

Frederick A. Costello  
March 24, 2016

**Introduction:** At the March 17 Federation Board meeting, Nancy Trainer said that she did not believe the cost-saving numbers that I presented. She thereby undercut my proposed addition to the budget resolution, preventing my resolution from passing. The purpose of this report is to present the analysis that supports the cost-saving numbers that I presented and thereby remove Nancy's unbelief and provide confidence to the Members of the Federation.

**Summary:** As presented at the March 17 Board meeting, my proposed budget resolution called for no increase in the real-estate tax rate, citing a saving of 4 cents per \$100 of assessed value. By including the employee benefits in the analysis, as done herein, and adding the increased funding from the state, the saving is 5.24 cents per \$100 of assessed value. Not only is the 4-cent increase proposed by the Board of Supervisors not justified, but the rate should be decreased by 1.24 cents. Decreasing the rate will prevent burdening the moderately poor County residents – those most vulnerable to increased living expenses, whether as owners or as renters.

Appendix A of this report has the revised resolution, which includes the savings in benefits and state contribution.

In our calculation of the potential saving, we have not taken into consideration any economy of scale. Normally, as the number of people served increases, as has the county population, the unit cost of those served decreases because management, supporting staff, and equipment costs do not increase as rapidly as the staff involved directly with the people served. The usual economy of scale is not present in the school and county budgets.

**Discussion:** The four-cent increase in the advertised real-estate tax rate is troublesome. Raising real-estate taxes hurts the moderately poor either directly or through increased rents, driving some into welfare and, as IRS data show, driving others out of the county<sup>1</sup>. A tax increase takes money from these moderately poor and gives it to county and school workers -- who are not poor. The poor are not the only people to be adversely affected by a tax increase. For the average wage earners living in Fairfax County, their inflation-corrected wages have decreased since FY2007 while taxes are now higher than the sharp peak in FY2007, at the end of the housing bubble – even in inflation-corrected dollars (Exhibit 1).

## *County Budget*

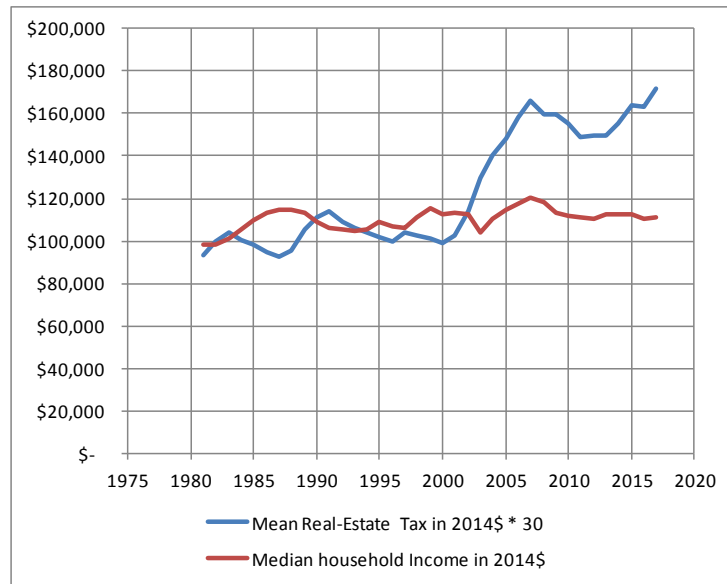
In inflation-corrected dollars, the County budget per capita has increased 0.9% per year from FY2000<sup>2</sup> to FY2017 – a total of 16% over the 17 years (Exhibit 2). If there had been an economy of scale, there would have been a decrease, not an increase, as the county population increased 14%. Over this same period, in inflation-corrected dollars, the salary plus benefits (not including the health benefit) as paid from the General Fund to county employees has increased from \$72,577 per employee (\$648M for 8491 employees) to \$110,365 (\$1081M for 9795 employees), an increase of 52% in inflation-corrected, per-employee expenditures<sup>3</sup>.

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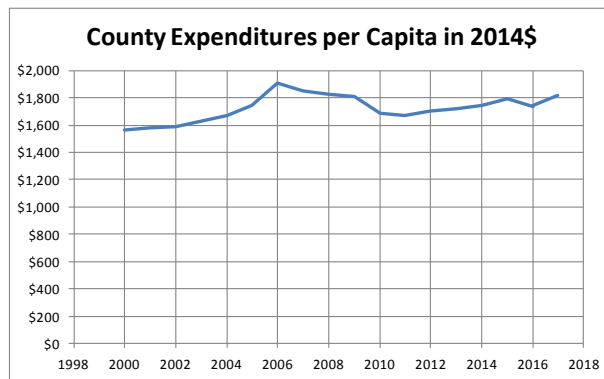
<sup>1</sup> We infer the impact on the poor on the basis that the average income of those leaving is approximately \$70,000 and those entering the county, \$60,000. This data is available from the IRS. It is summarized at <http://www.howmoneywalks.com/irs-tax-migration/>. Two other indicators are the increases in FRM students in the County public schools and the increase in the number of County welfare employees. If any of these had shown a contrary trend, we would not have inferred the impact on the poor. In addition, logic would so indicate that the impact on the poor is greater. Housing costs are a greater part of the household expenses for the poor. In addition, since 2013, in constant-dollars, the real-estate tax has increased 14.4% (3.6% per year) -- \$722 for the median household. The increases were greater on housing that the moderately poor would probably occupy: on condominiums, real-estate taxes have increased 20%; on townhouses, 26%. Year-to-year increases seem small, but they accumulate.

<sup>2</sup> We use FY2000 as the baseline in many of our comparisons because FY2000 is the oldest data that is available on the Internet. Using FY2009 distorts all comparisons because all County and School budgets were greatly inflated during the housing bubble. They were not fully deflated after the housing bubble burst.

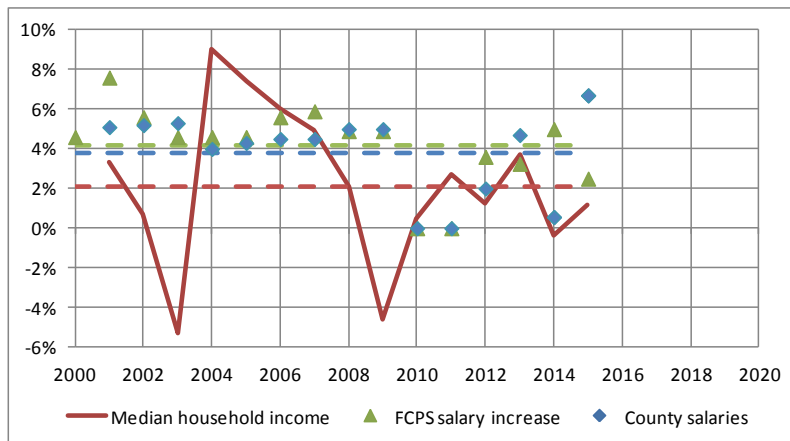
<sup>3</sup> <http://www.fairfaxfederation.org/committees/Budget/180FairfaxCountyBudgets1999to2017.xlsx>



**Exhibit 1: Real-Estate Tax and Household Income Histories in Inflation-Corrected Dollars**



**Exhibit 2: County Expenditures per Capita**



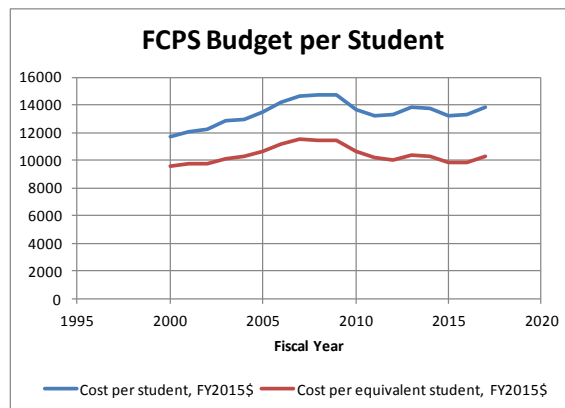
**Exhibit 3: Year-over-Year Increases in County and School Wages and Household Income**

The average salary increase for county employees who worked from FY2006 to FY2015 but whose job title did not change was 3.4% per year<sup>4</sup>, whereas the average increase in household income was only 1.2% (Exhibit 3<sup>5</sup>). Notice that these years include the years after the housing bubble burst<sup>6</sup>. The data on turnover indicates that retirees are replaced by entry-level employees; however, other employees that depart are frequently replaced by people of nearly equal salaries. We have not included herein the added savings possible if all departing employees are replaced by entry-level employees. In a separate study, we have estimated the added FCPS savings alone would be \$20M<sup>7</sup>.

If the County were to hold the sum of all salary increases to the relapse (retirement) saving (all employees would get some increase), the proposed amount for salary increases would shrink from \$32.0M (\$805.5M minus \$773.5M)<sup>8</sup> to zero. As shown in the same reference, benefits amount to 43.7% of salaries (338,338,526/773,546,456); however, salary-dependent benefits<sup>9</sup> amount to approximately 25% of salary; therefore, the total saving would be \$40.0M (\$32.0M\*1.25). Note that giving no raises in FY2017 would reduce the average raise since 2006 to 3.1%, as compared to the 1.2% increase in household income. Householders would still not have caught up to the County employees.

### School Budget

Since FY2000, the FCPS budget per student, in inflation-corrected dollars, has varied from the low of \$11,730 in FY2000 to the high of \$14,698 in 2008<sup>10</sup>. The budget resolution for FY2017, as passed by the Federation Board on March 17, cites FY2009 for comparison, a year that the budget per student was near its maximum -- at the end of the housing bubble and after several years of large increases. Using the average after the bubble or a long-term average



**Exhibit 4: History of the FCPS Cost per Student, in 2015\$**

<sup>4</sup> Salaries were obtained by the author via a FOIA request and used to check against a compilation from the budget documents. The 2% and 3% increases in FY2013 and FY2014 were designed to offset the 5% increase in the employee contribution to the VRS; however, they were true raises because the 5% will be returned to him in his pension. Consider the following: a person is hired at \$50,000, works 30 years, and end with a salary of \$100,000. On average he has paid 5% on \$75,000. His pension amounts to 75% of his peak salary (\$100,000), or \$75,000. Thanks to the raises, this \$75,000 is 5% greater than if the 2% and 3% raises had not been given. So the employee's 5% contribution is eventually returned to him as a pension.

<sup>5</sup> The dashed lines are the averages from 2000 to 2016. The school and county averages are near 4%; the household income, near 2%.

<sup>6</sup> Relapse and departure savings make the sum of all increases in payroll expenses less.

<sup>7</sup> Reports 141 and 172

<sup>8</sup> See Page 220 of <http://www.fairfaxcounty.gov/dmb/fy2017/advertised/overview.htm>. The comparison is made with the Approved Budget, not the Actual Budget. The Approved Budget is that agreed upon by all parties. The Actual Budget is usually somewhat larger than the Approved Budget because unexpected revenue and some of the reserve funds are frequently spent at the end of the year. The difference between the Actual and Approved is akin to windfall profits.

<sup>9</sup> Health insurance does not depend on employee salary.

<sup>10</sup> <http://www.fairfaxfederation.org/committees/Budget/178FCPSBudgets2000to2017.xlsx>

would be fairer. In inflation-corrected values, the increase per student since FY2000 is 19.3% (Exhibit 4), approximately 1% per year; however, the increase per equivalent student has increased only 0.5% per year – a total of 9.2%. Using “equivalent student” adjusts for the increase in the number of ESOL and FRM students. Since FY2000, the rate of salary increases for individual FCPS teachers would have been almost 4.7% per year if they moved up in one step per year. Because in two recent years step increases were skipped, the average is 4.16% -- well above the 1.2% increase in household income. (Retirements and turnover reduce the aggregate increases.)

Raises for teachers may be worthwhile; however, the school system has a history of raising all salaries by almost the same percent that the teachers get. The county would do well for taxpayers, especially the moderately poor, if the salary increases were limited for now to classroom teachers – those who have direct contact with the students. Other teachers and employees, on aggregate, could, after the householders have caught up, get raises that match the increase in median household income. Retirements and departures would permit larger raises if they are replaced by entry-level employees. Individuals would get raises as they move up the salary scales; however, the sum of raises would be zero.

If the FCPS were to increase the salaries of the classroom teachers by the proposed amount but were to hold the sum of all other salary increases equal to the relapse saving, the proposed \$68.1M salary increase would shrink to \$38.1M – a \$30M saving (Exhibit 5). In addition, salary-dependent fringe benefits amount to 29.24% of salary, so the total saving would be \$38.8M. Although the County cannot dictate the salary changes within the FCPS system, it can reduce the transfer fund by this amount on the basis of this analysis.

<b>School Operating Fund Expenditure Detail</b>				
	Proposed	Approved	Increase	FCPS Budget Pg
	2017	2016		
Regular salaries	\$1,525,147,447	\$1,457,015,320	<b>\$68,132,127</b>	205
Teacher salaries	\$1,078,394,024	\$1,024,758,405	\$53,635,619	204
Classroom teachers	\$881,829,573	\$843,729,225	<b>\$38,100,348</b>	204
Regular minus Classroom salaries	\$643,317,874	\$613,286,095	<b>\$30,031,779</b>	
	Classroom teachers are listed in the budget as TCHR			
	KINDERGARTEN, ES(1-6), PE/MUSIC/ART, MS, HS, and			
	SPECIAL ED.			

### **Exhibit 5: Salary Saving if Only Classroom Teachers Get Raises**

#### *Reserve funds*

Yet another saving is available. Only rarely has the BOS been given any money in its reserve fund. For FY2017, \$22.5M, an extraordinarily large amount, has been put into this fund. The Managed Reserve of \$92.5M should suffice as a reserve amount. The starting balance for most years, although budgeted to be zero, has been on the order of \$80M each year, slightly more than the Managed Reserve. This additional \$22.5M reserve is not needed.

#### *Total Savings*

The sum of the savings listed above for county, school, and reserve is \$101.2M. The state will be increasing its contribution to the FCPS budget by nearly \$21 million<sup>11</sup>, bringing the decreased need from the County to \$122.2M, or, at \$23.3M per penny of tax increase<sup>12</sup>, approximately 5.24 cents per \$100 of assessed value. Not only is the advertised 4 cent increase unnecessary, but the rate should be decreased by 1.24 cents.

Appendix B of this report includes snapshots of various parts of the county budget documents to aid those who want to check the foregoing numbers.

<sup>11</sup> Bulova Byline, March 18, 2016

<sup>12</sup> See Page 235 of the Overview of the County’s FY 2017 Advertised Budget

## **Appendix A: The Proposed Resolution**

WHEREAS the salary of Fairfax County teachers is below the average salaries of teachers in the Washington, DC, area; and

WHEREAS the median and average household income of Fairfax County residents has increased only 1.2% in recent years, most of which is due to inflation; and

WHEREAS the increases in school and county employee compensation has considerably exceeded the increase in household income; and

WHEREAS increasing the real-estate tax significantly burdens the moderately poor such that, as IRS data show, many must move out of the county; and

WHEREAS holding the salaries of county employees to the FY2016 salaries will save \$40.0M, when savings in benefits are included; and

WHEREAS limiting salary increases to the approximately 12,000 classroom teachers would increase expenditures by only \$38.1M, as compared to the \$68.1M proposed if all school employees receive the proposed increases – a saving of \$38.8M when savings in benefits are included; and

WHEREAS eliminating the \$22.5M reserve for the BOS is possible because there is an adequate managed reserve; and

WHEREAS the state is increasing its contribution to the Fairfax County school system by \$21M; and

WHEREAS the foregoing savings total to \$122.2M, the equivalent of 5.24 cents in real-estate taxes; and

WHEREAS the beginning balance each year is approximately \$80M, despite the fact that the budget always calls for no ending balance, thereby showing that there is an adequate margin in the approved budgets; therefore,

BE IT RESOLVED that Fairfax County classroom teachers be given the planned salary increases

BE IT FURTHER RESOLVED that:

1. All other school and county employees receive no salary increase.
2. The real-estate tax rate be decreased 1.24 cents per \$100 relative to the FY2016 rate.

Appendix B: Snapshots of the Budget Documents

**FY 2017 ADVERTISED FUND STATEMENT  
FUND 10001, GENERAL FUND**

	FY 2015 Actual	FY 2016 Adopted Budget Plan	FY 2015 Carryover	Other Actions July-January	FY 2016 Revised Budget Plan	FY 2017 Advertised Budget Plan	Incl(Dec) Over Revised	% Incl(Dec) Over Revised
Beginning Balance	\$156,391,257	\$75,915,037	\$86,922,493	\$2,078,693	\$164,916,223	\$84,943,436	(\$79,972,787)	(48.49%)
<b>Revenue <sup>1,2</sup></b>								
Real Property Taxes	\$2,357,117,530	\$2,434,215,819	\$0	\$0	\$2,434,215,819	\$2,600,366,481	\$166,150,662	6.83%
Personal Property Taxes <sup>3</sup>	370,292,221	369,389,423	0	6,808,154	376,197,577	383,274,181	7,076,604	1.88%
General Other Local Taxes	506,567,278	495,137,332	0	9,172,432	504,309,764	510,976,755	6,666,991	1.32%
Permit, Fees & Regulatory Licenses	45,545,990	45,572,818	0	976,541	46,549,359	47,384,162	834,803	1.79%
Fines & Forfeitures	13,115,761	13,348,086	0	(905,077)	12,443,009	12,443,009	0	0.00%
Revenue from Use of Money & Property	15,118,488	21,003,774	0	112,417	21,116,191	22,582,955	1,466,764	6.95%
Charges for Services	72,911,452	74,616,185	1,227,389	(905,580)	74,937,994	76,031,208	1,093,214	1.46%
Revenue from the Commonwealth <sup>3</sup>	300,717,720	309,599,935	13,520	(1,156,187)	308,457,268	308,650,318	193,050	0.06%
Revenue from the Federal Government	36,351,177	29,289,909	805,093	0	30,095,002	29,979,502	(115,500)	(0.38%)
Recovered Costs/Other Revenue	20,126,106	18,334,374	10,000	(1,639,839)	16,704,535	16,425,616	(278,919)	(1.67%)
<b>Total Revenue</b>	<b>\$3,737,863,723</b>	<b>\$3,810,507,655</b>	<b>\$2,056,002</b>	<b>\$12,462,861</b>	<b>\$3,825,026,518</b>	<b>\$4,008,114,187</b>	<b>\$183,087,669</b>	<b>4.79%</b>
<b>Transfers In</b>								
Fund 20000 Consolidated Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-
Fund 40000 County Transit Systems	0	0	0	0	0	0	0	-
Fund 40030 Cable Communications	3,148,516	3,532,217	0	0	3,532,217	3,869,872	337,655	9.56%
Fund 40040 Fairfax-Falls Church Community Services Board	4,000,000	0	0	0	0	0	0	-
Fund 40080 Integrated Pest Management	138,000	141,000	0	0	141,000	141,000	0	0.00%
Fund 40100 Stormwater Services	1,000,000	1,125,000	0	0	1,125,000	1,125,000	0	0.00%
Fund 40140 Refuse Collection and Recycling Operations	535,000	548,000	0	0	548,000	548,000	0	0.00%
Fund 40150 Refuse Disposal	535,000	577,000	0	0	577,000	577,000	0	0.00%
Fund 40160 Energy Resource Recovery (ERR) Facility	42,000	49,000	0	0	49,000	49,000	0	0.00%
Fund 40170 I-95 Refuse Disposal	175,000	186,000	0	0	186,000	186,000	0	0.00%
Fund 69010 Sewer Operation and Maintenance	1,800,000	2,850,000	0	0	2,850,000	2,850,000	0	0.00%
Fund 80000 Park Revenue	775,000	820,000	0	0	820,000	820,000	0	0.00%
<b>Total Transfers In</b>	<b>\$12,148,516</b>	<b>\$9,828,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,828,217</b>	<b>\$10,165,872</b>	<b>\$337,655</b>	<b>3.44%</b>
<b>Total Available</b>	<b>\$3,906,403,496</b>	<b>\$3,896,250,909</b>	<b>\$88,978,495</b>	<b>\$14,541,554</b>	<b>\$3,999,770,958</b>	<b>\$4,103,223,495</b>	<b>\$103,452,537</b>	<b>2.59%</b>
<b>Direct Expenditures <sup>2</sup></b>								
Personnel Services	\$734,577,718	\$773,546,456	\$1,873,644	(\$1,978,100)	\$773,442,000	\$805,471,026	\$32,029,026	4.14%
Operating Expenses	338,563,398	342,454,643	35,150,998	1,461,173	379,066,814	351,019,493	(28,047,321)	(7.40%)
Recovered Costs	(42,467,566)	(44,489,319)	0	0	(44,489,319)	(35,130,994)	9,358,325	(21.03%)
Capital Equipment	2,128,669	126,017	1,194,976	516,927	1,837,920	632,645	(1,205,275)	(65.58%)
Fringe Benefits	307,188,662	338,338,526	405,174	0	338,743,700	355,880,829	17,137,129	5.06%
<b>Total Direct Expenditures</b>	<b>\$1,339,990,881</b>	<b>\$1,409,976,323</b>	<b>\$38,624,792</b>	<b>\$0</b>	<b>\$1,448,601,115</b>	<b>\$1,477,872,999</b>	<b>\$29,271,884</b>	<b>2.02%</b>

**Exhibit B-1: FY 2017 Advertised Budget Plan (Includes the FY 2017 - FY 2018 Multi-Year Plan):  
Overview – 220**

## FY 2016 ADOPTED SUMMARY OF GENERAL FUND EMPLOYEE BENEFIT COSTS BY CATEGORY

This schedule summarizes total General Fund Employee Benefit costs, including certain benefit costs and associated reimbursements for employees of General Fund agencies that are expended in the General Fund and reimbursed by capital projects.

BENEFIT CATEGORY	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2016 Advertised Budget Plan	FY 2016 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
<b>FRINGE BENEFITS</b>							
Group Health Insurance	\$88,540,440	\$93,569,713	\$93,633,499	\$103,976,738	\$103,546,666	\$9,913,167	10.6%
Dental Insurance	3,603,470	3,796,984	3,799,573	4,090,474	4,091,256	291,683	7.7%
Group Life Insurance	1,408,515	1,391,408	1,393,196	1,445,884	1,446,416	53,220	3.8%
FICA	43,273,854	48,332,155	45,842,585	48,402,997	48,561,924	2,719,339	5.9%
Employees' Retirement	62,839,418	68,740,944	68,831,142	77,581,064	77,846,031	9,014,889	13.1%
Uniformed Retirement	51,920,988	57,719,105	57,719,105	59,632,702	59,795,002	2,075,897	3.6%
Police Retirement	34,086,845	38,654,921	38,654,921	41,027,138	41,146,840	2,491,919	6.4%
Virginia Retirement System	454,534	564,963	564,963	652,055	652,055	87,092	15.4%
Line of Duty	984,946	1,027,261	1,027,261	1,104,102	1,104,102	76,841	7.5%
Flexible Spending Accounts	119,237	118,395	118,395	120,727	120,727	2,332	2.0%
Unemployment Compensation	184,835	235,310	235,310	274,794	274,794	39,484	16.8%
Capital Project Reimbursements	(1,108,812)	(848,718)	(848,718)	(972,199)	(972,199)	(123,481)	14.5%
Employee Assistance Program	237,890	347,535	347,535	364,912	364,912	17,377	5.0%
Tuition Reimbursement	262,134	360,000	360,000	360,000	360,000	0	0.0%
<b>Total General Fund Fringe Benefits</b>	<b>\$286,808,294</b>	<b>\$314,009,976</b>	<b>\$311,678,767</b>	<b>\$338,061,388</b>	<b>\$338,338,526</b>	<b>\$26,659,759</b>	<b>8.6%</b>
<b>OPERATING EXPENSES</b>							
Employee Awards Program	\$40,415	\$215,000	\$215,000	\$215,000	\$215,000	\$0	0.0%
Employee Development Initiatives	777,669	1,172,850	1,494,616	1,172,850	1,172,850	(321,766)	(21.5%)
<b>Total Operating Expenses</b>	<b>\$818,084</b>	<b>\$1,387,850</b>	<b>\$1,709,616</b>	<b>\$1,387,850</b>	<b>\$1,387,850</b>	<b>(\$321,766)</b>	<b>(18.8%)</b>
<b>TOTAL GENERAL FUND EMPLOYEE BENEFITS</b>	<b>\$287,626,378</b>	<b>\$315,397,826</b>	<b>\$313,388,383</b>	<b>\$339,449,238</b>	<b>\$339,726,376</b>	<b>\$26,337,993</b>	<b>8.4%</b>

Source:

[http://www.fairfaxcounty.gov/dmb/fy2016/adopted/overview/42\\_summary\\_employee\\_benefits\\_costs\\_by\\_category.pdf](http://www.fairfaxcounty.gov/dmb/fy2016/adopted/overview/42_summary_employee_benefits_costs_by_category.pdf)

### Exhibit B-2: County Fringe Benefits

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Approved	FY 2016 Revised	FY 2017 Proposed
TOHR KINDERGARTEN	36,192,126	37,885,663	36,192,357	38,003,325	37,257,529	36,260,219
TOHR ES (1-6)	234,513,217	242,944,078	242,841,845	253,889,845	248,215,451	266,511,721
TOHR ES - PE/MUSIC/ART	43,800,658	45,804,880	47,086,820	55,096,222	53,078,854	57,853,745
TOHR MS	87,365,769	90,947,166	90,629,911	99,832,173	97,636,533	105,124,330
TOHR HS	168,378,317	172,921,253	172,914,278	189,527,747	185,660,872	200,330,818
TOHR SPECIAL ED	187,006,006	194,607,286	194,971,613	207,379,913	203,256,418	215,748,740
TOHR READING	11,527,336	12,143,410	12,389,950	14,763,486	12,849,912	15,548,349
TOHR ES ART	240,549	212,496	222,063	237,903	241,123	253,161
TOHR FECEP	0	293,162	403,426	0	317,412	0
TOHR GT RESOURCE	6,681,874	7,284,776	7,663,308	6,431,000	8,129,069	6,677,867
TOHR INSTMTNL MUSIC	10,577,826	11,300,036	11,501,888	12,218,395	12,130,600	12,808,977
TOHR PROF TECH	20,505,996	21,715,727	21,823,204	22,498,097	22,158,676	23,483,389
TOHR WORK EXPER PRIG	261,618	188,685	162,158	316,050	174,632	341,256
TOHR INSTRL SUPPORT	30,036,890	31,231,696	32,944,707	19,578,859	33,270,881	20,954,047
SCHOOL COUNS SVS MS/HS	23,168,441	23,798,347	24,183,263	25,036,739	25,518,916	26,268,796
SCHOOL COUNS SVS ES	14,609,917	14,952,745	14,918,128	15,258,459	15,289,945	15,908,497
LIBRARIAN	16,141,401	16,378,647	16,539,627	17,494,340	17,460,678	18,471,557
AUDIOLOGIST	1,167,776	1,200,254	1,307,443	1,258,525	1,313,788	1,284,056
TOHR STAFFNG RESRVE	0	0	0	12,167,453	12,167,460	19,464,936
PHYS/OCC THERAPIST	6,183,232	6,289,514	6,314,287	6,707,354	6,491,360	6,826,391
TOHR PROF TECH ACAD	4,544,049	4,698,587	4,542,096	4,920,693	5,317,469	5,310,340
TOHR ALTERNATIVE ED	11,533,768	12,131,958	11,605,821	12,722,760	11,758,035	13,090,815
TOHR ESL	6,107,187	6,442,002	6,772,446	7,776,886	7,617,205	8,188,185
TOHR PROF TECH PROJ	255,460	270,193	279,723	304,640	274,888	304,040
TOHR LAB	1,284,438	1,290,679	1,306,354	1,337,541	1,318,204	1,379,792
<b>TEACHERS Total</b>	<b>922,083,852</b>	<b>956,933,240</b>	<b>959,516,716</b>	<b>1,024,758,406</b>	<b>1,018,905,913</b>	<b>1,078,394,023</b>

### Exhibit B-3: Budget for Classroom and Other Teachers

**Salary and Benefits Summary**  
Fairfax County Public Schools

	Percent of Hypothetical Salary	FY 2016 Annual Employer Cost for Hypothetical Teacher Salary	Percent of Average Salary	FY 2016 Annual Employer Cost for Average Teacher Salary
<b>Salary</b>		<b>\$65,000</b>		<b>\$67,589</b>
<b>Benefits</b>				
Social Security	7.65%	\$4,973	7.65%	\$5,171
Retirement				
Virginia Retirement System (VRS)	14.06%	\$9,139	14.06%	\$9,503
VRS Retiree Health Credit	1.06%	\$689	1.06%	\$716
Employees' Supplementary Retirement System of Fairfax County (ERFC)	5.60%	\$3,640	5.60%	\$3,785
Life Insurance	0.87%	\$566	0.87%	\$588
Health Insurance: POS - Family Coverage Name: CareFirst BlueChoice Advantage	17.18%	\$11,168	16.52%	\$11,168
Dental/Vision	1.30%	\$847	1.25%	\$847
<b>Total Benefits</b>	<b>47.72%</b>	<b>\$31,021</b>	<b>47.02%</b>	<b>\$31,778</b>
<b>Total Salary and Benefits</b>		<b>\$96,021</b>		<b>\$99,367</b>

**Exhibit B-4: Fringe Benefits for FCPS Employees**