ADMINISTRATION RECOMMENDATION/REPORT

The District President recommends the Board of Trustees approves the expenditure of additional funds for the purchase of workers' compensation insurance from Deep East Texas Self Insurance Fund for the District.

BACKGROUND

On August 7, 2024, the Board of Trustees approved a contract with Deep East Texas Self Insurance Fund to provide workers' compensation insurance for the District.

Reference Number SCON-100134 was issued to track the contract spend for workers' compensation insurance. The interlocal agreement with Deep East Texas Self Insurance Fund is for the period of September 1, 2024 through August 31, 2027. The contract complies with the competitive procurement requirements outlined in Section 44.031 of the Texas Education Code, as permitted under Section 791.011 of the Texas Government Code.

IMPACT OF THIS ACTION

The District initially pays an annual premium based on estimated payroll for the fiscal year. An audit is done at the end of the policy period, and an additional premium is paid based on actual payroll for the fiscal year. The District has paid a total of $615,154 for the FY25 premiums and the FY26 estimated premium. An increase of $125,000 in total spend is requested to cover the remaining FY26 audited premiums and the FY27 premiums.

BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)

- Board Approved Authorization: $900,000
- Additional Authorization Request: $125,000
- Funding Source: District's FY26 operating budget and subsequent years' budgets
- Current Contract Spend: $615,154

MONITORING AND REPORTING TIMELINE

The contract term is September 1, 2024 through August 31, 2027.

RESOURCE PERSONNEL

Melissa Irby, Chief Financial Officer
972-758-3831