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Insurance Renewal Update

Purpose

To provide the Board of Education with a high-level update regarding the upcoming group health insurance renewal, including the initial renewal offer from Blue Cross Blue Shield, and outline necessary steps for long-term fiscal sustainability, including the potential scheduling of a special board meeting.

Background and Information

- The initial renewal offer from Blue Cross Blue Shield reflects a 36.10% increase, bringing the annual total to \$4,936,197.60.
- This proposed annual total accounts for approximately 20.5% of the district's total operating budget, making a single-year increase of this magnitude fiscally unsustainable.
- The district faces significant upward pressure on healthcare costs, and the current financial trajectory driven by these renewal rates requires immediate attention.
- Substantial structural adjustments and strategic evaluations are required to address these rising costs while maintaining competitive benefit offerings.

Committee Review and Next Steps

- The Insurance Committee is actively meeting with our insurance broker to review comprehensive market options and evaluate potential plan design adjustments.
- We will need to schedule a special board meeting to formally approve the health insurance renewal prior to the November 15 open enrollment period required under the collective bargaining agreement.
- Administration will continue to work collaboratively through established committee channels to explore viable alternatives and will bring formal recommendations forward for Board consideration.

Administrative Recommendation

This item is provided for informational purposes to update the Board of Education on the health insurance renewal outlook, budget impact, ongoing committee review, and the timeline for a special meeting.