

Overview of FY 2014 Compensation Summary for School Divisions

House Appropriations Committee

Susan Hogge, HAC Staff

June 17, 2013

Review of Proposed 2013 Legislation

- Governor's introduced budget included \$58.5 million in the second year to provide the state's share of a 2% salary incentive to school divisions for only SOQ funded instructional positions, effective July 1, 2013
 - Optional participation, with required local match (LCI)
 - Contingent on passage of Teaching Excellence Act (HB 2151)
- House: provided a total of \$62.6 million for 2% salary incentive for both SOQ funded instructional and support positions
 - \$53.5 million (11 months) for instructional positions, effective August 1, 2013
 - \$9.1 million (6 months) for support positions, effective January 1, 2014
 - Optional participation & required a local match – must provide at least a 2% increase by January 1, 2014, & would be eligible for all of the funding from the state
 - Added revenue contingency language
- Senate: provided a total of \$76.7 million for 2% salary incentive for both SOQ funded instructional and support positions, effective July 1, 2013
 - \$58.5 million for instructional positions
 - \$18.2 million for support positions
 - Optional participation & required a local match – must provide a salary increase equivalent to 2% on average
 - However, divisions could opt to provide less than 2% but at least 1% and could receive a prorated state match
- Both House and Senate included language that school divisions could not use the phase-in of the VRS swap as a part the local match

Review of Adopted 2013 Legislation

- Final adopted action from the General Assembly & Governor:
 - ▶ Provided \$70.2 million the second year for the state's share of a 2% salary incentive increase, effective August 1, 2013 (11 months)
 - ▶ Funding included both instructional and support positions
 - ▶ Optional participation, with a required local match
 - ▶ Participating divisions have to provide at least a 2% salary increase by January 1, 2014 (6 months)
 - ▶ Must certify to DOE by June 15, 2013, that a minimum of a 2% salary increase would be provided in the second year by January 1, 2014
 - ▶ Funding was contingent on passage of HB 2151, which was adopted and signed by the Governor on March 20, 2013
 - ▶ Included the revenue contingency language
 - ▶ Included the language that school divisions could not use the phase-in of the VRS swap as a part the local match

Conducted a Brief Survey to Ask Superintendents the Following Questions

- 1) Is your division budgeting a salary increase for FY 2014?
- 2) If Yes:
 - a) Who will receive the increase (instructional / support)?
 - b) How much is the increase (percentage / bonus)?
 - c) What is the effective date of increase?
- 3) If applicable, are you changing the VRS split beyond the required 1% swap-out?

Survey Says -

- Out of the 136 school divisions, 121 divisions, or 89%, have budgeted for at least a 2.0% salary increase for FY 2014 for all employees
 - Excludes any salary adjustments for VRS percentage swap-out

Percent of Salary Adjustment for FY14	Effective Date of Salary Increase					# of Divisions	% of Divisions
	July 1	Aug 1	Sept 1	Oct 1	Jan 1		
1.00% - 1.50%	2	-	-	-	-	2	1.5%
2.00%	74	2	1	-	5	82	60.3%
2.10% - 2.30%	9	-	-	-	2	11	8.1%
3.00%	18	1	-	1	1	21	15.4%
3.10% - 3.70%	4	-	-	1	-	5	3.7%
4.00%	2	-	-	-	-	2	1.5%
No Increase						12	8.8%
No Response						1	0.7%
TOTAL	109	3	1	2	8	136	100%

Salary Increases Budgeted for FY 2014

Division	% Incr.	Eff. Date	Division	% Incr.	Date	Division	% Incr.	Date	Division	% Incr.	Eff. Date
Accomack	2.00%	7/1	Danville	2.00%	7/1	King William	2.00%	7/1	Prince William	2.00%	7/1
Albemarle	2.00%	7/1	Dickenson	2.00%	7/1	Lancaster	3.00%	7/1	Pulaski	2.00%	8/1
Alexandria	3.00%	1/1	Dinwiddie	2.00%	7/1	Lee	2.00%	7/1	Radford	2.00%	7/1
Alleghany	0.00%	n/a	Emporia	2.00%	7/1	Lexington	3.00%	7/1	Rappahannock	3.00%	7/1
Amelia	2.00%	7/1	Essex	2.00%	7/1	Loudoun	2.00%	7/1	Richmond City	2.00%	1/1
Amherst	3.00%	7/1	Fairfax City	2.00%	1/1	Louisa	2.00%	7/1	Richmond	2.00%	7/1
Appomattox	2.00%	7/1	Fairfax	2.00%	1/1	Lunenburg	2.00%	7/1	Roanoke City	2.00%	7/1
Arlington	2.70%	7/1	Falls Church	3.00%	7/1	Lynchburg	3.00%	7/1	Roanoke	0.00%	n/a
Augusta	4.00%	7/1	Fauquier	2.00%	7/1	Madison	2.00%	7/1	Rockbridge	2.00%	7/1
Bath	2.00%	7/1	Floyd	2.00%	7/1	Manassas	2.00%	7/1	Rockingham	2.00%	7/1
Bedford City	2.00%	7/1	Fluvanna	2.40%	7/1	Manassas Park	2.00%	7/1	Russell	2.00%	7/1
Bedford	2.00%	7/1	Franklin City	3.00%	7/1	Martinsville	3.00%	7/1	Salem	0.00%	n/a
Bland	3.00%	7/1	Franklin	2.50%	7/1	Mathews	3.00%	7/1	Scott	2.00%	7/1
Botetourt	2.00%	7/1	Frederick	3.70%	10/1	Mecklenburg	2.00%	7/1	Shenandoah	2.00%	7/1
Bristol	2.35%	1/1	Fredericksburg	2.00%	7/1	Middlesex	2.00%	7/1	Smyth	2.00%	7/1
Brunswick	2.00%	8/1	Galax	2.00%	7/1	Montgomery	2.00%	7/1	Southampton	No Response	
Buchanan	0.00%	n/a	Giles	2.80%	7/1	Nelson	3.00%	7/1	Spotsylvania	0.00%	n/a
Buckingham	4.00%	7/1	Gloucester	2.00%	7/1	New Kent	2.00%	7/1	Stafford	3.50%	7/1
Buena Vista	2.25%	7/1	Goochland	2.66%	7/1	Newport News	2.50%	7/1	Staunton	3.00%	10/1
Campbell	3.00%	7/1	Grayson	2.00%	7/1	Norfolk	2.00%	7/1	Suffolk	0.00%	n/a
Caroline	3.00%	7/1	Greene	0.00%	n/a	Northampton	3.00%	7/1	Surry	3.00%	7/1
Carroll	3.00%	7/1	Greensville	2.00%	7/1	Northumberland	3.00%	7/1	Sussex	2.00%	7/1
Charles City	2.00%	7/1	Halifax	2.00%	7/1	Norton	2.00%	7/1	Tazewell	2.00%	7/1
Charlotte	2.00%	7/1	Hampton	2.00%	7/1	Nottoway	2.00%	7/1	Virginia Beach	2.00%	9/1
Charlottesville	1.50%	7/1	Hanover	0.00%	n/a	Orange	2.00%	7/1	Warren	2.00%	7/1
Chesapeake	3.10%	7/1	Harrisonburg	2.00%	7/1	Page	2.00%	7/1	Washington	2.00%	7/1
Chesterfield	2.00%	1/1	Henrico	0.00%	n/a	Patrick	2.00%	7/1	Waynesboro	3.00%	7/1
Clarke	2.00%	7/1	Henry	0.00%	n/a	Petersburg	2.00%	7/1	West Point	2.00%	7/1
Colonial Beach	2.00%	7/1	Highland	1.00%	7/1	Pittsylvania	2.00%	7/1	Westmoreland	0.00%	n/a
Colonial Heights	2.00%	7/1	Hopewell	3.00%	8/1	Poquoson	2.00%	7/1	Williamsburg	3.10%	7/1
Covington	2.00%	7/1	Isle of Wight	0.00%	n/a	Portsmouth	2.00%	7/1	Winchester	2.00%	1/1
Craig	2.00%	7/1	James City	3.10%	7/1	Powhatan	2.00%	7/1	Wise	2.00%	7/1
Culpeper	2.00%	7/1	King & Queen	2.16%	1/1	Prince Edward	2.00%	7/1	Wythe	2.00%	7/1
Cumberland	2.00%	7/1	King George	2.00%	7/1	Prince George	2.20%	7/1	York	2.20%	7/1

FY 2014 Update to VRS 5% / 5% Swap

- School divisions could have elected to continue with the required 1% swap-out for VRS or completely phased-in the remaining percentage
- The 47 divisions that had elected to swap-out the required 1% of the VRS cost to their employees in FY 2013:
 - 33 continued to phase-in the next 1%
 - 1 phased-in an additional 2%
 - 13 phased-in the remaining 4%
- The 3 divisions that phased-in 2%:
 - 1 continued to phase-in the next 1%
 - 2 phased-in the remaining 3%
- The 6 divisions that phased-in 3%:
 - 3 continued to phase-in the next 1%
 - 3 phased-in the remaining 2%

VRS Swap-Out (Employer / Employee)

<u>FY13 (year 1)</u>	<u>FY14 (year 2)</u>			
	<u>3% / 2%</u>	<u>2% / 3%</u>	<u>1% / 4%</u>	<u>0% / 5%</u>
4% / 1% 47	33	1	0	13
3% / 2% 3	0	1	0	2
2% / 3% 6	0	0	3	3
1% / 4% 0	0	0	0	0
0% / 5% <u>80</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>80</u>
TOTAL 136	33	2	3	98

Division	VRS %		VRS Swap-out Changes for FY 2014						Division	VRS %	
	FY13	FY14								FY13	FY14
Accomack	0 / 5	0 / 5	Danville	0 / 5	0 / 5	King William	4 / 1	0 / 5	Prince William	4 / 1	3 / 2
Albemarle	0 / 5	0 / 5	Dickenson	4 / 1	3 / 2	Lancaster	0 / 5	0 / 5	Pulaski	0 / 5	0 / 5
Alexandria	0 / 5	0 / 5	Dinwiddie	0 / 5	0 / 5	Lee	0 / 5	0 / 5	Radford	0 / 5	0 / 5
Alleghany	0 / 5	0 / 5	Emporia	0 / 5	0 / 5	Lexington	0 / 5	0 / 5	Rappahannock	0 / 5	0 / 5
Amelia	0 / 5	0 / 5	Essex	0 / 5	0 / 5	Loudoun	4 / 1	3 / 2	Richmond City	2 / 3	1 / 4
Amherst	0 / 5	0 / 5	Fairfax City	0 / 5	0 / 5	Louisa	4 / 1	3 / 2	Richmond	0 / 5	0 / 5
Appomattox	0 / 5	0 / 5	Fairfax	3 / 2	0 / 5	Lunenburg	0 / 5	0 / 5	Roanoke City	4 / 1	3 / 2
Arlington	0 / 5	0 / 5	Falls Church	4 / 1	3 / 2	Lynchburg	0 / 5	0 / 5	Roanoke	0 / 5	0 / 5
Augusta	0 / 5	0 / 5	Fauquier	0 / 5	0 / 5	Madison	0 / 5	0 / 5	Rockbridge	0 / 5	0 / 5
Bath	0 / 5	0 / 5	Floyd	4 / 1	0 / 5	Manassas	4 / 1	0 / 5	Rockingham	0 / 5	0 / 5
Bedford City	2 / 3	0 / 5	Fluvanna	4 / 1	3 / 2	Manassas Park	4 / 1	3 / 2	Russell	4 / 1	3 / 2
Bedford	2 / 3	0 / 5	Franklin City	0 / 5	0 / 5	Martinsville	4 / 1	0 / 5	Salem	0 / 5	0 / 5
Bland	4 / 1	3 / 2	Franklin	4 / 1	3 / 2	Mathews	0 / 5	0 / 5	Scott	0 / 5	0 / 5
Botetourt	4 / 1	0 / 5	Frederick	0 / 5	0 / 5	Mecklenburg	4 / 1	3 / 2	Shenandoah	0 / 5	0 / 5
Bristol	4 / 1	3 / 2	Fredericksburg	4 / 1	3 / 2	Middlesex	0 / 5	0 / 5	Smyth	0 / 5	0 / 5
Brunswick	0 / 5	0 / 5	Galax	0 / 5	0 / 5	Montgomery	4 / 1	0 / 5	Southampton	4 / 1	No response
Buchanan	4 / 1	3 / 2	Giles	4 / 1	0 / 5	Nelson	0 / 5	0 / 5	Spotsylvania	0 / 5	0 / 5
Buckingham	3 / 2	0 / 5	Gloucester	0 / 5	0 / 5	New Kent	0 / 5	0 / 5	Stafford	4 / 1	3 / 2
Buena Vista	4 / 1	3 / 2	Goochland	4 / 1	0 / 5	Newport News	4 / 1	3 / 2	Staunton	0 / 5	0 / 5
Campbell	0 / 5	0 / 5	Grayson	4 / 1	3 / 2	Norfolk	0 / 5	0 / 5	Suffolk	4 / 1	3 / 2
Caroline	0 / 5	0 / 5	Greene	4 / 1	3 / 2	Northampton	0 / 5	0 / 5	Surry	0 / 5	0 / 5
Carroll	4 / 1	3 / 2	Greensville	0 / 5	0 / 5	Northumberland	0 / 5	0 / 5	Sussex	0 / 5	0 / 5
Charles City	0 / 5	0 / 5	Halifax	0 / 5	0 / 5	Norton	4 / 1	3 / 2	Tazewell	4 / 1	3 / 2
Charlotte	0 / 5	0 / 5	Hampton	4 / 1	0 / 5	Nottoway	0 / 5	0 / 5	Virginia Beach	4 / 1	3 / 2
Charlottesville	0 / 5	0 / 5	Hanover	0 / 5	0 / 5	Orange	0 / 5	0 / 5	Warren	0 / 5	0 / 5
Chesapeake	2 / 3	0 / 5	Harrisonburg	0 / 5	0 / 5	Page	0 / 5	0 / 5	Washington	0 / 5	0 / 5
Chesterfield	4 / 1	0 / 5	Henrico	0 / 5	0 / 5	Patrick	0 / 5	0 / 5	Waynesboro	0 / 5	0 / 5
Clarke	0 / 5	0 / 5	Henry	0 / 5	0 / 5	Petersburg	4 / 1	3 / 2	West Point	2 / 3	1 / 4
Colonial Beach	0 / 5	0 / 5	Highland	4 / 1	3 / 2	Pittsylvania	4 / 1	3 / 2	Westmoreland	0 / 5	0 / 5
Colonial Heights	0 / 5	0 / 5	Hopewell	0 / 5	0 / 5	Poquoson	3 / 2	2 / 3	Williamsburg	4 / 1	3 / 2
Covington	4 / 1	3 / 2	Isle of Wight	0 / 5	0 / 5	Portsmouth	0 / 5	0 / 5	Winchester	0 / 5	0 / 5
Craig	4 / 1	0 / 5	James City	4 / 1	3 / 2	Powhatan	0 / 5	0 / 5	Wise	4 / 1	0 / 5
Culpeper	0 / 5	0 / 5	King & Queen	2 / 3	1 / 4	Prince Edward	0 / 5	0 / 5	Wythe	0 / 5	0 / 5
Cumberland	0 / 5	0 / 5	King George	4 / 1	3 / 2	Prince George	4 / 1	0 / 5	York	4 / 1	2 / 3