

The Rockbridge County School Board held a special meeting on Tuesday, March 5, 2019 at the Rockbridge County School Board Office.

Present: Chairman Wendy Lovell; Trustees Corey Berkstresser, Heather Hostetter, David McDaniel [via remote location], Neil Whitmore; Superintendent Phillip Thompson; Clerk Rhonda Humphries.

CALL TO ORDER

Chairman Lovell called the meeting to order at 4:04 p.m.

ACTION ITEM

Upon recommendation by Chairman Lovell, motion by Trustee Berkstresser, seconded by Trustee Whitmore, and passed by a 4-0 vote, the Board approved for Trustee McDaniel to electronic participation in the meeting from a remote location, per Policy BDD.

CONSENT AGENDA

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

- **Appointments**

- **Support Staff**

- Linda Ramsey, Teacher Assistant, Mountain View Elementary School, effective March 6, 2019

BUDGET WORK SESSION

Superintendent Thompson provided an update in respect to the budget. Once the General Assembly and Governor completed their work, the Virginia Department of Education worked very quickly and released a calc tool over the weekend.

Dr. Thompson stated that currently Rockbridge County is slated to receive the projected revenues from the state in the amount of \$849,301 for FY20, which is more when compared to State revenues for FY19. He stated that the figure from the locality is still subject to change.

Dr. Thompson provided the top three FY20 Budget Scenario – Needs as follows:

1. Approximately \$310,928 which reflects an estimated 16.3% increase for current projected health insurance cost increase;
2. Approximately \$490,726 which reflects a pay increase for all RCPS employees;
3. \$230,131 to minimize health insurance increase impact for employees.

Dr. Thompson stated that the Rockbridge County Public School Board is required by code to give the Rockbridge County Board of Supervisors the Categorical Estimate of Needs by March 31, 2019. He is hopeful for approval of the Categorical Estimate of Needs for the March 12, 2019 meeting of the Rockbridge County School Board, which will meet the deadline of March 31, 2019 to the Board of Supervisors. He offered a reminder that this document is not a budget but rather to provide the county an estimate of needs for the school system when developing the FY20 county budget.

- Chairman Lovell expressed her appreciation that the budget process began earlier this year.

Dr. Thompson introduced Jim Gordon, Principal, OneDigital Health and Benefits, to provide information on the status of the process in regards to health care costs. Mr. Gordon provided a recap of the process from the past 30 days in the Marketplace for medical coverage. He offered the following:

- Anthem's initial renewal for the July 2019 plan year is an overall 16.3% increase to current plans.
 - KC25/30: 17.1% increase
 - KC 30/70: 15.9% increase
 - HSA: 14.7%
- OneDigital's analysis based on the claims experience suggests that Anthem's renewal is fair; however, there does appear to be 2% to 4% margin within the renewal calculation.
- Current enrollment, as of January 2019, is 340 employees, which is about the same as the average enrollment for the current 12-month period (337 employees). Average members have decreased approximately 2%.
 - KC25/30: 167 employees (49% of total) – prior was 63% of total
 - KC 30/70: 109 employees (32% of total) – prior was 32% of total
 - HSA: 62 employees (18% of total) – prior was 5% of total

- One Digital conducted a market study for medical coverage. The findings were as follows:
 - Aetna, Cigna, Gateway, Optima, and UHC declined as they could not be competitive
 - Anthem provided a self-insured proposal for consideration (which is competitive, but has high risk due to high claims historically over the last twelve months).
 - Medcost provided a self-insured proposal for consideration, however it is not competitive.
 - Alternative benefit plan designs were also reviewed to help mitigate the increase.

Mr. Gordon stated that his leadership team feels the Anthem rate is fair. However, he is still reviewing claim data, and anticipates having a set rate within the next day or so.

Mr. Gordon reviewed Benefit Design plan options, the 2019 Renewal Medial Analysis, Medical Claims Review, and Large Claims Review.

Mr. Gordon feels the school board is wanting to contribute significant funds to use as an offset to the projected 16.3% and in essence give the employee the same plan they have today. The goal is to have a low price point and make it affordable for families.

- Chairman Lovell stated that the goal of the School Board is to save money, provide good options to meet the needs of employees and in turn get more money in the pocket of the employees.
- Trustee Berkstresser expressed his sentiment that regardless of the funds that are received by Rockbridge County Public Schools, it does not affect the percentage rate for health care and his hope that DigitalOne continues to seek the best rate.
- Trustee McDaniel expressed his sentiment that the amount of money spent on health care in regards to annual increases limits what can be done in other areas such as pay raises, positions, programs, etc.
- Trustee Berkstresser expressed his sentiment that it would be beneficial to show the cost to the Rockbridge County Board of Supervisors so they are aware for planning purposes for next year.

Mr. Gordon stated that he will present the school board with at least three health care options as soon as the rate is determined and confirmed. He will also provide scenarios on how to allocate money and price points.

ADJOURNMENT

Upon motion by Trustee Berkstresser, seconded by Trustee Hostetter, and passed by 5-0 vote, the meeting was adjourned at 5:14 p.m.

Wendy W. Lovell
Wendy W. Lovell, Chairman

Rhonda B. Humphries
Rhonda B. Humphries, Clerk of the Board