

# Bedford County Public Schools

Budget Work Session February 25, 2021

# Future Budget Consideration

The State Budget has an estimated \$1.4 million in the FY22 budget for student membership hold harmless. This is only for one year, and it will not be available for the FY 2023 budget.

This funding is contingent on our enrollment being less than what the state projects. If our enrollment is higher, then we will receive more in Basic Aid and less in enrollment loss funding.

Impact:

- If our enrollment does not rebound, then this amount could be a problem for the FY 2023 budget. Reducing staff for the decreased enrollment is one strategy for off-setting this loss of funding.
- If our enrollment comes back, then it should not be a problem.

# Summary of CARES Funding

<b>Award</b>	<b>Amount</b>	<b>Budget Year</b>	<b>FUND</b>
--------------	---------------	--------------------	-------------

---

<b>1st Award to Schools</b>	<b>1,270,374</b>	<b>FY2022</b>	
-----------------------------	------------------	---------------	--

Funds will be used to maintain twenty positions that would otherwise have been eliminated due to decreased enrollment. This will allow the division the flexibility to meet any uncertainty for the FY2021 school year. These funds will also be used to hire additional custodial help and one additional nurse to assist with extracurricular activities. This funding is only for one year. Normal yearly attrition should account for these positions in the FY2023 budget.

<b>2nd Award CRF</b>	<b>1,618,225</b>	<b>FY2021</b>	
----------------------	------------------	---------------	--

Funds have already been received and were assigned to our nursing staff for the contact-tracing protocol the division put in place.

<b>Competitive GEER</b>	<b>266,945</b>		
Special Education	31,435	FY2022	Operating Fund
Technology	136,840	FY2021	Operating Fund
Meal Delivery	76,518	FY2021	Operating Fund
Cleaning Supplies	22,151	FY2021	Operating Fund

# Summary of Cares Funding

<b>Award</b>	<b>Amount</b>	<b>Budget Year</b>	<b>FUND</b>
<b>3rd Award to Schools</b>	<b>5,378,493</b>		
Adopt Science Textbooks	1,000,000	FY2022	Textbook Fund
Adopt Reading Textbooks	1,000,000	FY2022	Textbook Fund
HVAC replacement	2,000,000	FY2022	Maintenance Reserve Fund
Reserve for FY 2022	1,378,493	FY2023	Not budgeted currently

## **4TH Award to Schools**

???????

Federal Government is currently working on another stimulus package that appears to include K-12 schools. Will update the board once a final award is made.

**1st - County CRF**                      **1,500,000**      **FY2021**      Operating Fund

Reimbursement has already been received. These funds assisted with cleaning, PPE, digital content, Chromebooks, summer training and communication efforts with the community.

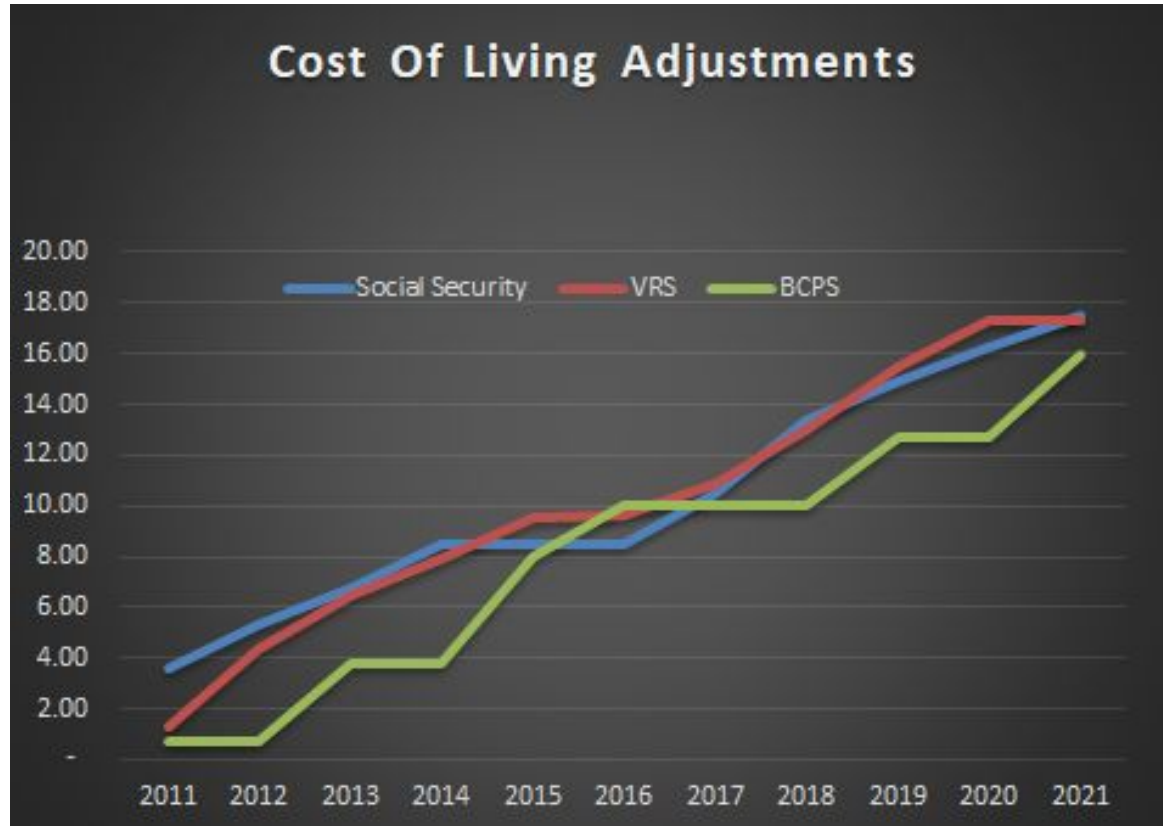
**2nd - County CRF**                      **1,600,000**      **FY2021/22**      Construction Fund

Funds are dedicated to the four HVAC projects at Moneta, Huddleston, Forest Elementary and Big Island.

# Salaries

Division	Teacher Starting 200-Day Step	Teacher 10 Year 200-Day Step	Teacher 20 Year 200-Day Step	Teacher Top 200-Day Step
Franklin County	\$36,662	\$41,599	Step (16) \$61,849	Step 16+ / \$61,849
Roanoke County	\$39,555	\$45,228	\$52,489	Step 30+ / \$60,914
Campbell County	\$40,000	na	na	Step 30 / \$51,437    Step 32/32+ \$60,012
Lynchburg City	\$40,194	\$42,503	\$47,755	Step 30+ / \$59,378
BCPS	\$41,085	\$45,039	\$48,729	Step 30+ / \$60,112
Appomattox	\$41,600	na	na	Step 30 / \$54,072    Step 37 / \$65,063
Amherst County	\$41,872	\$43,682	\$49,513	Step 30 / \$56,910    Step 33+ / \$66,517
Roanoke City	\$42,000	\$45,123	\$55,732	Step 30+ / \$67,500

# Salaries



Note: VRS COLA will not be published later this year with effective date of July 1.

# Medical Cost Projections

## RX Rebate Adjustment

## 20% Stop Loss Renewal

## No Claim Margin

A	B	C
<b>1 Total Adjusted Net Paid Claims: January 1, 2019 - December 31, 2020</b>	<b>Current Period</b>	<b>Prior Period</b>
	01/01/2020 - 12/31/2020	01/01/2019 - 12/31/2019
• Experience period	\$8,375,752	\$8,814,323
• Total medical and prescription claims	\$0	\$0
• Less stop loss reimbursements	(\$514,869)	(\$211,820)
• Less Pharmacy Rebates	\$0	\$0
• Plan changes and maturation adjustments	\$0	\$0
<i>Adjusted Net Paid Claims</i>	\$7,860,883	\$6,402,503
<b>2 Enrollment Adjustments</b>		
• Lagged enrollment	1148	1141
• Current enrollment	1129	1129
• Enrollment adjustment factor	0.9834	0.9270
<i>Enrollment Adjusted Paid Claims</i>	\$7,575,014	\$5,921,977
<b>3 Trend Adjustments</b>		
• Trend months	18	30
• Effective trend	1.1333	1.2319
<i>Trend Adjusted Paid Claims</i>	\$8,578,024	\$7,290,486
<b>4 Experience Credibility</b>	80%	20%
<i>Blended Expected Claims</i>	\$8,320,517	
<b>5 2021 Plan Year Adjustments</b>		
• Benefit changes	\$0	
• Margin @ 0.0%	\$0	
<i>Estimated Projected 2021 Annual Claims</i>	\$8,320,517	
<b>6 Estimated Projected 2021 Fixed Costs</b>		
• Administrative fees	\$509,134	
• Stop loss premiums	\$1,117,111	
<i>Total Estimated Fixed Costs</i>	\$1,626,245	
<b>7 Estimated Total Projected 2021 Plan Costs</b> <i>(estimated projected claims plus estimated fixed costs)</i>	\$9,946,761	
<b>8 Estimated 2021 Plan Year Budget</b> <i>(based on established accrual payroll rates and current enrollment)</i>	\$9,756,084	
<b>9 2021 Renewal Action</b>	<b>2.0%</b> <b>\$190,677</b>	

Disclosure: This underwriting projection is based on actual paid claims and enrollment provided to Willis Towers Watson by the insured's carrier or claims administrator at the time of the projected analysis. Trend factors used were provided as an observed average for the current medical and pharmacy trend and based on the most recent Willis Towers Watson trend survey. Adjustments made for prior or future plan changes are based on prior or current decrements provided to Willis Towers Watson by the insurer or estimated by Willis Towers Watson. This projection is an illustration based on current data, which may be subject to change.

	A	B	C
<b>1 Total Adjusted Net Paid Claims: January 1, 2019 - December 31, 2020</b>		Current Period	Prior Period
• Experience period		01/01/2020 - 12/31/2020	01/01/2019 - 12/31/2019
• Total dental claims		\$576,431	\$713,535
• Plan changes and maturation adjustments		\$0	\$71,353
<i>Adjusted Net Paid Claims</i>		\$576,431	\$784,888
<b>2 Enrollment Adjustments</b>			
• Lagged enrollment		1406	1425
• Current enrollment		1353	1353
• Enrollment adjustment factor		0.9640	0.9490
<i>Enrollment Adjusted Paid Claims</i>		\$555,663	\$744,898
<b>3 Trend Adjustments</b>			
• Trend months		18	30
• Effective trend		1.0608	1.1034
<i>Trend Adjusted Paid Claims</i>		\$589,457	\$821,925
<b>4 Experience Credibility</b>		80%	20%
<i>Blended Expected Claims</i>		\$635,951	
<b>2021 Plan Year Adjustments</b>			
• Benefit changes		\$0	
• Margin @ 6.5%		\$41,337	
<i>Estimated Projected 2021 Annual Claims</i>		\$677,287	
<b>5 Estimated Projected 2021 Fixed Costs</b>			
• Administrative fees		\$65,756	
<i>Total Estimated Fixed Costs</i>		\$65,756	
<b>6 Estimated Total Projected 2021 Plan Costs</b>			
<i>(estimated projected claims plus estimated fixed costs)</i>		\$743,043	
<b>7 Estimated 2021 Plan Year Budget</b>			
<i>(based on established accrual payroll rates and current enrollment)</i>		\$899,569	
<b>8 2021 Renewal Action</b>		-17.4%	
		-\$156,525	

Disclosure: This underwriting projection is based on actual paid claims and enrollment provided to Willis Towers Watson by the insured's carrier or claims administrator at the time of the projected analysis. Trend factors used were provided as an observed average for the current medical and pharmacy trend and based on the most recent Willis Towers Watson trend survey. Adjustments made for prior or future plan changes are based on prior or current decrements provided to Willis Towers Watson by the insurer or estimated by Willis Towers Watson. This projection is an illustration based on current data, which may be subject to change.



# Textbook Fund Projected Adoption Schedule

Adoption	Years	Last	Next	
Math	7	FY 2019	FY 2026	
Reading	7		FY 2022	
Science	7		FY 2022	
History	7		FY 2024	Waiting
PE	15		FY 2035	
Language	15		FY 2035	

# Textbook Fund Proposed Funding

<b>FY2021</b>	Existing Balance	198,119
	State Revenue	397,974
	Expenditures	-
	Projected Ending Balance	<u>596,093</u>

<b>FY2022</b>	State Revenue	653,443
	Local Funding	-
	Expenditures	(570,000)
	CARES Funding	2,000,000
	Adoptions	
	Reading	(1,000,000)
	Science	(1,000,000)
		<u>679,536</u>

<b>FY2023</b>	State Revenue	653,443
	Local Funding	200,000
	Expenditures	(570,000)
	Adoptions	
		<u>962,979</u>

<b>FY2024</b>	State Revenue	653,443
	Local Funding	250,000
	Expenditures	(570,000)
	Adoptions	
	History	(1,000,000)
		<u>296,422</u>

<b>FY2025</b>	State Revenue	653,443
	Local Funding	300,000
	Expenditures	(570,000)
	Adoptions	
		<u>679,865</u>

<b>FY2026</b>	State Revenue	653,443
	Local Funding	350,000
	Expenditures	(570,000)
	Adoptions	
	Math	(1,000,000)
		<u>113,308</u>

<b>FY2027</b>	State Revenue	653,443
	Local Funding	450,000
	Expenditures	(570,000)
	Adoptions	
		<u>646,751</u>

<b>FY2028</b>	State Revenue	653,443
	Local Funding	500,000
	Expenditures	(570,000)
	Adoptions	
	Reading	(1,000,000)
		<u>230,194</u>