



New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, New Jersey 08054
www.njsig.org

Board of Trustees Meeting of May 16, 2018
Discussion Item
2018/2019 Budget

The 2018/2019 NJSIG budget is required to be submitted to the Department of Banking and Insurance (DOBI) each year. The attached draft is for discussion this month (and is considered the first reading of the budget). The 2018/2019 final NJSIG budget will be on the June agenda as an action item for Trustee approval to submit to DOBI. Attached please find 2018/2019 draft NJSIG budget worksheet.

Michele Carosi

Michele Carosi
Comptroller



NJSIG
Income Statement
For the Periods Ending:

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Acct#	Dept	Description	FY 2015/2016 06/30/2016 Actuals YTD	FY 2016/2017 06/30/2017 Budget YTD	FY 2016/2017 06/30/2017 Actuals YTD	02/28/2018 8 MONTHS Budget YTD	02/28/2018 8 MONTHS Actuals YTD	06/30/2018 12 MONTHS Budget YTD	06/30/2018 12 MONTHS PROJECTED	06/30/2018 PROJECTED Variance	FY 2018/2019 06/30/2019 Budget
Income:											
		Member Contributions	124,012,334	130,379,676	129,714,984	131,180,680	129,910,884	131,180,680	129,913,418	(1,267,262)	129,609,551
4202		Retro Prem/Srvc Written	0	0	0	0	0	0	0	0	0
		Retro Accounts Income	0	0	0	0	0	0	0	0	0
		Total Income	124,012,334	130,379,676	129,714,984	131,180,680	129,910,884	131,180,680	129,913,418	(1,267,262)	129,609,551
Adjustments:											
4301		Reinsurance Recoveries	21,016,980	1,576,000	10,692,209	0	750,828	0	750,828	A8 750,828	0
4302		Reins Recovery W/C 85/86	(1,365)	0	1,379	0	0	0	0	A8 0	0
4303		Accrued Reins Recoveries	(1,892,475)	0	534,115	0	(534,115)	0	(534,115)	A8 (534,115)	0
4304		Subrogation Income	1,237,058	0	1,110,218	0	796,672	0	796,672	A8 796,672	0
4306		Reinsurance Rebate Income	0	0	0	0	0	0	0	A8 0	0
4307		Claim Deductible Credit	0	0	0	0	22,894	0	22,894	A8 22,894	0
		Recoveries & Subro Income	20,360,198	1,576,000	12,337,922	0	1,036,280	0	1,036,280	1,036,280	0
		Revenue	144,372,532	131,955,676	142,052,906	131,180,680	130,947,163	131,180,680	130,949,698	(230,982)	129,609,551



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Expenses:											
5102		Salaries-Temporary Employees	127,323	107,500	61,074	75,013	47,803	112,520	71,705	E12 (40,815)	115,420
5103		Salaries	5,391,690	6,064,979	5,759,503	4,300,024	3,927,043	6,450,036	5,890,564	E12 (559,472)	6,419,153
5104		Salaries - Overtime	3,843	3,000	1	3,333	16,985	5,000	25,477	E12 20,477	38,574
5108		Payroll Tax Expenses	466,533	590,000	484,123	372,073	294,059	558,110	441,089	E12 (117,021)	542,813
5109		Pension Expense	622,937	660,312	643,434	496,810	0	745,215	745,215	B18 0	825,038
5109-68		GASB68-Pension Expense	724,917	0	1,621,569	0	0	0	0	E12 0	0
5110		Employee Benefits Expense	0	0	0	0	0	0	0	E12 0	0
5111		Recruiting Costs	10,754	7,500	24,743	20,447	4,088	30,670	30,670	B18 0	30,000
5112		Retiree Med Bene Exp	288,183	171,553	182,402	121,601	0	182,402	265,757	B18 83,355	265,757
5113		Employee Medical Benefits	884,408	1,245,828	934,502	812,880	540,146	1,219,320	810,219	E12 (409,101)	1,160,181
5114		Employee Dental Benefits	50,881	56,400	54,272	43,735	32,122	65,602	48,183	E12 (17,419)	63,894
5115		Employee Vision Benefits	21,202	24,720	22,571	18,889	17,299	28,334	25,949	E12 (2,385)	26,297
5116		EE HRA Benefits	118,205	342,000	120,937	0	0	0	0	A8 0	0
5117		Employee FSA Benefits	13,987	33,000	19,252	0	0	0	0	B18 0	0
5118		Employee ST Disability & Other Ins	55,329	75,000	58,920	54,667	31,622	82,000	82,000	B18 0	81,000
5119		Defined Contribution Retirement Expense	0	0	7,573	4,481	5,700	6,722	8,550	E12 1,828	6,536
		Personnel Expenses	8,780,192	9,381,792	9,994,876	6,323,954	4,916,868	9,485,931	8,445,378	(1,040,553)	9,574,663
5202		Newsletter Expenses	0	0	0	0	0	0	0	0	0
5203		Marketing Expenses	19,053	12,000	19,857	5,633	3,131	8,450	4,696	E12 (3,754)	17,500
		Member Services Dept Expenses	19,053	12,000	19,857	5,633	3,131	8,450	4,696	(3,754)	17,500
5227		Loss Prevention	156,926	175,400	141,847	116,400	83,763	174,600	174,600	B18 0	27,950
5228		Office Equipment Maintenance	0	0	0	0	0	0	0	0	0
5229		Computer Software Maintenance	0	0	0	0	0	0	0	0	0
		Loss Control Dept Expenses	156,926	175,400	141,847	116,400	83,763	174,600	174,600	0	27,950



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5252		Claims Audit Expense	14,868	12,000	0	10,667	12,000	16,000	16,000	B18 0	90,000
5253		Claims Admin. Expenses	0	0	(68)	0	(959)	0	(1,439)	E12 (1,439)	0
		Claims Dept Expenses	14,868	12,000	(68)	10,667	11,041	16,000	14,561	(1,439)	90,000
5301		Accounting Fees	1,140	1,200	940	733	0	1,100	1,100	B18 0	0
5303		Actuary Fees	114,521	180,000	111,658	146,667	61,776	220,000	220,000	B18 0	275,000
5305		Loss Control Outside Services	71,084	90,000	77,860	60,000	100,951	90,000	151,427	E12 61,427	338,000
5306		Legal & Professional Fees	171,571	300,000	158,414	166,667	94,064	250,000	250,000	B18 0	255,000
5310		Third Party Admin.-Willis	675,000	675,000	675,000	450,000	337,500	675,000	675,000	B18 0	675,000
		Outside Service Fees	1,033,315	1,246,200	1,023,872	824,067	594,291	1,236,100	1,297,527	61,427	1,543,000
		Total Agent Commission Expense	14,675,360	15,924,027	14,870,511	12,673,259	12,893,389	15,116,396	15,075,723	(40,673)	14,318,812
5401		Claims Expense	68,439,096	68,707,000	64,447,176	46,047,681	34,236,177	69,071,521	69,071,521	B18 0	69,352,798
5402		Change in Claims Reserves	4,064,000	0	(7,127,000)	0	0	0	0	0	0
5403		Change in Claims Reserves for ULAG	(222,594)	0	7,301,006	0	0	0	0	0	0
5404		NEPHA Deductible Reimb. Exp.	0	0	5,000	0	0	0	0	0	0
5405		Claims Deductible Debit	0	0	0	0	0	0	0	0	0
		Claims Expenses	72,280,502	68,707,000	64,626,182	46,047,681	34,236,177	69,071,521	69,071,521	0	69,352,798
5502		Reinsurance Exp (Group/Flat)	0	0	0	0	0	0	0	0	0
5505		Reinsurance Exp-District Bill	32,334,932	33,495,926	32,395,261	32,968,039	32,511,034	32,968,039	32,511,034	A8 (457,005)	31,412,880
5507		Reinsurance Exp-NJSBAIG Paid	0	0	0	0	7,276	0	7,276	A8 7,276	0
		Reinsurance Expenses	32,334,932	33,495,926	32,395,261	32,968,039	32,518,310	32,968,039	32,518,310	(449,729)	31,412,880



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			06/30/2016	06/30/2017	06/30/2017	8 MONTHS	8 MONTHS	12 MONTHS	12 MONTHS	PROJECTED	06/30/2019
			Actuals YTD	Budget YTD	Actuals YTD	Budget YTD	Actuals YTD	Budget YTD	PROJECTED	Variance	Budget
5352		IT - Office Equipment Supplies	13,484	27,000	13,649	19,333	6,235	29,000	29,000	B18	29,000
5353		Office Equipment Maintenance	23,001	39,400	38,709	26,600	4,421	39,900	39,900	B18	41,900
5354		Computer Software Maintenance	170,754	296,760	309,440	183,371	141,247	275,056	275,056	B18	330,056
		Information Technology Dept	207,239	363,160	361,798	229,304	151,903	343,956	343,956	0	400,956
5702		Depreciation Expense	469,736	578,740	369,039	404,407	344,139	606,611	606,611	B18	708,125
5703		Dues & Subscriptions	40,700	89,765	89,538	66,891	124,536	100,337	186,804	E12	281,116
5704		Misc. Bank Fees	3,500	3,500	3,500	25,240	0	37,860	37,860	B18	90,360
5705		IRS Penalty Fees	0	0	195	0	0	0	0	0	0
5708		Rent Expense	301,575	466,697	442,261	314,261	340,549	471,391	510,824	E12	485,832
5709		Office Supplies	41,929	72,170	33,433	47,113	15,439	70,670	70,670	B18	49,870
5710		Office Operating Expenses	97,149	61,578	61,497	61,989	31,562	92,984	92,984	B18	67,984
5711		Office Leased Expenses	30,000	39,500	35,160	26,333	24,442	39,500	36,663	E12	38,500
5712		Telephone Expense	199	2,500	0	667	0	1,000	1,000	B18	1,000
5713		Employee Internet Reimbursement	0	0	0	0	0	0	0	0	0
5714		Utilities	21,542	0	0	0	0	0	0	0	0
5715		Group's Insurance Expense	183,015	225,000	192,678	166,667	103,788	250,000	250,000	B18	216,500
5716		Group's Crime Insurance Exp.	37,562	20,000	41,371	26,667	18,272	40,000	40,000	B18	42,000
5717		FSA Admin Fee	0	0	1,272	0	1,042	0	1,563	E12	7,586
5723		Postage	50,526	63,500	49,835	41,333	36,823	62,000	62,000	B18	62,000
5727		Employee Seminar Expenses	26,610	110,175	24,906	84,333	15,989	126,500	23,984	E12	139,050
5728		Insurance Course Fees	2,292	8,000	3,129	8,000	1,923	12,000	13,554	1,554	19,000
5729		Tuition Reimbursement	4,224	21,750	1,042	4,000	1,950	6,000	6,000	B18	31,000
5730		Audit Fees	47,773	70,500	45,110	0	30,000	60,000	96,000	36,000	70,000
5731		Consulting Fees	195,189	342,500	260,937	236,667	37,827	355,000	355,000	B18	167,750
5732		Miscellaneous Expenses	36,159	7,450	2,212	4,133	1,524	6,200	2,287	E12	5,700
5733		Disaster Recovery Expenses	84,629	114,410	103,898	82,464	74,821	123,696	123,696	B18	131,786



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			06/30/2016	06/30/2017	06/30/2017	8 MONTHS	8 MONTHS	12 MONTHS	12 MONTHS	PROJECTED	06/30/2019
			Actuals YTD	Budget YTD	Actuals YTD	Budget YTD	Actuals YTD	Budget YTD	PROJECTED	Variance	Budget
5734		Building Appraisal Fees	0	0	0	0	0	0	0	0	0
5735		DOBI Audit Fees	0	0	0	0	0	0	0	0	0
5736		Bad Debt Expense	0	0	522	0	0	0	0	0	0
5737		Cell Phone Expense	16,721	19,000	13,293	13,500	8,561	20,250	12,842	E12 (7,408)	16,000
5738		OPRA expenses	33,771	100,000	38,429	66,667	839	100,000	1,258	E12 (98,742)	50,000
5807		Ins. Write-off Exp	0	0	(755,233)	0	0	0	0	0	0
5809		Safety Grant Distribution Exp	3,000,000	0	8,500,000	0	0	0	0	0	0
		Business Operating Expenses	4,724,801	2,416,735	9,558,023	1,681,333	1,214,027	2,581,999	2,531,599	(50,400)	2,681,159
5201		Travel & Related Expenses	118,333	150,836	64,792	76,192	46,993	114,288	70,489	E12 (43,799)	114,433
5851		Annual Meeting	45,991	50,600	50,341	35,600	48,731	53,400	48,731	A8 (4,669)	63,400
5852		Trustee Meeting Expense	9,137	20,000	5,935	10,000	2,028	10,000	3,042	E12 (6,958)	12,000
		Conferences & Meeting Expenses	173,462	221,436	121,068	121,792	97,752	177,688	122,262	(55,426)	189,833
		Total Expenses	134,400,650	131,955,676	133,113,227	101,002,128	86,720,651	131,180,680	129,600,134	(1,580,546)	129,609,551



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Other Revenue and Expenses:											
4405		Partnership Distributions	0	0	0	0	0	0	0	0	0
4411		Interest –Concentration Acct	0	0	0	0	868	0	868	A8	868
4413		Interest-NJ St Inv Fund	783	258	140	0	0	0	0		0
4414		Interest-NJ Cash Mgmt Fund	787	224	1,792	149	2,064	224	3,096	E12	2,872
4415		Interest-Commerce Concentr	308,075	152,000	924,327	385,513	5,371	578,269	5,371	A8	(572,898)
4418		Interest on Assessment Recvbl's	0	0	0	0	3	0	3	A8	3
4419		Interest - Operating Account	0	0	0	0	0	0	0		0
4420		Interest - Certificate of Dep	538,751	75,000	37,754	0	0	0	0	A8	0
4421		Tri-State Capital Intrst Inc	0	0	0	0	0	0	0		0
4422		Interest - Beneficial Bank	0	0	0	0	0	0	0		0
4423		Interest-InvBk Concentration	0	0	368,606	0	1,932,666	0	1,932,666	A8	1,932,666
4424		Interest _ invest Fund (WT)	0	0	0	0	(322,392)	0	(322,392)	A8	(322,392)
		Investment Income	848,396	227,482	1,332,620	385,662	1,618,581	578,493	1,619,612		2,747,410
4501		Gain on Securities	0	0	0	0	(210,847)	0	(210,847)	A8	(210,847)
		Financial Income	0	0	0	0	(210,847)	0	(210,847)		0
4603		Miscellaneous Income	1,579	0	5,011	0	0	0	0		0
4605		Seminar Income	9,910	3,250	3,944	5,833	4,930	8,750	4,930	A8	(3,820)
4609		Willis Change in Unrnd Ag Comm	1,896	0	43,978	0	(43,978)	0	(43,978)	A8	(43,978)
4610		Willis Change in Unrnd Reins	73,377	0	115,030	0	(115,030)	0	(115,030)	A8	(115,030)
4620		Legal Settlement Income	0	0	0	0	0	0	0		0
		Other Revenues	86,762	3,250	167,963	5,833	(154,078)	8,750	(154,078)		(162,828)
5901		Amortization of Inv. Premiums	0	0	0	0	(75,100)	0	(75,100)	A8	(75,100)



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			Actuals YTD	Budget YTD	Actuals YTD	Budget YTD	Actuals YTD	Budget YTD	<i>PROJECTED</i>	Variance	Budget
5902		Investment Costs	0	0	0	0	0	0	0	0	0
5903		Write Down of Assets	0	0	0	0	0	0	0	0	0
5904		Loss/(Gain) on Sale of Assets	0	0	0	0	0	0	0	0	0
5905		Invest – Paid Accrued Interest	0	0	0	0	0	0	0	0	0
		Investment Expenses	0	0	0	0	(75,100)	0	(75,100)	(75,100)	0
		Total Other Revenue and Expenses	935,158	230,732	1,500,583	391,495	1,328,755	587,243	1,329,787	742,544	2,757,910
		Net Revenue	10,907,040	230,732	10,440,262	30,570,047	45,555,267	587,243	2,679,351	2,092,108	2,757,910