BOE Agenda Item Executive Summary
June 12, 2023

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 0.32% of payroll. The disability rate was increased to 0.35% of payroll for the 2018-19 fiscal year, and outside of a single year at 0.60% (2020-2021), has remained at this rate.

	2023-2024* Projected	**2022-2023 (as of 5/19/2023**	**2021-2022**	**2020-2021**	**2019-2020**
Expenses	$1,222,820	$1,179,069	$1,266,570	$3,426,288	$1,330,142
Premium Rate	.35%	.35%*	.35%*	. 60%	.35%

**Please note: Premium rates for these years have been corrected from .60% to .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.

	2022-2023 YTD (as of 04/29/23)	**2021-2022**	**2020-2021**	**2018-2019**
Transfer (A)*	$0	$1,265,600	$400,000	$1,900,000
Interest (B)	$22,080.94	$4,470.65	$1,542.78	$39,600.17
Reimbursable (C)	$104,505.29	$540,603.69	$2,529,111.82	$79,190.56
Revenue (A+B+C)	$126,586.23	$1,810,674.34	$2,530,654.60	$2,018,790.73
Claims/Expenses (D)	$1,409,382.22	$1,428,089.13	$1,930,227.86	$1,774,984.53
Net Results (C-D)	($1,304,876.93)	$382,585.21	$600,426.74	$243,806.20
Fund Balance	$1,182,846.54	$3,071,110.36	$2,743,241.92	$2,136,530.54

*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