We Will Know Every Student

February 23, 2023
Budget Timeline

**FEB. 16**
- Special Budget Work Session #1

**TODAY**
- School Board Work Session: Budget Work Session #2

**MARCH 2**
- Public Hearing on School Budget & Special Budget Work Session #3

**MARCH 9**
- School Board Meeting: Approve Funding Request

**MARCH 13**
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**APRIL 13**
- Budget Updates

**APRIL 27**
- School Board Meeting: Adopt FY 24 Budget
Strategic Plan: Learning for All

GOAL 3
Equitable, Transformative Resources

OBJECTIVE 1
ACPS will attract, develop, and retain the highest quality staff.

STRATEGY 1
ACPS will implement a total compensation structure that makes us highly competitive compared to other employers.

OBJECTIVE 3
ACPS will provide resources in an equitable manner that transforms learning experiences and opportunities for all students.
Work Session #2 Agenda

Part I: Organizational Development

- Compensation Increase - Brodie Downs
- Health Insurance - Claudine Cloutier

Part II: New Proposals

- Substitute Program Improvements (Phase II) - Dan Redding
Part I:
Organizational Development
This proposal request is for a 5% salary increase for all employees effective July 1, 2023. Additional adjustments are based on the recommendations from the compensation study, which includes the first phase of an adjustment between steps on the teacher scale.

### Strategic Plan Alignment

<table>
<thead>
<tr>
<th>Plan Alignment</th>
<th>✔️</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thriving Students</td>
<td>✔️</td>
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<tr>
<td>Affirming and Empowering Communities</td>
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</tr>
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<td>Equitable, Transformative Resources</td>
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</table>

### FY 24 Budget

+$9,454,592
Compensation Increase
6% pay increase for all employees
(This follows a 4% pay increase for all regular employees in March 2022.)

One-Time Bonus
$1,000 bonus for all regular employees who work 0.7 – 1.0 FTE
$750 bonus for all regular employees who work < 0.7 FTE

Phase 1 Study Recommendations
Increase pay for bus drivers, RNs, positions identified as hard-to-fill, and all positions ≥ 10% below market midpoint
Conduct reclassification review of various positions

Phase 2 Study Recommendations
Increase pay for all positions identified as 4-10% below market midpoint
Make adjustments to positions that warrant reclassification
**Compensation Increase**

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**Recommended 5% Increase for Staff and Teachers**

- Employment Cost Index (ECI) recommends a 4.5% increase for public sector school employees
- VA Governor’s Budget funds a 5% increase (ACPS matches for non-SOQ position)
- Minimum increase to sufficiently maintain ACPS’ competitive position amongst the adopted market

**Recommended Increase for Teacher Step Differentiation**

- Differentiation increases from 1.2%/step to 1.3%/step
- Brings ACPS closer to alignment with Comparative Market
- Makes ACPS more competitive at the top of the teacher salary scale
Compensation Increase

Salary of Teachers with Masters Degrees

- Adopted Market Projection
- Charlottesville City Projection
- ACPS Projection

- $90,000.00
- $80,000.00
- $70,000.00
- $60,000.00
- $50,000.00

MA 0 Yrs  MA 5 Yrs  MA 10 Yrs  MA 15 Yrs  MA 20 Yrs  MA 25 Yrs  MA 30 Yrs
7% Salary Increase Scenario

<table>
<thead>
<tr>
<th></th>
<th>5% Salary Increase</th>
<th>7% Salary Increase²</th>
<th>Additional funds needed</th>
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</thead>
<tbody>
<tr>
<td>State compensation supplement¹</td>
<td>$3.7M</td>
<td>$4.4M - $4.7M</td>
<td></td>
</tr>
<tr>
<td>Salary increase cost³</td>
<td>$8.6M</td>
<td>$12.1M</td>
<td></td>
</tr>
<tr>
<td>Net ACPS cost</td>
<td>$4.9M</td>
<td>$7.4M - $7.7M</td>
<td>$2.5M - $2.8M</td>
</tr>
</tbody>
</table>

(amounts are rounded and approximate)

1 The state compensation supplement provided in FY 24 includes the cost of two years of salary increases (5% in FY 23 and the proposed increase in FY 24).
2 The House of Delegates budget and the Senate budget provide different amounts for the 7% salary increase due to differing assumptions used in their calculations.
3 Excludes cost of teacher scale adjustment
Continuing Our Investment in 2023-24

- 5% Pay Increase for All Employees
- Teacher Step Scale Adjustments
- Employer Rate Increase for Insurance Premiums
Health Insurance

This proposal funds the FY 24 costs of health insurance using the current 2023 plan year rates and increases 2024 plan year rates by 7%.

FY 24 Budget
+$1,378,980

### Strategic Plan Alignment

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<td>Equitable, Transformative</td>
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<tr>
<td>Resources</td>
<td></td>
</tr>
</tbody>
</table>
Health Fund Overview

Self-Funded Plan Structure

- Employee Premiums
- Employer Contributions
- Health Care Fund
  - Claims
    - Administrative
    - Stop Loss
    - Wellness
    - Reserve
Health Fund Overview

Healthcare Fund Benefits Decision Process

Heathcare Fund

Steering Committee
Local Gov
ACPS

Healthcare Plan Committee
Local Gov
ACPS
Stakeholder
+$1,378,980 Budget Increase includes:
- School Board (Employer) contributions at current plan year 2023 rates
- School Board (Employer) contributions at projected plan Year 2024 rates
- Current Positions

**Total Budget (including baseline adjustment and new positions):**

<table>
<thead>
<tr>
<th></th>
<th>FY22/23 Adopted</th>
<th>FY23/24 Proposed</th>
<th>Increase</th>
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<tbody>
<tr>
<td>Health Insurance</td>
<td>$18,905,846</td>
<td>$21,296,200</td>
<td>$2,390,354</td>
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<tr>
<td></td>
<td>Impact per pay period</td>
<td>Impact per period</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employer</td>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$11 - $19</td>
<td>$1 - $6</td>
<td></td>
</tr>
<tr>
<td>Employee + spouse</td>
<td>$24 - $37</td>
<td>$4 - $12</td>
<td></td>
</tr>
<tr>
<td>Employee + child</td>
<td>$16 - $27</td>
<td>$1 - $8</td>
<td></td>
</tr>
<tr>
<td>Employee + children</td>
<td>$20 - $30</td>
<td>$4 - $10</td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>$34 - $54</td>
<td>$5 - $17</td>
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</tr>
</tbody>
</table>

Note: Potential scenario shown for budget purposes only.
Part II: Proposals
<table>
<thead>
<tr>
<th>2/23/23</th>
<th>3/2/23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work Session #2</strong></td>
<td><strong>Work Session #3</strong></td>
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<tr>
<td><strong>Organizational Development</strong></td>
<td><strong>Enrollment and Demographics</strong></td>
</tr>
<tr>
<td>Substitute Program Improvements (Phase II)</td>
<td>Regular Growth</td>
</tr>
<tr>
<td></td>
<td>Special Education</td>
</tr>
<tr>
<td></td>
<td>ESOL Growth</td>
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<tr>
<td></td>
<td>Differentiated Restructure</td>
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<tr>
<td><strong>Safety and Security</strong></td>
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<td></td>
<td>Filter Replacement</td>
</tr>
<tr>
<td></td>
<td>Mental Health Services</td>
</tr>
<tr>
<td></td>
<td>School Resource Officer &amp; Security Assistants</td>
</tr>
<tr>
<td></td>
<td>Title IX Coordinator</td>
</tr>
</tbody>
</table>
This proposal requests an increase in operational funding as a result of the higher rate paid for daily substitute teachers as well as the higher usage of substitute budgets. It also requests 10 school-based substitutes to be assigned to schools with an average substitute fill rate below 40% during the 2022-23 school year.

FY 24 Budget
+$1,406,007

Positions: 10 (5.0 FTE)

Operating Budget
$997,916
## Recap of Phase I

### Substitute Teacher Program Improvements

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>School-Based Substitute Teachers</td>
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</tr>
<tr>
<td>Substitute Teacher Coordinator</td>
<td>✔</td>
</tr>
<tr>
<td>Increased Daily Substitute Pay Rate</td>
<td>✔</td>
</tr>
<tr>
<td>Teacher/T.A. Substitute Incentive Pay</td>
<td>✔</td>
</tr>
</tbody>
</table>

Reference Pages: A-54 to 55, G-18, G-25
# Substitute Program Improvements

## Increased Daily Substitute Fill Rates

<table>
<thead>
<tr>
<th>Month</th>
<th>Fill Rate</th>
<th>Month</th>
<th>Fill Rate</th>
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<tbody>
<tr>
<td>September 2021</td>
<td>42%</td>
<td>May 2022</td>
<td>60%</td>
</tr>
<tr>
<td>October</td>
<td>43%</td>
<td>June</td>
<td>60%</td>
</tr>
<tr>
<td>November</td>
<td>48%</td>
<td>August</td>
<td>65%</td>
</tr>
<tr>
<td>December</td>
<td>55%</td>
<td>September</td>
<td>55%</td>
</tr>
<tr>
<td>January 2022</td>
<td>45%</td>
<td>October</td>
<td>63%</td>
</tr>
<tr>
<td>February</td>
<td>55%</td>
<td>November</td>
<td>65%</td>
</tr>
<tr>
<td>March</td>
<td>64%</td>
<td>December</td>
<td>66%</td>
</tr>
<tr>
<td>April</td>
<td>63%</td>
<td>January 2023</td>
<td>69%</td>
</tr>
</tbody>
</table>
Substitute Program Improvements

Increasing Substitute Teacher Need

- Positions Needed
- Positions Filled

Ref: A-54 to 55, G-18, G-25
Substitute Program Improvements

Phase I (FY 23) Successes

- Higher daily rate of pay
  - Increased fill rates
- Substitute pool has grown
  - 209 to 314
- 46 School-based Substitutes
  - Unanticipated vacancies
- 1 Central Substitute coordinator
  - Support all sub’s

Phase II (FY 24) Proposed Improvements

- 10 additional School-Based substitute teachers
  - Schools w/ low fill rates
- Increase substitute budgets
  - Higher daily rate
  - Increased usage
- Substitute incentive
  - 35, 70 & 140 days
- Referral bonus

Reference Pages
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Questions or concerns?

Email budget@k12albemarle.org at any time.