



Titan
ARTHUR J. GALLAGHER & CO.

Albemarle County Teachers Competitive Compensation Analysis

ARTHUR J. GALLAGHER & CO. | JUNE 2017



Assignment

- Review data from Albemarle teacher survey analysis for compensation perceptions and data submitted by the Division
- Interview School leadership and the Superintendent (in person, focus group)
- Facilitate focus groups of teachers and education administrators to gather data on environmental perceptions
- Gather external data from about 6 (we did 8) other talent competitor localities and best practices for teacher pay
- Research and recommend potentially viable special pay scales or differentials for hard-to-fill jobs
- Research good system/best practice norms in regards to compression and progression
- Final presentation of the report in person

Employee Survey, Focus Groups, and Leadership Meetings

The employee survey, focus groups, senior team meetings, and steering group input has been invaluable.

- Not everyone thinks teachers are underpaid relative to the “market.” Many anecdotal examples of pay problems. Some are real and some are not representative of broader data.
- Across the country the profession is “undervalued,” leading to low pay so teachers “can’t afford a house” in any high cost of living market, not just Albemarle.
- The Division is not having real trouble recruiting or retaining. The sense of fairness and morale is what is at stake. The comparator market is multi-dimensional. This leads to varying perspectives of who to compare to and the positioning of Albemarle Division pay against that set of comparators.

Employee Survey, Focus Groups, and Leadership Meetings

- Movement through the pay scales and what happens to pay as a teacher moves along is a mystery – even to the Principals and the Administrators who designed and administer the program...no wonder teachers are both skeptical and feeling like something is wrong with pay.
- The benefits package is important and may be a source of some angst, especially retirement, healthcare costs, and end-of-career payouts for sick leave.
- It is not just about pay – independence, class size, and working in a quality Division with smart students is a competitive advantage for Albemarle.
- Pay for other activities, duties, and responsibilities is an important factor for teachers and a way to shape participation and align pay with the market.

External Factors

- Division recession-driven budgets
- Recovering economy adds inflation to many elements of living
- “Hot” housing market exacerbates issue of “affordability of housing in Albemarle”
- Healthcare costs rising and their cost is transferring to teachers
- Pensions are a declining retirement resource; take home pay is reduced by self-funded contributions by teachers
- Salaries demand supplementing income with stipends or outside jobs. Teachers indicated they supplement salary by*:
 - 55% School-related stipends
 - 37% Coaching/extra duties stipends
 - 65% Outside job
 - 31% Other

*Multiple answers per participant are possible



Current Analytics

“Adopted Competitive Market”

- Buckingham County
- Chesterfield County
- City of Charlottesville
- City of Chesapeake
- City of Danville
- City of Harrisonburg
- City of Lynchburg
- City of Roanoke
- City of Staunton
- City of Virginia Beach
- City of Williamsburg
- Fauquier County
- Fluvanna County
- Greene County
- Hanover County
- James City County
- Loudoun County
- Louisa County
- Madison County
- Montgomery County
- Nelson County
- Orange County
- Prince William County
- Roanoke County
- Rockingham County
- Spotsylvania County

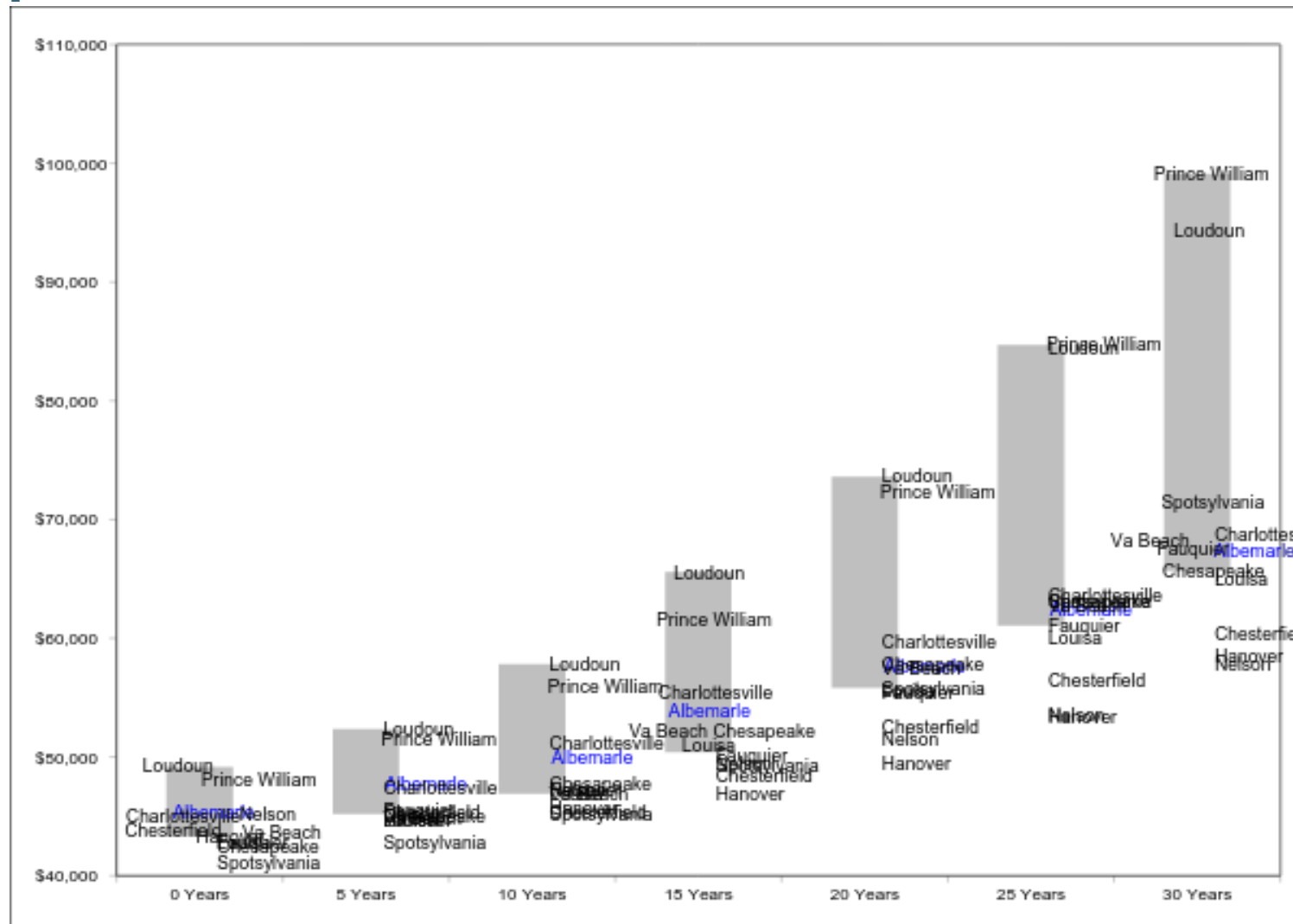
26 districts total - Adopted 2000

The “Competitive Market” (Salary & Benefit Targets)



Salary	Benefits
Target is 75th percentile	Target is just above median of market (50th percentile)

Competitive Results



Across years of service index, Albemarle is at the bottom of the top quartile*

*Analytics by Albemarle HR



New Approach

Variables that Affect Comparisons

- Philosophy
- Division Quality
- Definition of a work year in days
- Cost of Living Differences
- Cost of Labor Differences

Philosophy

1. Compare to school divisions in the same quality tier in Virginia as Albemarle
2. Control for days worked
3. Control for cost of living
4. Define cost of labor differences after 1, 2, and 3
5. Index Albemarle to the median of the comparators

Division Quality

Albemarle versus the comparison groups based on similar performance levels

*Comparison groups are based on U.S. Department of Education Data reported on Niche.com list of the top 10 performing schools Districts in Virginia

Comparison school	Ranking
Arlington	1
Loudoun County	3
Fairfax	4
Albemarle	5
York	6
Salem	7
Goochland	8
Virginia Beach	9
Roanoke	10

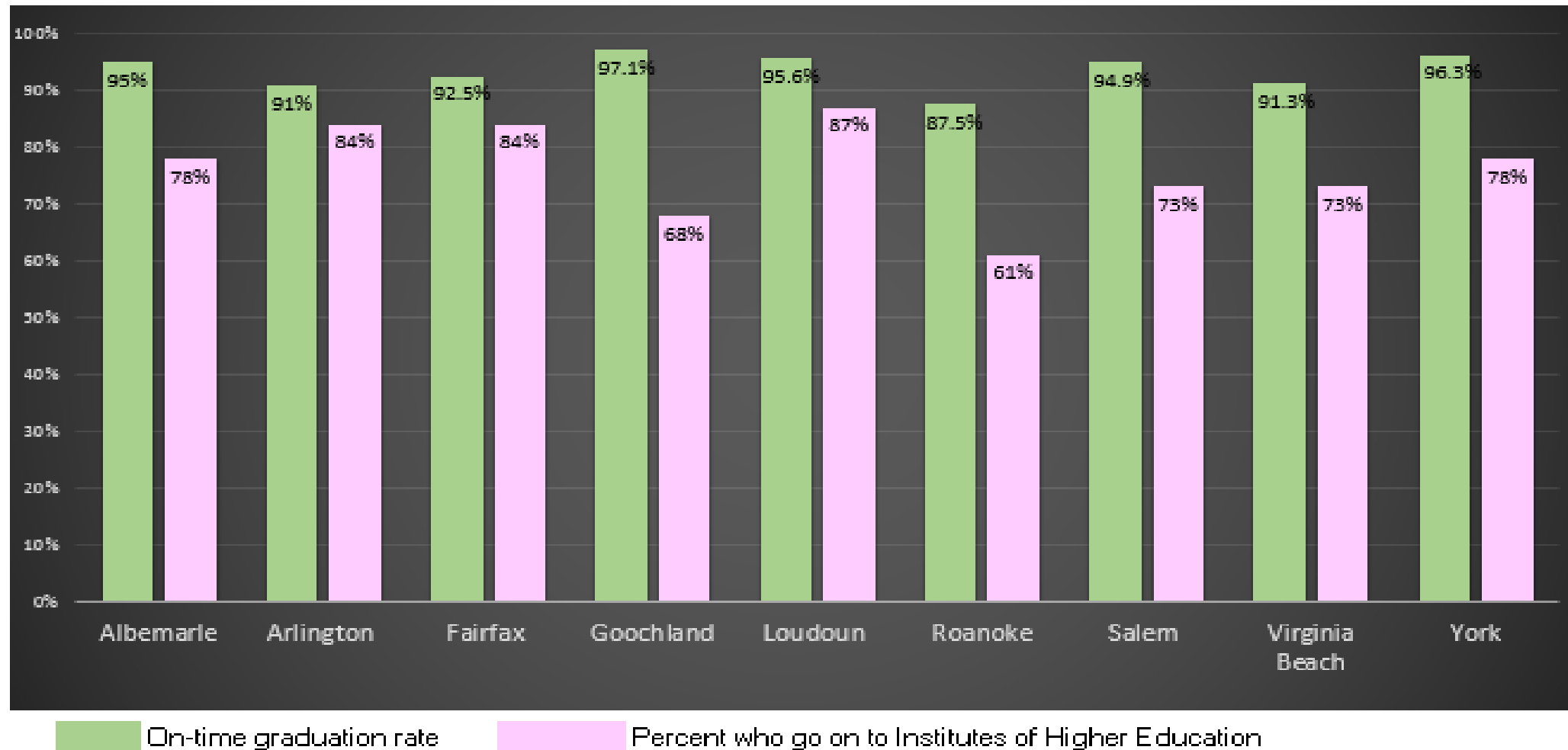
*Note: #2 Falls Church City was replaced with #9 Roanoke due to lack of data and the city's small size

Factors Considered in Ranking

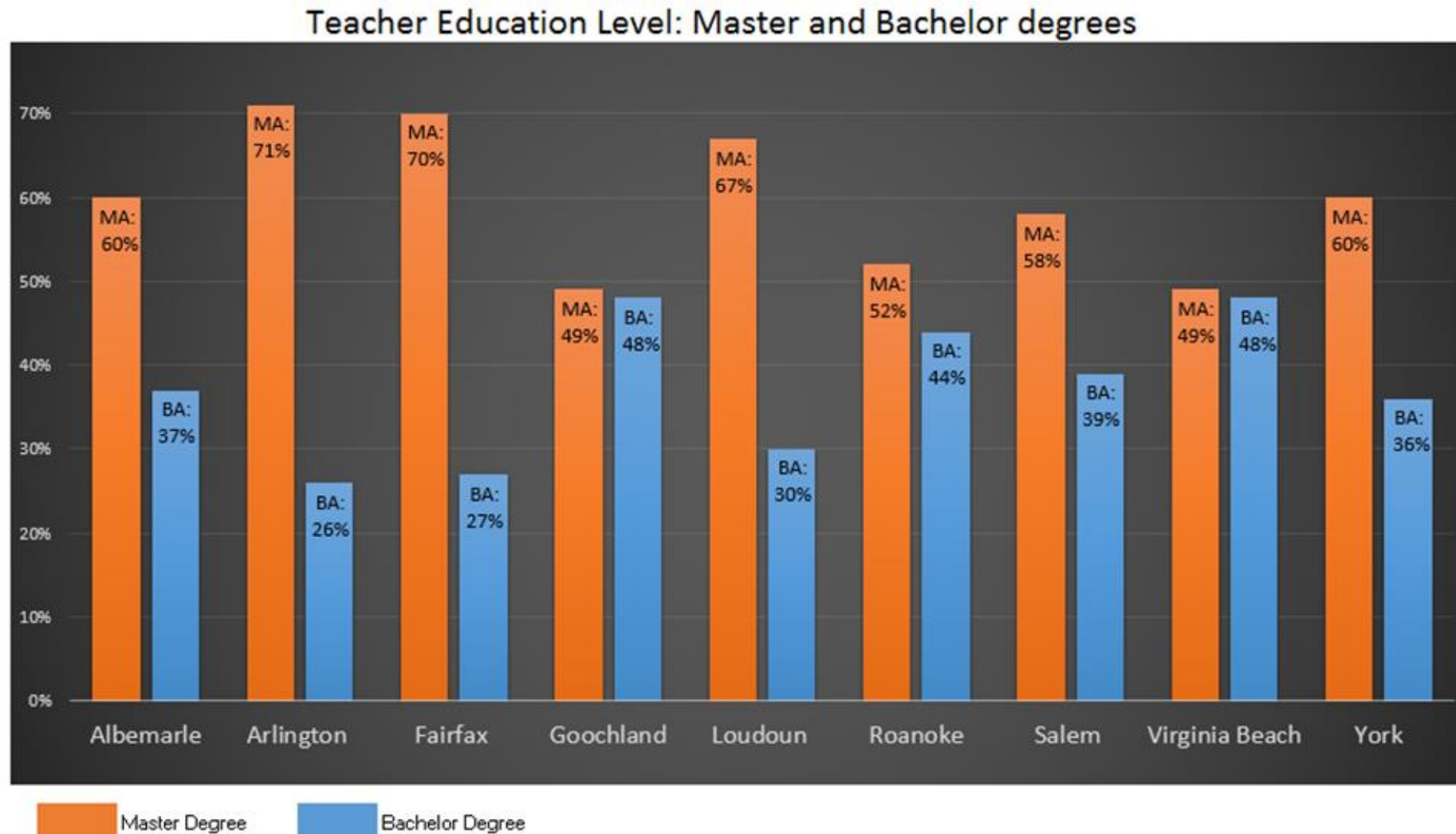
Factor	Description	Weight
Academics Grade	Based on state assessment proficiency, SAT/ACT scores, and survey responses on academics from students and parents.	50.0%
Culture & Diversity Grade	Based on racial and economic diversity and survey responses on school culture and diversity from students and parents.	10.0%
Health & Safety Grade	Based on chronic student absenteeism, suspensions/expulsions, and survey responses on the school environment from students and parents.	10.0%
Parent/Student Surveys on Overall Experience	Survey responses scored on a 1-5 scale regarding the overall experience of students and parents in the district.	10.0%
Teachers Grade	Based on teacher salary, teacher absenteeism, state test results, and survey responses on teachers from students and parents.	10.0%
Resources & Facilities Grade	Based on expenses per student, staffing, and survey responses on facilities from students and parents.	5.0%
Clubs & Activities Grade	Based on expenses per student and survey responses on clubs and activities from students and parents.	2.5%
Sports Grade	Based on the number of sports, participation, and survey responses on athletics and athletic facilities from students and parents.	2.5%

Key Demographics

College Readiness: On-time Graduation Rate and Percent to Pursue Further Education

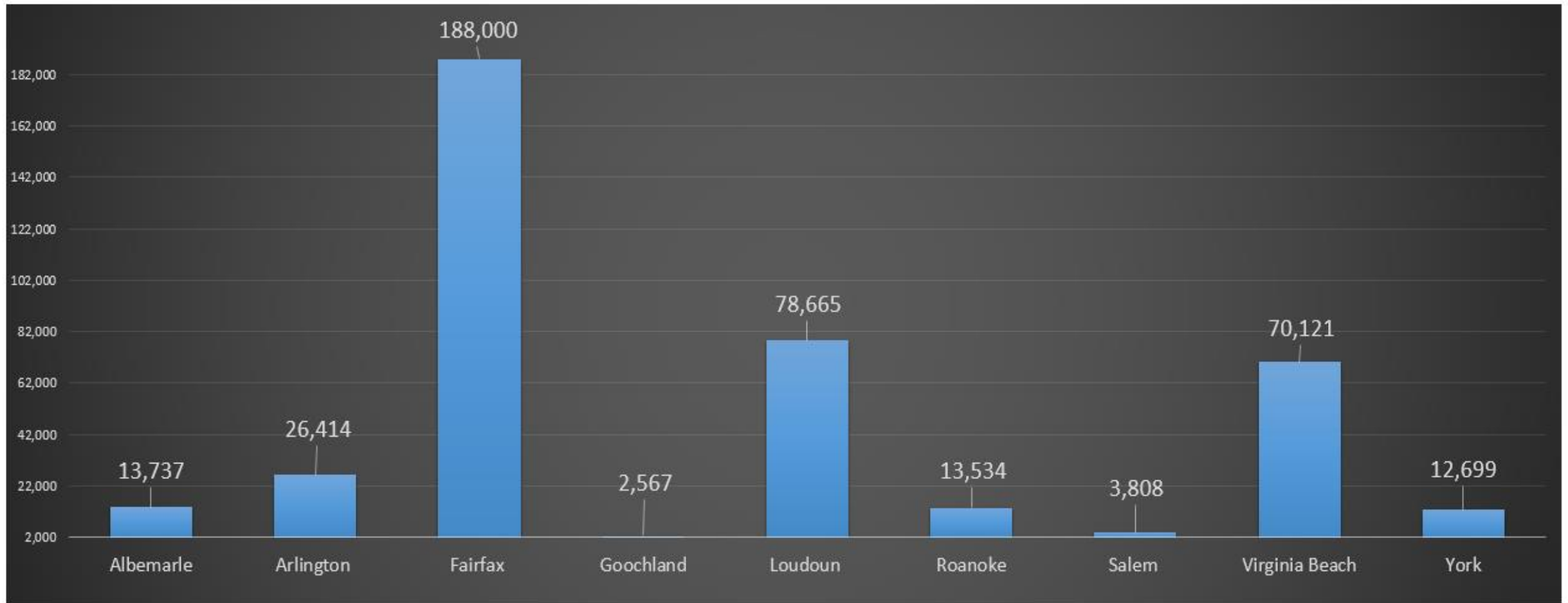


Key Demographics



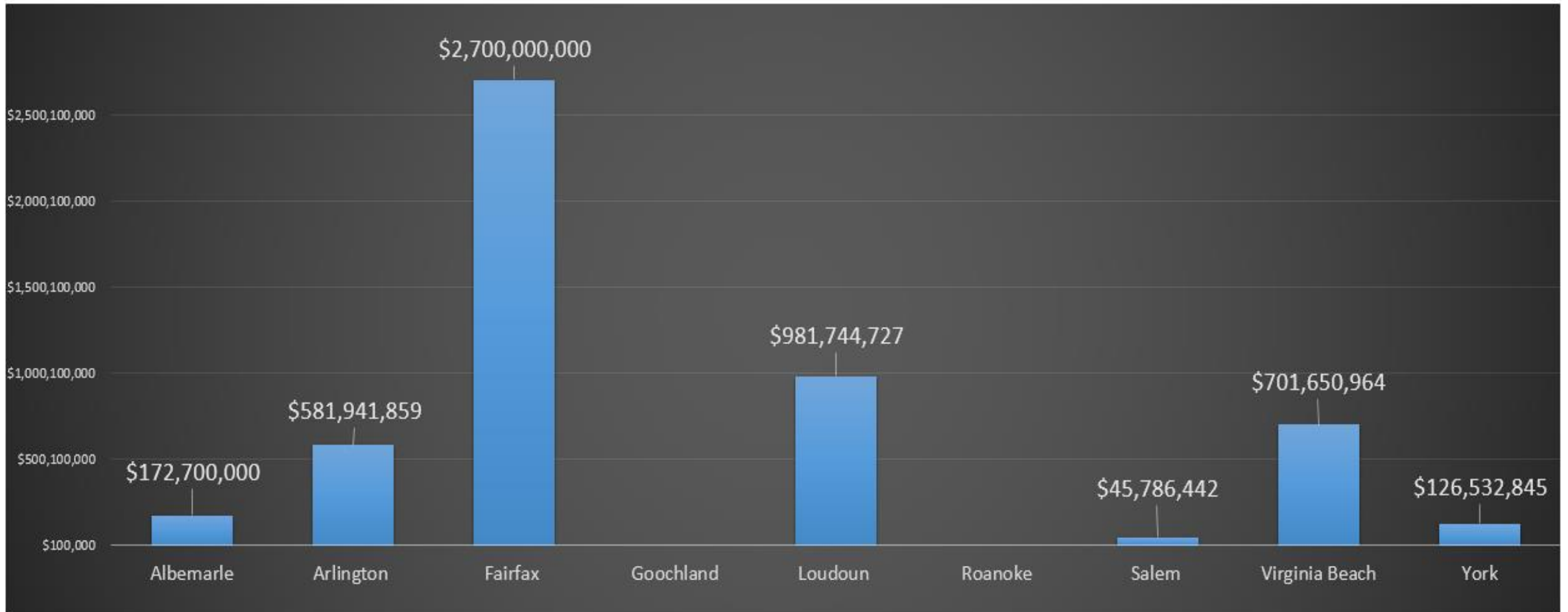
Key Demographics

Enrollment



Key Demographics

Operating Budget



Key Demographics

Top Performing Schools – Some Comparative Metrics

	Albemarle	Arlington	Fairfax	Goochland	Loudoun	Roanoke	Salem	Virginia Beach	York
Cost of Labor	1.00	1.2	1.19	1.04	1.18	0.96	0.97	1.02	1.004
Cost of Living Difference	1	1.61	1.38	1.03	1.32	0.96	0.96	1.13	0.99
Median Household Income	\$68,449	\$105,763	\$113,208	\$79,574	\$123,453	\$39,530	\$48,828	\$66,624	\$81,055
Median House Value	\$309,100	\$641,200	\$541,400	\$225,900	\$471,100	\$145,400	172,400	\$255,900	\$310,100
Median Rent	\$1,500	\$2,350	\$2,300	\$1,353	\$2,200	\$1,050	\$1,135	\$1,400	\$1,500

Days Worked

Division	Annual Contract Days
Arlington	200
Loudoun County	194
Fairfax	198
Albemarle	200
York	200
Salem	200
Goochland	200
Virginia Beach	200
Roanoke	200

Daily Rate Differences

Top Performing Schools – Daily Rate

Rates for Master Degree									
	Albemarle	Arlington	Fairfax	Goochland	Loudoun	Roanoke	Salem	Virginia Beach	York
Step 1	\$238.08	\$265.87	\$275.18	\$226.11	\$276.74	\$204.93	\$228.60	\$244.79	\$226.11
Step 5	\$249.58	\$302.02	\$297.07	\$233.95	\$287.76	\$216.77	\$239.15	\$251.67	\$241.44
Step 10	\$261.08	\$385.47	\$348.49	\$236.97	\$312.82	\$232.59	\$248.06	\$263.24	\$259.31
Step 15	\$280.09	\$476.73	\$404.13	\$250.25	\$349.45	\$249.64	\$266.18	\$291.39	\$280.44
Step 20	\$299.10	\$488.65	\$454.26	\$260.74	\$392.72	\$268.01	\$283.09	\$319.55	\$305.76
Step 25	\$323.44	\$500.88	\$490.52	\$272.06	\$448.11	\$287.79	\$301.15	\$347.72	\$331.41
		Albemarle's Delta (Albemarle-Arlington)	Albemarle's Delta (Albemarle-Fairfax)	Albemarle's Delta (Albemarle-Goochland)	Albemarle's Delta (Albemarle-Loudoun)	Albemarle's Delta (Albemarle-Roanoke)	Albemarle's Delta (Albemarle-Salem)	Albemarle's Delta (Albemarle-Virginia Beach)	Albemarle's Delta (Albemarle-York)
Step 1		(\$27.79)	(\$37.10)	\$11.97	(\$38.67)	\$33.15	\$9.47	(\$6.72)	\$11.97
Step 5		(\$52.45)	(\$47.49)	\$15.63	(\$38.18)	\$32.81	\$10.43	(\$2.09)	\$8.13
Step 10		(\$124.39)	(\$87.42)	\$24.11	(\$51.74)	\$28.49	\$13.02	(\$2.16)	\$1.76
Step 15		(\$196.64)	(\$124.04)	\$29.84	(\$69.36)	\$30.46	\$13.91	(\$11.30)	(\$0.35)
Step 20		(\$189.55)	(\$155.16)	\$38.36	(\$93.62)	\$31.10	\$16.02	(\$20.45)	(\$6.66)
Step 25		(\$177.44)	(\$167.08)	\$51.38	(\$124.67)	\$35.65	\$22.30	(\$24.28)	(\$7.96)

Daily Rate Learnings

Differences in salaries, even with the same working days, show Albemarle is behind comparators most of the time BUT, without the other calibrations, data is not actionable.

Division Cost of Living

Albemarle Versus the Comparison Group Based on Cost of Living

*Source is Economic Research Institute averages for each Division's geographic area

Comparison school	Cost of Living
Arlington	1.60
Loudoun County	1.32
Fairfax	1.38
Albemarle	1.00
York	0.998
Salem	0.96
Goochland	1.03
Virginia Beach	1.13
Roanoke	0.96

Cost of Living

Top Performing Schools – Daily Rate with Cost of Living Taken into Account

Rates for Master's Degree									
	Albemarle	Arlington with Daily Rate with Cost of Living adjustment taken out	Fairfax with Daily Rate with Cost of Living adjustment taken out	Goochland with Daily Rate with Cost of Living adjustment taken out	Loudoun with Daily Rate with Cost of Living adjustment taken out	Roanoke with Daily Rate with Cost of Living adjustment taken out	Salem with Daily Rate with Cost of Living adjustment taken out	Virginia Beach with Daily Rate with Cost of Living adjustment taken out	York with Daily Rate with Cost of Living adjustment taken out
Step 1	\$238.08	\$165.13	\$199.40	\$219.52	\$209.65	\$213.46	\$238.13	\$216.63	\$228.37
Step 5	\$249.58	\$187.59	\$215.26	\$227.14	\$218.00	\$225.80	\$249.11	\$222.71	\$241.92
Step 10	\$261.08	\$239.42	\$252.53	\$230.07	\$236.98	\$242.28	\$258.40	\$232.95	\$259.83
Step 15	\$280.09	\$296.11	\$292.85	\$242.96	\$264.74	\$260.04	\$277.27	\$257.86	\$281.00
Step 20	\$299.10	\$303.51	\$329.18	\$253.15	\$297.51	\$279.17	\$294.88	\$282.79	\$306.37
Step 25	\$323.44	\$311.10	\$355.45	\$264.14	\$339.48	\$299.78	\$313.69	\$307.71	\$332.07
		Albemarle's Delta (Albemarle-Arlington)	Albemarle's Delta (Albemarle-Fairfax)	Albemarle's Delta (Albemarle-Goochland)	Albemarle's Delta (Albemarle-Loudoun)	Albemarle's Delta (Albemarle-Roanoke)	Albemarle's Delta (Albemarle-Salem)	Albemarle's Delta (Albemarle-Virginia Beach)	Albemarle's Delta (Albemarle-York)
Step 1		\$72.94	\$38.67	\$18.55	\$28.42	\$24.61	(\$0.05)	\$21.45	\$9.70
Step 5		\$61.98	\$34.31	\$22.44	\$31.58	\$23.78	\$0.47	\$26.86	\$7.65
Step 10		\$21.66	\$8.54	\$31.01	\$24.09	\$18.79	\$2.68	\$28.12	\$1.25
Step 15		(\$16.02)	(\$12.76)	\$37.13	\$15.35	\$20.05	\$2.82	\$22.23	(\$0.91)
Step 20		(\$4.41)	(\$30.08)	\$45.95	\$1.59	\$19.93	\$4.22	\$16.31	(\$7.27)
Step 25		\$12.34	(\$32.01)	\$59.30	(\$16.04)	\$23.66	\$9.75	\$15.73	(\$8.63)

Cost of Living Learnings

- The impact of cost of living on pay variances vs. Albemarle are limited.
- We know that best practice is to look at talent competitors from a labor, not living cost, perspective.

Division Cost of Labor

Albemarle Versus the Comparison Group Based on Cost of Living

*Source is Economic Research Institute averages for each Division's geographic area

Comparison school	Cost of Labor
Arlington	1.20
Loudoun County	1.18
Fairfax	1.19
Albemarle	1.00
York	1.004
Salem	0.97
Goochland	1.04
Virginia Beach	1.02
Roanoke	0.96

Cost of Labor

Top Performing Schools – Daily Rate with Cost of Labor Taken into Account

Rates for Master's Degree									
	Albemarle	Arlington	Fairfax	Goochland	Loudoun	Roanoke	Salem	Virginia Beach	York
Step 1	\$238.08	\$221.55	\$231.24	\$217.41	\$234.53	\$213.46	\$235.67	\$239.99	\$227.01
Step 5	\$249.58	\$251.68	\$249.64	\$224.95	\$243.86	\$225.80	\$246.54	\$246.73	\$240.48
Step 10	\$261.08	\$321.22	\$292.85	\$227.86	\$265.10	\$242.28	\$255.73	\$258.07	\$258.28
Step 15	\$280.09	\$397.28	\$339.61	\$240.63	\$296.15	\$260.04	\$274.41	\$285.67	\$279.32
Step 20	\$299.10	\$407.21	\$381.73	\$250.71	\$332.81	\$279.17	\$291.84	\$313.28	\$304.54
Step 25	\$323.44	\$417.40	\$412.20	\$261.60	\$379.76	\$299.78	\$310.46	\$340.90	\$330.08
		Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta
	Step 1	\$16.52	\$6.83	\$20.66	\$3.55	\$24.61	\$2.40	(\$1.92)	\$11.07
	Step 5	(\$2.11)	(\$0.06)	\$24.62	\$5.71	\$23.78	\$3.03	\$2.84	\$9.10
	Step 10	(\$60.15)	(\$31.78)	\$33.22	(\$4.03)	\$18.79	\$5.34	\$3.00	\$2.80
	Step 15	(\$117.19)	(\$59.52)	\$39.47	(\$16.06)	\$20.05	\$5.68	(\$5.58)	\$0.77
	Step 20	(\$108.11)	(\$82.63)	\$48.39	(\$33.71)	\$19.93	\$7.26	(\$14.18)	(\$5.44)
	Step 25	(\$93.96)	(\$88.76)	\$61.84	(\$56.32)	\$23.66	\$12.98	(\$17.46)	(\$6.64)

Cost of Labor

Top Performing Schools – Daily Rate with Cost of Labor Taken into Account

Rates for Bachelor's Degree									
	Albemarle	Arlington	Fairfax	Goochland	Loudoun	Roanoke	Salem with	Virginia Beach	York
Step 1	\$227.00	\$200.95	\$205.82	\$206.60	\$209.57	\$200.96	\$216.49	\$227.74	\$212.79
Step 5	\$238.50	\$228.28	\$223.18	\$214.13	\$218.91	\$213.30	\$227.37	\$234.48	\$231.52
Step 10	\$250.00	\$291.35	\$260.89	\$217.04	\$240.15	\$229.78	\$236.56	\$245.82	\$245.31
Step 15	\$269.02	\$296.45	\$294.07	\$229.81	\$271.20	\$247.54	\$255.24	\$273.42	\$266.35
Step 20	\$288.03	\$303.86	\$344.23	\$239.89	\$307.85	\$266.67	\$272.66	\$301.03	\$289.21
Step 25	\$312.37	\$311.47	\$399.85	\$250.78	\$354.80	\$287.28	\$291.28	\$328.64	\$311.65
		Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta	Albemarle's Delta
Step 1		\$26.05	\$21.18	\$20.40	\$17.43	\$26.04	\$10.51	(\$0.74)	\$14.21
Step 5		\$10.22	\$15.32	\$24.37	\$19.59	\$25.20	\$11.13	\$4.02	\$6.98
Step 10		(\$41.35)	(\$10.89)	\$32.96	\$9.85	\$20.22	\$13.44	\$4.18	\$4.69
Step 15		(\$27.43)	(\$25.06)	\$39.21	(\$2.18)	\$21.48	\$13.78	(\$4.40)	\$2.66
Step 20		(\$15.84)	(\$56.21)	\$48.13	(\$19.83)	\$21.35	\$15.36	(\$13.00)	(\$1.19)
Step 25		\$0.90	(\$87.49)	\$61.59	(\$42.44)	\$25.08	\$21.08	(\$16.28)	\$0.71

Cost of Labor Learnings

- Albemarle is behind some or in part in competitive labor rates in 5 of the 8 comparators for both Bachelor's and Master's level.
- Most of the shortfall is for teachers with 15+ years of experience.
- This is considered actionable data and the approach useable over time.

Top Performing Schools – Median

Cost of Labor with Daily Rate Adjusted for Days vs. Albemarle

Rates for Master's Degree						
Steps	Market Median Daily Rate	Albemarle Daily Rate	Daily Difference (Albemarle-Median)	Daily Difference Annualized	Salary as % of Market Base 50th (Median)	Albemarle's Daily Rate as % of Median
Step 1	\$231.24	\$238.08	\$6.83	\$1,366.80	102.96	2.96
Step 5	\$246.54	\$249.58	\$3.03	\$606.75	101.23	1.23
Step 10	\$258.28	\$261.08	\$2.80	\$559.62	101.08	1.08
Step 15	\$280.09	\$280.09	\$0.00	\$0.00	100.00	0.00
Step 20	\$304.54	\$299.10	(\$5.44)	(\$1,088.37)	98.21	(1.79)
Step 25	\$330.08	\$323.44	(\$6.64)	(\$1,328.93)	97.99	(2.01)

Rates for Bachelor's Degree						
Steps	Market Median	Albemarle	Daily Difference (Albemarle-Median)	Daily Difference Annualized	Salary as % of Market Base 50th (Median)	Albemarle's Daily Rate as % of Median
Step 1	\$209.57	\$227.00	\$17.43	\$3,485.79	108.32	8.32
Step 5	\$227.37	\$238.50	\$11.13	\$2,226.80	104.90	4.90
Step 10	\$245.31	\$250.00	\$4.69	\$938.25	101.91	1.91
Step 15	\$269.02	\$269.02	\$0.00	\$0.00	100.00	0.00
Step 20	\$289.21	\$288.03	(\$1.19)	(\$237.63)	99.59	(0.41)
Step 25	\$311.65	\$312.37	\$0.71	\$142.32	100.23	0.23

Special and Incentive Pay

Top Performing Schools – Special and Incentive Pays (Cost of Labor Adjusted)

School	Department Head Pay	National Board of Certification Pay	Special Duty Pay	After School Detention Coordinator	Additional Class	Class Advisor	Club or Activities Coordinator	Club Sponsor	Yearbook Advisor	Athletic Coach
Albemarle	\$475-\$800	\$1,000 at completion plus the VA provided \$5,000 at first year; \$2,500 annual for 2-9 years	No data	\$1,300	\$325	\$165-325	\$490-\$1300	\$165-\$325	\$490-\$975	No data
Arlington	\$680 (3 FTEs)-\$1,190	No additional information	\$2,436	No data	No data	\$913-\$2,924	\$913	\$1,675	\$3,197	\$913-\$6,243
Fairfax	No data	\$4,201	No data	No data	No data	\$1,271-\$1,865	\$357-\$1,271	No data	\$3,614	\$1,865-\$6,012
Goochland	Not enough information									
Loudoun	\$1,525-\$3,050 depending on department size	\$4,237	No data	No data	No data	\$1,282-\$1,881	\$681-\$1,365	No data	\$3,298	\$1,881-\$6,064
Roanoke	\$903	No data	\$1,918	No data	\$7,291	\$668	\$668	\$668	\$1,771	No data
Salem	Not enough information									
Virginia Beach	\$1,029 (3-7 FTEs)- \$1,598 (18+)	\$1,960	No data	No data	\$5,490	\$882-\$1,764	\$490-\$980	Cannot exceed \$490 per club	\$2,450	\$1,470-\$6,372
York	\$1,179	\$2,988	\$1,877	No data	\$5,264 (0-10 yrs experience) and \$6,197 (11+ yrs)	\$1,180-\$2,361	\$2,482-\$2,496	No data	\$3,542	No data

Special and Incentive Pay-Median

Top Performing Schools – Special and Incentive Pays (Cost of Labor Adjusted)

	Department Head Pay	National Board of Certification Pay	Special Duty Pay	After School Detention Coordinator	Additional Class	Class Advisor	Club or Activities Coordinator	Club Sponsor	Yearbook Advisor	Athletic Coach
Median	\$1,041	Insufficient information	\$1,918	\$1,300	\$5,490	\$668	\$791	\$1,172	\$3,248	\$3,930
Albemarle Median	\$638		\$638	\$1,300	\$325	\$254	\$895	\$245	732.5	No data
Albemarle Difference	(\$404)		(\$1,281)	\$0	(\$5,165)	(\$414)	\$105	(\$927)	(\$2,515)	(\$3,930)
Albemarle as % of Median	(38.76)		(66.76)	0.00	(94.08)	(61.98)	13.22	(79.09)	(77.44)	(100.00)

Conclusions and Considerations

- Conclusions

- Overall, Albemarle annual pay tracks closely to the daily rate adjusted cost of teacher labor in eight Virginia talent competitors who are high-performing districts.
- Competitive pay shortfall is for more senior teachers. This is where adjustments are recommended.
- Albemarle is competitive for entry-level teachers.
- Albemarle is not competitive for many of its special or incentive pays. This is an area where the Division could make meaningful changes.
- Make the pay setting process transparent.

- Morale

- Real facts are needed along with communication.
- The “why I became a teacher” message needs to be reinforced.



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Thank You

Andy Klein | Principal

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