The Rockbridge County School Board held a special meeting on Monday, March 22, 2021. The meeting was held at Maury River Middle School.

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

CALL TO ORDER
Chairman Lovell called the meeting to order at 3:59 p.m.

The purpose of the meeting was to conduct a Budget Work Session for Fiscal Year 2022.

BUDGET WORK SESSION
Superintendent Thompson stated that there have been conversations the last several months regarding the Early Retirement Incentive Program and the associated fiscal issues hurting the school division, which will continue to hurt the school division until there is resolution to lowering the fiscal impact. The goal of this meeting is to obtain a directive from the school board after reviewing three options. The selected option will be presented as informational at the April school board meeting and as an action item at the May school board meeting.

Mr. Jason Kirby, Director of Technology and Human Resources, provided a report on the Early Retirement Incentive Program Options for Rockbridge County Public Schools. The following are the highlights:
Current ERIP Program
- Retirement date prior to July 1, 2017.
- 50 years old.
- 20 years service in VRS and RCPS.
- Not to exceed 15% of contracted salary.
- Can participate in the program for 7 years.
- Work between 100 and 200 hours per school year to maintain participation. (Requirement was wavied last year due to COVID-19).

Survey Results
- Over 200 employee responses
- 68 are planning to retire in the next five years.
- 57% of responses indicated interest in participating.
- Ability to stay on the RCPS insurance plan was the most important factor for employees surveyed (65%).
- Employees want to know they are guaranteed a certain amount of days at a higher amount than the current sub rate.

Mr. Kirby stated that the goal is to maintain the valuable benefit of ERIP for RCPS employees while making the cost manageable and more predictable for the school division.

Mr. Kirby provided a brief overview of recommendations for the board to consider at this meeting:
- Keep current ERIP program in place for at least the 2021-2022 school year and grandfather enrollees in current program.
- Make a determination on what ERIP will entail as we move forward to give employees time to make a decision.
- Place a notification date (potentially January 31st) for employees to notify HR of impending retirement to quality for ERIP benefits. (Begin 21-22 SY).
- Cover the base single RCPS employee insurance rate for ERIP employees. Employee must buy up for other coverages.

- Superintendent Thompson stated that it is beneficial that employees notify the school division as soon as they make their retirement decision so that when RCPS will know of positions to be filled when they participate in job fairs.

Financial Options
- Keep the current program as is.
- Tiered payment depending on role.
- 12% of pay for 200 hours (10/11 month employees), 10% for 200 hours (12 month employees)

- 10% of pay 200 hours (10/11 month employees), 8% for 200 hours (12 month employees)

Trustee Whitmore inquired how many employees currently participate in ERIP.

- Mr. Kirby stated that 48 employees currently participate in ERIP and that typically about half of yearly retirees participate in ERIP. (Usually 4-6 employees a year begin ERIP, with 5 employees projected for this year). He further stated that ERIP allows for utilization of employee strengths. ERIP employees are paid only if they work, but are allowed to keep the benefits.
- Chairman Lovell stated that by utilizing ERIP during this school year it has saved the division money with ERIP participants providing assistance in schools during the pandemic.
- Mr. Kirby stated that more participants are coming back into schools after receiving the vaccine.

Trustee Burant stated that she has heard concerns from patrons who have concerns of administrators who are used in the program but not used to their full potential career strengths.

Mr. Kirby stated that there were comments submitted with surveys that reflected the feeling that there are some employees who are at the top of the scale and their salaries have been frozen.

- Superintendent Thompson added that anyone who has worked 30 years and is at the top of their scale, still gets a pay raise when employees receive one.

Trustee Berkstresser inquired if there is a factor involved with with there possibly being 68 employees thinking of retiring in the next five years; if there is a correlation because of discussion of the ERIP policy.

- Superintendent Thompson his sentiment that the school division has a veteran faculty and staff who participate in this program. He stated that there are a number of employees who have been with the school division for a long time and it is now a natural time for them to be making that decision.

Trustee Whitmore inquired if the pay scale at time of retirement is based on their job at that time with the tiered system and received confirmation from Mr. Kirby.

- Superintendent Thompson stated that it is the goal to place employees with their skill set when utilizing ERIP.

Trustee Burant inquired if an ERIP teacher worked in role other than teacher, pay would be a different tier of pay than of a teacher and received confirmation from Superintendent Thompson.

Chairman Lovell expressed her sentiment that the tiered ERIP system provides a good opportunity for employees and addresses the needs of the division. She offered that Mr. Kirby has done a nice job of putting in levels of jobs being done.

- Trustee Burant expressed her preference to adopt the tiered program to keep the ERIP in place and not eliminating the plan.
- Superintendent Thompson stated that the tiered payment program saves the most money for the school division. He reminded that the ERIP is approved annually. He also stated that this program has a natural incentive built into the program for an employee to do a higher tiered job that they are qualified for.
- Trustee Berkstresser expressed his agreement that the tiered payment program is the easy and is easy to understand.

Trustee Whitmore inquired if it is still the case that surrounding school divisions do not offer an early retirement incentive program.

- Mr. Kirby stated that some school divisions still pay for health insurance, a few that do a lump sum of money, but no divisions that pay day by day and health insurance.
- Superintendent Thompson reminded the board that the current ERIP plan is extremely rich when compared to other school division retirement programs.

Chairman Lovell inquired if the pay rate of $125 could be in place for non-ERIP teachers as well for next year.

- Trustee Burant echoed that she has heard the same sentiment from retirees.

Superintendent Thompson summarized that after board discussion, the board members are leaning toward the tiered plan. He stated that the option will be written into policy and presented as an informational item at the April school board meeting.

- Chairman Lovell expressed her sentiment that the tiered program adequately covers the needs of the employee, is the best option for the school division, with implementation next fiscal year.
- Trustee Berkstresser inquired if the tiered plan will continue with the seven year guide.
  - Mr. Kirby stated that from a cost perspective, there is no cost savings to go to a five year guide.
- Mr. David Daniels, Director of Financial Services, stated that there are currently 25 employees over age 65 and older on the program.
  - Superintendent Thompson reflected that it seems age 58 with the 7 year early retirement program is a focal point for employees to reach age 65 and be eligible for Medicare.
  - Mr. Daniels, reminded that VRS will max out at 30 years with many employees trying to get 31, 32, 33 years in VRS which will place an employee a little higher financially. Therefore, he does not feel that 20 years in VRS is not the magic number working towards retirement.
- Trustee Berkstresser inquired if most employees will stay with ERIP for the full seven years.
  - Mr. Kirby stated that most employees stay with the plan until they turn age 65.
  - Superintendent Thompson stated that non-ERIP employees have the option to continue working age 65 and above, paying the full premium to keep their insurance.

Superintendent Thompson summarized that the four board members present at this meeting are in agreement to lean to the Tiered ERIP system and that he will relay the information to Trustee Hostetter.

ADJOURNMENT

Upon motion by Trustee Burant, seconded by Trustee Whitmore, and passed by 5-0 vote, the meeting was adjourned at 4:30 p.m.

Wendy W. Lovell

Wendy W. Lovell, Chairman

Rhonda B. Humphries

Rhonda B. Humphries, Clerk of the Board