



NORTHWEST FLORIDA STATE COLLEGE

Memo

To: Board of Trustees
From: Dr. Cristie Kedroski, Interim President
Date: August 20, 2024
Re: State Health Insurance Plan

On June 12, 2024, Governor DeSantis signed HB 5101 into law, effectively requiring all Florida College System institutions to enroll in the state's health insurance program; however, Governor DeSantis simultaneously vetoed \$80 million in funding that was to be used to onboard the colleges into the state program. At this time, it has not been formally decided whether it will be the responsibility of the Florida Department of Management Services (DMS) or each respective college to cover the increase in cost between our current insurance program and the state insurance program. The College is prepared to cover the increase in cost, should that be necessary.

College personnel have been attending weekly Teams meetings in preparation of this transition. Open enrollment is slated for October/November with the new coverage being effective January 1, 2025. Many NWFSC employees already have comparable health insurance coverage through the military, and we are forecasting that many of our employees will choose to stay on those plans. Because of this, our projected increase in the number of college-provided health insurance participants is much lower than many other FCS institutions. If the decision is made for each college to assume the fiscal responsibility of paying the increased cost of premiums, the college leadership team expects the impact to be minimal.

More specifically, based on internal projections, the added cost under the state insurance program will range somewhere between \$317,846 (likely scenario) and \$635,971 (worst-case scenario) for the remainder of Fiscal Year 2024-2025. During the budget process in the Spring, the college set aside \$800,000 in a special personnel contingency fund to cover unforeseeable events such as this. Additionally, approximately 20% of our total salaries/benefits are paid from sources other than Fund 1 unrestricted operating dollars, such as grants, auxiliary funds, etc. Because of this, the impact to our Fund 1 budget should range somewhere between \$254,000 and \$500,000, which can be covered by the \$800,000 personnel contingency fund that was embedded in this year's budget.