



UNITED TOWNSHIP

HIGH SCHOOL DISTRICT 30

To: Board of Education
From: Janice Roome, Comptroller
CC: Dr. Jay Morrow
Date: December 9, 2024
Re: Permission to prepay health insurance if necessary

Background Information

As discussed at previous board meetings, our Health Insurance Fund has experienced significant increases in expenditures during 2024. This has depleted the cash reserves from approximately \$847,000 at January 1, 2024 to approximately \$251,000 at October 31, 2024. An additional loss of \$55,000 is expected for November.

Administrative Considerations

The District's portion of health insurance expenditures is paid from the following funds:

Fund	Approximate %
Educational	76%
Operations & Maintenance	8%
Transportation	5%
Tort	3%
Area Career Center	8%

Employee payroll deductions and District contributions are transferred to the Health Insurance Fund from these funds at the time of each payroll (twice a month). The largest invoice (Blue Cross/Blue Shield) is paid via ACH the first week of each month.

Options Considered

At the October 21 meeting, the board approved an increase in insurance rates effective January 1, 2025 with an option to increase again at July 1, 2025 if necessary.

The ACH payment to Blue Cross/Blue Shield could be made later in the month after funds from the mid-month payroll have been deposited.

Although we expect the increase in health insurance rates and the ability to make the Blue Cross/Blue Shield payment later in the month to help ease cash flow concerns, we would like to have a backup plan to ensure that all invoices are paid on time. We are requesting permission to prepay the District's contributions from the above funds to the Health Insurance Fund if necessary to provide enough cash for the Health Insurance Fund to pay monthly expenditures.

Fund Source

Educational, Operations & Maintenance, Transportation, Tort, and Area Career Center Funds

Recommendation

We recommend the Board approve the prepayment of the District's portion of Health Insurance Fund expenditures if necessary to cover required monthly payments from the Health Insurance Fund.