



Action Item

Date: May 11, 2026

Division: Superintendent

Subject: Employee Benefits Proposal

Background Information:

- By law, we are required to provide “affordable” healthcare, as defined by the IRS, to full-time employees.
 - A monthly excise tax is imposed for each month of non-compliance.
 - We have 979 full-time positions earning an hourly rate of less than \$19.50, and \$19.50 is the affordable hourly rate calculation required by the IRS.
 - Staff recently completed the employer portion of a marketplace application for an employee earning \$17.96 per hour. The affordable monthly premium for that rate is about \$211 and we are at \$228.
- Region 10 is the most expensive district, but Region 11 is only \$2 dollars less than Region 10.
- While there was **no funding from the 89th legislature to address employees benefits**, TRS is encouraging districts to review their contribution amount. When premiums are unaffordable, employees don’t enroll, low enrollment increases the risk of the plan because now we are sharing the cost of claims across a smaller pool.
- The deductible on the HD plan increased slightly due to federal compliance with eligibility for an Health Savings Account (HSA)

Administrative Consideration:

- It is recommended to Increase the District Contribution to \$400 for all plans
 - This provides equity amongst all Employee Plans

Recommendations:

- Approve recommendation to implement increase district contribution for all benefit plans to \$400.
- This will require the district to spend an additional \$2M per year, bringing the estimated total expenditures on benefits to approximately \$18M. This is not funded with the current school funding formula and is only possible due to the budget reductions and school retirements made over the last few years.

Timeline/Report:

- Upon approval this increase will be communicated as part of the 2026-27 compensation increases.