



SURVEY OF OTHER POST-EMPLOYMENT BENEFITS IN UTAH SCHOOL DISTRICTS

PUBLIC EDUCATION
STAFF: BEN LEISHMAN & THOMAS YOUNG

ISSUE BRIEF

SUMMARY

During the 2013 General Session, members of the Public Education Appropriations Subcommittee requested information on school district Other Post-Employment Benefits (OPEB) and the potential long-term liabilities associated with these benefits. The Legislative Fiscal Analyst's Office surveyed each school district to obtain this information.

Working with the Utah Association of School Business Officials (UASBO), each school district completed a survey asking several questions about their Other Post-Employment Benefit and Termination Benefit obligations. The Governmental Accounting Standards Board (GASB) states that OPEB includes "postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan."¹

Termination benefits were included to provide the Legislature with a complete view of the potential liabilities of school districts. Termination benefits may include items such as early retirement incentives, severance benefits, healthcare related benefits, etc. Depending on the benefit, school districts may treat the ongoing liability of these benefits differently based on GASB guidelines.

SURVEY

The last information the Legislature received on school district liabilities was during the 2012 General Session. The Utah State Office of Education provided a summary, by school district, that included liabilities for Termination Benefits and OPEB, the amount of funding the district has committed to these liabilities, the percent of liability covered, and if the district's OPEB plan has been terminated for new employees. This summary is provided at the end of this report in Appendix A.

The survey conducted this year used this information as a starting point. School districts were asked several questions regarding their current obligations and were provided the opportunity to explain these obligations.

The following pages provide the information submitted by each school district. The information was taken directly from the submissions, with only minor formatting and editing. Two school districts, Rich and Daggett, have not responded.

¹ Governmental Accounting Standards Board. Summary of Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. June, 2004.

Alpine School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

OPEB benefits terminated August 1995 (Medicare supplement) and March 2006 (bridge insurance). The current OPEB liability is for medical insurance for qualifying employees.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No. Medicare supplement terminated August 1995; Bridge insurance terminated March 2006.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$139,423,000

4. Over what time frame has this liability accrued?

The liability began accruing in 1978, when the benefit was committed.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Alpine School District continues to look for ways to mitigate the liability in addition to funding the liability. The administration enacted several measures to decrease the AAL this past year.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$104,312,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Alpine currently has \$35.1 million in an OPEB trust. In addition to the trust, Alpine has \$6.5 million in an assigned fund balance for Retirement Healthcare benefits as of June 30, 2012. The Board of Education and administration continue to look for ways to mitigate the liability, while setting aside required funds.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Not needed, as this was done locally.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The information above will be reflected in the financial statements as of June 30, 2013 and are based upon an updated retirement insurance valuation completed by Milliman, Inc.

11. Additional Comments or Explanations:

None

Beaver School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?
None – OPEB
Accrued Sick Leave & Vacation Leave – Termination Benefits
2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:
2007
3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):
\$0 – OPEB
\$580,000 – Accrued Sick Leave Liability
\$97,000 – Accrued Vacation Leave Liability
4. Over what time frame has this liability accrued?
Blank
5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:
Blank
6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):
\$326,000
7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):
Blank
8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?
Blank
9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?
Blank
10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?
Blank
11. Additional Comments or Explanations:
Blank

Box Elder School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Box Elder School District Offers the following Termination Benefits (TB):

- After 15 years of full time contracted service employees qualify for sick leave buyout as follows:
 Accumulated Sick leave buyout at 2% per year employed with the district up to 60% multiplied by the daily rate of the employee.
- After 15 years with the district as a full time contracted employee and upon qualifying and accepting State Retirement benefits they receive the following:
 A bonus at Termination of .3 multiplied by the number of years employed by the district up to a maximum of 9 times a base amount of \$2,696.

The funds from both of these programs can be applied toward the purchase of up to 5 years of District Health and Accident insurance until they qualify for Medicare. Both of these are classified as Termination Benefits (TB).

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes, the plan has been modified several times to lower the cost the summary above is the current agreement.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$6,236,000 All for Termination Benefits (TB)

4. Over what time frame has this liability accrued?

35 years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$6,236,000 All Termination Benefits (TB)

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The liability is funded out of budget appropriations yearly that are considered part of employee compensation. There are no current plans to cut educational programs and set aside money to fund the liability. We have decided to begin the discussion with our employee groups since it appears to be a state concern.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

In a more rural community keeping good teachers is always an issue. The benefit began as an incentive to keep good teachers as well as a way to encourage burned out teachers to retire.

The payout of sick leave is an incentive to keep teachers in the classroom by discouraging frivolous use of sick leave.

It is considered part of the ongoing compensation package for teachers. Since it is not an OPEB, but a Termination Benefit the Governmental accounting standards board (GASB) to my knowledge has not required funding of Termination Benefits.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

I would consider it an affront on local control and employees would consider it breach of contract.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

We have a large number of baby boomers who are moving toward retirement and more are qualifying for the benefit every year. Both benefits require at least 15 years full time contracted employment with the district.

11. Additional Comments or Explanations:

We would like to maintain the ability to negotiate with our employee groups under direction from the board of education to maintain benefits that we feel would enhance education in the local district. It sure is a difficult time to cut compensation to employees who have not had a cost of living raise for 5 years and have lost significant spending power because we have forced them to pay all Health Insurance increases over the last five years.

Cache School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

The district does not offer any OPEBs. Termination benefits are offered to those employees who have a minimum of 20 years of service in the district. A lump-sum payment between \$20,000 and \$30,000 is received based upon the number of years of service in the district.

After a minimum of 20 years of service in the district and completing 28 or 29 actual years in the Utah Retirement System (no purchased years) and qualifying for Utah State Retirement, the district will purchase 95% of the 29th and/or 30th year(s) which would make the employee eligible for a 30-year state retirement.

Upon retirement, employees will be compensated for their unused sick leave days at 50% of the current base rate paid substitutes. An employee who retires with a minimum of 20 years of service in the district and who has completed 30 or more actual years (not purchased) in the Utah Retirement System will be compensated for their unused sick leave days at 100% of the current base rate paid to certificated substitutes.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Zero

4. Over what time frame has this liability accrued?

N/A

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The figures reported in the 2012 survey included the payout of early retirement incentive stipends to employees who previously retired from our district. The stipends were paid out over a four year period. Employees retiring at the end of the 2011-12 school year were the last group of employees who could have opted to receive the stipend and insurance coverage. At this time, all stipend payments have been paid and no remaining liability exists.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

Zero

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Unnecessary

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

N/A

11. Additional Comments or Explanations:

None

Carbon School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Prior to 2007, our district was offering a very rich Early Retirement Benefit that was made up of a health insurance component plus a cash stipend component. During 2007 we revised the plan, discontinuing participation for all new hires effective January 1, 2007 and reducing the benefit offered for eligible employees hired prior to that time.

Currently, to be eligible for the Early Retirement Benefit an employee must 1) be eligible to retire through the Utah Retirement Systems, and 2) must have worked 20 or more full-time years in the Carbon SD. Eligible employees receive a benefit amount based on a percentage of their salary for up to 6 years or until they qualify for unreduced social security, whichever is sooner. The benefit amount can be applied toward the purchase of health insurance from the district group plan at the current full premium amount (until the employee qualifies for Medicare coverage) or can be paid out to the employee through a district administered 403b retirement plan.

A special “grandfather” provision was included for those employees who, at the time the plan was changed, already met eligibility (those who at that time already had 20 or more years in Carbon SD). These employees are allowed up to four years of couple health insurance or

until Medicare eligibility, whichever is sooner. This provision was included to prevent a mass exodus of employees who would have been able to cash in on the benefit and retire at the time these changes were made. Being a rural district, we were concerned about our ability to attract enough quality replacement teachers.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No, the district does not offer this benefit to any employee hired after January 1, 2007.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

The Actuarial Accrued Liability is \$6,630,000 as of the most recent valuation (benefit valuation completed as of July 1, 2012 by Milliman, Inc.) This is made up of a liability tied to the medical benefit offered to those under the "grandfather" provision (\$3,657,000) and a liability for the cash stipend component offered to those who are not eligible for the "grandfather" provision (\$2,973,000).

4. Over what time frame has this liability accrued?

I'm not sure what this question is asking, but the above liability includes the projected liability for all employees who may ever be eligible for this benefit in the future.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

I am not sure where the data was taken from that the USOE used to compile the 2012 spreadsheet, but it appears that only the medical benefit portion of our liability was reported.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

Carbon SD currently has \$3,500,000 that has been set aside and committed for the payment of this liability, which makes it about 53% funded.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

When we revised our plan, we agreed with our employee groups that if any benefit was to be offered in the future we would have to make sure that it was funded. The employee groups agreed to divert a certain amount of funds each year that would normally have gone towards salaries and other benefits to instead be set aside for funding the liability. At our current pace, we will be 100% funded in six years.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

As mentioned above, we currently have a plan for funding the benefit. We are committed to setting aside enough each year to meet, if not exceed, our Annual Required Contribution as calculated by our actuaries.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

We would be fine with that, but I would hope that legislation would focus on meeting the Annual Required Contribution (ARC), which includes the normal cost (current costs) plus the amortization payment. The majority of employees that are under our plan (those hired prior to 2007) will not become eligible for the benefit for many years, some as many as 20 or more

years down the road. Currently we have more than enough funds set aside to meet our obligation if all employees that are currently eligible retired at once. At our current pace we will be fully funded long before most of the employees who may one day become eligible for this benefit ever are.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

No difference

11. Additional Comments or Explanations:

None

Daggett School District

No response at time of printing.

Davis School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

3 years post-retirement health insurance at cost of active employee

3 year early retirement stipend

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$7,661,000

4. Over what time frame has this liability accrued?

Over the last 3 years of retirees

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

We have \$4 million committed. Unfunded = \$3.6 million.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

These are termination benefits funded with the savings created when the employee retires. As employees retire, we use the savings from hiring a new employee to pay these costs. The \$4 million mentioned above is just a safety net but not anticipated to be needed.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

The benefits are funded for Davis.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

We see this as a local issue that local school boards should decide.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

None

11. Additional Comments or Explanations:

None

Duchesne School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

We offer a termination benefit for the lesser of four years or medicare eligibility of about 15% of an employee's salary.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$690,000

4. Over what time frame has this liability accrued?

Four years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Blank

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

Zero

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The liability is part of our annual budgeting process and is fully funded and accrued every year.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

Blank

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

It would not affect our district but might affect others.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The financial statements show \$925,000 in employee benefit obligations which includes accrued vacation pay in addition to the termination benefits.

11. Additional Comments or Explanations:

None

Emery School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

No OPEB and only one termination benefit – accrued sick leave payable at termination. Employees are eligible for this when they reach 15 consecutive years of service in Emery County School District and are eligible to receive pension benefits through Utah Retirement Systems. Current payout is \$32.50 per day of accrued sick leave.

2. Are these benefits still offered to new employees? If no, please provide the year the district’s plan was closed:

Yes, but they must meet eligibility requirements described in question 1.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$350,000 (TB only)

4. Over what time frame has this liability accrued?

30+ years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The only difference would be the actual number of sick days accrued by eligible employees.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$350,000 (TB only)

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The District does not plan to fund this liability. On average we pay \$25,000 in sick leave payouts each year. This is budgeted and paid annually.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

Consistency and incentive to not misuse or waste sick leave days.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

In our case, a rule like this would seem unreasonable since the amount we actually pay each year for those who terminate employment is small (on average about \$25,000) and the payments fit within the current year budget. We feel that we are not putting our future financial health at risk with this approach – and taking away our flexibility is unnecessary.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

None

11. Additional Comments or Explanations:

None

Garfield School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Early retirement and medical benefits.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

As of year FY14, the district will no longer offer early retirement benefits to any district employees.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$98,000

4. Over what time frame has this liability accrued?

From Jan of 2005 to present.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Early retirement schedules ending for several post-retirees.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

See question #4's answer.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

We feel that since we have decided to make the change to no longer offer them, the legislature should let the district fully fund our current obligations.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

Our district's financial statements will not be audited until September of this year.

11. Additional Comments or Explanations:

None

Grand School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Currently we offer up to 3 years of insurance if the employee has completed 25 years in the district. This coverage terminates on the employee's 65th birthday. This has been reduced from 7 years.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

This is still offered to new employees but the district is working to eliminate this benefit.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$228,000

4. Over what time frame has this liability accrued?

4 years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

We have negotiated a reduction in the number of years that this benefit is in place. We have reduced the years from 7 to 3 and upped the required years with the district to be eligible for the benefit.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$99,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Currently we are funding the liability as part of the budget year. The board has enough unassigned fund balance that they could commit the funds to cover the liability.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

Because of perceived pressure from the teachers association.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Fine

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The last financial statements were for FY 12. The numbers above are estimates for FY 14.

11. Additional Comments or Explanations:

None

Granite School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

OPEB

Long-Term Disability (Pre 1/1/05)	
Type:	Other Post Employment Benefit (OPEB) – A “Single-employer defined benefit plan”
Accounting:	GASB 45.
Eligibility:	Former regular contract employees who were deemed disabled prior to 1/1/05 while employed by the District. The District’s disability carrier determines if employees are qualified for the benefit.
Benefit:	A reduced regular salary stipend 66.67% of base contract salary for teachers, classified, and secretarial. 60% of base contract salary for administrators and middle managers. Medical insurance coverage for the former employee (not dependents) from the time they have been totally and continuously disabled for a period of 4 months until they turn 65. If the disabled former employee becomes eligible for Medicare, coverage under the District’s plan will provide supplemental benefits only.
GSD’s Liability:	The benefit is accrued only for DISABLED former regular contract employees whose disability occurred before 1/1/05.

Long-Term Disability (Post 1/1/05)	
Type:	Other Post Employment Benefit. (OPEB)
Accounting:	GASB 45.
Eligibility:	Former regular contract employees who were deemed disabled on or after 1/1/05 while employed by the District. The District’s disability carrier determines if employees are qualified for the benefit. Current employees who are eligible to receive benefits should they become disabled.
Benefit:	A reduced regular salary stipend 66.67% of base contract salary for teachers, classified, and secretarial. 60% of base contract salary for administrators and middle managers. Medical insurance coverage for the former employee (not dependents) from the time they have been totally and continuously disabled for a period of 4 months for 24 continuous months. If the disabled former employee becomes eligible for Medicare, coverage under the District’s plan will provide supplemental benefits only.
GSD’s Liability:	The benefit is accrued only for DISABLED former regular contract employees whose disability occurred on or after 1/1/05 and ACTIVE EMPLOYEES who are eligible to receive benefits should they become disabled.

Termination

Early Retirement															
Type:	Termination Benefit														
Accounting:	GASB 47														
Eligibility:	<p>Restricted to full time administrators, middle managers, teachers and classified employees who:</p> <p>Have a minimum of ten years in the District, and</p> <p>Have reached age 60 (except teachers under age 60 who retired early under the provisions of the Utah State Retirement and Insurance Benefit Act).</p>														
Benefit:	<p>An annual stipend payment for up to 5 years or until eligible for full Social Security benefits by July 1 of that year, whichever comes first. For teachers and classified employees, the amount is 12% of their final pay.</p> <p>For administrators and middle managers, the amount is the greatest of 12% of their final pay and \$5,667.</p> <p>Medical insurance coverage for the retiree and their previously enrolled eligible spouse and dependents for up to 5 years or until eligible for full Social Security benefits by July 1 of that year, whichever comes first. The level of coverage is the same as the employee’s enrolled coverage at the time of early retirement.</p> <p>Life insurance coverage in the amount of the retiree’s contract salary during their final year of contract service for up to 5 years or until eligible for full Social Security benefits by July 1 of that year, whichever comes first. The benefit for employees who work beyond their 65th birthday are reduced according to the following schedule:</p> <table border="1" data-bbox="613 1100 1344 1360"> <thead> <tr> <th>Employee Age</th> <th>Amount of Life Insurance reduces to:</th> </tr> </thead> <tbody> <tr> <td>65</td> <td>65%</td> </tr> <tr> <td>70</td> <td>45%</td> </tr> <tr> <td>75</td> <td>30%</td> </tr> <tr> <td>80</td> <td>20%</td> </tr> <tr> <td>85</td> <td>15%</td> </tr> <tr> <td>90</td> <td>10%</td> </tr> </tbody> </table>	Employee Age	Amount of Life Insurance reduces to:	65	65%	70	45%	75	30%	80	20%	85	15%	90	10%
Employee Age	Amount of Life Insurance reduces to:														
65	65%														
70	45%														
75	30%														
80	20%														
85	15%														
90	10%														
GSD’s Liability:	<p>The liability for this plan is calculated as follows:</p> <p>Stipend – The liability is calculated for RETIREES only beginning with employees who have applied to the District by July 1 of the current year to retire early up through those retirees who have not received their final payment by July 1 of the current year.</p> <p>Medical insurance coverage – The liability is calculated for RETIREES only based on their eligibility for the stipend. The liability is triggered by an early retiree, but medical coverage includes the retiree as well as their previously enrolled eligible spouse and dependents.</p> <p>Life insurance coverage – The liability is calculated for RETIREES only based on their eligibility for the stipend.</p>														

In addition to the LTD and Early Retirement benefits offered, the District offers a District Retirement Stipend benefit which is a Pension Benefit accounted for under GASB 27. This is in addition to State Retirement. You didn't ask for information on Pension Benefits, but it is relevant:

District Retirement

District Retirement	
Type:	Pension Benefit - A "single-employer retirement plan"
Accounting:	GASB 27
Eligibility:	Any employee who: Retires under the guidelines of the Utah Retirement System, and Has been employed by the District for 10 years.
Benefit:	A one-time stipend equal to the employee's final base salary multiplied by the number of years employed and then multiplied by 0.5%.
GSD's Liability:	The liability for this plan is calculated as follows: Stipend – The liability is calculated for ACTIVE EMPLOYEES only.

- Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

- Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

The most recent actuarial study was performed on 6/30/2012. The Actuarial Accrued Liability was as follows:

Grand Total: \$34,573,000

Type of "Employee"	District Retirement Stipend (*Pension) GASB 27	LTD Pre 1/1/05 Med/Life Ins (*OPEB) GASB 45	LTD Post 1/1/05 Med/Life Ins (*OPEB) GASB 45	Early Retirement Stipend (Termination) GASB 47	Early Retirement Med/Life Ins (Termination) GASB 47
Active employees	15,258,713	-	2,978,182	-	-
Retirees	-	n/a	n/a	4,236,657	10,027,418
Disabled	n/a	<u>1,253,920</u>	<u>817,628</u>	n/a	n/a
Total AAL	<u>15,258,713</u>	<u>1,253,920</u>	<u>3,795,810</u>	<u>4,236,657</u>	<u>10,027,418</u>

- Over what time frame has this liability accrued?

The actuarial study calculates the ARC using a 30 year amortization of the AAL. If asking how long the District has offered these benefits, it has been for as long as current employees can remember.

- Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Not sure who reported the \$44,700,000 in the termination benefit column of the document you enclosed. The figure appears to have been taken directly from our CAFR. Our June 30, 2011 CAFR shows that amount (rounded) as Committed Fund Balance for Employee

Benefits. That amount is accurate in the CAFR, but not accurate for the document you enclosed for two reasons:

1. It is overstated by \$2,764,047 because it includes fund balance committed for Compensated Absences (an employee benefit for sure, but not part of the scope of what was asked for.)
2. It lumps the three types of plans offered by the District into a single total and reports it in the 'Termination' benefits column rather than being broken out into appropriate columns. (Note that there wasn't a place on the form to put the amount for the Pension benefit, so I guess it makes sense why that piece was lumped in with 'Termination'. There really should be a place on the form for 'Pension'.)

Here is what should have been reported had it come from the correct source:

Termination Benefits	\$20,920,688
OPEB	\$ 6,478,487
Pension	\$14,551,369 (again, no place for it, but there should be)
Committed	\$41,950,544

The total of the three types of post-employment benefits offered by the District for FY 11 was \$41,950,544 which is the amount that should have been reported.

The key takeaway is that even though the amount was overstated and reported in a single lump sum as 'Termination', all of the District's post-employment benefits were correctly reported as fully 'funded' via a commitment of fund balance.

When compared to the amounts for FY 12 (as shown in our answer to question #5), the AAL came in significantly lower:

Termination Benefits	\$14,264,075
OPEB	\$ 5,049,730
Pension	\$15,258,713
Committed	\$34,572,518

Again, the key takeaway is that all of the District's post-employment benefits were fully 'funded' via a commitment of fund balance.

It should be noted that when closing the books for FY 12, we suspected the drop in the AAL was an anomaly in the data compiled by our Benefits Office and submitted to the actuary. (The Business Office noted a significant drop in the number of retirees in the compiled data.) Rather than let the 'savings' be budgeted to be expended in FY 13, we assigned \$6,914,504 of fund balance in anticipation of a rebound when the actuarial study for FY 13 is done. This turned out to be wise. The data compiled by our Benefits Office for FY 13 shows the number of retirees coming back to a similar level as reported in FY 11.) Even though the actuarial study for FY 13 isn't completed yet (should be by the end of August), we anticipate the AAL will increase and be comparable to the FY 11 level. We will recapture the amount set aside as assigned fund balance back into committed fund balance for employee benefits. We expect the AAL for FY 13 to be fully funded via committed fund balance.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The District's liability is fully funded via committed fund balance.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

It makes good business sense so long as the legislation is clear that if a district sets aside fund balance to cover the liability, it is considered fully 'funded.'

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The amount reported as fund balance committed to employee benefits in the audited financial statements includes the District's calculated liability for compensated absences. In our case, we included that amount in the report even though it wasn't asked for and there was no place for it. We should not have included it in the FY 11 amount reported. Accordingly, we have not included it in this FY 12 report.

11. Additional Comments or Explanations:

None

Iron School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Only the Termination Benefit

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$1,701,000

4. Over what time frame has this liability accrued?

Five years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The liability has been reduced by \$165,061 in the past year.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0 (zero)

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Liability is currently funded.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

This could help districts where the liability is not currently funded. Legislation allowing districts to end current termination benefit programs and phase out of existing liabilities could be helpful in allowing them to end the programs and the associated liabilities.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

There are no differences that we are aware of.

11. Additional Comments or Explanations:

None

Jordan School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Vacation payout (this is not a retirement benefit, but it is technically a termination benefit, so it is listed here);

- \$75 per year employed – retirement benefit only;
- cash payment for small portion of unused sick leave – retirement benefit only;
- early retirement incentive – retirement benefit only;
- cash in lieu of insurance – retirement benefit only; and
- ability for retirees to purchase health insurance at 102% of premium for eighteen months (aka COBRA) then 110% of premium for 6 months – retirement benefit only.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

All were discontinued July 2006 to new hires and all June 2006 employees had benefit frozen at June 2006 benefit level (i.e. no future accrual allowed). The one very minor exception is vacation payout which is still allowed but vacation is a use-it-or-lose-it benefit after 14 months.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$50,619,000

4. Over what time frame has this liability accrued?

Since June 1969

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Since the benefit was frozen at the levels accrued as of June 2006, the liability is falling each year as employees retire.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):
 \$0 – we have funds set aside to cover the entire liability.
7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):
 Already done
8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?
 Not applicable. Jordan does not offer to new employees, and it is funded for applicable employees.
9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?
 No effect on Jordan.
10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?
 The number provided above, \$50,619,000 is the actuarial computed amount for district provided retirement benefits plus the basic compensated absences total. We are submitting both of these figures to the auditors for their review. If no changes are deemed necessary by the auditors, these same figures will appear in our 6/30/2013 audited financial statements. Note: Jordan School District has committed funds to cover the basic totals of all amounts that could be paid for these benefits, without discount or actuarial reductions for mortality, retirement rates, etc. Therefore, the committed balance is higher than the figure reported here.
11. Additional Comments or Explanations:
 None

Juab School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?
 Early retirement incentive of 20% of salary per year for whichever comes first, five years or eligibility for full social security benefits.
2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:
 Yes
3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):
 \$195,000
4. Over what time frame has this liability accrued?
 Since inception of plan circa 1993
5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:
 None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Currently funded

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

No objections

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

No differences

11. Additional Comments or Explanations:

None

Kane School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Effective 9/1/13 - Kane School District pays 80% of the last year's salary over a five year period, or until the person turns age 65. For employees who retired prior to 9/1/13 who met the employment qualifications of our plan, would receive 80% of their last year's salary, couple health, dental and life insurance for up to five years or until age 65. Effective 9/1/13 our plan only offers 80% of the last year's salary.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Nearly \$1.3 million for the old plan and new plan liability.

4. Over what time frame has this liability accrued?

20 years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Blank

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

The entire amount is unfunded, pay as you go. But for several year's we have been setting aside and/or designated funds to cover this liability and at least 1 million has been set aside for this purpose.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

See answer to item #6 above.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

We have been setting aside funds as mentioned above and will continue to set aside more.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

We would not like this. So far, we are doing fine.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

Blank

11. Additional Comments or Explanations:

None

Millard School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

None

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

NO / 2006

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$20,000

4. Over what time frame has this liability accrued?

Back before 1985.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

None

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Should be a local decision.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

None

11. Additional Comments or Explanations:

None

Morgan School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

None

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$250,000

4. Over what time frame has this liability accrued?

20 years+

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The last 2 years we have had several older teachers retire and they were paid out some benefits

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$180,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

We have enough in our Reserved Fund Balance if we couldn't work it into the budget until we can get back to setting the money aside

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

If the legislature would go back to funding the mandated transportation and retirement like they should we would have no trouble funding this

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Absolutely opposed what happened to local control.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

We paid out over \$40,000 this year to retirees.

11. Additional Comments or Explanations:

None

Nebo School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

The current OPEB benefit is a stipend for qualifying employees initially hired prior to June 30, 2006.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No. All persons commencing their initial employment with the District after June 30, 2006 are not eligible to receive separation payments. The Board of Education and administration have enacted several measures over the past few years to decrease the number of employees eligible for the benefit.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Our updated actuary study should be available in September 2013. The liability from our last study was \$50,584,000.

4. Over what time frame has this liability accrued?

Unsure on the date but many, many years ago.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The amount shown in question 3 was the amount reported to the Subcommittee. Until our updated actuarial study is available we won't know any differences.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

The District finances the separation payments plan on a pay-as-you-go basis and the District has assigned \$7,000,000 of the General Fund balance for employee post-employment benefit obligations.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The District finances the separation payments plan on a pay-as-you-go basis and the amount due each year is built into our budget.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

Benefits are only offered to eligible employees hired prior to June 30, 2006. The District finances the separation payments plan on a pay-as-you-go basis and the amount due each year is built into our budget. The District has also assigned \$7,000,000 of the General Fund balance for OPEB obligations.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

This is not needed. This was handled at the local level. Nebo's plan was closed to new employees hired subsequent to June 30, 2006.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The District showed \$50,584,063 as the liability in both the financial statements and the report to the Subcommittee. However, the amount shown in the Subcommittee report should be in the OPEB column and not the Termination Benefits column.

11. Additional Comments or Explanations:

The Board of Education and administration continue to look for ways to mitigate the liability while setting aside additional funds as they are available.

North Sanpete School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Please see attached copy of our Board policy (Attachment B)

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes, assuming they qualify for termination benefits based on policy criteria.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$330,000 unaudited balance as of June 30, 2013.

4. Over what time frame has this liability accrued?

Over the three years that the termination benefits are paid. These are not an accrued liability until the employee petitions the Board for benefits under the policy.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

We experienced a slight decrease due to an ever-changing pool of participants as some terminated employees drop off the plan and others come on.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$139,000 beyond the expenses budgeted in the 2013-14 fiscal year budget.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Every year, the District budgets the current year's expense for the termination benefits. This expense is mostly offset by the reduced salary costs of entry-level teachers as opposed to retiring teachers with 20+ years of experience.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

The locally elected North Sanpete School District Board of Education feels that the termination benefit is a relatively inexpensive (right around 2% of 2012-13's actual, district-wide salaries

and benefits) provision for long-term employees “in order to provide some incentive to the career employee who may want to retire before the usual retirement age” (Policy IV-43).

Equally important is the flexibility that it often provides the district when staff numbers need to be decreased in times of declining enrollment, such as we are facing currently.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

I feel confident in speaking for the locally-elected school board that they would view such legislation as a serious infringement on their vested authority and would undo the many benefits that the program has provided, just a couple of which were described in #10 above.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The amount has decreased from \$457,052 (audited) on June 30, 2012 to \$330,486 (not yet audited) on June 30, 2013 due to a decrease in the number of employees currently participating.

11. Additional Comments or Explanations:

The three year liability under this program has remained quite stable, from \$330,000 to about \$500,000 over the past ten plus years. Again, this doesn't account for the savings to the district of having the long-term employees who have utilized the program replaced by entry-level employees. The decrease to our current low is partially explained by some modifications made in 2006 where the number of years to qualify was increased and the insurance was restricted to the employee plus only one dependent.

As we continue to monitor the expenses of the policy and the liability, the Board reserves the right to modify the policy as needed. We truly feel that the policy benefits both the District and the employees who have shown outstanding dedication and service in their profession.

North Summit School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Early Retirement Plan (2 Options) including Insur coverage for 5 years after termination

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes, they are.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$332,000

4. Over what time frame has this liability accrued?

Five years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

NA

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$332,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

This liability is funded from the M&O Fund. Each year we have some drop off and some added.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

We do our best to make it work, for the benefit of our employees.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

It would be very difficult for us to do.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

NA

11. Additional Comments or Explanations:

None

Park City School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

OPEB – None

TB - Accrued leave payout

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

OPEB – No, 2009

TB - Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

OPEB – \$42,000

TB – \$805,000

4. Over what time frame has this liability accrued?

Many years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The supplied report reflects the OPEB as TB and does not report any TB. I have corrected that.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$71,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

FY12 is the last year of OPEB liability; General fund balances will be used to cover TB liabilities.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Not the Legislature's purview.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

Same numbers

11. Additional Comments or Explanations:

None

Piute School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

3 years of couple health insurance partial payment. Sick Days paid on the following schedule. Sick leave day accumulation cannot exceed a total of 120 days.

Accumulated Days	Daily Rate
1-50	\$40.00
51-90	\$50.00
91-120	\$60.00

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No, the district offers \$5,000 per year for 3 years toward health insurance coverage to employees who retire with more than 10 years working full time for the district. Sick Days are paid on the same schedule as listed above.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$70,000

4. Over what time frame has this liability accrued?

Since 2006

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Blank

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$70,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

From our Fund Balance. 2013.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

We are planning to fund it next year.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

No opinion.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

Includes the additional amount for increase for the current year.

11. Additional Comments or Explanations:

None

Rich School District

No response at time of printing.

San Juan School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

None

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No, 2007

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Zero

4. Over what time frame has this liability accrued?

N/A

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The amount reported by USOE to the appropriations subcommittee on 2/01/2012 was not the liability balance as of 6/30/2011. It was the amount paid to employees in fiscal year 2011 under the prior OPEB plan. Final payouts of the terminated plan were made in Fiscal Year 2012 (approximately \$96,000) which reduced the liability balance to zero as of 6/30/2012.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

Zero

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A – no funding needed.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A – benefit terminated and fully paid out.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

No impact for San Juan.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

No difference.

11. Additional Comments or Explanations:

None

Sevier School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

None

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No, 2006

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

OPEB - \$0

Termination - \$733,000

4. Over what time frame has this liability accrued?

N/A

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Blank

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

Zero

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Blank

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

Blank

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Blank

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

Blank

11. Additional Comments or Explanations:

Blank

South Sanpete School District

We were one of the two districts that did not have an OPEB liability the last time this rolled around. We only provide \$1,500 for early retirement and our insurance liability did not reach the threshold to require a note in our financials.

South Summit School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

We offer eligible employees an early retirement benefit that provides a salary stipend based on money earned when they leave. Also, the district pays for insurance for employees who qualify for 5 years or until they turn 65. For a Termination benefit, the district pays out accrued sick leave to the employee in the form of a prime trust account, a 401(k), or if the money is less than 1,000 the cash is paid directly to the employee.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Currently the answer is yes, but South Summit School District is in the process of changing these benefits to benefits that are more realistic with increasing health insurance costs and changing needs of the employees.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$3,040,000

4. Over what time frame has this liability accrued?

The policy offering OTE Benefits was implemented in 1986. Some teachers have been working since then and have built their eligibility for these benefits.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

We used numbers in line with our latest actuarial study.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$1,825,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

With the proposed policy changes, the benefit structure will allow the district liability to be down to a payment of \$60,000 per year for OPE Benefits.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

We see the problem, and with the lack of funds we see the need to change. Those changes are happening in a way that funding shouldn't be an issue for our district in the future. Also, as a negotiated benefit with the educator's union at our district, sometimes these changes can be very hard to make happen.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Laws are sometimes easy to make. But without financial assistance from the state in paving a way to fund these programs, passing a law like this will just squeeze districts into taking more funding needed for classrooms in an already financially pinched system.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

We are unaware of any differences in those numbers.

11. Additional Comments or Explanations:

As we look at the current plan, we understand that not all of these liabilities will come due at the same time. For our liability number to be a real expense, it would have to cover the worst case scenario of nearly 40 teachers retiring in the same year. Even in that absolute worst case scenario, the policy allows for that distribution of retirement funds would be distributed over 5 years or even more if needed and approved by the board. It is believed that the district could absorb those costs in the yearly operating budget under that scenario.

Under common conditions, a trickle of 3 or 4 teachers each year is something that the district can manage. But even though we can manage it, that doesn't mean we like it and that is the reason our district is looking to find a way to change our benefits in a way that is more budget friendly and will still provide our employees with something extra to show for many years of loyal service.

Tinitc School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

None

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No – Discontinued June 30, 2009

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$49,000

4. Over what time frame has this liability accrued?

25+ Years of employment service credit for employees who retired prior to June 30, 2009.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Reduced by amounts paid to retirees in Fiscal Year 2012-2013.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$49,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Liability will be fully retired (\$0 Balance) in Fiscal Year 2013-2014 with payments from General Fund balance.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

N/A

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

None

11. Additional Comments or Explanations:

None

Tooele School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Tooele County School District offers two types of benefits that can be found in our financial statements, but I'll briefly describe them as follows. Early Retirement Incentive which is offered to current employees who meet the qualifications. Basically the employee will receive an annual amount paid to them based on their age and classification for up to 5 years. They will also receive medical insurance coverage up to age 65. Secondly, the District offers a Medicare supplemental plan for retirees who qualified prior to June of 2000. Those employees and spouses continue to receive the Medicare Supplement Benefit for the life of the Retiree. The benefits for the employee and spouse are terminated up the death of the employee.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

The Early Retirement Incentive, Yes.

The OPEB Medicare Supplement, No.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

OPEB \$10,845,000

Early Retirement Incentive are recognized on an accrual basis as an expense in the year of retirement. The payments for the FY2012 year totaled \$317,000.

4. Over what time frame has this liability accrued?

OPEB since the plan was implemented.

Early Retirement Incentive are recognized in the year of accrual.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

No irregularities, because the policy had a sunset provision of 2000 the liability is decreasing as employees fall off of the plan.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$10,845,000 Actuarial accrued liability.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The District continues to pay for the benefits on a “pay-as-you-go” basis by budgeting for it each year.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

The Sunset provision allows the District to get out of future increases in liabilities.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Speaking for myself only, I’m not opposed to that, and from the conversations I have had with my school board I don’t believe they would oppose it either.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

There is no difference in the Actuarial accrued liability.

11. Additional Comments or Explanations:

None

Uintah School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

All our district offers is a termination benefit of paying out unused PTO time on a percentage basis depending on the number of years in the district and the number of days remaining.

All other early retirement incentives provided in the past were eliminated in 2008 and all were paid in full as of the end of the 2013 fiscal year.

2. Are these benefits still offered to new employees? If no, please provide the year the district’s plan was closed:

Yes – The termination benefit of PTO is offered.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Present Value is \$563,000

4. Over what time frame has this liability accrued?

We have some employees that have 30+ years so I guess you could say it has accrued over a long period of time. Employees have always been paid something for unused leave after so many years of service.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The irregularity is that it is overstated to the tune of \$834,000.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

Zero

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The district funds this for current year retirees as part of the approved budget for the upcoming year. The Present Value of the termination benefit is included in the Government Wide Financial Statements.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

Not Applicable

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Legislation would unnecessarily restrict district from providing incentives that are needed to attract some positions. Personally I do not see the need as long as districts continue to meet their obligation which they have.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

The number presented in item #3 above is an audited figure. There should be no discrepancy from the number above.

11. Additional Comments or Explanations:

None

Wasatch School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Termination benefits in the form of a 3 year stipend (or up to the age of eligibility for social security benefits, whichever occurs first) and a single insurance premium for 5 years (or up to the age of Medicare eligibility, whichever occurs first.)

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Termination benefits liability total \$454,000 at June 30, 2013.

4. Over what time frame has this liability accrued?

25 years

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

N/A

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

N/A

11. Additional Comments or Explanations:

None

Washington School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

We have a termination benefit that employees can apply for, that if approved by the Board would pay \$5,000 for 10 years of WCSD service, \$10,000 for 15 years of WCSD service, \$15,000 for 20 years of WCSD service, and \$25,000 for 25 years of WCSD service. The money is paid by the District into a 401K or HRA plan.

This benefit is not guaranteed, and must be approved by the Board.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

This benefit is not guaranteed, so there is no assurance for any employee to receive it. We eliminate our old OPEB plan in 2006, and will have finished making all payments on that plan in 2014.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$147,000

4. Over what time frame has this liability accrued?

2006

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$147,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

It will be paid off by August 2014.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

N/A

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

None

11. Additional Comments or Explanations:

None

Wayne School District

No OPEB Plan or Liability

Weber School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Weber School District offers post-employment benefits. For qualified employees, who must also be eligible to fully retire from URS without penalty, these limited term benefits include a modest early retirement incentive and health insurance. Health insurance is limited to a set number of years or until the retiree becomes Medicare eligible (whichever comes first).

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$9,010,000

4. Over what time frame has this liability accrued?

The Weber School District has offered these post-retirement benefits over an extended period of time.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

Our liability has steadily decreased due to at least three factors: 1) many teachers are working longer--possibly due to economic circumstances; 2) the district has increasingly shifted a greater share of the health insurance cost to employees and retirees; and, 3) the new Tier 2 retirement plan has limited the liability because of the 35 year requirement for full retirement.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Our OPEB/TB liability is completely funded.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

It is a fair question to ask school districts and municipalities to recognize their OPEB liability. However, if a district has funded their liability, or is making substantial progress towards being fully funded, they should not be restricted from offering further OPEB/TB. In other words, school districts who have recognized their liability should not be penalized by legislation that would limit their ability to offer modest post-retirement benefits. These OPEB benefits are significant in a school district's retention efforts.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

N/A

11. Additional Comments or Explanations:

The early retirement incentive, coupled with a reasonable term benefit for health insurance to bridge an employee to Medicare eligibility, is important in assisting those who have been in the profession for 30-35 years to exit before they become ineffective with children. Because teaching requires so much energy, as well as a capacity to connect with students, many are not as effective after 30+ years. We believe that a modest OPEB benefit is healthy for our school district and would discourage legislation that would limit a school board from offering such benefits.

Salt Lake School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Post-employment health care benefits are offered as a termination benefit to those who qualify up to age 65 and elect to participate. No other post-employment benefits are offered.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Yes

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$3,197,000

4. Over what time frame has this liability accrued?

Since 1986

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

No significant irregularities exist.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

This liability is funded each year by charges the programs that have eligible employees. Resources are accumulated in an internal service fund of the district.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

No opinion

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

There is no difference between the number reported to the subcommittee and the number reported in the audited financial statements for June 30, 2011. The number reported in question #5 is a preliminary number as we are still in the process of closing the books for the fiscal year 2013, and the audit will not be completed until November.

11. Additional Comments or Explanations:

None

Ogden School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

The district provides retirement salary, medical and term life insurance benefits for certain classifications of employees who retire prior to age 65.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

The retirement salary benefit was discontinued (sunset) in September 1993. Only five employees remain who qualify or may qualify for participation.

The medical and term life benefit does continue to be offered to new employees but as of July 2002, the maximum time of participation has been limited to 60 months.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$4,192,000

4. Over what time frame has this liability accrued?

Uncertain how to answer.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

No irregularities to respond to. The 2/1/12 amount was per our 6/30/11 audit report and the current amount is per the 6/30/12 audit report.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

No opinion

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

N/A

11. Additional Comments or Explanations:

None

Provo School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Lifetime Medigap coverage for employees and their spouse that by 1-1-2005 had twenty years' experience or more with the district, 30 years or more with URS and were 55 buy; monthly stipend equivalent to two party medical coverage as of 9-1-2007 for up to eight years for 20 years' or more of experience as of 9-1-2007; lump sum prorated payout based on years' of experience for 12-19 years' of experience as of 9-1-2007.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Plan was totally sunset as of 1-1-2005.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$43,337,000

4. Over what time frame has this liability accrued?

Benefit was in place for decades before it was sunset. Current staff is unsure the first year it was negotiated.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

None

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$29,139,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

District is funding the ARC in its ongoing budget.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A – fully sunset

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Recommend prohibiting the offering of district OPEB regardless of funding status.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

No difference

11. Additional Comments or Explanations:

Most organizations do not understand the massive liability of offering these benefits. URS is one of the best plans nationwide. There is no need to offer these benefits at the District level. We have sunset these benefits totally.

Logan School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

See attached information (Attachment A).

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

Longevity benefits offered to all qualifying employees (Subject to review and approval annually depending on availability of funds).

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

\$1,368,000 --- Per Audit (Based on updated Actuarial Study performed summer 2012)

4. Over what time frame has this liability accrued? Based on actual amounts due employees at time of termination of employment.

Not an accrued liability until time of employment termination.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The amount reported in Feb 2012 was based on original actuarial study in 2008 and estimated changes since that time. A new actuarial study was completed in 2012 which we feel is a more accurate reflection of the district termination benefit liability.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$449,000

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

Each year the district budgets for the current year expense related to termination benefits and is working to set aside a portion of available fund balance each year to fully fund termination benefits for participants in the program.

Currently we have funds to cover the expense for the coming year plus fund balance allocated to cover another full year.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

The district feels the longevity incentive currently in policy is a benefit we would like to provide employees who have devoted their career to the Logan City School District. The annual expense associated with these benefits has not changed significantly for several years and represents less than 2% of total budgeted salaries and benefits.

According to negotiated agreement the benefits payable under this provision are subject to annual negotiation.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

Logan City School District feels legislation to restrict the district from offering any further OPEB/TB is an intrusion on local school board authority and unnecessary.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

There is no difference.

11. Additional Comments or Explanations:

In addition to the actuarial study conducted last year, the district has worked with employee groups over the past year to modify the termination benefits offered to employees. These modifications will substantially reduce future cost of the employee termination benefits and cap the benefit once an employee becomes a participant in the program. The benefit now is now a true a Longevity Incentive to reward career service to the district. Because the benefit is subject to annual negotiation, we will continue to monitor expenses under the program. Should they become unmanageable, they will be modified or discontinued.

Murray School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

Murray offers a termination benefit that consists of an early retirement incentive and a fixed amount that represents a payment to those who qualified for lifetime insurance but had not yet retired. (No lifetime benefits are offered to any new retirees.) The district pays for a Medicare supplement plan to qualified retirees and offers a payment of \$620 per qualified retiree per year to assist in the payment of other medical expenses.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No. June 2006.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Actuarial accrued liability as of July 1, 2012 is \$5,103,000. (As of July 1, 2010 it was \$6,226,000)

4. Over what time frame has this liability accrued?

Blank

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

N/A

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

\$0

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

N/A

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

I feel the offering and payment of benefits is the responsibility of the local school boards.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

None

11. Additional Comments or Explanations:

None

Canyons School District

1. What Other Post-Employment Benefits (OPEB) or Termination Benefits (TB) does the district currently offer?

CSD offers four items for employees hired before June 30, 2006. They are a sick leave payout, a year's of service payout, a retirement incentive and a cash-in-lieu of insurance payment. This policy was in effect under the Jordan School District and was carried over to CSD when the division occurred on July 1, 2009.

2. Are these benefits still offered to new employees? If no, please provide the year the district's plan was closed:

No, new employees are not eligible. Jordan School District "froze" the plan for any new employee hired after June 30, 2006. CSD does not plan to make any changes to this policy.

3. Current Estimated Accrued OPEB/TB Liability (please round to the nearest thousand):

Based on the September 1, 2012 actuarial study (our latest study) the actuarial accrued liability is \$23,196,000.

4. Over what time frame has this liability accrued?

The exact number of years is unknown, but a retirement policy was in place for many years under the former Jordan School District.

5. Briefly explain any significant irregularities between the current estimated liability and that reported to the Public Education Appropriations Subcommittee on 2/01/2012:

The amount reported for CSD is \$19,802,652 which was based on our September 1, 2010 actuarial study. However our sick incentive of \$2,451,494 was not included on that report. If that amount was included (it was committed by our Board of Education and reported in our June 30, 2011 CAFR) the total would be \$22,254,146. Per our actuaries the liability increased between the 9/1/2010 and 9/1/2012 studies because interest rates were low and employees were closer to retirement.

6. Current Estimated Unfunded OPEB/TB Liability (round to the nearest thousand):

The unfunded liability is \$0. CSD has accumulated resources in its General Fund to fully fund this liability 100%. The CSD Board of Education has "committed" fund balance to fully fund the OPEB liability.

7. Explain how the district plans to fund this liability, if any, and when the district plans on having the liability funded (year):

The CSD Board of Education has committed fund balance to fully fund the OPEB liability. As part of the division of the former Jordan School District (JSD) on 6/30/2009, CSD received a proportional share of the funds that JSD had accumulated.

8. If the district continues to offer Other Post-Employment Benefits or Termination Benefits and the liability is not currently being funded, why does the district continue to offer the benefits?

N/A all CSD OPEB benefits are fully funded.

9. How would the district feel about legislation that would restrict the district from offering any further OPEB/TB until current obligations are fully funded?

As long as a Board Commitment is sufficient (rather than placing the funds in an irrevocable trust) CSD is neutral on this position. CSD does not offer, nor does it intend to offer, any OPEB benefits for new employees. The only employees who are eligible are those employees hired by the former Jordan School District prior to June 30, 2006.

10. Please explain any differences between the reported liability and the number reported in the audited financial statements of the district?

For the District's FY13 CAFR, the District will commit \$23,196,000 of General Fund balance to fully fund its OPEB. The District may even commit a little additional funding to show all stakeholders that it's committed to honoring its OPEB obligations.

11. Additional Comments or Explanations:

None

FUNDING OF TERMINATION AND OTHER POST RETIREMENT EMPLOYEE BENEFITS

For Fiscal Year Ended	Termination Benefits	OPEB	Committed	Percent of Liability over Committed Funds	OPEB Terminated?
June 30, 2011					
01 Alpine	-	151,441,738	31,486,558	-79.2%	2006
02 Beaver	88,769	-	-	-100.0%	N
03 Box Elder	5,079,732	-	-	-100.0%	N
04 Cache	865,158	-	48,994	-94.3%	2010
05 Carbon	3,698,300	-	3,698,300	0.0%	2007
06 Daggett	134,604	-	-	-100.0%	2004
07 Davis	8,710,854	-	4,000,000	-54.1%	N
08 Duchesne	690,498	-	-	-100.0%	N
09 Emery	335,136	-	302,865	-9.6%	2007
10 Garfield	221,834	-	-	-100.0%	N
11 Grand	369,909	-	-	-100.0%	2011
12 Granite	44,700,000	-	44,700,000	0.0%	N
13 Iron	1,865,615	-	-	-100.0%	N
14 Jordan	7,364,958	49,922,108	68,751,110	20.0%	2006
15 Juab	124,761	-	-	-100.0%	N
16 Kane	1,841,532	-	-	-100.0%	N
17 Millard	391,157	-	300,000	-23.3%	2006
18 Morgan	289,963	-	-	-100.0%	N
19 Nebo	50,584,063	-	-	-100.0%	2006
20 No. Sanpete	385,573	-	-	-100.0%	N
21 No. Summit	433,818	-	-	-100.0%	N
22 Park City	197,414	-	197,414	0.0%	2009
23 Piute	48,676	-	-	-100.0%	N
24 Rich	229,041	-	-	-100.0%	N
25 San Juan	192,821	-	192,821	0.0%	2007
26 Sevier	2,186,840	-	-	-100.0%	2006
27 So. Sanpete	-	-	-	N/A	None
28 So. Summit	1,467,035	-	1,215,669	-17.1%	N
29 Tintic	132,901	-	-	-100.0%	2009
30 Tooele	12,017,212	-	-	-100.0%	2000
31 Uintah	1,396,287	-	-	-100.0%	N
32 Wasatch	388,770	-	-	-100.0%	N
33 Washington	-	1,419,359	-	-100.0%	2006
34 Wayne	-	-	-	N/A	None
35 Weber	10,551,147	10,000,000	-	-100.0%	N
36 Salt Lake	3,002,479	-	3,002,479	0.0%	N
37 Ogden	3,023,815	3,466,448	-	-100.0%	N
38 Provo	-	43,337,000	12,498,244	-71.2%	2005
39 Logan	3,611,365	-	-	-100.0%	N
40 Murray	-	6,225,584	6,225,584	0.0%	1992
42 Canyons	19,802,652	-	19,802,652	0.0%	N/A
DISTRICT SUB-TOTAL	\$ 186,424,689	\$ 265,812,237	\$ 196,422,690	-56.6%	20