



FY 2018 Recommended Budget Budget Question

Board Question #: 31

BUDGET QUESTION: If the intent is that the State will fund in FY 2019 the full year's share of the 2% adjustment funded for the five months of the year in FY 2018, can we use one-time money to bridge the State share for the full year in FY 2018?

RESPONSE: \$650,085 is the estimated revenue to be received from the State as its share of a 2% salary adjustment to be effective February 15, 2018 for funded SOQ instructional and support positions. If that is the 4.5 month State contribution, the full year contribution would be derived as \$1,733,560, with the 7.5 month balance equaling \$1,083,475.

Yes, the County could choose to use \$1,083,475 of one-time funding to offset what the State is not contributing for the other 7.5 months of FY 2018. However, given that FY 2018 is the second year of the biennium, no estimates of State funding have been made available for FY 2019 at this time. There is no guarantee that the full-year State funding (or even partial year funding) will be included for FY 2019. That will not be known until this time next year.

It should also be noted that the State budget language concerning this item makes it clear that school divisions qualify for the state funds associated with the 2% salary adjustment if they have already provided a 2% salary adjustment in FY 2017 or if they give one in FY 2018. Spotsylvania Schools already qualify for this portion of State funding in FY 2018 by virtue of having already provided a 2% COLA in FY 2017.

The State budget language on this matter is attached for your reference.

VIRGINIA STATE BUDGET

2017 Session

Budget Amendments - HB1500 (Conference Report)

Bill Order » Item 139 #4c

State's Share of 2% Raise for Teachers in the 2016-18 Biennium

Item 139 #4c

First Year - FY2017

Second Year - FY2018

Education

Direct Aid to Public Education	\$0	\$31,981,550	GF
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Language

Page 125, line 50, strike "\$6,724,033,033" and insert "\$6,756,014,583".

Page 127, line 7, strike the second "\$0" and insert "\$31,846,184".

Page 127, line 9, strike "\$18,551,312" and insert "\$18,686,678".

Page 156, after line 11, insert:

"j. Out of the appropriation included in paragraph 40 of this item, \$135,366 the second year from the general fund is included in the Academic Year Governor's School funding allocation to increase the per pupil amount the second year as an add-on for a compensation supplement payment equal to 2.0 percent of base pay on February 15, 2018, for Academic Year Governor's School instructional and support positions."

Page 160, after line 42 insert:

"40. Compensation Supplement

a.1) The appropriation in this item includes \$31,981,550 the second year from the general fund for the state share of a payment equivalent to a 2.0 percent salary incentive increase, effective February 15, 2018, for funded SOQ instructional and support positions. Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions funded through the SOQ staffing standards for each school division in the biennium. This amount includes \$135,366 the second year referenced in paragraph 28. h., for the Academic Year Governor's Schools for a 2.0 percent salary incentive increase, effective February 15, 2018, for instructional and support positions.

2) It is the intent that the instructional and support position salaries be increased in school divisions throughout the state by at least an average of 2.0 percent during the 2016-18 biennium. Sufficient funds are appropriated in this act to finance, on a statewide basis, the state share of a 2.0 percent salary increase for funded SOQ instructional and support positions, effective February 15, 2018, to school divisions which certify to the Department of Education, by June 1, 2017, that salary increases of a minimum average of 2.0 percent have been or will have been provided during the 2016-18 biennium, either in the first year or in the second year or through a combination of the two years, to instructional and support personnel. In certifying that the salary increases have been provided, school divisions may not include any salary increases that were provided in the first year solely to offset the cost of required member contributions to the Virginia Retirement System under § 51.1-144, Code of Virginia.

b. This funding is not intended as a mandate to increase salaries."

Explanation

(This amendment provides funding for the state's share of a 2.0 percent compensation supplement, for SOQ instructional and support positions and Academic Year Governor's School instructional and support positions. The amount of state funding is calculated based on an effective date of February 15, 2018. School divisions shall have

the flexibility to qualify for these state funds if they certify that they have provided or will provide an increase of at least 2.0 percent at some point during the 2016-18 biennium. In other words, at least 2.0 percent in fiscal year 2017 or at least 2.0 percent in fiscal year 2018, or via two separate increases in each fiscal year, such as 1.0 percent in fiscal year 2017 and 1.0 percent in fiscal year 2018 that together add to at least 2.0 percent. Companion amendments reverse the 1.5 percent bonus proposed in the budget as introduced and add \$34.1 million to the Supplemental Lottery Per Pupil Allocation.)