

AT A MEETING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY VIRGINIA,
HELD AT ROCKBRIDGE COUNTY PUBLIC SCHOOL SYSTEM'S CENTRAL OFFICE,
2893 Collierstown Road, Lexington, Virginia.
ON THURSDAY, JANUARY 23, 2020 AT 5:00 P.M.

BOARD MEMBERS PRESENT: D.E. LYONS - CHAIR
R.W. DAY
L.E. AYERS (departed at 6:00 PM)
D.B. MCDANIEL

BOARD MEMBERS ABSENT: A.J. "JAY" LEWIS, II.

COUNTY ADMINISTRATOR: SPENCER H. SUTER

SCHOOL BOARD MEMBERS: WENDY LOVELL - CHAIR
HEATHER HOSTETTER
NEIL WHITMORE
KATHY BURANT
COREY BERKSTRESSER

RCS SUPERINTENDENT: PHILLIP THOMPSON

RCS STAFF: HAYWOOD HAND
RANDY WALTERS
PAIGE OWENS
TIM MARTINO
RHONDA HUMPFRIES

CALLED TO ORDER:

Chairman Lyons and Chairperson Lovell called their meetings to order at 5:00 PM.

Rockbridge County Public Schools Update:

Chairperson Lovell and Dr. Thompson provided highlights of the budget document "Rockbridge County Public Schools Budget Preparation for the Joint Meeting of the Rockbridge County School Board and the Rockbridge County Board of Supervisors".

Local Composite Index: Dr. Thompson stated that a budgetary consideration is the Local Composite Index (LCI) 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. The state has determined that Rockbridge County has a higher ability to pay for education when compared to the last biennium.

Supervisor Day inquired if the calculation comes from the Auditor of Public Accounts.

Dr. Thompson stated that the formula has been set by the General Assembly years ago. He stated that he recognizes that Delegate Campbell and Delegate Cline serve other jurisdictions besides Rockbridge County; understanding that help for one locality may have a negative effect on another locality. He further stated that 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. He stated that anything the two boards together can advocate for the LCI would be good as it has a huge impact on budget planning.

Supervisor Ayers inquired if there is an appeal process.

Dr. Thompson replied, that to his knowledge, there is no appeal process.

Chairman Lyons stated that the formula does not change and is extensive with twenty-three factors.

Chairperson Lovell stated that there are a few large properties with wealthy residents that can skew the formula for Rockbridge County.

Average Daily Membership: Dr. Thompson stated that the FY20 budget is based on an Average Daily Membership (ADM) of 2557, which was the state projected ADM for FY20. The March 31, 2019 ADM reflects 2567 and the September 30, 2019 ADM reflects 2533. The state projected ADM for FY21 is 2492, which is the number that, at this point, will be used for budget planning purposes, by Rockbridge County Public Schools, which is well out of the norm when compared to recent years.

Supervisor McDaniel stated that typically the September ADM is higher which may result in the school division being short of funds by \$150,000 for this current year.

Dr. Thompson reflected that the drop in ADM over the past year can be partially explained by the 2019 graduation of a larger senior class and a smaller than normal incoming kindergarten class. Another factor involved families of students from various schools at various grade levels moving out of Rockbridge County. He stated that if funds are needed near the end of the 2019-2020 school year, funds may be requested from the Board of Supervisors. He also stated that had the ADM remained constant from the March 31, 2019 ADM count of 2567, the amount of funding that Rockbridge County Public Schools may have to request may not have been as much. He further explained that when budgeting for FY21 and using an ADM of 2492, the estimated increase in state funding revenues will be approximately

\$191,952 more than FY20 state revenues. He also stated that had the ADM remained constant from the March 31, 2019 ADM count of 2567, RCPS would have realized an increase in state revenue funding for FY21 in the approximate amount of \$593,821.

Supervisor Day inquired if the amount of \$191,952 is a definite amount.

Dr. Thompson stated that at this point, the school division is working on a budget as proposed by the Governor. The amount cannot be locked in at this point, contingent upon the House and Senate.

Chairman Lyons stated that the LCI is not as significant as the ADM.

Dr. Thompson then provided the following FY21 budget considerations:

Virginia Retirement System (VRS): Increase of approximately \$167,400. [mandated]

VRS Associated Charge for Group Life and Health Care Credit: Increase of approximately \$7,442. [mandated]

Health Care Premium Increases: Increase approximately \$656,788. Superintendent Thompson stated that it is still too early to know the cost of any potential health care cost increase, but that our insurance broker is estimating an increase of approximately 28%, hoping it may come down to 19-20%. He stated that in discussion with Jim Gordon of One Digital, this estimated increase is due for the most part to the large claims of a few of our employees over the past 12 months. He also noted that this increase does not account for any new participants electing to enroll in the health care plan provided by the school division for the 2020-2021 school year.

Worker's Compensation: Increase approximately \$5,705 [mandated FY21 budget consideration]

Property and Casualty Insurance: Increase approximately \$3,042 [mandated FY21 budget consideration].

Chairperson Lovell then stated that the following are priorities for the school division budget:

Pay Raises for All Rockbridge County Public Schools Contracted Employees: She expressed that this continues to be a priority and is important for current and future employees.

Dr. Thompson noted that Augusta County is making a recommendation to their school board that over the next five years, they want a 3-5% increase in their salaries annually. Augusta County has a revenue sharing agreement and has a better idea what they will receive from the county and must wait and see what they get from the state. This will make it difficult for Rockbridge County to keep pace. He provided information on Teacher Salary Comparisons of surrounding areas, which reflects that Rockbridge County has moved up in each category.

Supervisor McDaniel inquired if the Governor proposed anything for the biennium.

Dr. Thompson stated that it is a 3% pay raise for Standards of Quality (SOQ) positions, which is reflective of 45% of employees; the remaining percentage is non-state funding and would have to be funded by the locality.

Chairperson Lovell explained further that the 3% pay raise would be for those positions who meet the definition of an SOQ position, noting there are more employees than who would meet the definition.

Trustee Whitmore reiterated that the 3% raise from the Governor would not cover all employees and that the locality would need to fund for the remaining employees.

Additional School Counselor at Rockbridge County High School:

Currently, there are three school counselors to serve nearly 1,000 students. RCHS is projected to have over 1,000 students for the 2020-21 school year. Students had access to four counselors until the economic downturn of 2009. Students have more interaction with guidance in making decisions about the CTE Program and other programs, college options, financial aid, as well as mental health issues. Currently the state requires one counselor to every 300 students, which is the status for Rockbridge County High School. She stated that there is currently a recommendation to amend the number to 250 students per one counselor and knowing that could happen, it is the intent of the school board to stay ahead and obtain a good counselor. Students would greatly benefit from this amendment.

Dr. Thompson reiterated that the Virginia Board of Education has made a recommendation to the Virginia General Assembly to amend the standards of Quality and Standards of Accreditation regarding school counselors to improve the counselor student ratio to 1:250. He stated that if it is approved there will be other school divisions looking for counselors as well.

Supervisor McDaniel inquired if the General Assembly approves the change, would it be an SOQ position.

Dr. Thompson stated that it would be an SOQ position and that conversation has already taken place with Delegate Campbell asking him to ensure that if that amendment takes place, that funding will be included in full from the state.

Addition of First Instructional Coach: The addition of an Instructional Coach will be critical to ensure that Rockbridge County Public Schools continue on a positive path of student success and preparing today's students for the 21st-century world. RCPS have all been fully accredited by the Virginia Department of Education for the past two years.

Addition of Technology Assistant: The addition of a Technology Assistant could assist students when working through minor technical issues and when students need to "check-out" a loaner Chromebook. Currently, highly skilled instructional technology resource teachers are spending a large part of their day on these tasks.

Superintendent Thompson then presented the FY21 Estimated Funding Projections/Needs as of January 21, 2020 (chart below):

Mandated Cost Increases for FY21	
Virginia Retirement System (VRS)	\$167,000
VRS Associated Group Life Insurance	\$5,682
VRS Associated Health Care Credit	\$1,760
Health Care Insurance (Early/Conservative Estimate - 28%)	\$689,422
Worker's Compensation	\$5,705
Property and Casualty Insurance	\$3,042
Approximate Mandated Cost Increases for FY21	\$872,611

Additional Needed Positions for FY21	
School Counselor (Salary & Benefits)	\$81,002
Instructional Coach (Salary & Benefits)	\$74,663
Technology Assistant (Salary & Benefits)	\$37,591
RCPS Contracted Employee Salary Increase (3%)*	\$738,793
Approximate Personnel Costs Increases for FY21	\$932,049

TOTAL of Approximate Budget Increases for FY21	\$1,804,660
Projected Increase in State Funding for FY21** (Governor's Budget)	\$191,952

Projected Total of Additional Needed Funding for FY21	\$1,612,708
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*The Governor's Budget has proposed a 3% teacher salary increase across the biennium for SOQ positions.

**Approximately \$130,000 must be utilized for Preschool services

All calculations are estimations based upon current available information.

Superintendent Thompson stated that \$130,000 of the \$191,952, Projected Increase in State Funding for FY21, must be used for Early Childhood Pre-K program. Rockbridge County Public Schools currently has 34 slots with 30 being utilized; the increase will equate to approximately an increase to 67 total student slots, but must find a location to house the additional program. At this time, it is not anticipated that an additional teaching position would be required. Administration is researching a location in anticipation of receiving the funding.

Chairperson Lovell stated there are children in the community who will be able to use this service, although it is frustrating that the school division is limited in how to utilize the funding.

Supervisor McDaniel summarized that the Governor's proposed budget reflects a 3% pay raise for SOQ positions; \$191,952 for projected increase in which \$130,000 must be used for early childhood education; and that the school division may need \$438,000 to make up the difference with the Governor's proposed pay raise of 3% for SOQ positions and those positions that do not meet that requirement.

Superintendent Thompson stated that, subject to change, administration is working to see how to mitigate items and make the proposed budget work. He also noted that, according to the Governor's budget, the 3% will not be given until second year of the biennium.

Chairperson Lovell expressed her sentiment that the school board has been very conservative in budgeting the past few years and does not want to lose the momentum when it comes to keeping pace with employee salaries.

Dr. Thompson stated that every school division in the Commonwealth will be doing the same with respect to competing for the best employees and hopes to see Rockbridge County Public Schools stay on track to keep employees to the middle at a minimum.

Board of Supervisors Update:

Mr. Suter reported that it is early in the budget process and that Fiscal Services Director Steven Bolster has one hundred-seventy budgets to put together and calculations are not complete yet. He provided the following information:

The Provisional CIP was adopted at the first meeting of the month by the Board of Supervisors. For the past five years, the full adoption of the CIP takes place in April. He stated that the reason for this approval

is that as CIP projects are approved, they would subsequently impact the operational budget the next year. The Provisional CIP budget that was adopted was \$1,378,394. He provided an overview and status of department budgets and revenues and stated that department heads and others will be meeting to prioritize needs.

Chairman Lyons asked for confirmation of a penny increase on the tax rate.

Mr. Suter stated it is \$255,000.

Supervisor McDaniel stated that when the Board of Supervisors provisionally approved the CIP at their first meeting of the month, the school division's provisional CIP was not included and stated that he knew one was submitted last year. He requested an update on the status of the school division's CIP.

Mr. Suter stated that he and Superintendent Thompson had confirmed that the school division's CIP was approved in July by the Board of Supervisors. He explained that the county's schedule for CIP begins in September-October with a call-out, November with a call-in, to begin reviewing them and on schedule for approval in May.

Superintendent Thompson stated that typically the school board approves the CIP in May with the Board of Supervisors approval in July and assumed it would continue moving forward. He stated that he sent the current 2021 current approved Capital Improvement Plan to Mr. Suter and requested that it be included for planning purposes for the Board of Supervisors for this year. The current plan, which includes updated HVAC

systems at both Fairfield Elementary School and Central Elementary School; and FSK roof replacement.

Mr. Suter stated that there was a six-month difference and need to get on same track if it is the desire of both boards moving forward to approve for July and the following year. He stated that projects need to be listed with the funding source to get into the budget to be adopted by the Board of Supervisors for the next fiscal year.

Supervisor McDaniel stated that Rockbridge County Public Schools is not a department of the Board of Supervisors. If the county did not have all needed documents from Rockbridge County Public Schools, they should have requested them.

Superintendent Thompson stated that he felt the Rockbridge County School Board had followed protocol. He noted that the division-wide Feasibility Study did slow down the process and recognized that any CIP project timeline may need to change contingent upon the Feasibility Study as it may drive the timeline for 2020-21 and 2021-22.

Chairman Lyons inquired on the finish date for the Feasibility Study.

Superintendent Thompson stated that the survey for community input should be released within the next week. The study itself to report the shape of buildings is complete, just missing community input; hopeful it will be released within the next month or so. He noted that the need for the HVAC systems at the two afore-mentioned elementary schools will not change based on the Feasibility Study, but could change priorities.

Chairperson Lovell stated that the HVAC at Central Elementary School and Fairfield Elementary Schools was discussed a couple of years ago and

both boards made a good effort to work together to stay on track and wants to continue on schedule so that the school division will not be put into an emergency replacement situation.

Supervisor McDaniel stated that the recommendation came from TRANE.

Chairman Lyons stated that it may be a project that can be put off another year and move up a project with higher priority.

Supervisor Day inquired if the FSK roof is leaking or just on schedule to be replaced.

Mr. Randy Walters, Director of Transportation and Maintenance, stated that the roof has some leaks that have been repaired.

Superintendent Thompson stated that every other roof section on the Rockbridge County High School property has been replaced; FSK needs maintenance attention at this time.

Trustee Hostetter stated that for several years there has been a delay in "the ask" of things needed and now those things are becoming more imminent and need to be addressed. She reflected there will be more in the coming years that have not been pushed for in the last couple of years in trying to be fiscally responsible.

Supervisor McDaniel stated that the CIP FY21 for Rockbridge County Public Schools is a pressing need now. He inquired if it can now be included with the Board of Supervisors CIP.

Mr. Suter stated that he will take it to the Board of Supervisors and can add it to the overall CIP.

Chairman Lyons expressed his sentiment that he is anxious to receive the Feasibility Study because it could change priorities of the RCPS CIP

FY21. He stated that he understands the need that HVAC must be replaced when there are no students in the building and agrees it needs to be done.

Mr. Suter stated that at that time, he and Mr. Bolster will review real figures and determine what the financing will be and for how many years so that a balanced budget can be generated.

Supervisor McDaniel further stated that a provisional CIP is more of a hard review with approval not taking place until April or May.

Supervisor McDaniel stated that he has seen legislative comments on bills that would be helpful to the school division and stated that the Board of Supervisors, as the funding source for school division, could advocate also. He requested that the Board of Supervisors be kept up to date as the school division is a large part of the county budget.

Superintendent Thompson stated that he has reached out to Delegate Ronnie Campbell with communication regarding bills to oppose and will forward the information to the Board of Supervisors. One item is in respect to the cap on SOQ support staff positions placed during the recession and was never removed.

Mr. Suter stated that he will forward the information to Board of Supervisors on bills they can advocate on behalf of education.

Insurance options for both the Rockbridge County School Board and Board of Supervisors was discussed.

Chairman Lyons inquired if the school division is pleased with the program.

Chairperson Lovell stated that she felt that the insurance program was successful.

Additional Discussion

Mr. Suter announced that a grant from the Virginia Telecommunication Initiative was awarded to put broadband service in some areas of Rockbridge and Bath Counties. Governor Ralph Northam announced that 18.3 million in grants was awarded and the Shenandoah Planning District Commission was awarded 2.2 million.

Superintendent Thompson stated that BARC has been a wonderful partner for Rockbridge County Public Schools.

Mr. Suter expressed his appreciation to the commitment of RANA, which was a kick-start to broadband service.

The next regularly scheduled Joint Meeting of the Rockbridge County School Board and Rockbridge County Board of Supervisors is scheduled for Thursday, March 19, 2020 at 5:00 PM / Location : Rockbridge County School Board Office, 2893 Collierstown Road, Lexington, Virginia.

Adjournment

Supervisor McDaniel moved to adjourn this meeting at 6:20 PM. A second was provided by Supervisor Day, and the motion carried by unanimous roll call vote by the Board Members present:

AYE: McDaniel, Day, Lyons
NAYS: None
ABSTAIN: None
ABSENT: Lewis, Ayers (departed at 6:00 PM)