

Superintendent's FY 2021 Proposed Combined-Funds (CF) Budget

Work Session #1: Overview and
Employee Compensation

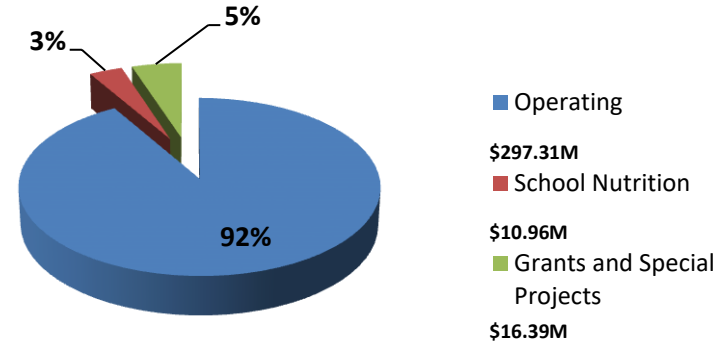


EVERY STUDENT SUCCEEDS

FY 2021 Proposed CF Budget

- The CF Budget of \$324.7M is comprised of three different funds:
 - Operating
 - School Nutrition
 - Grants and Special Projects

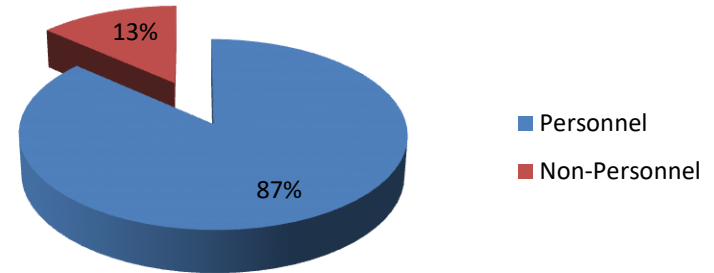
Combined-Funds Budget



CF Budget Employee Costs

- Operating Fund
 - 2,435.99 FTEs
 - 32.27 FTEs above FY 2020
- Grants and Special Projects Fund
 - 100.75 FTEs
 - 7.00 FTEs above FY 2020
- School Nutrition Fund
 - 125 FTEs
 - 14.00 FTEs above FY 2020

**Personnel Vs. Non-Personnel
CF Budget Expenditures**



Salary Enhancements

- Step Increase
- One-Time Bonus
- One-Time “Stay” Bonus (Transportation Employees)
- Market Rate Adjustment (MRA)

OPERATING BUDGET		
Step Increase	\$5,521,800	Average Increase 2.63% (87.5% of staff)
One-Time Bonus	\$557,500	2.0% (12.5% of staff)
“Stay” Bonus	\$34,000	\$250/Employee
MRA	\$461,800	Varies depending on job class
Total	\$6,575,100	

Recent Pay Actions – Other Divisions

School Division	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
	MRA	Step	MRA	Step	MRA	Step	MRA	Step	MRA	Step
Alexandria City Public Schools	No	Full Step	No	Full Step	No	Full Step	*	Full Step	1%	Yes
Arlington County	No	Full Step	No	Full Step	Yes, Specific Positions	Full Step	No	Full Step	Yes, Specific Positions	Yes
Fairfax County	.62%	Full Step	1%	Full Step	No	Full Step	1%	Full Step	1%	Yes
Falls Church City			No	Full Step	No	Full Step	3%	No	1%	Yes
Loudoun County	No	Full Step	1%	Full Step	Restructure of Teacher Salary Scale	Full Step	3.2% (Licensed Staff)	Full Step	1.5% Admin/2.5% Classified	Yes
Montgomery County	No	Full Step	2%	Full Step	1%	Full Step	2%	Full Step	1%	Yes
Prince William County	No	Full Step	No	Full Step	No	Full Step	No	Full Step	2%	Yes
City of Alexandria (Non-School-Division Employees)	No	Full Step	No	Full Step	No	Full Step	No	Full Step	Yes, Specific Positions	Yes

*FY 2019 ACPS eliminated the first step and added a new top step to all scales

Bonuses

- 2% One-Time bonus for 12.5% of staff ineligible for Step Increase
 - Helps to offset healthcare premium increase
- “Stay” Bonus is for Transportation employees that remain with ACPS
 - Helps to slow staff turnover within our Transportation Office

Compensation Study

- Segal Waters Consulting
 - Market Analysis
 - Paraprofessionals
 - School Psychologists
 - School Principals
 - Senior Leadership
 - Transportation Staff

Market Rate Adjustments

- Bus Driver, Monitor, and Mechanic
 - 3-year approach
 - 4.64% MRA
- Paraprofessional IV
 - 3-year approach
 - 4.50%
- Principal (Elementary, Middle, K-8)
 - 5-year approach
 - 2.90%
- Chiefs
 - 5-year approach
 - 3.40%

	Current		Proposed	
	Bottom Step	Top Step	Bottom Step	Top Step
Bus Driver	\$ 18.48	\$ 30.55	\$ 19.34	\$ 31.97
Bus Monitor	\$ 15.95	\$ 24.85	\$ 16.69	\$ 26.00
Mechanic I	\$ 19.61	\$ 32.43	\$ 20.52	\$ 33.93
Mechanic II	\$ 20.81	\$ 34.39	\$ 21.78	\$ 35.99
Lead Mechanic	\$ 23.41	\$ 38.71	\$ 24.50	\$ 40.51
Paraprofessional IV	\$ 19.04	\$ 31.48	\$ 19.90	\$ 32.90
Elementary School Principal	\$ 94,032	\$ 145,582	\$ 96,759	\$ 149,803
K-8 Principal	\$ 94,032	\$ 145,582	\$ 96,759	\$ 149,803
Middle School Principal	\$ 98,731	\$ 152,858	\$ 101,594	\$ 157,291
Chiefs	\$ 135,240	\$ 187,260	\$ 139,838	\$ 193,627

Employee Benefits

- Virginia Retirement System (VRS)
Employer Contribution Rate increases from 15.68% to 16.62%
- ACPS Supplemental Retirement an additional Defined Benefit Plan provided to employees
- United Healthcare (UHC) and Kaiser Health plans increase 8.5% (affects both employer and employee)
- Dental Care plan increases 8.0% (affects both employer and employee)

OPERATING BUDGET		
VRS	Rate Increase (0.94%)	\$1,710,200
ACPS Supplemental Retirement	Employees Contribute 1.5% of salary, this adds an Employer Contribution of 0.50%	\$845,700
Healthcare	Rate Increase (8.5% UHC, 8.5% Kaiser, and 8% Dental)	\$2,622,900

Health Benefits Premium

- Fixed cost paid by all plan members
- Variable costs paid upon utilization of services

Teacher PPO Family Plan			
Division	Employee's Premium %	Employee's Monthly Premium \$	Variance from ACPS
ACPS	20%	410	
Arlington County	43%	1,001	591
City of Falls Church	25%	507	97
Fairfax County	25%	477	67
Loudoun County	29%	662	251
Prince William County	40%	791	381
City of Alexandria	37%	883	472

Information provided by AON Health and Benefits Consulting (2018)

Health Benefits Example: (PPO Plan Design)

Copay/Coinsurance/Deductible

Division	ACPS		Arlington County	City of Falls Church	Fairfax County	Loudoun County	Prince William County	City of Alexandria
	In-Network	Out of Network	(High Option)	(250)	(Aetna)	(POS)	(Enhanced)	(PPO)
Medical Plan Provisions								
Annual Deductible	\$300/\$600 Individual/Family	\$600/\$1200 Individual/Family	\$300/\$600 Individual/Family	\$250/\$500 Individual/Family	\$250/\$500 Individual/Family	\$500/\$1000 Individual/Family	\$0 Individual/Family	\$400/\$800 Individual/Family
Medical Out of Pocket Maximum	\$3000/\$6000 Individual/Family	\$6000/\$12000 Individual/Family	\$3000/\$6000 Individual/Family	\$3000/\$6000 Individual/Family	\$2000/\$4000 Individual/Family	\$3000/\$6000 Individual/Family	\$1500/\$3000 Individual/Family	\$3175/\$6350 Individual/Family
Physician's Office Copay per Visit	\$20/\$35 Primary/Specialist	30% after annual deductible	\$20/\$40 Primary/Specialist	\$20/\$35 Primary/Specialist	\$20/\$20 Primary/Specialist	\$20/\$40 Primary/Specialist	\$20/\$35 Primary/Specialist	\$15/\$25 Primary/Specialist
Hospital Inpatient	10% after annual deductible	30% after annual deductible	\$250 per stay, then 10% coinsurance after deductible	\$400 copay per admission	\$150 per stay plus 10% coinsurance	\$0 copay	\$350 copay per stay	\$500 per stay
Emergency Room	\$200 copay	\$200 copay	\$200 copay	\$350 copay (waived if admitted)	10% coinsurance plus \$150 copay (copay waived if admitted)	\$150 copay (waived if admitted)	\$200 copay per stay	\$150 copay (waived if admitted)

Information provided by AON Health & Benefits Consulting (2018)

ACPS Supplemental Retirement Plan

- Providing an Employer Contribution is an added benefit to employees, which has a direct impact on “take-home” pay

Plan Year	09/01/2019-2020	09/01/2020-2021
Actuarially Determined Contribution	\$ 4,568,000	\$ 4,705,000
% of Payroll	3.19%	3.46%
Estimated Employee Contribution (1.5% of salary)	\$ 2,698,732	\$ 2,768,899
Gap Analysis	\$ (1,869,268)	\$ (1,936,101)
Proposed Employer Contribution 0.5% (Combined-Funds)		\$ 922,966

Example: Support Staff

- Does not Consider Individual's Tax Withholdings
- Assumes UHC Individual Health Insurance

	Bus Driver			
	6 hrs/day, 188 days			
Fiscal Year	2018	2019	2020	2021
Gross Salary	\$25,391	\$26,147	\$27,207	\$29,317
VRS Retirement	\$1,270	\$1,307	\$1,360	\$1,465
ACPS Supplemental Retirement	\$381	\$392	\$408	\$440
Life Insurance	\$201	\$207	\$215	\$232
Health Insurance	\$1,092	\$1,212	\$1,581	\$1,716
Net Pay	\$22,447	\$23,029	\$23,643	\$25,464
\$ Change		\$581	\$614	\$1,821
% Change		2.6%	2.7%	7.7%

Example: Teacher

- Does not Consider Individual's Tax Withholdings
- Assumes UHC Individual Health Insurance

	Teacher			
	196 days, Master's			
	2018	2019	2020	2021
Fiscal Year	2018	2019	2020	2021
Gross Salary	\$71,516	\$74,376	\$77,749	\$80,472
VRS Retirement	\$3,576	\$3,719	\$3,888	\$4,024
ACPS Supplemental Retirement	\$1,073	\$1,116	\$1,167	\$1,207
Life Insurance	\$565	\$588	\$615	\$636
Health Insurance	\$1,894	\$2,127	\$2,504	\$2,717
Net Pay	\$64,408	\$66,826	\$69,576	\$71,888
\$ Change		\$2,410	\$2,750	\$2,312
% Change		3.7%	4.1%	3.3%

Example: Administrator

- Does not Consider Individual's Tax Withholdings
- Assumes UHC Individual Health Insurance

	Principal (Elementary School)			
	240 days			
	2018	2019	2020	2021
Fiscal Year	2018	2019	2020	2021
Gross Salary	\$117,802	\$122,513	\$128,690	\$137,720
VRS Retirement	\$5,890	\$6,125	\$6,434	\$6,886
ACPS Supplemental Retirement	\$1,767	\$1,837	\$1,930	\$2,065
Life Insurance	\$931	\$968	\$1,017	\$1,088
Health Insurance	\$1,573	\$1,758	\$2,127	\$2,307
Net Pay	\$107,641	\$111,824	\$117,183	\$125,373
\$ Change		\$4,183	\$5,359	\$8,190
% Change		3.9%	4.8%	7.0%

Questions?

Superintendent

Dr. Gregory C. Hutchings, Jr.

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