

MINUTES

Fairfax County School Board Burkholder Administrative Center

Work Session No. 41/Resource Management and Evaluation

March 14, 2005

MEETING OPENING

41.01 Call to Order

Resource Management and Evaluation Committee Chairman Jane K. Strauss convened the meeting in public session at 2:06 p.m. with the following Board members present:

Catherine Belter (Springfield dpt 2:32)
Brad Center (Lee) absent
Stuart Gibson (Hunter Mill)
Stephen M. Hunt (At Large)
Kaye Kory (Mason)
Ilryong Moon (At Large dpt 5:00)

Phillip Niedzielski-Eichner (Providence)
Janet S. Oleszek (At Large)
Kathy Smith (Sully)
Daniel G. Storck (Mount Vernon)
Jane Strauss (Dranesville)
Tessie Wilson (Braddock dpt 3:43)

Also present were Division Superintendent Jack Dale; Deputy Superintendent Brad Draeger; Executive Assistant and Clerk of the School Board Pam Goddard; Deputy Clerk Norma Bailey; Administrative Assistant Darlene Chamberlain; Chief Financial Officer Deirdra McLaughlin; Assistant Superintendent of Human Resources Kevin North; Director of Benefit Services De HawleyBrown; and certain other individuals. Student Representative to the School Board Ian Hurdle was absent.

DISCUSSION

The following points were made:

41.02 FY 2005 Third Quarter Budget Review (Exhibit A)

- Discussion about the lack of merit with the current diagnostic testing tool, TestPac, which was being used in elementary schools; suggestion to use the alternate assessment tool from Princeton, which performed well for all schools where it was currently used, until FCPS could develop its own product;
- question about replacing a diagnostic tool during the school year while schools were in a testing cycle; response that schools would have the choice of using either of the tools for this school year; and
- question on implementation costs for Princeton and whether additional staff was required; response that Princeton staff performed most of the implementation work, but FCPS staff would help vet the questions and would not be obligated beyond this year.

41.03 FY 2006 Advertised Budget Update (Exhibit B)

- Question about Title I funds; response that funding would increase to \$6.5 million based on an approximate 5% poverty rate; comment that the Waterford program had been a good investment of Title I funds;

Fairfax County School Board

Work Session No. 41/**Resource Management and Evaluation**

March 14, 2005

2

- question whether Title I funding could be used to replace other budget line items; negative response; that Title I funds could only be used to supplement, not replace, programs for students in poverty (tutoring, after school programs, provide books to take home); response that work was being done to encourage a legislative change;
- question about No Child Left Behind (NCLB) expenses and anticipated number of schools failing to make Adequate Yearly Progress (AYP); response that the worst case scenario would be three or four additional schools failing to make AYP; if McNair and/or Dogwood Elementary Schools failed AYP for a second year, a program of tutoring would have to be provided;
- comment that an additional \$10.3 million was needed to put FCPS teacher salaries on par with the surrounding counties of Montgomery, Loudoun, and Arlington; that although benefits were different in each jurisdictions, retirement benefits accounted for 90% of teacher salaries in FCPS;
- Superintendent's recommendation included an increase to \$40,000 for a beginning, Step 1 teacher with a Bachelors Degree, and an increase to \$45,000 for a beginning Step 1 teacher with a Masters Degree; money for both recommended increases would come from the year-end balance;
- question about depleting the year-end balance to fund the recommended increased teacher salaries and the new assessment system; response that there could be some trade-offs and the scope of the testing assessment option could be decreased;
- request for staff to provide an accurate estimate of year-end budget amounts; and
- request for accurate information from the Board of Supervisors on percentage of revenue to be received by FCPS from taxes derived from rising property assessments.

41.04 Health Benefits Update (Exhibit C)

- Presentation of results from recently conducted survey and focus group meetings and staff's cost savings recommendations included increasing the doctor visit co-pay to \$15, generic substitution for all medications, mandatory use of mail order program for maintenance drugs, subsidies in benefits for retirees, and promotion of wellness programs; comment on staff's attempt to bring provided health benefits more in line with the private sector programs and efforts to contain rising health costs;
- results showed that 40% of FCPS employees who responded to the survey had other insurance with only 4% of that 40% using other health insurance;
- comment that the new Governmental Accounting Standards Board (GASB) Statement No. 45 would require FCPS to maintain all data and information, to calculate and record the difference between current rate and the rate a retiree might have to pay, and to determine that benefit promises previously made to employees constituted a liability; retiree information would have to be gathered from the Virginia Retirement System (VRS) and the Educational Employees' Supplementary Retirement System (ERFC);

Fairfax County School Board

Work Session No. 41/Resource Management and Evaluation

March 14, 2005

3

- staff recommendation to establish eligibility and enrollment for retiree health care through a change in plan design; currently all retirees were offered the option to opt back into the FCPS health care plan at any time after retirement; staff recommendation was to offer current retirees a deadline to opt back in and then discontinue the opt in benefit beginning with employees retiring in January 2006;
- question how many retirees were affected; response that staff did not know;
- question whether employees could access amount of pay contributed to FCPS health and benefits plans; affirmative response;
- question about health benefit expenditures per employee; response that current rate was \$186 per month and the recommended enhanced structure rate would be \$161 per month; rate for retirees was currently \$286 per month and the recommended enhanced structure rate for retirees would be \$259 per month with decreasing cost at age 65 when Medicare picked up;
- question about the time line to effect changes; response that an anticipated January 2006 effective date of change would require approval by mid-April to enable employee notification of changes by November 2005; comments that the timeline may need to be extended, and
- request for additional information on benefits changes including: mandatory generic proposal, parity for support employees, notification of current retirees, and subsidies on a graduated scale for future retirees.

ADJOURNMENT

The meeting adjourned at 5:06 p.m.