

The Rockbridge County School Board held a special meeting on Tuesday, March 26 2019 at Maury River Middle School.

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

CALL TO ORDER

Chairman Lovell called the meeting to order at 12:06 p.m.

CONSENT AGENDA

Upon recommendation by Chairman Lovell, motion by Trustee McDaniel, seconded by Trustee Berkstresser the board approved the following items on the Consent Agenda:

- Appointments
Appointments
Professional
 Paige Owens, Supervisor of Career and Technical Education

- Support Staff
Car Driver
 Grover Wills

BUDGET WORK SESSION

Superintendent Thompson stated that he and Jim Gordon, Principal, OneDigital Health and Benefits, have worked through the details of the insurance process and the goal of this meeting is to provide the “nuts and bolts” version of the current insurance picture.

Superintendent Thompson provided a brief overview of the FY20 Budget/Health Insurance Options as follows:

State vs. Locality Revenue Sources – Projected Revenues for FY20

State: \$849,301 for FY20 more when compared to State revenues for FY19

Locality: \$32, 244 for FY20 more when compared to local revenues for FY19

Expected Revenues from state and locality total: \$881,545

- Trustee McDaniel confirmed that the ADM figure used is 2557.

Rockbridge County Public Schools FY20 Budget Scenario – Needs

2% salary increase: \$490,726

There is a need of \$390,819 for insurance purposes. Superintendent Thompson stated that this will pay the Rockbridge County Public Schools portion as the employer, and to help minimize the impact to the employees in an attempt to make it more affordable for them.

Insurance Options and Associated Costs

Option 1: Approximately \$271,363: 13.4% increase for current projected health insurance cost increase with no changes to benefits or contribution split.

Option 2: Approximately \$321,738: includes a premium increase to Rockbridge County Public Schools, Backend HRA and lower Health Savings Account (HSA) premiums for staff and families.

Option 3: Approximately \$393,738: includes all options in the option 2 above and a Rockbridge County Public Schools HSA contribution for employees enrolling in HDHP.

- Trustee McDaniel inquired why the legacy and new hire employee plans are not merged into one plan.
 - Superintendent Thompson stated that cost savings is the factor. He stated that he feels that needs to be a consideration as a goal moving forward. He made a recommendation to keep the current plans in place and if this becomes a goal of the school board, to revisit a possible merge of legacy and new hire plans next year.
 - Trustee McDaniel expressed his agreement that this needs to become a consideration for the school board during budget discussions next year.

Current Employee Monthly Cost Breakdown and Proposed Employee Monthly Cost FY20

Superintendent Thompson provided a comparison of proposed plans, which reflect out of pocket expense to employees. He expressed his sentiment that the school board is providing financially appropriate opportunities for our employees to get a cheaper option in respect to health care insurance coverage and the hope that employees can see the benefit of making changes, if they choose to do so. The proposed plans do reflect a separation in plans.

Chairman Lovell inquired if it is the intent to remove the \$500 deductible for FY21, if it should become part of the education this year.

- Superintendent Thompson stated that it may be well to make it part of the employee education that the \$500 deductible may not be part of the plan beginning FY21.
 - Mr. Gordon agreed that it may be a potential move to streamline what the school board is administratively doing and that it should be discussed. He advised that with the plans being proposed for FY20, it may be used as an incentive to influence transition to the HSA high deductible plan. He expressed his sentiment that it could create tremendous opportunity to create significant value for current employees as well as put the school division in a position to be more competitive in hiring or retaining young families.

Trustee McDaniel stated that he would set a dollar limit on the Rockbridge County Public Schools contribution with the dollar contribution being contingent upon how many employees take the HSA, noting that employees would get an equal share.

- Superintendent Thompson offered a reminder that this money is only for FY20 and there may not be money in the budget to offer this incentive for FY21. He agreed that there should be a dollar limit set because of the contingency of the number of employees who may participate.

Trustee Hostetter expressed her sentiment that if the school board is considering abolishing the \$500 deductible plan, which is the plan that a majority of staff chooses, and if 50% of employees transition to the high deductible plan, the reserve fund of \$39,118 may not be enough.

- Mr. Gordon stated that if 100% of employees make the transition, there would be a cost of approximately an additional \$40,000. He feels confident that different transition scenarios have been included in the budget.
- Superintendent Thompson emphasized the importance of educating employees that the school board is considering doing away with the \$500 deductible in the near future, it may cause more employees to make the transition now.

Trustee Hostetter inquired if the school board had built in a reserve for the school division's liability for buying up the premium. (Backend HRA).

- Mr. Gordon stated that a reserve in the amount of \$61,600 is built into the budget.

Chairman Lovell inquired in regards to the small number of high claims, if there is a certain number of years in which Rockbridge County Public Schools may see a relief from the high claim situations.

- Mr. Gordon stated that each year during the renewal process, the current twelve months as well as the prior twelve months are reviewed; noting that any change in the large claim data is factored into the process. The data would also reflect claims that are not considered reoccurring claims.

Mr. Gordon addressed the underlying value of creating great financial opportunity for the employees, positioning the school system for hiring and retaining future employees. He also stated that as employees shift to a high deductible they become consumers for their routine expense, which should reflect an ongoing positive impact.

Superintendent Thompson stated that these options address what has been discussed since October with respect to the needs of our employees. The options will also help employees to realize that any raise they may receive, and for those who are already on Rockbridge County Public Schools insurance, to see a little more money in their pocket as a result of offering them options for the HSA, if they so choose to make the transition. The school board has worked very hard in trying to invest in our employees.

- Trustee Berkstresser expressed his sentiment that the school board make employees aware that a change in respect to the \$500 deductible is not happening this year but that it may take place within the next year or so and that employees should plan accordingly.
 - Mr. Gordon stated that during meeting with employees, there will be an illustration of each scenario with each person being able to hone in on what their annual saving will be.

Chairman Lovell expressed her sentiment that if the school board continues to have to focus each year on health care costs, other things that need to be done in the school division will not be done.

Chairman Lovell shared her sentiment that a 13.4% increase will be difficult but is necessary because the school board is not in a position to continue insurance funding as in the past.

- Superintendent Thompson stated that this is the first time he recalls that the school board has truly tried to do something different and offer options to make it affordable.

- Trustee McDaniel stated his opinion that the high deductible is the best option. If an employee chooses to buy up to the \$1,000 deductible, then employees would have to have a bigger share of the buy-up; likewise, if an employee chooses to stay with the \$500 deductible, the employees will have an even bigger buy up.

Mr. Gordon emphasized again that a big part of the success will be the education of employees and employee engagement process. The Benefits Committee stands ready to help facilitate in schools in addition to messaging, one-on-one employee meetings, and group meetings that will take place.

- Chairman Lovell expressed her belief that the education will be an important voice for this year and in the future as well.
- Trustee Hostetter stated that in whatever way the insurance HSA is structured, that it be understood that it is for FY20 only and that the contribution is not guaranteed for each year.

Superintendent Thompson stated that his recommendation would be for option 3 and that the conversations with the Board of Supervisors recently at the joint meeting and other conversations have been positive. He feels that there will be a positive outcome in respects to the school board "ask" this year. If Rockbridge County Public Schools does not receive the funding that is expected, worst-case scenario, option 2 would then be considered. Once the school board determines which option they wish to utilize, a new Categorical Estimate of Needs will be generated since the "ask" is now known as well as what the intent is in regards to health insurance cost. Once approval is given by the school board at the Rockbridge County School Board regular board meeting of April 9, 2019, the Categorical Estimate of Needs will be delivered to Spencer Suter, County Administrator. The Board of Supervisors stated at the joint meeting that they do not plan to adopt their budget until April 29, 2019. Open Enrollment dates for employees cannot take place until the Board of Supervisors adopt their budget, but the education part could begin on April 15, 2019, contingent upon budget adoption by the Board of Supervisors. Open Enrollment could possibly begin on April 30, 2019 once the final County of Rockbridge budget is adopted.

- Trustee McDaniel expressed his concern in that employees have requested more time for Open Enrollment and it appears that it may now be back to a period of two weeks beginning April 30. He further stated his concern that the education part would also be limited to two-week period. He feels more time would be beneficial in helping employees make good financial decisions.
 - Superintendent Thompson clarified the education part will take place from April 15, 2019 (if not sooner) through May 1, 2019, but it could continue through May 15, 2019. Following spring break, Mr. Kirby will work with the Benefits Committee in order for them to communicate information to employees in the schools.
- Trustee McDaniel inquired on the availability of the online Health Benefits tool.
 - Mr. Gordon stated that it will be available when employees begin the online enrollment process.
 - Superintendent Thompson further explained that the funding will need to be finalized before the rates can be available on the online tool, which will be at the time of Open Enrollment. Education prior to Open Enrollment and prior to that the adoption of the Board of Supervisors budget will be verbal only.
- Trustee Hostetter stated her belief that if the school board decides to utilize and present option 3 to the Board of Supervisors, that the school board have a concrete plan of how the money will be divided to employee HSA accounts.
 - Mr. Gordon stated that it can be calculated and allocate to a specific dollar amount.
- Chairman Lovell stated that she feels option 3 is important to have the HSA match.
- Trustee McDaniel stated that he is in favor of option 3 as long as it balances out to \$393,738, with the stipulation that the stipulation that there be a cap in place.
 - Superintendent Thompson cautioned that the cap will not be known until the Board of Supervisors adopt their budget.

Superintendent Thompson summarized that it is the consensus of the school board to proceed with Option 3, which reflects a cost of approximately \$393,738. This plan includes a premium increase to Rockbridge County Public School employees, a Backend HRA, and a HSA premium for staff and family. This includes an HSA contribution to employees that are currently enrolled in the HSA or choose to switch to the HSA plan for next year. He stated that the education part will begin as soon after spring break as possible and will continue through Open Enrollment. He also stated that as soon as the Board of Supervisors adopt their FY20 budget, Open Enrollment will begin.

Chairman Lovell inquired to the next step in respect to the Board of Supervisors in terms of notifying them as a follow-up to the last joint meeting.

- Superintendent Thompson stated that the information can be presented at the next Executive Committee meeting. He stated that another option would be to generate an itemized document to be sent to Mr. Suter who could share it with the supervisors.

ADJOURNMENT

Upon motion by Trustee Berkstresser, seconded by Trustee Hostetter, and passed by 4-0 vote, the meeting was adjourned at 1:03 p.m.



Wendy W. Lovell, Chairman



Haywood M. Hand, Deputy Clerk of the Board

The Rockbridge County School Board held their regular meeting on Tuesday, April 9, 2019 at the County of Rockbridge Administration Building.

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

CALL TO ORDER

Chairman Lovell called the meeting to order at 5:00 p.m.

CHANGES TO THE AGENDA: None

STUDENT / STAFF RECOGNITION:

The Rockbridge County School Board expressed their appreciation to the following businesses for their commitment to the students of Rockbridge County:

- **Everbrite, LLC:** Jimmy Flint, General Manager; Barbie Moore, Human Resources; Scott Branch, Materials Manager [unable to attend]
- **Lee Hi Travel Plaza:** Corey Berkstresser, Manager
- **Pink Cadillac Diner:** Brian and Teresa Torrence, Owners

PUBLIC COMMENT:

One patron addressed the board regarding the facilities use fee structure used by Rockbridge County Public Schools.

CONSENT AGENDA

Upon recommendation by Chairman Lovell, motion by Trustee Berkstresser, seconded by Trustee Whitmore, the board approved the following items on the Consent Agenda:

- Minutes: 1) March 5, 2019 [Special Meeting]; 2) March 12, 2019 [Regular Meeting]; 3) March 21, 2019 [Joint Meeting with the Rockbridge County Board of Supervisors].
- Field Trip and Bus Use Requests
- Fundraiser Requests
- Application for Use of Facilities
- Enrollment Update
- **Appointments and Resignations**

Appointments

Professional Staff

Amanda Bell, Elementary Teacher, 2019 – 2020 school year

Ashton Watts, Elementary Teacher, 2019 – 2020 school year

Substitute Teacher

Sharon Creamer

Cynthia Duffield

RCHS Volunteer Track Coach 18-19

Will McCurdy, Volunteer Outdoor Track Coach, RCHS

RCHS Volleyball 19-20

Michelle Kirby, Assistant Varsity Volleyball Coach

Juliana Lozaw, Volunteer Volleyball Coach

"Professional Staff Recommendations for Employment 2019 – 2020 School Year"

Name

Position

Central Office Administrators on Continuing Contracts - Instructional

CROSSMAN, MATTHEW	Director of Student Services
HAND, HAYWOOD	Assistant Superintendent/Supervisor of Secondary Instruction
KIRBY, JASON	Director of Personnel & Technology
WALTERS, RANDALL	Director of Transportation & Maintenance
WOOD, CHRISTINE	Director of Special Education

Central Office Administrators completing year 2 or less

DANIELS, DAVID	Director of Financial Services
MARTINO, TIMOTHY	Director of Elementary Education