

To: School Board Members

From: Tye Michaels, Director of Human Resources & Jason Mutzenberger,
Director of Finance (CESO)

Date: May 5, 2025

Re: Fiscal Year 2026 Health and Dental Insurance Recommendations

BACKGROUND

The Labor-Management Committee (LMC), which includes union leadership, a School Board representative, and district administration, meets throughout the school year with support from the district's benefits consultant, One Digital, to review health and dental insurance.

As of last month, the medical plan claims are running at 90% of expected year-to-date, up from 84% at this time last year. Per-member claims have increased 23% year-over-year. Due to inflation and COVID-related costs, our fund balance has been depleted and is projected to reach zero or a negative balance once all expected claims are paid. The LMC recommends a 14% premium increase next year to cover plan costs and rebuild the fund balance.

The administration agrees with the LMC and recommends that the board approve a 14% increase to medical premiums.

Dental claims are running at 120% of funding year-to-date. Total paid claims are up 7% compared to this time last year. The LMC recommends a 5% premium increase next year to cover plan costs and stabilize the fund balance.

The administration agrees with the LMC and is recommending that the board approve a 5% increase to dental premiums.

RECOMMENDED RESOLUTION:

BE IT RESOLVED that the School Board of Independent School District 197 approve a 14% increase to medical premiums and a 5% increase to dental premiums.