

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: For years 2011 through 2014, what is the assumed attrition rate used by FCPS? For each of the fiscal years, what is the total savings realized under the assumed attrition rate (estimated and actual)? How are these savings reflected in the FCPS budget documents? For years 2011 and 2012, what was the actual attrition rate and savings?

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

Fairfax County Public Schools (FCPS) manages compensation, employee salary and benefit accounts, centrally. Position salary and benefit budgets are managed on behalf of all schools and departments by Financial Services. As a result, savings generated from both turnover and vacant positions produce systemwide savings.

Position turnover represents the savings realized when experienced employees retire or leave the system and are replaced by workers with less experience, who earn a lower salary. In the FY 2014 Advertised Budget, turnover was budgeted at \$27.5 million. Position vacancy is savings due to position vacancies anticipated throughout the year. In the FY 2014 Advertised Budget, vacancy savings are budgeted at \$13.7 million.

Schools and departments are given hiring authority based on position counts and types. For example, when a school has an experienced teacher retire, the school is allocated one teacher position to fill. Financial Services automatically reduces the school's budget for salaries and benefits for the next year based on the turnover impact of the school hiring the new teacher resulting in savings for the following year.

In addition to the budgeted turnover and vacancy that FCPS projects to occur during the year, FCPS reduced the compensation base budget in the FY 2014 Advertised Budget by \$38.5 million to reflect two changes: recurring position turnover from FY 2013 and a reduction in the salaries used to budget for positions vacant at the time of budget preparation. When combined with FCPS' budgeted savings for turnover and vacancy during FY 2014 of \$41.3 million, this results in a combined budget savings of \$79.8 million or 3.5 percent. This methodology results in a more current salary base which takes into account the prior year's lapse savings and more accurately reflects the actual current salaries of active employees each year when the budget is developed.