

# Preliminary FY 2019 Employee Compensation Overview

School Board Work Session

*September 21, 2017*



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# Essential Questions

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1. What are Step Increases and Market Rate Adjustments?
2. What are the primary considerations in choosing between these pay raise actions?
3. What types of raises have been issued by ACPS and surrounding divisions in recent years?
4. How do current ACPS Teacher salaries compare to surrounding school divisions?
5. How would Step Increases and Market Rate Adjustments impact employee salary next year?

# Comparisons of Pay Action Types



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# Definitions of Pay Actions

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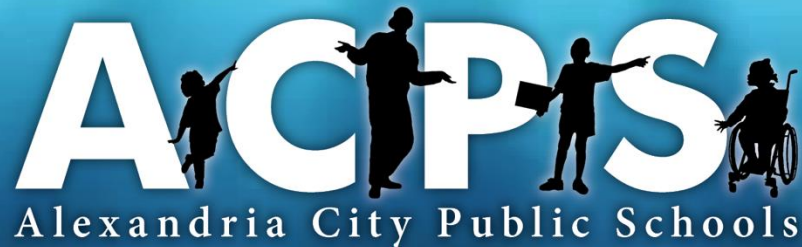
Type of Pay Action	Description
Step Increase	<ul style="list-style-type: none"><li>• Employees move up one step on their current pay scale (unless they are already at the top of their scale).</li><li>• No changes are made to the actual pay scale.</li></ul>
Market Rate Adjustment (MRA)	<ul style="list-style-type: none"><li>• The salary at each step of each scale is increased by a set percentage.</li><li>• Employees remain at their current step on the pay scale.</li></ul>
One-Time Payment (Bonus)	<ul style="list-style-type: none"><li>• Employees receive a lump-sum payment at a single point in the fiscal year (typically December).</li><li>• For the past three years, the Board has budgeted this for employees that would not otherwise receive a raise because they were moving to a hold step or were already at the top of their scale.</li></ul>

# Market Rate v. Step Increase Comparison

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Consideration	Step Increase	Market Rate Adjustment
Which Employees Receive Raises?	87% of all currently-staffed employees receive raises (2,077/2,388) including: <ul style="list-style-type: none"> <li>• 90% of teachers (1,369/1,517).</li> <li>• 81% of non-teacher employees (708/871).</li> </ul>	All employees receive the same 2.63% raise.
What are the Ranges of Employee Raises?	Raises range from 0.0% to 5.1% based on their current scale placement.	All employees receive the same 2.63% raise.
How does this impact employees at the Bottom/Top of Scale and New Employees	Raises do not apply to new employees entering at Step 1 or employees at hold steps or at the top of their scales.	Impacts all employees equally including employees that are new to ACPS.
What are the comparative costs to the School Division?	The average raise from a Step Increase for FY 2019 would be ~ 2.63%.	The Market Rate Adjustment used for comparisons throughout this presentation is 2.63% which was purposely calculated to equal the average Step Increase.

# Recent Pay Actions: ACPS and Other Divisions



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# Recent Pay Actions - ACPS

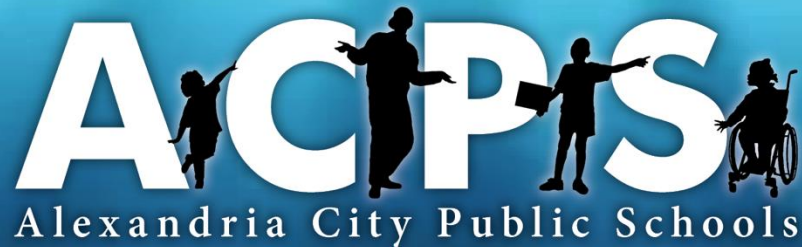
Fiscal Year	Step Increase	Market Rate Adjustment
FY 2010	Full Step, Mid-Year	No
FY 2011	Full Step, Mid-Year	No
FY 2012	Full Step	No
FY 2013	No	Yes, 2.2% + (5.0% VRS)
FY 2014	Full Step, Mid-Year	No
FY 2015	No	Yes, 2.0% Support, 1.0% Other
FY 2016	Full Step Bonus to Top-of-Scale and Hold Step	No
FY 2017	Full Step Bonus to Top-of-Scale and Hold Step	No
FY 2018	Full Step Bonus to Top-of-Scale and Hold Step	No

# Recent Pay Actions – Other Divisions

	<u>FY 2012</u>		<u>FY 2013</u>		<u>FY 2014</u>		<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>	
School Division	MRA	Step	MRA	Step	MRA	Step	MRA	Step	MRA	Step	MRA	Step	MRA	Step
Alexandria City Public Schools	No	Full Step	2.2% + 5% VRS	No	No	Full Step Mid Year	2% Support; 1% Other	No	No	Full Step	No	Full Step	No	Full Step
Arlington County	No	Full Step	2.68% + 5% VRS	No	No	Full Step	2%	No	No	Full Step	No	Full Step	Yes, Specific Positions	Full Step
Fairfax County	1%	Full Step	1.25 % + 2% VRS	No	2% Mid Year	No	No	Yes	.62%	Full Step	1%	Full Step	No	Full Step
Falls Church City	No	No	No	Yes	1%	Full Step	1%	Full Step			No	Full Step	No	Full Step
Loudoun County	3%	No	Yes	No	2%	No	2.6% to 4% + 1% VRS	No	No	Full Step	1%	Full Step	Restructure of Teacher Salary Scale	Full Step
Manassas City	2.25%- 2.36%	No	2.5% + 1% VRS	No	No	Full Step	2%	Full Step -- Teachers	No	Full Step	2%	Place on appropriate steps	No	Full Step
Montgomery County	No	No	No	Yes	No	Full Step	1.5%	Full Step	No	Full Step	2%	Full Step	1%	Full Step
Prince William County	2.35%	No	1% VRS	No	2%	No	2% + 1% VRS	No	No	Full Step	No	Full Step	No	Full Step
City of Alexandria (Non-School-Division Employees)	No	Full Step	No	Full Step	No	Full Step	No	Full Step	No	Full Step	No	Full Step	No	Full Step

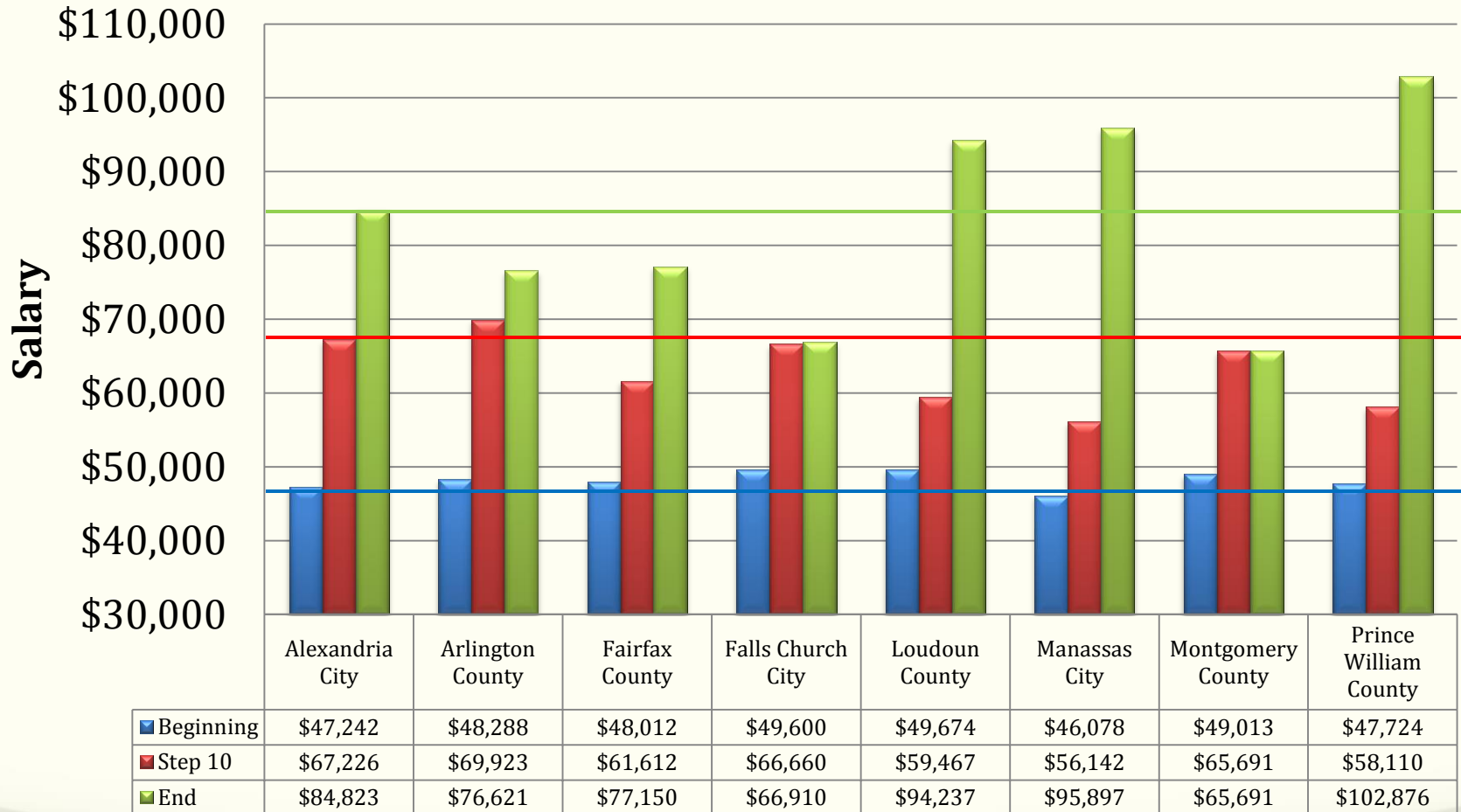


# Market Competitiveness: Teacher Positions

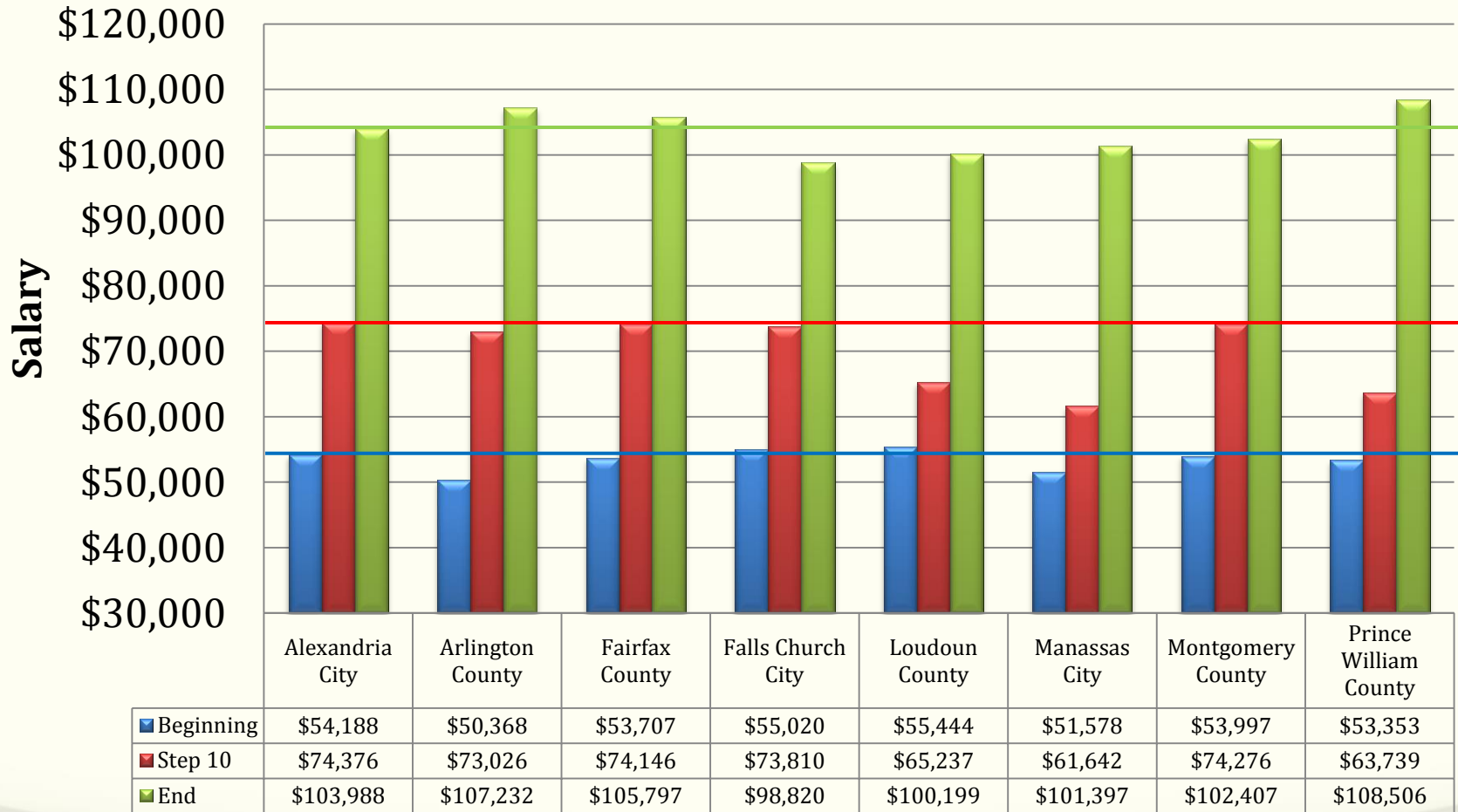


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# Teacher Salary: Bachelor's Degree



# Teacher Salary: Master's Degree

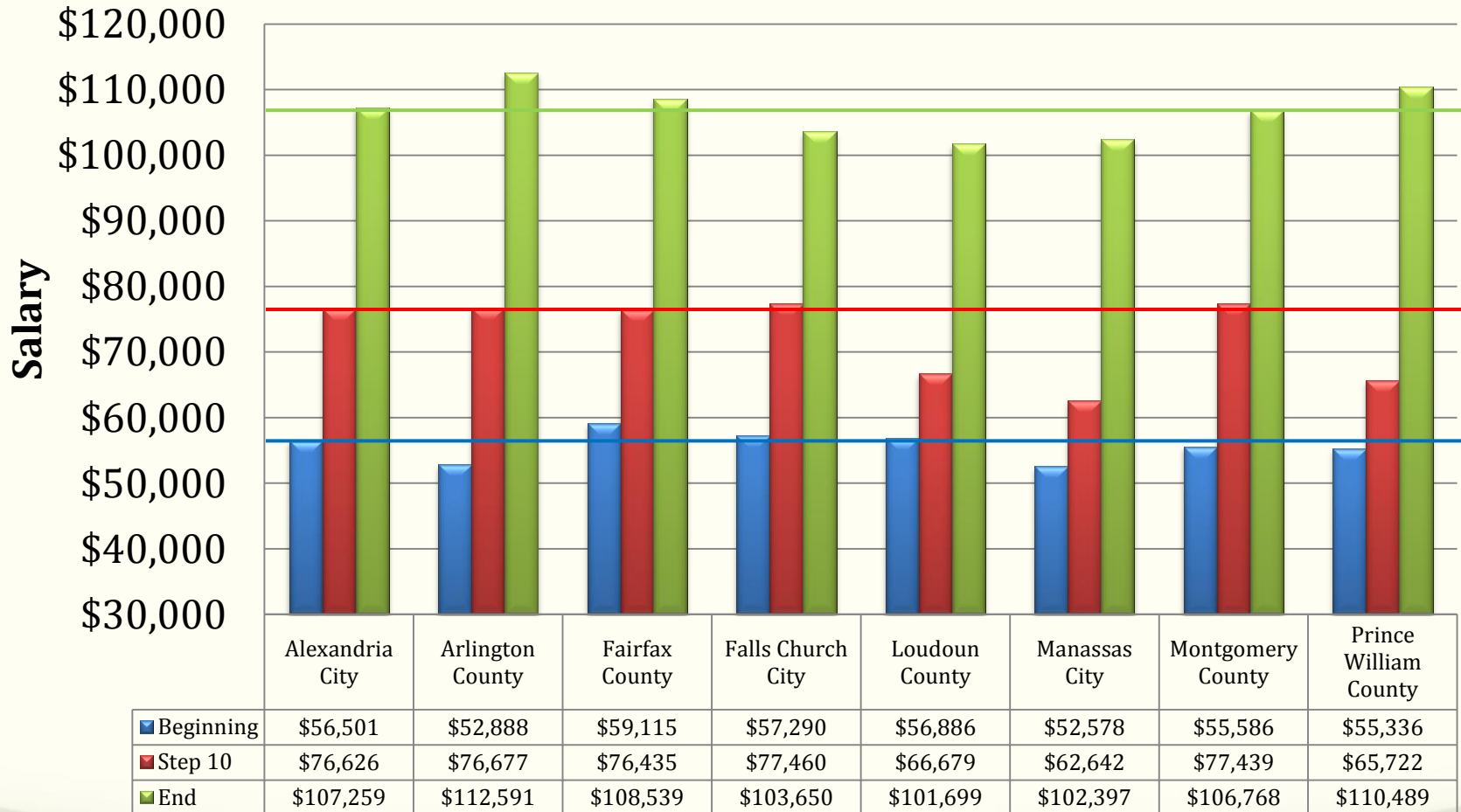


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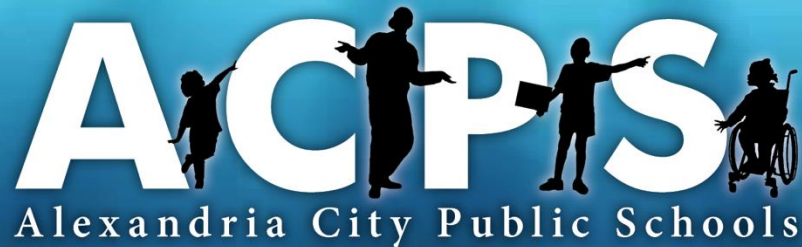
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# Teacher Salary: Master's Degree + 30



# Pay Action Impacts on Employee Salary



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# MRA vs. Step: Employee Salary Impact

Employee Type	Avg. Step Increase (\$)	Avg. MRA Increase (\$)	Avg. Step Increase (%)	Avg. MRA Increase (%)
Teachers	\$2,064	\$1,974	2.75%	2.63%
Support Staff	\$833	\$939	2.33%	2.63%
Administrative Staff	\$2,636	\$3,061	2.27%	2.63%
<b>All Employees</b>	<b>\$1,710</b>	<b>\$1,710</b>	<b>2.63%</b>	<b>2.63%</b>

Pay Scale / Pay Grade/ Step	FTE	FY 2018 (Current) Average Annual Salary	FY 2019 Average Annual Salary w/Step	FY 2019 Average Annual Salary w/ 2.63% MRA	Average Step Increase (\$)	Average Step Increase (%)	Average 2.63% MRA Increase (\$)	Average 2.63% MRA Increase (%)	\$ Difference: Step vs. MRA (Positive Means MRA is Higher)	% Difference: Step vs. MRA (Positive Means MRA is Higher)
<input checked="" type="checkbox"/> <b>Teachers</b>	<b>1,517.4</b>	<b>\$ 75,052</b>	<b>\$ 77,116</b>	<b>\$ 77,026</b>	<b>\$ 2,064</b>	<b>2.75%</b>	<b>\$ 1,974</b>	<b>2.63%</b>	<b>\$ (90)</b>	<b>-0.12%</b>
Teacher: Bachelor's Scale	320.6	\$ 61,054	\$ 62,798	\$ 62,659	\$ 1,744	2.86%	\$ 1,606	2.63%	\$ (138)	-0.23%
Teacher: Master's Scale	907.9	\$ 76,318	\$ 78,497	\$ 78,325	\$ 2,179	2.86%	\$ 2,007	2.63%	\$ (172)	-0.23%
Teacher: Master's + 30 Scale	288.9	\$ 86,603	\$ 88,662	\$ 88,881	\$ 2,059	2.38%	\$ 2,278	2.63%	\$ 219	0.25%
<input checked="" type="checkbox"/> <b>All Other Employees</b>	<b>871.1</b>	<b>\$ 47,942</b>	<b>\$ 49,048</b>	<b>\$ 49,203</b>	<b>\$ 1,106</b>	<b>2.31%</b>	<b>\$ 1,261</b>	<b>2.63%</b>	<b>\$ 155</b>	<b>0.32%</b>
Support	734.1	\$ 35,716	\$ 36,548	\$ 36,655	\$ 833	2.33%	\$ 939	2.63%	\$ 107	0.30%
Licensed Administrative	86.0	\$ 118,034	\$ 120,642	\$ 121,138	\$ 2,608	2.21%	\$ 3,104	2.63%	\$ 496	0.42%
Support Administrative	51.0	\$ 113,615	\$ 116,300	\$ 116,604	\$ 2,684	2.36%	\$ 2,988	2.63%	\$ 304	0.27%
<b>Grand Total</b>	<b>2,388.5</b>	<b>\$ 65,032</b>	<b>\$ 66,742</b>	<b>\$ 66,743</b>	<b>\$ 1,710</b>	<b>2.63%</b>	<b>\$ 1,710</b>	<b>2.63%</b>	<b>\$ 0</b>	<b>0.00%</b>

# Questions/Comments

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