



**441 Page Street • P.O. Box 427
Troy, North Carolina 27371-0427**
PHONE: (910) 576-6511 • FAX: (910) 576-2044

April 12, 2021 Board of Education meeting
Consent Agenda Item: Hourly Pay Increase for Bus Drivers

Executive Summary:

- Request to increase bus driver pay from current average of \$12.88 per hour to uniform \$15 per hour for driver retention and recruitment purposes effective May 1, 2021.
- Funds available through State allocation fund 056. The salary increase for drivers is not projected to impact local dollars. With continued overall efficiency (lower than average ratio of number of buses needed by the district to transport per 100 students), the additional salary expenses for yellow bus drivers will be recouped through higher State allocations.
- The hourly pay increase is part of a proposed three-step plan to improve bus driver recruitment and retention, as well as improving the quality of service. The other two steps include management of drivers at the school level (instead of being managed by Central Office) and a transition to a semi-monthly payroll for drivers and other non-certified workforce later this year.

Presented by: Auxiliary Services
Endorsed By: Finance Department
Human Resources



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March 18, 2021

Memorandum Re: Bus Driver Salaries and Pay Periods

To: Human Resources, Tracy Grit, Associate Superintendent
Finance Office, Mitch Taylor, CFO

From: Auxiliary Services, Matthew Woodard

Messrs. Grit and Taylor:

As the culmination of our research and analysis of the local workforce, regional labor data, and state-wide trends for bus driver compensation, I ask you to please endorse this recommendation for an increase of bus driver pay to a uniform rate of \$15 per hour, effective May 1, 2021. With your support, please submit this request to Superintendent Dr. Ellis and the Board of Education for their consideration at the April 12, 2021 meeting.

Many characteristics influence the current labor shortage for bus drivers:

1. State funding cuts have led to fewer teacher assistants, who traditionally performed dual employment roles as bus drivers.
2. The overall lack of adequately licensed individuals, and the ready availability of alternative part time employment opportunities.
3. Negative connotations associated with the job prevents new applicants from applying. The perceived difficulties and liabilities associated with the performance of driver duties are misconceptions difficult to overcome.
4. COVID pandemic factors:
 - a. The inability to hold in-person new driver training courses;
 - b. The fear of being exposed to the virus while driving;
 - c. The availability of social program income support and stimulus funded unemployment increases the immediate difficulty of hiring and retaining drivers.

An increase in driver hourly pay rates will increase employment interest and lead to a larger, diverse, and more employable workforce. The current driver salaries average \$12.88 per hour. The request is for a uniform \$15 per hour.

State busing allocations will be used to cover the increased costs for the District. Montgomery County Schools is a model of efficiency, when compared to other school district busing operations, and achieves reimbursements from the State at a rate close to 100% of local expenditures. Maintaining a low ratio of buses needed per 100 students transported will allow the District to recoup most, if not all, of the dollars used to fund these salary increases. *State funds cover the expense of all yellow bus operations. They cannot be used for athletic bus activities, which are and always have been a non-reimbursable expense. This request is for a similar increase of \$15 per hour for drivers engaged in those activities.*



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The recommendation is for this salary increase to be effective May 1, 2021. Two other recommendations stem from our joint evaluation of busing operations. The first will be an internal adjustment and will decentralize the supervision of drivers. The second is a request to pay drivers, and other non-certified employees, on a semi-monthly payroll.

To better serve our district, supervision of drivers will pass to the individual schools. Central Office will continue to manage driver recruitment, training, licensing, route management, and all bus maintenance functions. Principals will supervise their drivers. The busing environment and student behaviors on the bus are compatible with classroom behaviors and overall student success, so direct communication between drivers and local school staff is necessary. Additionally, teacher assistants and non-certified staff still make up most of the driver workforce. Aligning these existing team members (as well as the part-time drivers being sought), with the local schools, instead of Central Office, is in the best interest of all parties.

The last recommendation will be presented, tentatively, to the Board for consideration this fall. The recommendation is to transition to a semi-monthly payroll for non-certified positions. While the District is statutorily prohibited from paying teachers on any platform other than monthly, the Board does have the full authority to adopt alternative pay periods for auxiliary and support staff. For recruitment and retention purposes, aligning pay schedules to match those in the private sector only serves to increase the desirability of State employment. Many of our employees must budget and manage their finances on a paycheck-to-paycheck basis. While moving to a twice per month pay cycle does not add dollars to their annual income, having two pay periods a month is preferable to employees and leads to better overall cash management practices. A semi-monthly (or bi-weekly) payroll platform has been adopted by larger school systems and even by the State for payment of employees in the Department of Transportation.

Prior to consideration and authorization by the Board, we will discuss the change with affected employees. For the transition to be as smooth as possible, we would like to align the implementation with the payment of fall supplements. Switching to a semi-monthly payroll involves a two-week lag. Please reference the following table for clarification of a semi-monthly payroll migration:



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Monthly Payroll Example			
	Payday	Amount	
	30-Jun	\$ 2,400.00	pay for work performed June 1-30
	31-Jul	\$ 2,400.00	pay for work performed July 1-31
	31-Aug	\$ 2,400.00	pay for work performed Aug 1-31
	30-Sep	\$ 2,400.00	pay for work performed Sept 1-30
	Total	\$ 9,600.00	
Transition to a Semi-monthly Payroll			
	Payday	Amount	
	30-Jun	\$ 2,400.00	Pay for work performed Jun 1-30
	31-Jul	\$ 1,200.00	pay for work performed July 1-15
	15-Aug	\$ 1,200.00	pay for work performed July 16-31
	31-Aug	\$ 1,200.00	pay for work performed Aug 1- 15
	15-Sep	\$ 1,200.00	pay for work performed Aug 16-31
	30-Sep	\$ 1,200.00	pay for work performed Sept 1-15
	15-Oct	\$ 1,200.00	pay for work performed Sept 16-30
	Total	\$ 9,600.00	

As illustrated, during the transitional month (July, in this example) the amount of funds an employee receives during the first month are one-half the customary amount. To offset this initial two week “hold-back”, implementing the payroll change during a pay cycle where additional funds are being distributed to the employee eases the financial hardship.

Thank you again for your assistance with and support of these personnel policy and pay amendments. Adoption of these policies will positively impact transportation services without additional costs to the District.

Sincerely,
Matthew M. Woodard