

AT A JOINT MEETING OF THE ROCKBRIDGE COUNTY BOARD OF SUPERVISORS,  
AND THE ROCKBRIDGE COUNTY SCHOOL BOARD,  
HELD AT MAURY RIVER MIDDLE SCHOOL AT  
600 WADDELL ST, LEXINGTON, VA 24450  
ON THURSDAY, MARCH 17, 2022 AT 5:00 P.M.

BOARD MEMBERS PRESENT:     DAVID.B. MCDANIEL  
                                  DANIEL. E. LYONS  
                                  LESLIE E. AYERS  
                                  ROBERT W. DAY

BOARD MEMBERS ABSENT:     ALBERT "JAY" LEWIS, II.

COUNTY ADMINISTRATOR:     SPENCER H. SUTER

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CALLED TO ORDER:

Chairman McDaniel called the meeting to order.

FY23 Budget Update

School Superintendent Phillip Thompson stated that it has been a tumultuous session in Richmond but the School Board will give a current update. He stated that once budget updates have been given by the School Board and Board of Supervisors, there is item for discussion regarding student needs and the need of community support.

County Administrator Spencer Suter echoed the same sentiment of frustration that there is no budget from Richmond at this point.

## School Division Updates

School Chief Business Officer Jason Kirby provided a presentation on the Fiscal Year 2022-2023. The information presented utilizes the House of Delegates Amendments to Governor Northam's proposed FY23 budget released December 16, 2021.

### RCPS Local Composite Index (LCI)

The state recently determined Rockbridge County to have a higher ability to pay for education when compared to the last biennium. The increase in LCI reflects an increase from .4506 to .4530 for the for the FY22-24 biennium.

### RCPS Average Daily Membership (ADM)

The ADM has been trending downward. The trend can be attributed to covid issues prompting parents to take their children out of public school due to the wearing of masks; now there are parents who are choosing other educational options due to not wearing masks. The ADM as of September 30, 2021 was 2,338. The state has projected ADM for FY23 as 2298. The ADM 2298 is an increase of state revenues of 1.348 million, which also includes giving teachers a 4% raise and a 1% bonus. These amounts are based on the House of Delegates budget, which is the worst-case scenario of the three budgets presented.

RCPS New Budget Funding Sources [Based on Proposed House Amendments]

- Grocery Tax Hold Harmless: This program provides state support for school divisions to cover a loss of funding due to the elimination of the state grocery tax, effective January 1, 2023.
- Rebenchmarking Hold Harmless: Each biennium the state recalculates funding for special education, transportation, and non-personnel support based on prior biennium expenses. Due to the pandemic, these expenses were lower during the current biennium resulting in less funding when planning for the next biennium. These rebenchmarking hold harmless funds were created in the proposed budget to support school divisions by compensating for these lost funds.

RCPS FY23 Budget Additional Considerations:

- Virginia Retirement System (VRS) [no change]
- State Mandated Minimum Wage increase to \$12.00 per hour [requires an increase of approximately \$69,867]. The minimum wage is projected to increase to \$12.00 per hour January 1, 2023. Employees will see this increase effective date July 1, 2022.
- Associated Health Care Credit [increase of approximately \$13,104]. The Health Care Credit rate increased from 1.21% to 1.28%.
- Virginia Local Disability Program (VLDP) [increase of approximately \$1,010]
- Worker's Compensation [increase approximately \$2,252].
- Property & Casualty Insurance [increase approximately \$4,897].

Chairman McDaniel inquired how often RCPS shops for a worker's comp plan and inquired if there is competition that would benefit shopping for a better plan.

Superintendent Thompson stated that the school division uses VACORP.

#### RCPS FY23 Budget Priorities

- Salary increases for all RCPS Contracted Employees

The school division set a goal several years ago to get salaries to the middle but current analysis shows that the school division is falling behind again. The House of Delegates Amendments to Governor Northam's proposed FY23 budget does include a potential 8% teacher salary increase across the biennium and a 1% bonus each year. The school division will need to be ready to keep pace with surrounding school divisions, as they will be prepared to continue to increase teacher salaries again this year. It is tough to compete with surrounding school divisions who are paying more. The school division's classified employees need to make more money as well, with some school divisions beginning to pay \$15.00 an hour. RCPS would like to begin to look at a comprehensive salary study to see where the school division is and what changes are needed to make a competitive environment.

- RCPS FY23 Budget (Compensation Supplement)

School divisions that provide a minimum 2.5 percent salary increase in FY23 are eligible for a prorated state payment. Once you get to a 4 percent salary increase, the compensation stops. If a 5% increase is

given this year, the extra percentage can go toward next year so that the school division will get to 8% over the biennium.

Chairman McDaniel inquired if this is just for SOQ positions. He also inquired if there is a way that is based on the population within our schools. He stated that the more SOQ positions that the state recognizes, the better it is for the locality to find funds to pay for all raises.

Mr. Kirby stated that a little under 50% of our staff are SOQ and that there are 492 employees in our school division.

Superintendent Thompson stated that if we only hired for SOQ positions, our school division would look drastically different than it currently does.

- RCPS Health Care Premium [increase approximately \$563,564]

Our health insurance broker, at this time, is estimating an increase of approximately 19.7%. It has been put out to other companies to let Anthem know that RCPS is considering the competition, with hopes that Anthem will come down.

Chairman McDaniel inquired if there have been any updates from Mr. Gordon.

Superintendent Thompson stated that Mr. Gordon conveyed today that Anthem is being very stubborn.

- FY23 Funding Projections/Needs as of March 17, 2022

[Based primarily on House of Delegates Amendments to Governor's Proposed Budget]

Mr. Kirby stated that the summary below reflects what it will cost to give a 5% increase, a 1% bonus, and inflation-based costs of fuel, technology, and like items, along with labor savings where we can cut and still not affect the education of our students.

Mr. Suter asked for clarification that the school division plans to go with \$12.00 as of July 1 for minimum wage, but are looking at the potential to look at \$15.00 sooner rather than later.

Mr. Kirby stated that RCPS is trying to keep up with the pace in recognizing that surrounding school divisions are going to \$15.00.

Superintendent Thompson stated that "the ask" is for \$12.00 an hour.

Chairman McDaniel confirmed that the school division is wanting to give a 5% increase plus 1% bonus. He further inquired why the school division wants to give 5% when it appears to be capped at 4%.

Mr. Kirby stated that the school division would prefer for the 1% bonus to be an increase in pay and not a bonus.

Supervisor Ayers inquired if the school division could give 5% this year and 3% next year as long as we get to 8% over the biennium.

Supervisor Lyons offered that 3% could be given this year and 5% next year.

David Daniels, Rockbridge County Public Schools Director of Financial Services, stated that the school division would not receive the entire state funding by percentage salary increase if only a 3% increase is given.

Superintendent Thompson stated that the school division is trying not to lose more teachers to the surrounding counties who are giving higher raises.

Ms. Lovell stated that it is the hope of the school board that this is not the budget that comes out of Richmond, thus the reason for a cautious approach.

Chairman McDaniel asked for clarification that at the last joint meeting, you were asking for \$244K and now the ask is for \$582K.

Superintendent Thompson confirmed the amount, with hopes that it will come down.

Mr. Kirby explained that the difference is because there had been hope for savings from VRS however, the General Assembly has decided to not accept the VRS trustees' recommendation. As a result, RCPS will not see the potential savings that was previously expected.

Chairman McDaniel inquired if the hold harmless money for the grocery taxes and rebenchmark is unleashing funds within your budget that can be used in other areas. He also inquired if the school division is getting additional money from the grocery tax.

Mr. Daniels stated that the school division would not receive additional money from the grocery tax.

Mr. Suter explained that the grocery tax is essentially for items that are exempt from tax. One Senate bill states that the hold harmless money goes to the county, yet in the house bill, the money would go to the schools. While there is no gain, if the money goes directly to the schools, that amount would be less from the county. It is no gain for the

schools and does not hurt the board as the funding from the County to the schools would need to be reduced by that amount. However, if the money goes to the county as normal, there would be no need to reduce the local contribution to the schools.

### **County Budget Updates**

Chairman McDaniel stated that they began working through their budget a couple of months ago. It started out better than usual but as the county has been working through revenues and expenses, there is still at a million-dollar gap, and noted that the grocery tax is still a mystery.

Mr. Suter stated their board has had three budget meetings to this point. He offered the following points:

- Revenue is higher but expenditure requests are higher, as they usually are.
- There were mid-year salary increases because of adjustments to public safety and real-time people leaving. The county saw the same markets as referenced by the school division and also had to go up, which impacted what we had to pay out.
- The payment to Lexington Fire and Rescue is going up.
- The county VRS rate went up as well and the board is calculating a 10% increase in health care insurance.
- CSA costs are going up \$100,000 a year.
- The jail budget went down slightly, while noting that 911 costs went up significantly.

- There are two new county employee positions being proposed that are needed very badly.
- Debt service went up significantly for the courthouse.
- Meals and lodging did well in terms of revenue.
- Cigarette tax went up and the emissions tax is new.
- Real estate taxes are seeing an increase.
- Vehicle tax is also being reviewed to see how we can work with that.
- As of March 21, 2022, there was a 1.1-million-dollar gap, noting that with the figures from the school board, there is now about 1.4-million-dollar gap.
- The finance committee will continue to meet in the next couple of weeks. There is a Board of Supervisors meeting on March 28, 2022. The Board of Supervisors will meet on April 4, 2022 to advertise the budget. The Board of Supervisors will meet on April 18, 2022 for the Board to vote on their budget.

Ms. Lovell inquired what the two new positions are.

Mr. Suter responded that the positions are: Chris Slaydon was promoted to Director, Community Development, which leaves his previous of Assistant Director, Community Development and Brandy Flint is now the Director, Economic Development, leaving an administrative assistant for planning and zoning position open.

Chairman McDaniel stated that these two positions were vacated previously. He also stated that Ms. Flint not only works with business recruitment but also allowing current businesses to expand and look at the needs of families when they move into the area. He suggested that it may

be well for the school board to meet with Ms. Flint to hear what initiatives are taking place.

### **Student Needs and Community Resources**

Ms. Lovell stated that the school board wants to provide an update, as there have been many discipline committee hearings this year alone, with teachers and administrators facing many challenges. She expressed her sentiments that while Rockbridge County Public Schools are terrific, there are students coming out of this pandemic with increased mental health issues due to the isolation. In the past, the Discipline Committee members used to have options for those students to follow, but there are now backlogs and those services are not as plentiful as they used to be.

Superintendent Thompson stated principals and teachers do the best they can to provide an environment conducive to learning, but the pandemic has made it quite the challenge this year, in some cases. He stated that as he was preparing for this meeting today, he received a call from Ms. Vicki Stevens, Principal, Maury River Middle School, regarding an issue she had with a few students today. In the course of the conversation, Ms. Stevens was describing some of the things that she has observed this year. He has asked Mrs. Stevens to speak at this meeting regarding current issues that Maury River Middle School is experiencing this year.

Ms. Stevens stated that she and school administration needs help. She stated that she is having a hard time when she feels as though she is not able to make a difference to ensure the students have success, especially those who struggle and may not get what the others get at home.

She expressed her sentiments that she feels that right now MRMS is in a crisis. She shared an overview from the last few weeks. In the last three weeks, she stated that she has been very concerned about the social emotional learning of our students.

Ms. Stevens provided the following overview:

- There are a number of students who have plans or are planning to harm themselves;
- There are currently five students on a waiting list to be seen by FAPT;
- There are fourteen students on a waiting list for Therapeutic Day Treatment and the counselor has a caseload of eight;
- During the past three weeks, fourteen students have been suspended for vaping;
- School administrators have been told by the court system that they are no longer allowed to file a CHINS petition because they will be diverted with four diversions before the school administration is allowed to file charges. In one instance, this led to the school administration filing contributing charges and when they went to court, the parents were given twenty-eight days to enroll the children in school. They went back to court and the judge gave the parents twelve years and suspended all twelve years. The judge allowed twenty-eight more days for the students to get in school. The twenty-eighth day will soon arrive with those children still not being in school.

- This week Maury River Middle School had to implement the In-School Suspension (ISS). Administration was hopeful not have to use ISS this year, with restorative justice practices helping to avoid this. Four days later, today, there were four different teachers verbally assaulted. Ms. Stevens was called on four different occasions, and had to request assistance from the School Resource Officer to help us with two sixth graders. Ms. Stevens found out today that one sixth grader said to another, if your parole officer hears of this, you will get in trouble. There is no information in his record that he is in trouble with the law, has a parole officer, etc. The other child is being raised by a grandfather and has been in Ms. Stevens' office numerous times about not knowing what to do. The grandparent was crying in her office today asking what she can do and how she can help him. Ms. Stevens stated she does not know what else to do with some of these students. Ms. Stevens stated that she is asking for help.

Superintendent Thompson stated that Mrs. Stevens is a top-notch administrator and she works hard to keep her students in our schools. Discipline issues have ramped up so high that principals are asking for help. There are many parents/grandparents who do a wonderful job raising their children but we have some families who just need help. There is an issue and we need to try to get folks around the table to discuss what is happening and how we can work together to provide services to do better

for our children. Right now, our teachers/principals are at a little bit of a loss about what to do with some of our students. The behavior of some students this year are more egregious than before in that some students do not respect teachers, administrators, their parents, law enforcement officers, and our community. We have no other option but to put them on homebound in order to allow the other children to have a better environment for an education. This is a community issue not a school issue.

Ms. Lovell stated that it is also a financial issue. Rockbridge County Public Schools intersects with so many other factions of the county. Supervisor McDaniel inquired if Superintendent Thompson has had conversations with other superintendents to confirm that it is not just an issue for Rockbridge County. He stated that a few years ago there were discussions about having an alternative education program and asked if there have been discussions with Alleghany, Bath, or Botetourt to have a joint venture for alternative education.

Superintendent Thompson stated that in conversations with other superintendents, he hears the same thing. He stated that the current issues are unusual for Rockbridge County. Rockbridge County Public Schools has hired someone who will start an alternative education program at Rockbridge County High School. A similar program is needed for Maury River Middle School. He stated that typically there are not issues of this magnitude in elementary schools.

Chairman McDaniel expressed his sentiment that it is not fair for the 90% of the students who are not causing issues and that the 10% of the population who are causing the problem need to be removed.

Ms. Lovell stated that there is no place for these students to go. The school division has an obligation to educate all students.

Mr. Whitmore stated that some of these issues are not just school issues. Some of the issues do not happen at school but begin at home and expressed his sentiment that problems are here to stay.

Superintendent Thompson stated that in the weeks ahead he hopes to get folks around the table to discuss the need for an alternative program. He stated that it is important to mention the current situation to the Board of Supervisors because the school division is at the point right now to figure out what to do.

Chairman McDaniel stated, on behalf of the Board of Supervisors, that they would be happy to be a part of the meetings, with other stakeholders, so they can be kept up to date of the situation.

Chairman McDaniel inquired as to the status of the A & E Study for FSK.

Superintendent Thompson stated that the school board feels they have an A & E firm that they can work with but they are currently in negotiations over contractual agreements and prices.

## **Adjournment**

Upon a motion by Supervisor Ayers and seconded by Supervisor Lyons,  
the motion was adjourned by unanimous vote by the Board.