

The Rockbridge County School Board held a special meeting on Tuesday, November 27, 2018 at the Rockbridge County School Board Office.

Present: Chairman David McDaniel; Trustees Heather Hostetter, Wendy Lovell, Neil Whitmore; Superintendent Phillip Thompson; Clerk Rhonda Humphries. Absent: Trustee Corey Berkstresser.

CALL TO ORDER

Chairman McDaniel called the meeting to order at 4:34 p.m.

The purpose of the meeting was to conduct a Budget Work Session.

BUDGET WORK SESSION

Superintendent Thompson stated he will provide an update on the budget process since the last meeting of the Rockbridge County School Board, which will aid in preparation for the Joint Meeting with the Board of Supervisors on Thursday evening. He provided an overview of the document "School Board Preparation Fiscal Year 2019-2020".

- RCPS School Board Mission, Vision, Goals – no change
- RCPS School Board FY20 Mandated Budget Considerations reminding the board that these items are mandated and must be included in the budget. These items are: Virginia Retirement System (VRS); and VRS Associated Charges for Group Life and Health Care Credit.
- RCPS School Board FY20 Other Budget Considerations such as:
 - Health Care Premium Increases
 - Superintendent Thompson stated that Jim Gordon, Principal, OneDigital Health and Benefits, will make presentations in schools December 12-13, 2018 and will be available from 12:00 PM until 4:30 PM to answer questions. Employees and spouses are invited and encouraged to attend to ask questions. This is the beginning of the process to educate employees on their options.
 - Chairman McDaniel inquired if there will be a computer program that will allow employees to calculate their cost based on personal scenarios.
 - Superintendent Thompson stated that it is the intent for the computer tool to be released prior to Mr. Gordon's presentations in December.
 - Trustee Whitmore inquired if an employee survey has been conducted before in regards to health insurance.
 - Superintendent Thompson stated that it has been a number of years since one has been conducted.
 - Chairman McDaniel stated that insurance is always a point of contention citing that the reason for the survey was to obtain the thoughts of employees.
 - Superintendent Thompson stated that, traditionally, the push of information for open enrollment is not released until May but the education for employees will take place much earlier this year. He referenced that information will be disseminated via email to faculty and staff.
 - Chairman McDaniel emphasized that employee education opportunities will soon be available and are being done in an effort to assist employees in making wise health insurance decisions at open enrollment time in May.
 - Property & Casualty Insurance
 - Superintendent Thompson stated that he is scheduled to meet with John Minor the week of December 4, 2108.
 - Average Daily Membership (ADM)
 - Superintendent Thompson stated that FY19 budget is based on ADM of 2540. Rockbridge County Public Schools will use the current VDOE projected ADM for FY20 of 2557.
 - Chairman McDaniel stated that he feels it is beneficial to be conservative, as the state will adjust the funding based on membership. The Board of Supervisors have conveyed to the School Board in the past that if enrollment comes in surpassing ADM, to ask if funds are needed.
 - Trustee Hostetter inquired of staffing issues using the scenario if membership comes in at 2574, which was the March 31, 2018 ADM count.
 - Superintendent Thompson stated that staffing meetings for FY20 are beginning and that any increase of enrollment could most likely be accommodated through attrition and reallocation of current positions.

- Projected Additional State Funding for FY20
 - Superintendent Thompson stated that the estimated increased state revenues will be approximately \$450,000 more than FY19 state revenues.
- RCPS School Board FY20 Budgeting Review
 - Superintendent Thompson stated that the Central Office staff has worked diligently in asking for what they need in respect to their departments and trimmed their respective budgets in trying to be fiscally responsible. He stated that in order to further reduce any possible request from the locality, Rockbridge County Public Schools plans to budget the following items for FY20, while noting that these items have not been budgeted in the last decade or so:
 - E-Rate (Universal Service Schools and Library Program)
 - Sale of Other Equipment (Scrap electronics, etc.)
 - Sale of retired school buses
 - Tuition Students
 - Chairman McDaniel stated that at some point, the tuition rate should be researched in comparison to surrounding areas.
 - Superintendent Thompson added, as a point of reference, that student transfer requests have been denied to schools that are considered nearing capacity; student enrollment numbers are monitored closely.
 - Summer School
 - Donations, Private Contributions, Special Gifts
 - Other Funds (Transcripts, etc.)
 - Chairman McDaniel stated his concern that these figures can vary. He requested that staff ensure all expenses are included, which may offset revenue amount, while noting that none of the items is a given amount and that the market can be a determining factor.
 - David Daniels, Director of Financial Services, stated that he has gone back several years to determine projected amounts.
 - Trustee Whitmore offered his support that by including these items, the budget will be more transparent.
 - Superintendent Thompson stated that the overall goal is to reduce the overall ask from the locality while ensuring the school division can meet its needs.
- RCPS School Board FY20 Budget Priorities
 - Pay Raises for All RCPS Contracted Employees
 - Superintendent Thompson stated that it is the intent of the Rockbridge County School Board to keep pace and not fall behind. He noted that health insurance benefits make it difficult meet the challenge for salaries.
 - Chairman McDaniel expressed his hope that Jim Gordon will explain plan changes that will be offered emphasizing that it may be a cost savings to the employee and allow for money in the pocket.
 - Chairman McDaniel stated that health insurance has been an issue in his seven years on the board and that he feels it will continue until the school system reduces the amount it pays per employee, becomes a shared cost, or is moved to a fixed cost.
 - Superintendent Thompson stated that there are restrictions because health insurance must be provided and it must be a budgeted item.
 - Trustee Hostetter stated that if health insurance continues on the trend of an increase of 10%, using a scenario of a 3% pay raise, it has a negative impact on an employee's paycheck and morale.
 - Superintendent Thompson stated that once health insurance rates are determined, there might be an option for less of a pay raise allowing the school system to pay more on the employee insurance.
 - Chairman McDaniel expressed his concern that he sees no way to have a positive impact because when the numbers are determined from open enrollment in May, it is after budget season and is too late to make changes to an estimated budget and proves to be a difficult situation.
 - School Resource Officers
 - Superintendent Thompson expressed his appreciation on behalf of the School Board that the Rockbridge County Board of Supervisors currently provide school resource officers for Rockbridge County High School as well as Maury River Middle School. He noted that through grant funding, a school resource officer has also been assigned to Natural Bridge Elementary School.

- Superintendent Thompson stated that it is the desire of the Rockbridge County School Board to request the Rockbridge County Board of Supervisors invest in the safety and security of students and staff within the Rockbridge County Public Schools by working with the Rockbridge County Sheriff's Office in providing a full-time school resource officer in each of the County's schools.
- Trustee Lovell stated that she feels the School Resource Officers enhance the education element as well as security and has potential for positive impact on our community.
- Superintendent Thompson stated that the Legislative Priorities do push forward for more funding for these positions from the state level.
- Chairman McDaniel emphasized that the School Resource Officer funding is not part of the Rockbridge County Public Schools' budget, noting that the Board of Supervisors will need to budget this next year.
- Trustee Hostetter expressed her sentiment that the School Resource Office is a great resource and a great figurehead to students and teachers. She also noted that the Sheriff's Office also has hiring challenges.
- Educational Quality Equates to Economic Growth
 - Superintendent Thompson stated that Rockbridge County Public Schools is committed to educational quality and contributes to the economic growth of Rockbridge County by the programs being provided through CTE and academics.

Chairman McDaniel requested that the draft of Legislative Priorities be presented to the Rockbridge County Board of Supervisors at the Joint Meeting on Thursday evening.

- Superintendent Thompson stated that it is the intent that the Legislative Priorities will be presented for approval at the Rockbridge County School Board meeting of December 4, 2018.
- Trustee Lovell expressed her sentiment that possibly the Rockbridge County Board of Supervisors can help advocate for the Legislative Priorities.

Superintendent Thompson provided a brief overview of the agenda for the Joint Meeting with the Rockbridge County Board of Supervisors on Thursday, November 29, 2018.

- Chairman McDaniel expressed his desire that there be discussion of CIP funding mechanism.

Chairman McDaniel inquired as to non-personnel expenses in respect to the budget.

- Superintendent Thompson stated that there was not a request for increase in non-personnel items last year and it is being reviewed for FY20 but that the concentration is on employee benefits.
- Chairman McDaniel reiterated due diligence of staff to know costs so that estimated funding costs can be relayed to the Board of Supervisors.
 - Superintendent Thompson stated that 92-93% of the budget is salary. There will be a time soon when non-personnel cost increases will not be sustainable and must become a budget item.

Chairman McDaniel emphasized that data presented at this meeting is a very preliminary and is the sharing of ideas on what the budget could look like; considered an estimate. The actual numbers will be known in February or March 2019.

Chairman McDaniel expressed his appreciation to the staff for gathering information.

ADJOURNMENT

Upon motion by Trustee Lovell, seconded by Trustee Hostetter, and passed by 4-0 vote, the meeting was adjourned at 5:36 p.m.



David B. McDaniel, Chairman



Rhonda B. Humphries, Clerk of the Board