



Action Item

Date: November 11, 2024

Division: Superintendent

Subject: Employee Compensation

Background Information:

- The Legislature has not increased the Basic Allotment since 2019. The Basic Allotment is the mechanism by which school districts can address staff raises.
- The LISD Board of Trustees adopted a \$14.9M deficit for FY 24. Through central office position and budget reductions along with land sales the deficit is projected to be \$441K.
- The LISD Fund Balance Board Policy requires 25% of expenditures (approximately 3 months of cash on hand) in fund balance. The fund balance ended on 8/31/23 with \$132,599,936.
- The resolution regarding a one-time payment to employees included that upon review of the Completed Financial Audit, if appropriate and permissible, the District provides employees (full-time and part-time, exempt and nonexempt) a one-time payment for the performance of educational duties performed in the 2024-2025 school year.
- 25% of expenditures based on FY 25 Budget requires the fund balance to have \$129,638,539
 - The adopted deficit for FY 25 is \$4,510,664

Administrative Consideration:

- One-time funds available to provide a one-time payment to staff from land sales and state aid settle up total \$8,958,352.
- The cost of a one-time payment to staff of \$1,000 is \$6.7M.
 - The resulting fund balance after making a \$1,000 one-time payment to staff and covering the FY 25 deficit would be \$130,356,624.
- The cost of a one time payment to staff of \$750 is \$5.0M.
 - The resulting fund balance after making a \$750 one-time payment to staff and covering the FY 25 deficit would be \$132,029,374.
- The cost of a one time payment to staff of \$500 is \$3.3M
 - The resulting fund balance after making a \$500 one-time payment to staff and covering the FY 25 deficit would be \$133,702,124.
- For comparison purposes a 1% of the midpoint raise would be about \$665 per teacher.

Recommendations:

- Approve a one-time payment in the amount of \$_____ for all full-time and part-time staff employed on or before September 1, 2024 and currently employed as of November 30, 2024. The payment will be made no later than December 31, 2024.

Timeline/Report:

- Implement Board Action for the payment to be made no later than December 31, 2024.