

February 23, 2017
Budget Work Session

Kaufax: Staff wants guidance from board about whether they should plan for across-the-board class size increases and/or raising the minimum class size.

Kristin Michael: Reviewed the basic facts on the gap between the likely revenues and revenues assumed in the Advertised Budget. In prior chart on compensation options, the Board discussed four options. This table adds option 5, similar to the County's proposed compensation. No MSA and no new scale for non-teacher positions. So, on the top row there's a step increase for all employees. The next item is to enhance just the teacher scale, which is similar to what the County has been doing. \$77.2 million, saves about \$14.9 million, which reduces gap to about \$42.5 million.

Hough: Asked for explanation of scale enhancement, with \$14.2 million?

Michael: We projected future scale implemented by 2021, including market movements for adjoining school districts. Board asked about value of 1% MSA for teachers, and its \$14.2 million. But our \$33 million is not really providing an MSA, although it includes the MSA.

Hough: So if we eliminated the MSA for teachers?

Michael: We'd make some progress towards market for teachers, but not much better than just giving an MSA to teachers.

Hough: Other school districts not doing an MSA, why didn't you factor that in?

Quinn: We assumed a 3% increase in the market.

Hough: Why not use actual market changes. Last year, did other school districts give the MSA plus a scale change?

Quinn: When we spent \$40 million, that was the FY 2016 market average.

Hough: If we take out the 1%?

McLaughlin: Comparing Columns 4 and 5 about pay increases. Is the \$19 million with or without the MSA?

Michael: It's the salary scale less the MSA.

McLaughlin: Staff combined the salary scale plus the MSA. Other school districts are not giving an MSA this year. We don't need to combine salary plus MSA, in that case. Can we do Option

4, which reduces gap to \$33 million? Yes. Then next year, if the County is giving an MSA, maybe the \$19 million will be higher that year. But for this year, if we talk about not doing an MSA for FCPS employees, why should we build an MSA into the budget?

Michael: We suggested in Option 5 that our FY 2017 scale is still below the market average. If Board wants to accelerate or slow down the salary scale adjustments, that's all doable.

McLaughlin: People need to be given an accurate understanding of what the numbers mean. We had \$7.9 million for non-teachers MSA.

Quinn: Option 2 is for no scale enhancement, and only gave a 1% MSA, which is \$14 million and \$7.9 million. We don't have to decide tonight. Just provide information to board. Just want to clarify that we designed the new teacher salary scale, knowing it would take multiple years. So instead of chasing the market each year, we built in "some movement that could happen in the market." So if it happened, we'd still be around 102% of the market average with the "built-in movement in the teacher scale."

McLaughlin: I still don't have a clear answer. How did you pick \$19 million.

Michael: \$33 million for teacher scale enhancement, less the value of a 1% MSA for teachers.

McLaughlin: That's the information I wanted. I want to find cuts that don't hurt the classroom. If we are committed to salary scales and we aren't going to do an MSA, at least we can tell them that we're doing the teacher salary scale adjustment. Principals tell me that class size increases are a huge budget item, and \$19 million versus \$33 million is a better bet than increasing class sizes.

Michael: We wanted to present this information so you can factor this into your discussion about other budget cuts, including class size.

Kaufax: That's the purpose of looking at this now.

Evans: I'm looking at the step on top. That doesn't change scales? [Correct]. And, were you planning to also give us options on step?

Michael: The only option would be to delay the implementation, which sets up obligation for the next fiscal year. E.g., delay for 2 months.

Evans: One of our priorities has been to increase the scales, for our teachers. I'm reluctant to reduce the teacher scale enhancements. Appreciate your explanation that we could subtract the 1% from the teacher scale enhancement.

Karen CS: How can we move points around on the matrix? Option 5 does not recognize implementation of non-teacher scales, but Option 4 does. It costs \$7 million to raise non-

teacher scales, but only \$2.9 million is allocated and the other \$4 million is a placeholder. Since we've already started talking about how to allocate the \$2.9 million, should we look at Options 4 or 5 and have two different options for non-teacher scale implementation? We need to be more flexible and break up some of the amounts into sub-parts.

Michael: We can do that.

Karen CS: Please add that line item in the future, for the non-teacher scales. The non-teacher scale has \$7 million in the budget, but \$4 million is a placeholder, and I suggest looking at just implementing the \$3 million for non-teacher scales.

Schultz: No decision needed tonight?

Michael: Correct, since this could provide guidance on your views on class size options.

Schultz: Have you spoken to the teachers associations, etc.?

Ramey: Yes, from teachers and administrators. We'll continue doing that.

Schultz: What do the principal associations say about any of these changes?

Ramey: Don't want to speak for the principals, and their reps are here. Well-received that the County is committed to these enhancements, with new scales.

Schultz: I'd like to hear what they say.

[Three principals came to the microphone from Robinson SS, Carson MS, and Daniels Run ES.

Robinson principal: We're trying to attract the best teachers. We've struggled recently and lost good candidates to other school divisions. Applicants do their homework and know how much each school divisions will pay. They also understand compensation better than in the past, even thinking about retirement. They make comparisons.

Schultz: Who is leaving to teach elsewhere? Youngest teachers? Experienced teachers?

Robinson principal: We lose the young applicants, who go to Loudoun, Prince William, Arlington. It's very expensive to live in Fairfax. Many teachers have second jobs. I've lost five teachers in the last 2 years who said "I can't afford to live here" and move.

Schultz: When we talk about the County not giving an MSA, we have almost twice the number of employees, and most don't have a 12-month paycheck. If someone works for the County, they have a 12-month job. Not always true for an FCPS employee.

Carson principal: New teachers have a lot of energy, and the cost of losing them is very high. We can find ways to mitigate, but it's a struggle for some of them. I lost a few teachers last year who moved due to high cost of living here compared to salaries. Some of the work we do in the summer and spring to hire people - we had long-term vacancies last year.

Daniels Run principal: There also are fewer teacher applicants nationwide. My school is trying to do innovation instruction, so we need the best teachers. Costly to lose teachers who we have already trained. Opportunity costs for compensation - it's more than the dollar amount.

Schultz: Given that information, do any of you advocate for a position? Do you want an MSA?

Daniels Run principal: If we had to choose between class size increases and compensation, we'd choose compensation.

Schultz: What about giving an MSA but not the step?

Michael: When we don't give a step, teachers we hire may not get the full credit or else it might not be equitable. Employees generally prefer a step over an MSA.

Schultz: Based on what I've heard tonight, we need to go through the program budget and make some decisions that prioritize items, which means cutting some programs. That may be difficult for us, but it's not an excuse for not giving an MSA. Mr. Moon suggested cutting the MSA, but that's not where we should start. Our employees aren't 12-month employees, so we shouldn't do exactly what the county does with its 12-month employees.

Kaufax: Happy to talk with Ms. Schultz off-line about program cuts, I know you've done research.

Hynes: If we give an MSA, every employee gets a raise. Fair. If we do salary scale enhancements instead of an MSA, there winners and losers, and people in the middle are the winners.

Michael: In Fy 2017 we targeted salary scale enhancement to mid-experience. For FY 2018, you could target salary scale enhancements to where the gap is greatest again. If we did just an MSA, we might give raises to people whose salaries are above market.

Quinn: Scale enhancement goal is to move towards faster raises in early years. If we don't do salary scale enhancements, we're sticking with the version of the scale as of FY 2017.

Hynes: If we do the scale enhancement, it moves the curve up in the middle. Maybe I shouldn't have used the words winners and losers. Last year, we thought that was appropriate, and that's probably where we ought to be.

Moon: If we delay the step, for retirement benefits, you don't count that as a year of service?

Michael: No, we add the full cost of the step to the base but we only partially fund it in FY 2018.

Moon: So, we'll have a one-time saving for a few months. But at the meeting with the Board of Supervisors, Number 5 keeping intact the full teacher compensation (\$14 million including MSA), I want to keep that. But for non-teacher scale employees, I would remove the MSA. And also delay the step, which is worth about 2.5%. We don't have to copy the County exactly, but they are giving 2%, so if we delay the step by about 2-3 months, then we'll have rough parity with the County and bring the gap down to about \$33-35 million. For tonight, we need to get to class size questions, right Ms Kaufax?

Strauss: Options leave us with \$30+ to \$40+ million. Tonight, we need to give staff guidance on staffing. Important that principals begin to staff and hire, before they take offers elsewhere. If we are considering changing staffing formulas, maybe principals shouldn't make offers as soon.

Kaufax: We're looking at class size next.

Strauss: I'm not committing to a specific change, but I think we need to change staffing formulas. My guidance is to hold back [on making offers to teachers].

Palchik: I want to give employees a step increase. The principals spoke about recruitment. But aren't we also losing teachers we've hired?

Chace Ramey: After five years, we are still employing about 60% of the new hires.

Palchik: Would young teachers also get a little scale enhancement?

Michael: Yes, in absolute dollars. [Did not specify amount.]

Palchik: I don't understand where we are going with delays in step increases. Board of Supervisors talked about doing this too. It's trickier for us to delay for 2-6 months. Do you recommend?

Michael: We have delayed MSAs in the past. We've also delayed step increases.

Quinn: A delayed MSA would cost more the following year. A lower MSA could accomplish the same thing in FY 2018 without adding a burden in FY 2019.

McLaughlin: Dr. Ramey, how do our retention rates compare to other districts in WABE or around the US?

Ramey: The national average is 60%. We're a little above national average for teachers. I don't know about surrounding jurisdictions.

McLaughlin: If we are retaining teachers as well or better than other school districts, we need to understand the data better and maybe the higher salary isn't the best approach.

Kaufax: Let's discuss class size budget cuts now. This isn't our final decision. This is to provide staff with guidance, so they can provide guidance to principals who are making offers, about whether we will increase class size by 1 student per teacher, for general ed, advanced, ESOL and CTE classes. This saves \$22.8 million, with 280 fewer teacher positions.

Michael: We completed the answers to questions about class size, showing impact on each school. Just posted, Budget Question number 20.

Moon: To start this discussion, I'll propose ES increase 0.5 students, MS and HS, 1 full student. For MS and HS, that would be about 11 million, but for ES going up only 0.5 student, it saves about \$5 million. So this would be about \$16 million in total.

Strauss: My thoughts are 1/2 a student for ES, MS and HS and for elementary class size minimum, only go from 17 to 18 minimum class size.

Schultz: I would not contemplate a budget where we increased class sizes after all the scrapping that we have done to try and buy back down class sizes. When we talk about increasing elementary school class size, we don't mean increased class size. We mean that some children in some areas of the county will have their class sizes increased. We want to talk about equity, but that isn't equity. We are penalizing some kids. This is a categorical no go for me.

Mr. McElveen and I agreed about how some classes in high school, in certain courses, can be lecture style. Especially AP and IB courses. That's a smart way to do this. But to wave a wand when we don't first talk with high school principals and teachers, that's the easy way out because we can't figure out where else to come up with money. We should look at the program budget, instead. Principals have trouble recruiting now. Do new teachers want to join a school district that deals with budget woes by increasing class sizes? It would be better to work with the principals and teachers to find specific items. We are disproportionately burdening some kids and families and school employees with higher class sizes because we want to rob Peter to pay Paul. I've spoken to Mr. Parris, and I don't like this concept of using class size increases and lower employee raises to balance the budget.

Hynes: If anyone can find \$22 million in savings that don't hurt kids, fine, but I don't think there is anything left. If you have ideas on how to cut programs, please bring them forward soon.

On class size, I can see targeted class size increases like eliminating 2 teachers per grade in tiny schools - maybe we should enlarge those schools. Raising elementary minimum class sizes from 17 to 19 students saves \$3.6 million. Raising AAP classes in ES and MS, I could live with an

increase in those class sizes. Raising preschool class sizes from 17 to 18, that's OK. But all together, that's still just \$6 million. My default is to reduce compensation beyond that.

Evans: Stuart HS has the highest FRM percentage and has exactly the same cut as Robinson HS, which is not high-FRM. It's across the board - Stuart would lose 3.2 teachers. Raising the minimum class size to 18 or 19 is only going to affect high-FRM schools. If we go to 18, five of the 8 schools are in Mason. 17 to 19 is an easy vote for some people, but I won't support it.

Karen CS: I echo Ms. Evans about not raising the minimum class size. Would like more data on the Impact of Strauss' proposal. At high schools, class sizes are huge. AP Biology had 38 students and had no labs. Other high schools had 15-17 kids in a science class. We need to talk about equity and be fair. What is the impact of Ms. Strauss' proposal for MS and HS, increasing class size by 1/2 student?

Michael: Probably slightly less than \$11 million.

Karen CS: Would like comparison of FCPS class sizes to neighboring school districts.

Michael: WABE Guide has class size averages by ES, MS and HS. For MS and HS, best if we give this data to you in a table. [Read the data from WABE Guide.]

McLaughlin: After hearing the WABE data, we have to make these decisions in context. Compared to this region, we want competitive salaries and effective learning environments. I'd like more staff analysis of the comparative class size data, so we can hear from the Leadership Team about how we measure up in reality.

I agree with Ms. Schultz about looking at other options. My principals say compensation is paramount but class size is becoming very difficult. We are pushing up against 29, sometimes 32 in core academic subjects including the sciences where we need physical space and to follow safety guidelines. The more information we have, the better. In terms of what we've seen, we can't increase class sizes to the point where the teachers are burning out. We have \$10 million in our budget for the 2000 more students we think will arrive - when you touch class size, you reduce the number of new teachers we hire.

How many employees do we have - 24,000 or 28,000? There are about 14,000 teachers. That means there are about 10,000 non-teachers. Why are we cutting teaching positions first, instead of looking at the non-teacher jobs in central departments?

I'm with Ms. Schultz. I disagree with Ms. Hynes. Let's look at cutting positions in central departments, not school-based positions.

I would not support \$22.8 million in class size cuts. We are pushing the limit at the high school level, and I'd say at most 1/2 a student at all three levels. When teachers have 130 to 150 students/week, it's a lot.

Kaufax: What do you want to support? 1/2 student increase?

McLaughlin: I want to see cuts to non-school based positions. And we can cut programs by reducing the support staff in central departments first.

Kaufax: I would not support minimum ES class size formulas, because I agree with Ms. Evans on high-FRM schools. For overall class size, I'd support a 1/2 student increase at all schools. About \$11 million. Maybe less.

McElveen: I could support Tammy. Principals say salary outranks class size in attracting new hires. Hard to raise ES class sizes, but we can raise MS and HS. Agree with Schultz that we should look for alternatives, like lecture-style classes where appropriate.

Wilson: Our guidance today will cause Dr. Lockard to tell principals how to plan on not to hire more teachers?

Lockard: Correct. Give us guidance for 2-3 scenarios on class size. Then principals and HR can plan ahead. It creates unintended consequences, in terms of hiring windows. If we put hiring on hold, good applicants will get offers elsewhere.

Wilson: What if we increased class size by 1/2 student per teacher? If a math teacher is leaving, doesn't the principal still hire a replacement teacher?

Dan Parris: I've done this 20 times. You get a staffing sheet with projections of teacher positions, etc. I want to know the ceiling. It's very bad to hire and then let folks go.

Wilson: How is that different than where school projections were excessive?

Parris: Nobody wants to lose teachers. We had several hundred vacancies in September due to our compensation package. If we can't attract enough teachers to fill schools, that is your most important asset. Need to get the very best as early as possible.

Wilson: I'm reluctant to send a signal that we are going to balance the budget on the backs of the teachers. McLaughlin stated it well.

This feels like a premature conversation, we're leading with big dollar items that avoid more difficult discussions about program cuts. So, my opinion right now is that we do NOT propose any class size increases. Let principals hire aggressively now. Signal to the marketplace that we are committed to maintaining the class size reduction we fought to achieve, and to teachers. We should NOT signal now to teachers or the community of potential teachers that we intend to increase class size before we have the hard conversations. I look forward to speaking with Ms. Schultz about alternatives.

We're not on the board to do what's easiest, but to provide creative ideas to solve problems in new ways. The lecture style classes in HS is a good example. Could be effective.

Hough: I agree with Mr. Wilson. We had a conversation recently with Ramey about power of early offers. Let's not work against ourselves.

I can't support across-the-board class size increases at this time.

I can consider raising the floor from 17 to 19 students. I appreciate that Ms. Evans is advocating for her district, but as an at large member these schools have more resources to start. Other elementary schools have 25+ students in a class. And if a principal really needs to put 17 kids in one class, they can adjust their staffing within the school. I don't want to talk about this as taking from those students, because we are already giving so much more to those students with Project Momentum and other programs.

I also want to mention that one of my budget questions is how to save money on non-teacher staffing formulas in the schools (support staff, administrators).

We're getting more robust audit reports, about how to save money. The Supervisors already saved \$13 million in their budget. We've identified \$2 million so far - but if the Supervisors have found \$13 million, we need to do better than \$2 million in central staff cuts.

Palchik: Providence has a mix of schools. We have to compromise. My first question is can we look at raising the floor to 18 instead of 19? [Yes, see answer.] I missed that.

Michael: That affects 8 schools, and saves \$1 million.

Palchik: I support a little of everything. Open to raising the floor to 18 students. Increasing class size across the board by half a student. Give lower raises.

Kaufax: Majority of board supported Strauss' motion to increase class sizes at all levels by 0.5 student. I mean suggestion.

Evans: What about hard-to-staff positions?

Lockard: We would still work to hire people for those positions.

Kaufax: So that is the guidance to staff.

On the floor, I've heard only 3 against raising floor. A couple talked about going to 18.

Moon: I would support floor increase to 18.

Schultz: If you only go to 18 and we need further cuts, you create staffing problems. We aren't talking about how much additional funding each of these schools gets.

Kaufax: I know we disagree.

Schultz: We are making a significant staffing decision off the cuff here. Without any data. Positions on a chart don't translate to what it means in a classroom, and how much extra staffing that school already has from the special programs. We created this problem.

Kaufax: I'd rather not decide now either. I don't think we can make this decision now. Just nod. We can take a vote that way.

Palchik: If we raise to 18, we can always go back and change our mind.

[Majority agreed to raise the floor from 17 to 18.]

Kaufax: I agree that we need to discuss this more later. But for now, guidance is to increase the floor from 17 to 18 students per teacher.