

Response to Questions on the FY 2017 Budget

Request By: Supervisor Herrity

Question: Please provide a detailed breakdown of the fringe benefit cost by employee type similar to the analysis done by WABE for teachers <http://www.fcps.edu/fs/budget/wabe/2015.pdf> page 46. Include all cost of benefits provided by the school system. Also include an estimate cost for the vacation, sick leave and holiday benefits provided as a part of compensation package where applicable.

Response: The following response was prepared by Fairfax County Public Schools (FCPS):

The employer benefit cost is comprised of two types of costs: salary sensitive and non-salary sensitive. Salary sensitive benefits, the largest portion of benefit costs, are based on a set percentage of the employee's salary and include social security and retirement contributions. Therefore, the fringe benefit cost will be fairly consistent across all employee types. Health costs are non-salary sensitive and are dependent on whether an employee has elected to take health care and which plan and coverage option is chosen. Therefore, the lower an employee's salary, the higher the health care cost will be as a percentage of salary. Other benefits costs, such as annual and sick leave, as well as paid holidays, are largely dependent on the employee's position classification/contract length.

The chart on the following page shows two position types with a hypothetical average annual salary of \$65,000 and using FY 2016 benefit rates. The majority of FCPS' workforce are employed in 10 and 11 month positions, and do not accrue annual leave. Employees who work a full twelve-month schedule accrue annual leave beginning with thirteen days per year in the first year of service, reaching a maximum of twenty-six days per year after the thirteenth year of service.

The 12-month contracts include paid holidays and these days are incorporated in the hourly rate for this group of employees. A different methodology is used to reflect 10 and 11-month contracts. These contracts report on the number of days employees are required to report to work; however, the base on which the hourly rate is calculated is reduced, thereby increasing the hourly rate for employees on 10 and 11-month contracts. Less than 12-month employees may use up to five days of their sick leave as personal leave.

	VRS Eligible Employee Teacher (10 month employee)			FCERS Eligible Employee Skilled Trades Supervisor (12 month employee)		
	Salary sensitive benefits (% of salary)	Non-salary sensitive benefits	Total Cost	Salary sensitive benefits (% of salary)	Non-salary sensitive benefits	Total Cost
Annual Salary			\$65,000			\$65,000
Benefits (Employer Contribution)						
Social Security	7.65%		\$4,973	7.65%		\$4,973
VRS Retirement	14.06%		\$9,139	N/A		
VRS Retiree Health Credit	1.06%		\$689	N/A		
ERFC	5.60%		\$3,640	N/A		
FCERS	N/A		N/A	21.99%		\$14,294
Basic Life Insurance ¹	0.87%		\$566	0.20%		\$130
Health Insurance		\$11,168	\$11,168		\$11,168	\$11,168
Dental Insurance		\$847	\$847		\$847	\$847
Paid Time Off						
Short Term Disability	0.303%		\$197	0.303%		\$197
Long Term Disability	100% employee paid			100% employee paid		
Annual Leave ²	Annual leave not provided to 10 month employees.			Annual leave used is included in annual salary.		
Sick Leave	Sick leave used is included in annual salary.			Sick leave used is included in annual salary.		
Holidays				12 days/yr. Included in annual salary.		
Total Benefits (as % of salary)	29.543%	18.48%³	48.028%	30.143%	18.48%³	48.623%
Total Benefits (in \$)	\$19,203	\$12,015³	\$31,218	\$19,593	\$12,015³	\$31,608
Total Salary and Benefits			\$96,218			\$96,608

1. VRS basic life rates pay for employee coverage and pre-fund retiree coverage.

2. Annual leave is accrued by 12 month employees based on length of service. Leave accrual begins at 13 days per year, and increases by 1 day per year until reaching the maximum accrual of 26 days per year.

3. The cost for non-salary sensitive benefits will vary according to employee election; the above examples assume election of family health and dental coverage. The percent of salary is provided for illustrative purposes and will vary according to employee election and annual salary.