation is attached for your review.

Mr. Larry Gehrke, Director of Maintenance, was contacted regarding the renewal of this proposal. His recommendation was it would be in the best interest of the District to renew these services if agreed to by the vendor. Double D Termite and Pest Control, Inc. was contacted and have agreed to extend with same terms. This will be the last year that this proposal can be renewed.

**RECOMMENDATION:**

It is recommended the Board extend the award of the Pest Management Services contract to Double D Termite & Pest Control, Inc. for a period of November 1,2005 to October 31, 2006.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Mr. Larry Gehrke
Mrs. Debbie Johnson

Date Submitted: October 14, 2005

## BID FOR BOARD APPROVAL

**Board Meeting Date:** October 20, 2003 **Bid Number:** CSP 2003-34

1. **Item, material or service (specific or classification):** Pest Management Services

2. **Brief description:** Proposals were requested for companies to provide pest management services on an annual basis at all district facilities.

3. **Period of time bid covers:** From November 1, 2003 through October 31, 2004 with the option to renew for two additional years in one year increments

4. **Person and title responsible for the expenditure:** Larry Gehrke, Maintenance Director

5. **Number of bids sent to vendors:** 8

6. **Number of bids received from vendors:** 3 (includes 1 late bid)

7. **Listing of recommended vendors and total prices:** Recommendation for award is to Double D Termite & Pest Control, Inc. for an annual expenditure of $18,696.

8. **Explanation of other than low recommendations:** Low bidder does not have any IPM experience with school districts. In addition, they currently do not carry worker's comp coverage.

9. **Last bid date (bid of comparable nature within last 5 years):** Oct. 20, 2000

10. **Percentage increase or decrease from last bid**: Increase of 2.24%

11. **Budget information:** Expense will come from budgeted funds under account codes 199.51.6246.00.xxx(campus/department code).4.99.0.26.

Sharay S. Boynton
Executive Director of Finance

## GRANBURY INDEPENDENT SCHOOL DISTRICT

## INTEROFFICE MEMO

## FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

**FROM**: Sharay Boynton
**DATE**: October 14, 2005
**RE**: Golf Services and Supplies CSP 2005-37

**SUMMARY:**

A bid was let to provide supplies and equipment for the golf program at the high school. The award will be for the period of notice to August 31, 2006. There is no option for renewal.

A summation of the process and outcome as well as a copy of the tabulations are attached for your review.

Mr. Dwight Butler, Director of Athletics, and respective coaches reviewed the responses. The following is their recommendation.

**RECOMMENDATION:**

That the Board award the shaded items on the attached tabulations to the vendors indicated for the period of award notification to August 31, 2006.

Respectfully submitted,

Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Deborah Johnson
Dwight Butler
Coaches

Date Submitted: October 14, 2005

# BID FOR BOARD APPROVAL

**Board Meeting Date:** October 24, 2005 **Bid Number:** 2005-37

1. **Item, material or service (specific or classification):** Golf Services and Supplies

2. **Brief description:** A bid was let to provide supplies and equipment for the golf program at the high school.

3. **Period of time bid covers:** From written notification of award through August 31, 2006

4. **Person and title responsible for the expenditure:**

   Steve Fowler – GHS Golf Coach
   Becky Addison – GHS Golf Coach
   Dwight Butler – Athletic Director

5. **Number of bids sent to vendors:** 13

6. **Number of bids received from vendors:** 6 (includes 1 no bid)

7. **Listing of recommended vendors and total prices:** The recommendation for award of Section A is shaded in the column under the vendor name for a total expenditure of $3,547.20. Additional purchases for supplies will be made through the catalog discount bid or the pro shops of the golf courses approved under Section B. For the services under Section B, we recommend approving Harbor Lakes Golf Club, Hidden Oaks Golf Club, Nutcracker Golf Club and Pecan Plantation Golf Club. Awarding to all respondents for this section would allow the students to practice on the various terrains offered by the different golf courses.

8. **Explanation of other than low recommendations:**

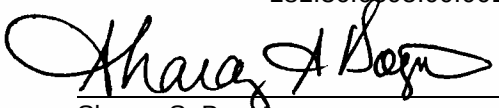
   The following items will not be awarded:
   A1: Not awarded due to lack of detail regarding pricing.
   A2 & A7: Sun Mountain was awarded ear warmers through the last golf bid and the product was very poor quality.
   A3: No bids received. When Nutcracker Golf Club was called for clarification of their pricing, they responded with a no bid on this item.
   A9: This item will not be awarded due to budget restraints.

9. **Last bid date (bid of comparable nature within last 5 years):** 11/22/02

10. **Percentage increase or decrease from last bid**: An accurate comparison could not be made since the items or brands have changed from the last bid.

11. **Budget information:** Expenditures for golf supplies will come from the following account codes:

    181.36.6395.00.001.6.91.0.10 with a budget of $2,000
    181.36.6395.00.001.6.91.0.97 with a budget of $2,000



Sharay S. Boynton
Executive Director of Finance

**GRANBURY INDEPENDENT SCHOOL DISTRICT**

**INTEROFFICE MEMO**

**FINANCE AND BUSINESS AFFAIRS**

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

**FROM**: Sharay Boynton
**DATE**: October 17, 2005
**RE**: CDA (LEGAL) & CDA (LOCAL)

**SUMMARY:**
According to the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and Granbury ISD policy CDA (LEGAL), the investment policy and the investment strategy shall be reviewed not less than annually.

Attached are Granbury ISD's adopted CDA (LEGAL) and CDA (LOCAL). These serve as the investment policy and strategy for each fund maintained by the District. CDA (LEGAL) is the standard investment policy for all school districts in the state of Texas. CDA (LOCAL) is the policy of GISD and describes the strategy utilized by the District in investments for GISD funds.

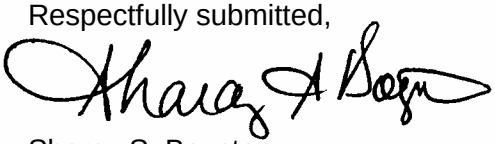
I have reviewed the policies to ensure that they are in compliance with current law and current procedures. The attached policies represent the current law and the current practices of District administration in regards to investments.

CDA (LEGAL) states that "The Board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies." A written instrument is attached for the consideration of the Board.

**RECOMMENDATION:**

That the Board adopt the attached resolution stating that the Board has reviewed the investment policy and strategies of the District and that no changes are proposed.

Respectfully submitted,



Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Sharay Boynton

Date Submitted: October 17, 2005

**RESOLUTION APPROVING GRANBURY INDEPENDENT SCHOOL DISTRICT'S INVESTMENT POLICY AND STRATEGY.**

**WHEREAS**, the Board of Trustees of Granbury Independent School District reviewed CDA (LEGAL) and CDA (LOCAL);

**WHEREAS**, this review was in accordance with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and CDA (LEGAL).

**WHEREAS**, no changes were made to the existing policy.

**NOW, THEREFORE, BE IT RESOLVED**:

The current policy CDA (LEGAL) and CDA (LOCAL) represent the investment policy and strategy of Granbury Independent School District.

**PASSED AND APPROVED** this 24th day of October, 2005.

**ATTEST**:

By: _____ By: _____

Barbara Herrington Gene Ellis

President, GISD Board of Trustees Secretary, GISD Board of Trustees

Granbury ISD
111901

OTHER REVENUES:
INVESTMENTS

CDA
(LEGAL)

All investments made by the District shall comply with the Public Funds Investment Act (Texas Government Code Chapter 2256, Subchapter A) and all federal, state, and local statutes, rules or regulations. *Gov't Code 2256.026*

**WRITTEN POLICIES**

Investments shall be made in accordance with written policies approved by the Board. The investment policies must primarily emphasize safety of principal and liquidity and must address investment diversification, yield, and maturity and the quality and capability of investment management. The policies must include:

1. A list of the types of authorized investments in which the District's funds may be invested;
2. The maximum allowable stated maturity of any individual investment owned by the District;
3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;
4. Methods to monitor the market price of investments acquired with public funds; and
5. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.

*Gov't Code 2256.005(b)*

**ANNUAL REVIEW**

The investment policy and the investment strategy shall be reviewed not less than annually. The Board shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Gov't Code 2256.005(e)*

**ANNUAL AUDIT**

The Board shall perform a compliance audit of management controls on investments and adherence to the Board's established investment policies. The compliance audit shall be performed in conjunction with the annual financial audit. *Gov't Code 2256.005(m)*

**INVESTMENT STRATEGIES**

As part of the investment policy, the Board shall adopt a separate written investment strategy for each of the funds or group of funds under the Board's control. Each investment strategy must describe the investment objectives for the particular fund under the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the Board;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the investment needs to be liquidated before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

*Gov't Code 2256.005(d)*

**INVESTMENT OFFICER**

The Board shall designate one or more officers or employees as investment officer(s) to be responsible for the investment of its funds. If the Board has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the contracting Board's District. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances that a prudent person would exercise in the management of the person's own affairs, but the Board retains the ultimate responsibility as fiduciaries of the assets of the District. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity. Authority granted to a person to invest an entity's funds is effective until rescinded by the Board or until termination of the person's employment by the District. *Gov't Code 2256.005(f)*

The District or investment officer may use the District's employees or the services of a contractor of the District to aid the investment officer in the execution of the officer's duties under Government Code, Chapter 2256. *Gov't Code 2256.003(c)*

**INVESTMENT TRAINING**

**INITIAL**

Within 12 months after taking office or assuming duties, the treasurer or chief financial officer and the investment officer of the District shall attend at least one training session from an independent source approved either by the Board or by a designated investment committee advising the investment officer. This initial training must contain at least ten hours of instruction relating to their respective responsibilities under the Public Funds Investment Act. *Gov't Code 2256.008(a)*

**WITHIN A TWO-YEAR PERIOD**

The treasurer or chief financial officer and the investment officer must also attend an investment training session not less than once in a two-year period and receive not less than ten hours of instruction relating to investment responsibilities under the Public Funds Investment Act from an independent source approved by the Board or a designated investment committee advising the investment officer. If the District has contracted with another investing entity to invest the District's funds, this training requirement may be satisfied by having a Board officer attend four hours of appropriate instruction in a two-year period. *Gov't Code 2256.008(a), (b)*

Investment training shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Government Code, Chapter 2256. *Gov't Code 2256.008(c)*

**STANDARD OF CARE**

Investments shall be made with judgment and care, under prevailing circumstances that a person of prudence, discretion, and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investments shall be governed by the following objectives in order of priority:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

1. The investment of all funds, rather than the prudence of a single investment, over which the officer had responsibility.
2. Whether the investment decision was consistent with the Board's written investment policy.

*Gov't Code 2256.006*

PERSONAL INTEREST

A District investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573, to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship with the Board and with the Texas Ethics Commission. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;
2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
3. The investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

*Gov't Code 2256.005(i)*

QUARTERLY REPORTS

Not less than quarterly, the investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the Public Funds Investment Act. This report shall be presented to the Board and the Superintendent not less than quarterly, within a reasonable time after the end of the period. The report must:

1. Contain a detailed description of the investment position of the District on the date of the report;
2. Be prepared jointly and signed by all District investment officers.
3. Contain a summary statement for each pooled fund group (i.e., each internally created fund in which one or more accounts are combined for investing purposes). The report must be prepared in compliance with generally accepted accounting principles and must state:
   a. Beginning market value for the reporting period;
   b. Additions and changes to the market value during the period;
   c. Ending market value for the period; and
   d. Fully accrued interest for the reporting period.
4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
5. State the maturity date of each separately invested asset that has a maturity date.
6. State the account or fund or pooled group fund in the District for which each individual investment was acquired.
7. State the compliance of the investment portfolio of the District as it relates to the District's investment strategy expressed in the District's investment policy and relevant provisions of Government Code, Chapter 2256.

If the District invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Board by that auditor.

*Gov't Code 2256.023*

SELECTION OF BROKER

The Board or a designated investment committee, shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District. *Gov't Code 2256.025*

AUTHORIZED INVESTMENTS

The Board may purchase, sell, and invest its funds and funds under its control in investments described below, in compliance with its adopted investment policies and according to the standard of care set out in this policy. Investments may be made directly by the Board or by a nonprofit corporation acting on behalf of the Board or an investment pool acting on behalf of two or more local governments, state agencies, or a combination of the two. *Gov't Code 2256.003(a)*

In the exercise of these powers, the Board may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made for such purpose may not be for a term longer than two years. A renewal or extension of the contract must be made by the Board by order, ordinance, or resolution. *Gov't Code 2256.003(b)*

The following investments are authorized:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities; direct obligations of the state of Texas or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas, the United States, or their respective agencies and instrumentalities; obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and bonds issued, assumed, or guaranteed by the state of Israel. *Gov't Code 2256.009(a)*

   The following investments are not authorized:
   a. Obligations whose payment represents the coupon payments on the outstanding principal balance

of the underlying mortgage-backed security collateral and pays no principal.
b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

*Gov't Code 2256.009(b)*

2. Certificates of deposit or share certificates issued by a state or national bank domiciled in Texas or a savings bank domiciled in Texas or a state or federal credit union domiciled in Texas that is guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor and is secured by obligations described in item 1 above, including mortgage-backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates (but excluding those mortgage-backed securities described in Section 2256.009[b]) or secured in any other manner and amount provided by law for the deposits of the investing entity. *Gov't Code 2256.010*

The investment policies may provide that bids for certificates of deposit be solicited orally, in writing, electronically, or in any combination of those methods. *Gov't Code 2256.005(c)*

3. Fully collateralized repurchase agreements that have a defined termination date, are secured by obligations of the United States or its agencies and instrumentalities, are pledged to the District, held in the District's name, and deposited with the District or a third party selected and approved by the Board, and placed through a primary government securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas. The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by the District under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement. *Gov't Code 2256.011*
4. A securities lending program if:
   a. The value of securities loaned is not less than 100 percent collateralized, including accrued income, and the loan allows for termination at any time;
   b. The loan is secured by:
      1. Pledged securities described by Government Code 2256.009;
      2. Pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state and continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
      3. Cash invested in accordance with Government Code 2256.009, 2256.013, 2256.014, or 2256.016;
   c. The terms of the loan require that the securities being held as collateral be pledged to the investing entity, held in the investing entity's name, and deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity; and
   d. The loan is placed through a primary government securities dealer or a financial institution doing business in this state.

An agreement to lend securities under a securities lending program must have a term of one year or less.

*Gov't Code 2256.0115*

5. Banker's acceptance, with a stated maturity of 270 days or fewer from the date of issuance that will be liquidated in full at maturity, which is eligible for collateral for borrowing from a Federal Reserve Bank, and is accepted by a bank meeting the requirements of Government Code 2256.012 (4*). Gov't Code 2256.012*
6. Commercial paper that has a stated maturity of 270 days or fewer from the date of issuance and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or by one nationally recognized credit rating agency provided the commercial paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under U.S. law or the law of any state. *Gov't Code 2256.013*
7. No-load money market mutual funds that:
   a. Are registered with and regulated by the Securities and Exchange Commission;
   b. Provide the District with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.);
   c. Have a dollar-weighted average stated maturity of 90 days or fewer; and
   d. Include in their investment objectives the maintenance of a stable net asset value of $1 for each share.

However, investments in no-load money market mutual funds shall be limited to the percentages authorized by Government Code 2256.014(c).

8. No-load mutual funds that:
   a. Are registered with the Securities and Exchange Commission;
   b. Have an average weighted maturity of less than two years;
   c. Are invested exclusively in obligations approved by Government Code Chapter 2256, Subchapter A, regarding authorized investments (Public Funds Investment Act);
   d. Are continuously rated by at least one nationally recognized investment rating firm of not less than AAA or its equivalent; and
   e. Conform to the requirements in Government Code Section 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities.

Investments in no-load mutual funds shall be limited to the percentages authorized by Government Code 2256.014(c). In addition, the District may not invest any portion of bond proceeds, reserves, and funds held for debt service, in no-load mutual funds described in this item.

*Gov't Code 2256.014*

9. A guaranteed investment contract, as an investment vehicle for bond proceeds, if the guaranteed investment contract:
   a. Has a defined termination date.
   b. Is secured by obligations described by Government Code Section 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract.
   c. Is pledged to the District and deposited with the District or with a third party selected and approved by the District.

   Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.

   To be eligible as an authorized investment:
   d. The Board must specifically authorize guaranteed investment contracts as eligible investments in the order, ordinance, or resolution authorizing the issuance of bonds.
   e. The District must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received.
   f. The District must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received.
   g. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested.
   h. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

   *Gov't Code 2256.015*

10. A public funds investment pool meeting the requirements of Government Code 2256.016 and 2256.019, if the Board authorizes the investment in the particular pool by resolution. *Gov't Code 2256.016, 2256.019*

CHANGE IN LAW

The District is not required to liquidate investments that were authorized investments at the time of purchase. *Gov't Code 2256.017*

SELLERS OF INVESTMENTS

A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with an investing entity or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. For purposes of this policy, a business organization includes investment pools and an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio. The qualified representative of the business organization offering to engage in an investment transaction with the District shall execute a written instrument in a form acceptable to the District and the business organization substantially to the effect that the business organization has:

1. Received and thoroughly reviewed the District investment policy; and
2. Has acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

The investment officer may not acquire or otherwise obtain any authorized investment described in the District's investment policy from a person who has not delivered to the District the instrument described above.

*Gov't Code 2256.005*

DONATIONS

A gift, devise, or bequest made to provide college scholarships for District graduates may be invested by the Board as provided in Property Code 117.004, unless otherwise specifically provided by the terms of the gift, devise, or bequest. *Education Code 45.107*

Investments donated to the District for a particular purpose or under terms of use specified by the donor are not subject to the requirements of Government Code Chapter 2256, Subchapter A. *Gov't Code 2256.004(b)*

ELECTRONIC FUNDS TRANSFER

The District may use electronic means to transfer or invest all funds collected or controlled by the District. *Gov't Code 2256.051*

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DATE ISSUED: 09/30/2003
UPDATE 71
CDA(LEGAL)-P

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**This online presentation of your district's policy is an electronic representation of TASB's record of the district's currently adopted policy manual. It does not reflect updating activities in progress. The official, authoritative manual is available for inspection in the office of the Superintendent. [See BF (LOCAL) for further information.]**

Granbury ISD
111901

OTHER REVENUES:
INVESTMENTS

CDA
(LOCAL)

| | |
|---|---|
| INVESTMENT AUTHORITY | The Superintendent or other person designated by Board resolution shall serve as the investment officer of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be executed on a delivery versus payment basis. |
| APPROVED INVESTMENT INSTRUMENTS | From those investments authorized by law and described further in CDA(LEGAL), the Board shall permit investment of District funds in only the following investment types, consistent with the strategies and maturities defined in this policy:<br>1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.<br>2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.<br>3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.<br>4. A securities lending program as permitted by Government Code 2256.0115.<br>5. Banker's acceptances as permitted by Government Code 2256.012.<br>6. Commercial paper as permitted by Government Code 2256.013.<br>7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014.<br>8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.<br>9. Public funds investment pools as permitted by Government Code 2256.016. |
| SAFETY AND INVESTMENT MANAGEMENT | The main goal of the investment program is to ensure its safety and maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. |
| LIQUIDITY AND MATURITY | Any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.<br>The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.<br>The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer. |
| MONITORING MARKET PRICES | The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant declines in the market value of the District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds. Monitoring shall be done at least quarterly as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment. |
| FUNDS / STRATEGIES | Investments of the following fund categories shall be consistent with this policy and in accordance with the strategy defined below. |
| OPERATING FUNDS | Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. |
| AGENCY FUNDS | Investment strategies for agency funds shall have as their objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. |
| DEBT SERVICE FUNDS | Investment strategies for debt service funds shall have as their objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded. |
| CAPITAL PROJECTS | Investment strategies for capital project funds shall have as their objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded. |
| SPECIAL REVENUE | Investment strategies for special revenue shall have as their primary objectives safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. |
| SAFEKEEPING AND CUSTODY | The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with District funds by the investment pool. |
| BROKERS / DEALERS | Prior to handling investments on behalf of the District, brokers/dealers must submit required written documents in accordance with law. [See SELLERS OF INVESTMENTS, CDA(LEGAL)] Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the National Association of Securities Dealers. |
| SOLICITING BIDS FOR CD'S | In order to get the best return on its investments, the District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods. |
| INTERNAL CONTROLS | A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed |

most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the District's independent auditing firm.

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DATE ISSUED: 09/30/2003
UPDATE 71
CDA(LOCAL)-X

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**This online presentation of your district's policy is an electronic representation of TASB's record of the district's currently adopted policy manual. It does not reflect updating activities in progress. The official, authoritative manual is available for inspection in the office of the Superintendent. [See BF (LOCAL) for further information.]**

## GRANBURY INDEPENDENT SCHOOL DISTRICT

## INTEROFFICE MEMO

## FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

**FROM**: Brenda Mabery
**DATE**: October 13, 2005
**RE**: MAC Contract

**SUMMARY:**
I have been asked to review the contract with La Porte ISD and Fairbanks LLC to administer the La Porte ISD Statewide MAC Consortium. You are aware that our district's contract with La Porte expires on November 8, 2005. We have received information from La Porte ISD that explains the benefits of extending our current contract. If our district chooses to extend the current contract the advantages are listed below:

- MAC fee offered is 10% for this year, while the fee for previous years was 17%
- This percentage rate is available for all districts who sign the new contract between now and December 31, 2005. The rate will apply to the October-December quarter.
- Pending federal approval the time sampling will be a Random Moment Time Study

The Random Moment Time Study will benefit our district in these ways:

- It will decrease the number of participants in the Time Study.
- It will remove the current training requirements.
- The efforts of each sampled participant will be reduced.
- It will improve the web-based financial reporting process.

**RECOMMENDATION:**

Given the comments made by some of last year's sampled participants, I would think for the reasons given above, signing the new contract with La Porte might be a wise choice. I have also read through the new contract and the current contract, and I cannot see much difference in what is being required of participating districts. Please call me if you need any information on this topic *before it goes before the school board for approval* on October 24, 2005.

Respectfully submitted,

Brenda Mabery

Brenda Mabery
Special Programs Coordinator

Staff Person Responsible: Brenda Mabery
Date Submitted: October 13, 2005

# PARTICIPANT DISTRICT AGREEMENT

**THIS INTERLOCAL AGREEMENT** ("Agreement") is made and entered into as of this ____ day of _____ by and between the La Porte Independent School District, a public school district organized under the laws of Texas, ("La Porte ISD") and _____ ("Participant District") pursuant to the Texas Interlocal Cooperation Act, Texas Government Code §§ 791.001 *et seq.*

## RECITALS

**WHEREAS**, Fairbanks LLC, a limited liability company referred to herein as "Fairbanks") and La Porte ISD have entered into a Consulting Agreement dated August 23, 2005 (the "Consulting Agreement"), pursuant to which, among other things, Fairbanks has agreed to perform Services for La Porte ISD in furtherance of La Porte ISD's efforts to obtain reimbursement of School-Based Medicaid Administrative Claiming Program for itself and other Participant Districts; as such term is defined in the Consulting Agreement ("Program"); and

**WHEREAS,** this Agreement replaces and supersedes the prior Medicaid Administrative Outreach Agreement between La Porte ISD and the participant District for all Medicaid Administrative Claims for fiscal quarters subsequent to the effective date of the Consulting Agreement; and

**WHEREAS**, the prior agreement between Fairbanks, as successor in interest to DeLoitte Consulting, and La Porte ISD shall remain in effect for all claims for federal fiscal quarters ending before September 30, 2005; and

**WHEREAS**, Participant District desires that La Porte ISD and Fairbanks, as La Porte ISD's representative for the limited purpose of performing Services in connection with the Program, administer and process Participant District's Medicaid Administrative Claims; and

**WHEREAS**, Participant District acknowledges that it has received a copy of the Consulting Agreement (Attachment "A") and that it has read and is familiar with the terms and conditions of the Consulting Agreement; and

**WHEREAS**, Participant District recognizes that La Porte ISD has entered or will enter into participant district agreements with other Texas public school districts, and that it is La Porte ISD's intent to administer all such agreements jointly and to process reimbursement claims that will seek reimbursement on behalf of all such Participant Districts on a joint basis; and

**NOW, THEREFORE**, in consideration of the foregoing, the mutual undertakings and benefits to accrue to La Porte ISD and the Participant District, the receipt and sufficiency of which both parties acknowledge, La Porte ISD and Participant District agree as follows:

## ARTICLE I
## INCORPORATION OF CONSULTING AGREEMENT

1.1 The Parties acknowledge the existence of the Consulting Agreement between La Porte ISD and Fairbanks and agree that the terms and conditions of this Participant District Agreement shall be supplemented by and incorporate the terms and conditions of the Consulting Agreement, including any amendments thereto that may be made hereafter by La Porte ISD. Terms capitalized but not defined herein shall have the same meaning as set forth in the Consulting Agreement. It is expressly agreed that should any of the terms and conditions or other provisions of this Agreement conflict with the terms and conditions of the Consulting Agreement, or otherwise impair the performance of the Consulting Agreement, that such terms and conditions of this Agreement shall be inoperative and the terms and conditions of the Consulting Agreement shall take precedence. Notwithstanding the incorporation by reference of the Consulting Agreement, Participant District acknowledges that it is not a party to the Consulting Agreement and is not otherwise entitled to assert claims thereunder, and hereby waives any rights or claims under the Consulting Agreement it might otherwise be entitled to assert.

## ARTICLE II
## SCOPE OF SERVICES, PERSONNEL, AND ADMINISTRATION

2.1 La Porte ISD and its representative shall provide Participant District the services described in Article III and Article X, and Exhibit A of the Consulting Agreement ("Services").

2.2 Participant District will make its employees who participate in the Program available for training and will cooperate with La Porte ISD and its representative and will comply with all federal and state guidelines statutes, regulations, rules, and guidelines for time studies, record keeping, agency reviews, and other requirement of School-Based Medicaid Administrative Claiming Program

2.3 Participant District will maintain all documentation and records required by the School-Based Medicaid Administrative Claiming Program and for its participation in the Program, including, but not limited to, a roster of eligible individuals by category, verification of compliance with training requirements, financial data used to develop expenditures and revenues for Medicaid Administrative Claims calculations.

2.4 Participate District shall make all documentation and records prepared, retained, and maintained under the Program available for inspection by La Porte ISD and its representative and will make such records available and will cooperate in any agency review or audit.

2.5 If Participant District is unable to participate in a Medicaid Administrative Claim for a fiscal quarter that begins prior to the expiration date of this Agreement, it may resume participation in the claims for subsequent fiscal quarters, provided that it gives prior notice to La Porte ISD that is sufficient to permit adjustments to be made to the time

study for the fiscal quarter in which Participant District elects to resume participation. The Participant District's inability to participate in a claim for a fiscal quarter without giving La Porte ISD sufficient prior notice to permit Fairbanks to make adjustments to the sampling methodologies used for conducting the time study for that quarter may result in the entire claim for all Participant Districts being invalidated and disallowed for reimbursement. Accordingly, Participant District shall furnish La Porte ISD with written notice of its inability to participate in the time study for that quarter on or before the first day of the month immediately preceding the commencement of that quarter. (For example, notice must be given no later than December 1 of an election by Participant District not to participate in the time study for the fiscal quarter ending on the following March 31.)

2.6 Participant Distinct shall retain all Program documentation records for a period of five (5) years after termination of expiration of this Agreement.

## ARTICLE III
## LIMITATION ON WARRANTIES

3.1 **THIS IS A SERVICES ENGAGEMENT. LA PORTE ISD WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH AND IN A PROFESSIONAL MANNER. LA PORTE ISD DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

## ARTICLE IV
## COMPENSATION TO LA PORTE ISD

4.1 As consideration to La Porte ISD for the performance of Services under this Agreement and as reasonable compensation for the administrative tasks it must perform under this Agreement and the Consulting Agreement, the Participant District understands and agrees that La Porte ISD shall retain ten percent (10%) of the Revenues, as that term is defined in the Consulting Agreement, due from the State for Medicaid Administrative Claims to Participant District ("Percentage Fee") and any interest earned on the gross amount of the funds received only for that period between when La Porte ISD receives the funds and the funds are distributed pursuant to this Agreement. Additionally, as further consideration to La Porte ISD for Services provided under this Agreement, Participant District agrees that, to the extent that Fairbanks is owed a performance fee as set forth in Exhibit B of the Consulting Agreement ("Performance Fee"), the Performance Fee will be deducted from the Revenues for the Consortium, as that term is defined in Article I of the Consulting Agreement, prior to calculation of the Revenues due the Participant District.

4.2 Substantial expenditures have and will be made, and risk has been assumed by La Porte ISD and Fairbanks to develop, implement, and maintain the Program in anticipation of and in reliance on the long-term involvement of La Porte ISD and each Participant

District in the Program. Accordingly, in consideration of such substantial expenditures and risk assumed by La Porte ISD, Participant District agrees as follows:

(a) If Participant District's involvement in the Program is terminated, other than by expiration of this Agreement or by termination of the Agreement by Participant District for default by La Porte ISD under this Agreement, the following described termination payments will be implemented.

(i) If Participant District's involvement in the School-Based Medicaid Administrative Claiming Program is terminated, but the Participant District submits Medicaid Administrative Claims on its own or on behalf of any other Texas public school district, or causes another party to submit Medicaid Administrative Claims on its own or on behalf of any other Texas public school district, Participant District shall pay La Porte ISD an amount equal to ten percent (10%) of all Revenue attributable to or received by Participant District by reason of its involvement in the School-Based Medicaid Administrative Claiming Program through and including the date of termination of the Initial Term or any Extension Period.

(ii) If termination occurs by reason of a default by Participant District, Participant District shall be responsible for all costs, fees, and penalties assessed to La Porte ISD by Fairbanks that are attributable to Participant District's default.

(iii) Except as set forth above, if termination occurs for any reason other than a default by Participant District, Participant District shall be responsible for its *pro rata* share of all Fees owed by La Porte ISD to Fairbanks upon termination and any cost or penalties owed by La Porte ISD to the extent that such costs and penalties are owed to Fairbanks by La Porte ISD because of an act or omission of Participant District.

## ARTICLE V
## DISTRIBUTION OF REVENUES

5.1 Revenues determined by La Porte ISD and Fairbanks to be due Participant District from the total Revenues, as defined in Article I of the Consulting Agreement, for the Consortium shall be remitted to the Participant District by La Porte ISD or its representative within ten (10) business days of La Porte ISD's receipt of such funds from the State of Texas.

5.2 In the manner prescribed by Sections 5.1 and 5.3, La Porte ISD shall remit payment of amount of the Revenues due to the Participant District after deducting Percentage Fee and any Performance Fee from all Revenues received by La Porte ISD on behalf of the Consortium.

5.3 Fairbanks will provide La Porte ISD with a breakdown of the Revenue amounts generated by the Participant District under this Agreement and all other Participant Districts in the Consortium with which La Porte ISD has contracted for Services. Within

the time frame set forth in Section 5.1, La Porte ISD will disperse to Participant District the Revenue attributable to Participant District that remains after deduction of the Percentage Fee and any Performance Fee. The distribution shall not include any interest La Porte ISD may have earned on the funds while the funds are in the rightful possession of La Porte ISD and/or its representative under this Agreement.

## ARTICLE VI
## EFFECTIVE DATE, TERM, AND TERMINATION

6.1 This Agreement shall be effective as of October 1, 2005, and, unless sooner terminated in accordance with the provisions in this Article VI, shall terminate on September 30, 2008. In addition, La Porte ISD may elect to exercise two one-year options for renewal ("Extension Period(s)") to the Consulting Agreement. Participant District acknowledges that the option to renew the Consulting Agreement for either Extension Period is solely vested in La Porte ISD. If La Porte ISD exercises either or both Extension Periods, it shall give notice to Participant District within ten (10) business days of such exercise.

6.2 Except in the event of termination of the Consulting Agreement pursuant to Section 5.9 or Section 5.10 of the Consulting Agreement, this Agreement shall terminate upon the date set forth in any notice of termination exchanged between La Porte ISD and Fairbanks. In the event the termination of the Consulting Agreement is pursuant to Section 5.9 or Section 5.10 of the Consulting Agreement, this Agreement shall continue until La Porte provides written notification of termination to a Participant District, except that the parties acknowledge and agree that the School-Based Medicaid Administrative Claiming Program requires a Participant District to remain in the same Consortium for an entire federal fiscal year, which currently begins in October and ends in September.

6.3 If La Porte ISD receives a termination notice from Fairbanks, or sends a termination notice to Fairbanks, La Porte ISD shall, within ten (10) business days, give Participant District notice of the receipt or sending of such termination notice and disclose whether such termination notice also terminates this Agreement.

6.4 In the event this Agreement expires by its terms or is terminated pursuant to this Article VI, La Porte ISD shall pay to the Participant District, within thirty (30) days of expiration or the effective date of termination, the Revenues due to the Participant District under Article V, except that no such payment shall become past due or overdue except in accordance with Section 2251.021 of the Texas Government Code. This payment of the Revenue due to the Participant District as set forth in Article V is the sole and exclusive remedy of the Participant District in the event of expiration or termination.

## ARTICLE VII
## CONFIDENTIAL OR PROPRIETARY INFORMATION

7.1 The parties acknowledge that their participation in the Program, as that term is defined in Article I of the Consulting Agreement, will involve the use of proprietary or confidential information and/or trade secrets of Fairbanks and La Porte ISD. The parties further acknowledge that it is difficult to specifically notify the Participant District whether

certain information may be proprietary or confidential. Therefore, except as necessary to carry out the terms, conditions, or purposes of this Agreement or to give effect to the Consulting Agreement, the Participant District shall not utilize or disclose any billing or reimbursement systems, methodology, procedures, customized materials, or any other information provided to it by La Porte ISD, Fairbanks or their representatives, agents, and employees, obtained in connection with the Program, except as may be required under the Texas Open Meetings Law ("TOMA") and Texas Public Information Act ("TPIA"), without the express written consent of the owner of such confidential or proprietary materials, whether La Porte ISD or Fairbanks. Further, the Participant District may not duplicate or reproduce computer disks or computer-stored information utilized in connection with the Program without the express written consent of Fairbanks

7.2 Participant District acknowledges that Fairbanks has created, acquired or otherwise has rights in, and may, in connection with the performance of Services under the Consulting Agreement, employ, provide, modify, create, acquire, or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques (including, without limitation, billing and reimbursement systems) (collectively, the "Fairbanks Technology"). To the extent that Fairbanks utilizes any of its property (including, without limitation, the Fairbanks Technology or any hardware or software of Fairbanks) in connection with the performance of the Services, Fairbanks shall retain all right, title and interest to such property. Participant District shall acquire no right or interest in such property. Notwithstanding anything in this Agreement to the contrary, Participant District acknowledges and agrees that (a) Fairbanks will own all right, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the Fairbanks Technology and all modifications, enhancements, corrections, and derivative works and (b) Fairbanks may employ, modify, disclose, and otherwise exploit the Fairbanks Technology (including, without limitation, providing services or creating programming or materials for other clients).

7.3 The provisions of this Article VII shall survive the expiration or termination of this Agreement or the Consulting Agreement.

## ARTICLE VIII
## EXCLUSIVE RELATIONSHIP

8.1 During the term of this Agreement, Participant District shall receive processing of the reimbursement of its Medicaid Administrative Claims pursuant to its contractual relationship with La Porte ISD as set forth in this Agreement. Participant District agrees that it shall not participate in any other program or otherwise contract with any other entity to obtain processing of or reimbursement of its Medicaid Administrative Claims during the term of this Agreement.

## ARTICLE IX
## BINDING NATURE AND ASSIGNMENT

9.1 This Agreement shall be binding upon the parties and their respective successors and assigns; provided, however, that neither party may assign this Agreement without the prior written consent of the other.

## ARTICLE X
## NOTICES

10.1 Except as otherwise specified herein, all notices, consents, approvals, requests, and other communications required or permitted under this Agreement shall be given in writing and mailed by registered or certified United States mail, return receipt requested, postage prepaid and addressed to the addressee at its address set forth below:

**If to La Porte ISD:**

La Porte Independent School District
Attn: Chief Financial Officer
1002 San Jacinto Street
La Porte, TX 77571

**If to Participant:**

_____

_____

_____

**Attn:**

_____

## ARTICLE XI
## DEFAULT

11.1 If either party fails to perform or abide by any of the terms and conditions of this Agreement, or if either party's acts or omissions are unlawful or materially contribute to a violation of the terms and conditions of the Consulting Agreement, then the non-defaulting party may terminate this Agreement. The non-defaulting party shall permit the defaulting party a reasonable time (which shall not be less than thirty (30) days) to correct any such default, if such default is capable of correction and does not involve any unlawful act or omission.

11.2 Upon termination by reasons of Participant District's default, Participant District shall be entitled to any remaining compensation due it in accordance with the provisions of this Agreement, less any damages caused by Participant District's default. The termination of the Agreement and the payment of the amounts owed to the Participant District by La

*Porte ISD* as distribution of Revenues as set forth in Article V is the sole and exclusive remedy of the Participant District in the event of default by La Porte ISD.

## ARTICLE XII
## *ENTIRE AGREEMENT*

12.1 This Agreement constitutes the entire agreement between the parties with respect to School Based Medicaid Administrative Claiming Program reimbursement and the administration thereof and supercedes all other oral or written representations, understandings, or agreements relating to the School-Based Medicaid Administrative Claiming Program and the administration of Medicaid Administrative Claims.

## ARTICLE XIII
## SEVERABILITY

13.1 In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable, the remaining provisions of the Agreement shall not be impaired, and the invalid, illegal, or unenforceable provision shall be replaced by a mutually acceptable provision, which being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal, or unenforceable provision.

## ARTICLE XIV
## FURTHER ASSURANCES

14.1 From time to time, Participant District shall, at the request of La Porte ISD, execute and deliver to La Porte ISD (or any such other entity as directed by La Porte ISD) such additional documents as La Porte ISD or its representative may require to carry out the terms and conditions of this Agreement or the Consulting Agreement.

## ARTICLE XV
## GOVERNING LAW

15.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its choice of law rules. Exclusive venue for any action or claim under this Agreement shall be the administrative agencies for the State of Texas or in a court of competent jurisdiction in Harris County, Texas.

## ARTICLE XVI
## REIMBURSEMENT TO LA PORTE ISD UNDER CERTAIN CIRCUMSTANCES

16.1 If any federal and/or state agency makes demand upon La Porte ISD for the repayment or return of Revenues received by La Porte ISD for the benefit of the Participant District, or if any such revenues are recouped, setoff, paid, or otherwise debited to La Porte ISD, Participant District shall, within ten (10) business days of written notice from La Porte ISD, remit to La Porte ISD an amount equal to any such revenues transferred from, paid by, or debited to La Porte ISD as a result of the demand or other actions of the federal and/or state agency, it being acknowledged and agreed that Participant District shall be

subject to the consequences of any such reimbursement to the same extent that it participated in the receipt of the revenues reimbursed.

## ARTICLE XVII
## LIMITATION ON DAMAGES

17.1 La Porte ISD shall not be liable for any claim or demand against its board members, officer, directors, administrators, employees, Designee, or representatives for any amounts representing loss of profit, loss of business or special, indirect, incidental, consequential or punitive damages. The liability of La Porte ISD and its employees for any reason arising under or relating to this Agreement, regardless of the form of the cause of action, whether in contract, statute, or tort (including negligence) or otherwise shall not exceed the Participating District fees received by La Porte ISD under this Agreement. Nothing included in this Agreement is intended to or shall operate to negate or abrogate any immunity to which La Porte ISD or any of its employees is entitled to under law.

## ARTICLE XVIII
## COUNTERPARTS

This Agreement may be executed in identical counterparts, all of which will be deemed to be an original, but all of which will constitute one and the same instrument. Each party may rely on facsimile or electronic signature pages as if such facsimile or electronic pages were original.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be made and executed as of the date first set above.

| | |
|---|---|
| **LA PORTE INDEPENDENT SCHOOL DISTRICT**<br>By: _____<br>Title: _____<br>Date: _____ | By: _____<br>Title: _____<br>Date: _____ |

## GRANBURY INDEPENDENT SCHOOL DISTRICT

## INTEROFFICE MEMO

## FINANCE AND BUSINESS AFFAIRS

To: Board of Trustees
Date: October 24, 2005
For: Approval

**TO**: Mr. William Harris, Superintendent

**FROM**: Sharay Boynton, Finance Director
**DATE**: October 18, 2005
**RE**: Group Health Benefits

**SUMMARY:**

The Insurance Benefits Committee met October 17, 2005. A synopsis of the meeting is attached for your review.

**RECOMMENDATION:**

It is recommended that the Board accept the Plan proposal (copies attached) from Wausau Benefits for the partially self-funded group health plan recommended by the insurance committee for the period of December 1, 2005 to November 30, 2006. This arrangement will require the District to enter into contracts with Wausau Benefits and Allianz Life for the administration services and stop loss/aggregate coverage respectively.

It is recommended that the District's contribution to employee's health care coverage be the following rates:

$254/month for employees working <30 hours a week
$350/month for employees working >30 hours a week

It is recommended that the District purchase $25,000 life per participating employee at no cost to employees. Cost is $3.50/month per employee.

Respectfully submitted,

Sharay S. Boynton
Executive Director of Finance

Staff Person Responsible: Mr. Troy Green, Executive Director of Human Resources
Mrs. Sharay Boynton, Executive Director of Finance

Date Submitted: October 19, 2005

**GRANBURY ISD**
**EMPLOYEE INSURANCE PROGRAM**
**COMMITTEE MEETING SYNOPSIS**
**OCTOBER 17, 2005**

The Insurance Committee met on the afternoon of October 17, 2005 to consider and evaluate the Health Insurance program and voluntary products offered to employees of GISD. The parties in attendance at that meeting were the insurance committee members, list attached, Dixie Purselley and Pam Bean from Purselley Associates (Insurance Consultant), Rob Stow and Cheryl Lang from Wausau Benefits (TPA for Health Ins) Brian Roberts from Diversified Benefits (TPA for §125 Plan and EZ Dent), Troy Green, Executive Director of Human Resources, and Sharay Boynton, Executive Director of Finance. Jan VanDorn, Assistant Superintendent was in attendance for a portion of the meeting.

## Voluntary Products

**Dental -** The current plan is EZ-Dent which is a direct reimbursement dental plan administered by Diversified Benefits, Inc. The administration fee is in the fourth year of a five-year guarantee.

The plan is basically a self-funded plan funded by the District and its employees. Sharay Boynton conducted a funding analysis showing that the program was being adequately funded with current premiums. Two different plan design changes with related premiums were presented along with the current plan design and premiums. Funding level is such that the surplus from last year in the amount of approximately $50,000 will realize a projected $9,000 reduction, leaving approximately $41,000 in surplus for this program. One of the benefits from this program is that the surplus can be used to offset premiums as a funding source. The premiums for the two new plan designs and the current design were set anticipating between $10,000 and $12,000 decrease in the surplus. The committee was in consensus to recommend continuing the plan as designed and maintaining the current premiums.

This is a fully voluntary program. Previously, it was recommended and approved to offer this plan to all employees working >30 hours/week and those employees working <30 hours a week if employed by the District for 5 years or more. The committee was in consensus that the District should continue offering the plan in this manner.

**Disability -** The current carrier is UNUM/Provident. There is no premium or plan change. The committee was in consensus to continue to offer this coverage through UNUM/Provident.

**Gap Insurance** – In light of the fact that insurance out-of-pocket expenses continue to go up, the committee decided last year to offer an alternative to the out-of-pocket expenses. The coverage is generally referred to as Gap Insurance and it is specifically designed to provide coverage for out-of-pocket expenses. SisLink offers this insurance. It has: 1) Inpatient hospital confinement benefit, and 2) outpatient benefits. The rates and benefits can be designed to fit the employees' needs. The committee was in consensus to recommend that this program be maintained on GISD's list of voluntary products offered to GISD employees.

**Cancer -** The current carrier is TransAmerica Insurance. A comparison of the current plans with the various plans offered by AFLAC was presented to the committee as a point for reference for the market. The committee was in consensus to continue to offer the plans provided by Transamerica.

**Voluntary Group Life –** The current carrier is Mutual of Omaha. Mr. Brian Roberts, our Third Party Administrator, presented the fact that the premiums will remain the same. The committee was in consensus to continue to offer this coverage.

**Individual Life Insurance –** The current carrier is Texas Life Insurance Company. There will not be a rate increase this year. The committee was in consensus to continue to offer this coverage.

**Long Term Care –** The current plan offered is the GoldenCare plan through Bankers United Life Assurance Company purchased by Life Investors. This company is no longer offering this coverage. Mr. Brian Roberts has reviewed the market and presented the MedAmerica product. The current plan has less than 10 participants. The committee considered whether or not to continue to offer this coverage due to lack of participation. The committee was in consensus to continue to offer this coverage through MedAmerica.

**Flex Spending Accounts** – The District's §125 Plan authorizes funds to be set aside for the reimbursement of qualified medical and child care expenses. These are "use it or lose it" accounts that allow employees to pay for eligible costs using pre-tax dollars. The annual limit for Medical Reimbursement has been $4,800 while the Dependent Care annual limit has been $5,000 (maximum allowed by law). The committee discussed the medical limit. The committee was in consensus to continue to offer these programs at their current limits.

## Health Insurance Program

The District is currently partially self-funded with Wausau Benefits serving as our Third Party Administrator for the Health Plan. Wausau Benefits has been providing administrative services to self-funded customers for nearly 30 years. They have served as the TPA for GISD's plan for the last 3 years. The excess risk is offered through Allianz Life.

Three years ago, when the State Plan was originally established, GISD was of the size that the option to participate was available to GISD. At that time, GISD's plan was richer than that offered by the State as well as the premiums being such that it was in the best interest of GISD and it's employees to maintain the self-funded program available to GISD. Last year, the committee reviewed the rates and designs of the State plan. They were in consensus that it would be in the best interest of the District to maintain the current program until the rates for the 2005-06 school year came out in the Spring. In the Spring 2005, the rates were released by TRS. The rates stayed the same with some plan design changes. However, there was $33,000,000 of surplus put into the program instead of raising premiums. (Copy of website posting attached for review). This information was discussed with the committee on May 10, 2005 at their spring meeting. The committee expressed the concern that once the District opted to participate in the State plan, there was no opting out. Loss of control of plan design, etc. was also a concern of the committee. They were in consensus to hold on a decision until such a time as the renewal information on the District's current plan was known for the next plan year.

The State Plan was reviewed with the committee. It was explained that GISD could decide to participate in the State Plan at this time. It was discussed by committee members that we don't know what the rates will do for next year and with the fact that surplus funds were put into the program last year to maintain the rates, were there funds available to do that again? Further, the "once in always in" requirement is a big draw back for the committee members. The loss of control provided uneasiness to many of the committee members. Committee members discussed lack of trust in the State and knowledge from personal contacts with participants in the State Plan. Pros and Cons of participating in the State Plan were discussed, copy attached.

A review of insurance plans outside of the State Plan for surrounding school districts was presented for review by the committee. A copy is attached. Review was done to show what the market looks like to give a point of reference for the proposed plans to be presented.

Dixie Purselley reviewed information related to current plan including past claims history, premium history and other related information with the committee. (Copies attached) Rob Stow of Wausau Benefits reviewed the concept of partially self-funding with the committee as a

refresher for those having served before and as information for those who were new to the committee. The concept of Administrative Costs (Claims Administration, Stop Loss Coverage, Specific Aggregate, required reserve, and plan administration) was discussed with the committee. The other costs associated with partially self-funding insurance and claims cost, were also discussed.

The Administrative Services bid with Wausau will be in the 2nd year of a two-year rate guarantee.

Wausau and Purselley Associates worked with Allianz and various other companies to get the renewal rated for the Stop Loss and Specific Aggregate coverage. (Copies attached) The Allianz bid was considered to be the best option for the District. Allianz Life is a very reputable stop loss carrier.. The combined increase cost for the Stop Loss, Specific Aggregate coverage and the administration of the program is approximately 6.6%.

Mrs. Purselley then presented the renewal numbers to the Committee. She also reviewed the plan design changes that were presented to the committee for its consideration. (Copies attached) Three Plan Options are currently offered and three plans were presented for the renewal.

Pros and Cons of maintaining the partially self-funded status were discussed. Copy is attached.

**Funding**

The method for setting the premiums to fund the partially self-funded plans recommended was discussed by Sharay Boynton. Basically, they are based on projected participants and their plan choice as it stood at the time of Allianz's renewal. Aggregate Insurance is bought at 125% of projected attachment. Funding is projected at 110%. What that means is that the District is liable for 125% of expected claims on an aggregate basis but the funding is based on the fact that claims will actually be only 10% higher than expected instead of 25%.

Sharay Boynton discussed with the committee that is projected that the current year will realize a deficit of approximately $500,000. This is a result of funding at 110% and the claims experience being more in line with the 125% projections. The details of the fact that the deficit will not be fully realized until such a time as the plan is dissolved was not fully discussed with the committee as this is an administrative function not fully understood by the committee members.

Due to the claims experience of the District's plan, the underwriter has projected the attachment point considerably higher than current anticipated losses. So even though the District is anticipating the loss for this year's program as a result of having used 110% last year it is felt that using 110% of the projected attachment for this year's funding analysis is still considered conservative.

Sharay Boynton discussed with the Committee that the District's budget included $353.35/employee for health insurance related costs. However, the $353.35 had to cover the cost of the life insurance and vision that is included with the health insurance program, if continued, so the amount available for health insurance is $350.00. The part-time contribution level is $254.

The Committee expressed their appreciation for what the Board did in approving the increase to the insurance benefit. They do understand that the Board continues to make a concerted commitment to District employees with these increases in benefits each year.

A motion was made and seconded to recommend to Mr. Harris to not participate in the State Health Plan. This decision was passed with 20 votes for and 2 votes against.

There was discussion regarding the fact that the proposed plans required more out of pocket expense at the Core level and that the plan offered as Buy Up was comparable to the current Core plan but the premiums were considerably higher. The Committee discussed the health of the plan as a whole and the fact that the out of pocket can be addressed by enhanced use of the District's §125 Plan. A motion was made and seconded to recommend to Mr. Harris that the Disgtrict continue with the partially self-funded program as presented. This motion passed with 17 votes for and 5 votes against.

**Other Coverage attached to Health Insurance Program**

The District currently offers $20,000 life insurance on the employee and a vision plan that offers an eye exam each year. The life insurance, with Assurant, will be renewed with a $.01 increase per $1,000 of coverage.

The District currently offers an exam only benefit to all employees participating in the health program. The vision exam product is offered by VSP and renewed with an increase in premiums. Currently, this product can also be purchased as a voluntary product that offers benefits associated with glasses, contacts, etc., not just the exam. VSPoffered a renewal option for a fully voluntary plan, without the exam portion. The premium for the fully voluntary program is less than if the District were to maintain the eye exam benefit. Approximately 17% of the persons participating in the eye exam only portion of the plan used the plan last year. The committee voted to remove the eye exam benefit and add $5,000 to the district life insurance coverage per employee. Sharay Boynton explained that the cost would come from the $353.35 budgeted as discussed above. The committee voted to recommend that the life benefit be increased to $25,000 and that the vision exam benefit be discontinued.

Attachements:

Committee List
Cancer Anaylsis
TRS Website discussion
Claims Info
Stop Loss Bid Spread Sheet
Pros and Cons of State Plan
Texas ISD Review
Pros and Cons of Partially self-funded
Plan Design
Funding Design

## TAYLOR, KAREN

**Distribution List Name:** Insurance Committee

**Members:**

| | |
|---|---|
| ADKINS, JEAN | DELORES_ADKINS@granbury.k12.tx.us |
| BISHOP, GENA | GENA_BISHOP@granbury.k12.tx.us |
| BOYNTON, SHARAY | SHARAY_BOYNTON@granbury.k12.tx.us |
| BRADLEY, CAROLA | CAROLA_BRADLEY@granbury.k12.tx.us |
| Brian | broberts@diversifiedbenefits.com |
| BURNS, DONALD | DONALD_BURNS@granbury.k12.tx.us |
| CAMPBELL, SCOTT | SCOTT_CAMPBELL@granbury.k12.tx.us |
| CARUTHERS, BRIAN | BRIAN_CARUTHERS@granbury.k12.tx.us |
| CATE, DENNIS | DENNIS_CATE@granbury.k12.tx.us |
| CHANDLER, KARMAN | KARMAN_CHANDLER@granbury.k12.tx.us |
| CLARK, TAMMY | TAMMY_CLARK@granbury.k12.tx.us |
| COMEAU, NANCY | NANCY_COMEAU@granbury.k12.tx.us |
| COOK, RACHAEL | RACHAEL_COOK@granbury.k12.tx.us |
| Dixie | dixie@purselley.com |
| DUNCAN, JUDY | JUDY_DUNCAN@granbury.k12.tx.us |
| DYAS, DEBORAH | DEBORAH_DYAS@granbury.k12.tx.us |
| ELDRIDGE, CHARLETTE | CHARLETTE_ELDRIDGE@granbury.k12.tx.us |
| GOLDSTON, JUDY | JUDY_GOLDSTON@granbury.k12.tx.us |
| GREEN, TROY | TROY_GREEN@granbury.k12.tx.us |
| HARRIS, WILLIAM | WILLIAM_HARRIS@granbury.k12.tx.us |
| HORN, KATHY | KATHY_HORN@granbury.k12.tx.us |
| HUFFMAN, ANGELA | ANGELA_HUFFMAN@granbury.k12.tx.us |
| JACKSON. MICHELLE | MICHELLE_JACKSON@granbury.k12.tx.us |
| KEITH, TERRY | TERRY_KEITH@granbury.k12.tx.us |
| LEWIS, SAMANTHA | SAMANTHA_LEWIS@granbury.k12.tx.us |
| MCCULLOUGH, MARY | MARY_MCCULLOUGH@granbury.k12.tx.us |
| MCGUFFIN, SANDY | SANDY_MCGUFFIN@granbury.k12.tx.us |
| MCINTOSH, TAM | TAM_MCINTOSH@granbury.k12.tx.us |
| NICKS, NICKIE | NICKIE_NICKS@granbury.k12.tx.us |
| OGLESBY, DONNA | DONNA_OGLESBY@granbury.k12.tx.us |
| Pam | pam@purselley.com |
| RAUPE, LOURDES | LOURDES_RAUPE@granbury.k12.tx.us |
| SHEELEY, KATHY | KATHY_SHEELEY@granbury.k12.tx.us |
| SOMMERFELD, NATALEE | NATALEE_SOMMERFELD@granbury.k12.tx.us |
| TAYLOR, KAREN | KAREN_TAYLOR@granbury.k12.tx.us |
| VANDORN, JAN | JAN_VANDORN@granbury.k12.tx.us |
| WATSON, SUZAN | SUZAN_WATSON@granbury.k12.tx.us |
| YOUNK, SUSAN | SUSAN_YOUNK@granbury.k12.tx.us |

INS Mtg
10/17/05

# ***SIGN-IN SHEET***

| Name | Dept./Location |
|---|---|
| 1. Debbie Apps | GMS |
| 2. Dickie Hicks | GMS |
| 3. Carol Bradley | Admin |
| 4. Susan Watson | Baccus |
| 5. Tammy Clark | GHS |
| 6. Donald R Burns | Support Services |
| 7. Mary McCullough | BTC |
| 8. [illegible] | Brawner |
| 9. Rena Berry | Acton Elem. |
| 10. Dana Celeste | Emma Roberson |
| 11. Sandy McGuffin | Emma Roberson |
| 12. Karman Chandler | Baccus |
| 13. Judy Gulledge | Crossland |
| 14. Jan Adkins | Crossland |
| 15. Charlotte Eldridge | AMS |
| 16. Mary Sosa | Business Office |
| 17. Troy K. Burns | T.K. |
| 18. Richard Cox | AMS |
| 19. Kathy Horn | GHS |
| 20. Susan Yount | MAM |

21. Vicki Sharp — CoMS
22. Nikki Cate — OT
23. Jay VanDom — Admin.
24. Scott Campbell — Maint.
25. Lourdes Dampe — BO
26. Samantha Bews — OTS
27. Karen Taylor — HR
28. Tam McIntosh — HR
29. Dixie Russelley — Purs
30. Pam Bean — Purs
31. Brian Roberts — DB
32. Natalie Hammerfeldt — AES
33.
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# Cancer Policy Comparison

| | AFLAC | | | Transamerica |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **CancerSelect** |
| First Occurrence Benefit | $1,500 | $2,000 | $5,000 | $1,000 (rider) |
| Hospital Confinement | $200 for 1st 30 days $400 after 30 days | $300 for 1st 30 days $600 after 30 days | $300 for 1st 30 days $600 after 30 days | 1,2,3,4, or $500 per day for 75 days then usual and customery |
| Wellness Benefit | $40 | $75 | $75 | $100 (rider) |
| Radiation & Chemotherapy | $200 Per Day<br>$200 Per Prescription<br>(mo. Max of $800) | $300 Per Day<br>$300 Per Prescription<br>(mo. Max of $1200) | $300 Per Day<br>$300 Per Prescription<br>(mo. Max of $1200) | 5,10,15,20 or $25,000 per C.Y. for each |
| Experimental Treatment | $200 Per Day | $300 Per Day | $300 Per Day | $4,000 per year |
| Nursing Services | $100 Per Day for same # of days Hosp. Conf. Benefit is paid | $100 Per Day for same # of days Hosp. Conf. Benefit is paid | $100 Per Day for same # of days Hosp. Conf. Benefit is paid | $100 Per Day |
| Surgical/ Anesthesia | Indemnity from $95 to $3,000/25% of schedule not to exceed $3,750 per operation | Indemnity from $100 to $5,000/25% of schedule not to exceed $3,750 per operation | Indemnity from $100 to $5,000/25% of schedule not to exceed $3,750 per operation | $3,000 Inpatient<br>$4,500 Outpatient/<br>25% of schedule |
| Skin Cancer | $100 to $600 indemnity schedule | $100 to $600 indemnity schedule | $100 to $600 indemnity schedule | $200 per removal<br>$400 per C.Y. for clinical diagnosis |
| Prosthesis | $2,500 for implanted<br>$200 for non-implanted | $3,000 for implanted<br>$200 for non-implanted | $3,000 for implanted<br>$200 for non-implanted | $1,000 for implanted |
| In Hospital Blood & Plasma | $50 times the number of hosp. Conf. days | $100 times the number of hosp. Conf. days | $100 times the number of hosp. Conf. days | 5,10,15,20 or $25,000 per C.Y. |
| Outpatient Blood & Plasma | $200 | $250 | $250 | 5,10,15,20 or $25,000 per C.Y. |
| Second Surgical Opinion | $200 | $250 | $250 | $150 |
| NCI Evaluation Benefit | $500 | $500 | $500 | None |
| Ambulance | Charges incurred within 100 miles. Overnight confinement two trips per confinement | Charges incurred within 100 miles. Overnight confinement two trips per confinement | Charges incurred within 100 miles. Overnight confinement two trips per confinement | Up to $2,000 per trip |
| Transportation | .40 per mile<br>1200 per roundtrip | .50 per mile<br>1500 per roundtrip | .50 per mile<br>1500 per roundtrip | .35 per mile<br>700 roundtrip<br>or actual charges by common carrier |
| Lodging | $50 day for insured or 1 family member (not payable 24 hrs prior nor 24 hrs after treatment) | $50 day for insured or 1 family member (not payable 24 hrs prior nor 24 hrs after treatment) | $50 day for insured or 1 family member (not payable 24 hrs prior nor 24 hrs after treatment) | $40 day for insured or 1 family member. $2400 max. per confinement |
| Bone Marrow | $10,000 Inpatient<br>$5,000 Outpatient | $10,000 Inpatient<br>$5,000 Outpatient | $10,000 Inpatient<br>$5,000 Outpatient | $30,000 also for organ transplant<br>$1,000 for donor expenses |
| Stem Cell | $2,500 | $2,500 | $2,500 | None |
| Extended Care | $100 day<br>365 days max. | $100 day<br>365 days max. | $100 day<br>365 days max. | $40 day for same # of days hosp. conf. (Admit within 14 days) |
| Hospice | $100 day 1st 60 days<br>$50 thereafter<br>L.T. max $2,000 | $100 day 1st 60 days<br>$50 thereafter<br>L.T. max $2,000 | $100 day 1st 60 days<br>$50 thereafter<br>L.T. max $2,000 | $75 day<br><br>L.T. Max $7,500 |
| Home Health Care | $50 visit<br>10 per hospitalization<br>30 visits per C.Y. | $50 visit<br>10 per hospitalization<br>30 visits per C.Y. | $50 visit<br>10 per hospitalization<br>30 visits per C.Y. | None |
| Waiver of Premium | 90 days | 90 days | 90 days | 60 days |
| Base Policy Monthly Premiums | Individual $15.90<br>1 Parent Family $19.90<br>2 Parent Family $26.20 | Individual $22.80<br>1 Parent Family $28.50<br>2 Parent Family $37.00 | Individual $25.90<br>1 Parent Family $33.50<br>2 Parent Family $45.50 | $200 Hospital Benefit/$25,000 Rad. & Chemo.<br>Individual $25.60<br>1 Parent Family $30.10<br>2 Parent Family $36.15 |
| Building Benefit Rider | Sold in units of $100 each up to five units ($500)<br>Benefit builds by # of units each year | | | None |
| Cost | Individual $.60<br>1 Parent Family $.90<br>2 Parent Family $1.30 | | | |
| Specified Disease Rider | Covers 22 diseases and pays an initial hospital benefit of $1,000 per period of confinement and once per C.Y. per covered person. Also pays an indemnity of $200 per day for first 30 days of confinement, then $500 day beginning on th 31st day for continuos hospital confinement | | | Covers 30 diseases. Pays $200 per day for first 90 days of confinement, then **(extended benefits)** |
| Cost | Individual $1.00<br>1 Parent Family $1.50<br>2 Parent Family $2.00 | | | Individual $2.30<br>1 Parent Family $3.30<br>2 Parent Family $3.90 |
| First Occurrence Benefit | Included in base policy | | | $1,000<br>Individual $2.50<br>1 Parent Family $3.00<br>2 Parent Family $5.00 |
| Wellness Benefit | Included in base policy | | | Individual $4.00<br>1 Parent Family $5.50<br>2 Parent Family $7.50 |

This comparison was done with general infromation obtained from brochures. Any true comparison should be done by an officer of the respective companies.

TRS-ActiveCare

TEACHER RETIREMENT SYSTEM OF TEXAS

# Highlights of PPO Plan Designs and Rates for 2005-2006

| | ActiveCare 1 | ActiveCare 2 | ActiveCare 3 | |
|---|---|---|---|---|
| | | | Network | Non-Network |
| **Medical** | | | | |
| Deductible | | | | |
| Individual | $1,000 | $500 | N/A | $500 |
| Family | $3,000 | $1,500 | N/A | $1,500 |
| Coinsurance (Plan pays after deductible) | 60% of Network / 60% of Non-Network Charges | 80% of Network / 60% of Non-Network Charges | 80% of Network Charge | 60% of Allowable Charges |
| Office Visit Primary/Specialist Copay | Deductible and coinsurance | $25 / $35 Deductible and coinsurance Non-Network | $20 / $30 | Deductible and coinsurance |
| Emergency Room | Deductible and coinsurance | Deductible and coinsurance | $100 Copay (Waived if admitted), plus coinsurance | Deductible and coinsurance |
| Hospital Admission | Deductible and coinsurance | Deductible and coinsurance | $100 per day, $500 limit per admission, $1,500 plan year limit, plus coinsurance | Deductible and coinsurance |
| Hospital Outpatient Surgery | Deductible and coinsurance | Deductible and coinsurance | $100 Copay plus coinsurance | Deductible and coinsurance |
| Out-of-Pocket Maximum (in addition to deductible) | | | | |
| Individual | $2,000 | $2,000 | $1,000 | $3,000 |
| Family | $6,000 | $6,000 | None | None |
| Lifetime Maximum | Unlimited | Unlimited | Unlimited | $1,000,000 |
| **Prescription Drugs** | | | | |
| Prescription deductible per individual applies to first prescription(s) filled in the plan year for ActiveCare Plans 2 & 3 | | $50 Plan year prescription deductible until met by any combination of Network and Non-network purchases, plus copay(s) | | |
| *Retail—Short-Term Drugs* | | Network / Non-Network | | |
| Generic | Medical deductible and coinsurance (Discount card included) | $10 / $10 | $10 | $10 |
| Brand Copay (Preferred) | | $25 / $25 | $25 | $25 |
| Brand Copay (Non-preferred) | | $45 / $45 (Patient also pays amount over network cost) | $40 | $40 (Patient also pays amount over network cost) |
| *Retail--Maintenance Drugs (applies after 2 fills)* | | Network / Non-Network | | |
| Generic | Medical deductible and coinsurance (Discount card included) | $15 / $15 | $15 | $15 |
| Brand Copay (Preferred) | | $35 / $35 | $35 | $35 |
| Brand Copay (Non-preferred) | | $60 / $60 (Patient also pays amount over network cost) | $55 | $55 (Patient also pays amount over network cost) |
| *Mail Order* | | Network / Non-Network | | |
| Generic | Medical deductible and coinsurance (Discount card included) | $20 / N/A | $20 | N/A |
| Brand Copay (Preferred) | | $62.50 / N/A | $62.50 | N/A |
| Brand Copay (Non-preferred) | | $112.50 / N/A | $100 | N/A |

| **Monthly Cost**<br>Note: The Rates presented are for the total monthly premium cost for each plan: | | | |
|---|---|---|---|
| | **ActiveCare 1** | **ActiveCare 2** | **ActiveCare 3** |
| Employee Only | $249 | $331 | $446 |
| Employee Plus Spouse | $566 | $753 | $1,014 |
| Employee Plus Child(ren) | $396 | $527 | $710 |
| Employee Plus Family | $623 | $828 | $1,115 |

From the United Educators Association
And the Texas Federation of Teachers*
Wednesday, March 30, 2005

TRS-ActiveCare Changes: Premiums and benefits for various levels of coverage under the TRS program of health coverage for school-district employees, TRS-ActiveCare, will change come September 1. Under policies adopted by the TRS board last week, key changes are these:

--Participants in ActiveCare 1 actually will see a slight improvement in their benefits, with no premium increase: No more copay will be required for the first $500 of preventive care. This change aligns ActiveCare 1 with federal requirements for high-deductible plans tied to health savings accounts.

--Participants in ActiveCare 2 (which unlike ActiveCare 1 includes a drug plan) will see no premium increase but will have to start paying a $50 drug deductible.

--Participants in ActiveCare 3, the plan providing the highest level of benefits, will see their premiums increase 6.5 percent. Costs of benefits for this high-level plan are going up fast; TRS says premiums would have to go up 23.5 percent if TRS were not planning to use $33.5 million in reserve funds to help cover rising costs.

ActiveCare 3 participants, in addition to paying higher premiums, also will start paying a $50 drug deductible, will have to pay more of the cost of inpatient and outpatient hospital care, and coinsurance under the plan will drop from 85 percent to 80 percent in-network, 65 percent to 60 percent non-network.

The primary reason for the higher costs under ActiveCare 3, according to TRS consultants, is adverse selection. That means only those with high medical bills find it sensible to choose this already-expensive plan, resulting in higher and higher expenditures per participant, resulting in turn in still higher premium increases--a vicious circle. The rising costs of TRS-ActiveCare 3 are driving more and more employees to choose the lower-cost ActiveCare 2 and ActiveCare 1 options, which is exactly the dynamic that the legislature intended to set in motion last session.

The long-term trend, according to TRS executive director Ronnie Jung, will be toward a system with just two plans, one being the traditional type under ActiveCare 2, the other being a high-deductible, "catastrophic" plan like ActiveCare 1 that dovetails readily with a tax-favored health savings account.

GRANBURY ISD
INSURANCE COMMITTEE MEETING
10/17/2005

# Pros and Cons of State Plan Participation

| Pros | Cons |
|---|---|
| District cost is less | 1st year total program cost higher due to dissolution of current program |
| Employee cost is less | Loss of control of savings on claims |
| Credit for deductible expense if employee goes to another school district participating in the State plan | Loss of control of plan design |
| No need for funding reserves | Loss of personalized claim handling |
| Ease of administration for financial side of program | Once enrolled as a District, no opting out |
| Online claims information and services available | No drug rebate |
| | Transition first year will be a hassle |
| | District responsible for all enrollment issues |
| | Additional staff needed |
| | No credit for deductible paid for current plan |
| | Plan year deductible compared to calendar year deductible |
| | Loss of ability to make exceptions to certain plan decisions regarding treatment of claims |
| | Texas Healthcare Medical Group no longer PPO provider |
| | Question the Stability of Plan Due to Accessing Reserves ($33,000,000) to Maintain Funding Rates |

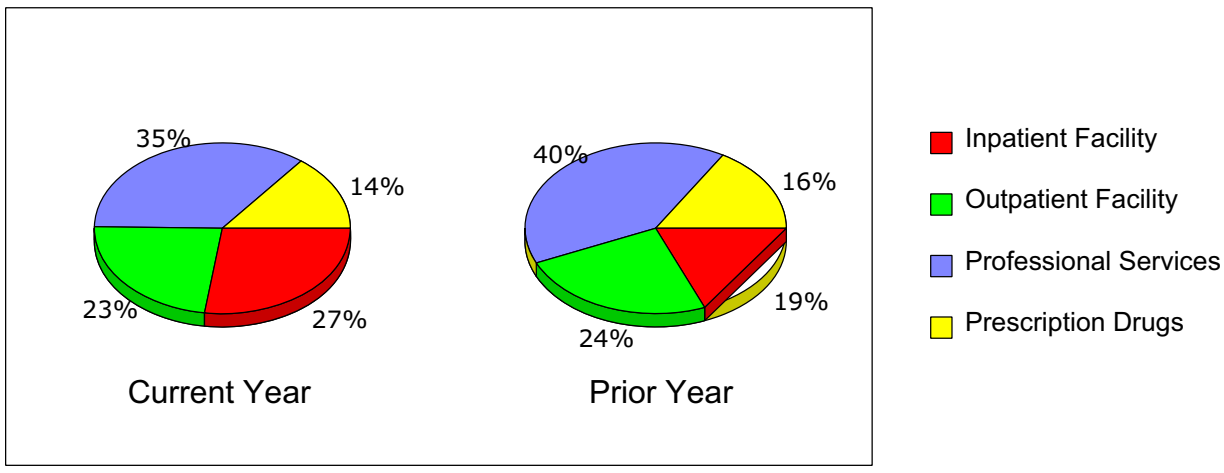
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HPPM0002.02 Percent of Claims Graph - Pd Basis

# Percent of Claims by Year





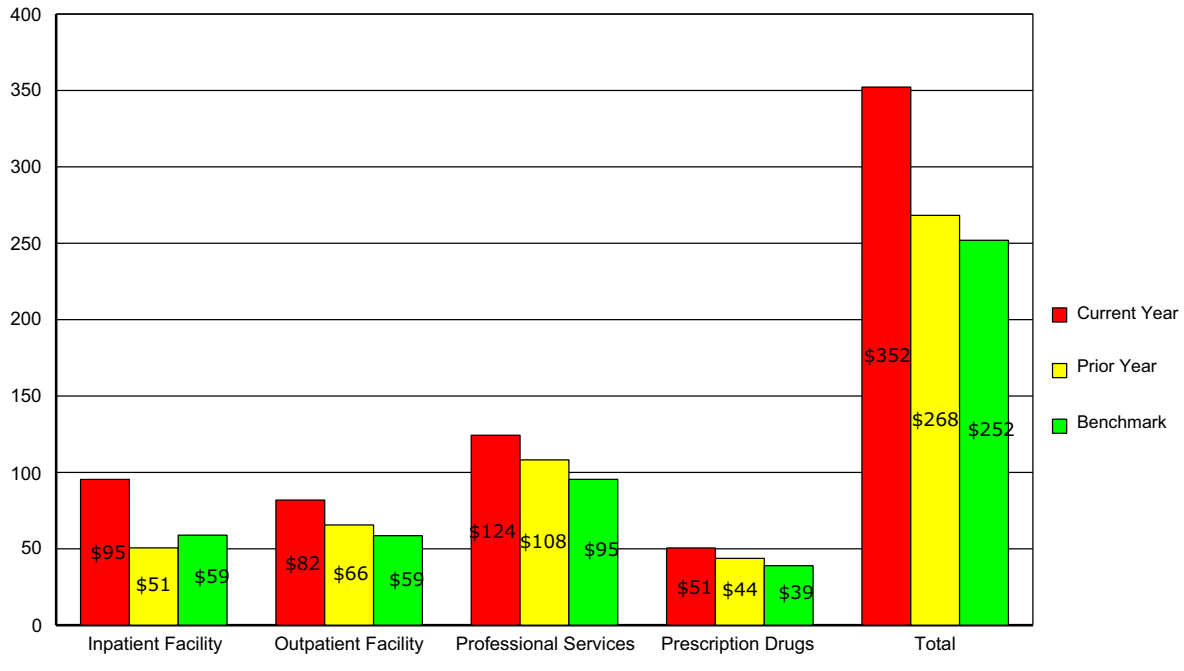

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HPPM0006.01 Cost PMPM - Pd Basis

**Per Member Per Month**





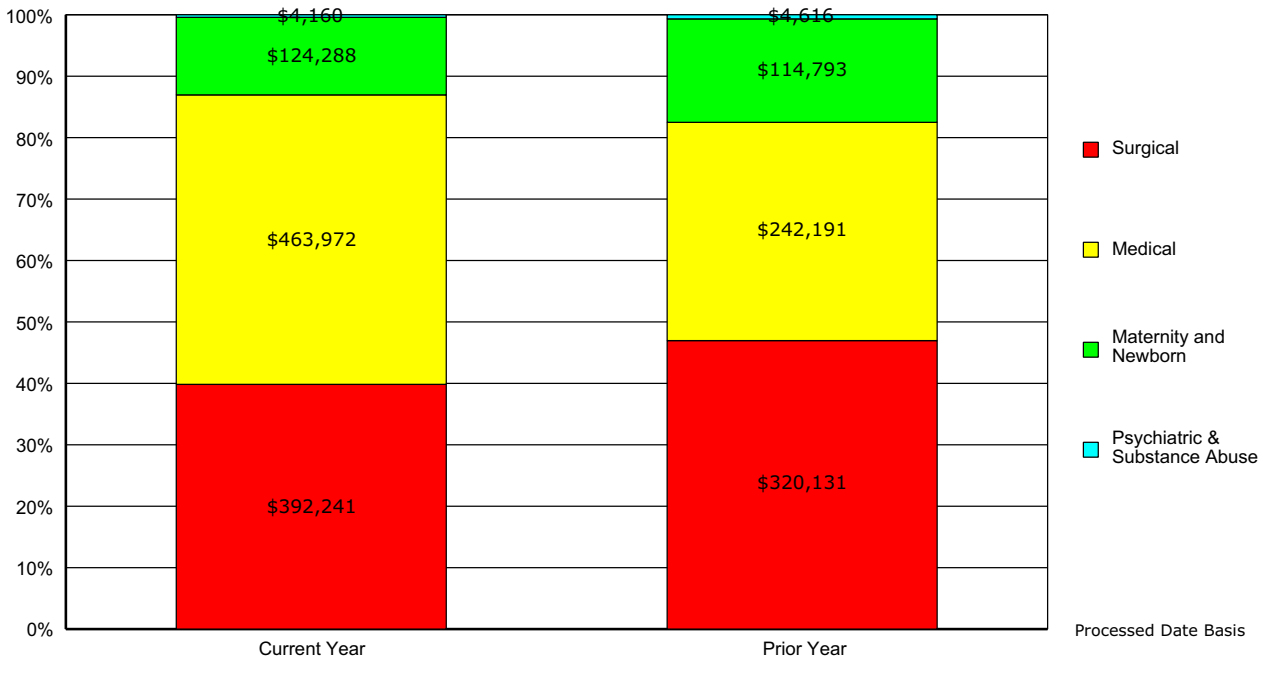

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HPPM0013.03 Key Indicators -
Inpatient by Admit Type - pd basis

**Inpatient Facility - Amount Paid by Admission Type**





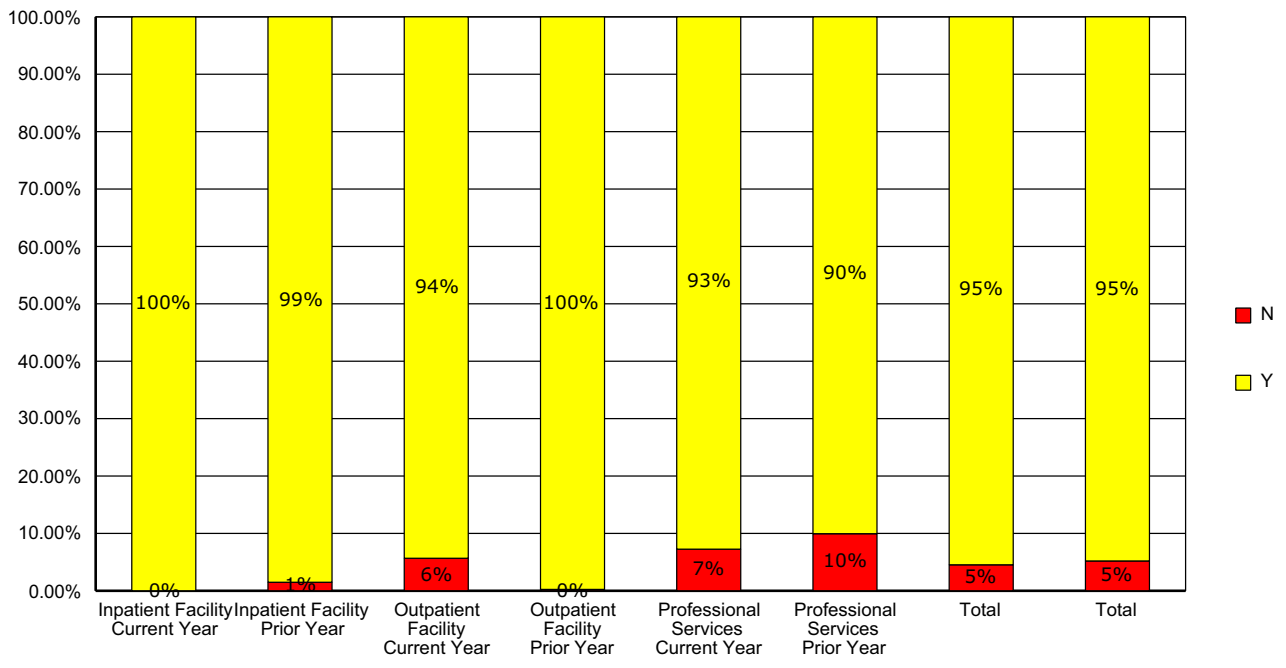

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HPPM0011.02 Network usage - Percent of Paid Claims Graph - Pd Basis

**Network Participation - Percent of Paid Claims**





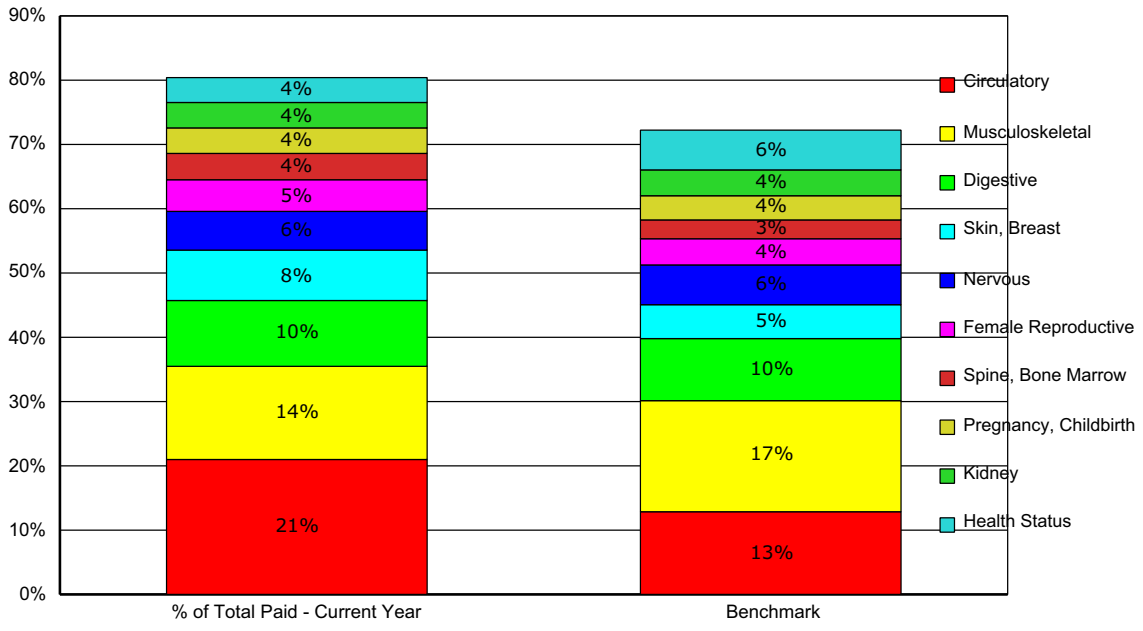

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HPPM0014.02 MDC Analysis Graph - pd basis

**Top 10 MDC Categories**






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Wausau Benefits - Health Plan Performance Measures

Claimants Over $25,000 - Current Year - Paid Basis

**Page-by:**
Group:76160034:GRANBURY ISD

| Prior Year Begin Date | Current Year Begin Date | Current Year End Date |
|---|---|---|
| DECEMBER 2003 | DECEMBER 2004 | AUGUST 2005 |

***Analysis Range by Group***

**Page-by:**
Group:76160034:GRANBURY ISD

| Member ID | Paid Amt Current Year |
|---|---|
| 1615917 | $ 162,392 |
| 1616495 | $ 127,093 |
| 1616205 | $ 119,559 |
| 2414008 | $ 113,375 |
| 1616127 | $ 78,642 |
| 2054476 | $ 77,711 |
| 1616468 | $ 72,383 |
| 1615979 | $ 62,328 |
| 2309153 | $ 61,973 |
| 1616081 | $ 61,676 |
| 1987746 | $ 53,647 |
| 1616680 | $ 52,677 |
| 1930221 | $ 48,384 |
| 2296326 | $ 40,313 |
| 1615647 | $ 36,007 |
| 2035904 | $ 34,743 |
| 1616666 | $ 32,725 |
| 1863265 | $ 30,531 |
| 1616470 | $ 27,552 |
| 2035924 | $ 25,884 |
| 1616258 | $ 25,504 |
| Total | $ 1,345,087 |

## Wausau Benefits - Health Plan Performance Measures

### Claimants Over $25,000 - Current Year

**Page-by:**
**Group: 76160034:GRANBURY ISD**

| Prior Year Begin Date | Current Year Begin Date | Current Year End Date |
|---|---|---|
| DECEMBER 2002 | DECEMBER 2003 | AUGUST 2004 |

**Analysis Range by Group**

**Page-by:**
Group: 76160034:GRANBURY ISD

| Member ID | Amount Paid Current Year |
|---|---|
| 1615917 | $ 168,590 |
| 1616260 | $ 71,760 |
| 1616704 | $ 69,204 |
| 1987746 | $ 49,810 |
| 2084674 | $ 48,393 |
| 1616680 | $ 45,967 |
| 1616470 | $ 40,322 |
| 1616123 | $ 36,554 |
| 1616239 | $ 35,158 |
| 1616223 | $ 34,491 |
| 1997650 | $ 33,202 |
| 1616495 | $ 30,556 |
| 1616392 | $ 29,822 |
| 1616356 | $ 25,888 |
| **Total** | **$ 721,717** |

## Monthly Aggregate Stop Loss Results

| | | |
|---|---|---|
| Plan Holder Name: | | Granbury ISD |
| Stoploss Plan Number: | | 1670-02-160034 |
| Plan Number: | | 7670-00-160034 |
| Contract Year: | | 12/1/04-12/1/05 |
| Contract Type: | | Paid |
| Minimum Attachment Point Percent: | | 85% |
| Minimum Aggregate Attachment Point: | | $4,103,990.00 |
| Monthly Aggregate Attachment: | Single | $410.82 |
| | Family | $1,086.82 |
| Coverages Included: | | Medical & Rx |

| Month | Single EE Count | Family EE Count | Actual Attachment Point Calc | Total Monthly Claims | Total Exclusions | Specific Claims Reimbursed | Monthly Eligible Stoploss Claims | Monthly Aggregate Reimbursements |
|---|---|---|---|---|---|---|---|---|
| December | 507 | 169 | $391,958.32 | $294,705.09 | $0.00 | $0.00 | $294,705.09 | $0.00 |
| January | 506 | 166 | $388,287.04 | $425,018.43 | $0.00 | $0.00 | $425,018.43 | $0.00 |
| February | 507 | 166 | $388,697.86 | $388,256.56 | $0.00 | $27,121.43 | $361,135.13 | $0.00 |
| March | 502 | 166 | $386,643.76 | $284,532.63 | $0.00 | $0.00 | $284,532.63 | $0.00 |
| April | 500 | 167 | $386,908.94 | $272,766.72 | $0.00 | $0.00 | $272,766.72 | $0.00 |
| May | 491 | 168 | $384,298.38 | $222,781.75 | $0.00 | $0.00 | $222,781.75 | $0.00 |
| June | 485 | 170 | $384,007.10 | $349,262.29 | $0.00 | $0.00 | $349,262.29 | $0.00 |
| July | 490 | 167 | $382,800.74 | $447,325.16 | $0.00 | $21,395.66 | $425,929.50 | $0.00 |
| August | 489 | 165 | $380,216.28 | $443,612.62 | $0.00 | $0.00 | $443,612.62 | $0.00 |
| | 0 | 0 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| | 0 | 0 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| | 0 | 0 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Totals | 4,477 | 1,504 | $3,473,818.42 | $3,128,461.25 | $0.00 | $48,517.09 | $3,079,944.16 | $0.00 |

| | |
|---|---|
| **FINAL ELIGIBLE AGGREGATE STOP LOSS CLAIMS:** | **$3,079,944.16** |
| **Attachment Point is the Maximum of the following annual numbers:** | |
| (1) Minimum attachment point: 85% of Agg Attachment Point x # Months | $2,616,293.63 |
| (2) Actual attachment point (each mo x factors): | $3,473,818.42 |
| **FINAL ATTACHMENT POINT** | **$3,473,818.42** |
| **Percentage of Attachment Point** | **88.66%** |
| **Amount in excess of Attachment Point** | **$0.00** |
| **Payouts made for Cash Flow/Monthly Accumulated Cap** | **$0.00** |
| **FINAL PAYOUT/RECOVERY DUE** | **$0.00** |

Enrollment is restated based on late additions and terminations, limited to six months per our administrative standard.
Current recovery Due cannot exceed YTD Payments Made.
This is an unaudited report and subject to Audit at the end of the plan year

Granbury ISD
Claims Overview
By Plan Design

| ***Claims*** | | December | January | February | March | April | May | June | July | August | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Core (563/146) | 86% | **$278,987** | $301,338 | $250,756 | $176,071 | $206,075 | $172,833 | $196,033 | $284,112 | $324,212 | 70.7% | **$2,190,417** |
| Employee | | $216,965 | $119,595 | $131,718 | $109,595 | $130,327 | $88,666 | $53,238 | $153,322 | $203,453 | | **$1,206,879** |
| Dependent | | $62,022 | $181,743 | $119,038 | $66,476 | $75,748 | $84,167 | $142,795 | $130,790 | $120,759 | | **$983,538** |
| Buy-Up (76/15) | 11.7% | **$13,423** | $56,798 | $95,315 | $90,770 | $56,394 | $36,199 | $138,987 | $135,087 | $88,250 | 23.0% | **$711,223** |
| Employee | | $5,132 | $35,010 | $37,483 | $32,376 | $31,705 | $17,981 | $122,680 | $43,738 | $74,824 | | **$400,929** |
| Dependent | | $8,291 | $21,788 | $57,832 | $58,394 | $24,689 | $18,218 | $16,307 | $91,349 | $13,426 | | **$310,294** |
| Premier (15/4) | 2.3% | **$2,297** | $36,227 | $42,210 | $17,718 | $10,312 | $13,773 | $14,502 | $28,142 | $31,363 | 6.3% | **$196,544** |
| Employee | | $2,256 | $4,392 | $41,076 | $16,573 | $8,749 | $12,427 | $9,495 | $18,095 | $28,614 | | **$141,677** |
| Dependent | | $41 | $31,898 | $1,134 | $1,145 | $1,563 | $1,346 | $5,007 | $10,047 | $2,749 | | **$54,930** |
| | | | | | | | | | | | | **$3,098,184** |

Granbury ISD
12/1/2005 to 12/1/2006

| Carrier | | Allianz-Current | Allianz-Renewal | Hartford-Initial | Hartford-Initial | HCCLife-Initial | HCCLife-Initial | Aetna | Declined |
|---|---|---|---|---|---|---|---|---|---|
| Commission | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | AIG |
| **Specific** | | | | | | | | | BP |
| Contract Type | | Paid | Paid | 24/12 | 24/12 | 24/12 | 24/12 | 24/12 | ING |
| Benefits | | Medical | Medical | Medical Rx | Medical Rx | Medical | Medical | Medical | NBR |
| LTM | | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | RE MOULTON |
| Deductible | | $100,000 | $100,000 | $100,000 | $125,000 | $100,000 | $125,000 | $100,000 | |
| Rates | | | | | | | | | |
| Single | 492 | $20.64 | $24.15 | $36.99 | $30.29 | $37.76 | $29.86 | 23.73 | |
| Family | 167 | $54.22 | $63.44 | $88.35 | $74.99 | $106.02 | $89.89 | 70.62 | |
| Annual | | $230,515.44 | $269,715.36 | $395,442.36 | $329,112.12 | $435,399.12 | $356,433.00 | $281,624.40 | |
| **Aggregate** | | | | | | | | | |
| Corridor | | 125% | 125% | 125% | 125% | Aggregate not quoted. | | 125% | |
| Contract Type | | Paid | Paid | 24/12 | 24/12 | | | 24/12 | |
| Benefits | | Medical Rx | Medical Rx | Medical Rx | Medical Rx | | | Medical Rx | |
| Maximum | | $1,000,000 | $1,000,000 | $1,000,000 | $1,000,000 | | | $1,000,000 | |
| Premium | 659 | $2.91 | $2.91 | $3.19 | $3.85 | | | $3.33 | |
| Annual Premium | | $23,012.28 | $23,012.28 | $25,226.52 | $30,445.80 | | | $26,333.64 | |
| **Sub Total - Specific & Agg Premium** | | $253,527.72 | $292,727.64 | $420,668.88 | $359,557.92 | | | $307,958.04 | |
| Factors | | | | | | | | | |
| Single | 492 | $410.82 | $517.63 | $521.83 | $530.18 | | | $496.53 | |
| Family | 167 | $1,086.82 | $1,369.39 | $1,356.75 | $1,378.48 | | | $1,208.52 | |
| Annual Agg Ded | | $4,603,468.56 | $5,800,370.39 | $5,799,811.32 | $5,892,656.64 | | | $5,353,387.20 | |
| **Grand Total** | 659 | $4,856,996.20 | $6,093,098.03 | $6,220,480.20 | $6,252,214.30 | $435,399.12 | $356,433.00 | $5,661,345.24 | |
| Disclosure | | 45 days | 45 days | 30 days | 30 days | 30 -120 days case by case | 30 -120 days case by case | 60 days | |
| Final Claim Data | | through 10 months | through 10 months | through 10 months | through 10 months | 30 - 120 days case by case | 30 - 120 days case by case | to the effective date | |

**Hartford: The specific rates remain the same with and without Rx.**

**Neither Wausau Benefits nor the Stop Loss Carriers will be bound by any typographical errors and/or omissions contained herein Please refer to actual proposal for rates; enrollment counts; contingencies and other conditions.**

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# Texas ISD General Comparision Information

| | State Plan | Granbury ISD | Allen ISD | Frisco ISD | Northwest ISD | Carrollton ISD | Richardson ISD | Plano ISD |
|---|---|---|---|---|---|---|---|---|
| Self-funded | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Insurance Carrier | BC | Wausau | ? | ? | Cigna | ? | ? | ? |
| Basic Plan Deductible | **$1,000** | **$1,000** | **$500** | **$2,000** | **$1,000** | **$1,000** | **$900** | **None** |
| Basic Plan Coinsurance | 80% - 60% | 80% - 60% | 80% - 50% | 70% - 50% | 80% | ? | 80% - 50% | 50% |
| Doctor's Copay | None | None | $25 to $300 | None | 80% | None | 80% - 50% | 50% |
| Wellness Benefit | $500 | $300 | $300 | $400 | $300 | ? | Scheduled | 50% to $400 |
| Rx Copay | N/A | $20 - $60 - $100 | $10 - $35 | $10 - $55 | 80% | 30% | 20%-30%-40% ($100 Max) | 50% |
| Rx Deductible | N/A | **$250** | No | None | **$250** | **$50** | **$50** | **$50** |
| Basic Plan EE Deduction | $0.00 | **$30.00** | **$75.00** | $10.00 | | $0.00 | **$34.22** | $0.00 |
| Buy-Up Plan Deductible | $500 | $500 | | **$500** | **None** | **$700** | **$400** | **None** |
| Buy-Up Plan Coinsurance | 80% - 60% | 80% - 60% | | 80% - 60% | 70% | ? | 80% - 50% | 70% - 50% |
| Doctor's Copay | $25 - $35 | $35 - $50 | | $25 | 70% | $20 | 80% - 50% | 70% - 50% |
| Wellness Benefit | $25 Copay | $300 | | $400.00 | $300 | ? | Scheduled | 70% to $400 |
| Rx Copay | $10 - $25 - $45 | $15 - $30 -$50 | | $10 - $30 | 25% | 30% | 20%-30%-40% ($100 Max) | 30% |
| Rx Deductible | $50 | **$100** | | No | No | **$50** | **$50** | **$50** |
| Buy-Up Plan EE Deduction | | $200.00 | | $300.00 | | $115.00 | $55.48 | $127.20 |

GRANBURY ISD
INSURANCE COMMITTEE MEETING
10/17/2005

Pros and Cons of Self-Funding

| Pros | Cons |
| --- | --- |
| Elimination of Most Premium Tax | Potential Negative Claims Experience - Costly |
| Effective Claim Management | Establishing Reserves - shooting at moving target |
| Control of Plan Design | Establishing Rates - shooting at crystal ball estimate |
| Avoid State Mandates | Financial account can be cumbersome |
| Tailored to meet needs of district | Plan Document Not Automatic to insured |
| Purselley Associates Support - claim issues, enrollment, administration (less administrative support at District level) | Refunding of Specific and Aggregate Not immediate |
| Flexibility | |
| Hold Own Reserves | |
| Pharmaceutical Rebates | |
| Opportunity For Employer to participate in savings due to good experience year | |
| On Line Claims Info Available to District administration/Purselley for support of employees | |
| Ability to Make Claims Exceptions | |
| Extensive Claims/Participation/Membership Reports Available | |
| Specified Claims Examiner | |

**PROPOSED**
**Pending Board Approval**

# GRANBURY ISD
# INSURANCE OVERVIEW 12/1/05

| BENEFITS TYPE OF PLAN | Wausau | | | | | |
|---|---|---|---|---|---|---|
| | Core | | Buy-Up | | Premier | |
| | In Network | Out of Network | In Network | Out of Network | In Network | Out of Network |
| **DEDUCTIBLE** | | | | | | |
| Individual | $1,000 | $2,000 | $500 | $1,500 | $100 | $500 |
| Family | 3 | 3 | 3 | 3 | 3 | 3 |
| **OUT OF POCKET** | | | | | | |
| Individual (w/ Deductible) * | $3,000 | $6,000 | $2,500 | $6,000 | $1,000 | $3,000 |
| **Coinsurance** | | | | | | |
| Plan | 80% | 60% | 80% | 60% | 80% | 60% |
| Employee | 20% | 40% | 20% | 40% | 20% | 40% |
| **PHYSICIAN SERVICES** | | | | | | |
| Office Visit | 80% - 20% | 60% - 40% | $35 | 60% - 40% | $20 | 60% - 40% |
| Specialist Visit | 80% - 20% | 60% - 40% | $50 | 60% - 40% | $30 | 60% - 40% |
| Wellness CY Maximum | $300 | No Benefit | $300 | No Benefit | $300 | No Benefit |
| **HOSPITAL SERVICES** | | | | | | |
| Per Admission Ded/Copay | None | None | $200 | $500 | $250 | None |
| Outpatient Surgery Copay | None | None | $200 | $500 | $100 | None |
| Inpatient | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% |
| Outpatient | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% |
| Emergency Room | 80% - 20% | 80% - 20% | $150 then 80% | $150 then 80% | $100 then 80% | $100 then 80% |
| **PRESCRIPTION CARD** | | | | | | |
| Copay | $20/$60/$100NF | None | $15/$30/$50NF | None | $10/$25/$40NF | None |
| Mail Order | $40/$120/$200NF | None | $30/$60/$100NF | None | $20/$50/$80NF | None |
| CYD Rx Deductible | $250 | None | $100 | None | $100 | None |
| **OTHER** | | | | | | |
| Maternity | Yes | | Yes | | Yes | |
| Lifetime Maxiumum | $1,000,000 | | $1,000,000 | | $1,000,000 | |

*Does not include medical copays or Rx deductible and copays

**GRANBURY ISD**
**2005-06 INSURANCE RATE SHEET**

**CORE PLAN**

| Plan | 2003-04 Plan | | | | 2004-05 | | | | Proposed | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction |
| Employee Only | $ 317 | $ 297 | 94% | $ 20 | $ 391.66 | $ 350 | 89% | $ 41.66 | $ 375.00 | $ 350 | 93% | $ 25.00 |
| Employee/Spouse | $ 612 | $ 297 | 49% | $ 315 | $ 710.00 | $ 350 | 49% | $ 360.00 | $ 750.00 | $ 350 | 47% | $ 400.00 |
| Employee/Child | $ 607 | $ 297 | 49% | $ 310 | $ 705.00 | $ 350 | 50% | $ 355.00 | $ 725.00 | $ 350 | 48% | $ 375.00 |
| Employee/Family | $ 774 | $ 297 | 38% | $ 477 | $ 910.00 | $ 350 | 38% | $ 560.00 | $ 950.00 | $ 350 | 37% | $ 600.00 |

**Buy Up Plan**

| Plan | 2003-04 Plan | | | | 2004-05 | | | | Proposed | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction |
| Employee Only | $ 317 | $ 297 | 94% | $ 20 | 482.66 | $ 350 | 73% | $ 132.66 | $ 550.00 | $ 350 | 64% | $ 200.00 |
| Employee/Spouse | $ 612 | $ 297 | 49% | $ 315 | 900.00 | $ 350 | 39% | $ 550.00 | $ 1,050.00 | $ 350 | 33% | $ 700.00 |
| Employee/Child | $ 607 | $ 297 | 49% | $ 310 | 892.00 | $ 350 | 39% | $ 542.00 | $ 1,025.00 | $ 350 | 34% | $ 675.00 |
| Employee/Family | $ 774 | $ 297 | 38% | $ 477 | 1,138.00 | $ 350 | 31% | $ 788.00 | $ 1,275.00 | $ 350 | 27% | $ 925.00 |

**Premium Plan**

| Plan | 2003-04 Plan | | | | 2004-05 | | | | 2004-05 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction |
| Employee Only | $ 317 | $ 297 | 94% | $ 20 | 530.66 | $ 350 | 66% | $ 181 | 636.79 | $ 350 | 55% | $ 287 |
| Employee/Spouse | $ 612 | $ 297 | 49% | $ 315 | 991.00 | $ 350 | 35% | $ 641 | 1,189.20 | $ 350 | 29% | $ 839 |
| Employee/Child | $ 607 | $ 297 | 49% | $ 310 | 983.00 | $ 350 | 36% | $ 633 | 1,179.60 | $ 350 | 30% | $ 830 |
| Employee/Family | $ 774 | $ 297 | 38% | $ 477 | 1,254.00 | $ 350 | 28% | $ 904 | 1,504.80 | $ 350 | 23% | $ 1,155 |

## *Granbury ISD 2005 Rate Sheet*

| | Core Plan | | | Buy Up | | | Premium | | |
|---|---|---|---|---|---|---|---|---|---|
| ***BENEFITS*** | ***ACTUAL RATES*** | ***EMPLOYEE'S DEDUCTION*** 12 Month | ***EMPLOYEE'S DEDUCTION*** 10 Month | ***ACTUAL RATES*** | ***EMPLOYEE'S DEDUCTION*** 12 Month | ***EMPLOYEE'S DEDUCTION*** 10 Month | ***ACTUAL RATES*** | ***EMPLOYEE'S DEDUCTION*** 12 Month | ***EMPLOYEE'S DEDUCTION*** 10 Month |
| **Medical/Full-Time** | | | | | | | | | |
| Employee Only | $375.00 | $25.00 | $30.00 | $550.00 | $200.00 | $240.00 | $636.79 | $286.79 | $344.15 |
| Employee/Spouse | $750.00 | $400.00 | $480.00 | $1,050.00 | $700.00 | $840.00 | $1,189.20 | $839.20 | $1,007.04 |
| Employee/Child | $725.00 | $375.00 | $450.00 | $1,025.00 | $675.00 | $810.00 | $1,179.60 | $829.60 | $995.52 |
| Employee/Family | $950.00 | $600.00 | $720.00 | $1,275.00 | $925.00 | $1,110.00 | $1,504.80 | $1,154.80 | $1,385.76 |
| **Medical/Dual Employees Full Time** | | | | | | | | | |
| Employee/Spouse | $750.00 | $50.00 | $60.00 | $1,050.00 | $350.00 | $420.00 | $1,189.20 | $489.20 | $587.04 |
| Employee/Family | $950.00 | $250.00 | $300.00 | $1,275.00 | $575.00 | $690.00 | $1,504.80 | $804.80 | $965.76 |
| **Medical/Dual Employees Part Time** | | | | | | | | | |
| Employee/Spouse | $750.00 | $242.00 | $290.40 | $1,050.00 | $542.00 | $650.40 | $1,189.20 | $681.20 | $817.44 |
| Employee/Family | $950.00 | $442.00 | $530.40 | $1,275.00 | $767.00 | $920.40 | $1,504.80 | $996.80 | $1,196.16 |
| **Medical/Dual Ees - Full Time & Part Time** | | | | | | | | | |
| Employee/Spouse | $750.00 | $146.00 | $175.20 | $1,050.00 | $446.00 | $535.20 | $1,189.20 | $585.20 | $702.24 |
| Employee/Family | $950.00 | $346.00 | $415.20 | $1,275.00 | $671.00 | $805.20 | $1,504.80 | $900.80 | $1,080.96 |
| **Medical/Part-Time** | | | | | | | | | |
| Employee Only | $375.00 | $121.00 | $145.20 | $550.00 | $296.00 | $355.20 | $636.79 | $382.79 | $459.35 |
| Employee/Spouse | $750.00 | $496.00 | $595.20 | $1,050.00 | $796.00 | $955.20 | $1,189.20 | $935.20 | $1,122.24 |
| Employee/Child | $725.00 | $471.00 | $565.20 | $1,025.00 | $771.00 | $925.20 | $1,179.60 | $925.60 | $1,110.72 |
| Employee/Family | $950.00 | $696.00 | $835.20 | $1,275.00 | $1,021.00 | $1,225.20 | $1,504.80 | $1,250.80 | $1,500.96 |

# Health Insurance Program



2005-2006

# Insurance Committee

- Members of the Insurance Committee met on Tuesday, October 17, 2005 to review current program and options for upcoming year
  - Members include representatives from every campus and department

# Components of Health Insurance Program

- Major Medical
- District Life
- District Vision
- Voluntary Products
  - Dental
  - Vision
  - Life

# Components of Health Insurance Program Cont'd

- Voluntary Products Cont'd
  - Disability
  - Cancer
  - Long Term Care
  - SisLink
    - Inpatient Hospital Confinement Benefit
    - Outpatient Benefit
- Section 125 Plan (Cafeteria Plan)
  - Flex Spending Accounts

# Major Medical

- Currently partially self-funded
  - Completing 3rd year
- Administered through Wausau Benefits

# Major Medical – State Plan

- This is the 3rd year of the TRS Active Care Program
  - GISD was of the size that an option was available on whether or not to participate
  - Until last year, the plans offered by GISD and related rates were such that GISD was able to offer a better plan than the TRS plan.

# Major Medical – State Plan

- Plan summaries for the State Plan were included in committee packet and referenced during the discussion
- Committee members shared praises and concerns for possible State Plan participation by GISD

# Major Medical – State Plan

- Premiums on the State Plan stayed the same this year with plan revisions and $33,000,000 of surplus funds added to program.
- Insurance Committee meeting in May directed administration and Purselley Associates to develop GISD plans that mirror the State Plan as close as possible.

# Major Medical – Market

- Survey of surrounding districts not on State Plan and their plan designs was shared with the Committee

# Texas ISD General Comparision Information

| | State Plan | Granbury ISD | Allen ISD | Frisco ISD | Northwest ISD | Carrollton ISD | Richardson ISD | Plano ISD |
|---|---|---|---|---|---|---|---|---|
| Self-funded | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Insurance Carrier | BC | Wausau | ? | ? | Cigna | ? | ? | ? |
| Basic Plan Deductible | **$1,000** | **$1,000** | **$500** | **$2,000** | **$1,000** | **$1,000** | **$900** | **None** |
| Basic Plan Coinsurance | 80% - 60% | 80% - 60% | 80% - 50% | 70% - 50% | 80% | ? | 80% - 50% | 50% |
| Doctor's Copay | None | None | $25 to $300 | None | 80% | None | 80% - 50% | 50% |
| Wellness Benefit | $500 | $300 | $300 | $400 | $300 | ? | Scheduled | 50% to $400 |
| Rx Copay | N/A | $20 - $60 - $100 | $10 - $35 | $10 - $55 | 80% | 30% | 20%-30%-40% ($100 Max) | 50% |
| Rx Deductible | N/A | **$250** | No | None | **$250** | **$50** | **$50** | **$50** |
| Basic Plan EE Deduction | $0.00 | **$30.00** | **$75.00** | $10.00 | | $0.00 | **$34.22** | $0.00 |
| Buy-Up Plan Deductible | $500 | $500 | | **$500** | **None** | **$700** | **$400** | **None** |
| Buy-Up Plan Coinsurance | 80% - 60% | 80% - 60% | | 80% - 60% | 70% | ? | 80% - 50% | 70% - 50% |
| Doctor's Copay | $25 - $35 | $35 - $50 | | $25 | 70% | $20 | 80% - 50% | 70% - 50% |
| Wellness Benefit | $25 Copay | $300 | | $400.00 | $300 | ? | Scheduled | 70% to $400 |
| Rx Copay | $10 - $25 - $45 | $15 - $30 -$50 | | $10 - $30 | 25% | 30% | 20%-30%-40% ($100 Max) | 30% |
| Rx Deductible | $50 | **$100** | | No | No | **$50** | **$50** | **$50** |
| Buy-Up Plan EE Deduction | | $200.00 | | $300.00 | | $115.00 | $55.48 | $127.20 |

# Major Medical – GISD Plan

- Data reviewed by committee for current program
  - Claims Experience
  - Administration Services Contract
    - 2nd year of 2 year rate guarantee
  - Stop Loss and Specific Aggregate Insurance Renewal

# Major Medical – GISD Plan

- Current participation numbers
  - Employee Only – 485 employees
  - Employee and Spouse – 71 employees
  - Employee and Children – 25 employees
  - Employee and Family – 71 employees

# Major Medical – Claims Experience

- Reviewed current claims experience compared to previous year
  - Current year per member per month cost $347
  - Prior year per member per month cost $268
- Reviewed large claims
  - Current year > $1,345,097
  - Prior year < $721,717
- Claims Cost is 88% of total cost of program

# Major Medical – Claims Experience Cont'd

- Claims drive the cost of the stop loss and agg coverage as well as the amount needed for funding of anticipated claims
- The worse the claims, the higher the premiums and reserve for anticipated claims
- Unfortunately, as has been presented, our plan has experienced a large number of high dollar claims this year

# Major Medical – Administrative Services

- 2nd year of Rate guarantee
- Excellent support by Wausau & Purselley Associates
- Less than 7% of total cost of program

# Major Medical – Stop Loss & Spec Agg

- Coverage purchased that protects District from bearing the entire cost for large claims
- Current carrier is Allianz
- Wausau and Purselley Associates contacted various carriers including Allianz for renewal rates
- Stop Loss and Spec Aggregate renewal rates were approximately 6.6%

# Major Medical – Stop Loss & Spec Agg

- Best option for GISD was to maintain relationship with Allianz
  - Allianz is second largest reinsurer in the country
- Cost of this coverage is 5% of total cost of program

# Major Medical Plan – GISD Plan

- Three options were reviewed by the committee
  - Core - $1,000/Deductible 80/20 PPO
  - Buy Up - $500/Deductible 80/20 PPO (similar to current year core)
  - Premier - $100/Deductible 80/20 PPO

# GRANBURY ISD

# INSURANCE OVERVIEW 12/1/05

**PENDING BOARD APPROVAL**

| BENEFITS TYPE OF PLAN | Wausau | | | | | |
|---|---|---|---|---|---|---|
| | Core | | Buy-Up | | Premier | |
| | In Network | Out of Network | In Network | Out of Network | In Network | Out of Network |
| **DEDUCTIBLE** | | | | | | |
| Individual | $1,000 | $2,000 | $500 | $1,500 | $100 | $500 |
| Family | 3 | 3 | 3 | 3 | 3 | 3 |
| **OUT OF POCKET** | | | | | | |
| Individual (w/ Deductible) * | $3,000 | $6,000 | $2,500 | $6,000 | $1,000 | $3,000 |
| **Coinsurance** | | | | | | |
| Plan | 80% | 60% | 80% | 60% | 80% | 60% |
| Employee | 20% | 40% | 20% | 40% | 20% | 40% |
| **PHYSICIAN SERVICES** | | | | | | |
| Office Visit | 80% - 20% | 60% - 40% | $35 | 60% - 40% | $20 | 60% - 40% |
| Specialist Visit | 80% - 20% | 60% - 40% | $50 | 60% - 40% | $30 | 60% - 40% |
| Wellness CY Maximum | $300 | No Benefit | $300 | No Benefit | $300 | No Benefit |
| **HOSPITAL SERVICES** | | | | | | |
| Per Admission Ded/Copay | None | None | $200 | $500 | $250 | None |
| Outpatient Surgery Copay | None | None | $200 | $500 | $100 | None |
| Inpatient | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% |
| Outpatient | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% |
| Emergency Room | 80% - 20% | 80% - 20% | $150 then 80% | $150 then 80% | $100 then 80% | $100 then 80% |
| **PRESCRIPTION CARD** | | | | | | |
| Copay | $20/$60/$100NF | None | $15/$30/$50NF | None | $10/$25/$40NF | None |
| Mail Order | $40/$120/$200NF | None | $30/$60/$100NF | None | $20/$50/$80NF | None |
| CYD Rx Deductible | $250 | None | $100 | None | $100 | None |
| **OTHER** | | | | | | |
| Maternity | Yes | | Yes | | Yes | |
| Lifetime Maxiumum | $1,000,000 | | $1,000,000 | | $1,000,000 | |
| *Does not include medical copays or Rx deductible and copays | | | | | | |

# Major Medical Plan - Recommendation

- Options available to committee
  - State Plan and related premiums for current year
  - New plan designs presented for GISD program with related premiums.

# Major Medical Plan – Recommendation

- A motion was made and seconded to not participate in the State Plan
  - Concerns included
    - Once in always in
    - Unknown as to what surplus contribution last year will do to rates and plan design for 2006-2007
    - Lack of trust in the State
- Vote was 20 for and 2 against

# Major Medical Plan – Recommendation

- Motion made and seconded to recommend that the District continue with the partially self-funded program as presented
  - Continue to offer the 3 plans as presented
- Motion passed with 17 votes for and 5 votes against.

# Major Medical Plan Funding

- Committee is recommending that $350/month for full-time and $254/month for part-time continue to be funded with district funds per employee

# GRANBURY ISD

# INSURANCE OVERVIEW 12/1/05

**PENDING BOARD APPROVAL**

| BENEFITS TYPE OF PLAN | Wausau | | | | | |
|---|---|---|---|---|---|---|
| | Core | | Buy-Up | | Premier | |
| | In Network | Out of Network | In Network | Out of Network | In Network | Out of Network |
| **DEDUCTIBLE** | | | | | | |
| Individual | $1,000 | $2,000 | $500 | $1,500 | $100 | $500 |
| Family | 3 | 3 | 3 | 3 | 3 | 3 |
| **OUT OF POCKET** | | | | | | |
| Individual (w/ Deductible) * | $3,000 | $6,000 | $2,500 | $6,000 | $1,000 | $3,000 |
| **Coinsurance** | | | | | | |
| Plan | 80% | 60% | 80% | 60% | 80% | 60% |
| Employee | 20% | 40% | 20% | 40% | 20% | 40% |
| **PHYSICIAN SERVICES** | | | | | | |
| Office Visit | 80% - 20% | 60% - 40% | $35 | 60% - 40% | $20 | 60% - 40% |
| Specialist Visit | 80% - 20% | 60% - 40% | $50 | 60% - 40% | $30 | 60% - 40% |
| Wellness CY Maximum | $300 | No Benefit | $300 | No Benefit | $300 | No Benefit |
| **HOSPITAL SERVICES** | | | | | | |
| Per Admission Ded/Copay | None | None | $200 | $500 | $250 | None |
| Outpatient Surgery Copay | None | None | $200 | $500 | $100 | None |
| Inpatient | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% |
| Outpatient | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% | 80% - 20% | 60% - 40% |
| Emergency Room | 80% - 20% | 80% - 20% | $150 then 80% | $150 then 80% | $100 then 80% | $100 then 80% |
| **PRESCRIPTION CARD** | | | | | | |
| Copay | $20/$60/$100NF | None | $15/$30/$50NF | None | $10/$25/$40NF | None |
| Mail Order | $40/$120/$200NF | None | $30/$60/$100NF | None | $20/$50/$80NF | None |
| CYD Rx Deductible | $250 | None | $100 | None | $100 | None |
| **OTHER** | | | | | | |
| Maternity | Yes | | Yes | | Yes | |
| Lifetime Maxiumum | $1,000,000 | | $1,000,000 | | $1,000,000 | |
| *Does not include medical copays or Rx deductible and copays | | | | | | |

# GRANBURY ISD
## 2005-06 INSURANCE RATE SHEET

### CORE PLAN

| | 2003-04 Plan | | | | 2004-05 | | | | Proposed | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Plan | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction |
| Employee Only | $ 317 | $ 297 | 94% | $ 20 | $ 391.66 | $ 350 | 89% | $ 41.66 | $ 375.00 | $ 350 | 93% | $ 25.00 |
| Employee/Spouse | $ 612 | $ 297 | 49% | $ 315 | $ 710.00 | $ 350 | 49% | $ 360.00 | $ 750.00 | $ 350 | 47% | $ 400.00 |
| Employee/Child | $ 607 | $ 297 | 49% | $ 310 | $ 705.00 | $ 350 | 50% | $ 355.00 | $ 725.00 | $ 350 | 48% | $ 375.00 |
| Employee/Family | $ 774 | $ 297 | 38% | $ 477 | $ 910.00 | $ 350 | 38% | $ 560.00 | $ 950.00 | $ 350 | 37% | $ 600.00 |

### Buy Up Plan

| | 2003-04 Plan | | | | 2004-05 | | | | Proposed | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Plan | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction |
| Employee Only | $ 317 | $ 297 | 94% | $ 20 | 482.66 | $ 350 | 73% | $ 132.66 | $ 550.00 | $ 350 | 64% | $ 200.00 |
| Employee/Spouse | $ 612 | $ 297 | 49% | $ 315 | 900.00 | $ 350 | 39% | $ 550.00 | $ 1,050.00 | $ 350 | 33% | $ 700.00 |
| Employee/Child | $ 607 | $ 297 | 49% | $ 310 | 892.00 | $ 350 | 39% | $ 542.00 | $ 1,025.00 | $ 350 | 34% | $ 675.00 |
| Employee/Family | $ 774 | $ 297 | 38% | $ 477 | 1,138.00 | $ 350 | 31% | $ 788.00 | $ 1,275.00 | $ 350 | 27% | $ 925.00 |

### Premium Plan

| | 2003-04 Plan | | | | 2004-05 | | | | 2004-05 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Plan | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction | Monthly Premium | District Contribution | Dist % | Monthly Deduction |
| Employee Only | $ 317 | $ 297 | 94% | $ 20 | 530.66 | $ 350 | 66% | $ 181 | 636.79 | $ 350 | 55% | $ 287 |
| Employee/Spouse | $ 612 | $ 297 | 49% | $ 315 | 991.00 | $ 350 | 35% | $ 641 | 1,189.20 | $ 350 | 29% | $ 839 |
| Employee/Child | $ 607 | $ 297 | 49% | $ 310 | 983.00 | $ 350 | 36% | $ 633 | 1,179.60 | $ 350 | 30% | $ 830 |
| Employee/Family | $ 774 | $ 297 | 38% | $ 477 | 1,254.00 | $ 350 | 28% | $ 904 | 1,504.80 | $ 350 | 23% | $ 1,155 |

# District Life Insurance

- The District currently provides $20,000 life insurance on all employees
- The current carrier is Assurant Life
- The renewal rate increased by $.01 per $1000 coverage
- Committee was in consensus to recommend to Board to increase coverage to $25,000 per employee and continue program with District funding
  - $3.50/month per employee

# District Vision Coverage

- District currently provides Vision Service Plan Exam coverage to all employees
- Current Carrier is VSP
- Renewal premium for this coverage was proposed to remain the same - $.75/month per employee
- Voluntary part of product projected to increase 9%
  - Optional fully voluntary plan proposed with a 1% increase
- Committee was in consensus to recommend to Board to continue program as a fully voluntary program – no exam only for those not purchasing voluntary product

# Voluntary Products

- Certain Products are offered to GISD employees on a purely voluntary basis
- Employee is responsible for full premium cost
- GISD deducts premiums through payroll deductions and submits to insurance carrier on behalf of employee
- Committee was in consensus to recommend continued and or offering the following programs

# Voluntary Products - Dental

- District currently offers Dental coverage through the EZ-Dent program
  - Self-funded reimbursement program
- Funding analysis was done and showed that the program had a surplus
- Surplus will allow rates to be maintained at current rate even after reduction of 15-20% last year
- Committee was in consensus to offer current plan with current rates

# Voluntary Products - Vision

- Current carrier is Vision Service Plan (VSP)
- Increased plan benefits
- Premium increase less without District's participation in the Exam only portion discussed above.
- Committee was in consensus to recommend that current program continue to be offered to employees with removal of requirement above

# Voluntary Products – Group Life

- Current carrier is Mutual of Omaha
- No anticipated rate increase
  - Rates based on age of insured and amount of coverage
- Committee was in consensus to continue to offer this coverage

# Voluntary Products - Disability

- Current Carrier is UNUM/Provident
- No anticipated plan change or premium increase
- Committee was in consensus to recommend that current program continue to be offered to employees

# Voluntary Products - Cancer

- Current Carrier is Transamerica Insurance
- No anticipated plan change or increased premiums
- Committee was in consensus to recommend that current program continue to be offered to employees

# Voluntary Products – Individual Life

- Current carrier is Texas Life Insurance Company
- No anticipated increase in premiums or plan changes
- Committee was in consensus to recommend that current program continue to be offered to employees
- Difference in Group and Individual Life is that Individual Life can be continued after employment with District and Group can’t

# Voluntary Products – Long Term Care

- Current coverage is offered through the GoldenCare plan of Life Investors
- No longer offering this product
- MedAmerica Program presented as alternative
- Committee was in consensus to recommend that MedAmerica program be offered to employees

# Voluntary Products – SisLink

- In light of the fact that insurance out-of-pocket expenses continue to go up, this insurance was offered last year.
- This insurance is designed to provide coverage for out-of-pocket expenses
  - Inpatient Hospital Confinement Benefit
  - Outpatient Benefit
- Rates and benefits can be designed to fit the employee's needs – no rate increase
- Committee was in consensus to recommend that this program continue to be offered to employees

# Section 125 Plan (Flex Spending)

- District currently offers employees the opportunity to participate in the Section 125 plan for Flex Spending
  - Medical Reimbursement
  - Dependent Care
- The committee was in consensus to recommend to continue to the contribution limits of $416.66/month ($5,000/annual) for Dependent Care and $400/month ($4800/annual) for Medical Reimbursement.

# Conclusion

- The Health Insurance Program offered by GISD is a benefit to District employees
- The committee recognizes the financial support that the Board has provided over the last several years and appreciates it