

# Terrell Independent School District

## Executive Summary Report

Date	District Guiding Pillar
June 15, 2026	<p><b>Goal 1:</b> Student Achievement: Accelerate student learning to dramatically increase the number of students who perform on or above grade level.</p> <p><b>Goal 2:</b> School Culture: Create safe and secure learning environments that focus on the social, emotional, and cultural needs of every student.</p> <p><b>Goal 3:</b> Human Capital and Resources: Develop the capacity of every teacher and staff member to deliver rigorous, enriching learning experiences to every student and ensure safety of all.</p> <p><b>Goal 4:</b> Organizational Efficiency: Develop a resource allocation plan and long-term facilities plan that supports and maintains the financial stability of the district, is aligned with identified priorities, addresses future growth and facility improvement needs, and represents being good stewards of taxpayer funds.</p> <p><b>Goal 5:</b> Community Engagement and Outreach: Elevate district pride by strengthening partnerships with families, community, and the business community.</p>

**Agenda Item:** Consider Approval of Amendment to the 2026–2027 Compensation Plan Related to Talent Pool Services Pay Rates, Stipend Amendments, and Employer Health Insurance Contribution Adjustments for Employees on Clerical and Auxiliary Pay Plans.

**Summary:**

Administration is recommending amendments to the 2026–2027 Compensation Plan to include the adoption of Talent Pool Services pay rates, stipend amendments, and to adjust the District’s employer contribution toward employee health insurance premiums for employees assigned to clerical and auxiliary pay plans.

The proposed health insurance contribution adjustment is necessary to maintain compliance with applicable Affordable Care Act (ACA) employer affordability requirements utilizing the Internal Revenue Service (IRS) Safe Harbor affordability calculation for the 2026 plan year. Based on the 2026 affordability threshold of 9.96% and the new 2026 Teacher Retirement System (TRS) ActiveCare Primary employee-only premium rates, the District’s current employer contribution of \$360 per month would not meet federal affordability standards for certain eligible employees.

Administration recommends increasing the District’s monthly employer contribution from \$360 to \$420 for employees on clerical and auxiliary pay plans enrolled in employee-only TRS ActiveCare Primary coverage. This adjustment would reduce the employee monthly premium cost to approximately \$194 per month, which falls below the maximum allowable affordability threshold of \$196.16 per month under IRS Safe Harbor calculations.

Failure to maintain affordability compliance could subject the District to employer shared responsibility penalties under Section 4980H(b) of the Affordable Care Act if a full-time employee obtains subsidized health insurance coverage through the federal marketplace. The 2026 Section 4980H(b) penalty is projected at \$5,010 annually per qualifying employee receiving a subsidy through marketplace coverage. Administration notes that if twelve (12) or more qualifying employees were to obtain subsidized marketplace coverage, the resulting penalties could exceed the projected annual cost of the proposed contribution increase.

The proposed amendment supports the District’s commitment to maintaining legally compliant, competitive, and affordable employee benefits while supporting recruitment and retention efforts for clerical and auxiliary staff positions.

**Attachments:**

Separate Cover: Revised 2026-2027 Compensation Plan

**Administrative Recommendation:**

Administration recommends approval of the amendment to the 2026–2027 Compensation Plan to:

1. Adopt Talent Pool Services pay rates, Stipend Amendments; and
2. Increase the employer monthly health insurance contribution for eligible employees on clerical and auxiliary pay plans from \$360 to \$420 effective for the 2026 plan year.

**Budget/Funding**

199 - The estimated annual fiscal impact associated with increasing the District employer contribution from \$360 to \$420 per month is approximately \$56,000, subject to actual enrollment and participation levels.