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CENTENNIAL
SCHOOL DISTRICT 12
CONNECTING. ACHIEVING. PREPARING.

Date: November 16, 2026

To: School Board

From: Dr. Jeff Holmberg, Superintendent

Re: MSBA Resolution – Statewide Health Insurance

Overview:

Centennial Schools has a long-standing history of working collaboratively with its bargaining groups to maintain a self-funded health insurance program for employees. This approach reflects a commitment to responsible financial stewardship while allowing the district to retain local control over health insurance premiums, employee benefits, and healthcare coverage.

During the last legislative session, discussions included proposed legislation requiring all school districts to participate in a statewide health insurance program (e.g., EGIP). If enacted, this legislation could eliminate Centennial's ability to continue operating under its current self-insurance model. We have significant concerns about legislative mandates that restrict local decision-making and potentially disrupt a program that has successfully managed healthcare costs, premiums, and employee benefits for many years.

Additionally, a statewide approach could create unintended inequalities among school districts and their employees, resulting in financial disparities and inequities over time. Any legislative changes or proposed funding mechanisms must be sustainable through ongoing funding, rather than one-time allocations, and must not shift the financial burden onto school districts by reducing or redirecting other existing funding streams.

Centennial is not alone in these concerns. Several school districts are working collaboratively with the Minnesota School Boards Association (MSBA) to develop a resolution opposing legislation that would mandate a transition to a statewide health insurance model.

MSBA Draft Resolution Language:

We urge the legislature to address the rising cost of health care for school districts and their employees. MSBA opposes the 2025 proposed Employee Group Insurance Program (EGIP) legislation because it shifts costs to school districts rather than reducing overall health care costs.

Before the Legislature passes EGIP or any other legislation establishing a statewide school employee health insurance program, particularly one requiring school district participation, the proposal must meet the following conditions:

- *Financial Sustainability: Require an independent actuarial analysis using actual claims experience that demonstrates long-term financial sustainability and measurable cost savings for participating school districts.*
- *Equal Representation: Provide equal employer and employee representation in program governance and administration.*
- *Protection of District Assets: Protect school district reserves, fund balances, and existing assets from transfer, forfeiture, or financial disadvantage.*
- *Financial Transparency: Require full disclosure of governance structures, financial assumptions, administrative costs, reserve requirements, long-term fiscal impacts and any requirement would be fully funded by the state.*
- *Demonstrated Value: Establish measurable cost savings and improved outcomes for school districts and employees.*
- *Protection of Existing Health Care Benefits: Ensure that requiring school districts to participate in a statewide health insurance program does not reduce existing employee health care coverage, benefits, or provider access, or increase employee out-of-pocket costs.*
- *Local Authority: Preserve local school board decision-making, fiscal accountability, and effective collective bargaining, when determining employee health insurance coverage. Participation in the program should not be mandatory.*

Request:

Following discussion at the November 2, 2026, Board Work Session, Administration is seeking School Board approval for Centennial Schools to join MSBA and districts supporting this resolution. If approved, Centennial Schools will incorporate support for the resolution into its Legislative Platform.