

The Rockbridge County School Board held a special meeting on Tuesday, January 17, 2023. The meeting was held at the Rockbridge County School Board Office.

Present: Chairman Neil Whitmore; Trustees Catie Brown, Wendy Lovell; Superintendent Phillip Thompson and Clerk Rhonda Humphries. Absent: Trustees Corey Berkstresser, Kathy Burant.

CALL TO ORDER

Chairman Whitmore called the meeting to order at 5:04 p.m.

BUDGET WORK SESSION

Superintendent Thompson stated the General Assembly is back in session and that more information has been received. He cautioned that this is early in the budget process and that numbers will change. After the last budget work session, the School Board priorities were incorporated into the document that will be presented by Mr. Jason Kirby.

Mr. Jason Kirby, Chief Business Officer, provided an overview of the budget preparation for Fiscal Year 2023-2024. Much of the presentation has not changed since the budget work session of November 10, 2022. The following are presentation highlights:

RCPS School Board Mission, Vision, and Goals [unchanged]

RCPS Local Composite Index (LCI)

The state uses a local composite index to determine a school division’s ability to pay for the local required share of education costs for the Standards of Quality. The LCI is calculated every two years with each new biennium, and considers property value, adjusted gross income, taxable retail sales, and the student and total population in each school division/locality. Recently, the state determined Rockbridge County to have a higher ability to pay for education when compared to the last biennium. Over the most recent four biennia, the LCI for Rockbridge County has been as follows:

2016-2018 --	.4522
2018-2020 --	.4498
2020-2022 --	.4506 (Current)
2022-2024 --	.4530

This increase in LCI for the FY22-24 biennium essentially equates to a lesser percentage of state funding for RCPS over the next two fiscal years. The Rockbridge County School Board continues to advocate with our representatives in the General Assembly in hopes they would support revisiting how the LCI is calculated to ensure a more fair distribution of state funds to areas of true high need such as Rockbridge County.

RCPS Average Daily Members (ADM)

The state projected ADM for FY24 is 2145, a difference of 153 fewer students. We do not feel that this is an accurate estimate of our ADM for the upcoming school year. We have also discussed the estimates with several other school divisions and they seem to be off across the board. The ADM estimate that RCPS will be using for budget preparation purposes for FY24 is 2220. This low ADM count is out of the norm when compared to the last decade and can be attributed to COVID, mask mandates, other issues, and large graduating classes in recent years. Having said that, we do need to begin adjusting for these lower ADM numbers planning accordingly.

When budgeting for FY24 and using an ADM of 2220, the estimated increase in state funding revenues will be approximately \$683,717 more than FY23 state revenues based off of giving a 5% raise. A \$1,211,000 compensation supplement must be used to give staff a five percent pay increase. We must give at least 2.5% to get any proration of this money. Mr. Kirby stated that attendance is down across the board and noted that if a student is not present and accounted for, it hurts the ADM.

- Superintendent Thompson stated that RCPS have followed state recommendations for annual ADM when preparing a FY budget; however reflected that administration was shocked at recommended ADM of 2445 from VDOE for FY24. Rockbridge County Public Schools administration determined their own ADM as it is a better representation.
 - Trustee Lovell posed a philosophical question in that funding is based on number present in the building and not ADM, noting that the number in the building on a given day will not match the ADM. In other words, comparing ADM to enrollment. She noted that there is more information that is accurate available now but that the state still takes funding away based on ADM. She expressed her belief that it would be well to have discussion with our delegate on this matter.
 - Superintendent Thompson stated that computer reports, which began years ago, made it easier for VDOE to track enrollment.

- Trustee Berkstresser asked for, and received, confirmation that this is the trend in other localities as well.

RCPS FY24 Budget Considerations

- **Worker's Compensation:** Increase \$2,252
- **Property & Casualty Insurance:** Increase \$5,215
- **Classified Employee Salaries**
- **Teacher Salaries**
 - **Recruitment and Retention of Classified Employees (Information only)**
 - We are quickly losing ground to other local employers who have already moved to \$15 per hour or more. We are losing qualified applicants and current employees to other local businesses and institutions.
 - Instructional Assistants in some neighboring localities start at \$21,000 per year or about \$16 per hour. Our entry level Instructional Assistants start at about \$13 per hour.
 - The cost to move our classified staff to \$15 an hour would be about \$243,000 total with \$43,000 of that being in the Food Service area.
 - Obviously, this move would also cause other issues that we would need to discuss and there are costs associated with those issues as well.
 - **Salary Increases for All RCPS Contracted Employees**
 - As we plan for the 2023-2024 Fiscal Year, our analysis reveals that we have unfortunately fallen behind once again significantly in relation to our region. Teacher salaries must be maintained and improved in Rockbridge County in order to attract and retain highly qualified staff members. This is even more critical at this time due to the many teachers who are leaving our classrooms due to stress and increased workloads caused by Covid as well as retirements.
 - With our current biennium budget including a potential 10% teacher salary increase, we will need to be ready to keep pace with surrounding school divisions, as they will be prepared to continue to increase teacher salaries again this year. Each year that we cannot maintain pace with teacher pay, we will begin to fall farther behind other school divisions as we compete not only for the best teachers, but also to simply fill needed teacher and staff positions.
- **Compensation Supplement:**
 - To receive the total amount, a 5 percent salary increase must be given in FY24. School divisions must provide a minimum 2.5% percent salary increase in FY24 in order to be eligible for a prorated state payment.

<u>Estimated State Funding Lost by Percentage Salary Increase</u>	
2.5% salary increase	\$482,165
3.0% salary increase	\$385,732
4.0% salary increase	\$192,866
5.0% salary increase	\$ 0
- **Health Insurance:**
 - When RCPS switched to Aetna for the 22-23 School Year, we were able to negotiate a credit for this upcoming 23-24 school year of \$250,000 along with a guarantee of a rate increase of no more than 13.5%. While the increase of 13.5% would normally cost the division approximately \$390,000, the negotiated credit will allow us to move forward with an approximate maximum \$140,000 increase for the 23-24 school year.
 - We must be mindful looking forward knowing that we will not receive this credit for the upcoming year. We need to be prepared to budget for the credit along with any other insurance related increases for the 24-25 school year.
- Chairman Whitmore inquired if employees are pleased with Aetna insurance.
 - Mr. Kirby stated that opinions vary as there have been some employees who have higher prescription costs, as well as some employees who have lower prescription costs, but for the most part, it has been a good experience.
 - Mr. Timothy Martino, Assistant Superintendent, stated that the transition of registration was not seamless, but it went well.
- **Safety and Mental Health:**
 - MRMS Alternative Positions: There have been very promising results so far from our Alternative Education Program at Rockbridge County High School. We would like to expand our program at Maury River Middle School by adding two additional Teachers for Alternative Education - Approximately \$140,000.

- Superintendent Thompson stated that the alternative education program at Maury River Middle School has been a smooth transition with a person in place who is a good fit for the program. A successful program at the middle school could reduce the need at Rockbridge County High School if issues are caught and needs met early.
 - Trustee Lovell inquired if there will be one alternative education teaching position at Maury River Middle School next year.
 - Superintendent Thompson stated that the ask will be for two positions, while noting that he is not sure if two qualified individuals with the skill set can be found. It is the intent to see what funding may be available.

➤ FY24 Estimated Funding Projects/Needs as of January 17, 2023:

FY24 ESTIMATED FUNDING PROJECTIONS/NEEDS as of January 17, 2023				
Based Primarily on Governor's Introduced Amendments to the 2022-2023 Biennial Budget for FY23-24				
Mandated Cost Increases for FY24				
Virginia Retirement System (VRS)	\$0	\$0	\$0	\$0
Virginia Local Disability Program (VLDP) (.02% increase)	\$0	\$0	\$0	\$0
VRS Associated Health Care Credit (.07% increase)	\$0	\$0	\$0	\$0
Health Care Insurance (Maximum -13.5%)	\$390,000	\$390,000	\$390,000	\$390,000
Min Wage Increase (\$12 per Hour)	\$0	\$0	\$0	\$0
Worker's Compensation	\$2,252	\$2,252	\$2,252	\$2,252
Property and Casualty Insurance	\$5,215	\$5,215	\$5,215	\$5,215
Approximate Mandated Cost Increases for FY24	\$397,467	\$397,467	\$397,467	\$397,467
Additional Funding Needs for FY24				
	5%	4%	3%	2.50%
RCPS Contracted Employee Salary Increase (5%)*	\$1,211,000			
RCPS Contracted Employee Salary Increase (4%)**		\$969,000		
RCPS Contracted Employee Salary Increase (3%)**			\$730,000	
RCPS Contracted Employee Salary Increase (2.5%****)				\$606,000
1% Bonus Payment Effective September 1, 2023**	\$210,000	\$210,000	\$210,000	\$210,000
Alternative Education Teaching Positions at MRMS (2)	\$140,000	\$140,000	\$140,000	\$140,000
Non-Personnel Inflation Cost (Fuel, Technology, Vendor Services, etc.)	\$0			
Approximate Funding Increases for FY24	\$1,561,000	\$1,319,000	\$1,080,000	\$956,000
TOTAL of Approximate Budget Increases for FY24				
	\$1,958,467	\$1,716,467	\$1,477,467	\$1,353,467
Labor Savings Through Attrition	\$250,000	\$250,000	\$250,000	\$250,000
Negotiated One Time Health Care Credit for 23-24 with Aetna	\$250,000	\$250,000	\$250,000	\$250,000
Projected Increase in State Funding for FY23** (Governor's Proposed Budget)	\$683,717	\$490,851	\$297,985	\$201,552
Projected Total of Additional Needed Funding for FY23	\$774,750	\$725,616	\$679,482	\$651,915
* 5% raise there is no reduction in state revenue				
** \$192,866 estimated reduction in state revenue at 4% raise				
*** \$385,732 estimated reduction in state revenue at 3% raise				
**** \$482,165 estimated reduction in state revenue at 2.5% raise				

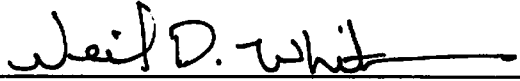
Mr. Kirby stated that the presented budget is conservative by the Governor's budget, but there may be potentially be more funding coming.

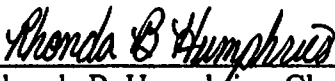
- Chairman Whitmore inquired if SRO's are included in the line for safety.
 - Superintendent Thompson stated that the Sherriff's Office has applied for grant funding and noted that the issue may be finding persons to do it.
- Superintendent Thompson noted that the cost for the card swipe for building entrance is more than what was estimated; the cost estimate is \$660.000.
 - Trustee Lovell inquired if this is reflected in the current budget.
 - Superintendent Thompson stated that it is not included in the current budget and noted that the Board of Supervisors may try to work on that and intricate it into their budget.
- Trustee Lovell offered her assistance to help with grant writing in relation to "Water Filling Stations" for Rockbridge County Public Schools. She expressed her sentiment that this is an extension of the PBL.
- Trustee Lovell stated that since the Newport News shooting incident, it is time to remind families that they have a role in keep the community safe.
 - Mr. Martino stated that a threat assessment at Rockbridge County High School reflected that communication is good within our county families.
- Chairman Whitmore inquired if the potential changes to school lunch funding will benefit Rockbridge County Public Schools in freeing up funds.
 - Superintendent Thompson stated that those are Fund 56 and that it may help pay cafeteria workers more but it will not help the operating budget.

- Superintendent Thompson stated that Spectrum Design will provide information at the Joint Meeting with the Rockbridge County Board of Supervisors on January 19, 2023 in regards to the FSK renovation and the next steps to be taken. He stated that there will be a survey released within the next two days for families to complete as to what they would like to see included.
 - Trustee Lovell expressed her sentiment that, with groundbreaking anticipated in the spring, she feels the conversation / survey should have already happened.
 - Superintendent Thompson stated that Spectrum Design can adjust plans quickly and that they are moving quickly on this project. He anticipates that early summer is likely for shovel to the ground, and noted that it could begin while students are still in session.
 - Superintendent Thompson stated that the Transportation Building is now going out to bid.
 - Trustee Brown inquired how the construction will affect CTE students and inquired if it will be phased construction.
 - Superintendent Thompson stated that he has had conversation with Dr. Craft, Principal, Rockbridge County High School. It is anticipated that it can be handled in-house at Rockbridge County High School without any need for mobile classroom. Mobile classroom rental is expensive and would cut deeply into the budget. CTE classes may look different during the construction phase. Mountain Gateway Community College (Rockbridge Campus) may be available for use by our CTE culinary program, as they will no longer house that program on its campus. Use of MGCC will involve travel and is the worst-case scenario. A temporary structure to house a vehicle for instruction may be built to assist with the auto program. He stated that phased construction is not ruled out yet as it will depend on the Architectural & Engineering firm as well as the General contractor.
 - Mr. Martino stated that the CTE instructors are more apt to pivot regularly because of the curriculum and their experience with instruction during Covid.
 - Trustee Brown reflected that this situation has the potential for community partnership.
 - Superintendent Thompson stated that Paige Owens, Director of Technology and Career and Technical Education, meets with local businesses regularly and that there may be other opportunities to make the CTE classes work within the county area.

ADJOURNMENT:

Upon motion by Trustee Lovell, seconded by Trustee Berkstresser, and passed by 3-0 vote, the meeting was adjourned at 5:42 p.m.


Neil D. Whitmore, Chairman


Rhonda B. Humphries, Clerk of the Board