BOE Agenda Item Executive Summary
June 14, 2021

Topic: Self-Funded Insurance Reserve (Annual)

Background Information: The district has operated self-funded plans since 1981. We have worked with third-party administrators to design and administer benefits plans that meet the financial limits established through negotiations.

Income Protection Plan (Short Term Disability)
In 1983, the Board adopted a resolution that a Disability Reserve Fund be created for the purpose of paying self-funded short-term disability claims for eligible district employees.

After meeting a five-day waiting period, employees without accumulated temporary leave are reimbursed 70% of their regular pay for workdays missed up to 180-calendar days of disability. Beginning with the 181st day of continuous disability, an employee may be eligible for long-term disability from KPERS disability and Social Security Disability.

Effective July 1, 2005, the disability rate was increased to 0.40% of payroll. Effective 9/9/2016, the disability rate was decreased to .32% of payroll. The disability rate was increased to .35% of payroll for the 2018-19 fiscal year. The rate was increased to .60% of payroll as of the 2020-2021 fiscal year.

	2021-2022 Projected	**2020-2021 YTD as of 3/31/2021**	**2019-2020**	**2018-2019**	**2017-2018**
Expenses	$3,143,250	$2,619,366	$3,447,169	$1,019,336	$930,514
Premium Rate	.60%	.60%	.35%	.35%	.32%

Risk Management Reserve Fund
In 1984, the Board established the Risk Management Reserve Fund as per KSA 12-2615 for the purpose of paying losses under the school district's self-insured retention and paying certain self-insured liability as well as obligations under BOE Policy 3713: repair or replace district owned property that is damaged, lost, or stolen.

	2020-2021 YTD (As of 04/24/2021)	**2019-2020**	**2018-2019**	**2017-2018**
Transfer (A)*	$400,000	$1,900,000	$400,000	$900,000
Interest (B)	$1,457.56	$39,600.17	$66,921.43	$48,110.31
Reimbursable (C)	$27,560.20	$79,190.56	$446,373.33	$643,190.16
Revenue (A+B+C)	$429,017.76	$2,018.790.73	$913,294.76	$1,591,300.47
Claims/Expenses (D)	$1,583,580.46	$1,774,984.53	$990,447.89	$1,789,190.12
Net Results (C-D)	($1,154,562.70)	$243,806.20	$(77,153.13)	$(197,889.65)
Fund Balance	$1,024,259.60	$2,136,530.54	$2,240.439.59	$2,510,364.99

*The annual fund transfer into this account is not made until June but has been calculated.

Other Programs and Expenses in the 47 Fund:
Employee Wellness and ergonomics expenses
ADA accommodation expenses
Administration and office expenses
Property and Casualty replacement expenses