A Special Meeting of the Albemarle County School Board was held on February 8, 2017 at 3:30 p.m., Albemarle County Office Building, 401 McIntire Road, Lane Auditorium, Charlottesville, Virginia 22901.

SCHOOL BOARD MEMBERS PRESENT: Mr. Stephen Koleszar; Dr. Kate Acuff; Mrs. Pamela Moynihan; Mr. Jonno Alcaro; and Mr. Graham Paige.

SCHOOL BOARD MEMBER ABSENT: Mr. David Oberg and Mr. Jason Buyaki.

SCHOOL BOARD STAFF PRESENT: Dr. Pam Moran, Superintendent; Dr. Matt Haas, Deputy Superintendent; Mr. Dean Tistadt, Chief Operating Officer; Mr. Jackson Zimmermann, Executive Director of Fiscal Services; and Mrs. Jennifer Johnston, Clerk of the School Board.

BOARD OF SUPERVISORS PRESENT: Mr. Norman G. Dill, Mr. Brad Sheffield, Ms. Ann Mallek, Ms. Diantha H. McKeel, and Mr. Rick Randolph.

BOARD OF SUPERVISORS ABSENT: Ms. Liz Palmer.

OFFICERS PRESENT: Interim County Executive, Doug Walker; County Attorney, Greg Kamptner; Ms. Lee Catlin, Assistant County Executive; Clerk, Claudette Borgersen; and Senior Deputy Clerk, Travis Morris.

Agenda Item No. 1.1. Call to Order.

At 3:33 p.m., Ms. McKeel, Chair of the Board of Supervisors, called the Board of Supervisors back to order. Dr. Acuff, chairman, called the meeting of the School Board to order.

Agenda Item No. 2.1. Health Insurance.

Ms. Lorna Gerome, Director of Human Resources, stated that staff would provide information on health insurance and a follow-up to the annual report focusing on the exit survey information. This is an informational meeting and staff would not be bringing forward a recommendation, but provide an overview of both of these topics. She then introduced said that with them today is Ms. Claudine Cloutier, Program Manager for Benefits, who would provide an overview of the health plan and share steps taken to manage the plan, as well as ideas for the future. The focus of the presentation would be changing how they allocate their rates and implications for employees that occur because of the changes. After the health insurance discussion, they would do an overview of the exit survey information, noting that Human Resources publishes two reports: one for local government, which is on the fiscal year; and one for the school division, which is on the school year. Ms. Gerome stated that these reports provide a lot of demographic information on employees, as well as initiatives that HR is working on. Staff presented both reports in the fall but was asked to provide a follow-up discussion on the exit survey analyses. She said that Mr. John Gray, Assistant Human Resources Director, and Ms. Kimberly Shigeoka, Human Resources Generalist for Local Government, would lead that discussion.

Ms. Gerome reported that the intended outcomes of the meeting was to provide both Boards with an understanding of why health insurance rates need to be reallocated, and awareness of the challenges in doing that on employee groups, retirees, part-time employees, and County employees married to other County employees. She noted that Ms. Cloutier is leading teams related to each of those three groups, with stakeholders on the teams, and staff would like to check in with the Boards on the principles used with these groups in developing recommendations to ensure that they are on track. The intended outcome on the exit survey is to share information as it was collected separately for teachers, school classified employees, and local government employees. She said they would share the top reasons why employees identified they left. Staff would also share the ongoing work to retain employees and address some of the reasons employees left over the past year.

Ms. Gerome stated that beginning with health insurance, the County's goals are to provide a quality benefit to employees that is affordable and offers choice so the plan meets the needs of individuals and families. There is a goal to meet the adopted target, which is slightly above market, the traditional plan still meets that, based on the plan design and the premiums, and that plan is still slightly above market. Ms. Gerome stated that when having new employee orientations, the new employees feel that it is a good plan, but those who have been with the County a while have seen the changes and feel differently. The other goals are to remain compliant and to have a sustainable plan, which is necessary because the County is self-insured, and that means that employer and employee contributions go into a fund that used to pay claims, administrative fees, and stop-loss.

Ms. Gerome stated that there is a lot of work with a self-insured plan, but the reasons for having it are choice, control, and cost. This type of plan allows the County choice in plan design and eligibility; control exists because they are not in a risk pool with other agencies and organizations; and cost estimates generally show that self-insured plans have lower claims, ranging from 3-5%. The County has done many things to keep its plan solvent over the past few years: set premiums to accurately reflect claims; implemented deductibles; increased out-of-pocket maximums; and changed spousal eligibility criteria. She stated that all of those things have really affected employees by cost shifting onto employees. Ms. Gerome noted that they have also instituted many proactive wellness programs, including onsite mobile mammography, onsite flu clinics, and a consumer-driven high deductible plan, which has experienced participation rates three times higher than predicted, with 14% of the workforce currently enrolled in the plan. There is a medical plan evaluation ongoing with consideration as to whether the County should remain self-insured, and they are looking at a plan offered by the state for localities to join called Local Choice. She then noted that some of the wellness program items include a Fit Bit subsidy; a weight loss program called Lose Well, which continues to gain participation; ongoing monitoring of claims so they can make decisions about the health plan; and transition to contribution allocation by tier versus flat.

Ms. Cloutier stated that one reason the County would want to reallocate its rates is market alignment, with most of the market aligning their employer contributions by tier, with a smaller allocation for employee-based coverage versus family coverage, which would be higher. This makes it easier for them if they transition to a tier-based allocation to compare with the market and see if they are on track with others in the market. She said it is an actuarial way to base funding rates so they can accurately transition funds higher to family-level coverage and lower to employee-only coverage.

She said another variable is the Affordable Care Act, and as the current time staff knows there will not be, a replacement plan rolled out in the immediate future, so they are proceeding as though the requirements under the ACA will continue into the next year. One of the considerations with compliance under the medical plan are affordability, with a requirement under the ACA for employers to offer affordable coverage to full-time employees, which the ACA defines as an employee working on average 30 hours per week or more. She said that because of the way they calculate employee premiums for part-time employees that provides a bit of an issue with compliance in terms of the affordability of the plan. She stated that the other piece is the Cadillac tax, which would affect the total cost of health insurance at the employee-only or family level.

Ms. Cloutier referenced the current employer contribution of $776 and added 7% to it, which is the projected number staff has been working with over the last few months, making the total $831 as a flat contribution. She said the reallocation could make the employee-only rate drop by a few hundred dollars, with employee plus child being a bit lower, and greatly increased employer contributions for more than one child, spouse level, and family level.

Mr. Randolph stated that they need to be aware of the possible disincentive created for employees with a single child, versus other organizations that may offer a more competitive package. Ms. Cloutier agreed that they do not want to create a scenario in which benefits are unaffordable to employees, and noted that the presentation was focusing only on the employer contribution.

Ms. Cloutier presented challenges associated with reallocation, including employees who are married to other employees who both participate on the medical plan and part-time employees. She said that retirees who meet age and service requirements with the County are eligible for the early retirement incentive program (VERIP), and the benefit consists of an employer contribution towards health insurance, which lasts five years or until the employee reaches 65, whichever comes first. Ms. Cloutier stated that 175 of VERIP recipients have stayed on the medical plan, and 64 of those are taking the payment as a cash payment. She said the challenge here is where to set the employer contribution for this group with reallocation, because there is no one set employer contribution.

Ms. Cloutier said the guiding principles with the workgroup were to create a solution that was simple to communicate, both in terms of people looking to retire and those who are planning to retire, and those who are currently on the plan. She noted that they also did not want to create a system that was overly difficult to manage on the backend, as well as not being a takeaway from current participants. Ms. Cloutier said that staff's recommendations will be for those on the medical plan to pay whatever the employee premium rate is, so the contributions do not factor in at all; for those taking a cash payment, staff is recommending holding it as a fixed amount, so the goal is not to lower it. She stated that if they do that, then it would provide a number to communicate going forward, which helps provide a flat figure for people going into retirement. Ms. Cloutier stated that there would be some changes required for the VERIP with the goal of having it in place by July 1, 2017.

Mr. Randolph asked what the anticipated budget impact would be. Ms. Cloutier responded that it will be different every year and budget staff would have to provide more details.

Ms. Mallek commented that the early retirement program is about to end. Ms. Cloutier responded that it predated her tenure with the County. She wanted to distinguish between the accelerated program put in after the recession in 2008 and the ongoing program described. Ms. Cloutier explained that early on, the benefit consisted of a monthly stipend that lasted for the duration of the benefit, and the employer contribution toward insurance. She said that about eight years ago, the County began to phase out the stipend portion, which no longer exists, so now they just have the employer contribution to health insurance. She mentioned that there was an incentive added two years ago, one was a blanket incentive that enhanced the benefit with an extra cash payment, then the following year there was a more targeted program incentive for employees, but that was one time only. Ms. Cloutier stated that what they are seeing now are mostly people who are getting Board contributions, and the County is still phasing out people who get stipends.

Mr. Koleszar asked if the amount employees pay as part of their contribution would be changed if they change the system to a tiered structure. Ms. Cloutier responded that they work together in terms of coming up with the 100% that is the funding rate for each tier, and then the County must make the decision as to where the employer and employee pieces are, but reallocation itself would not necessarily mean that employee contributions had to be skewed one way or the other.

Ms. Cloutier reported that the next group addresses County spouses, those who are married to other employees on the health plan. Per policy, each employee is entitled to an employer contribution on their own as individual employees. This results in free health insurance for County spouse couples, because the individual employee contribution for a full-time employee is $776, so two employees would get $1,562, but the actual cost of family coverage is only $1,106, so the total contributions are greater than the cost of insurance coverage. The challenge is where to set the contributions for County spouse couples so it does not harm them in a non-arbitrary way to approach this. She clarified that this would apply to any participating members of the health plan: schools, local government, ACRJ, etc.

Ms. Mallek asked if the $500 difference between the two Board contributions is a cash payment to them. Ms. Cloutier responded that it is not, and confirmed that they would just have their costs offset. She stated that there are 143 spouses on the County's health plan. Ms. Cloutier said that the guiding principles for this effort are that they want it to be simple to communicate to employees and to administer on the back end. She noted that they want a solution to this challenge that still recognizes the employees as individual employees that work for the organizations, so whatever solution they come up with should not result in County spouse couples paying more than non-County spouse couples. Contributions for employee only were smaller and family was greater, which creates a problem for part-time employees because of the way they calculate part-time employee premiums. She said that besides making it unaffordable on the family side for part-time employees, it also creates affordability issues for the 30-hour workers who are considered full-time under the ACA.

Ms. Cloutier stated that there are about 619 part-time benefits-eligible employees across the divisions, with the school division needing the labor source more than local government will. She said that of those, less than half of them take County insurance and probably have access to insurance elsewhere. Of those on the health plan, 146 of them pay full-time employee rates because they are either in transportation and get a special benefit if they work at least 4 hours a day, are Board or Commission members, or are County spouses. Ms. Cloutier stated that 175 people are actually paying premiums as part-time employees and using that calculation to create their rates. She presented an example of a full-time employee who has family coverage, with the employer picking up $776 of that and the employee paying $330. Ms. Cloutier noted that a 50% part-time employee with the same coverage only gets $388, so they must make up the $388 and pay the $330 premium.

Mr. Randolph stated that is a disincentive for people to work part-time because they incur greater out-of-pocket expenses to maintain medical coverage for themselves and their family. Ms. Cloutier agreed, stating that some people say they work for healthcare, and the County is very mindful of their ability to recruit and retain employees.

Ms. Cloutier reported that the guiding principles for this are also to make the solutions simple to communicate and administer, and neither overly harms nor benefits participants at any given tier, so someone getting $836 at the flat rate would now have a $600 contribution, and families would have a $1,400 contribution. She said the County is coming up with a solution that flattens that out, and it will look very much like it does now with a goal to provide equity for part-time employees.

Mr. Randolph asked what staff's overriding direction was this year in terms of what they were trying to accomplish. Ms. Cloutier responded that one of the things they want to make sure they are doing is to have affordable coverage that meets ACA requirements, and in terms of the way part-time employee premiums are calculated, they have not been talking about the way they calculate, with the exception of creating affordability for the 30-hour employees. She stated that the issues they are focusing on now are those related to reallocation.

Ms. Acuff asked if there were about 450 employees subject to the retirement policy change and the County's plan for spouses. Ms. Cloutier stated that 64 of them are taking a cash payment now, but in theory, anyone who is on VERIP could be taking this as a cash payment, and that is about 200 people, with 175 employees who are paying for part-time, and the County spouses are 143 couples.

Ms. Moynihan asked what "slightly above market" means when used as a benchmark. Ms. Gerome responded that slightly above market is a Board target, and the way it is considered is plan design, deductibles and out of pocket costs, but premium costs for employees. She said the County weighs all of that, although it is not quite as clean as being at market with compensation.

Ms. Gerome reported that staff would likely be back to the Boards within the next few months with a recommendation to change policy so retirees who receive the cash payment keep that as a flat payment. She said this does require a policy change, so they will do that in the next few months for a July 1, 2017 effective date. Ms. Gerome stated that the County is closely watching the change for part-time employees because it is affected by the Affordable Care Act, and if nothing changes that will need to be addressed sooner to be effective by October 2017, so staff will likely be back with that information in early summer. She said that with the County spouses and general reallocation, they will also come back in early summer but will have an October 2018 effective date, because they need time to plan for the budget implications of that because there are so many partner agencies on the health plan. Ms. Gerome noted that if a particular group has many families, the budget impact ends up being more significant for them.

Mr. Randolph stated that it would be helpful to know the partner agencies participating in the program and the number of employees so they can see the ripple effect from the ACA. Ms. McKeel agreed that it would be interesting to see that list.

Dr. Acuff stated that the School Board had reached consensus at their meeting the previous night to see whether the Supervisors would agree to a study regarding the impacts of changes to the health plan that have shifted costs from the employer to the employees. She said these changes and others have had a favorable impact on the health plan, with last year's claims about equal to the prior year, and the first four months of claims in the current year appear to be encouraging. Dr. Acuff stated that in light of these facts, and the need to maintain a financially sound health plan, the School Board is asking the Board of Supervisors to jointly direct staff to conduct a financial analysis of the health plan and determine if the potential exists to take actions as part of this year's budget to financially offset employee cost increases. She said if the analysis determines that such actions might be possible, the School Board's desire is that staff provide recommendations or options for consideration, and are asking the Board to consider this, keeping budget impacts in mind.

Mr. Koleszar noted that even though there have been 2% pay raises the last two years, employee net take-home pay has been about the same. He asked if the health plan would support it, if they could reduce the premium so they could put more money in employees' pockets.

Dr. Acuff said that one of the other options the School Board discussed was to offer a "premium holiday," rather than changing the structure of the premiums. She noted that they are doing a larger study of teacher compensation, but that would not be completed until spring and the School Board wanted to raise the premium issue at this meeting.

Mr. Alcaro stated that the conversation started regarding the School Division, but this is designed for the entire system and the School Board wants to expand the discussion and bring it to the Board. He said this would range from $15 a month for an employee-only 12-month plan, up to $396 for an employee + family on a 10-month plan, as part of a "smarter not harder" strategy. He reiterated that this is just asking for a study, not a decision.

Mr. Koleszar stated that they would want to do this for all classified employees and teachers.

Mr. Dill said the issue of getting raises is important, but he would be cautious about a holiday on premiums because staff puts a lot of work into actuarial tables of how much money is going in and coming out, and it should be made as a budget decision, not changing the formulas for who is going to be paid.

Mr. Koleszar commented that the School Board is bringing this up now so it could be considered in this budget cycle. The issue came up for the School Board as they were voting on their funding request and determined that this was something they would like to do, but feels that it needs further study, so they did not put it in their funding request.

Mr. Alcaro said the more efficiencies put in would be creating a more sound situation for the plan, and just a few months or years does not make a trend, so this would need to come out of efficiencies.

Mr. Dill stated that this should be two separate tracks, and if they are saving money on any program it should be revised to be beneficial, and what he is saying has nothing to do with whether people deserve raises.

Mr. Koleszar said that there are two advantages to decreasing out-of-pocket benefits for employees: that money is pretax, so there is a net financial savings versus putting it more into raises; and it is much more beneficial for lower paid employees than higher paid employees. He stated that this gets more money into employee's pockets through the premium deducted versus increasing pay.

Mr. Dill stated that he thought there were taxes paid on health insurance benefits.

Ms. Mallek said it is deducted first before you get to net pay.

Mr. Randolph suggested that they take it under advisement and move on with their discussion.

Ms. Gerome stated that they could certainly do a study and would probably ask the benefits consultant to help with that so the impact of the reserve and balance would be available with all the work already done taken into consideration, as well as the projections in addition to the four months of claims.

Mr. Sheffield asked what timeframe they are talking about with the study, as the Board's budget cycle starts the following week. Ms. Gerome responded that her understanding is that staff would ask the benefits consultant to tell them what the financial impact would be if they did not increase employee's rates next year and held them harmless for the entire year, and did not factor in the 7% increase. Mr. Koleszar stated that he was also hoping they could roll back what they did last year. Mr. Sheffield stated that he did not want to spend a lot of time on this and get near the end of their budget cycle and try to make a decision on this in an eleventh hour situation.

Mr. Walker stated that the County Executive's budget would come forward with a certain set of assumptions through the two-year plan with regard to the projected increase in healthcare premium costs for the next plan year starting in October. He said through that process, if there is additional information that would cause them to reconsider what the projections are, staff could introduce that as part of the budget process and make a reduction or other changes that might be reasonable, before the budget is adopted. There would be implications in terms of the solvency of the self-funded plan, and they certainly do not want to be charging employees more than what is required to cover costs and maintain a fund balance, so if there were reason to make adjustments downward to benefit employees and the employer, they would certainly want to do that. He said that they are somewhat limited because the plan year started in October and they have a maximum of five months' experience, and they would have to work with the consultant to see if that is enough information to bring forward to the boards in order to make responsible recommendations on any adjustments. Mr. Walker stated that staff is certainly ready and willing to do that work and come back with information.

Ms. Mallek cautioned that at one point they had taken a lot of money out of healthcare savings because they said they had too much savings, then two years later they were scrambling because they had high costs, so keeping it as level as possible is important.

Mr. Walker reiterated that this pertains to the solvency of their plan, and they are in a somewhat uncertain period at this point.

Ms. Gerome said that staff could probably get a study done within three to four weeks.

Ms. McKeel noted that the presentation from Kathy Train on the United Way Pre-K update would come off the agenda today.

Agenda Item No. 2.2. Human Resources Annual Report.

Ms. Gerome stated that Human Resources produces reports for both local government and the school division, using fiscal and school calendar years, respectively. The reports provide a lot of demographic information about employees, trend data, age distribution, and HR initiatives within each organization and how the work supports the mission, vision, and values of the school division. She noted that the information is on the County's website, and encouraged the boards to provide feedback on the content.

Mr. John Gray addressed the boards and stated that he would provide information on trends and turnover, compiled through exit surveys conducted over the past year for both local government and schools.

Ms. McKeel noted that the County employee turnover rate had doubled in some departments, which may help frame this discussion.

Mr. Gray stated that he would go into the reasons why staff believes those turnover spikes occurred, and they do have some information about the specific departments. He presented a chart illustrating turnover for the three categories of school employees over the past 10 years, with support employees having a large uptick in turnover for the last three years. Mr. Gray said that contributing to this year's turnover was a new structure in special education, which resulted in 9.9% of the 24% turnover rate, and the extended day enrichment program also experienced turnover from regulatory changes and the part-time nature of those jobs. The teacher workforce had 151 employees departing, and it remained relatively flat as those positions are less impacted by an improved economy. Mr. Gray noted that these rates closely mirror national trends over the same period for state and local education, but staff would address why turnover rates had spiked for support staff in particular.

Ms. Kimberly Shigeoka addressed the Board and presented information on the government turnover rate for the last 10 years, noting that there was a spike in 2016 to a rate of 14.67%, and when compared to national trends for state and local governments, excluding education data, there is a spike in 2014, 2015, and 2016. She said that Albemarle's numbers were relatively flat in 2014 and 2015, but caught up in 2016 and overall were fairly in line with national statistics.

Mr. Gray presented a graph including private and public sectors, illustrating a 10-year history of unemployment rates for Virginia. He said that as the economy became worse, the unemployment rate rose over the late 2000s, and the state's unemployment rate in December was 4.1%, with the *Daily Progress* reporting December's rate for Charlottesville and Albemarle at 3.3%, which further contributes to turnover. Mr. Gray stated that turnover in County employees has increased as the employment rate has decreased. He said that local government and schools share a close parallel regarding exiting employees years of service, and the increments used by both are closely aligned and demonstrate similarities between turnover by years of service. Mr. Gray said that highest turnover was during the first five years of employment, with more than half of exiting employees leaving during this period, with 63% of exiting local government employees and 71% of exiting school employees leaving in the first five years.

Mr. Gray stated that there are many factors as to why this particular group is leaving in higher numbers than tenured employees, with reasons including the more flexible movement of people across the nation; the changing definition of a "career," especially among millennials; the near full employment economy, which has led to more plentiful job opportunities, particularly at the entry level; and new employees trying to find a fit for themselves. He said the County is concerned and is continuing to explore specific reasons and actual remedies to address turnover. He presented a slide showing the 151 teachers who departed, noting that they had a 28% response rate for both surveys, and this year they changed the survey format mid-year in an effort to gain better data than on the original survey. Mr. Gray stated that local government and schools would continue to revise the survey in tandem for better data, and he referenced a slide showing the survey with the most responses, with both surveys highlighting relocation as a top reason that teachers leave Albemarle County's public schools. He said that reasons for relocation include moving closer to family and following a spouse or significant other to a new job, with a wave of employees getting older and baby boomers beginning to retire. Mr. Gray stated that in looking through previous years' annual reports, this has grown every year, and there was a bigger year about a year or so ago, but beyond that, it continues to be one of the prime reasons for turnover, especially among teachers.

Mr. Gray presented a slide highlighting the 269 employees that separated from the school classified administrators category, and the bulk of employees responded to the hold survey for this slide, with this group containing many of the system's part-time employees. He said that steps taken to address the issues include partnering with schools and departments to address the top reasons for leaving, and one of the things that is a trend for HR now is to do "stay" interviews, rather than just exit interviews, with the idea that a supervisor will sit down with an employee early on in employment instead of waiting until they leave to find out why. Mr. Gray stated that they have initiated this in the transportation department and feel it is a positive step. He said they are also soliciting current employee feedback to determine key areas that are issues, identifying specific trainings that will pinpoint what will help improve the situation. Mr. Gray added that HR staff hopes the 2% increase will stay in the budget.

Dr. Acuff commented expressed concern about the low response rates of 20% and 28% and asked if they were mail surveys or exit interviews, noting that it is hard to reach a conclusion with a low response rate. Mr. Gray responded that this is one of the lowest years for response rates.

Dr. Acuff said that with exit interviews, you could actually ask employees. Mr. Gray stated that many employees who leave are part time and are sometimes gone before HR knows it, so it is difficult to contact them, especially if they have moved out of the area. He said they make three attempts to contact departing employees, either through email or telephone calls, and there is dedicated staff time to do that. Mr. Gray said they have revamped the system by using Survey Monkey, which they feel will help in enhancing the response rate.

Dr. Acuff said they are still chasing them after they are gone, as opposed to when they give their notice. Mr. Gray agreed that was a good point, and said the new system would allow the survey request to be sent by email prior to the employee's departure, adding that the typical response rate is 30-35%. Dr. Acuff commented that this was still on the low end.

Mr. Dill mentioned that it is hard to balance the confidentiality aspects, as people are less likely to tell the truth if they are talking face-to-face with someone they know in the system, or they may emphasize things like family issues rather than issues with a boss. Mr. Gray noted that HR does all the exit surveys.

Ms. Shigeoka reported that there were 100 employees who left local government last year and a 40% response rate for the exit survey, with the top reason for departure being better opportunities. She noted that staff is still working on the surveys to get better data and definition of terms such as "better opportunity" and what that means to employees. She said the second most common reason is retirement, which is expected to become the primary reason for departure as the workforce ages. Ms. Shigeoka stated that the third reason was "unsatisfactory work environment" or "poor supervision or management," and HR is finding through numerous sources such as one-on-one interviews or conversations that these categories refer to a heavy workload, desire for flexible schedules, and other factors related to a desirable work/life balance. She stated that HR has implemented the stay interviews for local government as well, focusing on the departments with the highest turnover, and this effort also includes work with the police department to have them conduct interviews with officers prior to their departure. Ms. Shigeoka said that they are also working with outside consultants to establish why Community Development and Finance have had high turnover, as well as talking to existing employees to see what the concerns might be. She stated that HR is also talking to departments about training or specific issues that may be leading to turnover, and they are trying to tailor their work with specific departments, such as ECC, which rolled out a new CA system that required a different way to do work, to understand the departmental culture.

Ms. Shigeoka said that HR is working on general training, with a new series for middle management to ensure that supervisors are properly trained, with both government and school exit surveys showing that conflict with supervision and management is high and cited as a reason for leaving, so they want to make sure they are addressing that. She stated that they are also working on training to include more inclusive and diverse environments, to empower employees in giving them the tools they need to bring up concerns before they leave, and to make sure the work environment is conducive to that.

Ms. Shigeoka presented a summary of next steps, stating that staff would continue to evaluate data to ensure they have the best data to get the best possible solutions for those things causing turnover. She said they have updated the exit survey for the current year to better understand what it means when someone says "reasons external to the system" or "better opportunities." She stated that HR is working with schools and departments to address their specific issues, working on organization-wide trainings, such as the supervisor training series, and working to create diverse and inclusive work environments in which employees feel empowered to come forward with concerns and supervisors feel well-trained and have the tools to address concerns. Ms. Shigeoka stated that while turnover in both divisions is concerning, staff also wants to point out that this is consistent with state and national trends.

Mr. Paige asked if the reasons for leaving were also similar nationwide. Ms. Shigeoka responded that those reasons can be very complicated, even within the local system, but the changing nature of employment seems to be the trend nationally. Mr. Randolph stated that the patterns might be typical between university communities.

Mr. Koleszar encouraged them not to look at the whole package together, but instead looking at individual workers, such as cafeteria workers, police officers, or secretaries, and to find out what the issues are, they need to get down to the department level. He said that once this is established, HR could target some strategies to help reduce the turnover rates in those departments and work with supervisors in those departments to see what needs to be changed. Mr. Gray responded that the good thing about the stay interviews is that they proactively address the issues as they are occurring, especially early on in employment, so they can begin to understand what needs to be tweaked in order for employees to stay. He stated that direct supervisors are involved with that, so there is no delay as it is an actionable item.

Mr. Dill asked how many people were terminated during that time, and whether it had changed significantly. Ms. Shigeoka responded that HR does not track the data for terminations but could probably get it, and for local government data they do have probationary numbers, which addresses it somewhat, with 19 of 100 employees leaving during the probationary period, which is just the first six months an employee works, versus 11 last year.

Mr. Dill pointed out that if people are leaving, it may not be a problem with them but may instead be that they have a bad boss, and many people he has spoken with have said they left a job because their boss has been there for 20 years and still does things the old way, with no opportunity for advancement. He said that while it is hard to fit all the variables into the equation, it might be helpful to look at that factor.

Ms. Shigeoka stated that any employee is following policies and processes, regardless of whether they are supervisors, and one of the trainings this year is the new supervisor training for managers, in an effort to focus on the top reasons why people are leaving.

Ms. Mallek said that she is interested in knowing where the department clusters happen, as turnover is very expensive regardless of where it occurs. She stated that she had heard something on the radio about people not moving to take new jobs, and it could actually be viewed as a good thing, so it is important to consider how the issue is framed.

Mr. Gray stated that the County has done two "360" sessions with employees to garner feedback, and that information has been used with supervisors so they can improve.

Ms. McKeel noted that some of the larger businesses are doing away with that type of evaluation and moving towards one-on-one discussions between supervisors and employees. Mr. Gray said the stay interviews would provide a lot more of that type of communication.

Dr. Acuff stated that the schools have had chronic shortages of bus drivers and have had informal surveys by having them show up at School Board meetings asking for more income. She said the schools are even losing employees to places like Wegman's, where they get higher pay and better benefits. She said that compression is addressed in the budget this year, and HR is doing some reclassification in the lower levels that will positively impact these employees. She stated that they have been 10 bus drivers short this year, as well as 6 who are on long-term medical leave, and people have been called out of retirement to have enough drivers. Dr. Acuff stated that the key is finding out what other issues there are and how to get people to stay.

Mr. Gray added that they have moved up the classification review for transportation and will look at anything they can do to improve the situation.

Ms. Gerome commented that their discussion shows the complexity of this, because what is happening in food service or transportation is very different from what is happening in Community Development or the police department. She said there is a lot of work to do, but they feel it is very important in order to retain employees.

Ms. McKeel stated that it is often about personal relationships, and the culture happening in the U.S. currently has made recruitment and retention harder for the police department, and she feels the dialogue that bashes the government has not helped in the situation.

Ms. Gerome stated that staff would be coming back in a few months with more information, and thanked the boards for their input.

Agenda Item No. 2.3. United Way – Pre-K Update.

This item was removed from the agenda and would be scheduled for a future date.

Agenda Item No. 3.1. Matters Not Listed on the Agenda. None.

Agenda Item No. 4.1. Adjournment.

At 4:50 p.m., hearing no objections, Dr. Acuff adjourned the meeting of the Albemarle County School Board.

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Chairman

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Clerk