



Agenda of Board Workshop

The Board of Trustees McAllen Independent School District

A Board Workshop of the Board of Trustees of the McAllen Independent School District will be held Tuesday, April 7, 2026, beginning at 5:30 PM Alonzo De Leon Middle School Library, 4201 N 29th, McAllen, TX 78504.

Items listed on this agenda may be taken in an order other than as shown on this agenda. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

At this meeting there may be discussion and action by the Board on the item(s) and subject(s) listed as follows:

1. **CALL MEETING TO ORDER**
2. **PUBLIC COMMENT(S)**
3. **DISCUSSION OF 2026-2027 BUDGET:** **3**
 - Employee benefits update, including health plan, pharmacy plan, workers' compensation, and unemployment compensation
 - Review of recurring cost growth and sustainabilityItem Submitted: Lorena Garcia, Deputy Superintendent Business and Operations
Presenter: Presenter: Dr. René Gutiérrez, Superintendent
4. **ADJOURNMENT**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Pursuant to Texas Government Code 551.127, a member or employee of a governmental body is authorized to participate remotely in a meeting of the governmental body through a videoconference call, as long as a quorum of the governmental body is physically present at the location of the Board Meeting. Any video conference conducted pursuant to this section will comply with the technical requirements of this section.

Pursuant to Texas Government Code 551.129, the Board of Trustees may use a telephone conference call, video conference call, or communications over the internet to conduct a public consultation with its attorney in an open meeting of the governmental body, or, a private consultation with its attorney in closed meeting of the governmental body.

*The notice for this meeting was posted in compliance with the Texas Open Meeting Action on March 30, 2026 by 5:00 p.m.
Norma Ramirez, on behalf of Board of Trustees.*

**BOARD AGENDA REPORT
MCALLEN INDEPENDENT SCHOOL DISTRICT**

MEETING DATE: April 7, 2026

SUBJECT: 2026-2027 Third Budget Workshop

REFERENCE: Goal 4 Financial Priorities, Strategy 7 - Financial Priorities

BACKGROUND INFORMATION/REASON FOR BOARD CONSIDERATION:

The Texas Education Code and Board Policy CE (LOCAL) require every local education agency to prepare a budget of anticipated expenditures and revenues on or before June 19th. The budget is to be approved by the District's Board of Trustees no later than June 30th or earlier.

ADMINISTRATIVE CONSIDERATIONS/FACTS AND ANALYSIS:

Budgets are estimates of what the District originally anticipates spending in the fiscal year. Budgets serve at least three important functions.

- (1) Planning future operations.
- (2) Controlling expenditures in accordance with the appropriations approved by the Board of Trustees of the local education agency.
- (3) Communicating to Administrators of the District's organizational units the resources set aside for the operations of their respective units.

LEGAL REVIEW:

Not required.

BUDGETARY CONSIDERATIONS:

Preliminary 2026-2027 Budget

RECOMMENDED BOARD ACTION:

The 2026-2027 Third Budget Workshop is submitted to the Board for information purposes only and requires no Board action.

Attachment:

SUBMITTED BY: *JOEL GARCIA*
JOEL GARCIA (Mar 30, 2026 09:37:22 CDT)

SUPERVISOR: *Lorena Garcia*
Lorena Garcia (Mar 30, 2026 09:38:16 CDT)

For further information contact:
Name: Joel Garcia, CPM, CFO
Office: (956) 618-6016
Email: joel.garcia@mcallenisd.net

Approved for presentation to the Board of Education:

Rene Gutierrez
RENE GUTIERREZ (Mar 30, 2026 13:52:24 CDT)



Self – Funded Employee Benefits

Fund 771- Unemployment

Fund 772 – Workers’ Compensation

Fund 753 – Health/Pharmacy Plan

FY 26-27 Funding

Fund 771 Unemployment Compensation

- Current Employer Contribution = \$2.60 Per Employee Per Month (PEPM)
- Employer Contribution = \$0.50 PEPM
- Fund Balance @ 6-30-25 = \$ 263,362
- **NO CHANGE**

Fund 772 Workers' Compensation

- Current Employer Contribution = 0.006763 & 0.000771
Based on payroll classification
 - Employer Contribution = 0.003382 & 0.000386
- Fund Balance @ 6-30-25 = \$ 2,369,813
- **NO CHANGE**

Fund 753 Health/Rx

- Current Employer Contribution = \$521.50 Per Employee Per Month (PEPM)
- Employer Contribution = **TBD**
- Employee Cost Share – **TBD**
- Fund Balance @ 6-30-25 = \$ 0.00
- Optimum Fund Balance¹ = \$6,600,000
- Est. Fund Balance @ 6-30-26 = **\$811,542**
- Cost Containment/Cost Sharing Strategies

¹Best Practice as established by Administration/Benefits Consultant = 3 Months of Claims Expenses

Revenue vs Expenses Projection for 25-26

	July 2025 - June 2026 Projected (July - Dec)	July 2025 - June 2026 Actuals (July - Feb)
2025-2026 Revenue & Expenses	Single Plan Model w/GLP-1 Tier	Single Plan Model w/GLP-1 Tier
2025-2026 Cost*	\$31,411,974	\$29,856,244
2025-2026 Revenue**	\$24,812,904	\$24,812,904
2025-2026 Rx Rebates	\$1,300,000	\$1,300,000
2025-2026 Stop Loss Reimbursements	\$1,100,000	\$1,396,381
2025-2026 Projected Shortfall +/-	<u>(\$4,199,070)</u>	<u>(\$2,346,959)</u>
Proposed Strategies	<u>\$1,842,500</u>	<u>\$1,535,418</u>
2026 Projected Shortfall (with adjustments) +/-	<u>(\$2,356,570)</u>	<u>(\$811,542)</u>

* 25-26 Cost based on Actuals from July 2025 to December 2025 (Includes Basic Term Life & EAP)

**25-26 Revenue based on Actuals from July 2025 to December 2025 (Includes \$55 PEPM Employer Increase)

Wellness Program

UHC Wellness Program

February Data:

Employee Count: 3034

Employee Participation: 869

Incentive paid \$58,674.50

28% Engagement

Information requested on any identifiable conditions

Funding is utilized by UHC credit allowances

Get in on UHC Rewards



Good news — your health plan comes with a way to earn up to \$300. UnitedHealthcare Rewards is included in your health plan at no additional cost. **The \$300 is a calendar-year benefit and is applicable only to employees enrolled in the District's Medical Basic Plan.**

There's so much good to get

With UHC Rewards, a variety of actions — including things you may already be doing, like tracking your steps or sleep — lead to rewards. The activities you go for are up to you, and your earnings can be put onto a digital Visa® gift card.

Here are just a few of the ways you can earn:

Take a health survey	\$15
Get an annual checkup	\$25
Connect a tracker	\$25
Get a cost estimate	\$20

Visit UHC Rewards for the full list of rewardable activities that are available to you.

Earn up to
\$300
including
\$20
today
when you activate
UHC Rewards

Savings Report

Telemedicine

Prior Group Utilization

2025 Member Savings:

2,638 visits * \$30.00 Plan Co-pay = \$79,140 annual savings for the member

2025 Plan Savings:

2,638 visits * \$119.00 allowable amount = \$313,922 annual savings for the plan

Contact Information:

1-855-6RECURO



Virtual Urgent Care

Recuro's Virtual Urgent Care solution offers 24/7 access to board-certified doctors, enabling patients and their families to quickly address common medical concerns with personalized, ongoing communication for follow-up care. This seamless, cost-effective service ensures expert guidance is just a touch away, providing a smoother and more accessible healthcare experience.

What's Included

- 24/7 Access
- Phone, Video, Mobile, Web, Desktop
- Primary Care Coordination

Service Highlights

- **24/7 Access:** Recuro physicians are available whenever patients need them, day or night. This ensures timely care for urgent medical concerns, reducing the need for in-person visits or emergency room trips.
- **Multi-Channel Options:** Live video and phone options let each patient receive care the way they like. These flexible options accommodate diverse patient preferences and make accessing care more convenient than ever.
- **HITRUST Certified:** HITRUST plays a crucial role in ensuring the highest level of IT protection for patient data through an in-depth systems analysis of Recuro's infrastructure, platform, and services.
- **Consult Transcription:** Consults can be recorded and transcribed, allowing patients continuous access to information. This feature helps patients review their care plans and share details with family or caregivers as needed.

Example Conditions Treated

- Acne / Rashes
- Allergies
- Cold / Flu / Cough
- GI Issues
- Ear Problems
- Fever / Headache
- Insect Bites
- Nausea / Vomiting
- Pink Eye
- Respiratory Issues
- UTI's / Vaginitis

\$0 Your Copay \$0/visit

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Welcome to Your Recuro Health Benefits

Recuro is pleased to welcome you to your custom Virtual Care Plan, bringing together leading in-network doctors and services to achieve your health and wellness goals. Recuro Health's virtual doctors diagnose and treat non-emergent medical conditions and prescribe medications when needed. Speak to a doctor from anywhere. Our virtual services are available whenever and wherever it's convenient for you on your preferred digital device.

How to Get Started

You will receive a Recuro Health Activation email. To get started please download the Recuro Care App and activate your account by setting up a login with your email activation information.

Activate Now

You can easily sign up through the app by scanning the QR Code here or visit member.recurohealth.com

Call 1-855-6RECURO

You can also call our phone number and get set up with an available representative 24/7.

Included Benefits

Virtual Urgent Care

Your Copay

\$0/visit

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Projections

26-27 Projected Cost	\$30,404,140.00
26-27 Projected Revenue (No Changes)	\$24,695,148.00
26-27 Rx Rebates	\$ 1,400,000.00
26-27 Projected Shortfall +/-(-)	\$ (4,308,992.00)

Funding Scenarios

Employer Adjustment Scale (PEPM)

\$25.00	\$ 908,700
\$50.00	\$ 1,817,400
\$75.00	\$ 2,726,100
\$100.00	\$ 3,634,800

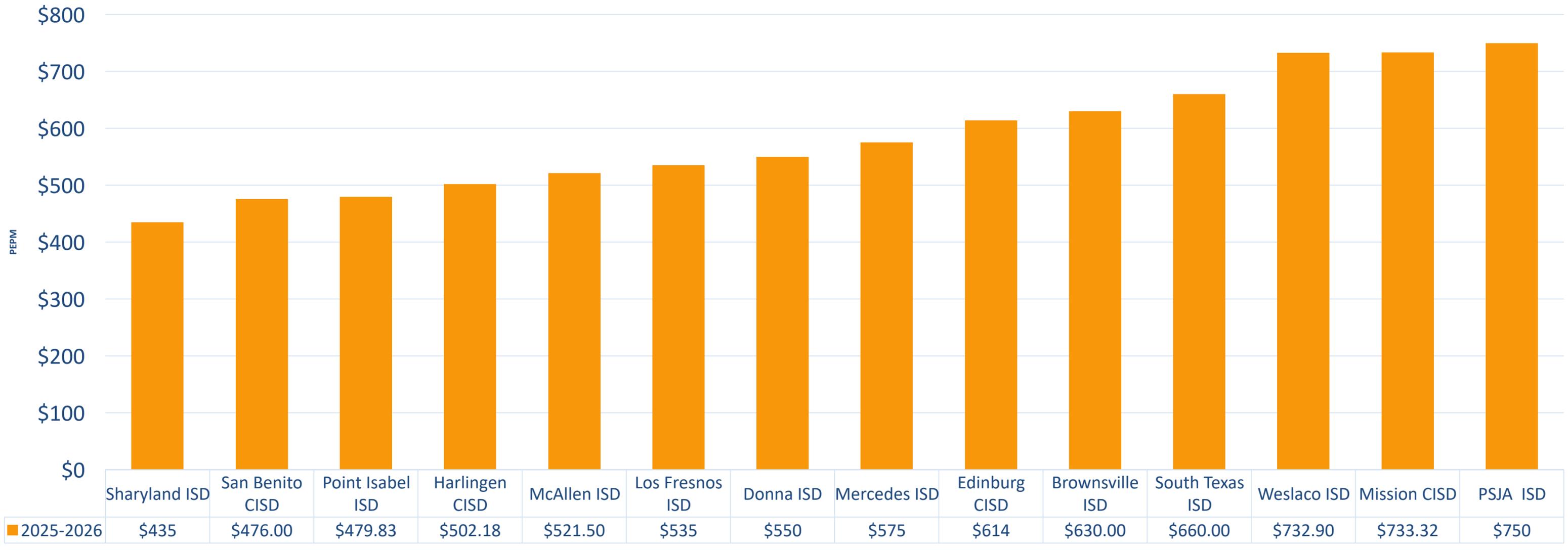
McAllen ISD Employer Contribution \$521.50 PEPM
 Average Employer Contribution \$585.00 PEPM
(Based off 13 Self Funded ISDs)

Current Census as of January 2026: 3029 members

District Contribution

2025-2026

Employer Contribution Comparison



Strategies Implemented

2025-2026 Strategies (6) months (January-June)

1. Moved to a Single Plan

Estimated Savings \$1,842,500

2. New Third Party Administrator

United Healthcare

3. Co-insurance Pharmacy Tier for GLP1

Estimated savings \$4,300 monthly, (6) months= \$25,800

Pharmacy Plan Changes

Exclude CVS from Pharmacy Network to Other Network Pharmacies

- Over the past several years, CVS has continually billed higher rates than other providers.
- They are now by far the highest cost provider in the network.
- The largest difference is in lower cost medications that represent a large percent of the domestic prescriptions.
- Eliminating CVS from the network and directing claims to non-CVS pharmacies would result in significant savings for MISD.
- Savings are calculated using the average cost of all other providers in the network vs CVS cost (inc. Walgreens).
- To minimize member disruption, reintroducing Walgreens to the pharmacy network is recommended.
- 95 of the 105 pharmacies in Hidalgo County would still be available to MISD members.

Potential Savings \$207,422

Direct Contracts

Direct Provider Contracts

(Claims will be adjudicated through UHC at a discounted copay and negotiated percentage of services provided)

- Imaging Centers
- Urgent Care Providers
- Physical Therapy Providers
- Primary Care Providers
- Outpatient/Inpatient Facilities

District has (2) Primary Care Contracts:

(Preventive Care Institute (PCI) and Center Primary Care & Wellness (PCW))

Negotiations:

- (3) Urgent Care Centers
- (2) Primary Care Facilities
- (2) Emergency Room Centers
- (2) Diagnostic Centers

Contract would be based on a negotiated fee schedule between the district & provider, normally at a discount in copay and at a 110% of Medicare costs for services provided. District would be invoiced directly from the provider. Members and their dependents will be eligible.

Hospital Services

Request for Information were sent out March 13, 2026. Outreach has been done to confirm receipt of invitation for discussions.

Request for Information (RFI) closes on April 16, 2026.

1. South Texas Health System
2. Doctor's Hospital at Renaissance
3. Cornerstone Regional Hospital

Recommendations

Strategy No.	Description	Impact	Balance
	Projected Plan Year 26-27 Shortfall		(\$4,308,992)
1.	Employer Contribution Increase (\$25 PEPM)	\$908,700	(\$3,400,292)
2.	Pharmacy Plan Changes (Network Shift)	\$207,422	(\$3,192,870)
3.	Direct Provider Contracting (Urgent Care, Imaging, Outpatient/Inpatient Facilities)	\$650,000	(\$2,542,870)
4.	2025-2026 Strategies (6) months	\$1,842,500	(\$700,370)
5.	Request for Information Hospital Services	TBD	

Cost/Savings Projections

26-27 Projected Cost	\$ 30,404,140.00
26-27 Projected Revenue (No Changes)	\$ 24,695,148.00
26-27 Rx Rebates	\$ 1,400,000.00
26-27 Projected Shortfall +/-(-)	<u>\$ (4,308,992.00)</u>
Employer/Employee Contributions	
Employee Adjustment	\$ 0.00 (None)
Employer Adjustment (\$25.00 PEPM)	\$ 908,700.00
26-27 Estimated Contribution	<u>\$ 908,700.00</u>
Plan Design Changes	
Pharmacy Plan Change (CVS Pharmacy)	\$ 207,422.00
Direct Provider Contracts (Urgent Care, Imaging)	\$ 650,000.00
2025-2026 Strategies (6) months	\$ 1,842,500.00
	<u>\$ 2,699,922.00</u>
26-27 Estimated Savings	
26-27 Adjusted Projected Shortfall +/-(-)	<u>\$ (700,370.00)</u>



Questions?