



2024 -2025

School Board Budget Work Session

Thursday, February 15, 2024

Agenda



- ❖ Health Insurance
- ❖ Understanding Financial Projection Report
- ❖ Staffing
- ❖ Management of ALL In Grant Funds
- ❖ Budget Change Document
- ❖ Next Steps

Common Terms

Administrator – company pays claims and administers plans, provider network contracts, and utilization review services.

Claims – medical and pharmacy bills submitted for payment

Licensed Broker/Consultant – advises in all aspects of the plan and manages competition for business.

Insurance Company – fully insured carriers

Reinsurance Cost – known as stop loss insurance. It pays or reimburses for high claimants costs exceeding a specified dollar limit.

Self Insured

The employer assumes the risk.

Employer has more control and freedom in plan design.

Employer does not pay premiums; instead, pays fixed cost (fixed costs and stop loss premiums) and variable costs (employees health insurance claims).

The Employer Retirement Income Security Act of 1974 (ERISA) preempts state regulations.

VS

Assumption of Risk

Plan Design

Payments

Compliance Payments

Fully Insured

The insurance company assumes the full risk.

Employer is limited by insurers' plan design options.

Employer pays monthly premiums to an insurance carrier.

Plan must comply with state regulations.

CCS Health Insurance Self-Insured

Benefits Roles

- **Pierce Benefits Group**

- Licensed Broker/Consultant – Contracted in January, 2020
- Provides Benefits Administration & Consultation
 - Management of Benefits – Health, Dental, Vision, and Other Voluntary Benefits
 - Employee
 - Enrollment
 - Benefit Counseling
 - Education
 - Regulatory Compliance

- **Human Resources Coordinator**

- Assists employees and family members with benefits-related matters
- Answers employee questions regarding interpretation of benefits policies
- Presents and explains benefits during employee onboarding

Health Insurance Reserves

- Best practices recommend reserves be set at a minimum of one month to three months of claims costs.
- Reserves
 - Allows billed claims to be paid without having to make adjustments to rates midyear and collected premiums do not cover claims.
 - Must be maintained for Incurred But Not Reported (IBNR) claims if the self insured health plan is terminated.

Cost Factors Affecting The Setting Health Insurance Premium Rates

Fixed

- Administrator
- Stop Loss
- Licensed Broker/
Consultant

No Control

- Medical Claims
- Pharmacy Claims

Control

- Plan Design
- Coverages Under Plan Types

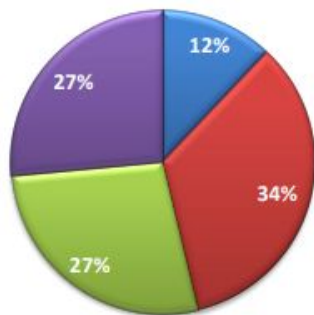
Summary of CCS Self-Insured Fund

Fiscal Years	2019	2020	2021	2022	2023	2024 Thru Dec '23
Premiums Collected & Interest	\$7,558,048	\$8,618,350	\$9,329,412	\$9,172,553	\$9,256,336	\$4,615,640
Claims Expense	\$6,928,185	\$6,289,143	\$6,921,601	\$7,188,251	\$7,356,548	\$4,850,372
Admin Fees, Stop Loss, & Other	\$1,153,323	\$1,402,576	\$1,557,676	\$1,690,478	\$1,863,876	\$790,297
Total Expenses	\$8,081,508	\$7,691,719	\$8,479,277	\$8,878,729	\$9,220,424	\$5,640,669
Premium Over / (Under) Expenses	(\$523,460)	\$926,631	\$850,135	\$203,824	\$35,912	(\$1,025,029)
Reserves	\$1,589,887	\$2,156,518	\$3,366,653	\$3,660,477	\$3,696,389	

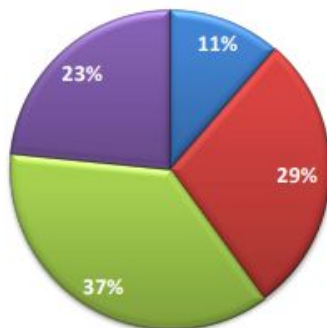
Pierce Group Benefits

% of Spend Comparison

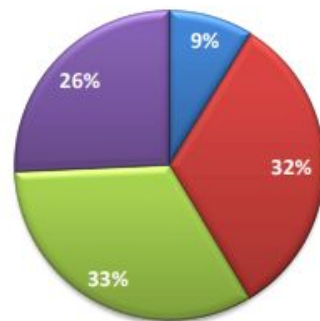
2020-2021



2021-2022



2022-2023



■ Inpatient ■ Ambulatory Facility ■ Physician/Other ■ Pharmacy

Benchmark

Inpatient: 20% or less
Ambulatory: 20-25%
Physician/Other: 40%
Pharmacy: 20% or less

YTD Health Plan Expenses

Month	Number of Subscribers	Number of Members	Medical Paid	Pharmacy Paid	Individual Stop Loss Reimbursement	Rx Rebate	Total Funded Claims	Admin Fee (\$24.35PEPM)	Total Stop Loss (\$195.15PEPM)	Total Projected Expenses	Total Projected Premium	Total Projected L/R
Jul-22	642	1326	\$490,275	\$191,635			\$681,911	\$15,633	\$125,286	\$822,830	\$742,317	111%
Aug-22	685	1191	\$469,197	\$181,925			\$651,121	\$16,680	\$133,678	\$801,479	\$788,919	102%
Sep-22	694	1216	\$579,699	\$198,918	-\$82,485	-\$65,648	\$630,484	\$16,899	\$135,434	\$782,817	\$792,061	99%
Oct-22	703	1234	\$481,139	\$194,097	-\$125,533		\$549,702	\$17,118	\$137,190	\$704,011	\$801,334	88%
Nov-22	697	1238	\$588,455	\$180,425	-\$126,585		\$642,295	\$16,972	\$136,020	\$795,286	\$796,281	100%
Dec-22	698	1245	\$413,302	\$200,173	-\$22		\$613,453	\$16,996	\$136,215	\$766,664	\$797,248	96%
Jan-23	699	1248	\$372,352	\$171,701	-\$5,736		\$538,317	\$17,021	\$136,410	\$691,747	\$799,489	87%
Feb-23	689	1250	\$357,040	\$188,785	-\$6		\$545,819	\$16,777	\$134,458	\$697,054	\$788,245	88%
Mar-23	687	1249	\$513,429	\$200,628	-\$2,372		\$711,685	\$16,728	\$134,068	\$862,482	\$788,163	109%
Apr-23	688	1249	\$464,502	\$177,793	-\$95,724		\$546,571	\$16,753	\$134,263	\$697,587	\$789,056	88%
May-23	692	1250	\$840,693	\$235,489	-\$346,343		\$729,839	\$16,850	\$135,044	\$881,733	\$794,905	111%
Jun-23	636	1251	\$694,695	\$215,663	-\$128,353		\$782,005	\$15,487	\$124,115	\$921,607	\$732,358	126%
Plan Year Total			\$6,264,778	\$2,337,231	-\$913,160	-\$65,648	\$7,623,201	\$199,914	\$1,602,182	\$9,425,296	\$9,410,376	100%

Q1 2023 Health Plan Expenses

Month	Number of Subscribers	Number of Members	Medical Paid	Pharmacy Paid	Individual Stop Loss Reimbursement	Rx Rebate	Total Funded Claims	Admin Fee (\$24.35PEPM)	Total Stop Loss (\$161.34PEPM)	Total Projected Expenses	Total Projected Premium	Total Projected L/R
Jul-23	627	1242	\$580,694	\$168,254			\$748,947	\$15,267	\$101,160	\$865,375	\$726,525	119%
Aug-23	673	1154	\$336,028	\$229,088			\$565,115	\$16,388	\$108,582	\$690,085	\$772,115	89%
Sep-23	693	1191	\$915,365	\$171,546		(\$72,499.35)	\$1,014,412	\$16,875	\$111,809	\$1,143,095	\$789,217	145%
Oct-23	700	1212	\$564,025	\$214,471			\$778,496	\$17,045	\$112,938	\$908,479	\$798,258	114%
Nov-23	700	1225	\$766,657	\$194,109			\$960,767	\$17,045	\$112,938	\$1,090,750	\$798,258	137%
Dec-23	701	1233	\$655,924	\$217,926	(\$248,141.82)	(\$86,615.23)	\$787,235	\$17,069	\$113,099	\$917,403	\$800,492	115%
Jan-24							\$0	\$0	\$0	\$0		
Feb-24							\$0	\$0	\$0	\$0		
Mar-24							\$0	\$0	\$0	\$0		
Apr-24							\$0	\$0	\$0	\$0		
May-24							\$0	\$0	\$0	\$0		
Jun-24							\$0	\$0	\$0	\$0		
Plan Year Total			\$3,818,693	\$1,195,394	-\$248,142	-\$159,115	\$4,854,972	\$99,689	\$660,526	\$5,615,187	\$4,684,865	120%

Monthly Financial - Projection Report

- [January Report](#)
- Provided November through June under the School Board Agenda Item – Business, Financial, Routine Reports.
- Prepared from the General (Operating) fund.
- Projected expenses for each cost center are forecasted to be 100% expend at the end of fiscal year.
- Positions are projected to be filled during the year unless the position was filled with less than 1 FTE for the year.
- Revenues are projected to be received as budgeted.

Drawdown of ESSER Funds

ESSER Grants	Spend Down Deadline	Grant Awarded	Total Spent through 6/30/2023	Grant Remaining
ARPA ESSER	9/30/2024	\$ 10,073,068	\$ 6,739,276	\$ 3,333,792
CSLFRF Ventilation Improvement	12/31/2024	\$ 808,685	\$ 638,145	\$ 170,540
ESSER III State Set-Aside Funds	9/30/2024	\$ 2,456,525	\$ 978,164	\$ 1,478,361

CCS drew down \$6,739,276 in fiscal year 2023 for Substitute Teachers, Primary Instructional Assistants, Extra Duty Stipends, Care & Safety Assistants, and Custodians & Division Social Workers.

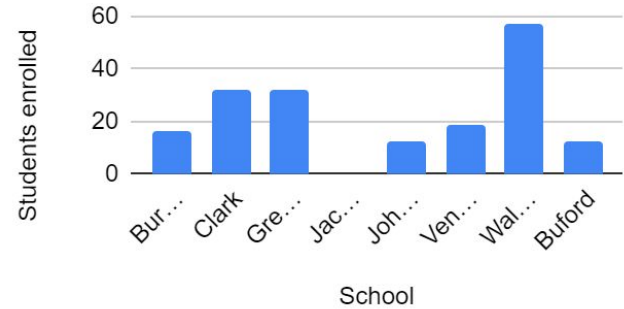
ALL In Funds

- Background information
 - Funds provided to VA school divisions to provide tutoring (70%), support literacy (20%), and combat chronic absenteeism (10%)
 - CCS has received \$946,637 (can be used over three years)
 - Principals shared proposals for “Better Together Boost”
 - Initial allocations were made based on principal estimations of need; adjustments have occurred as needed

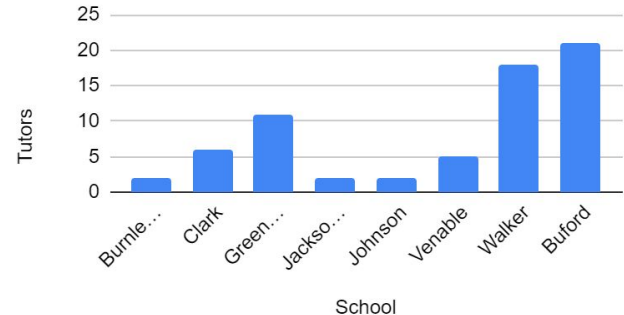
ALL In Funds (Tutoring)

- Current status
 - Principals have secured tutors and students who would benefit from tutoring
 - Tutoring has begun in most schools, with our final school starting on 3/1/2024

Students enrolled vs. School



Tutors vs. School



ALL In Funds (Tutoring)

- Current status
 - Most schools began tutoring in January, two started in February, and one will start in March
 - Most schools are utilizing after school tutoring, one uses before and after school tutoring, and one uses during-the-day tutoring
- Next steps
 - Continue to recruit tutors as needed
 - Continue to add students as needed

ALL In Funds (Literacy)

- Current status
 - Reading Specialists are being paid a stipend for their work on the VLA implementation
 - All of the elementary specialists (full time and part time) have attended the State Reading Institute and are completing the Canvas course being provided by the VA Literacy Partnership or VLP
 - Considering adding LETRS 2 facilitators

ALL In Funds (Attendance)

- Current status
 - Currently, we have not utilized these funds, but we have earmarked them for attendance support positions in the second year of the grant

Breakdown of Open Positions

- **21 vacancies across the division -**
 - 3 Positions filled in January/February 2024
 - Special Education IA - Burnley-Moran
 - Reading Specialist (.5) - Burnley-Moran
 - Instructional Compliance Specialist (SPED) - Buford
 - Special Education Teacher - Buford
 - Science Facilitator -Buford
 - Gifted Teacher - Buford
 - **School Support Liaison (Social Worker) - Buford/Walker**
 - Care & Safety Assistant - CHS
 - Custodian - CHS
 - Librarian - CHS
 - Nurse - CHS
 - Reading Specialist - CHS
 - **Special Education IA - CHS**
 - **Special Education IA - Johnson**
 - Reading Specialist (.5) - Venable
 - Special Education IA - Walker
 - Board Certified Behavioral Analyst - Division

Breakdown of Open Positions

- **21 vacancies across the division -**
7 Positions filled with long-term substitutes
 - Urban Farming Teacher - Buford
 - Music Teacher - Buford
 - Special Education Teacher - CHS/LMA
 - Health & PE Teacher - CHS
 - 2nd Grade Teacher - Clark
 - Custodian - Johnson
- An estimated total vacancies savings of \$636,959.00
 - This calculations includes budgeted allocations for vacant positions minus the allocations for positions filled with a long-term substitutes or newly hired staff.



FY 2024-25 Funding Request (Changes to FY 2024)

February 1, 2024 Supt's Proposed Budget - School Board Meeting

Strategic Plan Priority	SALARY & BENEFIT ACTIONS	AMOUNT	FTE
3	Teachers and Staff: 2% Mid-Year Raise implemented 1/1/2024	1,231,977	
	Teachers: Step increase	564,525	
	Administration & General: Implementation of Evergreen Plan	323,197	
	<i>Total Salary & Benefit Actions</i>	2,119,699	
RECURRING & NON-DISCRETIONARY CONTRACTS			
4	City Contract: Pupil Transportation (Estimate 25%)	975,708	
4	City Contract: Maintenance (Estimate 6%)	272,172	
4	CATEC: Sustain Academic and Operation Services	290,518	
	<i>Total Recurring & Non-Discretionary Contracts</i>	1,538,398	
Strategic Plan Priority	SCHOOL-BASED PROGRAM SUPPORTS & IMPROVEMENTS		
1	Teachers: Enrollment Growth - Elementary and/or English Second Language	189,762	2
	<i>Total School-Based Program Supports & Improvements</i>	189,762	
Total Increase Expenditures		3,847,859	2
REVENUES			
	Decrease: State	-2,999,801	
	Increase: State Revenue 1% "One-Time" Bonus	74,828	
	Use of Fund Balance	772,832	
	City (Estimated Request)	6,000,000	
Total Increase Revenues		3,847,859	



Proposal Budget Summary - ALL Funds

Funds	Amended Budget FY 2023 - 2024	Proposed Budget FY 2024 - 2025	Change From 2024 to 2025 Budgets	% Change From 2024 to 2025 Budgets
General (Operating)	\$ 86,626,337	\$ 91,720,289	\$ 5,093,952	5.88%
Special Revenue	\$ 21,331,565	\$ 24,678,680	\$ 3,347,115	15.69%
Total Funds	\$ 107,957,902	\$ 116,398,969	\$ 8,441,067	7.82%

<u>General Fund</u>	
City Appropriation	\$ 4,996,530
State Revenue	(2,924,973)
Fund Balance Change	3,022,395
Total Changes	\$ 5,093,952

<u>Special Revenue Fund</u>	
CATEC	\$ 3,270,711
VPI	41,474
WALK	34,930
Total Changes	\$ 3,347,115

Looking Ahead...



- ❖ Budget is Subject to Change
 - *State Process (House, Senate, General Assembly, Governor)*
 - *City Funding*

- ❖ School Board Budget Approval
 - *Thursday, February 22nd at 5 p.m. - CHS Media Center*

- ❖ City Council Meeting – School Board Budget Presentation
 - *Tuesday, March 5th at 6:30 p.m. - City Hall*



Questions?