

February 11, 2016

Hello NESC Board of Directors

Meeting Location:

Our February meeting will be held Monday, February 15, 2016 in Watertown, SD. **The meeting will be held at Hy-Vee.** The meeting will begin at **7:00 P.M.**

Debbe Koenecke
PRESIDENT
BOARD OF DIRECTORS

Jerry Aberle
DIRECTOR
Jerry.Aberle@k12.sd.us

Tim Frewing
ASSISTANT DIRECTOR
Tim.Frewing@k12.sd.us

Brice Christensen
BUSINESS MANAGER
Brice.Christensen@k12.sd.us

MEMBER DISTRICTS

- Arlington #38-1
- Britton-Hecla #45-4
- Castlewood #28-1
- Clark #12-2
- De Smet #38-2
- Deubrook #5-6
- Deuel #19-4
- Elkton #5-3
- Enemy Swim Day School
- Estelline #28-2
- Florence #14-1
- Grant-Deuel #25-3
- Hamlin #28-3
- Henry #14-2
- Iroquois #2-3
- Lake Preston #38-3
- Rosholt #54-4
- Sioux Valley #5-5
- Summit #54-6
- Waubay #18-3
- Waverly #14-5
- Webster Area #18-5
- Willow Lake #12-3
- Wilmot #54-7

Northeast Educational Services Cooperative

P.O. Box 327 • Hayti, South Dakota 57241
605-783-3607 • Fax 605-783-3259

February 10, 2015

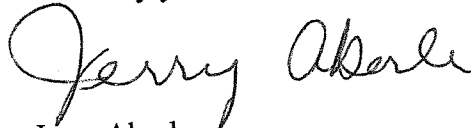
Dear NESC Board Members:

Our February meeting will be held on February 15, 2016 at Watertown. It will begin at 7:00 pm. Please remember that the meeting will be held at **HyVee**.

Enclosed/attached are the board documents needed for the meeting. Please review prior to the meeting.

Have a great weekend.

Sincerely yours,


Jerry Aberle

NESC BOARD OF DIRECTORS' MEETING

Proposed Agenda

Date: February 15, 2016

Time: 7:00 P.M.

Location: HyVee

1320 9th Ave SE, Watertown, SD

1. Call to order
2. Agenda review, changes, and approval
3. Introduction of guests
4. Approval of January 2016 financial report
5. Consent Agenda
 - a. Approval of January 18, 2016 meeting minutes
 - b. Approval of payment of February 2016 budget claims
 - c.
 - d.
 - e.
6. Discussion Items
 - a. February 10, 2016 Advisory Board meeting minutes
 - b. Big Stone City joining NESC
 - c.
 - d.
7. Action Items
 - a. Revised job descriptions
 - b. Northern Plains Health Insurance Pool; moving from fully insured to self-funded
 - c. Set ESY rates for summer 2016
 - d. Offer assistant director contract for 2016-17 school year (after executive session).
 - e.
 - f.
8. Assistant Director's Report
9. Director's Report
10. Executive Session (If needed)
 - a. Personnel—SDCL 1-25-2(1)
 - b. Negotiations—SDCL 1-25-2(4)

AGENDA ITEMS IN RED HAVE BEEN ADDED SINCE THE PROPOSED AGENDA WAS DRAFTED.

AGENDA ITEMS INDICATED BY A ~~STRIKETHROUGH~~ WILL BE DELETED FROM THE PROPOSED AGENDA.

Agenda Explanation

1. Call to order
2. Agenda review, changes, and approval
3. Introduction of guests
4. Approval of January 2016 financial report
5. Consent Agenda
 - a. Approval of January 18, 2016 meeting minutes. Please review enclosed minutes.
 - b. Approval of payment of February 2016 budget claims. Please review the enclosed budget claims.
 - c.
6. Discussion Items
 - a. February 10, 2016 Advisory Board meeting minutes. Please review the enclosed minutes.
 - b. Big Stone City joining NESC. I will provide the board with the most recent developments concerning Big Stone City joining NESC.
 - c.
 - d.
7. Action Items
 - a. Revised job descriptions. These job descriptions were presented to the board in January. I will be asking the board to approve them this month.
 - b. Northern Plains Health Insurance Pool; moving from fully insured to self-funded. Brice will be presenting information on this item.
 - c. Set ESY rates for summer 2016. Please review the enclosed proposed rates.
 - d. Offer assistant director contract for 2016-17 school year (after executive session).
 - e.
 - f.
8. Assistant Director's Report
9. Director's Report
10. Executive Session
 - a. Personnel—SDCL 1-25-2(1)
 - b. Negotiations—SDCL 1-25-2(4)

NORTHEAST EDUCATIONAL SERVICES COOPERATIVE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CASH BALANCES

	General Fund (10)	Special Education Fund (22)	Agency Fund (71)	TOTAL ALL FUNDS
CASH BALANCE				
January 1, 2016	\$162,168.02	\$621,897.52	\$15,493.99	\$799,559.53
Receipts:				
Local Sources:				
1312 Center Base Tuition		\$61,548.00		\$61,548.00
1332 Extended School Year Tuition				\$0.00
1510 Interest	\$42.60	\$134.71	\$2.38	\$179.69
1941 ESA 1 OTHER SOURCES				\$0.00
1941 ESA 1 LEA Assessments				\$0.00
1941 SD COUNTS Other LEAs				\$0.00
1990 Miscellaneous-Center Base				\$0.00
1990 SPED Assessments		\$88,250.18		\$88,250.18
1990 General Fund Assessment	\$1,807.12			\$1,807.12
1990 Reading Recovery	\$2,950.38			\$2,950.38
1990 Reading Recovery-Other LEAs				\$0.00
1990 Miscellaneous		\$21.25		\$21.25
1990 Special Projects-Indirect Cost				\$0.00
1990 Drug & Alcohol Pool				\$0.00
1990 Expensed Mileage				\$0.00
State Sources:				
3119 Grants-in-Aid: Ed. Specialist		\$33,783.00		\$33,783.00
3900 Part C Funds		\$5,407.19		\$5,407.19
3900 Part B Funds				\$0.00
3900 ESA 1				\$0.00
3900 ESA 1 Coaching Contract				\$0.00
3900 ESA 1 SD STARS Training				\$0.00
Federal Sources:				
4152 Title IIB (SD COUNTS)	\$39,797.00			\$39,797.00
4175 IDEA Part B 611		\$127,793.00		\$127,793.00
4175 IDEA Part B 611-Private				\$0.00
4186 IDEA Part B 619		\$3,877.00		\$3,877.00
Other Receipts:				
120 Accounts Receivable				\$0.00
140 Due from other Governments				\$0.00
Other Receipts	\$39.20	\$130.48	\$1,636.79	\$1,806.47
Total Monthly Receipts	\$44,636.30	\$320,944.81	\$1,639.17	\$367,220.28
Total Gross Receipts	\$206,804.32	\$942,842.33	\$17,133.16	\$1,166,779.81
Manual Journal Entry				\$0.00
Manual Journal Entry Revenue				\$0.00
Less Salaries & Disbursements				
Salaries	\$21,275.85	\$234,680.05		\$255,955.90
Disbursements	\$6,608.36	\$39,663.16	\$1,926.75	\$48,198.27
Less Total Salaries & Disbursements	\$27,884.21	\$274,343.21	\$1,926.75	\$304,154.17
CASH BALANCE				
January 31, 2016	\$178,920.11	\$668,499.12	\$15,206.41	\$862,625.64

Balance Sheet

Payroll Clearing Account XX-101-002	\$20.00	\$80.00	\$0.00	\$100.00
Checking Account XX-101	\$5,103.11	\$9,911.97	\$4,212.06	\$19,227.14
Money Market Savings XX-105	\$173,797.00	\$576,997.60	\$10,994.35	\$761,788.95
Certificates of Deposit XX-106	\$0.00	\$76,509.55	\$0.00	\$76,509.55
Imprest XX-108	\$0.00	\$5,000.00	\$0.00	\$5,000.00
TOTALS	\$178,920.11	\$668,499.12	\$15,206.41	\$862,625.64
Cash & Balance Sheet difference	\$0.00	\$0.00	\$0.00	\$0.00

Regular; Processing Month 01/2016; Fund Number 10, 22

Fund: 10 GENERAL FUND

Account Number	Description	Revised Budget	During Month	To Date	% of Budget	Budget Balance
10 1510	INTEREST	300.00	42.60	262.07	87.36	37.93
10 1941 013	ESA 1 COMMON CORE TRAINING	0.00	0.00	0.00	0.00	0.00
10 1941 014	ESA 1 LEA ASSESSMENTS	40,554.22	0.00	40,554.22	100.00	0.00
10 1941 015	ESA-1 REVENUE OTHER SOURCES-LEAs	29,285.91	0.00	29,285.91	100.00	0.00
10 1941 016	SD COUNTS-OTHER LEAS	23,136.27	0.00	22,351.41	96.61	784.86
10 1990 009	NON-SP.ED. ASSESSMENTS	21,502.89	1,807.12	12,612.97	58.66	8,889.92
10 1990 012	READING RECOVERY ASSESSMENTS	45,710.17	2,950.38	30,958.37	67.73	14,751.80
10 1990 013	READING RECOVERY-OTHER LEAs	13,390.00	0.00	8,240.00	61.54	5,150.00
10 1990 018	MISCELLANEOUS	0.00	0.00	2,110.43	0.00	(2,110.43)
10 1990 073	D&A POOL ASSESSMENTS	10,000.00	0.00	5,316.34	53.16	4,683.66
10 1990 200	EXPENSED MILEAGE FROM SPED	231,828.00	0.00	55,170.05	23.80	176,657.95
Subtotal: LOCAL SOURCES		415,707.46	4,800.10	206,861.77	49.76	208,845.69
10 3900 013	READING RECOVERY i3 GRANT	0.00	0.00	0.00	0.00	0.00
10 3900 016	COMMON CORE MATH	1,228.60	0.00	0.00	0.00	1,228.60
10 3900 017	ESA 1 COMMON CORE TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 050	ESA 1-TEACHER OF THE YEAR	600.00	0.00	0.00	0.00	600.00
10 3900 102	ESA 1 SDAP TRAINING	0.00	0.00	600.00	0.00	(600.00)
10 3900 103	ESA 1 SIP TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 104	ESA 1 6-12 LITERACY TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 105	ESA 1 PBL TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 106	ESA 1 SD STARS TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 107	ESA 1 COACHING	54,153.43	0.00	33,445.83	61.76	20,707.60
10 3900 108	MATH LEADER/COACH	0.00	0.00	0.00	0.00	0.00
10 3900 109	TEACHER EFFECTIVENESS & COM. CORE	34,100.00	0.00	35,300.00	103.52	(1,200.00)
10 3900 110	ESA 1 MENU OF OPTIONS	105,600.00	0.00	19,500.00	18.47	86,100.00
10 3900 111	ESA 1 TEACHER TRAINING	9,000.00	0.00	0.00	0.00	9,000.00
Subtotal: STATE SOURCES		204,682.03	0.00	88,845.83	43.41	115,836.20
10 4152 016	TITLE II PART B SD COUNTS	114,220.87	39,797.00	55,536.00	48.62	58,684.87
Subtotal: FEDERAL SOURCES		114,220.87	39,797.00	55,536.00	48.62	58,684.87
10 5110	OPERATING TRANSFER IN	0.00	0.00	0.00	0.00	0.00
10 5130	SALE OF SURPLUS PROPERTY	0.00	0.00	3,950.00	0.00	(3,950.00)
10 5140	COMPENSATION FOR LOSS OF ASSET	0.00	0.00	3,284.79	0.00	(3,284.79)
Subtotal: 5000		0.00	0.00	7,234.79	0.00	(7,234.79)
Fund Total:		734,610.36	44,597.10	358,478.39	48.80	376,131.97

Regular; Processing Month 01/2016; Fund Number 10, 22

Fund: 22 SPECIAL EDUCATION FUND

Account Number	Description	Revised Budget	During Month	To Date	% of Budget	Budget Balance
22 1312	TUITION-CENTER BASE	497,010.10	61,548.00	244,060.45	49.11	252,949.65
22 1312 100	TUITION-ESY	83,497.77	0.00	65,230.22	78.12	18,267.55
22 1510	INTEREST	3,000.00	134.71	896.00	29.87	2,104.00
22 1990 002	MISCELLANEOUS-CENTER BASE	0.00	0.00	0.00	0.00	0.00
22 1990 003	SPED ASSESSMENTS	1,039,829.53	88,250.18	604,969.66	58.18	434,859.87
22 1990 018	MISCELLANEOUS	12,000.00	21.25	1,290.95	10.76	10,709.05
22 1990 019	SPECIAL PROJECTS INDIRECT COSTS	5,000.00	0.00	0.00	0.00	5,000.00
Subtotal: LOCAL SOURCES		1,640,337.40	149,954.14	916,447.28	55.87	723,890.12
22 3119 071	STATE GRANTS-IN-AID: ED.SPEC.	140,265.53	33,783.00	69,507.35	49.55	70,758.18
22 3900 013	STATE REVENUE: PART C FUNDS	50,000.00	5,407.19	40,057.91	80.12	9,942.09
22 3900 014	STATE REVENUE: PART B FUNDS	4,500.00	0.00	11,729.81	260.66	(7,229.81)
22 3900 106	CBI GRANT	0.00	0.00	0.00	0.00	0.00
Subtotal: STATE SOURCES		194,765.53	39,190.19	121,295.07	62.28	73,470.46
22 4175 475	REGULAR IDEA PART B 611	1,630,333.00	127,793.00	546,391.00	33.51	1,083,942.00
22 4175 476	REGULAR IDEA PART B 611-PRIVATE SCHOOL	1,794.00	0.00	0.00	0.00	1,794.00
22 4186 486	REGULAR IDEA PART B 619	46,205.00	3,877.00	16,552.00	35.82	29,653.00
Subtotal: FEDERAL SOURCES		1,678,332.00	131,670.00	562,943.00	33.54	1,115,389.00
22 5130	SALE OF SURPLUS PROPERTY	0.00	0.00	0.00	0.00	0.00
22 5140	COMPENSATION FOR LOSS OF ASSET	0.00	0.00	0.00	0.00	0.00
Subtotal: 5000		0.00	0.00	0.00	0.00	0.00
Fund Total:		3,513,434.93	320,814.33	1,600,685.35	45.56	1,912,749.58

Revenue Summary Report
Processing Month: 01/2016
Regular; Processing Month 01/2016; Fund Number 10, 22

	<u>Revised Budget</u>	<u>During Month</u>	<u>To Date</u>	<u>% of Budget</u>	<u>Budget Balance</u>
Grand Total:	4,248,045.29	365,411.43	1,959,163.74	46.12	2,288,881.55

EXPENDITURE SUMMARY

Regular; Processing Month 01/2016; Fund Number 10, 22

Account Number	Account Description	BUDGET	CURRENT MO.EXP.	EXP.TO DATE	% OF BUDGET	BALANCE AT EOM
10	GENERAL FUND					
1111	READING RECOVERY	\$59,100.17	\$4,142.74	\$31,456.12	53.23	\$27,644.05
2219	OTHER IMPROVEMENTS-INSTRUCTION	\$411,879.30	\$15,366.88	\$141,433.56	34.34	\$270,445.74
2227	TECHNOLOGY SUPPORT	\$3,084.28	\$92.35	\$826.69	26.80	\$2,257.59
2319	BOARD OF EDUCATION SERVICES	\$6,080.02	\$26.74	\$5,999.40	98.67	\$80.62
2329	ADMINISTRATION	\$21,268.56	\$1,501.08	\$10,842.69	50.98	\$10,425.87
2529	ADMINISTRATION-FISCAL SERVICES	\$6,301.65	\$421.08	\$4,045.32	64.19	\$2,256.33
2542	OPERATION & MAINTENANCE BLDGS.	\$7,234.38	\$294.07	\$2,001.67	27.67	\$5,232.71
2545	VEHICLE SERVICE	\$209,662.00	\$5,614.53	\$100,128.71	47.76	\$109,533.29
2551	DRUG & ALCOHOL TESTING POOL	\$10,000.00	\$144.00	\$2,496.00	24.96	\$7,504.00
8110	OPERATING TRANSFERS OUT	\$0.00	\$0.00	\$0.00	0.00	\$0.00
10	GENERAL FUND	\$734,610.36	\$27,603.47	\$299,230.16	40.73	\$435,380.20
22	SPECIAL EDUCATION FUND					
1221	EXTENDED SCHOOL YEAR	\$85,291.75	\$0.00	\$66,867.24	78.40	\$18,424.51
1223	CENTER BASE DAY PROGRAMS	\$497,010.09	\$36,148.21	\$183,928.24	37.01	\$313,081.85
1226	EARLY CHILDHOOD SERVICES	\$295,295.65	\$21,573.61	\$119,984.37	40.63	\$175,311.28
1227	PROLONGED ASSISTANCE PROGRAMS	\$0.00	\$0.00	\$15,245.85	0.00	(\$15,245.85)
2129	TRANSITION SUPPORT SERVICES	\$25,829.06	\$1,565.62	\$11,516.72	44.59	\$14,312.34
2142	PSYCHOLOGICAL SERVICES	\$473,744.73	\$34,179.73	\$187,648.26	39.61	\$286,096.47
2152	SPEECH PATHOLOGY SERVICES	\$972,147.14	\$73,712.97	\$400,845.25	41.23	\$571,301.89
2171	PHYSICAL THERAPY	\$283,674.78	\$21,004.78	\$146,065.70	51.49	\$137,609.08
2172	OCCUPATIONAL THERAPY	\$471,804.40	\$49,272.32	\$221,067.70	46.86	\$250,736.70
2213	PROFESSIONAL DEVELOPMENT/PRESERVICE&TCAP	\$7,613.36	\$165.00	\$5,776.89	75.88	\$1,836.47
2219	OTHER IMPROVEMENTS-INSTRUCTION	\$140,265.53	\$9,828.04	\$71,074.02	50.67	\$69,191.51
2227	TECHNOLOGY SUPPORT	\$38,039.13	\$1,165.29	\$10,381.48	27.29	\$27,657.65
2319	BOARD OF EDUCATION SERVICES	\$74,986.86	\$329.81	\$52,338.08	69.80	\$22,648.78
2329	ADMINISTRATION	\$262,312.24	\$18,260.75	\$132,058.66	50.34	\$130,253.58
2529	ADMINISTRATION-FISCAL SERVICES	\$77,720.37	\$5,193.34	\$49,166.02	63.26	\$28,554.35
2542	OPERATION & MAINTENANCE BLDGS.	\$37,699.84	\$1,532.99	\$8,599.21	22.81	\$29,100.63
2712	EMOTIONALLY DISTURBED-ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2713	INTELLECTUAL DISABILITIES - ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2714	HEARING IMPAIRMENTS - ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2715	SPEC.LEARNING DISABLED-ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2716	MULTIPLE DISABILITIES-ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2717	ORTHOPEDIC IMPAIRMENTS	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2718	VISUALLY IMPAIRED - ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2719	DEAFNESS - ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2720	SPEECH/LANG.IMPAIRMENTS-ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2721	OTHER HEALTH IMPAIRED - ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2722	AUTISM - ADMIN.	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2723	TRAUMATIC BRAIN INJURY - ADMIN	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2724	PRESCHOOL (AGE 3-5)	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2725	EARLY INTERVENTION (AGE 0-2)	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2900	OTHER SUPPORT SERVICES	\$0.00	\$0.00	\$0.00	0.00	\$0.00
7000	CONTINGENCIES	\$0.00	\$0.00	\$0.00	0.00	\$0.00
8110	OPERATING TRANSFERS OUT	\$0.00	\$0.00	\$0.00	0.00	\$0.00
22	SPECIAL EDUCATION FUND	\$3,743,434.93	\$273,932.46	\$1,682,563.69	44.95	\$2,060,871.24
	Grand Total:	\$4,478,045.29	\$301,535.93	\$1,981,793.85	44.26	\$2,496,251.44

Activity Fund Balance Report - Summary - Exclude Encumbrances

01/2016 - 01/2016

Regular; Beginning Month 01/2016; Processing Month 01/2016; Fund Number 71

Fund: 71 AGENCY FUND

<u>Chart of Account Number</u>	<u>Chart of Account Description</u>	<u>Beginning Balance</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Balance Change</u>	<u>Balance</u>
71 415 801	GENERAL CLEARING-AMT. HELD FOR OTHERS	1,102.42	642.79	642.79	0.00	1,102.42
71 415 802	FLORENCE CENTER BASE-AMT HELD FOR OTHERS	283.17	0.00	0.00	0.00	283.17
71 415 803	HAMLIN CENTER BASE-AMT HELD FOR OTHERS	493.31	0.00	0.00	0.00	493.31
71 415 804	GRANT-DEUEL CB-AMT HELD FOR OTHERS	621.08	0.00	0.00	0.00	621.08
71 415 805	KNIGHTS OF COLUMBUS-AMT HELD FOR OTHERS	2,415.06	0.00	0.00	0.00	2,415.06
71 415 806	SPECIAL OLYMPICS SD-AMT HELD FOR OTHERS	5,177.97	0.00	0.00	0.00	5,177.97
71 415 850	ELABO-AMT HELD FOR OTHERS	0.00	0.00	0.00	0.00	0.00
71 430 800	IMPREST ACCOUNT	5,380.92	1,283.96	994.00	0.00	5,090.96
71 704 005	FUND BALANCE - UNDESIGNATED	0.00	0.00	0.00	0.00	0.00
71 760	UNASSIGNED FUND BALANCE	20.06	0.00	2.38	0.00	22.44
Fund Total: 71		15,493.99	1,926.75	1,639.17	0.00	15,206.41

Northeast Educational Services Cooperative
Board of Directors Meeting
Monday, January 18, 2016

The Board of Directors for the Northeast Educational Services Cooperative (NESC) met in regular session on Monday January 18 at Lake Area Technical Institute in Watertown, SD. The meeting was called to order by President Koenecke at 7:00 P.M. and adjourned at 8:14 P.M.

Members present:

Martin Murphy, Arlington; Kurt Zuehlke, Britton-Hecla; Cory Akin, Castlewood; Trudi Gaikowski, Clark; Norman Koehlmoos, De Smet; Carie Knutson, Deubrook; Debbe Koenecke, Deuel; Janel Williams, Enemy Swim Day School; Ron Gorder, Estelline; Tracy Hlavack, Florence; Joe Homola, Hamlin; Dave Fuller, Henry; Joyce Carlson, Lake Preston; Hailey Peterson, Rosholt; Gloria Koerlin, Sioux Valley; Corrie Quale, Summit; Sandy Hinze, Waubay; Jeff Buchholz, Waverly/South Shore; Jamie Reetz, Webster; Paula Warkenthien, Willow Lake; Denise Lutkemeier, Wilmot

Absent:

Tom Landsman, Elkton; Jared Engebretson, Grant-Deuel; Greg Schortzmann, Iroquois;

Others Attending:

NESC Staff Representatives: None present.

Member District Superintendents: Jim Block, Webster

NESC Administration: Jerry Aberle, Director; Brice Christensen, Business Manager; Tim Frewing, Assistant Director

Call to Order

President Koenecke called the meeting to order at 7:00 P.M.

Agenda review, changes, and approval

Action #16043 Motion by C. Knutson, second by D. Lutkemeier, to approve the agenda as presented. All present voting in favor, motion carried.

Introduction of Guests

Jim Block was introduced as a guest.

Financial Report

Action #16044 Motion by C. Akin, second by G. Koerlin, to approve the financial report for the period ending December 2015. All present voting in favor, motion carried.

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Agency Fund</u>
Cash Balance			
December 1, 2015	\$198,030.74	\$613,319.59	\$14,147.01
<u>Receipts:</u>			
Local Sources	\$12,965.12	\$141,930.92	\$2.72
State Sources	\$10,450.00	\$5,091.45	
Federal Sources		\$131,670.00	
Other	\$157.92		\$3,773.98
<u>Total Monthly Receipts</u>	<u>\$23,573.04</u>	<u>\$278,692.37</u>	<u>\$3,776.70</u>
Total Gross Receipts	\$221,603.78	\$892,011.96	\$17,923.71
 Less Salaries	 \$21,716.40	 \$237,518.34	
Less Disbursements	\$37,719.36	\$32,596.10	\$2,429.72
<u>Total Salaries & Disbursements</u>	<u>\$59,435.76</u>	<u>\$270,114.44</u>	<u>\$2,429.72</u>
 Ending Cash Balance			
December 31, 2015	\$162,168.02	\$621,897.52	\$15,493.99

Consent Agenda

Action #16045 Motion by J. Homola, second by D. Lutkemeier, to approve the following items on the Consent Agenda: 5a) Approval of December 21, 2015 Board of Directors minutes; 5b) Approval of payment of January 2016 claims. All present voted in favor, motion carried.

January 2016 Accounts Payable

GENERAL FUND: APEX LEARNING APEX SEATS 250.00;BMO MASTERCARD PURCH SVCS, TRAVEL, SPLYS,PHONE 318.25;CENEX FLEETCARD FLEET MAINT & GASOLINE 2,997.57;CHRISTENSEN, BRICE FISCAL MILEAGE 2.71;CLARK COUNTY COURIER BOARD ADVERTISING - PARA AD 2.55;DELYLE'S SOUTH 81 SERVICE, INC. FLEET MAINT 151.00;DESMET NEWS,, THE BOARD - POSITION ADVERTISEMENT 4.27;DUST TEX SERVICE, INC. O&M - RUG RENTAL 6.42;FREWING, TIMOTHY ADVANCED STUDY 37.50;FRITZ CHEVROLET, INC FLEET MAINT 524.94;HAMLIN COUNTY FARMERS COOP FLEET MAINT & GASOLINE 704.20;JAYMAR BUSINESS FORMS, INC. FISCAL SUPPLIES - TAX FORMS 5.94;JOHNSON AUTOMOTIVE FLEET MAINT 30.89;NESC IMPREST REIMBURSE IMPREST 56.50 NESC PAYROLL CLEARING JANUARY 2016 PAYROLL 21,275.85;NORTHLAND AUTO CENTER FLEET MAINT 89.36;OTTER TAIL POWER CO. O&M - ELECTRICITY 88.32;PROFESSIONAL SECURITY DRUG AND ALCOHOL POOL 144.00;QUICK PRO LUBE FLEET MAINT 36.02 S & S AUTO FLEET MAINT 430.94;STORMO, BEN O&M - SNOW REMOVAL 71.65;TOWN OF HAYTI O&M - WATER AND SEWER 5.72 W.W. TIRE SERVICE FLEET MAINT 614.57;WEBSTER AUTO CARE FLEET MAINT 35.04

FUND TOTAL: \$27,884.21

SPECIAL EDUCATION FUND: BMO MASTERCARD PURCH SVCS, TRAVEL, SPLYS,PHONE 31,941.15;BRITTON-HECLA SCHOOL DISTRICT SPEECH MILEAGE 60.06;PARENT CB TRANSPORTATION 502.56;CASTLEWOOD SCHOOL DISTRICT CB FACILITY USE FEE 677.33 CHILSON, GINA SPEECH MILEAGE TO STAFF 89.04;CHRISTENSEN, BRICE FISCAL MILEAGE 33.41;CLARK COUNTY COURIER BOARD ADVERTISING - PARA AD 31.45;DESMET NEWS,, THE BOARD - POSITION ADVERTISEMENT 52.64;DUST TEX SERVICE, INC. O&M - RUG RENTAL 33.44;FREWING, TIMOTHY ADVANCED STUDY 462.50;HAMLIN SCHOOL DISTRICT CB FACILITY USE FEE 1,009.22;JAYMAR BUSINESS FORMS, INC. FISCAL SUPPLIES - TAX FORMS 73.26;PARENT CB MILEAGE TO PARENT 176.40;NESC IMPREST REIMBURSE IMPREST 937.50;NESC PAYROLL CLEARING JANUARY 2016 PAYROLL 234,680.05;OTTER TAIL POWER CO. O&M - ELECTRICITY 460.25 PRAIRIE LAKES HEALTH CARE SYSTEM HEARTSAVER CPR CARDS 165.00;SHIRLEY, LINDA ED SPEC TRAVEL/MILEAGE 310.20 STORMO, BEN O&M - SNOW REMOVAL 373.35;SW/WC SERVICE COOPERATIVE CB PURCHASED SERVICES 1,800.00;TIEFENTHALER, DEBRA SPEECH MILEAGE TO STAFF 38.22;TOWN OF HAYTI O&M - WATER AND SEWER 29.78;WEBSTER SCHOOL DISTRICT CB FACILITY USE FEE 406.40

FUND TOTAL: \$274,343.21

Discussion Items

January 13, 2016 Advisory Board Minutes

Director Aberle reviewed the January Advisory Board minutes.

Big Stone City joining NESC

Director Aberle shared the Big Stone City will likely be making a resolution of their intention to join NESC before the February Board of Directors meeting. Business Manager Christensen will have information on the fees that will be owed by Big Stone City School District at that time.

Revised Job Descriptions

The first reading for the following job descriptions were presented: Director, Business Manager, Assistant Director, Administrative Assistant, Region 1 ESA Education Specialist.

Meeting room location for February 16, 2016 – HyVee Club Room

Because of LATI being closed for Presidents' Day the February meeting will be held in the HyVee Club Room.

Action Items

Certificate of Deposit Renewal

Action #16046 Motion by C. Akin, second by T. Hlavacek to let the certificate of deposit held at Reliabank to automatically renew. All present voting in favor, motion carried.

Executive Session

Action #16047 Pursuant to SDCL 1-25-2(1) Motion by D. Lutkemeier, second by J. Reetz to enter executive session at 7:26 to discuss personnel. All present voting in favor, motion carried.

President Koenecke declared the board out of executive session at 7:50.

Action #16048 Motion by C. Akin, second by H. Peterson to offer contract to Director Aberle for the 2016-2017 school year. All present voting in favor, motion carried.

Action #16049 Motion by D. Lutkemeier, second by G. Koerlin to offer contract to Business Manager Christensen for the 2016-2017 school year. All present voting in favor, motion carried.

Action #16050 Pursuant to SDCL 1-25-2(4) Motion by J. Homola, second by N. Koehlmoos to enter executive session at 7:54 to discuss negotiations. All present voting in favor, motion carried.

President Koenecke declared the board out of executive session at 8:03.

Action #16051 Motion by T. Hlavacek, second by C. Quale to hire Rodney Freeman to conduct negotiations with Unit 1 and 2 for the 2016-2017 school year. All present voting in favor, motion carried.

Assistant Director's Report

Assistant Director Frewing gave his monthly report.

Director's Report

Director Aberle gave his monthly report.

Adjournment

Action #16052 With there being no further business, motion by J. Homola, second by G. Koerlin, to adjourn. All present voting in favor, motion carried.

The next NESC Board of Directors meeting will be held at HyVee in Watertown, SD on Monday, February 15, 2016 at 7:00 P.M.

Debbe Koenecke, President

Brice Christensen, Business Manager

02/11/2016 10:27 AM

User ID: BPC

Vendor Name	Description	Amount
Checking Account: 1	Fund Number: 10 GENERAL FUND	
BMO MASTERCARD	SUPPLIES, PURCH SVCS, TRAVEL, PHONE	579.52
BRITTON-HECLA SCHOOL DISTRICT	SPEECH MILEAGE TO SCHOOL/APEX REFUND	250.00
CENEX FLEETCARD	FLEET MAINT & GASOLINE	3,626.34
CENTURY BUSINESS PRODUCTS, INC	COPIER MAINTENANCE CONTRACT	168.40
CHRISTENSEN, BRICE	FISCAL MILEAGE TO STAFF	2.71
DELYLE'S SOUTH 81 SERVICE, INC.	FLEET MAINT	940.73
DON'S BODY SHOP	FLEET MAINT	280.00
DUST TEX SERVICE, INC.	RUG RENTAL	6.42
HAMLIN COUNTY FARMERS COOP	FLEET MAINT & GASOLINE	752.80
HARMS, KRISTINE	ESA MILEAGE/TRAVEL	576.16
JOHNSON AUTOMOTIVE	FLEET MAINT	284.95
NESC IMPREST	REIMBURSE IMPREST	128.05
NESC PAYROLL CLEARING	FEBRUARY 2016 PAYROLL	21,268.45
NESC SPECIAL REVENUE PROJECTS	QUARTER 2 EXPENSED MILEAGE	5,109.20
NORTHLAND AUTO CENTER	FLEET MAINT	253.72
OTTER TAIL POWER CO.	ELECTRICITY - O&M	78.17
PALMLUND AUTOMOTIVE	FLEET MAINT	24.99
S & S AUTO	FLEET MAINT	24.00
SD FEDERAL PROPERTY AGENCY	VEHICLE PURCHASE	38,300.00
TOWN OF HAYTI	WATER AND SEWER - O&M	5.72
W.W. TIRE SERVICE	FLEET MAINT	370.65
Fund Number: 10		<hr/> 73,030.98
Checking Account: 1	Fund Number: 22 SPECIAL EDUCATION FUND	
BMO MASTERCARD	SUPPLIES, PURCH SVCS, TRAVEL, PHONE	19,248.38
BRITTON-HECLA SCHOOL DISTRICT	SPEECH MILEAGE TO SCHOOL/APEX REFUND	43.68
CASTLEWOOD SCHOOL DISTRICT	JANUARY CB USE FEE	677.33
CENTURY BUSINESS PRODUCTS, INC	COPIER MAINTENANCE CONTRACT	97.50
CHILSON, GINA	SPEECH MILEAGE TO STAFF	153.72
CHRISTENSEN, BRICE	FISCAL MILEAGE TO STAFF	33.41
DUST TEX SERVICE, INC.	RUG RENTAL	33.44
HAMLIN SCHOOL DISTRICT	JANUARY CB USE FEE	1,083.73
KASTRUP, ALYSHA	SPEECH MILEAGE TO STAFF	71.40
KELLER-KNUDSON, CHERYL	SPEECH MILEAGE TO STAFF	34.44
	CB MILEAGE TO PARENT	95.76

02/11/2016 10:27 AM

ACCOUNTS PAYABLE FEBRUARY 2016

User ID: BPC

Vendor Name	Description	Amount
NESC IMPREST	REIMBURSE IMPREST	1,006.91
NESC PAYROLL CLEARING	FEBRUARY 2016 PAYROLL	239,067.44
NESC SPECIAL REVENUE PROJECTS	QUARTER 2 EXPENSED MILEAGE	66,479.99
OTTER TAIL POWER CO.	ELECTRICITY - O&M	407.35
SHIRLEY, LINDA	ED SPEC MILEAGE/TRAVEL	528.62
STOEL, AMY	SPEECH MILEAGE TO STAFF	37.80
TOWN OF HAYTI	WATER AND SEWER - O&M	29.78
WEBSTER SCHOOL DISTRICT	JANUARY CB USE FEE	406.40
WENZ, MELODY	SPEECH MILEAGE TO STAFF	18.90
Fund Number: 22		<hr/> 329,555.98
Checking Account: 1		<hr/> 402,586.96

Reconciled/Disputed Detail

Reporting Period: 01/06/2016 Thru 02/05/2016

Tran ID	Proc Date	Tran Date	Supplier Description	GL Information	Current Status	Processing Status Dispute Date Reconcile Date	Amount
Account #:			XXXXXXXXXX171375	Name: BOYD, BRENDA		ID:	
414809265	01/07/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		259.52
415554725	01/14/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		-9.52
416330886	01/21/2016	01/20/2016	AMERICINN OF ABERDEEN - ABERDEEN, SD USA	.....	New		110.00
417132516	01/28/2016	01/26/2016	COUNTRY INN - BISON, SD USA	.....	New		55.00
417528851	02/01/2016	01/29/2016	AMERICINN LODGE&SUITES - BELLE FOURCHE, SD USA	.....	New		110.00
418218427	02/05/2016	02/04/2016	AMERICINN FT PIERRE - FORT PIERRE, SD USA	.....	New		93.00
					Transaction Count:	6	618.00
Account #:			XXXXXXXXXX171383	Name: SHIRLEY, LINDA		ID:	
414809266	01/07/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		259.52
414809267	01/07/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		37.12
415424465	01/13/2016	01/12/2016	COUNTRY INN & SUITES - DAKOTA DUNES, SD USA	.....	New		55.00
415554726	01/14/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		-59.52
415792407	01/15/2016	01/14/2016	DAYS INN YANKTON - YANKTON, SD USA	.....	New		110.00
416987294	01/27/2016	01/26/2016	COUNTRY INN & SUITES - DAKOTA DUNES, SD USA	.....	New		55.00
416987295	01/27/2016	01/25/2016	DAYS INN YANKTON - YANKTON, SD USA	.....	New		55.00
417377185	01/29/2016	01/27/2016	DAYS INN YANKTON - YANKTON, SD USA	.....	New		55.00
					Transaction Count:	8	567.12
Account #:			XXXXXXXXXX171409	Name: REINHILLER, LISA		ID:	
414809268	01/07/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		50.00
414809269	01/07/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		259.52
415554727	01/14/2016	01/06/2016	WISDOM INC - RAPID CITY, SD USA	.....	New		-59.52
418218428	02/05/2016	02/04/2016	AMERICINN FT PIERRE - FORT PIERRE, SD USA	.....	New		57.00
					Transaction Count:	4	307.00
Account #:			XXXXXXXXXX171441	Name: NOLTE, KARI		ID:	
417377186	01/29/2016	01/29/2016	DAYS INNS/DAYSTOP - PIERRE, SD USA	.....	New		57.00
					Transaction Count:	1	57.00
Account #:			XXXXXXXXXX525117	Name: CHRISTENSEN, BRICE		ID:	
415037469	01/08/2016	01/08/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New		38.49
415175814	01/11/2016	01/09/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New		129.55
415424466	01/13/2016	01/12/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	New		50.84
415554728	01/14/2016	01/13/2016	HY VEE 1871 - WATERTOWN, SD USA	New		41.73

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RUN DATE: 02/11/2016

PAGE NO:2

Reconciled/Disputed Detail

Reporting Period: 01/06/2016 Thru 02/05/2016

Tran ID	Proc Date	Tran Date	Supplier Description	GL Information	Current Status	Processing Status		Amount
						Dispute Date	Reconcile Date	
415554729	01/14/2016	01/13/2016	WPS - 08006488857, CA USA	.....	New			141.90
415792408	01/15/2016	01/15/2016	TIME MANAGEMENT SYST - 7122221126, IA USA	.....	New			100.64
415792409	01/15/2016	01/16/2016	VZWRLSS*MY VZ VB P - 800-922-0204, GA USA	.....	New			357.02
415792410	01/15/2016	01/15/2016	SANFORD CREDIT CARD PM - 605-3286573, SD USA	.....	New			7,105.50
415792411	01/15/2016	01/15/2016	WATERTOWN PUBLIC OPINI - WATERTOWN, SD USA	.....	New			240.31
415792412	01/15/2016	01/15/2016	MARSHALL COUNTY HEALTH - BRITTON, SD USA	.....	New			7,846.76
415960785	01/18/2016	01/17/2016	Amazon.com - AMZN.COM/BILL, WA USA	.....	New			49.99
416070032	01/19/2016	01/19/2016	AMAZON MKTPLACE PMTS - AMZN.COM/BILL, WA USA	.....	New			67.16
416195582	01/20/2016	01/19/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New			116.24
416195583	01/20/2016	01/20/2016	NCS PEARSON - 800-843-0019, MN USA	.....	New			471.43
416987296	01/27/2016	01/26/2016	INTERSTATE TELECOMM CO - 605-874-2181, SD USA	.....	New			472.27
417528856	02/01/2016	01/30/2016	WPS - 08006488857, CA USA	.....	New			362.45
418218429	02/05/2016	02/04/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New			25.20
418218430	02/05/2016	02/04/2016	MHE*MCGRW-HILL ECOMM - 800-648-3045, NY USA	.....	New			100.44
418218431	02/05/2016	02/04/2016	MHE*MCGRW-HILL ECOMM - 800-648-3045, NY USA	.....	New			88.59
418218432	02/05/2016	02/05/2016	NCS PEARSON - 800-843-0019, MN USA	.....	New			10.00
					Transaction Count:	20		17,816.51
<hr/>								
Account #:	XXXXXXXXXX657027		Name: ABERLE, JERRY	ID:				
418218433	02/05/2016	02/05/2016	BEST WESTERN HOTELS - - PIERRE, SD USA	.....	New			241.98
					Transaction Count:	1		241.98
<hr/>								
Account #:	XXXXXXXXXX327846		Name: CENTER BASE, CASTLEWOOD	ID:				
415037470	01/08/2016	01/07/2016	APL* ITUNES.COM/BILL - 866-712-7753, CA USA	.....	New			58.29
					Transaction Count:	1		58.29
<hr/>								
Account #:	XXXXXXXXXX335997		Name: ADMIN, NESC	ID:				
414809270	01/07/2016	01/06/2016	USPS 46370806815241326 - HAYTI, SD USA	.....	New			70.60
415175815	01/11/2016	01/08/2016	212 MINI MALL - GETTYSBURG, SD USA	.....	New			42.40
416987297	01/27/2016	01/26/2016	USPS 46370806815241326 - HAYTI, SD USA	New			49.00
					Transaction Count:	3		162.00
					Report Count:	44		19,827.90

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Board Member Talking Points for Self-Funded Model



The school renewal this July 2016 will continue as it has in the past. Risk rate melding will remain the same. However, on March 24th each school will have one vote to decide the future of the pool in 2017:

- ☐ Vote “YES” to self-fund the pool; small schools will be allowed to remain in the pool with large schools; or
- ☐ Vote “NO” to self-fund the pool; large schools remain in the pool as fully-insured, but small schools must leave the pool to be rated in the small group market per the ACA.

The following Q&A’s are provided to help guide the discussion for your board members.

1. Why must we make a decision to self-fund or not?

By July 1, 2017 the small group schools in NPIP that have fewer than 51 total employees will have exhausted their transitional status under the ACA. This means Sanford Health Plan will be prohibited from renewing these small schools with NPIP in July of 2017. Instead, these small schools will be required to purchase metal level plans as prescribed by the ACA for small employer groups. Small schools can purchase these standardized metal-level plans either through the federal Small Business Health Options Program (SHOP) at www.healthcare.gov or “off-exchange” directly from Sanford Health Plan or any other insurance carrier.

If NPIP desires to maintain their pooling methodology inclusive of the 23 small schools (825 lives), specific action must be taken by NPIP to change its funding model to a self-insured status. NPIP is looking for its member schools to make this decision.

2. What are the steps to self-fund?

First NPIP must form a legal Trust. The Trust holds the plans assets and is owned and controlled by the NPIP Board of Directors, serving as Trustees. The Board of Directors will work with the participating schools and legal counsel to revise bylaws which defines the terms and conditions for school participation, membership fees, as well as certain state filings. Next the Board of Directors will work with their third party administrator (TPA), Sanford Health Plan, to develop products/plan options for 2017, finalize rating/pooling methodology, develop reserves, issue a Stop Loss Agreement and develop plan documents.

3. Why do we need to make this decision now?

The steps described in #2 above take 6-9 months to plan and develop. We want to ensure the schools have ample time to be involved in the planning process and make decisions with regards to the bylaws and participation terms and conditions, including the ability to write its own rules for lock out periods/possible exclusion period for schools leaving the pool and wanting to return to the pool at a later date. This will ensure a smooth transition in July 2017.

4. When do we need to make this decision?

NPIP respectfully asks that you get a vote from your Board of Directors prior to our March 24th annual meeting. At that annual meeting we will be collecting each school's vote on whether to self-fund or not; action will be required to make a motion at that time. A simple majority vote will preside.

5. What will the NPIP Trust be responsible for?

The Trust and its elected NPIP Board of Directors is responsible for acting solely in the interest of plan participants and their beneficiaries and with the exclusive purpose of providing benefits to them; holding plan assets in a trust and paying plan expenses. The NPIP program will design a responsible funding model to provide risk protection and cost control to each of the entities making up the pool.

At the end of the year, if all participating schools' claim activity was less than anticipated on a combined basis, all remaining claim dollars are placed in a Special Contingency Reserve (SCR) fund. Conversely, if all participating schools' claim activity was greater than anticipated on a combined basis, the SCR fund will offset the deficit, to the extent possible. As the SCR fund grows over time, it can also be used to reduce future insurance premium increases or may be distributed to participating schools, within legal requirements, in a manner deemed appropriate by the Trustees.

This larger risk pool provides for renewals that are based on health claim liability and risk spread over a larger group of employers to keep annual renewals more stable. Participation in this trust also provides reduced administrative fees for each participating entity.

6. Under the self-funded model, how will the monthly member premium be allocated?

Attached please find an illustration of how the premium dollars are split amongst NPIP and SHP.

- Each school will pay their monthly premium to the NPIP trust, not Sanford Health Plan.
- NPIP will pay Sanford Health Plan a monthly third party administration (TPA) fee to process and pay claims.
- A portion of the school premium will be kept as a membership fee, this fee will be kept "in house" in the Trust.
 - A portion goes to NPIP to add to their current \$500,000 general fund.
 - A portion goes to the reinsurance carrier (Starline), same as the current fully-funded plan.

7. Under the self-funded model, how will claim processing change?

The only thing that changes the claims processing is the account where the money comes from. Sanford Health Plan (the TPA) withdraws funds from the Trust account to pay member claims. Neither the member nor the providers experience any change.

8. Will each school's monthly premium be set for the year, or will it change from month to month?

Each school's monthly premium will be set for the year, determined at the annual renewal like it is today. The monthly premium is first calculated on each school's claim experience and then melded with the other school's claims experience to determine how to spread the overall annual adjustment, just like it is today. For example, one school may need a 10% increase, while another school's experience warrants a 2% decrease. The NPIP Executive Board directs the Sanford Health Plan what adjustment to give to each school in order to level out every schools renewal.

9. Are schools required to offer health insurance?

Large schools are required to offer health insurance to full-time employees, but small schools are not. However, small schools cannot revert to offering employees a tax-free stipend to purchase their own plan, this activity is prohibited by the ACA. Some small businesses who no longer want to sponsor health insurance have opted to give their employees an increase in salary instead, which is permissible.

10. What are the benefits of being self-funded?

There are many benefits to being self-funded, including the fact that ERISA offers self-funded plans the advantage of not being controlled by state law, which means self-funded plans are exempt from state premium taxes, as well as freedom from state benefit mandates. Being self-funded also alleviates groups from several PPACA fees. Additionally, self-funding allows employers to make plan design decisions, rather than the insurer. Flexibility in plan designs allows groups the freedom to tailor benefits without restrictions, delays and costs involved in obtaining the approval of the insurer or state regulatory bodies. There is also cost savings to rating claims experience as an entire pool as opposed to each individual school. The larger the pool, the more stable the pool and risk can be spread out over more lives, thus insulating the pool from large, shock claims.

11. Will each school be forced to have the same plan options as other schools?

No, schools will still retain the ability to pick their own plan designs. If the NPIP schools decide to move to a set of common plan options, it will at the direction of the NPIP Board of Directors and its membership to decide what those plan options may be.

12. What do these changes mean to grandfathered small schools?

There are only 4 grandfathered small groups in the pool today. They can retain their grandfather status as long as they don't make certain changes to their cost-sharing or benefits. However, once these schools lose their grandfather status, they will be forced to the same metal level plans and per-member-per-month rating as the other non-grandfathered schools. Once grandfathered status is lost, these schools will also be forced out of the fully-insured pool arrangement.

13. Will the same claim reports be available by school?

Yes, Sanford Health Plan will have a TPA service agreement with the NPIP which outlines the reports the schools want as well as any other performance guarantees.

Current Fully Insured Premium

School Pays a Premium Directly to Sanford Health Plan, SHP funds claims payments, reinsurance premiums and taxes and fees and administers the plan.

Premium	Risk Layer	Premium	Risk Layer
\$60	Reinsurer Risk*	\$60	Reinsurer Risk*
\$840	SHP Risk	\$740	SHP Risk
	Taxes and PPACA Fees		Taxes and PPACA Fees
	Administrative Fees		Administrative Fees
	\$1,000 Ded/\$3,000 Out of Pocket Max		\$1,500 Ded/\$4,500 Out of Pocket Max
\$900	School A-\$1000 Deductible Plan	\$800	School B-\$1500 Deductible Plan

Proposed Self-Funded Arrangement

School Pays a Premium to NPIP, NPIP funds claims payments, reinsurance premiums and taxes and fees. SHP administers the plan.

Premium	Risk Layer	Premium	Risk Layer
\$60	Stop Loss Reinsurance Risk**	\$60	Stop Loss Reinsurance Risk**
\$800	SHP Risk	\$710	SHP Risk
	NPIP Risk		NPIP Risk
	Taxes and PPACA Fees***		Taxes and PPACA Fees***
	Administrative Fees		Administrative Fees
	\$1,000 Ded/\$3,000 Out of Pocket Max		\$1,500 Ded/\$4,500 Out of Pocket Max
\$860	School A-\$1000 Deductible Plan	\$770	School B-\$1500 Deductible Plan

* Sanford purchases HMO Reinsurance on behalf of their entire book of business, including the NPIP.

**NPIP would purchase Stop-Loss Reinsurance policy from the reinsurer.

***Certain Taxes and Fees do not apply to Self-Funded Entities

Dear Superintendents, Business Managers and Board Members,

Since the passage of the Affordable Care Act in 2010, Sanford Health Plan has been your partner in navigating health insurance reform. Our goal has always been to prepare you with the information needed to make good business decisions for your employees and their families. The upcoming 18 months will once again require critical decision points for the Northern Plains Insurance Pool (NPIP). These choices will involve careful consideration and planning.

Sanford Health Plan designed this booklet to assist you with understanding your choices that must be made before July 1, 2017. Please use this booklet as a resource when presenting options to your board and administrators. The booklet illustrates the concepts of both keeping a fully insured pool vs. creating a self-funded pool.

By July 1, 2017, the small group schools in NPIP that have fewer than 51 employees will have exhausted their transitional status under the ACA. This means Sanford Health Plan, or any other insurance carrier, will be prohibited from renewing these small schools with NPIP. Instead, these schools will be required to purchase metal level plans as prescribed by the ACA for small employer groups. Large groups will be able to maintain the current pooling concept, but with a much smaller and more volatile pool.

We have included a list of small schools that will be forced out of the NPIP upon renewal on July 1, 2017, unless specific action is taken by NPIP to change its funding model. Sanford Health Plan is committed to educate your team, foster dialogue and investigate your options. Regardless of what choice is made, we assure you that Sanford Health Plan will continue to be your committed partner.

Sincerely,



Jason Hubers
Executive Vice President
Sanford Health Plan



Dean Christensen
Board Chair,
Northern Plains Insurance Pool
Deuel County District Superintendent

OPTION 1
FULLY INSURED

Small Non-Grandfathered Groups must move to metal plans or the exchange.

- Pooling concept is not permissible under ACA.
- Groups will be on or off of the exchange rated with all Sanford Health Plan's small non-grandfathered business.
- Groups will be per member per month rated. No two families will pay the same.

Large Groups and Small Grandfathered Groups
can renew with current pool concept.

- Each large or grandfathered small school can retain their current benefits and rating structure.
- Current pool concept becomes a smaller pool for the remaining schools. These schools are rated as a pool and the current formula concept can continue to normalize the rate changes.

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NOTES

DISADVANTAGES

- Small non-grandfathered groups:
 - Must leave the pool for the purposes of health insurance plans and rating.
 - Will be limited to metal plan offerings and small ACA rates.
 - Must per member per month age rate members.
 - May be tempted to not offer coverage.
- Mid-Central Coop schools must be considered as separate groups and the small non-grandfathered groups must move to metal plans on or off of the exchange.
- Pool decreases by approximately 1,100 members and becomes more unstable.
- The experience of the remaining groups may be different from the current pool – may require rate reset/higher renewal.
- Growth opportunities for the pool are limited to large and small grandfathered groups.
- Doesn't allow for growth for self-funded groups.
- All PPACA fees will be applicable.

ADVANTAGES

- Current pool concept remains intact for large groups.
- Large or small grandfathered groups can retain their current plans, rates and rating methodologies.
- All groups remain fully insured.

OPTION 2

SELF-FUNDED

Current NPIP would set up a trust to administer the self-funded employer benefit plan. Each school would have a participation agreement with the trust. The trust would have a single TPA (Third Party Administration) contract with Sanford Health Plan.

- Pool entity would be considered self-funded.
- Schools can maintain separate rates and benefits or move to common plans/common rates.
- Flexibility to choose benefits.
- Sanford Health Plan/GBP would provide plan administration, client services, wellness programs, rate and premium consulting and reinsurance marketing.
- Pool would obtain stop loss reinsurance coverage.
- Sanford Health Plan is willing to explore creative risk sharing arrangements to help mitigate the risk of moving to a self-funded arrangement.
- **Legal framework would need to be developed to outline the workings of the pool, addition of new schools, termination of new schools, rating methodology and funding.**

NOTES

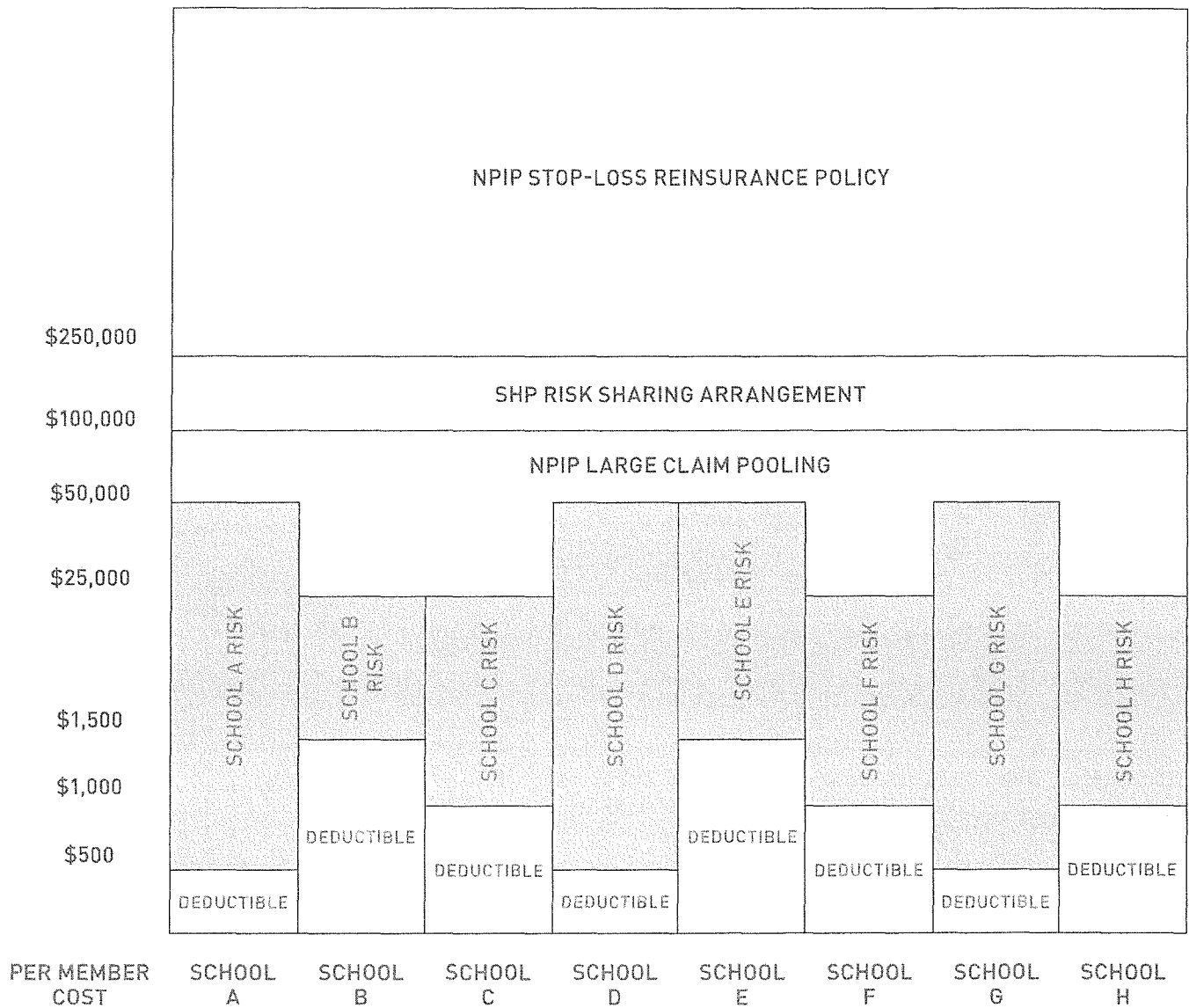
ADVANTAGES

- Small schools can continue with tiered-rating and avoid member age-rating.
- The stability of the rate increases as the pool is fully credible for all schools as the pool is fully credible.
- Benefits and rates could be specific to each group.
- Eliminates Premium Tax and several PPACA fees.
- Dedicated account team.
- Allows possible future merger of other large self-funded groups.
- The common rate/common plan concept that the executive committee has explored could be achieved.
- Smaller schools would have the opportunity for additional plan offerings and flexibility in benefit selection.
- Allows for growth into other states.
- Allows control over the stop loss coverage level.
- Allows greater flexibility of provider network.
- Self-funded plans are governed by ERISA rather than state insurance laws.
- Offers additional reports for self-funded clients.
- Opportunity to incorporate additional supplemental benefits.

DISADVANTAGES

- Reserve is required to pay for claims above funded levels, part of which could be achieved in stop loss purchasing. The remainder would be upfront cost.
- School pool is responsible for 100 percent of the risk and the fiduciary responsibility (except reinsurance coverage).
 - Good years – ability to build up the reserve.
 - Bad years – required to use reserve or fund additional monies to cover expenses.
- Growth opportunities are limited to groups that are willing to become self-funded.

NPIP SELF-FUNDED ILLUSTRATION



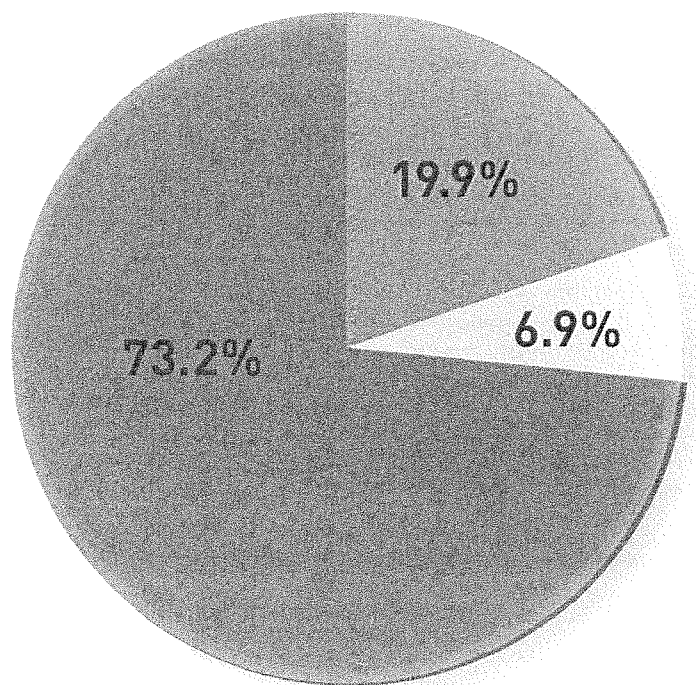
NORTHERN PLAINS INSURANCE POOL

TOTAL MEMBERSHIP – 4,135

Small Non-Grandfathered – 825 Members

- Arlington (41)
- Big Stone City (9)
- Castlewood (44)
- Centerville (67)
- Doland (50)
- Florence (55)
- Grant-Deuel (21)
- Henry (6)
- Herried (17)
- Highmore Harrold (63)
- Burke (46)
- Colome (43)
- Mount Vernon (43)
- Plankinton (32)
- White Lake (20)
- Montrose (28)
- Oahe Special Ed Coop (20)
- Oldham Ramona (31)
- Rosholt (37)
- Southeast Area Coop (47)
- Summit Area Coop (27)
- Viborg-Hurley (44)
- Wilmot (34)

- LARGE
- SMALL NON-GRANDFATHERED
- SMALL GRANDFATHERED



Small Grandfathered – 284 Members

- Irene-Wakonda (123)
- Iroquois (58)
- Lake Preston (53)
- Woonsocket (50)

Large – 3,026 Members

- Agar Blunt Onida (40)
- Baltic (59)
- Chester (195)
- Clark Area (49)
- Colman-Egan (24)
- Corisca-Stickney (28)
- Desmet (95)
- Deuel (77)
- Elkton (62)
- Enemy Swim Day School (65)
- Garretson (92)
- Hamlin (136)
- Harding County (50)
- Howard (116)
- Lennox (205)
- Marion (44)
- Mid Central Coop (82)
- Milbank (190)
- Mobridge-Polluck (99)
- Northeast Educational Services Coop (62)
- Parker (33)
- Sanborn Central (48)
- Smee (54)
- Tea Area (151)
- Tiospa Zina (123)
- Tri-Valley (108)
- Vermillion (190)
- Warner (19)
- Waverly (27)
- Webster Area (80)
- West Central (189)
- White River (123)
- Willow Lake (35)
- Wolsey Wessington (76)

2016 ESY Provider Rates

NESC hires Early Childhood, Speech Language, and Center Base Teachers for all Districts.

OT/PT is provided for all Districts. The OT/PT assessment is a 12 month assessment. There is no extra assessment for ESY for OT or PT.

The following districts also had NESC hire academic personnel for their Districts for Summer 2015: DeSmet, Deuel, Elkton, Estelline, Grant Deuel, Hamlin, Iroquois, Waubay, Webster, and Willow Lake.

	NESC Para	Certified Staff (Early Childhood Teacher, Speech Language Pathologist, Resource Room Teacher, Center Base Teacher)	Other Non-Certified Staff (Such as a paraprofessional)
2015 Rate	2014-15 Hourly Rate	Based on 2014-15 contract salary; divided by # of day contract; divided by 8 hours per day to determine hourly rate. If certified staff does not work for either NESC or NESC District, use NESC's Unit 2 base salary to determine an hourly rate. It was \$24.40 per hour.	\$12.50 per hour
2016 Proposed Rate	2015-16 Hourly Rate	Based on 2015-16 contract salary; divided by # of day contract; divided by 8 hours per day to determine hourly rate. If certified staff does not work for either NESC or NESC District, it would be \$25.25 per hour.	\$12.90 per hour

**NORTHEAST EDUCATIONAL SERVICES COOPERATIVE
BOARD OF DIRECTORS MEETING
Monday, February 15, 2016 - 7:00 P.M.**

NESC DISCUSSION AND/OR ACTION ITEMS:

1. Call to Order
2. Agenda review, changes, and approval
3. Introduction of guests: _____
4. Approval of January 2016 financial report
5. Consent Agenda

- a. Approval of January 18, 2016 meeting minutes

BOARD ACTION: _____

- b. Approval of payment of February 2016 budget claims

BOARD ACTION: _____

- c. _____

BOARD ACTION: _____

- d. _____

BOARD ACTION: _____

- e. _____

BOARD ACTION: _____

6. Discussion Items

- a. February 10, 2016 Advisory Board meeting minutes

BOARD ACTION: _____

- b. Big Stone City joining NESC

BOARD ACTION: _____

- c. _____

BOARD ACTION: _____

- d. _____

BOARD ACTION: _____

7. Action Items

- a. Revised job descriptions

BOARD ACTION: _____

- b. Northern Plains Health Insurance Pool; moving from fully insured to self-funded

BOARD ACTION: _____

- c. Set ESY rates for summer 2016

BOARD ACTION: _____

- d. Offer assistant director contract for 2016-17 school year (after executive session)

BOARD ACTION: _____

- e. _____

BOARD ACTION: _____

- f. _____

BOARD ACTION: _____

8. Assistant Director's Report
9. Director's Report
10. Executive Session: (If needed)
 - a. Personnel—SDCL 1-25-2(1)
 - b. Negotiations—SDCL 1-25-2(4)