



BUDGET UPDATE

MAY 6, 2025

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Agenda

Legislative update

Budget reduction review

TASB compensation review

Food Service and Debt Service budgets

Calendar and next steps





Key Dates in Session

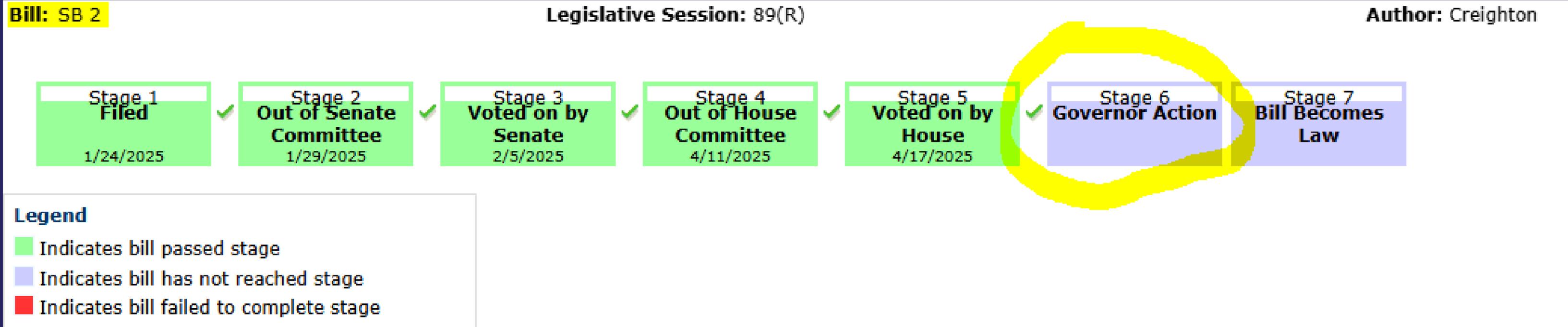


89th Legislative
Session

- **March 14:** Bill filing deadline
- **May 12:** Last day for House committees to report HB/HJR
- **May 16:** Last day for the House to vote out HB/HJR
- **May 24:** Last day for the House committees to report SB/SJR
- **May 28:** Last day for the House to vote out SB/SJR. Last day for the Senate to consider all bills/JR.
- **June 2:** Sine Die
- **June 22:** Last day the governor can sign or veto bills passed.

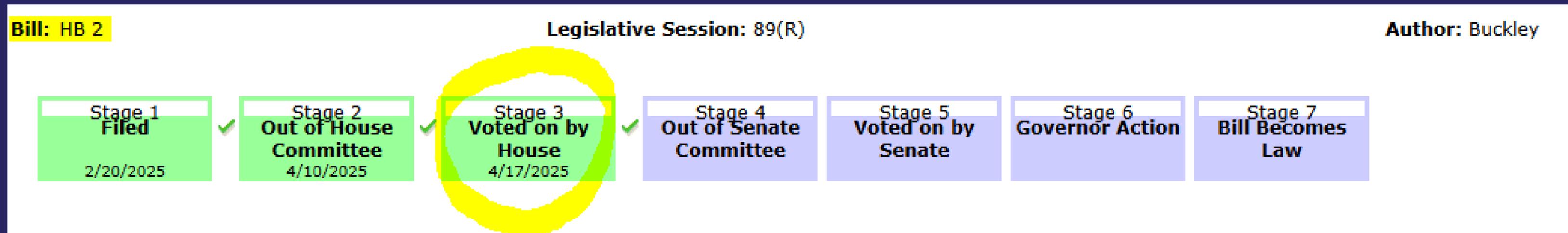
SENATE BILL 2: VOUCHERS

- SB 2 passed the House; the 85-63 vote was largely along party lines, with only 2 republicans voting against the voucher proposal (VanDeaver and Phelan).
- Senate Bill 2 is now on the Governor's desk for signing.
- Everytexan.org estimates Goose Creek CISD will lose nearly \$2 million.
- Students will begin accessing accounts in the 2026-2027 school year.



HOUSE BILL 2 - SCHOOL FINANCE

CAUTION: Budgets must be passed based on **current law**. This bill passed the House floor on 4/17, but has several more stages before it becomes law. Senate has expressed concerned over HB 2 price tag.

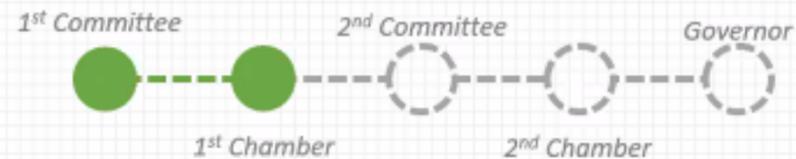


Legend

- Indicates bill passed stage
- Indicates bill has not reached stage
- Indicates bill failed to complete stage

HOUSE BILL 2 - SCHOOL FINANCE

Notable Bills | School Finance



As Engrossed



By Rep. Buckley

- Passed by Public Education committee 4/3 (13 ayes, 2 nays)
- Passed by House 4/17 144 ayes, 5 nays
- This is the only vehicle for increased school funding this session. Strong support from ISDs will strengthen House's position when negotiating with Senate.

HOUSE BILL 2 - SCHOOL FINANCE

ILLUSTRATION ONLY - Law has not yet passed

- Omar Garcia template unconfirmed revenue estimates could be up to \$13 million for GCCISD.
- Increases basic allotment from \$6,160 to \$6,555
- Bill stalled after passing House on 4/17

HOUSE BILL 2 - SCHOOL FINANCE

ILLUSTRATION ONLY - Law has not yet passed

Omar Garcia template - total revenue gain (rounded)	13,000,000
Minimum 40% must be spent on compensation	5,200,000
Minimum 75% of the 40% must be spent on Teachers, Nurses, Librarians	3,900,000
Minimum 25% of the 40% must be spent on non-admin compensation	1,300,000

2025-26 BUDGET SCENARIOS

2025-26 Budget Scenarios - **for Illustrative Purposes Only**

	2025-26 Scenario B (Current Law)	2025-26 Scenario C (HB2 Passes - but timing matters)
1 Projected Revenues	\$ 253,149,415	\$ 253,149,415
2 Estimated Expenditures (includes reductions)	(264,915,940)	(264,915,940)
3 Additional reductions of 55 positions	-	-
4 Pay Increase	(4,200,000)	(6,700,000)
5 TF from Capital Projects and Worker's Comp (EST ONLY)*	13,484,337	13,484,337
6 Revenues Over/(Under) Expenditures	(2,482,188)	(4,982,188)
7 Legislative funding increases (NOT GUARANTEED)	-	13,000,000
8 Revenues Over/(Under) Expenditures	(2,482,188)	8,017,812
9 Estimated Fund Balance 6/30/25	89,000,000	89,000,000
10 Estimated Fund Balance 6/30/26	86,517,812	97,017,812
11 Fund Balance Policy CE(LOCAL) 3 months' Exp Required	67,278,985	67,903,985

*One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.

Scenario B: was recommended by Board on 3/24/25; 2% General Pay Increase

NEW Scenario C: 3.5% Increase for Teachers, Nurses, Librarians, Other; 3% admin

2026-27 BUDGET IF HB2 FAILS

Future Budget Scenarios - for Illustrative Purposes Only

	2025-26 Scenario B (HB2 does not pass)**	2026-27 Scenario 1 (HB2 Does not pass)
1 Projected Revenues	\$ 253,149,415	\$ 253,149,415
2 Estimated Expenditures (includes reductions)	(264,915,940)	(269,115,940)
3 Additional reductions of 55 positions	-	-
4 Pay Increase***	(4,200,000)	(4,284,000)
5 TF from Capital Projects and Worker's Comp (EST ONLY)*	13,484,337	4,000,000
6 Revenues Over/(Under) Expenditures	(2,482,188)	(16,250,525)
7 Legislative funding increases (NOT GUARANTEED)	-	-
8 Revenues Over/(Under) Expenditures	(2,482,188)	(16,250,525)
9 Estimated Fund Balance 6/30/25	89,000,000	86,517,812
10 Estimated Fund Balance 6/30/26	86,517,812	70,267,286
11 Fund Balance Policy CE(LOCAL) 3 months' Exp Required	67,278,985	68,349,985

*One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.

**Scenario B for 2025-26 was recommended by Board on 3/24/25

***2% General Pay Increase in Scenario 1 for all

26-27 BUDGET IF HB2 PASSES BY JUNE 2ND

Future Budget Scenarios - for Illustrative Purposes Only

	2025-26 Scenario C (HB2 Passes early in year)	2026-27 Scenario 2 (HB2 Passes)**
Projected Revenues	\$ 253,149,415	\$ 253,149,415
Estimated Expenditures (includes reductions)	(264,915,940)	(271,615,940)
Additional reductions of 55 positions	-	
Pay Increase***	(6,700,000)	(4,284,000)
TF from Capital Projects and Worker's Comp (EST ONLY)*	13,484,337	4,000,000
Revenues Over/(Under) Expenditures	(4,982,188)	(18,750,525)
Legislative funding increases (NOT GUARANTEED)	13,000,000	13,000,000
Revenues Over/(Under) Expenditures	8,017,812	(5,750,525)
Estimated Fund Balance 6/30/25	89,000,000	97,017,812
Estimated Fund Balance 6/30/26	97,017,812	91,267,286
Fund Balance Policy CE(LOCAL) 3 months' Exp Required	67,903,985	68,974,985

*One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.

**Scenario 2: 2% General Pay Increase

***Scenario C: 3.5% Increase for Teachers, Nurses, Librarians and Other; 3% admin

-27 BUDGET IF HB2 PASSES AFTER JUNE 2ND

Future Budget Scenarios - **for Illustrative Purposes Only**

	2025-26 Scenario B becomes Scenario C (HB2 passes late in year)	2026-27 Scenario 2 (HB2 Passes)**
Projected Revenues	\$ 253,149,415	\$ 253,149,415
Estimated Expenditures (includes reductions)	(264,915,940)	(271,615,940)
Additional reductions of 55 positions	-	
Pay Increase***	(6,700,000)	(4,284,000)
TF from Capital Projects and Worker's Comp (EST ONLY)*	13,484,337	4,000,000
Revenues Over/(Under) Expenditures	(4,982,188)	(18,750,525)
legislative funding increases (NOT GUARANTEED)	13,000,000	13,000,000
Revenues Over/(Under) Expenditures	8,017,812	(5,750,525)
Estimated Fund Balance 6/30/25	89,000,000	97,017,812
Estimated Fund Balance 6/30/26	97,017,812	91,267,286
Fund Balance Policy CE(LOCAL) 3 months' Exp Required	67,903,985	68,974,985

One-time revenue sources are not recurring revenue sources and will not be available in future years. They are transfers from fund balance reserves.

* 2% General Pay Increase in Scenario 2

** Scenario B becomes Scenario C - must comply w/ HB2 regardless of timing; 3.5% pay increases for Teachers, Nurses, Librarians, Other; 3% for admin

DEBT SERVICE PROPOSED BUDGET

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND PROPOSED BUDGET
FISCAL YEAR 2025-2026

	2024-2025 Adopted Budget	2024-2025 Amended Budget	2024-2025 Estimated Actual	2025-2026 Proposed Budget	Proposed Increase (Decrease)	Percent + -
REVENUE:						
Current Tax Revenue	\$ 58,181,781	\$ 58,181,781	\$ 62,420,228	\$ 63,910,129	\$ 5,728,348	10%
Delinquent Tax Revenue	415,000	415,000	162,716	300,000	(115,000)	-28%
Tax Penalty and Interest	300,000	300,000	304,810	300,000	-	0%
Interest Revenue	750,000	750,000	1,315,604	750,000	-	0%
FSP HS Exemption Hold Harmless	500,000	500,000	4,150,467	4,000,000	3,500,000	700%
TOTAL REVENUES	60,146,781	60,146,781	68,353,825	69,260,129	9,113,348	15%
EXPENDITURES:						
Bond Principal Payments	32,335,000	32,335,000	32,335,000	26,097,560	(6,237,440)	-19%
Bond Interest Payments	21,633,474	21,633,474	22,331,874	26,037,513	4,404,039	20%
Other Fees	1,330,000	1,330,000	11,250	330,000	(1,000,000)	-75%
TOTAL EXPENDITURES	55,298,474	55,298,474	54,678,124	52,465,074	(2,833,400)	-5%
OTHER FINANCING SOURCES (USES):						
Other Resources (Uses)	-	-	-	-	-	
Other Resources (Uses)	-	-	-	-	-	
EXCESS (DEFICIENCY) REV OVER EXP	\$ 4,848,307	\$ 4,848,307	\$ 13,675,701	\$ 16,795,055	\$ 11,946,748	
FUND BALANCE:						
Unrestricted Fund Balance - Debt Service *	25,209,892	31,079,867	39,907,261	5,678,895	(19,530,997)	
Restricted Fund Balance - Bond Pmts	10,467,537	10,467,537	10,467,537	52,663,564	42,196,027	
Restricted Fund Balance - QZAB 2005A	-	-	-	-	-	
ESTIMATED FUND BALANCE, JUNE 30	\$ 35,677,429	\$ 41,547,404	\$ 50,374,798	\$ 58,342,459	\$ 22,665,030	

* Estimated Unrestricted Ending Fund Balance Represents 92% of Total Debt Service Expenditures

FOOD SERVICE PROPOSED BUDGET

**GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
FOOD SERVICE FUND PROPOSED BUDGET
FISCAL YEAR 2025-2026**

	<u>2024-2025 Adopted Budget</u>	<u>2024-2025 Amended Budget</u>	<u>2024-2025 Estimated Actual</u>	<u>2025-2026 Proposed Budget</u>	<u>Proposed Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
REVENUE:						
Local Revenue	2,300,000	2,300,000	2,333,882	2,300,000	-	0.0%
State Program Revenue	420,000	420,000	425,843	420,000	-	0.0%
Federal Program Revenue	12,530,000	12,530,000	12,573,034	12,820,500	290,500	2.3%
TOTAL REVENUE	<u>15,250,000</u>	<u>15,250,000</u>	<u>15,332,759</u>	<u>15,540,500</u>	<u>290,500</u>	<u>1.9%</u>
EXPENDITURES BY FUNCTION:						
35 - Food Services	19,292,481	20,934,641	12,284,065	21,682,836	2,390,355	12.4%
51 - Repair & Maintenance	1,036,515	1,050,442	400,231	1,955,913	919,398	88.7%
52 - Security & Monitoring Services	-	-	-	57,880	57,880	0.0%
TOTAL EXPENDITURES	<u>20,328,996</u>	<u>21,985,083</u>	<u>12,684,296</u>	<u>23,696,629</u>	<u>3,367,633</u>	<u>16.6%</u>
Excess - Revenue Over Expenditures	(5,078,996)	(6,735,083)	2,648,463	(8,156,129)	(3,077,133)	
Beginning Fund Balance	14,608,992	14,608,992	15,018,258	17,666,721	3,057,729	
Ending Fund Balance - Estimated	9,529,996	7,873,909	17,666,721	9,510,592	(19,404)	
Less: Committed for Capital Improvements ¹	-	-	-	-	-	
Fund Balance, Reserved for Food Service	<u>\$9,529,996</u>	<u>\$7,873,909</u>	<u>\$17,666,721</u>	<u>\$ 9,510,592</u>	<u>\$ (19,404)</u>	

BUDGET NEXT STEPS

- If we adopt compensation before HB2 passed, we run the risk of having to increase compensation on top of what was already approved ($2\% + 3.5\% = 5.5\%$).
- Even if bill passes late in summer special session, we still must comply with the law by 9/1.
- If HB2 does not officially become law prior to 5/6, the recommendation is to move compensation plan approval to 6/2 (sine die) or even as late as 6/16.

CALENDAR

2025-2026 BUDGET CALENDAR

	DATE	DESCRIPTION	ACTIVITY
MAY	6	Board Agenda Item: Board Budget Update	Discuss Compensation Plan, General Fund, Debt Service, and Food Service
	7	Budget Meeting - HR, Finance	
JUNE	2	Board Agenda Item: Board Budget Update	Board Action: Approve 2024 Compensation Plan - notify TASB; General Fund, Debt Service, and Food Service
	6	Publish Notice of Public Hearing	Publish Notice of Public Hearing at least 10 days prior to public hearing
	11	TASB	Send employee data/pay plans in Excel and Pay system procedure revisions (so HR has time to enter in teams by 6/17/24 for payroll trials.)
	17	HR to enter Compensation Plan in TEAMS	HR to have Compensation Plan data entered into TEAMS for Payroll trials.
	16	Public Hearing & Adoption of Budget	Board Action: The district will hold a public hearing on the proposed 2025-26 budget and Board will consider budget adoption



COMPENSATION 2025-2026



MODEL 1: 2% INCREASE

- Starting teacher pay would increase from \$63,500 to \$64,475.
- Equity adjustments are applied if certain groups are significantly below market midpoint.
- Total cost for a 2% increase is **\$4,163,545.**

GOOSE CREEK CISD

Estimated Costs of Recommendations

These estimates are based on employee pay data collected at the beginning of the pay study and are reflective of a snapshot in time.

Goose Creek CISD

Summary of Cost Estimates, 2025-2026

Model 1

2.0% GPI

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2024-2025 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$64,475 starting salary	1,612		\$2,225,410		\$110,660,445
^{1c} General pay increase - 2.0% (\$1,375)		1,612	\$2,225,410	2.0%	
Administrative/Professional					
Administrative/Professional	384		\$745,305		\$34,416,594
^{1b} General pay increase - 2.0% of pay range midpoint		384	\$723,084	2.1%	
Adjustments - teacher pay equity		16	\$22,221	0.1%	
Clerical/Paraprofessional					
Clerical/Paraprofessional	754		\$516,256		\$20,962,108
^{1c} General pay increase - 2.0% of pay range midpoint		740	\$446,035	2.1%	
General pay increase - 2.0% to employees over range max		14	\$7,446	0.0%	
Adjustments - 1.0% above pay range minimum		8	\$400	0.0%	
Adjustments - placement scale		175	\$62,375	0.3%	
Manual Trades					
Manual Trades	765		\$565,076		\$21,236,012
^{1c} General pay increase - 2.0% of pay range midpoint		754	\$464,269	2.2%	
General pay increase - 2.0% to employees over range max		11	\$4,132	0.0%	
Adjustments - 1.0% above pay range minimum		1	\$312	0.0%	
Adjustments - placement scale		385	\$96,363	0.5%	
Police					
Police	53		\$111,498		\$2,043,410
^{1c} General pay increase - 2.0% of pay range midpoint		52	\$44,107	2.2%	
General pay increase - 2.0% to employees over range max		1	\$790	0.0%	
Adjustments - 1.0% above pay range minimum		2	\$4,512	0.2%	
Adjustments - placement scale		19	\$62,089	3.0%	
Subtotal - General Pay Increase	3,568	3,568	\$3,915,273	2.1%	
Subtotal - Implementation/Equity Adjustments		606	\$248,272	0.1%	
Total Cost Estimate			\$4,163,545	2.2%	\$189,318,569

Footnotes:

^{1b} Pay increases were applied to all employees, including those at or above the maximum rate.

^{1c} Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.

MODEL 2: 3% INCREASE

- Starting teacher pay would increase from \$63,500 to \$65,150.
- Equity adjustments are applied if certain groups are significantly below market midpoint.
- Total cost for a 3% increase is **\$6,013,876.**

GOOSE CREEK CISD

Goose Creek CISD Summary of Cost Estimates, 2025-2026

Model 2
3.0% GPI

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2024-2025 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$65,150 starting salary	1,612		\$3,317,989		\$110,660,445
^{1c} General pay increase - 3.0% (\$2,050)		1,612	\$3,317,989	3.0%	
Administrative/Professional					
^{1b} General pay increase - 3.0% of pay range midpoint		384	\$1,084,670	3.2%	
Adjustments - teacher pay equity		16	\$20,713	0.1%	
Clerical/Paraprofessional					
^{1c} General pay increase - 3.0% of pay range midpoint		739	\$666,753	3.2%	
General pay increase - 3.0% to employees over range max		15	\$12,676	0.1%	
Adjustments - placement scale		50	\$37,813	0.2%	
Manual Trades					
^{1c} General pay increase - 3.0% of pay range midpoint		751	\$689,660	3.2%	
General pay increase - 3.0% to employees over range max		14	\$8,691	0.0%	
Adjustments - placement scale		85	\$49,722	0.2%	
Police					
^{1c} General pay increase - 3.0% of pay range midpoint		52	\$66,869	3.3%	
General pay increase - 3.0% to employees over range max		1	\$1,206	0.1%	
Adjustments - 1.0% above pay range minimum		2	\$3,168	0.2%	
Adjustments - placement scale		16	\$53,946	2.6%	
Subtotal - General Pay Increase	3,568	3,568	\$5,848,514	3.1%	
Subtotal - Implementation/Equity Adjustments		169	\$165,362	0.1%	
Total Cost Estimate			\$6,013,876	3.2%	\$189,318,569

Footnotes:

^{1b} Pay increases were applied to all employees, including those at or above the maximum rate.

^{1c} Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.

MODEL 3: 4% INCREASE

- Starting teacher pay would increase from \$63,500 to \$65,850.
- Equity adjustments are applied if certain groups are significantly below market midpoint.
- Total cost for a 4% increase is **\$7,908,329**.
- **TLN Cost is \$4,450,819 at 4%.**

GOOSE CREEK CISD

Goose Creek CISD Summary of Cost Estimates, 2025-2026

Model 3
4.0% GPI

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2024-2025 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$65,850 starting salary	1,612		\$4,450,819		\$110,660,445
^{1c} General pay increase - 4.0% (\$2,750)		1,612	\$4,450,819	4.0%	
Administrative/Professional					
Administrative/Professional	384		\$1,465,958		\$34,416,594
^{1b} General pay increase - 4.0% of pay range midpoint		384	\$1,446,316	4.2%	
Adjustments - teacher pay equity		16	\$19,642	0.1%	
Clerical/Paraprofessional					
Clerical/Paraprofessional	754		\$929,672		\$20,962,108
^{1c} General pay increase - 4.0% of pay range midpoint		735	\$885,921	4.2%	
General pay increase - 4.0% to employees over range max		19	\$18,612	0.1%	
Adjustments - placement scale		30	\$25,139	0.1%	
Manual Trades					
Manual Trades	765		\$962,499		\$21,236,012
^{1c} General pay increase - 4.0% of pay range midpoint		745	\$915,888	4.3%	
General pay increase - 4.0% to employees over range max		20	\$14,752	0.1%	
Adjustments - placement scale		58	\$31,859	0.2%	
Police					
Police	51		\$99,381		\$1,976,525
^{1c} General pay increase - 4.0% of pay range midpoint		50	\$83,591	4.2%	
General pay increase - 4.0% to employees over range max		1	\$1,602	0.1%	
Adjustments - placement scale		7	\$14,188	0.7%	
Subtotal - General Pay Increase	3,566	3,566	\$7,817,501	4.1%	
Subtotal - Implementation/Equity Adjustments		111	\$90,828	0.0%	
Total Cost Estimate			\$7,908,329	4.2%	\$189,251,684

Footnotes:

^{1b} Pay increases were applied to all employees, including those at or above the maximum rate.

^{1c} Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.

MODEL 4: 4.5% INCREASE

- Starting teacher pay would increase from \$63,500 to \$66,150.
- Equity adjustments are applied if certain groups are significantly below market midpoint.
- Total cost for a 4.5% increase is **\$8,802,837**.
- **TLN Cost is \$4,936,279 at 4.5%.**

GOOSE CREEK CISD

Goose Creek CISD Summary of Cost Estimates, 2025-2026

Model 4
4.5% GPI

	Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2024-2025 Current Costs
Teachers, Librarians, and Nurses (RN)					
\$66,150 starting salary	1,612		\$4,936,279		\$110,660,445
^{1c} General pay increase - 4.5% (\$3,050)		1,612	\$4,936,279	4.5%	
Administrative/Professional					
Administrative/Professional	384		\$1,645,123		\$34,416,594
^{1b} General pay increase - 4.5% of pay range midpoint		384	\$1,626,750	4.7%	
Adjustments - teacher pay equity		13	\$18,373	0.1%	
Clerical/Paraprofessional					
Clerical/Paraprofessional	754		\$1,042,309		\$20,962,108
^{1c} General pay increase - 4.5% of pay range midpoint		734	\$999,473	4.8%	
General pay increase - 4.5% to employees over range max		20	\$22,240	0.1%	
Adjustments - placement scale		25	\$20,596	0.1%	
Manual Trades					
Manual Trades	765		\$1,071,015		\$21,236,012
^{1c} General pay increase - 4.5% of pay range midpoint		745	\$1,028,114	4.8%	
General pay increase - 4.5% to employees over range max		20	\$18,299	0.1%	
Adjustments - placement scale		40	\$24,602	0.1%	
Police					
Police	51		\$108,111		\$1,976,525
^{1c} General pay increase - 4.5% of pay range midpoint		50	\$93,824	4.7%	
General pay increase - 4.5% to employees over range max		1	\$1,789	0.1%	
Adjustments - placement scale		6	\$12,498	0.6%	
Subtotal - General Pay Increase	3,566	3,566	\$8,726,768	4.6%	
Subtotal - Implementation/Equity Adjustments		84	\$76,069	0.0%	
Total Cost Estimate			\$8,802,837	4.7%	\$189,251,684

Footnotes:

^{1b} Pay increases were applied to all employees, including those at or above the maximum rate.

^{1c} Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.

POSSIBLE COMPENSATION SCENARIOS

- 2% ACROSS THE BOARD = **\$4,163,545**
- 3% ACROSS THE BOARD = **\$6,013,876**
- 4% ACROSS THE BOARD = **\$7,908,329**
- 4.5% ACROSS THE BOARD = **\$8,802,837**

- 3.5% FOR TNL AND OTHER; 3% FOR ADMIN
 - TNL = \$3,900,000
 - OTHER NON-ADMIN STAFF = \$1,700,000
 - ADMIN = \$1,100,000
 - TOTAL = **\$6,700,000**

CONSIDERATIONS ON DIFFERENTIATED RAISES (3% & 3.5%)

PROS:

- **COMPLIANCE WITH LEGISLATIVE MANDATES**
 - ALIGNS WITH STATE REQUIREMENTS TO ALLOCATE A SPECIFIC PORTION OF FUNDING TO CLASSROOM INSTRUCTION
- **FOCUS ON RECRUITMENT & RETENTION OF CRITICAL ROLES**
- **IMPROVED STAFF MORALE FOR HIGH-DEMAND ROLES**
- **SUPPORTS BUDGETARY CONCERNS**

CONSIDERATIONS ON DIFFERENTIATED RAISES (3% & 3.5%)

CONS:

- **PERCEIVED INEQUITY AMONG STAFF**
 - MAY CAUSE RESENTMENT AMONG OTHER EMPLOYEES WHO FEEL THEIR CONTRIBUTIONS ARE UNDERVALUED.
- **COMMUNICATION CHALLENGES**
 - REQUIRES CLEAR EXPLANATION TO AVOID MISINFORMATION OR ASSUMPTIONS OF FAVORITISM.
- **HARDER TO SUSTAIN DIFFERENTIALS**
 - COULD CREATE PAY COMPRESSION FOR CERTAIN POSITIONS, LEADING TO ADDITIONAL EQUITY ADJUSTMENTS

Thank you!

