

Office of the County Auditor
Auditor's Analysis

Council Bill 18-2024

Introduced: May 6, 2024

Auditor: Maya Cameron

Fiscal Impact:

This legislation would result in an increase in budget appropriation of \$3.0 million for the Employee Benefits Self-Insurance Fund (Fund). According to the Office of Human Resources, this increase is needed to cover unanticipated and high value claims that occurred after the adoption of the Fiscal Year 2024 Budget.

As of May 14, 2024, we confirmed that the Fund had \$11.7 million of available appropriations. Based upon a review of spending to date and anticipated spending through FY 2024, available appropriations in the Fund may not be sufficient to cover the remaining FY 2024 obligations without this transfer.

Purpose:

The purpose of the proposed legislation is to provide emergency appropriation of \$3.0 million from the Employee Benefits Self-Insurance Fund's balance to provide additional spending authority in FY 2024, due to unanticipated increases in claims.

Other Comments:

This fund is used to account for the costs of employee benefits, including health and disability insurance. It provides services to other County Agencies on a cost reimbursement basis.

In the FY 2025 Proposed Operating Budget, the Fund projects an operating loss of \$2.9 million at the end of FY 2024. It further projects an operating loss for FY 2025 of \$4.2 million and an ending fund balance deficit of \$2.3 million, prior to the request for the emergency appropriation.

The additional request of \$3.0 million is expected to cover unanticipated costs for medical and dental claims.