



Considerations in Revising School Board-Proposed Budget

May 6, 2013



Change in FY14 Appropriation from County to the Schools

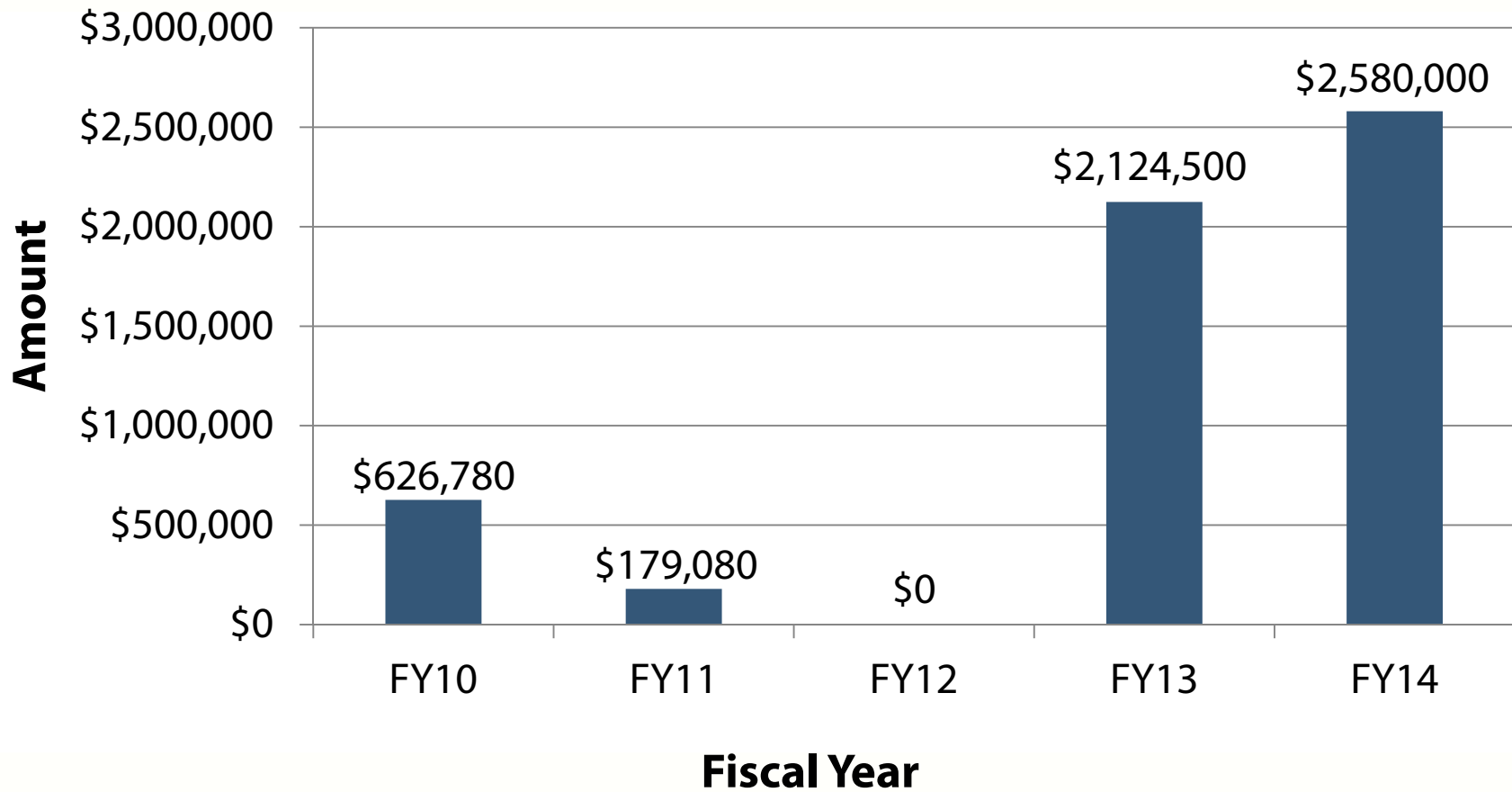
School Board Proposed	\$2,918,993
County Administrator Proposed	\$2,310,993
Board of Supervisors Approved	\$1,173,493
Amount to Reduce from School Board Proposed Budget	\$1,745,500

Medical Insurance Coverage

	YCSD Average	State Average
Individual Deductible	\$0	\$572
Individual Out of Pocket Max	\$2,000	\$2,370
Family Deductible	\$0	\$1,060
Family Out of Pocket Max	\$4,000	\$4,716
PCP Co-Payment	\$10	\$19
Specialist Co-Payment	\$20	\$34

Source: 2011-2012 VEA Insurance Coverage & Employee Benefits Survey

Health Insurance Increases



Health Insurance Savings

(in order of preference of Employee Benefits Committee)

School Board Proposed Budget: No Changes to Plan, Prescriptions, or Premiums	\$0
Increase Premiums 20%, No Changes to Plan or Prescriptions (Option 1)	\$426,000
Current Plans w/ Alternative Rx, Increase Premiums 17.2% (Option 3)	\$725,000
Alternative Plans w/ Current Rx, Increase Premiums 15.7- 18% (Option 2)	\$831,000
York County Gov Plans/Rx (Option 5)	\$670,000

School Board-Proposed Budget

- Maintain current medical plan designs:
 - Anthem KeyCare 15 PPO
 - Anthem HealthKeepers 10 POS
- Maintain current prescription drug benefit:
 - 3 tiered drug card
 - \$10 Generic monthly co-pay
 - \$30 Brand Name monthly co-pay
 - \$50 Patented Brand Name monthly co-pay
- YCSD absorbs cost of increased premiums (20.0%)
 - Employee premiums stay same as current costs
- No Cost Savings

Increase Premiums 20%, No Changes to Plan or Prescriptions (Option 1)

12-month PPO Non-Smoker	Annual Employee Premium Increase	Enrollment
Employee Only	\$204.00	152
Employee + 1 Child	\$496.80	23
Employee + Spouse	\$955.20	27
Employee + Family	\$1,024.80	57

– \$426,000 of savings

Increase Premiums 20%, No Changes to Plan or Prescriptions (Option 1)

12-month HMO Non-Smoker	Annual Employee Premium Increase	Enrollment
Employee Only	\$91.20	366
Employee + 1 Child	\$220.80	104
Employee + Spouse	\$465.60	108
Employee + Family	\$602.40	284

– \$426,000 of savings

Current Plans w/ Alternative Rx, Increase Premiums 17.2% (Option 3)

- 3 tiered drug card
 - \$15 Generic monthly co-pay (not \$10)
 - \$40 Brand Name monthly co-pay (not \$30)
 - \$75 Patented Brand Name monthly co-pay (not \$50)
- Cost Savings of \$725,000

Alternative Plans w/ Current Rx, Increase Premiums (Option 2)

- Change current medical plan designs:
 - Anthem KeyCare 20 PPO (not KeyCare 15)
 - Anthem HealthKeepers 15 POS (not HealthKeepers 10)
- KeyCare PPO Premiums increase 18%
- HealthKeepers POS Premiums increase 15.7%
- Cost Savings of \$831,000

York County Gov Plans/Rx (Option 5)

- Change current medical plan designs:
 - Anthem KeyCare 20 PPO (not KeyCare 15)
 - Anthem HealthKeepers 15 POS (not HealthKeepers 10)
 - 3 tiered drug card
 - \$15 Generic monthly co-pay (not \$10)
 - \$30 Brand Name monthly co-pay (not \$30)
 - \$60 Patented Brand Name monthly co-pay (not \$50)
- Cost-Savings of \$670,000



Why consider shifting more than 1% of VRS payment now?

- Helps attract high-quality new employees to fill vacancies from normal retirements & transfers
- 78 divisions statewide implemented full 5% in FY13
- Divisions nearby that have implemented more of the VRS requirement include Gloucester (5%), Norfolk (5%), Northampton (5%), Portsmouth (5%), Chesapeake (3%), and Poquoson (2%).
- Avoids postponing financial obligation to years when VRS rate may increase
- Eliminates internal compensation inequities relating to only some employees contributing 5% to VRS

Possible VRS Shift Savings

- Shifting less than 4% yields savings
 - 1% (\$413,824)
 - 2% (\$275,883)
 - 3% (\$137,942)
- Decreasing “hold harmless” salary adjustment yields savings of \$76,000 to \$532,000

Average Class Size-Elementary

	FY09	FY13	FY14*	Goal
K-2	19.78	19.24	18.90	at or below 20
Grades 3-5	22.18	22.28	22.35	at or below 25

Average Core Class Size-Secondary

(average of mean class sizes in English, Math, Science, & Social Studies)

	FY09	FY13	FY14*	Goal
Middle School	24.55	24.12	TBD	below 30
High School	23.28	21.17	TBD	below 30

*based on School Board-proposed budget

Student Enrollment Decline

Student Enrollment Decline	
FY09 Budgeted	12,732
FY14 Projected	12,230
Decrease	502



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