

Self-Insurance Internal Service Fund-Unemployment

General Government

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Internal Service Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Services & Supplies	\$1,402,016	\$1,253,720	\$1,253,937	\$1,253,937	\$217
Centrally-Budgeted Expenses	(26,731)	(3,241)	1,905	1,905	5,146
Total Appropriations	\$1,375,285	\$1,250,479	\$1,255,842	\$1,255,842	\$5,363
Earned Revenues By Source					
Interest/Rents	\$70,344	\$15,000	\$15,000	\$15,000	\$0
Self-Insurance Revenue	727,392	700,000	250,000	250,000	(450,000)
Total Revenues	\$797,736	\$715,000	\$265,000	\$265,000	(450,000)
Revenues Over/(Under) Expenses	\$577,549	\$535,479	\$990,842	\$990,842	\$455,363

Purpose

The Unemployment Insurance (#8595100000) budget provides for the centralized administration of the County's self-funded Unemployment Insurance program.

The self-funded insurance programs are designed to provide quality, cost-effective benefits to eligible recipients. Frequently, market and legislative factors beyond the County's administrative control influence costs (mandated benefit levels, and usage). The County uses a combination of premium adjustments and cost containment measures to assure adequately funded programs.

Major Budget Changes

Centrally-Budgeted Expenses

- \$5,146 Cost Allocation Plan adjustment.

Revenues

- (\$450,000) Decrease in unemployment insurance reimbursements.

Program Discussion

The 2019-2020 recommended budget for the Unemployment Insurance program is \$1,255,842, which is an increase of \$5,363 from the 2018-2019 adjusted budget. As of March 31, 2019, the program had a cash balance of \$5,271,935.

Due to a funding reserve surplus, the 2017-2018 and 2018-2019 department premium contributions were reduced to 0.15% of payroll, a reduction from the 0.3% of payroll in 2016-2017. This resulted in a decrease of approximately \$2.0 million of the fund balance.

To further reduce the fund balance, the 2019-2020 recommended budget includes a rate reduction of 0.10%, to 0.05% of payroll. It is anticipated that the year-end fund balance will be \$3.8 million.

For the next two fiscal years, the County will continue to use the reserves, reducing the balance to industry standards, estimated at \$2.5 million.

As the County's workforce stabilizes, benefits payments continue to decline. Unemployment claims for 2018-2019 are anticipated to be 683, which is a slight increase from 2017-2018.