BOE Agenda Item Executive Summary
June 13, 2022

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.

	2022-2023 Projected	**2021-2022 (as of 03/31/2022**	**2020-2021**	**2019-2020**	**2018-2019**
Expenses	1,261,309	858,344	$3,419,462	$3,447,169	$1,019,036
Premium Rate	.60%	.60%	.60%	.35%	.35%

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.

	2021-2022 (as of 03/31/22)	**2020-2021**	**2019-2020**	**2018-2019**
Transfer (A)*	$0	$400,000.00	$1,900.000.00	$400,000.00
Interest (B)	$1,971.94	$1,542.78	$39,600.17	$66,921.43
Reimbursable (C)	$323,181.17	$2,529,111.82	$79,190.56	$446,373.33
Revenue (A+B+C)	$325,153.11	$2,530,654.60	$2,018,790.73	$913,294.76
Claims/Expenses (D)	$1,162,619.56	$1,930,227.86	$1,774,984.53	$990,447.89
Net Results (C-D)	($837,466.45)	$600,426.74	$243,806.20	$(77,153.13)
Fund Balance	$3,071,110.36	$2,743,241.92	$2,136,530.54	$2,224,439.59

*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