



2024-2025 Budget Update

January 30, 2025

◆ Revenue Update ◆ Expenditure Update ◆

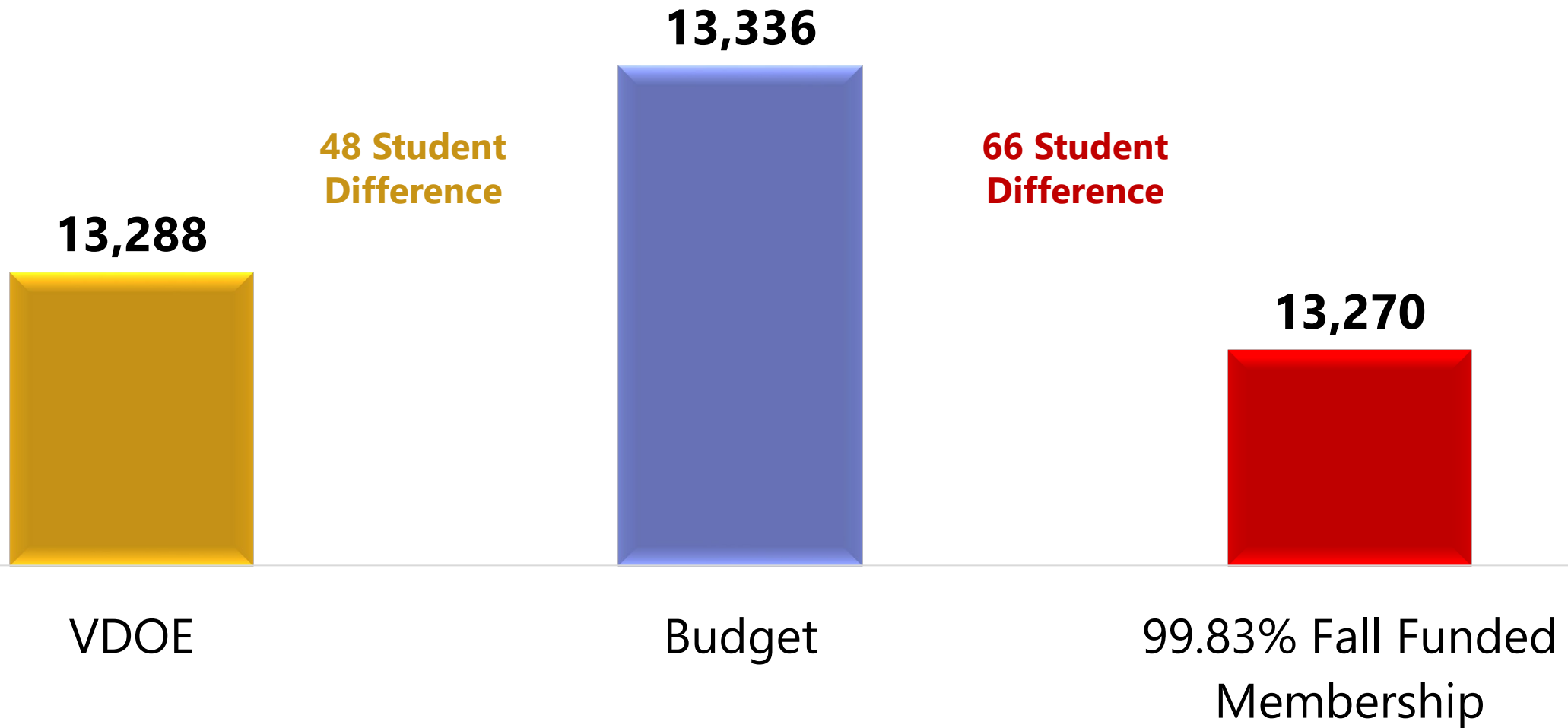
Revenue Update

- *Enrollment*
- *Governor's Caboose Budget*





Enrollment





Governor's Caboose Revenue

	2025 Budget	Caboose Projections	Increase (Decrease)
ADM	13,336	13,270	(66)
General Fund	113,136,844	112,577,514	(559,330) ▼
Instructional Resources Fund	1,359,327	1,352,599	(6,728) ▼
Grant Fund	2,535,821	2,581,698	45,877 ▲
Nutrition Fund	250,123	225,646	(24,477) ▼
Total All Funds	117,282,115	116,737,457	(544,658)

Per Pupil Amounts

General Fund	\$8,483.57	\$8,483.61
Instructional Resources Fund	\$101.93	\$101.93
Grant Fund	\$190.15	\$194.55
Nutrition Fund	\$18.76	\$17.00
Total All Funds	\$8,794.40	\$8,797.10

Expenditure Update

- *PTO Payout*
- *Electricity*
- *Health Insurance Claims and Reserve Balances*





PTO/Sick Leave Payout Exposure

- **Yearly Cash Out Option**
- **Full-time contracted**
- **20% of daily rate, min \$45**

Leave Balance	Payout Days	Maximum Liability	Medium Liability	Minimal Liability
<35	5	91,758	73,407	45,879
<75	10	270,032	54,006	54,006
<250	15	352,811	70,562	70,562
>250	50	58,766	58,766	58,766
Total		773,367	256,741	229,213
Budget		(85,900)	(85,900)	(85,900)
**Exposure		687,467	170,841	143,313

- Estimate will choose to be paid out 100% of allowable days
- Estimate will choose to be paid out 20% of allowable days
- Estimate will choose to be paid out 80% of allowable days
- Estimate will choose to be paid out 50% of allowable days

****Overage is planned to be covered by unused substitute budget; however, we are already at 62% of budget as of 1/31/25**



Electricity Exposure

Year	Cost	Increase
2018	2,457,151	
2019	2,584,507	5%
2020	2,352,053	(9%)
2021	2,373,620	1%
2022	2,833,068	19%
2023	3,355,438	18%
2024	3,999,000	19%
2025	4,616,329	Projected
2026	5,568,207	Projected

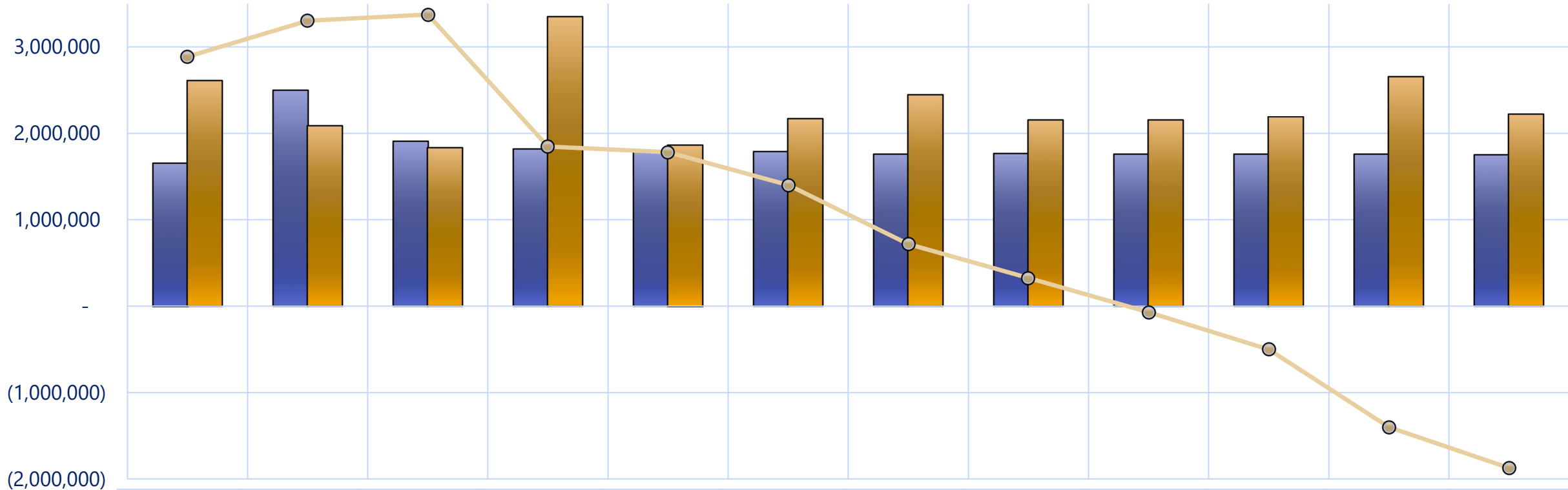
Projection	4,616,329
Electric Budget	<u>(3,312,500)</u>
Cost Overrun	1,303,829
Other facilities budget	<u>(400,000)</u>
Exposure	<u>903,829</u>

CMP Projects on hold
in the Minor Capital Fund 450,000



Health Insurance Claims Exposure

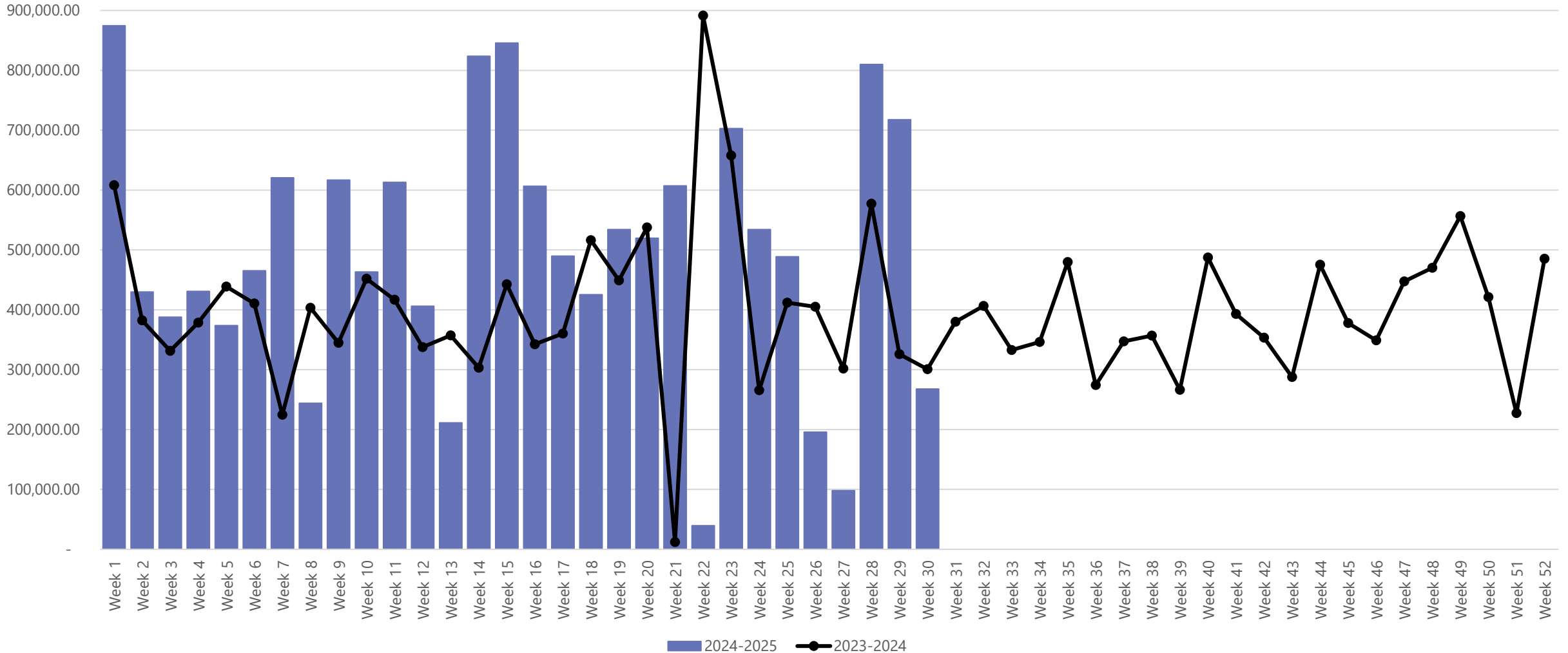
Actual Activity YTD ← | → Projected Estimates



	7/31/2024	8/31/2024	9/30/2024	10/31/2024	11/30/2024	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025
Revenues	1,647,566	2,496,753	1,901,615	1,815,536	1,792,370	1,784,845	1,755,441	1,757,657	1,755,657	1,753,657	1,751,557	1,747,057
Expenditures	2,607,920	2,082,346	1,828,486	3,344,383	1,857,630	2,163,287	2,439,998	2,149,218	2,153,895	2,184,259	2,650,565	2,218,597
Reserves	2,887,588	3,301,995	3,375,124	1,846,277	1,781,017	1,402,575	718,019	326,458	(71,780)	(502,382)	(1,401,391)	(1,872,932)



Weekly Claims Cost in




















Year-to-Year Comparison of Claims > \$75,000 By Primary Medical Condition and Cost

July 2023 - December 2023

July 2024 - December 2024

\$588,319		Neoplasms (Cancer)		\$1,218,486
\$250,778		Nervous System Disorders		\$774,524
\$682,310		Circulatory System Diseases		\$641,751
\$179,968		Endocrine/Metabolic Disorders		\$417,407
\$142,973		Musculoskeletal Disorders		\$368,394
\$90,667		Digestive System Diseases		\$382,187
		Injury & Poisoning		\$81,578
\$223,450		Genitourinary System Diseases		
\$91,461		Ear Disorders		
\$2,249,926	18 Claims	Total	25 claims	\$3,884,327

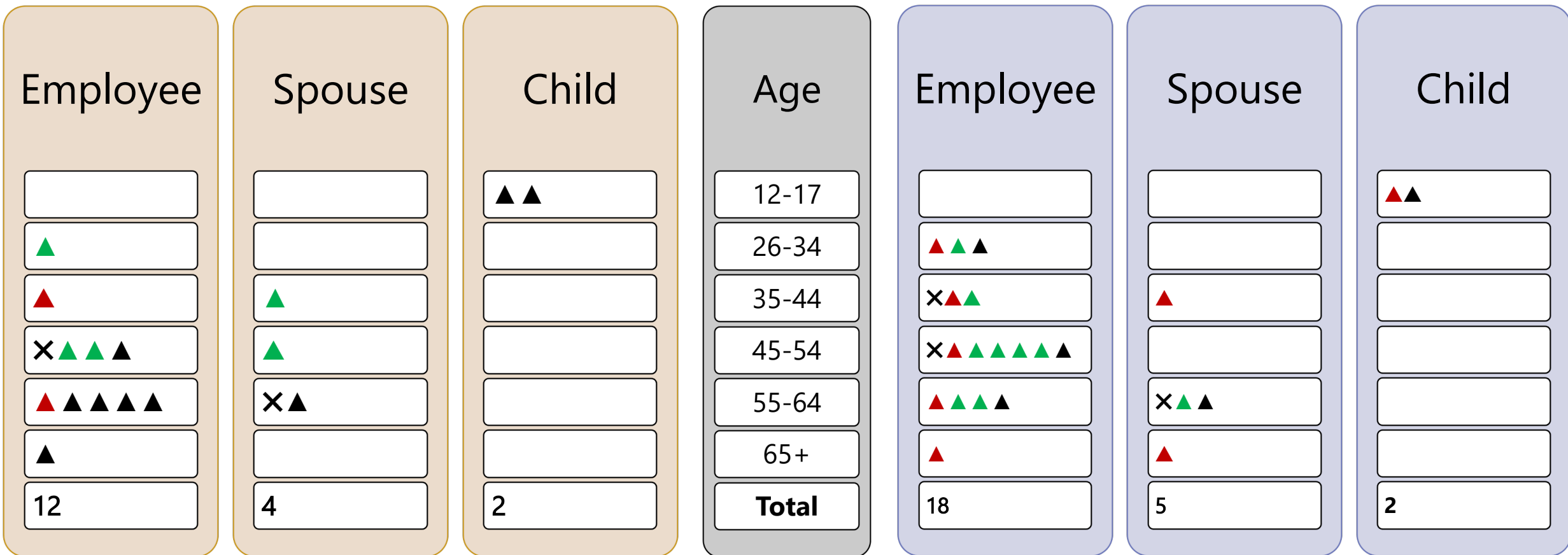
Maximum liability
on existing high
dollar claims
\$2.5 million



Year-to-Year Comparison of Claims > \$75,000 By Member Type and Cost

July 2023 – December 2023

July 2024 – December 2024



A close-up photograph of a hand moving a light-colored chess piece on a board. The hand is positioned in the upper right, with fingers gripping the top of the piece. The piece is being lifted slightly from the board. In the background, other chess pieces are visible but out of focus. The background is a soft, light blue gradient.

Go Forward Strategies for Health Insurance

**Costs are expected to continue to rise:
Medical Trend is 8.1%
Pharmacy Trend is 10.9%**



Short-term Strategies

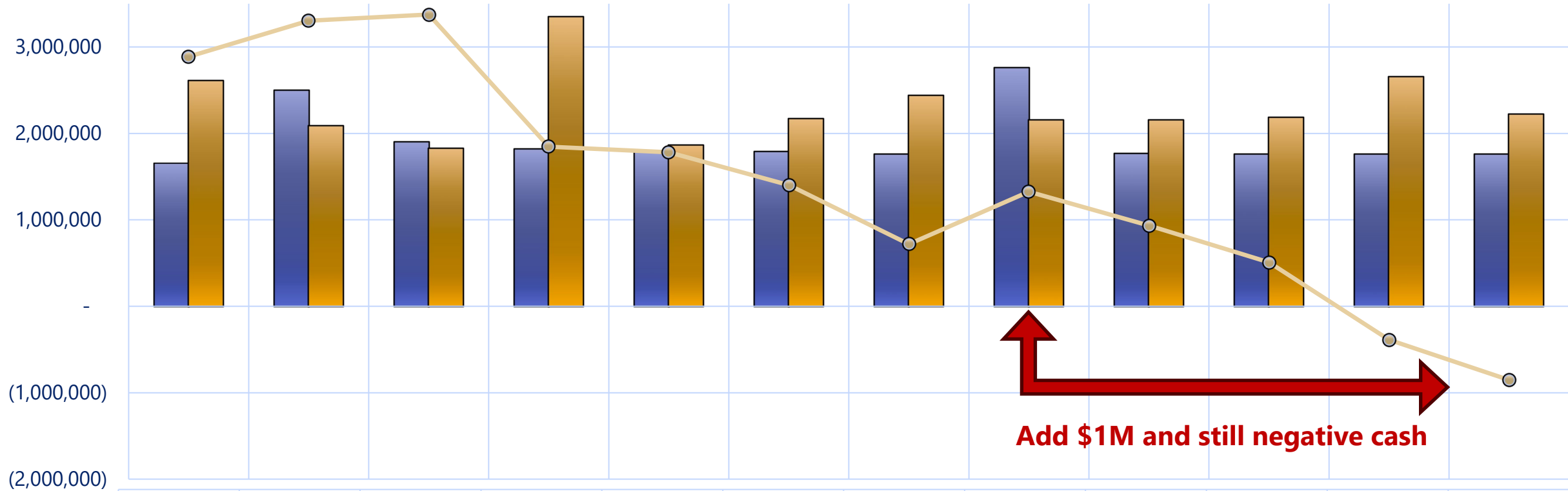
- Request BOS to approve transfer of **\$1.0 million** from payroll lapse
- Request BOS to appropriate new funds to facilities for **\$191,524**
- Consider not contributing \$92,290 to the OPEB Trust from the Health Insurance Fund for fiscal year 2025
- Other balances on hold for now

	Current Balance	Avis Check	Remaining Balance
Minor Capital special projects	1,428,515.85	191,524	1,620,039.85
Major Capital special projects	1,901,319.81		1,901,319.81



Health Insurance Claims Exposure

Actual Activity YTD Projected Estimates



Add \$1M and still negative cash



Covering Budget Exposures

Payroll lapse from 7/1/24 to 1/15/25	1,757,000	
Payroll lapse for open positions 1/15/25 to 6/30/25	<u>2,274,000</u>	4,031,000
Revenue deficit due to lower ADM	(559,330)	
Maximum exposure for PTO/Sick payouts	(687,467)	
Maximum exposure for electricity overruns	(903,829)	
Transfer payroll lapse to Health Insurance Fund	<u>(1,000,000)</u>	<u>(3,150,626)</u>
Net remaining payroll lapse		880,374



Long-term Strategies – Plan Design

Offer KeyCare 1000 HRA or KeyCare 2000 HRA

Offer KeyCare 1000 HRA or QHDHP 3400 HSA

Offer KeyCare 2000 HRA or QHDHP 3400 HSA

Offer KeyCare 2000 HRA only

HRA = Health Retirement Account (employee keeps funds only if he/she retires from RCPS)

HSA = Health Savings Account (employee owns the funds and can add own money to save more)

QHDHP = Qualified High Deductible Health Plan (required for a HSA)



Long-term Strategies – Premium Structure

Add a 2% margin to premiums

Eliminate school couple rate

Charge higher premium for retirees



Long-term Strategies – Other

Determine cost and premiums for being fully insured

Learn about hybrid insurance (mixture of fully- and self-insured)

Aggregate stop loss versus individual stop loss threshold

Review cost savings of medical clinic

Review OPEB Trust purpose, use, and recommended funding

FY26 redirect \$2.2 million from fleet replacement to health