



FY 2019 Recommended Budget at a Glance

Budget Focus

- Correlate budget to Board's expressed priorities.
- Maintain all fiscal policies and priority services (education, public safety, and transportation).
- Fund commitments (jail, juvenile center, regional agencies, existing debt service, Social Services/CSA).
- Address continuing public safety needs.
- Continue three-year phased implementation of Compensation Study (FY 2019 is second year).

Budget Highlights

Schools –

- Local transfer to Schools increases by \$3.0M above the FY 2018 ongoing base transfer. This increase combined with anticipated additional funding from the State should be sufficient to enable the School Board to implement a phased approach to compensation adjustments stemming from the Evergreen study. The full local transfer to the Schools in the FY 2019 Recommended Budget is \$126,742,093.

Public Safety –

- Addition of 2 Animal Control Officers, conversion of 5 part-time Animal Shelter Assistants to 4 full-time positions, and increased overtime funding for law enforcement.
- Addition to Fire/Rescue of 1 Lieutenant and 5 Firefighters to provide Advanced Life Support (ALS) coverage at Co. 1. Out-year plans include similar staffing being added to Co. 4 and Co. 8.

Transportation –

- Fuel tax revenue allows suspension of transfer of vehicle license fee and set-aside revenue for the ninth year. However, as begun in FY 2017, \$700,000 in on-going funding is transferred to the Transportation Fund to help address projected out-year imbalances in that fund.
- \$673,370 in accumulated "set asides" from service districts is used to balance the Transportation Fund and the set aside tracking has been eliminated.
- The local share of approved/applied for revenue sharing projects is included in the CIP along with planning figures for implementation of findings from previously budgeted corridor studies.

Tax Rates/Fees –

- Real Estate tax rate assumed at the equalized rate of \$0.8164. (Advertised rate is \$0.85.)
- Personal Property tax rate for automobiles, campers, motorcycles, motor homes and RVs, heavy trucks, trailers recommended at \$6.52. (Advertised rate is \$6.55 per \$100 at 50% value.)
- Personal Property rate for boats and boat trailers recommended at \$6.22. (Advertised rate is \$6.25.)
- Adjustments to the additional tax rate for three of the four special service districts to pay debt service costs existing for improvements undertaken in those districts.

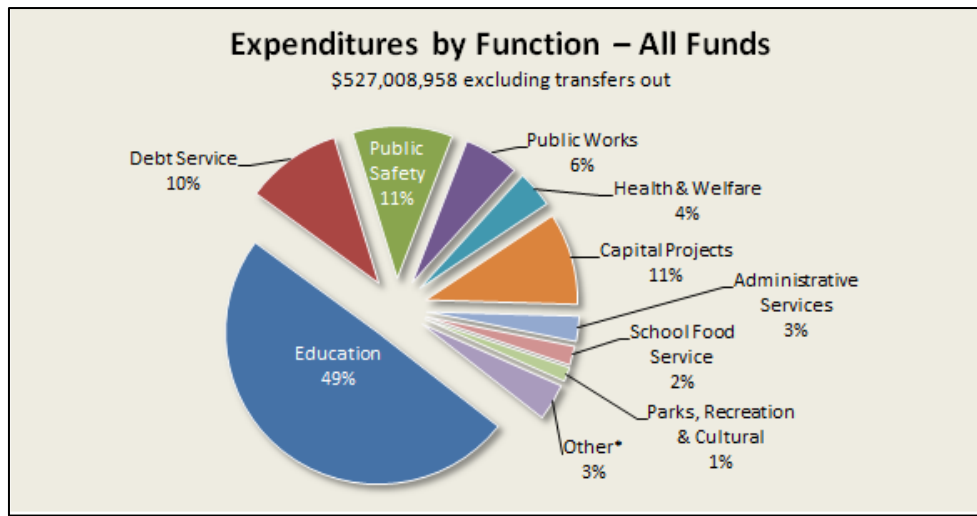
Compensation –

- Funding to implement the year 2 of the County's three-year implementation of the compensation study to include a 2% COLA; longevity adjustments of 0.5% for employees with 3 and 12 years of service and 1% for 5, 10 and 15 years of service; and the second third of implementation of the classification parity.

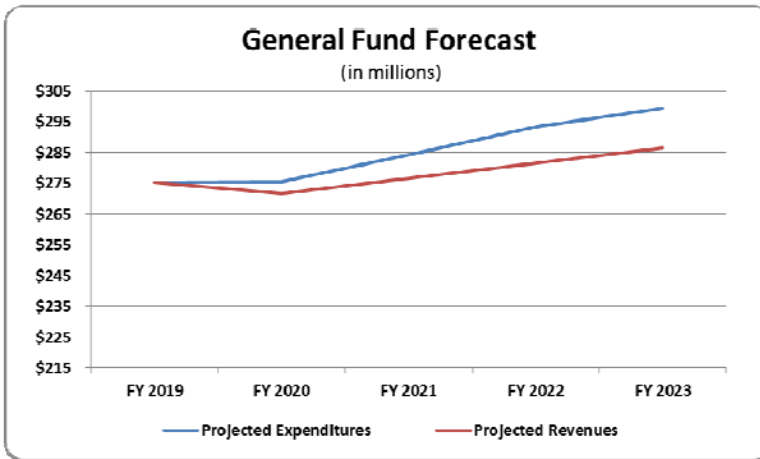
Capital Projects –

- Transfer of cash to the CIP is increased by \$1.0M to meet the 3.75% policy-level transfer. An additional \$8.0M is transferred from the fund balance to fund a new building for DSS and the Health Department.

	FY 2018	FY 2019	Difference	
	Adopted	Recommended	\$	%
General Fund	\$124,562,391	\$129,261,294	\$4,698,903	3.8%
Economic Dev. Opportunities Fund	906,755	1,280,113	373,358	41.2%
Code Compliance Fund	3,993,647	4,301,792	308,145	7.7%
Transportation Fund	8,358,320	8,232,484	(125,836)	(1.5%)
School Operating	274,525,185	284,220,055	9,694,870	3.5%
School Food Service	10,199,132	11,322,972	1,123,840	11.0%
Utilities	<u>30,927,443</u>	<u>32,303,953</u>	<u>1,376,510</u>	4.5%
Sub-Total Operating Expenditures	\$453,472,873	\$470,922,663	\$17,449,790	3.8%
Capital Projects Fund	\$9,838,216	\$15,337,926	\$5,499,710	55.9%
School Capital Projects	27,361,447	30,799,918	3,438,471	12.6%
Utilities Capital Projects	<u>12,066,600</u>	<u>9,948,451</u>	<u>(2,118,149)</u>	(17.6%)
Sub-Total Capital Expenditures	\$49,266,263	\$56,086,295	\$6,820,032	13.8%
Total Budget	\$502,739,136	\$527,008,958	\$24,269,822	4.8%

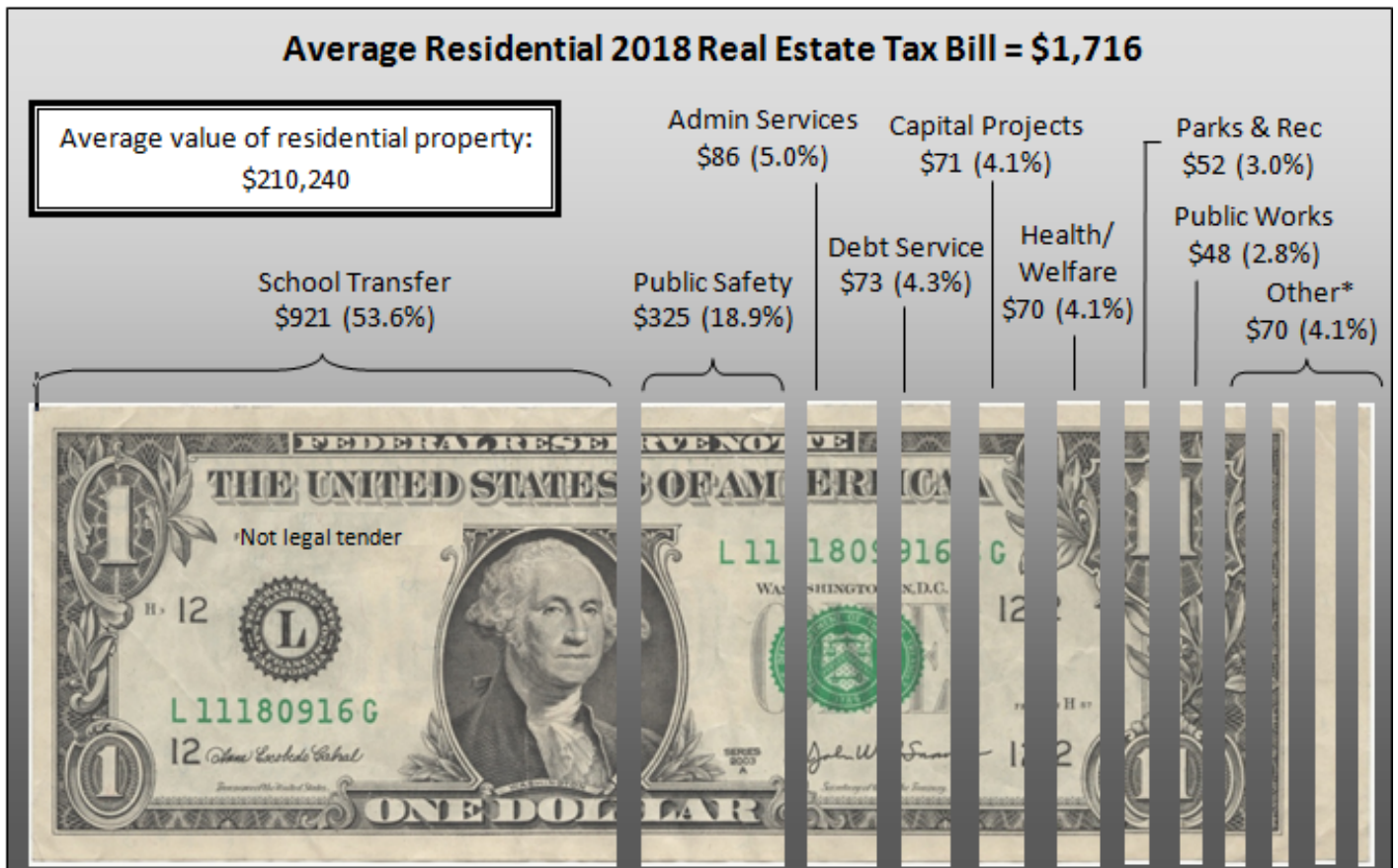


*"Other" includes Community Development, Executive Services, Judicial Administration, Transportation and Voter Services functions and tax relief.



Breakdown of General Fund Transfer to Schools

	2018 Adopted	2019 Recommended
Required Local Effort - SOQs	\$54,018,514	\$57,978,170
Required Local Match for Non-SOQ Programs	2,027,313	2,531,713
Required Local Match for Federal grants	25,110,085	25,110,085
Debt Service	25,581,896	27,016,808
Additional Local Transfer	17,337,507	14,105,317
Total Local Transfer	\$124,075,315	\$126,742,093



*"Other" includes Executive Services; Community Development; Judicial Administration; Voter Services; and Transportation.

Comparison of Prior and Current Assessments			
Property Type	2017 AV*	Preliminary 2018 AV**	% Change
Residential	\$11,556,099,700	\$12,498,111,300	8.2%
Commercial	<u>\$2,702,934,000</u>	<u>\$2,863,315,500</u>	5.9%
Total	\$14,259,033,700	\$15,361,426,800	7.7%

AV = assessed value

* Based on original land book values

** Based on preliminary book values as of 1/14/18

Data source: County Assessment Office

Tax Bills for Average Residential Property Owner			
Year	Mean AV*	Rate	Bill
2014	\$178,746	\$0.86	\$1,537
2015	\$180,782	\$0.86	\$1,555
2016	\$193,460	\$0.85	\$1,644
2017	\$195,717	\$0.85	\$1,664
2018 – equalized rate	\$210,240	\$0.8164	\$1,716
2018 – advertised rate	\$210,240	\$0.85	\$1,787

*Based on original land book values. Because this represents each year's mean value, it cannot be assumed that a certain residential property valued at \$178,746 in 2014 is valued at \$210,240 in 2018.

Data source: County Finance staff using the annual assessment records and the 2018 advertised real estate tax rate as approved by the Board of Supervisors

Tax Rates		
Taxes	2017 Adopted	2018 Advertised
Real Estate	\$0.85	\$0.85
Personal Property ¹ – automobiles, campers, motor homes, motorcycles, pickups and trucks	\$6.55	\$6.55
Personal Property ¹ – boats and boat trailers	\$6.25	\$6.25
Aircraft	\$0.000001	\$0.000001
Business Furniture & Fixtures	\$5.95	\$5.95
Machinery & Tools	\$2.50	\$2.50
Heavy Duty Equipment	\$2.00	\$2.00
Mobile Homes ²	\$0.85	\$0.85
Lee Hill East Service District	\$0.25	\$0.25
Lee Hill West Service District	\$0.45	\$0.48
Massaponax Service District	\$0.15	\$0.16
Harrison Crossing Service District	\$0.39	\$0.50

¹ All tax rates are levied per \$100 of assessed value except personal property and business furniture and fixtures which are assessed at no greater than 50% of value.

² Per State Code, the Mobile Homes rate must match rate for Real Estate.

Data source: County Finance staff using the 2017 adopted tax rates and the 2018 advertised tax rates approved by the Board of Supervisors

How do Spotsylvania’s 2018 advertised real estate and personal property tax rate compare to other localities in the area?

Because we do not have the recommended 2018 rates for all other localities at this time, the tables below show the 2017 personal property and real estate tax rates for neighboring localities and the rates advertised for Spotsylvania for 2018. Spotsylvania has sixth lowest real estate tax rate and the third lowest effective personal property tax rate in the area.

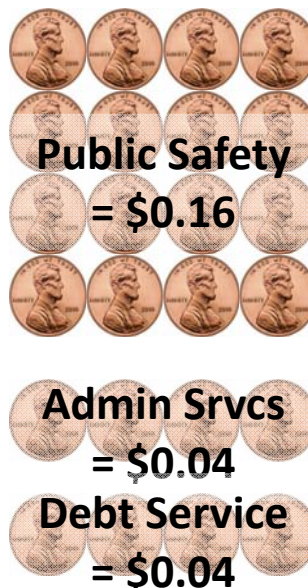
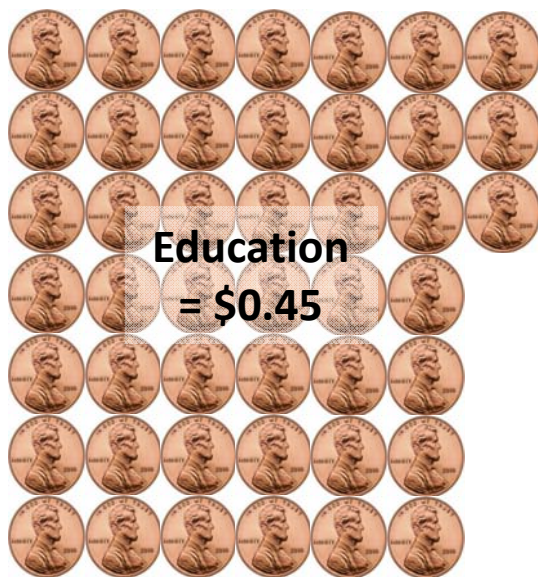
Real Estate Tax Rates CY 2017	
Locality	Tax Rate
Culpeper	\$0.6700
King George	\$0.7000
Fredericksburg	\$0.8000
Hanover	\$0.8100
Caroline	\$0.8300
Spotsylvania ⁺	\$0.8500
Henrico	\$0.8700
Chesterfield	\$0.9600
Stafford	\$0.9900
Arlington	\$1.0060
Fauquier	\$1.0390
Loudoun	\$1.1250
Alexandria	\$1.1300
Fairfax	\$1.1610
Richmond City	\$1.2000
Prince William	\$1.2067

Personal Property Tax Rates CY 2017			
Locality	Tax Rate	Assessment Ratio	Effective Rate
Stafford	\$6.46	40%	\$2.584
Fredericksburg	\$3.40	90%	\$3.060
Spotsylvania ⁺	\$6.55	50%	\$3.275
King George	\$3.50	100%	\$3.500
Culpeper	\$3.50	100%	\$3.500
Henrico	\$3.50	100%	\$3.500
Hanover	\$3.57	100%	\$3.570
Chesterfield	\$3.60	100%	\$3.600
Richmond City	\$3.70	100%	\$3.700
Prince William	\$3.70	100%	\$3.700
Caroline	\$3.80	100%	\$3.800
Loudoun	\$4.20	100%	\$4.200
Fairfax	\$4.57	100%	\$4.570
Fauquier	\$4.65	100%	\$4.650
Alexandria	\$5.00	100%	\$5.000
Arlington	\$5.00	100%	\$5.000

⁺Reflects the rate advertised for 2018

Data source: Localities’ budgets and/or websites, and the Weldon Cooper Center for Public Service

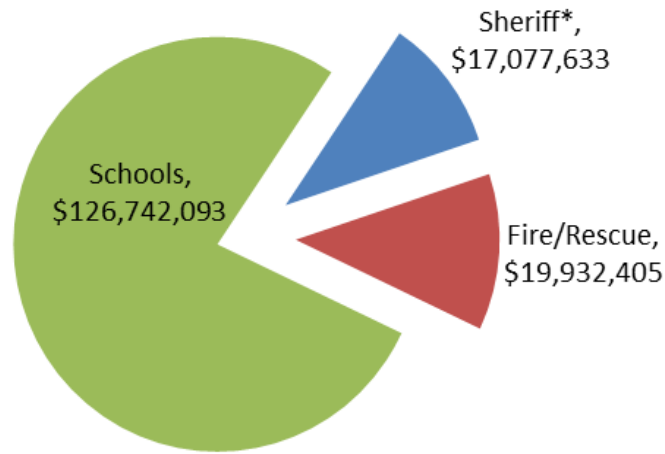
Approximate Allocation of \$0.85 Advertised Real Estate Rate



*Other category includes Community Development, Executive Services, Judicial Administration, and Voter Services, each of which comprises 1% or less of total expenditures. Also includes the difference between the equalized rate of \$0.8164 assumed in the Recommended Budget and the advertised \$0.85 rate.

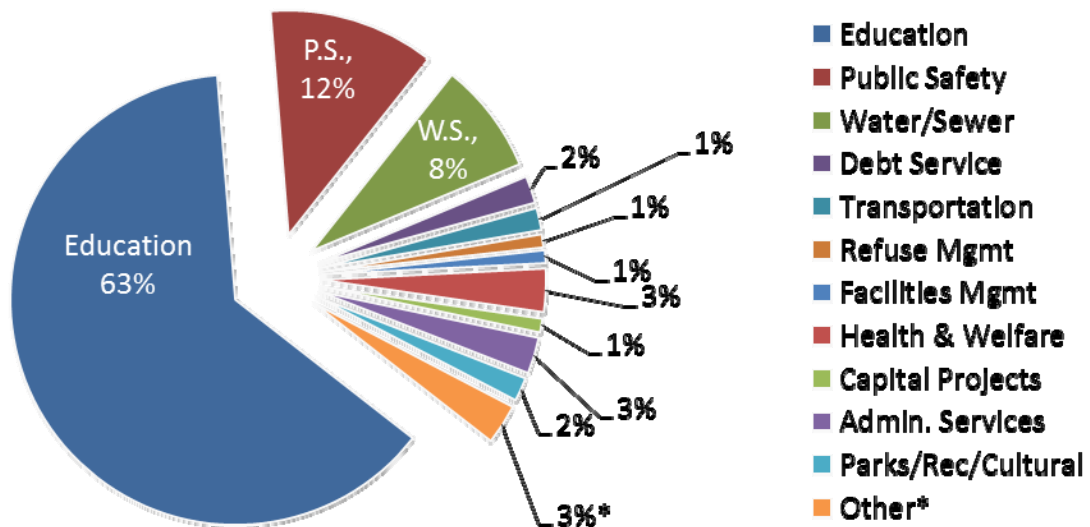
Data source: County Finance staff using the County Administrator’s FY 2019 Recommended Budget

Spotsylvania County Appropriations of Local Funds for Priority Services



*Includes 16 SROs and 4 DARE officers. The Schools reimburse the County for one SRO annually.

Spotsylvania County Appropriations of Funds from All Sources by Function/Service



*Other category includes Community Development, Executive Services, Judicial Administration, Voter Services and tax relief, each of which comprises 1% or less of total expenditures.



FY 2019 Budget Public Hearing

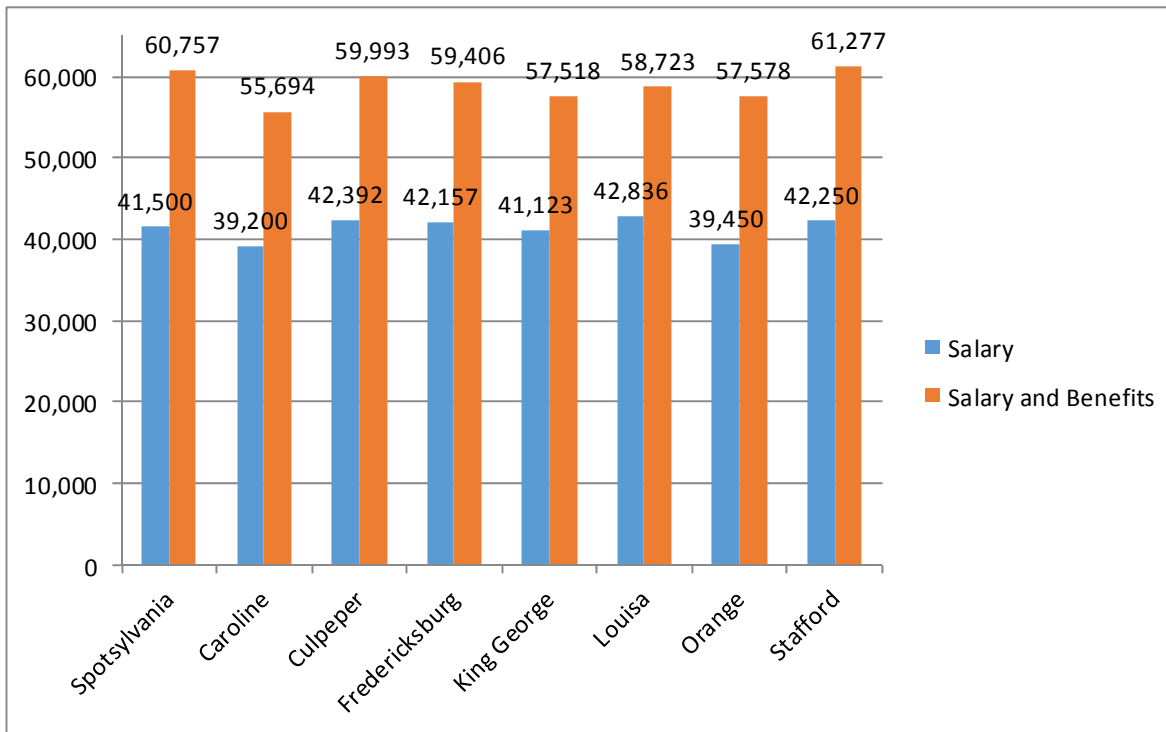
BUDGET QUESTION: Please provide updates to last year’s responses to questions concerning total compensation, advanced degree salaries, and average teacher salaries. How do the current salaries/compensation compare?

RESPONSE:

Part 1: See the chart below of FY18 comparisons of base salaries and total compensation.

RESPONSE:

**2017-2018 Total Compensation Comparisons
(Salary and Benefits Teacher BA—No Experience)**



Benefits include: FICA, mandated VRS employer contributions, mandated VRS group life insurance, mandated VRS hybrid disability insurance, as well as the health insurance plan for which the employer provides the highest contribution amount. The health insurance plan tier comparison is for employee only.

FY 2019 Budget Public Hearing

Part 2: How do we compare regarding advanced degrees?

RESPONSE:

2017-2018 Compensation for Advanced Degrees and Certifications

Divisions	BA +15 Credit Hours	Master's Degree	Master's + 15 Credit Hours	Doctorate Degree	National Board Certification (Local Stipend)
Caroline	N/A	1,750.00	N/A	N/A	0
Culpeper	1,500.00	3,000.00	N/A	4,500.00	0
Fredericksburg	1,375.00	2,750.00	3,650.00	4,550.00	2,000.00
King George	755.00	2,879.00	N/A	N/A	2,000.00
Louisa	N/A	2,310.00	N/A	N/A	Varies
Orange	N/A	2,700.00	N/A	N/A	0
Spotsylvania	1,254.00	2,905.00	4,150.00	5,395.00	2,500.00
Stafford	1,172.00	4,380.00	4,630.00	5,657.00	2,667.00

SCPS's Advanced Degreed Supplement Increases by Percent are as follows:

BA	BA +15 Credit Hours	Master's Degree	Master's + 15 Credit Hours	Educational Specialist Degree	Doctorate Degree
0%	3%	7%	10%	11.5%	13%
	from BA Scale	from BA Scale	from BA Scale	from BA Scale	from BA Scale

Note: For this analysis, comparative Educational Specialist Degree (Ed.S scale) supplemental information was not requested.

FY 2019 Budget Public Hearing

Part 3: How does the average teacher salary compare with our neighbors?

RESPONSE:

FY 2018 Surrounding District Average Salary

District	FY 2017 Actual Average Salary	FY 2018 Budgeted Average Salary
Caroline	\$ 48,486	\$ 46,992
Culpeper	\$ 50,069	\$ 47,782
Fredericksburg City	\$ 54,054	\$ 53,778
King George	\$ 51,849	\$ 54,079
Louisa	\$ 52,874	\$ 48,570
Orange	\$ 49,447	\$ 50,682
Stafford	\$ 56,462	\$ 53,152
Spotsylvania	\$ 54,284	\$ 51,568

FY 2018 Larger District Salary

District	FY 2017 Actual Average Salary	FY 2018 Budgeted Average Salary
Albemarle	\$ 55,707	\$ 56,512
Alexandria City	\$ 74,738	\$ 76,251
Arlington	\$ 78,617	\$ 81,044
Chesterfield	\$ 48,696	\$ 47,575
Fairfax	\$ 68,883	\$ 73,228
Hanover	\$ 56,106	\$ 56,867
Henrico	\$ 50,743	\$ 51,947
Loudoun	\$ 65,678	\$ 63,516
Prince William	\$ 65,902	\$ 60,227
VA Beach	\$ 54,577	\$ 56,744

Note: The average teacher salary is calculated by dividing the total actual teacher salary expense by the number of full-time teacher equivalents. The reported average teacher salary is a true average which is heavily influenced by the school division's salary scale including degreed supplements and the tenure of the staff. It is important to note school division salary scales vary.

Source: Virginia Department of Education – 2017-2018 Salary Survey – Teachers Schedule



FY 2019 Budget Public Hearing

BUDGET QUESTION: Please provide an update to last year’s response to question #2 concerning potential teacher attrition. What has actual attrition been? Do you have exit interviews/survey data that would summarize why people are actually leaving? How many due to retirements? Due to military orders? Due to specific other reasons? How does Spotsylvania Schools’ teacher attrition rate compare with average statewide and nationwide teacher attrition rates? What are the attrition rates of surrounding school districts?

RESPONSE:

Part 1: What was the actual attrition for last year, FY 2017? How does Spotsylvania Schools’ teacher attrition rate compare with average statewide and nationwide teacher attrition rates? What are the attrition rates of surrounding school districts?

RESPONSE:

There were a total of 246 licensed personnel vacancies in FY 2017. Licensed positions include Administrators, Teachers, Specialists, Coordinators, Coaches, and Therapists. The table below delineates the vacated positions by level. The school division retained 87% of licensed employees in FY 2018.

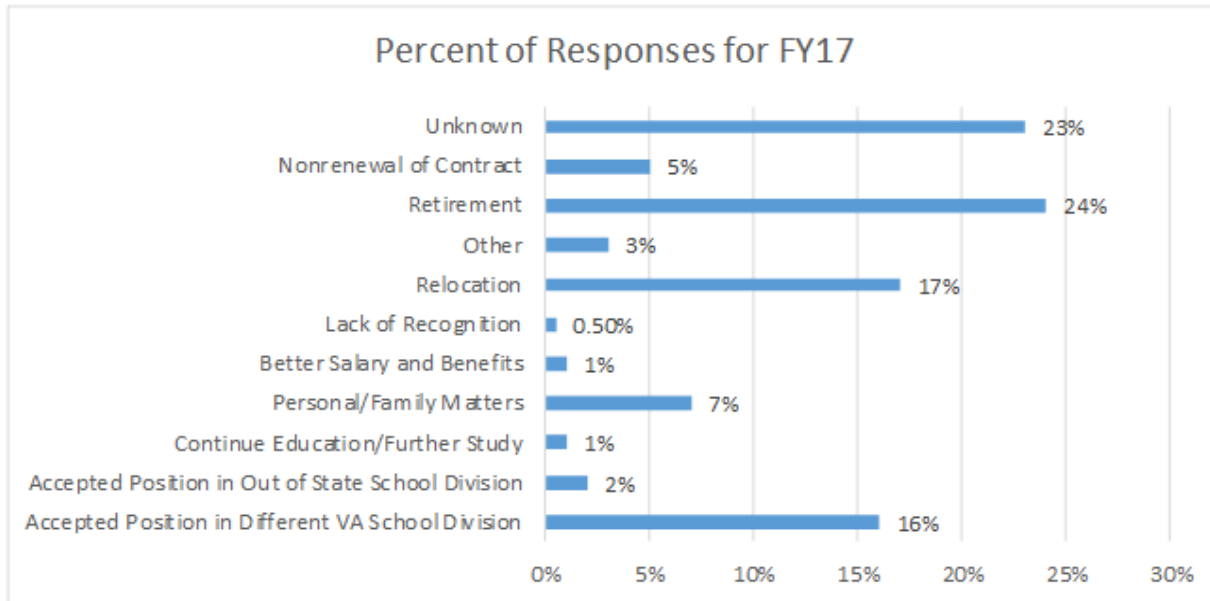
Schools and Sites	Vacancies for School Year 2016-2017
Elementary Schools	111
Middle Schools	61
High Schools	62
JJWCC and River Run	12
Total	246

FY 2019 Budget Public Hearing

Part 2: Do you have exit interviews/survey data that would summarize why people are actually leaving? How many due to retirements? Due to military orders? Due to specific other reasons?

RESPONSE:

Exit Survey Data



There were a total of 246 licensed personnel vacancies in FY 2017. Exit surveys were distributed to all out going employees. Of those 246 employees, 77% completed the exit interview. The results in the chart include reasons for leaving the division by percent.

Part 3: How many staff persons are being lost to attrition this year, FY2019?

RESPONSE:

Employee Intent Data for FY 2019 was gathered in December 2017. The results are below:

- 1,961 (94%) I DO PLAN TO RETURN
- 19 (0.9%) I DO NOT PLAN TO RETURN DUE TO RETIREMENT
- 17 (0.8%) I DO NOT PLAN TO RETURN DUE TO OTHER REASONS
- 90 (4.3%) I AM UNDECIDED

The data above is an early indicator of staff turnover. However, these numbers change as the school year progresses.



FY 2019 Budget Public Hearing

BUDGET QUESTION: Please provide the accurate/comparable cost per student figures for both Stafford and Spotsylvania.

RESPONSE: Detailed below is the most recent Actual Per Pupil Spending reported to the Virginia Department of Education (VDOE) through the Annual School Report for Fiscal Year 2016. The 2017 data has not been released by the VDOE as of March 29, 2018.

Spotsylvania County = \$10,571

Stafford County = \$10,130

Source: Virginia Department of Education – Annual School Report for FY 2016



FY 2019 Budget Public Hearing

BUDGET QUESTION: Provide a historical comparison of compensation adjustments for the Schools and the County.

RESPONSE:

Salary Increase Trend Data		
Fiscal Year	County	Schools
2004	2.2% COLA + 2.5% Merit	Step ¹ + 2% COLA
2005	1.8% COLA + 2.5% Merit	Step ^{1,2} + 2% COLA (7.07% - teachers)
2006	2.0% COLA + 2.5% Merit	Step ^{1,2} + 3% COLA (6.59% - teachers)
2007	3.0% COLA + 2.5% Merit	Step ^{1,2} + 2% COLA (11.66% - teachers)
2008	2.0% COLA + 2.5% Merit	Step ¹ + 2% COLA
2009	2% COLA	2.5% COLA
2010	None	None
2011	None	None, 3 Furlough Days for Directors and above
2012	1.5% COLA	\$600 Bonus and a 1% COLA
2013	2% increase for \$90,999 and below 0% increase for those above \$91,000 (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	0.8% increase for those below the Director level, 0% increase for at the Director level and above (all employees received an additional 5% pay raise to offset the 5% VRS share pickup)
2014	1% increase effective January 2014 (Mid-year) (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	\$900 Bonus
2015	2% increase (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	Step ¹ and a 1% COLA
2016	One-time 1% merit-based; 2% merit-based pay increase (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	3% COLA
2017	2% merit-based increase (all employees received an additional 1% pay raise to offset the 1% VRS share pickup)	2% COLA
2018	First phase of 3-year implementation of the compensation study through which employees received a 1.3% COLA, longevity increases ³ where applicable. After first applying the COLA and longevity adjustments, where necessary, salaries were then further increased by 1/3 of the additional amount needed to achieve the Classification Date Parity ⁴ recommendation from the Evergreen study	2% COLA

FY 2019 Budget Public Hearing

2019 Recommended	Second phase of 3-year implementation of the compensation study to include a 2% COLA; longevity adjustments of 0.5% for employees with 3 and 12 years of services, and 1% for 5, 10 and 15 years of service; and the second 1/3 of implementation to achieve Classification Date Parity ⁴ .	4% - Teachers (hybrid Range Penetration Parity) 2% - Non-teachers plus, as necessary, either bring to minimum of adjusted salary scales or increase by 1/3 of the additional amount needed to achieve the Classification Date Parity ⁴ .
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¹An average step increase is 1.43%, however the majority of pay scales include plateaus where the salary amount is “frozen” or stays the same for multiple years. Thus a step increase for these employees equates to 0%.

²The average increases resulting from salary scale adjustments for teachers combining the step & COLA are shown in parentheses. The pay scale study was completed internally by SCPS Human Resources in 2004-2005 and was based on a comparison of SCPS teacher salaries to other school divisions.

³Longevity increases were applied at 1% for employees with 5 – 9.9 years of service; 2% for 10 – 14.9 years of service; and 3% for 15+ years of service.

⁴Classification Date Parity places employees on their assigned pay grade based on their years of experience with the Schools or County in their current classification compared to the length of a typical career.