

Monroe County Community School Corporation  
**BOARD OF SCHOOL TRUSTEES**  
**Work Session – August 26, 2009**

**MEMORANDA**

The Board of School Trustees of the Monroe County Community School Corporation met in work session at 5:00 p.m. on Wednesday, August 26, 2009, at the Temporary Administration Building, which is located at 401 E. Miller Drive, Bloomington, Indiana.

**Board members present:** Jeannine Butler, Valerie Merriam, Lois Sabo-Skelton and Sue Wanzer

**Board members absent:** John Hamilton, Jim Muehling and Vicki Streiff

**Also present:** Tim Thrasher, Comptroller; Mike Scherer, Director of Extended Services; Janet Tupper, Administrative Assistant; and Stew Cutshall, citizen.

**Also present for discussion of a Health Care Clinic** – MCCSC Insurance Committee Members: Peggy Chambers, Assistant Superintendent for Human Resources and Personnel; Sandi Brinson, Director of Human Resources; Doug Johnson, Insurance/Benefits Consultant; Linda Richardson, MCEA President; Paul Farmer, BHS South Teacher; Terry Daugherty, Instructional Technology Coordinator; Gray Estabrook, School Psychologist; Mark Schenk, Highland Park Teacher; Jeff Henderson, BHS North Principal; Randy Tackett, AFSCME President; Norma Owens, AFSCME Officer.

The meeting was called to order at 5:05 p.m. and President Butler stated that the purpose for this meeting was to discuss the 2010 Budgets and Health Care Clinic.

1. **2010 Budgets** – Mr. Thrasher shared copies of the 2010 Budgets, the legal advertisement, information on the impact of ADM change on state support and an estimated change in tax rates. (Copies of these documents are included with the official record of this meeting.) He said although most of the stimulus money was earmarked for special education and Title I, the school system did receive some stimulus money (\$435,000) that will be included in the General Fund. This money was recovered for the General Fund because we spent that amount more for special education in 2009 than in 2008; it will help offset tuition support lost because of declining enrollment. Mr. Thrasher said it appears that we lost about 150 students to the Project School plus others to make 200 fewer students this year. There is a possibility that additional students will be enrolling, especially when Indiana University classes begin and new families move into the area.

Mr. Thrasher had prepared two projections: one assuming a 1% increase in salaries and the other with a 2% decrease in salary and benefit lines. He said it would be very difficult to negotiate a decrease but it is a way to bring down the size of the budget – it would probably be a reduction in the number of positions (certified and support) rather than a decrease in salary. He said the latter projection would make it possible to retain an operating balance of about \$833,000, which would still be a substantial decline in the operating balance. In reality, it would be necessary to cut more than 2% of the budget to keep that balance. He said any cuts in 2009 would be helpful but we have contractual obligations. Upcoming negotiations will give us a better idea about possibilities. Right now teachers and administrators have statutory requirements for 2009-2010 contracts; a plan for reductions will soon have to be developed. Mr. Thrasher said his preference is to advertise the budget with the decrease (\$69,561,688 in the General Fund) which means we will have to provide a recommendation to make cuts.

In response to questions posed by Board members, Mr. Thrasher said the tax levy is being raised on the Debt Service Fund (DSF) and the Capital Projects Fund (CPF). He said more maintenance costs have been transferred to the CPF. He will explain in budget hearings the reasons for recommending an adjusted budget with 2% decrease, cutting positions and what that does to the operating balance. He reviewed a summary of the three-year CPF plan and mentioned that the school system received P.L. 221 money from the state, specifically for staff development. He reviewed revenue estimates and Form 4-b, noting that the tax rates are inflated because the Department of Local Government Finance recommends using 90% of assessed valuation.

During ensuing discussion, Mike Scherer agreed to check out safety issues raised regarding rubber used on playgrounds. The School Bus Replacement Fund includes money to purchase two activity buses as well as replacement buses. In conclusion, Mr. Thrasher said the Board will be asked to authorize advertising the budget on September 1; a hearing will be held on September 15 and the budget will be adopted on October 6.

2. **Health Care Clinic** – Mr. Thrasher introduced Insurance Committee members and commended them for their commitment in that most attended every meeting. He shared a brief overview of the services and expected costs of a proposed on-site Health Care Clinic. (A copy of this information is included with the official record of this meeting.) He explained that the clinic is intended to be free of charge for members of our insurance group; the clinic will have the ability to give some prescriptions; initially the clinic will be in operation 16 hours per week 50 weeks per year with a goal of three appointments per hour and appointments can be made online; participation would be optional; the clinic would need to have a 70% utilization rate to break even. Mr. Thrasher said we hope to realize a substantial savings in hopes of keeping insurance premiums down. He acknowledged that it would have the opposite effect if the clinic loses money. He said the committee is committed to making people aware of this benefit and to encouraging participation.

Mr. Johnson said the committee visited two clinics, one serving Franklin Township, Perry Township, Southport and Beech Grove and another at Brownsburg schools. He said the committee used very conservative assumptions that we can get 70% utilization of a clinic. He said Warren Township Schools opened a clinic in April and they had the right culture – committee, teachers and administrators engaged in the process – and they are about to achieve 75% utilization. He believes that same culture exists here. He said if additional hours are needed, that could be done; the more the clinic is utilized the more profitable it is.

In response to a question, Mr. Johnson said the committee did receive two RFPs (requests for proposals) – one from Novia and one from Infinity. He said Novia did not have any clinics to visit at that time, although both are respected and provide the same service. However, Infinity is a subsidiary of Community Hospitals and is significantly less in operating costs and per visit.

Given information shared earlier in the meeting regarding the budget situation, Dr. Butler voiced concern if the insurance fund goes bankrupt; she understands that if the insurance reserve fund goes down, premiums will go up and if they go up the MCCSC General Fund costs go up. Mr. Thrasher confirmed that the General Fund is not insulated. Mr. Johnson, Mr. Thrasher and Linda Richardson responded to additional questions posed by Board members. It was noted that the initial agreement would be for a three-year contract. If there are personnel issues, Infinity would take care of it. The committee used our corporation's data to run the analysis. Although we have a wellness program, the wellness coach with the clinic would be able to reach many more people. Community Hospital would be the overseer and responsible for hiring three people to staff the clinic. They would also carry liability and malpractice insurance and assume overhead costs.

The school system would provide a facility; the plan is that one of the buildings on Miller Drive would be renovated to make appropriate space for a clinic. The estimated cost for remodeling is \$100 per square foot or approximately \$180,000. The facility cost would be paid from the Capital Projects Fund. The plan for the clinic to be open 16 hours per week is a starting point; it is anticipated that operating hours from 2:00 to 6:00 p.m. would accommodate more people thereby producing a higher utilization rate. Other clinics found that such a different model – seeing three patients per hour instead of ten or fifteen – was a concept that allows a doctor who wants to help people make the same amount of money per hour without rushing patients in and out and without overhead. Mr. Johnson anticipates there will not be a shortage of physicians who would be attracted to this model. The clinic physician will make referrals to specialists if needed. The committee did talk about increasing hours available for appointments during flu season, for example. If the right personnel are hired, the clinic will be very customer service minded.

Ms. Richardson explained that the committee's hope is that people who put off care will not do that. She said committee members believe we have to do something or our health care costs will continue to spiral upward. Mr. Johnson confirmed that the clinic will not be a full service office but it is at this time committee members feel this is an investment that they are willing to make to control what is within their control, which includes free health assessments and free wellness exams. He said they hope by making this investment today, they will bend the curve.

Dr. Sabo-Skelton said she would like to see one of the clinics in place and talk to people there. Ms. Merriam said she also wishes to visit area health care clinics that the insurance committee had visited. In response to a question, Mr. Johnson said Infinity has been running clinics for about 15 years. He noted that the local Cook clinic has been in place for many years. Ms. Wanzer said she supports this model but is a little reticent if something does not go as planned. She wondered if there is a possibility of combining with other employee groups.

During ensuing discussion, Mr. Johnson said he looked at some analyses that Novia had done and their overhead was greater but it scared the committee that they made more aggressive assumptions. He said the committee asked the same questions that Board members posed and at first Mr. Thrasher was very reluctant because of cost. He said when contacts were made with school officials where clinics are in place, they all said it was the best public relations move that any of the corporations have done. He said the ability of the plan to offer a less expensive option is a positive. Dr. Butler would like to have some research that school corporations have done that they added people who could not afford a plan. She said it is a selling point that we could offer insurance to people who otherwise could not afford it. Mr. Thrasher said he can ask the question. He added that our school system employer contribution is smaller than he would like to see it. Mr. Johnson responded that the committee is trying to finalize plan designs for a January 1 timeline.

Board members present agreed that they would like to have additional time to discuss the Health Care Clinic and proposed that this be a topic for discussion at a work session to be held prior to the regular meeting on September 1. In the interim, Board members agreed to send questions to Mr. Thrasher so that he will have responses for the September 1 discussion.

Board members thanked the Insurance Committee for its work and expressed appreciation to those who attended the meeting for this discussion.

**Adjournment** – The meeting was adjourned at 7:10 p.m.

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Jeannine Butler, President

ABSENT

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Victoria I. Streiff, Secretary

ABSENT

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Jim Muehling, Member

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Susan P. Wanzer, Member

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Valerie Merriam, Vice President

ABSENT

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John Hamilton, Assistant Secretary

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Lois Sabo-Skelton, Member