



Discussion Item

Date: November 4, 2024

Division: Superintendent

Subject: 2024-25 Compensation Plan

Background Information:

- LISD will be facing a deficit budget for FY 25.
- The 88th Legislature took no action to increase the Basic Allotment which would have provided funds for teacher pay and staff raises. There is \$3.9B allocated for public education but is sitting in Austin because the funding for public education was tied to school vouchers passing as well.
- While school districts are facing enormous financial hurdles due to the impact of inflation the Basic Allotment sits unchanged since 2019. Despite a historic budget surplus in the state of Texas.
- 25% of expenditures needed for fund balance requires approximately \$128M. LISD can no longer access fund balance to pay for staff raises without impacting the financial ratings and stability of the school district.
- TRS Resolution regarding compensation passed at June 2024 meeting

Administrative Consideration:

- TRS approved the raise portion of the resolution passed but not the one-time payment to be TRS creditable compensation.
- The Board of Trustees will consider the following for the 2024-25 school year. Passing the TRS Resolution prior to the adopting the budget will ensure that if a raise is given to staff it can be TRS creditable compensation:
 - 1% of the midpoint raise for all staff (projected cost of approximately \$4M) and/or;
 - \$500 one time payment for all staff (projected cost of approximately \$3.5M)
- Action will be taken for Employee Compensation at the November 11th Regular Board meeting.