

Health Insurance Program Deficit: Recent History & Recommendations

Ketchikan Gateway Borough School District

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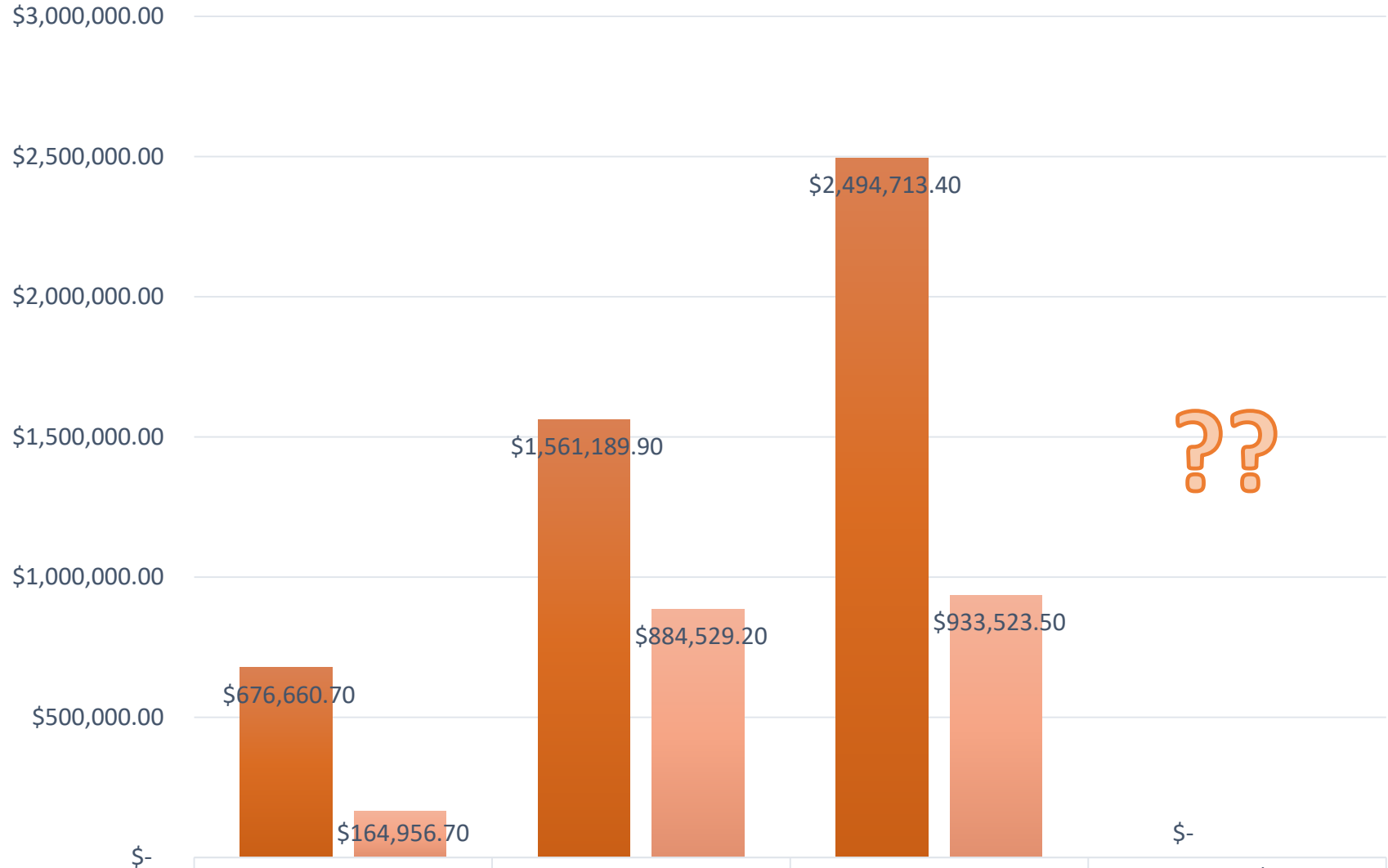
Health Insurance Program History

- Operating deficit for many years
- History of end-of-the year supplemental contributions for the past several years
- In FY19 - Newly ratified KEA CBA resulted in significantly decreased employee premiums across the District with retroactive repayments of premiums to employees
- In FY20 - Health Insurance Task Force & recommendations
- FY20 - New programs to target high costs – improvements seen
- End of FY20... COVID-19

Supplemental Contributions

- FY19 – Requested funds from the Borough to address projected deficit, denied = (\$511,704)
- FY19 – End of the year contribution = \$877,407
- FY20 – End of the year contribution = \$0*
- FY21 – End of the year contribution = \$1,125,857
 - \$721,436 from Operating Fund
 - \$404,421 from COVID Relief Funds

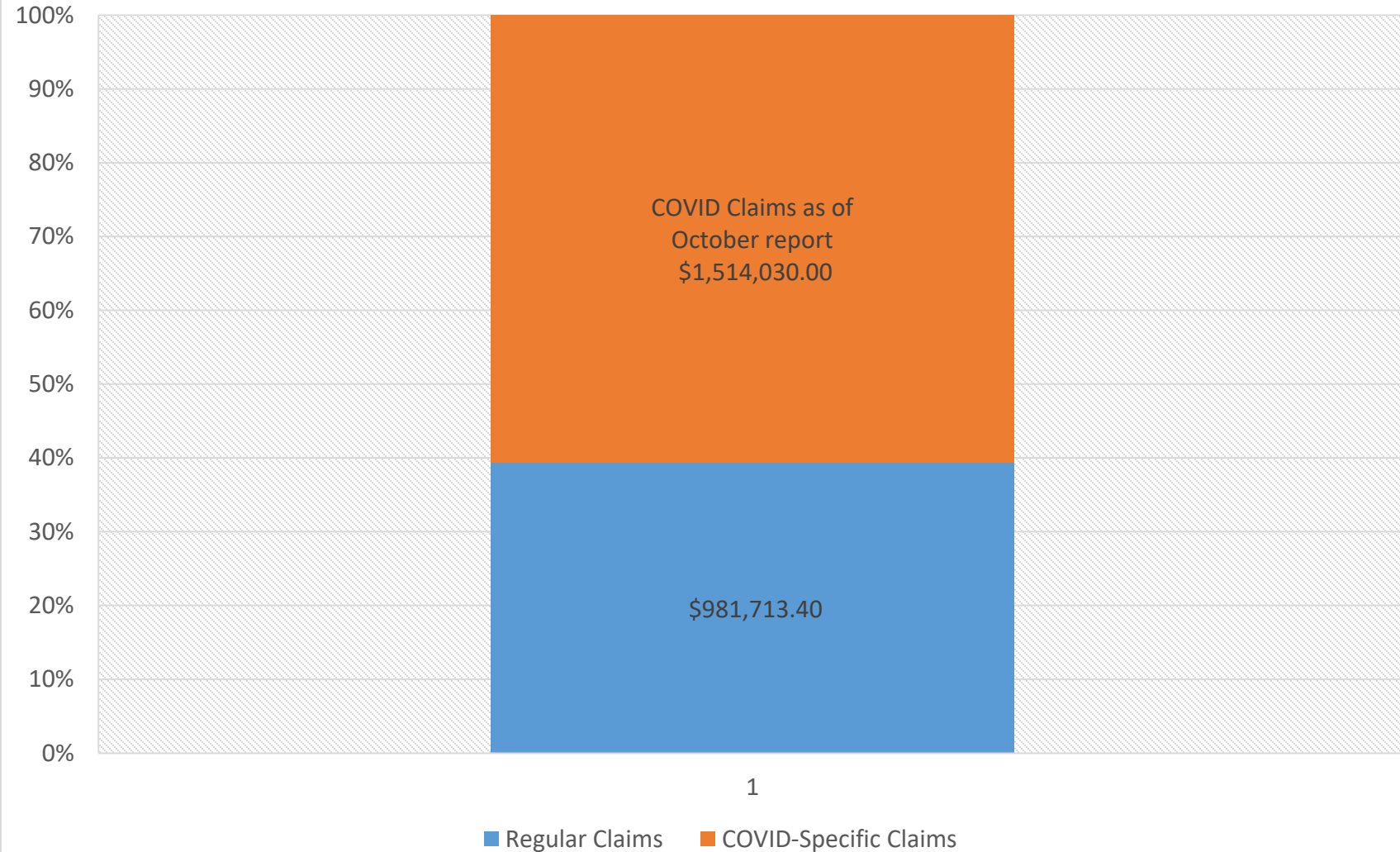
Health Insurance Reserve Deficit



■ Total Deficit	FY19	FY20	FY21	FY22*
■ Total Deficit	\$676,660.70	\$1,561,189.90	\$2,494,713.40	\$-
■ Prior Year's Deficit	\$164,956.70	\$884,529.20	\$933,523.50	\$-

Current Deficit

Combined Total: \$2,494,713.40



Recommendations

- Short Term
 - Immediate infusion of additional funds
 - Protect local/operating funds
- Long Term
 - Option 1: Significant increase in district contributions (flat funding)
 - Option 2: Significant increase in employee contributions (CBA)
 - Option 3: Change (reduction) in health insurance offerings & benefits
 - Option 4: A combination of other options