



County of Fairfax, Virginia

MEMORANDUM

DATE: April 23, 2018
TO: Board of Supervisors
FROM: Joseph M. Mondoro, Chief Financial Officer
SUBJECT: Responses to BOS Budget Questions – Package 12

Attached for your review is Package 12 of responses to Board questions on the FY 2019 budget. If you have any questions or need additional information, please do not hesitate to contact me. The following responses are included in this package:

Question Number	Question	Supervisor	Pages
67	Schools: Please provide additional detail on the compensation plan in the FCPS FY 2019 Advertised Budget.	Foust	242 -244

If you have any questions, please let me know.

Attachment

cc: Bryan J. Hill, County Executive
Tisha Deeghan, Deputy County Executive
David J. Molchany, Deputy County Executive
David M. Rohrer, Deputy County Executive
Robert A. Stalzer, Deputy County Executive

Response to Questions on the FY 2019 Budget

Request By: Supervisor Foust

Question: Please provide additional detail on the compensation plan in the FCPS FY 2019 Advertised Budget.

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

There have been several questions over the past few days about details of the compensation plan in the FCPS FY19 Advertised Budget. For teachers, funds are budgeted for a scale enhancement and step increases averaging 6.4%. A market scale adjustment (MSA) for teachers was included in the scale enhancement so no additional percentage is needed. Non-teacher increases include movement to the new scale, step increases and an MSA with overall increases ranging from 6.6% on Schedule A (custodians, office assistants and trades) to 2.7% for Schedule H (contracted hourly employees such as bus drivers and food service workers). Schedule C, which reflects both school-based and non-school-based administrators will see an increase of 4.1% and 3.7% respectively.

FY19 Salary Increases

Below is a matrix which provides a distribution by scale of each component of the compensation package. The County's compensation package information is also displayed below for reference.

<u>FY 2019 Pay Summary</u>	Teacher	Schedule A	Schedule B	Schedule C (SB Admin)	Schedule C (NSB Admin)	Schedule H	CIS
Employee Group Components	Licensed Teaching Staff	Overtime eligible positions such as custodians, office assistants, and trades/facilities personnel	Professional level positions such as social workers, psychologists, analysts, and specialists	School leadership positions such as principals, assistant principals, and directors of student services/activities	Senior management positions such as department coordinators, directors, executive principals	Contracted Hourly Employees such as bus drivers, food service workers and parent liaisons	Instructional Support such as instructional assts, public health attendants
Market Scale Adjustment	part of scale imp	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Average New Scale Implementation*	3.86%	2.31%	2.30%	1.19%	1.01%	FY18 imp	FY18 imp
Average Step (Schools)	2.52%	3.27%	2.96%	1.92%	1.73%	1.70%	2.83%
Average Increase	6.38%	6.58%	6.26%	4.11%	3.74%	2.70%	3.83%

* Schedule H and Schedule CIS implemented in FY18

<u>FY 2019 Pay Summary</u>	General County	Uniformed Public Safety
Market Scale Adjustment	2.25%	2.25%
Average New Scale Implementation*	0.00%	0.00%
Performance/Longevities (County)	2.00%	2.25%
Average Increase	4.25%	4.50%

Misinterpretation of 28-38% Scale Change

It should be noted that the Compensation Study presentation included a bullet indicating that the new Schedule C design “eliminates unused portions of the scale—raises the minimum pay by 28%-38%.” This bullet has been widely misinterpreted. The 28-38% increase refers to the change in the current minimum of the old unified scale to the new minimum of the Schedule C salary scale. This does not refer to a change in salary for any employees. Further, only two school-based elementary assistant principals are receiving greater than 10% due to their salaries being well below the market defined as 95-105% of the comparator groups’ salaries for elementary assistant principals. It should be noted that all elementary assistant principals fall into this grade on Schedule C (as discussed at the July 2016 School Board budget work session), but these two employees were the furthest away currently, resulting in a greater than usual salary increase to place them on the new scale.

FY19 Advertised Budget

The FY 2019 Advertised Budget includes three compensation components:

- a step increase for eligible employees at a cost of \$43.9 million;
- \$53.1 million to accelerate the enhancement of the teacher salary scale including the MSA; and
- placeholder funding of \$17.9 million to implement the placement of non-teachers on the Schedules A, B and C, plus an MSA of 1% for all non-teachers (Schedules A, B, C, H and CIS).

To be clear, the \$17.9 million placeholder budget covers the cost of providing a MSA for classroom instructional support (Schedule CIS), Schedule H scales (implemented in FY 2018) and hourly employees, as well as Schedules A, B and C under discussion.

Salary Schedule	Position Types	Scale Implementation (\$ in millions)	# of Employees Impacted	Average Overall % (Scale placement, MSA)
Schedule A	Overtime eligible positions such as custodians, office assistants, and trades/facilities personnel	\$4.40	3,498	6.58%
Schedule B	Professional level positions such as social workers, psychologists, analysts, and specialists	\$3.30	1,396	6.26%
Schedule C (school-based administrators only)	School leadership positions such as principals, assistant principals, and directors of student services/activities	\$1.00	677	4.11%
Schedule C (excluding school-based administrators)	Senior management positions such as department coordinators, directors, executive principals	\$0.30	194	3.74%
Scale Implementation Subtotal		\$9.00	5,765	
Market Scale Adjustment	To be applied to Schedule A, Schedule B, Schedule C, Schedule H, Classroom Instructional Support, and hourly	\$8.90		1% (included in the percentages above)
TOTAL		\$17.90		

Background

Fairfax County Public Schools (FCPS) has been conducting a compensation study to identify and implement a compensation structure that attracts and retains qualified employees. The study is a key piece of the FCPS Strategic Plan's Goal 3, Premier Workforce which aims to recruit and retain high quality employees who are valued, respected, and rewarded for their efforts, and ensure that FCPS maintains a competitive compensation package.

To date, pay schedules have been recommended for the following employees groups:

- Teachers, July 2016
- School-based Administrators, July 2016 (the majority of Schedule C)
- Classroom Instructional Support employees, December 2016 (Schedule CIS)
- Contracted hourly employees: Unified Scale – Schedule, April 2017 (Schedule H)

The remaining positions are currently placed on the Unified Scale and are composed of over 800 position titles covering approximately 5,000 employees, both school-based and non-school based. A recommendation to divide the current Unified Scale into three pay schedules was initially presented to the School Board at the April 20, 2017 work session. Plans for Schedules A, B and the remainder of Schedule C was presented to the School Board on Thursday April 19, 2018.

As was the case with the teachers' schedule, the key aspects of the approach are as follows:

- The scales have greater alignment with the market with a target of being within 95-105% of the market.
- Similar to the redesigned teacher scale, each of these schedules has fewer steps than the current Unified Scale, with higher percentage increases in the earlier steps.
- Additionally, each proposed schedule eliminates the hold and longevity steps at the end of the scale.
- The midpoint of the proposed salary schedules is reached at least one year earlier and the scale continues the methodology of providing annual pay steps to acknowledge longevity of service.