BOE Agenda Item Executive Summary
June 14, 2021

Topic: Workers Compensation Reserve Fund – Fund 52 (Annual)

Background Information: On September 2, 1986, the Board of Education approved a resolution authorizing the administration to establish a School Workers Compensation Reserve Fund. Subsequently, the 52 Fund (originally the 19 Fund) was established to receive premium transfers from other district funds and to pay all expenses, including salary and benefits for district employees hired to administer this plan. This benefit is administered in the Employee Benefits/Insurance Management office.

From February 1, 1987 through June 30, 2000, the premium assessed to school district accounts was 0.93% of payroll. Effective July 1, 2000, the premium was decreased to 0.80% of payroll, however, the workers compensation program has cost 0.98% of the district's payroll, decreasing the reserve fund annually. To remain solvent, the workers compensation rate was increased to 1.2% of payroll effective July 1, 2006.

Effective February 6, 2014, the Work Comp rate was reduced from 1.2% to .7% with the intent to maintain the current cash balance in the Work Comp Reserve Fund. Effective September 9, 2016, the Work Comp rate was reduced from .7% to .5% to maintain the current cash balance in the Work Comp Reserve Fund. The Work Comp rate was reduced from .5% to .35% for the 2017-18 fiscal year.

* $5,000,000 transferred from fund balance to other district funds.

REVENUE	**2019-2020** YTD (03/31/2020)	**2019-2020**	**2018-2019**	**2017-2018**
Premium	$1,506,722	$2,374,668	$1,633,663	$1,223,194
Interest	$6,124	$140,220	$213,067	$146,880
Total Revenue	$1,512,846	$2,514,888	$1,319,213	$1,370,074
EXPENSES				
Salaries	$98,793	$118,597	$121,619	$133,111
Expenses	$104,719	$280,076	$339,257	$274,265
Claims	$922,087	$2,146,219	$2,793,168	$1,965,062
Total Expenses	$1,125,599	$2,544,892	$3,254,044	$2,372,438
Net	$387,247	($30,004)	($1,407,314)	($916,464)
Fund Balance	$11,273,306	$9,554,569	$9,204,811	$10,413,304*
Payroll	$224,589,476	$363,942,891	$352,165,029	$347,551,785
Premium Rate	.55%	.45%	.45%	.35%