Payroll Creep Proposal

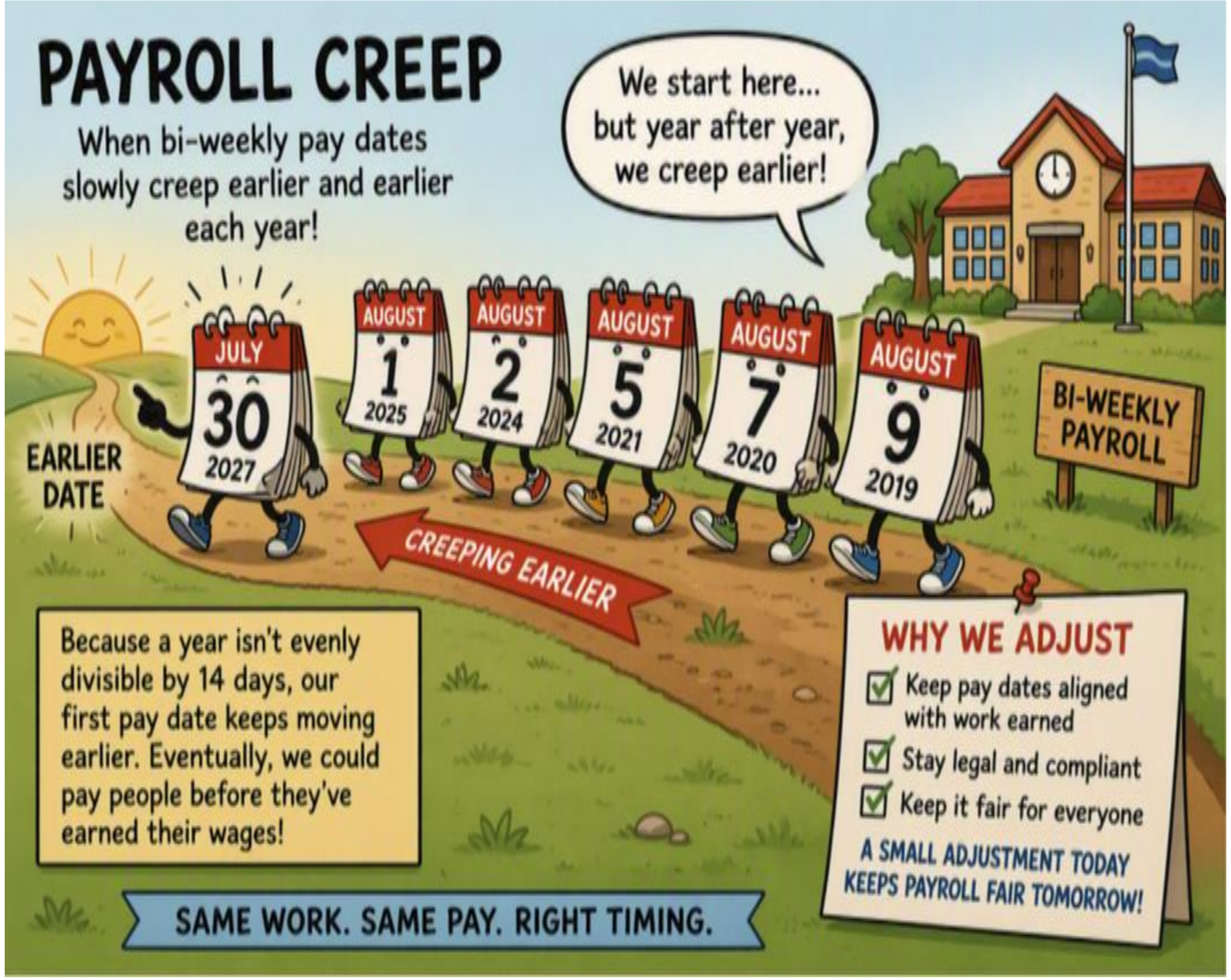
Same Work. Same Pay. Right Timing.

No Loss of Pay . No Salary Reduction . 10 Months to Prepare

Understanding a Payroll Schedule Adjustment

Definition

Payroll creep occurs because employees are paid biweekly, or every 14 days, but a calendar year is not evenly divisible into 14-day pay periods. Over time, the first payroll of each school year moves earlier and earlier. Eventually, employees could be paid before all corresponding workdays have been completed, requiring the district to adjust the payroll schedule.



Why are We Discussing this Now?

- Payroll Creep occurs naturally in bi-weekly payroll systems and must occasionally be corrected.
- We are providing notice 10 months in advance so employees have time to plan
- No employee will lose salary
- No employee's contract amount is changing

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Payroll Creep Dates

In 11 years, the first payroll has shifted 10 calendar days earlier.

Contract School Year	First Teacher Working Day	First Pay of the New Contract
2016-2017	July 25, 2016	August 5, 2016
2017-2018	July 24, 2017	August 4, 2017
2018-2019	July 30, 2018	August 3, 2018
2019-2020	**July 29, 2019**	**August 9, 2019**
2020-2021	July 27, 2020	August 7, 2020
2021-2022	July 26, 2021	August 6, 2021
2022-2023	July 25, 2022	August 5, 2022
2023-2024	July 24, 2023	August 4, 2023
2024-2025	July 26, 2024	August 2, 2024
2025-2026	July 25, 2025	August 1, 2025
2026-2027	**July 27, 2026**	**July 31, 2026**
2027-2028	**July 26, 2027**	**July 30, 2027**

Pushed pay date back 1 week in 2019

Ran payroll on July 28th, 2026

Reason for Adjustment

- Without adjustments, employees will be paid before they have earned their wages.
- Without adjustments, some employees may be overpaid (if paid before work is done).
- Adjusting payroll date creep is essential to keep school payroll legal, fair, and aligned with contracts and regulations.
- Periodic adjustments are a normal part of bi-weekly payroll systems.

Options Considered

1. Semi Monthly (5^{th} & 20^{th}) with Transition Year
2. Divide Contract Over 27 pays
3. Push All Pay Dates Out One (1) Week (Similar to fall 2019)
4. Skip a Pay

1. Semi-Monthly (5th & 20th) with Transition Year

PROS	CONS
Fixes issue indefinitely	Last paycheck for 26-27 pushed to 7/20/2027 (18 days between last pay instead of 14 days)
Fixed pays (2 pays per month)	No 3-pay months
Larger amount on paycheck	Culture shift on when employees receive paycheck
Annual salary stays the same	
Efficient benefit processing	
Everyone on same pay schedule	

2. Divide contract over 27-pays

PROS	CONS
Fixes issue for 10-12 years	Less pay per paycheck for an entire year
Administratively efficient	Teacher – average reduction per pay $100-$130
Clear to explain to employees	Address issue again 10-12 years
Does not skip a pay	
Annual salary stays the same	

Start 1st pay (July 30, 2027) of 2027-28 school year and last pay (July 28,2028)

3. Push all pay dates out one (1) week (Similar to fall 2019)

PROS	CONS
Paycheck stays the same	3-weeks between pays
Only impacts one pay	Does not impact payroll creep dates enough – would have to do again within approximately five to six years
Annual salary stays the same	

4. Skip a pay

PROS	CONS
Administratively most efficient	Teachers would not be paid for month during the transition period.
Only one pay is impacted for employees	Difficult to explain to employees
Hourly employees not impacted	
Annual salary stays the same	

Start by skipping 1st pay of 2027-28 school year (July 30, 2027)

Administration Recommendation

- Option 1 (Semi Monthly 5th & 20th) with Transition Year
- Reasons
    1. Most equitable for employees.
    2. Provides indefinite solution.
    3. Minimizes disruption.
    4. Provides employees 10 months to prepare.

Annual Pay Comparison

- 2026-2027 – $65,000/26=$2500 per pay
- 2027-2028 – $65,000/25=$2600 per pay (Transition Year)
- 2028-2029 – $65,000/24=$2708 per pay

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Payroll Creep FAQ

- Am I losing money?
  - No.
- Will my annual contract change?
  - No.
- Why can't we leave the system as it is?
  - Payroll dates continue moving earlier each year.
- Has this happened before?
  - Yes. A similar adjustment occurred in 2019.
- How much notice will employees receive?
  - Approximately 10 months.
- Can I adjust my direct deposits and deductions before implementation?
  - Yes.

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Questions & Feedback

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SCHOOL FUNDING
EFFECTIVE JANUARY 1, 2019