The Rockbridge County School Board held a special meeting on Monday, January 15, 2018 at the Rockbridge County School Board Office.

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

CALL TO ORDER
School Board Chairman McDaniel called the meeting to order at 4:35 p.m.

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

BUDGET WORK SESSION
Superintendent Thompson stated that he and that central office staff have been gathering information requested by this Board and the Board of Supervisors. He stated that his goal for this meeting is to finalize the presentation format of what to present to the Board of Supervisors.

Superintendent Thompson provided information on the Budget Preparation Fiscal Year 2018-2019. FY19 budget considerations and associated cost estimations were presented as follows:

1. **Rockbridge County Public School Board FY19 Mandated Budget Considerations**:
   - Virginia Retirement System (VRS) – Approximately $102,000 potential savings:
     The VRS Board of Trustees have certified an employer contribution rate of 15.68% for the teacher plan for the 2018-2020 biennium budget. This rate is lower than the General Assembly-approved FY2018 contribution rate of 16.32%. The General Assembly will need to vote during the new legislative session in January to officially set the VRS rate for the new biennium. This amount will vary depending upon VRS participation by RCPS staff members.
   - VRS Associated Charges for Group Life and Health Care Credit – Approximately $5,000 potential savings:
     The General Assembly sets the new VRS associated rates for Group Life Insurance and Health Care Credit. The General Assembly will need to vote during the new legislative session in January to officially set these rates for the new biennium.

2. **Rockbridge County Public School Board FY19 Other Budget Considerations**:
   - Utilities in Accordance with expected savings from Performance Contract – Reduce $181,981. Due to the recent approval of the performance contracting venture with TRANE, once all projects are completed October 2018, there is potential for savings in utility costs across the school division. The total savings potential from October 2018 through June 2019 would be $181,981.
   - Maintenance supplies with expected savings from Performance Contract – Reduce $30,941. Due to the recent approval of the performance contracting venture with TRANE, there is potential of some maintenance cost reduction in the area of lightbulb and ballast replacement, etc. The total savings potential from October 2018 through June 2019 would be $30,941.

3. **Rockbridge County Public School Board FY19 Other Budget Considerations**:
   - Health Care Premium Increases - $180,000:
     Jim Gordon, Principal at OneDigital Health and Benefits, is estimating an increase of approximately 10%. This increase does not account for any new participants electing to enroll in the health care plan provided by Rockbridge County Public Schools for the 2018-2019 school year. Mr. Gordon will present information at an upcoming budget work session.
   - Property and Casualty Insurance – unknown at this time:
     The rates have not yet been set for FY19.

4. **School Board FY19 Budget Priorities**:
   1. Pay raises for all RCPS Contracted Employees
      - Superintendent Thompson provided several scenarios and the associated costs of employee raise options. He stated that Rockbridge County Public Schools does not meet average teacher salary expectations when compared to teacher salary averages from school divisions surrounding Rockridge County, or averages from school divisions of similar size to Rockbridge County; and further found that traditionally, Rockbridge County Public Schools has lagged behind. Discussion took place as to what it would take to bring teacher salaries and RCPS to the middle of this comparison of surrounding school divisions, using the term "Teachers to the Middle".

The goal is to offer financial support for employees in order to narrow salary disparities. He noted that teacher salaries must improve significantly in order to attract and retain highly qualified staff members.

2. Chromebooks Funding Transferred from CIP Escrow to Operating Budget – Increase of $40,355.
   - Superintendent Thompson stated that the 1:1 digital initiative began three years ago at Maury River Middle School with the intent of expanding the initiative to Rockbridge County High School in FY20. In the past, $40,000 has been requested from the CIP Escrow Account to partially fund the initiative along with a matching $40,000 from the RCPS operating budget. The $40,000 that have been requested from the CIP Escrow Account in the past, will now be added to the RCPS operating budget because the cost of replacement digital devices will become an annual expense.
3. Funding for Instructional Technology Resource Teacher (ITRT) – Increase of $79,000.
   - Superintendent Thompson attributed the success of the digital 1:1 initiative at Maury River Middle School to the reallocation of an ITRT position to MRMS two years ago. He further stated that to ensure similar success at Rockbridge County High School, it is critical that teachers and students have access to similar resources.

5. **FY19 Budget Planning Estimations**:

FY18 Base Funding from Locality	$14,214,834
[1]Reduce Utilities – Performance Contract	-$181,981
[1]Reduce Maintenance – Performance Contract	-$30,941
[2]VRS	-$102,000
[2]Group Life Insurance & Health Care Credit	-$5,000
[3]Health Care Insurance	$180,000
1:1 Digital Initiative	$40,355
[4]Instructional Technology Resource Teacher	$79,000
[5]Employee Salary Increase	$937,626
Total FY19 Budget Request from Locality	$15,131,893
FY18 Base Funding from Locality	-$14,214,834
Current Estimated Additional Funding Request for FY19 Compared to FY18	$917,059

[1]Savings shown from October 2018 – June 2019
[2]Savings shown as projected FY19 VRS Recommendations – General Assembly must approve
[Amount shown based upon current school division salary amounts]
[3]Increase shown at preliminary 10%
[4]Cost includes Salary + VRS & Benefits
[5]Salary increase shown would move teachers to the "middle" + 2% and also be a 2% average increase for all other contracted employees

Superintendent Thompson explained that all figures and calculations were in draft form due to the currently unknown revenues from funding sources for FY19. Superintendent Thompson provided the FY19 Budgetary Workbook Review as follows:
Fund 50 – Categorical Estimate of Need – FY19
Fund 50 – Expected Revenue Sources – FY19
Fund 50 – History of Budgeted Expenditure Estimates by Category
Fund 50 – History of Expected Revenues by Source
Fund 50 – Expenditures by Categories – Summary by Site/Service – FY19
Fund 50 – Total Expenditures by Functions – FY19
Fund 50 – Expenditures by Functions – Summary by Site – FY19
Fund 50 – Expenditures by Functions – Summary by Division – FY19

It was the consensus of the board that the budget documents were clear, transparent, and provides a clear picture of what is being spent and what is needed.

Chairman McDaniel requested that an update on CIP [Capital Improvement Projects] and CPP [Capital Purchase Projects] take place at a future work session.

Chairman McDaniel expressed his appreciation for the good information and good discussion.

There will be a joint meeting of the Rockbridge County School Board and the Rockbridge County Board of Supervisors on **Thursday, January 18, 2018 at 4:30 p.m.** for the purpose of discussion. The meeting will be held at the Rockbridge County School Board Office, 2893 Collierstown Road, Lexington, Virginia.

ADJOURNMENT
Upon motion by Trustee Berkstresser, seconded by Trustee Lovell, and passed by 4-0 vote, the meeting was adjourned at 5:42 p.m.

David B. McDaniel, Chairman

Rhonda B. Humphries, Clerk of the Board