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To provide the Board of Education with a status update on the 2026 employee benefits insurance renewal process. No action is required at this time.

Background and Information

The administration, in collaboration with the District Business Manager, is currently in the process of gathering renewal proposals for the district's 2026 employee health and benefits plans.

Our district's broker, Jeremy Travelstead of American Central Insurance Services, is coordinating with carriers to obtain competitive rates. As of November 7, we are waiting on one final proposal before he can provide a complete analysis.

Once all proposals are received, Mr. Travelstead will organize and chart the different options for our review. The administration will then convene the district's insurance committee to analyze these proposals, review plan designs, and formulate a final recommendation.

Market and Budget Context

The administration is preparing the Board for what is anticipated to be a challenging renewal season. School districts across the state and nation are facing significant financial pressure from rising health benefit costs.

Recent industry analysis and reporting indicate that employers are experiencing notable premium increases, driven by several factors:

- **Projected Increases:** Many employers are reporting projected healthcare cost increases for 2025 and 2026, with some estimates ranging from 6.5% to over 8%.
- **Key Cost Drivers:** These increases are not unique to our district. They are part of a national trend fueled by the rising costs of specialty prescription drugs (including GLP-1s for weight loss), high utilization of services, and general inflation in provider contracts.
- **Impact on Illinois Schools:** Illinois districts are facing these same pressures. For example, Elmhurst School District 205 recently approved an 8% increase for their health insurance contract, following significant increases in prior years. This context is important as we strive to balance our budget while offering a competitive benefits package to attract and retain staff.

Administrative Recommendation

This report is for informational purposes only. The administration will provide a detailed presentation and a formal recommendation to the Board of Education for approval once the insurance committee has completed its review of the final proposals.