

Fairfax County Public Schools

2015-16 Total Compensation Market Study

School Board Work Session

December 7, 2015



2015-16 Market Study

- Background and Purpose
- Methodology
- Preliminary Findings for Teachers
- Next Steps

Purpose of the Study

The purpose of the Compensation Study is to:

- Support Strategic Plan Goal 3—Premier Workforce
- Quantify FCPS' market position for pay and benefits
- Understand how other school districts and local governments value and reward their employees
- Develop a new compensation model designed to recruit and retain high quality employees to support current and future needs

STRATEGIC PLAN GOAL 3: PREMIER WORKFORCE
Overarching Strategy 8: Recruit and retain high-quality employees
who are valued, respected, and rewarded for their efforts

Current Situation

➤ **Difficulty recruiting teachers**

- At the beginning of this school year, about 200 teacher positions were still vacant
- Many of these unfilled positions are in critical fields (STEM, Special Education)

➤ **Concern about nationwide teacher shortage**

- Teacher preparation program enrollment dropped by 30% from 2010 to 2014

➤ **Increased turnover**

- Teacher turnover was 7% in 2014, up from 5% in prior years
- At least 1,400 new teachers are needed each year to maintain consistent staffing
- Over a third of the teachers who left FCPS last year had at least 5 years of service

➤ **Exit surveys show that pay levels are a driver of turnover**

- Over half of teachers who left said that pay rates influenced their decision to leave and 30% said it influenced their decision a great deal

➤ **Inconsistent pay increases have affected employee morale**

- Step increases were withheld for 3 of the past 6 years
- Salary scale adjustments were also frozen for 2 of the past 6 years

Market Study Methodology

The study covers employee groups on all pay scales

➤ Teachers and Related Professionals

➤ Instructional Assistants

➤ School Administrators

➤ Other Staff

- Educational Leadership, Support, and Student/Family Services
- Healthcare Services
- Food and Nutrition Services
- Transportation
- Facilities and Asset Management
- Safety and Security
- Business Operations (IT, HR, finance, legal, office support, etc.)



Market Study Methodology *continued*

The study covers three market segments within the Washington DC metropolitan area.

➤ School Districts

- Alexandria PS
- Arlington PS
- District of Columbia PS
- Loudoun PS
- Montgomery PS
- Prince George's PS
- Prince William PS

➤ Governmental Employers

- Arlington County
- Fairfax County
- Federal Government
- Prince George's County
- Prince William County

➤ Private Sector Employers

- For-profit organizations
- Non-for-profit entities



Market Study Methodology *continued*

The following elements of total compensation are included

➤ **Base Pay**

- Pay range minimum and maximum rates
- Pay policies, such as rules for initial placement and promotional increases

➤ **Pay Supplements and Stipends**

- Selected disciplines or focus (special education and hard to fill positions)
- Demonstrated skills or competencies (dual certification, national board)
- Work environment (high needs schools)
- Leadership roles (department chair, lead teacher)
- Longevity

➤ **Health Benefit Costs**

- Medical
- Prescription drug
- Dental
- Vision

➤ **Retirement Benefit Costs**

- Primary retirement plans
- Supplemental plans



Teacher Salary Scale

- FCPS' Teacher Salary Scale is a traditional lane-and-step model that rewards educational attainment and experience
- Distribution of current teachers

Pay Lane	% of Teachers
BA	19%
BA+15	5%
BA+30	4%
MA	60%
MA+30	11%
PhD/Doctorate	1%

FY 2016 TEACHER SALARY SCALE 194-day

Degree	BA	BA +15	BA +30	MA	MA+30	PhD
1	47,046	48,581	50,139	52,856	54,354	56,512
2	47,741	49,299	50,880	53,637	55,157	57,347
3	48,505	50,087	51,694	54,495	56,039	58,264
4	49,374	50,958	52,563	55,366	56,909	59,135
5	50,313	51,896	53,502	56,304	57,848	60,073
6	51,319	52,902	54,508	57,310	58,854	61,079
7	52,448	54,031	55,637	58,439	59,983	62,208
8	53,969	55,552	57,158	59,960	61,504	63,729
9	55,642	57,225	58,831	61,633	63,177	65,403
10	57,423	59,006	60,612	63,414	64,958	67,183
11	59,260	60,843	62,449	65,252	66,796	69,021
12	61,156	62,740	64,345	67,148	68,692	70,916
13	63,113	64,697	66,303	69,105	70,649	72,874
14	65,133	66,716	68,322	71,125	72,668	74,894
15	67,217	68,800	70,406	73,208	74,752	76,977
16	69,369	70,952	72,557	75,359	76,903	79,129
17	71,588	73,171	74,777	77,579	79,123	81,348
18	73,878	75,462	77,067	79,869	81,413	83,638
19	76,242	77,826	79,431	82,234	83,778	86,003
20	78,682	80,265	81,871	84,673	86,217	88,442
21	81,200	82,783	84,389	87,192	88,736	90,961
22	83,798	85,382	86,988	89,790	91,334	93,559
23	86,481	88,064	89,670	92,484	94,015	96,241
Long 1			91,396	94,218	95,742	97,968
Long 2			93,158	95,986	97,503	99,728
Long 3			94,955	97,791	99,299	101,524

Teachers and others paid on the teacher scale make up 63% of the FCPS workforce

Teachers—Key Results

➤ Current Teacher Salaries Are:

- Close to the survey average in the beginning years (years 1 to 4)
- Below market during the middle years (years 5 to 20)
- More competitive in the last years (years 20 to 30)



➤ For Example:

- A new teacher with a master's degree earns \$156 less than the survey average
 - At the 15th year, however, a Fairfax County teacher's salary is about \$8,500 below the survey average and about \$20,000 below an Arlington teacher's salary.
 - Over a 30-year career, an FCPS teacher earns \$142,000 less than our survey average and \$293,000 less than a teacher at Arlington
- After including benefit costs, FCPS' market position improves somewhat but is still below market for years 5 through 20

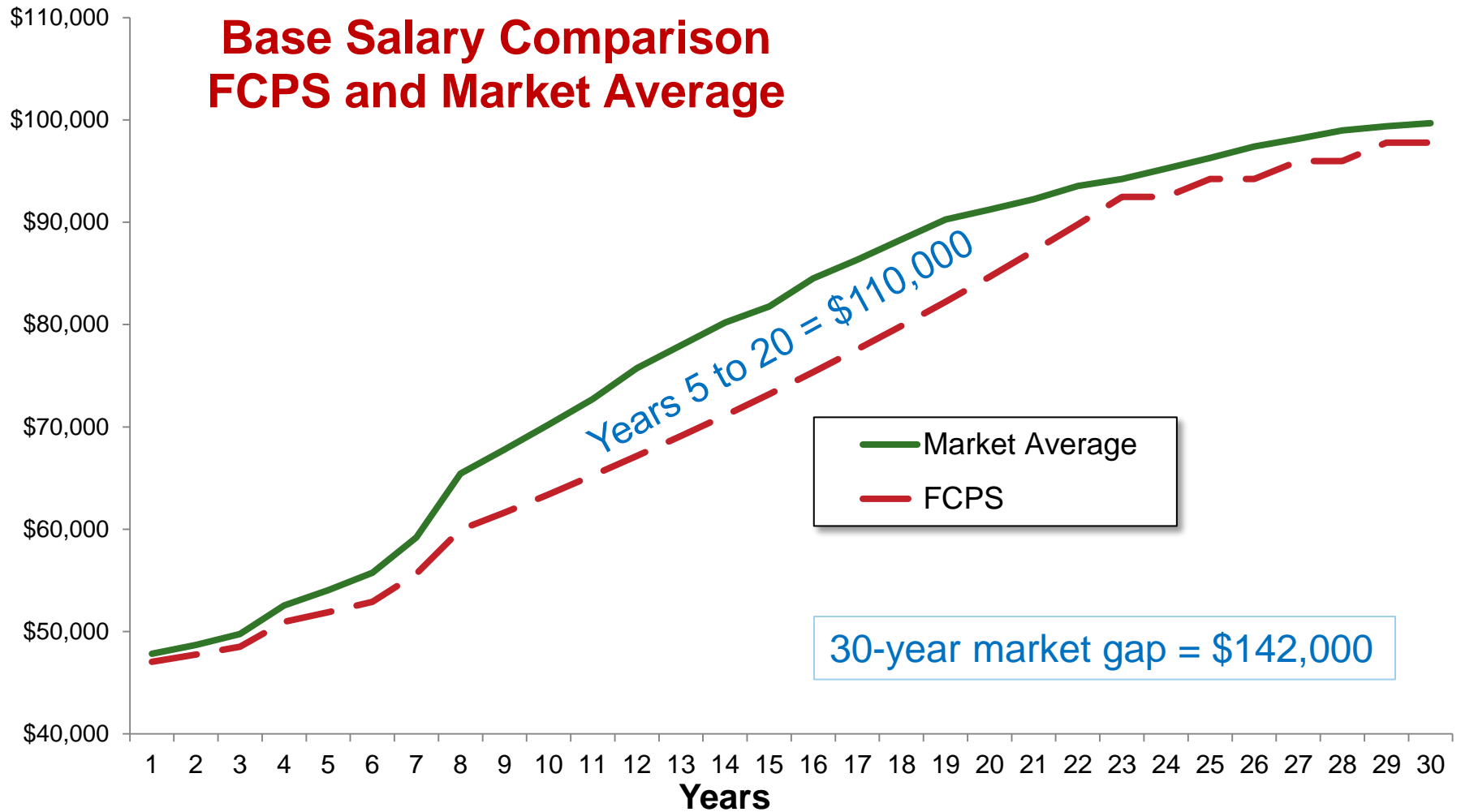
Teachers—Masters Pay Lane Comparison

MASTER'S PAY LANE MARKET COMPARISON

	Year 1	Year 5	Year 10	Year 15	Year 20	Year 25
Market Average	\$53,012	\$59,108	\$70,234	\$81,777	\$91,227	\$96,286
FCPS	\$52,856	\$56,304	\$63,414	\$73,208	\$84,673	\$94,218
FCPS as % of Market	100%	95%	90%	90%	93%	98%
Dollar Difference	(\$156)	(\$2,804)	(\$6,820)	(\$8,569)	(\$6,554)	(\$2,068)

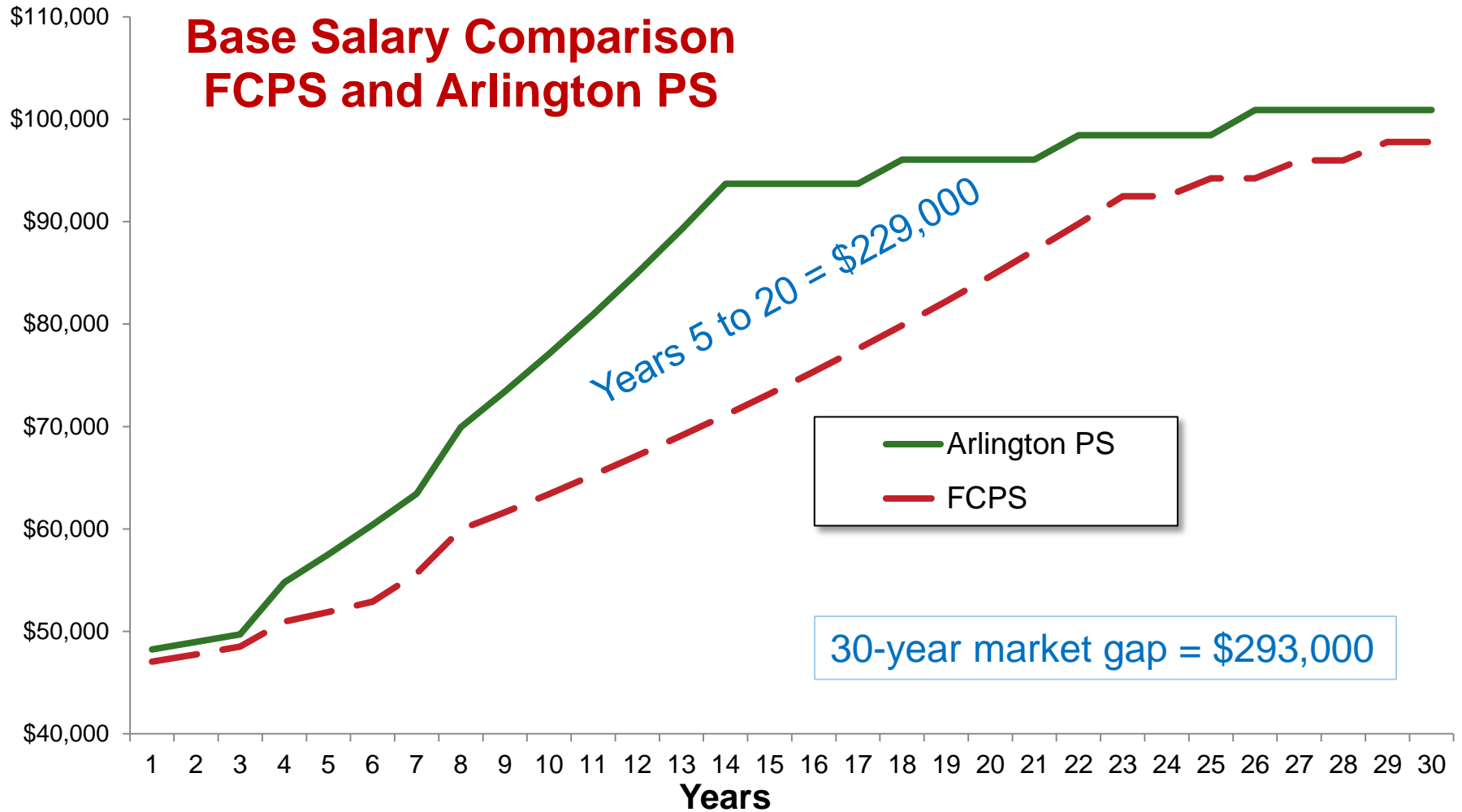
In the early years, FCPS teacher salaries are generally competitive, but become increasingly non-competitive.

Teachers—Career Earnings



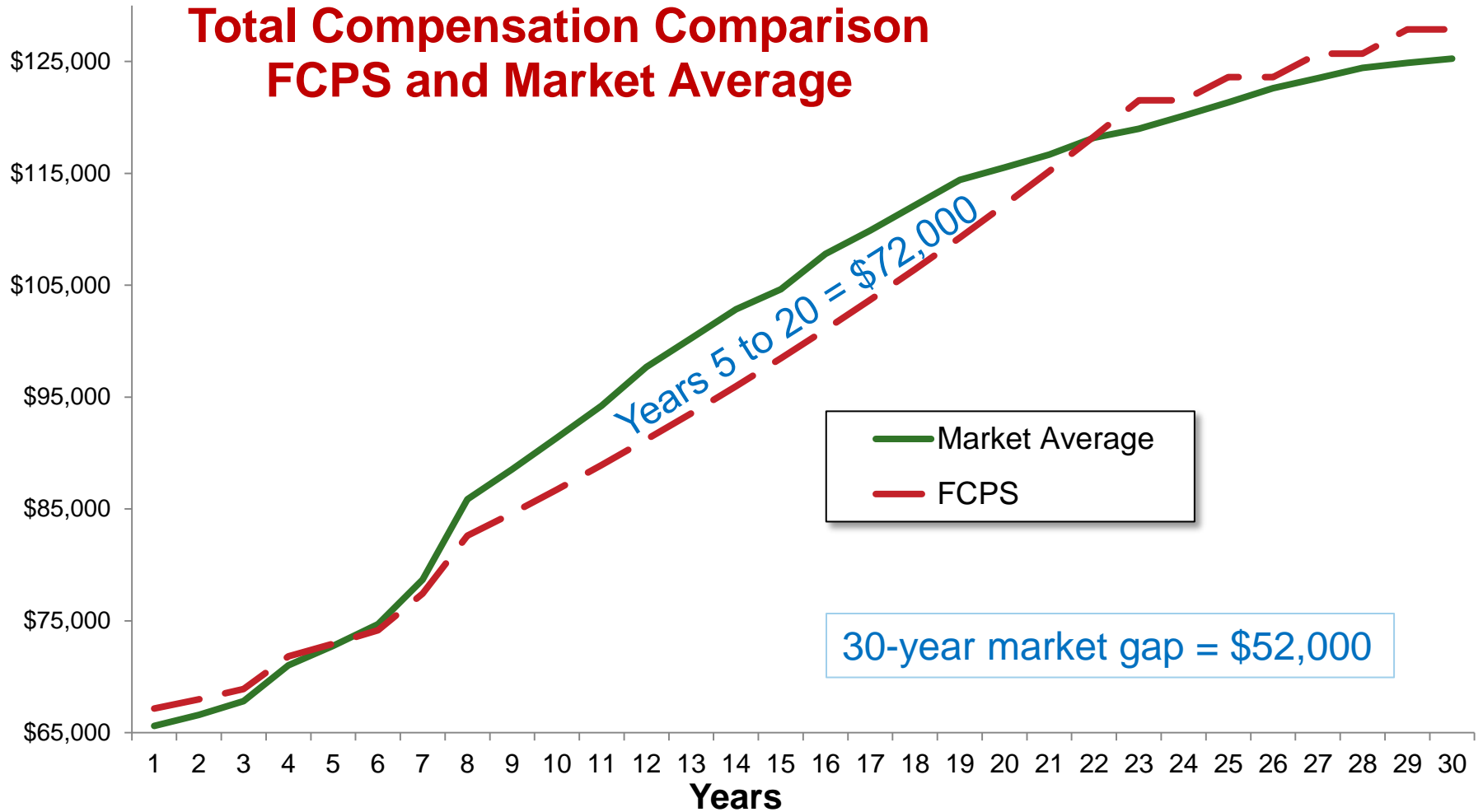
This career earnings scenario assumes starting with a Bachelor's degree, attaining a Master's after 6 years.

Teachers—Career Earnings *continued*



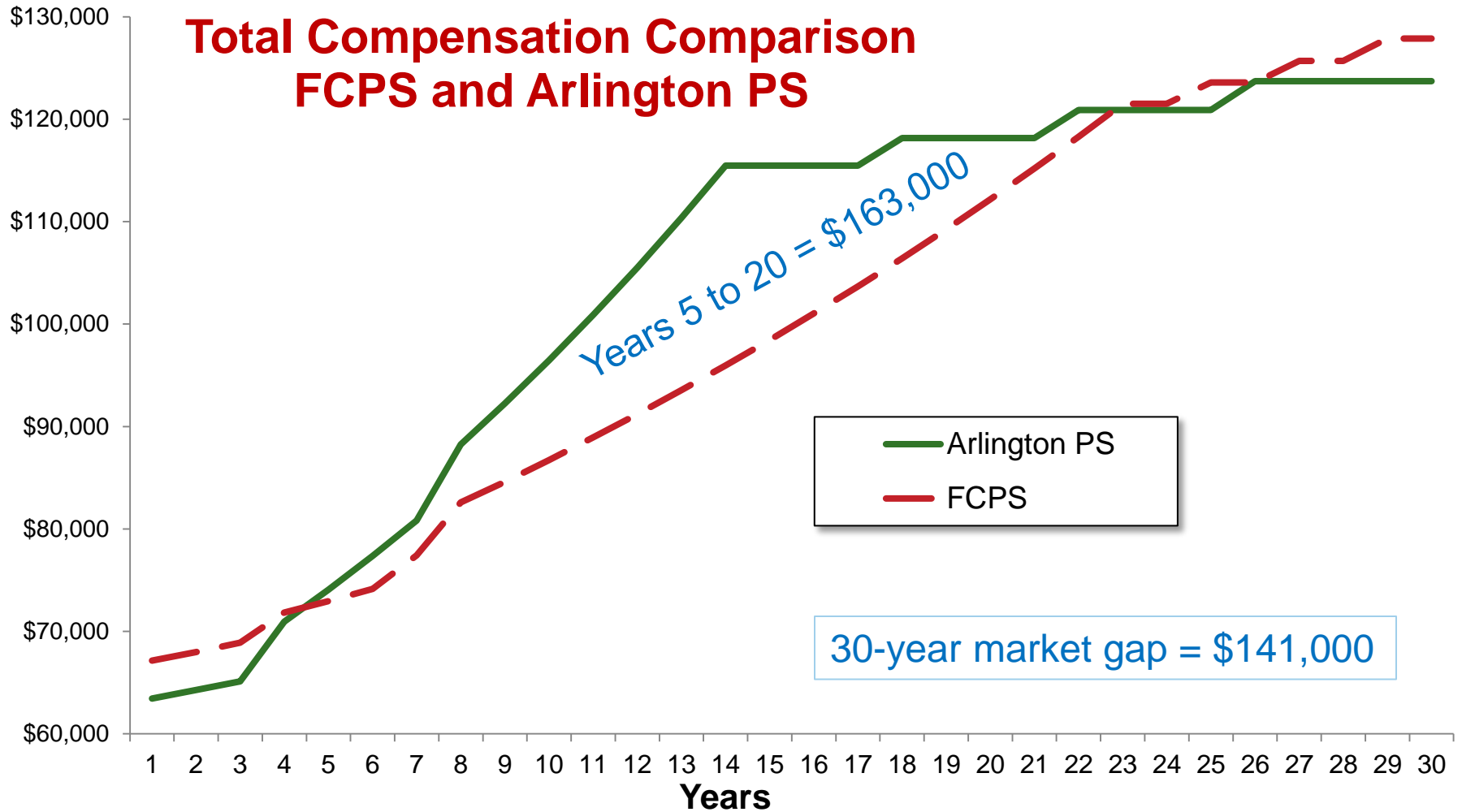
This career earnings scenario assumes starting with a Bachelor's degree, attaining a Master's after 6 years.

Teachers—Career Earnings *continued*



Total compensation includes base salary, employer costs for health benefits and retirement plan contributions

Teachers—Career Earnings *continued*



Total compensation includes base salary, employer costs for health benefits and retirement plan contributions

Teachers—Pay Supplements

The market survey asked about incentives and rewards related to:

➤ Leadership Roles

- All of the school districts provide financial recognition for accepting leadership roles, such as department chairs, lead teachers, resources teachers, or mentors
- These incentives range from about \$700 to \$4,400 per year
- FCPS typically provides a stipend to department chairs of \$1,000 plus per diem pay

➤ Additional Certifications or Licenses

- All of the school districts financially reward teachers for obtaining National Board Certification, typically based on statewide funding and guidelines
- Using state funding, FCPS pays a one-time incentive of \$5,000 then an ongoing reward of \$2,500 for those who maintain the certification

Teachers—Pay Supplements *continued*

The market survey asked about incentives and rewards related to:

➤ **Special Education**

- 2 school districts provide incentives to those working in special education positions
- One gives an additional pay step and the other pays a stipend up to \$2,900/year
- FCPS does not provide any additional pay for special education teachers

➤ **Hard-to-Fill Teaching Disciplines/Subjects**

- None of the surveyed school districts provide pay supplements to those teaching in specific subject areas (including FCPS)

➤ **High Needs Schools**

- None of the surveyed school districts provide pay supplements to those teaching in high needs schools (including FCPS)

Teachers—Key Results

- Current Teacher Salaries Are:
 - Close to the market average in the beginning years (years 1 to 4)
 - Below market during the middle years (years 5 to 20)
 - Market competitive in the last years (years 20 to 30)
- After including benefit costs, FCPS' market position improves somewhat but is still below market for years 5 through 20



Compensation Study—Next Steps

- Complete the market study analysis
- Conduct employee surveys and focus groups
- Develop new compensation philosophy
 - Define the desired market position
 - Identify innovative approaches to attract and retain key talent
- Recommend compensation models and approaches designed to recruit, retain, and reward high-quality employees
 - New salary scale approach
 - Incentives and rewards for critical fields and hard-to-fill positions
 - Benefit offerings
- Estimate the costs of implementing the recommended changes

