NC School Budget Crisis Highlights Overlooked Strategy That Could Save Districts Millions

An overlooked tax strategy could help NC school districts recover millions while expanding employee healthcare access.



NC Schools Are Being Asked to Do More With Less, The SIMRP Program Can Bring Relief We Have All Been Looking For

RUTHERFORDTON, NC, UNITED STATES, September 8, 2026 /EINPresswire.com/ -- As school districts confront rising personnel costs, staffing challenges and difficult budget decisions, some are calling attention to a tax-advantaged employee benefit strategy that could potentially generate hundreds of thousands—or even millions—of dollars in recurring annual savings while expanding healthcare access for school employees.

Pender County Schools in North Carolina, provides a timely example. The district reported a $2.7 million local budget shortfall for the 2026–27 school year, explaining that additional funding was needed to maintain existing staffing and essential services rather than launch new initiatives. According to Pender County Schools, approximately 86% of its operational budget is tied to staffing, with increased retirement contributions, health insurance, FICA/Social Security, Medicare and other personnel-related expenses contributing to rising costs.

> “Before schools cut positions or programs, they should determine whether significant recurring savings may already exist within their payroll.”
> *Jacob A. Parvu, SIMRP Advisor, SIMRP Health & Wellness™*

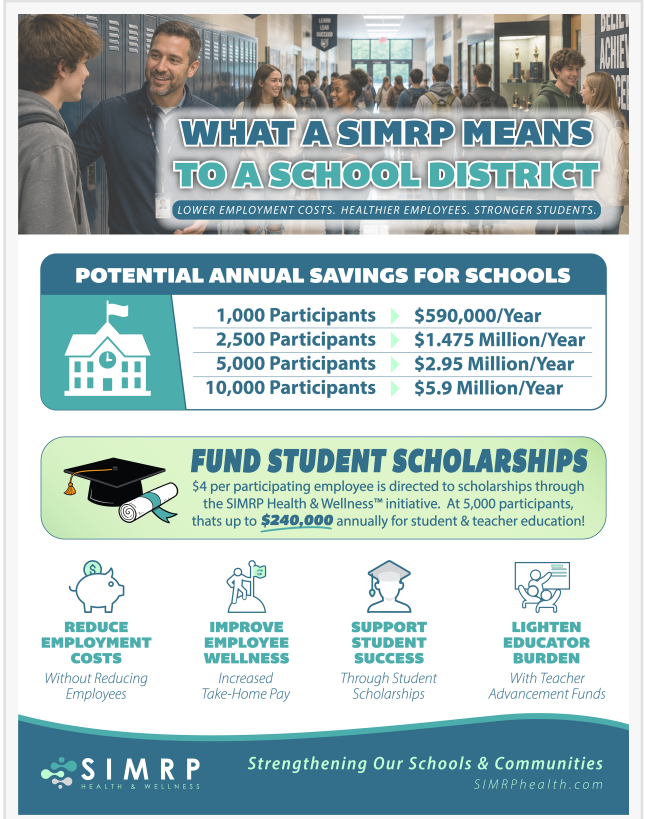
Potential reductions identified by the district include 21 positions, a 25% reduction in substitute funding, elimination of professional-development funding, and reductions affecting instructional support, Exceptional Children services and beginning-teacher support. Pender County's situation raises a larger question for school systems throughout North

Carolina: What if reducing the cost of employment didn't require reducing employees?

An Alternative to Cutting People and Programs

SIMRP Health & Wellness™ specializes in Self-Insured Medical Reimbursement Plans (SIMRP), an employer-sponsored Plan structure utilizing established provisions of the Internal Revenue Code governing qualified benefits and medical reimbursements. A properly structured SIMRP operates alongside an employer's existing health coverage. It does not replace a district's health insurance.

Through the Plan, employers may reduce certain payroll-tax obligations while participating employees receive additional health and wellness benefits and may experience an increase in net take-home pay. Approximately $590 in annual employer-side payroll-tax savings per participating employee after Plan costs.



Helping school districts reduce payroll costs, strengthening employee benefits, and funding student scholarships.

At scale:
* 1,000 participating employees: approximately $590,000 annually
* 2,500 participating employees: approximately $1.475 million annually
* 5,000 participating employees: approximately $2.95 million annually
* 10,000 participating employees: approximately $5.9 million annually

These savings have the potential to recur annually while eligible employees continue participating and the Plan remains properly structured and administered.

School Business Organizations Are Beginning the Conversation

Awareness of these types of strategies is also beginning to reach the organizations serving school finance professionals. An article discussing Self-Insured Medical Reimbursement Plans has appeared in School Business Now, the publication of the Association of School Business Officials International (ASBO International)—an organization serving school business and finance professionals.

The appearance of SIMRP-related information in a professional school-business publication is significant because these strategies remain unfamiliar to many school administrators. Publication should not be interpreted as an endorsement of any particular SIMRP provider or

implementation. However, the article's appearance following the publication's editorial review demonstrates that the concept has become relevant enough to warrant discussion within the professional school-business community.

For school CFOs and administrators facing persistent financial pressure, that conversation is increasingly important: Are there legitimate financial strategies available to school systems that simply haven't been widely explored yet?



Jacob A. Parvu, SIMRP Health & Wellness™, is working to increase awareness of Self-Insured Medical Reimbursement Plans as a potential financial and employee-benefit strategy for school systems.

From Payroll Savings to Primary Care

The opportunity extends beyond reducing payroll costs. In parts of the country, employers and school systems are recognizing that financial efficiencies created through a SIMRP can also help make Direct Primary Care (DPC) accessible and affordable for employees. Direct Primary Care uses a membership-based model designed to provide greater access to routine and preventive primary care and a more direct relationship between patients and primary care providers.

When incorporated into an appropriately structured employer benefit strategy, SIMRP economics can help offset the cost of providing this additional access to care. Instead of simply asking, “How much can the district save?”, school leaders can ask, “What can we accomplish with those savings?”
The answer can include protecting educational resources while helping fund greater access to primary care for employees and their families.

Savings for Schools — Benefits for Employees & Students

For school districts facing multimillion-dollar budget gaps, approximately $590 in annual savings per participating employee can help preserve positions, substitute funding, professional development and instructional resources that might otherwise face reductions.

Employees benefit as well. In addition to wellness resources for themselves and eligible dependents, participants may experience an estimated 3% to 5% increase in take-home pay, often approximately $140 to $150 per month, depending on individual circumstances and Plan structure.

The benefits can reach students directly. Through the SIMRP Health & Wellness™ scholarship initiative, $4 per participating employee per month is directed toward student scholarships. At 5,000 participants, that can generate $240,000 annually for scholarships—allowing a single Plan to create financial value for the district, its employees and the students it serves.

Helping North Carolina Schools Do More With What They Have

SIMRP Health & Wellness™ is based in North Carolina and has made public-school education a central focus of its outreach. Its message to superintendents, CFOs, school boards and county leaders is straightforward: Before cutting positions, programs or classroom resources, determine whether your district is taking advantage of every legitimate opportunity available to reduce the cost of maintaining its workforce.

For 5,000 participating employees, approximately $590 in annual employer savings per participant represents nearly $3 million every year. Finding additional resources for public education does not always require a new tax, another grant or another eliminated position. Sometimes the opportunity is already sitting inside the payroll system itself.

About SIMRP Health & Wellness™

SIMRP Health & Wellness™ is a North Carolina-based organization focused on educating employers and public-sector organizations about Self-Insured Medical Reimbursement Plans and supporting their implementation and enrollment.

For more information, visit SIMRPhealth.com, watch a brief video to help define what a SIMRP is or read through our executive summary.

SIMRP Health & Wellness™ does not provide tax or legal advice. Eligibility, tax treatment and financial outcomes depend on Plan structure, employee participation and employer circumstances. Employers should consult their tax, legal and benefits professionals when evaluating a SIMRP.

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