



FY 2017 Recommended Budget Budget Question

Board Question #: 44

BUDGET QUESTION: How does the Schools' proposed salary adjustment with a 1% COLA and a step compare to the County's 2% increase? Also, please explain, in detail, how the steps change since there are different percentage increases at different levels/steps.

RESPONSE: The average increase for the schools with a 1% COLA and step is a 3.16% increase. There are 123 salary scales in the school division due to the vast array of occupations, contract length, and degree levels.

Due to embedding the career incentive stipend into the teacher scale the steps of the teacher scale vary greatly as seen in the chart below:

<u>Step Range</u>	<u>% Increase</u>
0 to 1	0.42%
1 to 2	0.51%
2 to 3	2.45%
3 to 4	0.53%
4 to 5	0.54%
5 to 7	0.77%
7 to 8	1.60%
8 to 9	1.64%
9 to 10	1.67%
10 to 11	1.94%
11 to 12	1.73%
12 to 13	1.05%
13 to 37	2.50%

Due to the steps in each of the scales varies greatly the following is a breakdown of the employee's increase as a percentage based on proposed step and 1% COLA:

<u># of Employees</u>	<u>% of Increase</u>
458	1% to 1.99%
800	2% to 2.99%
1724	3% and above

Around FY 2006, the School Board implemented career incentive stipends for teachers on steps 0 to 5 in order to strengthen the lower end of the teacher pay scale and improve recruiting efforts. This stipend was routinely paid in August. Since FY 2009, the School Board has been unable to award step increases due to the downturn in the economy. Thus, each year the career incentive stipends were reduced to ensure a brand new teacher hired would not be compensated at a higher pay than a teacher with one year of experience. Also, incentives remained with those teachers who were on steps 0 to 5 to ensure that they received the same salary as in previous years when steps were frozen. Therefore, in FY 2011, teachers with up to eight years of experience received a career incentive (in August 2010).

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After much deliberation, the School Board adopted revised teacher pay scales for FY 2012, which included embedding the career incentives into the teacher pay scale and converting from steps to years of experience. As a result of this change, teachers on step 0-8 receive a higher Virginia Retirement System (VRS) contribution because the former career incentive pay was not considered VRS creditable.