

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on October 13, 2010, at 2:30 p.m., Fourth Floor Conference Room, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from October 12, 2010. (Note: The 3:00 p.m., joint meeting with the School Board was held in Room 241, Second Floor, County Office Building.)

PRESENT: Mr. Kenneth C. Boyd, Mr. Lindsay G. Dorrier, Jr., Ms. Ann Mallek, Mr. Dennis S. Rooker, Mr. Duane E. Snow and Mr. Rodney S. Thomas.

OFFICERS PRESENT: County Executive, Robert W. Tucker, Jr., Assistant County Executive, Thomas W. Foley, County Attorney, Larry W. Davis, Clerk, Ella W. Jordan, and Senior Deputy Clerk, Meagan Hoy.

Agenda Item No. 1. The meeting was called to order at 2:30 p.m., by the Chair, Ms. Mallek.

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Agenda Item No. 2. Closed Meeting.

At 2:31 p.m., Mr. Thomas **moved** the Board go into closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia under Subsection (1) to consider an appointment to a regional board.

Ms. Boyd **seconded** the motion.

Roll was called and the motion carried by the following recorded vote:

AYES: Ms. Mallek, Mr. Rooker, Mr. Snow, Mr. Thomas, Mr. Boyd and Mr. Dorrier.

NAYS: None.

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Agenda Item No. 3. Certify Closed Meeting.

At 3:00 p.m., the Board reconvened into open meeting and Mr. Thomas **moved** that the Board certify by recorded vote that to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed session were heard, discussed, or considered in the closed meeting. Mr. Boyd **seconded** the motion.

Roll was called and the motion carried by the following recorded vote:

AYES: Ms. Mallek, Mr. Rooker, Mr. Snow, Mr. Thomas, Mr. Boyd and Mr. Dorrier.

NAYS: None.

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Agenda Item No. 4. **Joint Meeting with School Board.**

SCHOOL BOARD MEMBERS PRESENT: Mr. Stephen Koleszar, Ms. Diantha McKeel, Mr. Harley Miles, Ms. Barbara Massie Mouly (arrived at 4:06 p.m.), Mr. Ronnie Price, Sr., and Mr. Eric Strucko.

SCHOOL BOARD MEMBER ABSENT: Ms. Pamela Moynihan.

SCHOOL BOARD STAFF PRESENT: Dr. Pam Moran, Superintendent, Dr. Bruce Benson, Assistant Superintendent for Planning and Operations, Mr. Billy Haun, Assistant Superintendent for Student Learning, Mr. Jackson Zimmerman, Executive Director of Fiscal Services, Ms. Annie Kim, Senior Assistant County Attorney, and Ms. Jennifer Johnston, School Board Clerk.

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Ms. Mallek, Chair, called the Board of Supervisors meeting to order at 3:10 p.m.

Mr. Price, Chairman, called the School Board meeting to order at the same time.

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Agenda Item No. 5. Presentation: School Division base line budget review and future funding needs.

Dr. Benson said that the School Board is hoping to reconnect the August retreat between the Board and School Board. This is the next step in working towards communication during the budget process. They will be presenting some challenges identified by the School Division that they hope the Board of Supervisors will take into consideration in planning the next five year financial picture for the County. At the end of this discussion, he and Mr. Foley would come back for a discussion of the Fund Balance.

Mr. Foley commented that the Board had a strategic planning retreat June 2010, and one of the key issues they identified was improving communication and budget sharing with the School Board in order to improve the entire financial planning process. Mr. Foley provided to the Boards a copy of the information discussed by the Board of Supervisors at its work session on October 12<sup>th</sup>. He noted that the topic of the discussion was repositioning for a sustainable future. This is the Board's beginning of their preliminary five-year financial planning process of which the School system is a major part. They are

hoping to increase an understanding of County expenditures in the budget development process. He and Dr. Benson have worked closely together to put this in context with the Board's broad goal. He also stated that considering both short-term and long-term needs for the future is also critical for the Board to get a good perspective on from the School Board. Yesterday, the Board heard from the Police and Parks and Recreations Departments, and also about overall County government – where they saw some needs for the short term and long term future. Mr. Foley reiterated that the purpose of this meeting is to increase an understanding of the School Board's budget process and future needs. He also encouraged School Board members to attend the Board's five-year financial plan work session on November 3, a process that will finish in December and lead into the annual budget process in early 2011. He said that staff has extended this five-year planning process, adding that the better job done on the front end the better job they will be able to do with the annual budget process.

Dr. Benson welcomed Dr. Bill Boshier for coming and facilitating this meeting.

Dr. Boshier said that the last experience he had with the Board and School Board left him with a real strong feeling about what an ideal situation the County had in discussing very openly some issues that most other localities are dealing with, adding that most are not talking about as openly. He also commented the best companies in the world do not have openings for a CEO, they have succession plans, and Albemarle is really a model in that regard. Dr. Boshier emphasized that this is a budget process, and there would be illustrations of how budget components are developed so the Boards can reach down and test that. He said that in the first discussion he had with the Boards indicated that it is okay to differ on policy, but he does not believe that they differ on information. Dr. Boshier stated that the unpardonable sin is not trusting one another or believing the data, and both boards said to him that any disagreements should be worked out with one another and not in sound bites.

Dr. Boshier emphasized that the boards also informed him as to why Albemarle is known to have the best governments and best school systems in Virginia, citing high quality of life and fiscal responsibility as primary reasons for that. He said that the closer the County is to being efficient, the more contentious it becomes when further cuts are needed. Dr. Boshier also stated that the County has very active and engaged citizens, and committees and commissions, which is a tremendous asset. Albemarle has a first echelon school system and a genuine commitment to innovation. It is wonderful that the two boards acknowledged that one of their strengths is their respective staffs and workforce with excellent leadership at both the County and School level.

Dr. Boshier stated that there are also key concerns. First is the lack of agreement on important data. The easiest thing to say when you disagree is to say the information is not right. There needs to be a process for airing and resolving disputes. He added that these two boards need to get to a point where they can trust each other. He emphasized that the two boards police one another, and the reality is that the only accountability comes between the two. The last concern was about a process for informing the community about challenges and the choices around those challenges.

Dr. Boshier stated that the next steps that emerged from both boards' previous discussions include letting this joint meeting serve as a model for an open and candid exchange of information, ideas and concerns. The second step was to establish a "clearing house" process that relies on the offices of the Superintendent and County Executive to consider queries on differences of opinion regarding information. This does not mean creating more bureaucracy; it means you have a couple of people who can use the resources around them to discuss the differences around numbers. The boards also talked about having another joint meeting in late November or December to review projections, refine the process and discuss potential major revenue or expense issues.

He stated that he believes that Albemarle County is one of the greatest opportunities he has ever seen for economic development. There is now a renewed focus on that, with the Board of Supervisors expressing its support for it, a School Board that has produced a really strong, enviable product in terms of the quality of schools, and a significant engine in the University of Virginia. Dr. Boshier cautioned the boards not to become overly dependent upon any single institution to be its economic driver, as that can provide a false sense of support. He also commented that the Chamber of Commerce here is really engaged for a community this size.

Dr. Benson said that it is a different world for them today in education as there are more expectations, challenges in terms of resources, and higher stakes for children. He noted that there has been a significant increase in the number of students who have limited English proficiency, an increase with the number of assessments given, an overall increase in enrollment of approximately 400 students, which was not in projections. Since these numbers were not anticipated, they had to use some one time monies to provide additional staffing. He also noted that the numbers being provided to the boards are September 11<sup>th</sup> because they have not yet verified September 30<sup>th</sup> enrollment. These numbers do not include preschool students.

Mr. Rooker asked if the schools have a sense of how many students have entered the school system whose parents are affiliated with the DIA, and the percentage that might make up of total DIA deployment.

Dr. Benson responded that they have not done that level of analysis yet, but are currently doing an analysis of where the student growth came from. They are speculating that the growth is more associated with contractors, adding that some others are coming from private schools.

Dr. Moran pointed out that the bulk of DIA employees have not relocated here yet.

Mr. Rooker added that he is not certain they have finalized who is coming and what the numbers are, but from that information, the County should be able to estimate new enrollees from those DIA families.

Dr. Benson said they cannot make projections at this time, but it is an area they are monitoring.

Mr. Boyd commented that given the proximity of DIA to Greene County, there may also be a number of people locating there.

Mr. Strucko commented that he wants to make sure they have the school capacity in the area where the growth is occurring, and if not, they should use some of the proffer money that went through the rezoning.

Dr. Benson commented that there are some challenges in that area in that they have some overcrowding issues that warrants some smart redistricting in the not too distant future.

Mr. Dorrier asked Dr. Benson if he could provide information on the number of home schooled children and those who attend private schools.

Dr. Benson replied that they have a pretty good handle on the home schooled, and he would try to obtain more definitive information on the private schools.

He also mentioned that the shift from State responsibility to local responsibility for funding is well known to the Board of Supervisors in a variety of areas, including schools. Dr. Benson said that the Division start out a year with an adopted budget, then issue contracts, and then receive a reduction in revenues that they must deal with. He stated that the challenge is that the schools have to issue contracts to teachers and therefore do not have the same flexibility they might have with our overall workforce, moving forward. Dr. Benson said that there has been much discussion with adopted versus actual. One of the reasons that the schools use the adopted budget is they want to capture what happens during the course of a year in the reduction of available resources. He added that they want to tell that story, and they think that is an important story to be told. Dr. Benson added that it is not that they are trying to make it look like there is a much larger reduction that they have to make; it is just a matter of fact for the Division.

Mr. Strucko asked Dr. Benson if the difference between adopted and actual is one of forecasting, as there is always a margin of error with forecasting.

Dr. Benson responded that the school system gets projections in terms of revenues from both the locality and from the state that are used to build the budget, but in the course of the year revenue collections are not what they should be. He replied so there is some margin of error there.

Mr. Rooker stated that it is very helpful to have both the adopted and actual numbers.

Mr. Boyd asked why there was a difference in the adopted and actual spent in September 2010.

Dr. Benson replied that there are not a large number of unallocated FTEs that would contribute to the fund balance, just a small number of emergency FTEs that are built into the budget to help work with un-projected enrollment growth, and this year what was budgeted with recurring monies was not enough to cover the additional 185 students that showed up. He said that there are savings that accrue during the course of the year when departments are asked to cut back on operations spending, in order to have a rainy day fund to protect schools against any future revenue shortfalls, which have played out very well for the school division in the last couple of years.

Mr. Boyd commented that it would be helpful to have those kinds of narratives to accompany that information, similar to what the Board receives in their quarterly reports.

Dr. Benson presented the State SOQs that are associated with FTEs, i.e. the number of people the state says schools need to have in certain areas, adding that the State says that an elementary school up to 299 students only needs to have a half-time principal, which means they will only fund their share of the staffing.

Dr. Moran said that in many divisions throughout the state, localities are paying more for those positions than the state reimburses. She also reported that something that does not exist from 12 years ago as an SOQ is that the schools staff English-language learners at a specific ratio, a provision that was recently added.

Dr. Benson noted that Albemarle has local standards with staffing, and the School Board is hopeful that the County will work towards more than the state minimum. He reported that the state also suggests that a half-time Assistant Principal is needed at the elementary level when the school reaches 600 students. Using Cale as an example, Dr. Benson asked the Board what it would be like to run the school with all of the programs, all of the evaluations, teachers, classified, the whole bit, falling on your shoulders as a single principal with no other administrative support. In his opinion that is daunting and an overwhelming challenge. He said that Albemarle has established a set of standards in each area that is a more reasonable expectation in order to deliver a quality education.

Mr. Boyd asked if any other school divisions in the state operate with these guidelines.

Dr. Benson responded that most school divisions contribute something above what the state suggests is a minimum expectation, and there is usually a discussion as to whether that is the right number. He mentioned a dialogue the schools had a few years ago with guidance counselors, advocating to increase that staffing, particularly at the secondary level, so that they could develop more of a relationship with kids and help them move through the process of being successful in school and preparing for life after school.

Mr. Thomas said that he hears that there are a lot of extra personnel in the classrooms today.

Dr. Benson stated that expectations are a big part of it, as what schools are expected to do with every student are much higher, especially because of the No Child Left Behind movement.

Dr. Moran provided an example of one difference, stating that principals today basically function almost like mini-CEOs in terms of managing budgets, which is a much more significant part of the job.

Dr. Boshier pointed out that the Standards of Quality are established by the General Assembly, and there is always the argument as to whether the mandates are fully funded. He noted that when they are fully funded, you do not have the flexibility that you had when they were not. Dr. Boshier said that he does not really know of a single school division that only hits the state minimum, adding that some operate really close to that mark, such as Virginia Beach, which has an economy that can make up the difference. He stated that the Standards of Learning and Standards of Accreditation are subsets of the SOQs, adding that there is a whole different issue of a composite index, which ranges from .2 to .8. Dr. Boshier said that this approach kind of keeps the balance between I-95, I-81 and I-64. There is more money that comes down I-95 that goes up, and since education is a state function that's the way it is supposed to be. He said that on I-64, it is moving west.

Mr. Price asked him if it would be safe to say that the SOQs and SOLs are the minimums. Dr. Boshier replied, absolutely.

Mr. Price said that today the School Board and School Division are very progressive and are reaching for a much higher level of attainment, as well as a more competitive student body.

Mr. Strucko added that the citizens are also demanding it.

Ms. McKeel stated that she has a 43-year-old and 29-year-old who both went through this School Division, and it is a very different school system in quality.

Mr. Price said that as an African-American who may not even have been allowed to go to school at that time he can say that the minimum does not look very good.

Mr. Rooker mentioned that the increasing competition throughout the state for students to get into colleges is much, much higher than it has been in the past.

Dr. Moran noted that just 12 years ago, Albemarle schools had 365 college-level AP courses, and last year there were 3,640.

Mr. Boyd asked if it might be possible to have assistant principals function the same, but not have the same educational requirements and doctoral degrees that cost the County more money.

Dr. Benson pointed out that the budget specialists in the schools are more bookkeeper-like positions.

Mr. Strucko commented that having those people frees up assistant principals to focus on education instead of administration.

Dr. Boshier said that it does not work to have a setup where the schools say we give you the needs, you give us the money because everybody must work within the context of balancing a budget and that sets up an adversarial relationship to begin with. He said that it is up to both groups to give themselves revenue pressure but also provide programmatic pressure.

Mr. Boyd stated that Dr. Boshier did not talk about philosophies when he was talking about trust and respect, and the philosophies that different people bring to this table here are very, very important in these discussions that they are having here. For example, yesterday the Board heard about the need for additional police officers.

Dr. Boshier commented that both groups must find a way to resolve those differences because they have one thing in common, they serve the same people.

Mr. Price stated that one way not to resolve it is to say that one board does not understand, adding that the School Board is very aware of the impact to other parts of the budget, as many of those affect the schools also. He added that in their budget conversations, they constantly talk about the competing resources on your plate.

Ms. McKeel said that in the process, it does not help those situations when the members of the other Board go on radio or to the press and say that the School Board or School staff are being vindictive. She thinks they need to watch how they talk about their boards if they want to create respect and trust, and that goes for the School Board as well. There is a lot of rhetoric sometimes that comes from both

boards. Just recently, the School Board and School staff has been accused of being vindictive. Ms. McKeel reiterated that it does not help the community if that is the level at which the conversation has to go.

Mr. Rooker commented that the County's mission statement includes a vision and goals, one of which says to work with the School Board to create a world-class education system, and the Schools also have that as part of their mission statement. He added they have to work together to achieve that goal. He added that the composition of the population in the schools has become increasingly more difficult and expensive to deal with, as there is a higher percentage of students who do not speak English and a higher minority population. Mr. Rooker said they need to get beyond rhetoric, certainly, they need to look at facts, and they need to look at the hard data to help make the hard decisions that are necessary to achieve their goals in the most fiscally responsible way for all of them.

Mr. Dorrier said that some school systems have public-private partnerships, and Albemarle should develop some process or procedure to rely on University of Virginia faculty for support, private business and industry for support, and the business community for support. He does not think enough of that is done in this County.

Mr. Strucko stated that the schools certainly have the support of the business community, as the Chamber of Commerce has written to them directly and stated that the public school system should be a pivotal element in any kind of economic development policy. He said that he would also like to get some practical information out of this meeting and asked, what is the outlook for next year, less money, same amount, more?

Mr. Thomas responded that the Board will know more in a few weeks as they go through their five-year plan.

Mr. Boyd said he can assure everyone that it is not going to be any easier next year than it was this year.

Mr. Strucko asked if that means they will be looking at less money.

Mr. Boyd responded, "yes".

Mr. Strucko mentioned that the schools used one-time money out of the state that they know will not be there, and asked if local government could be counted on to make up that difference or not.

Dr. Boshier stated that while that is real and important, today is not the day the boards agreed to negotiate those points.

Mr. Strucko said that he is not looking to negotiation, he is looking to prepare.

Dr. Boshier commented that today is the process used to generate those specifics; he does not think the specifics exist on either side at this point.

Ms. Mallek responded that they probably won't exist until May.

Mr. Koleszar stated that over the last two or three years, the schools have made cuts, increased class sizes, and gutted Central Office, which has very negatively impacted the quality of education in Albemarle County. He said that the schools have received a number of emails from parents who have stated that the experiences their freshmen are getting this year are not as good as those of their older siblings who went through the same system.

Dr. Benson said that he does have some information that might help inform that five-year model. He reported that County schools have 2,165 FTEs, with 108 in Administration including Athletic Directors, Guidance Directors, lead coaches, etc; 469 non-professional classified staff; 476 professional/classified; 7 School Board members and 1,114 FTE teachers. He stated that Division has made a number of reductions in schools over the last several years as well as a number of reductions in Central Office, such as centralized services and fewer bus drivers. Dr. Benson said that they have tried to keep cuts away from classrooms as much as possible until the last year, with class sizes increased for grades 4-12 by one. He mentioned that the School Board spoke with their counterpart in Fairfax, and said that that locality provides a position efficiency comparison, which compares non-school based management positions to total positions in the organization. Dr. Benson said that Fairfax gets together with superintendents in their peer market and determines what will be counted in certain categories, so that they get an apples-to-apples comparison. He stated that the position efficiency level for Albemarle schools is 1.7, which is not as low as some and not as high as some, so it is in the ballpark.

Dr. Moran emphasized that the size of these districts can be significantly different from Albemarle's, noting that Fairfax County has 35,000 students in special education.

Mr. Boyd asked for an example as to how the position efficiency is calculated.

Dr. Benson explained that they categorize the positions that would be counted as non-school based management positions, adding that there a number of things in Albemarle's administrative category that they would not include in their count. He added the value is having an agreement across your entities to say, this is what you are counting.

Mr. Rooker commented that the number is helpful in a comparative fashion, as you can make some valid comparisons from locality to locality if it is standardized.

Dr. Moran noted that there are positions that are funded because of the scope of the program to be served, regardless of how many kids or teachers are in the system, such as school nurses.

Dr. Benson presented information on FTE reductions that County schools have taken in preparation for the 2010-11 school year based upon actions the Board took during the budget process. He said that there has been a lot of dialogue about not cutting the number of staff as planned. He explained that the positions were cut but then they had un-projected growth that had to be addressed. Dr. Benson stated that there were enrollment changes in schools that caused them to either get more, or have some staffing taken away from them if they did not hit their enrollment targets. He explained that they had class size increases that caused an adjustment in their FTEs, and the eight-period day had no impact on the elementary schools in terms of staffing, with an impact at the middle school level and the most impact at the high school level. Dr. Benson said the budgeted amount reduced came out to -20.78, which is the number of teachers eliminated during the budget process for last year that caused those employees to go into the RIF pool. He stated that there was also an increase in enrollment, with 185 students more than projected, so additional staff was allocated, but mostly through the use of one-time funds.

Mr. Rooker asked how much one-time fund amount was used. Dr. Benson said they allocated a little more than 13 FTEs in additional staffing; only two of them were funded out of recurring monies with the remainder funded out of one-time monies.

Mr. Boyd asked how many counties in Albemarle's comparative area calculate differential staffing.

Dr. Benson responded that he does not know, but it would be something interesting to look at in the competitive market.

Mr. Boyd said that the public does not always realize when there is an average class size of 21 students, it means there might be some with 30 students and some with 10 students.

Dr. Benson stated that the schools do a class-size report that does an analysis that shows individual class sizes. He added that Mr. Haun would be presenting a case study of Western Albemarle between this year and last year.

Ms. McKeel said that she is not sure everyone knows what differentiated staffing is.

Dr. Benson explained that schools measure at-risk students based upon the number that receive free and reduced lunch, and that number entitles schools to additional staffing.

Mr. Rooker asked if schools get additional state funding if they are in the at-risk category.

Mr. Boyd responded that it is just unique to Albemarle, and came about because of the demographic changes that came about with Monticello High School.

Dr. Moran commented that there has been an "up tick" in the percentage of students identified for free and reduced lunch, with some schools pushing into the 70% range, which is very unique for Albemarle schools.

Dr. Boshier commented that the state uses the same proxy, the same poverty figures.

Mr. Haun began by presenting class size data for Western Albemarle in 2009-10, noting that they had no classes of 30 or more students; for English classes they had 13 sections that were 20 students or less, with the average class size at 17; and Math had 15 sections with the average class size at 17. Mr. Haun pointed out that some of those classes are limited by state standards, and some are limited because they are more advanced college-preparatory classes or fourth and fifth year language classes. He stated that the principals and teachers have made a great decision by staffing honors level AP courses for 28-30 students, to be able keep the lower level classes at 18-20 students.

Mr. Boyd asked if larger schools have larger class sizes because they have greater overall enrollment.

Mr. Haun responded that in some classes that is the case, citing Kathy Kauffman at Albemarle High School as an example has 35 students in AB Calculus and two sections of BC Calculus; whereas at Monticello and Western there is only one section of each.

Mr. Dorrier asked if adjunct professors can be used for some language classes.

Mr. Haun replied that they can if you can find them, noting that currently Western Albemarle is doing a virtual Japanese course purchased through Henrico County, and one at Monticello for Chinese.

Mr. Dorrier commented that using adjuncts saves money. Mr. Haun responded that there is some cost-savings, but there is also a relatively expensive fee for virtual courses.

Mr. Strucko added that there must be the proper technological infrastructure in order to offer virtual courses.

Mr. Haun mentioned that with one virtual course with UVA, the math teacher who was supervising the class ended up doing as much teaching as supervising. You do not get off totally free when you do a virtual course, you've got to have the infrastructure and then the technology available to do those pieces.

Ms. McKeel asked if someone would clarify for Board members why it is a big deal to add one student to a class.

Mr. Haun responded that in an elementary school, adding a student is just adding a student, but by the time you get to high school, adding an average of one student per class could mean that some teachers are getting several students and some teachers are getting none, with those students almost always going to a core class such as math or language.

Ms. McKeel explained that that is why during the budget sessions last year the School Board was very reticent to add students back into the high school classrooms. In some classes they were adding 4-6 students.

Mr. Snow asked for some clarification of the elementary school scenario.

Mr. Haun responded that those schools have very nice class numbers, as the School Board intentionally did not increase K-3. He added if students can read coming out of the second or third grade, they have a really good chance of being successful and being high school graduates. Mr. Haun said if they cannot read coming out of the second or third grade, you have an issue and you are going to be dealing with it until they get to the 12<sup>th</sup> grade. He added that there are also some schools that receive a grant to keep the K-3 classroom sizes below 17. Dr. Moran commented that it is called the Class Size Reduction Fund.

Mr. Snow asked if most of the high school classes with 30 or more are with seniors, or across the Board. Mr. Haun replied that they are across the Board. He added that in 2009-10, Western had 77 sections that were 20 or less; in 2010-2011, they had 82 sections. He said that they have 40 sections that are in the 30+ student range, and last year there were none.

Ms. Mallek asked if the enrollment for the science class is both lecture and a lab section, as one section has 51 students.

Mr. Haun explained that Gary Albright is the only teacher certified to teach Astronomy, but he teaches at JMU and can only teach one section, so he is going to try the college model of meeting in the Auditorium and see how it goes.

Mr. Haun said that Debbie Collins, Director of Elementary Education, would walk the Board through the process of staffing, noting that Principals work on staffing from December of the current school year to September of the next school year. He said that in December Principals begin projecting enrollment and forming a plan by talking to staff and grade-level leaders, and by January and February they must make some staffing decisions. Mr. Haun stated that by April or May as the budget gets finalized, further staffing and course selections are made, focusing on hard to fill positions such as special education, science and math. He said that from May through August the Principal builds a schedule, continuing to look at staffing and filling vacant positions. Mr. Haun added that the biggest challenge during that time is kindergarten enrollment, as the schools try to get all children registered by a certain date but cannot always do so.

Mr. Dorrier asked when the teachers sign their contracts. Mr. Haun replied that it depends when the budget gets approved.

Dr. Moran stated that the contracts must be given to teachers by June 1, but that is the latest date. She explained that when schools found out there would be additional enrollment, they signed some new contracts, and even moved staff from schools that were under-enrolled to those that were over-enrolled.

Mr. Haun said that after the ten day enrollment they not only add staff, but they take away staff. Principals must be very sharp in their planning, because fluctuating enrollment may mean that a school loses or gains a teacher. He also explained that by September, with the ten-day enrollment, the final FTE adjustments are made.

Dr. Moran noted for the next part of the presentation that about 82% of the schools budget is in personnel, of which the majority is teacher/educators.

Ms. Collins addressed the Board, presenting information from the budget book which shows how many FTEs are sent to each of the schools, including projected enrollment, the formula for each column that shows the allocation for each school per year, etc. She explained that each school is required to provide a staffing plan based on their allocations, including special education, ESOL, Title I funds in addition to the staffing piece. Ms. Collins said that if there are 15 special education students, for example, those schools get teacher allocations based on that number. Ms. Collins then using Baker-Butler Elementary School as an example, walked the Board through the staffing and planning process.

Dr. Moran noted that that is formula driven, and the Federal government's promise to fully fund special education has never materialized, with only 14% out of the 40% promised being funded.

Ms. Collins presented some questions that were asked of principals in order to provide insight into what they were thinking about while they were developing their plans.

Dr. Benson said that the schools wanted to show the Board that this is a comprehensive process; it is monitored closely, driven by formula and student enrollment.

Mr. Dorrier asked how it is determined how many assistants will be assigned per class. Dr. Benson and Ms. McKeel responded that it is done by formula.

Mr. Koleszar added that the actual class size, number of sections and number of teacher assistants is determined by the Principal within their staffing allocation, with some collaboration with Central Office.

Dr. Benson then presented information on the per-pupil cost as reported by the Superintendent's Annual Report for Virginia. He said that part of the challenge with this data is consistency in common definitions in what is being reported from other localities. He said that Albemarle spends \$12,506 per student, but comparatively this needs to be viewed with some scrutiny as some entities may not include things like transportation or utility costs if those things are provided by a different section of government. He added it is not an apples-to-apples comparison. Dr. Benson explained that in Northern Virginia, localities came up with an agreement as to what to report so there would be more of a true comparison.

Dr. Benson said that Albemarle often uses Hanover for comparison, and at the elementary level that locality has 15 elementary schools compared to Albemarle's 16, but the schools in Hanover are larger, and total enrollment is greater. He pointed out that there is no elementary school in that county where enrollment is under 200 and only five elementary schools have enrollment under 500, adding that there are definitely economies of scale that result in lower per-pupil expenditures when you have larger schools. Dr. Benson emphasized that it becomes a philosophical issue as to how much small schools are valued, and those elements need to be taken into consideration.

Dr. Moran stated that recently she had spoken with the Hanover Superintendent, who at one point worked in Albemarle County, and he reminded her that Hanover is a significantly smaller geographic area than Albemarle so there is a transportation factor he does not have to deal with. She added this is a major one for Albemarle.

Dr. Boshier commented that he has lived in Hanover for 35 years, and will be meeting with the County Administrator and Superintendent there tomorrow. He said it is a great system and the two biggest variables in these numbers are the age of the staff, as that makes salaries higher, and the debt service. Dr. Boshier noted that one year Hampton had one of the largest per-pupil expenditures in the state even though they had reduced enrollment because they had a very mature staff at the top of the scale. He added that it did not have anything to do with efficiency.

Dr. Boshier also mentioned that debt service is treated a little differently in Albemarle because it is carried on the County side, instead of on the School side. He emphasized that when it is reported to the State, though, it must be reported the same way as other localities so these are fair numbers.

Dr. Benson said the next slide takes a look at the moneys that have been allocated for initiatives and reductions over the last five years. He then highlighted the Advancement Via Individual Determination (AVID) initiative, which provides a support structure and mentoring in the school to help students move into more advanced coursework at the high school level, and hopefully move onto college.

Dr. Moran emphasized that this is a group of children that do not fall into the category of at-risk kids or high-flyers, but are the students in the middle who are perhaps first-generation college students and need extra support to learn the skill sets in order to achieve that.

Dr. Benson explained that there are teaching FTEs allocated to this program, operational costs at the school, professional development associated with it. The cost to serve the 232 students in AVID currently is \$1,000 per student. It is a philosophical position in terms of whether or not there is value in that, what is it worth to us as a community to help a group of students that might not be headed to college think about that as a real possibility for them, and provide the support structure that they might need in order to be prepared to do that.

Dr. Moran stated that in sitting on the Governor's Commission on Higher Education, she has noted that the prior Governor had the Council on Virginia's Economic Future, which did a study that determined that the State needs 100,000 additional college degrees over the next 15 years in order for Virginia to be economically competitive both nationally and internationally. She said that the current Governor has totally validated that by saying it is imperative to do that in order to take care of the State's economic future. She added this is the kind of program that we are building in our schools that will support our kids being able to meet that governor's objective.

Mr. Rooker asked when this program was first implemented.

Dr. Benson responded that it started four years ago, and the first group of students is getting ready to graduate. He confirmed that the schools are going to track their progress as they move on to help inform Return on Investment. Dr. Benson said that sometimes the County must spend money in order to recoup some savings, and transportation has been one area of focus, with implementation of GPS systems and pocket clocks (including iTouch devices) for workers, costing the County \$312,000 in initial investment. He stated that with the analytics this system has provided, the School Transportation

Department has been able to rationalize and consolidate routes, reduce the number of stops, combine routes, and measure accountability of planned routes versus actual execution. They have distributed a parking model to get the buses closer to where they start and real-time feedback. Dr. Benson noted that there has been a reduction over two fiscal years of almost \$1.5 million in operational costs in that Department. He added there was an investment, but the savings have been tremendous. In addition bus drivers are having fewer dollars in their take-home pay as a result of these efficiencies.

Mr. Boyd said it would be helpful to have things like this explained in the budget narrative.

Dr. Moran pointed out that this initiative is one that came out of the Resource Utilization Study, which prompted the County to go in and really take apart a Department because of our comparable data and do those kinds of reductions.

Dr. Benson added that schools have the same concerns as the Board of Supervisors related to the CIP in terms of maintenance, replacement and infrastructure. He also said that starting teacher salaries have remained competitive, with Albemarle in the bottom of the top quartile, but there is a large number of teachers who are eligible for retirement, so the County will need to attract a relatively large number of new teachers in the near future.

Dr. Benson said there are a number of issues that the Superintendent and School Board see as critical challenges moving forward: compensation; CIP, especially the school's wireless infrastructure; VRS, as the rate for school divisions is variable.

Dr. Moran interjected that in two years the Schools may be hit with an increase. (**Note:** Mr. Zimmerman spoke off the recording and it was inaudible).

Mr. Koleszar reiterated what Mr. Zimmerman had said: the percentage of VRS for professionals is approximately \$800,000 in the School budget, or a 12% increase that would total about \$10.0 million.

Dr. Moran commented that the School Board has had a legislative position on this that says this is one of those "pay later" that will not be to the advantage of the school division, which is a little different than local government. She also mentioned that Betsy Dailey, the Director of the Senate Finance Committee, who indicated that national forecasters are looking at decreased revenue projections for Virginia in the next year, a drop of potentially growth from 3.2 down to 2.6.

Dr. Benson stated that other challenges include un-projected enrollment growth; use of one-time monies for recurring costs; an assessment model that goes beyond Virginia's SOL, workforce college readiness skills; and human capital management and professional development.

Ms. Mallek suggested that the discussion pertaining to future challenges be addressed at another meeting next week so that it is not being rushed through.

Board members agreed.

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Agenda Item No. 6. From the Boards: Matters Not Listed on the Agenda.

Dr. Benson reported that today is the official resignation of the current Director of Human Resources. He asked the School Board to consider appointing Lorna Gerome as Acting Director of Human Resources while the search process is underway.

Ms. McKeel **moved** that Ms. Gerome serve as the interim Director of Human Resources. Mr. Koleszar **seconded** the motion. On a voice call vote, all members voted aye. There were no nays.

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Ms. Mallek **moved** that the Board of Supervisors appoint Ms. Lorna Gerome as the Acting Director of Human Resources, effective October 13, 2010. Mr. Rooker **seconded** the motion. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Rooker, Ms. Mallek, Mr. Snow, Mr. Thomas, Mr. Boyd and Mr. Dorrier.  
NAYS: None.

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Ms. McKeel commented that she hopes there will be time to revisit the critical challenges discussion.

Ms. Mallek said she hopes Administration can find a few hours the following week.

Dr. Moran added that if Board members have individual questions, they can forward those electronically.

Dr. Boshier commended Board members for their open dialogue. He then came back to Mr. Boyd's early comment about philosophy, stating that when the cost per unit for delivering services to a student at one school versus another will not be resolved by metrics, that issue is going to be resolved by

philosophy. He added that the economics are obvious, and when those things are resolved between the boards it takes both numbers and philosophy, and the middle ground.

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Agenda Item No. 7. Adjourn.

At 5:13 p.m., Ms. McKeel **moved** to adjourn the School Board. Mr. Koleszar **seconded** the motion. On a voice call vote, all voted aye. There were no nays.

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The Board of Supervisors recessed to attend the Extension Service of Virginia's Open House in the Lobby of the County Office Building. (**Note:** The Board reconvened at 6:00 p.m., in the Lane Auditorium for its regular night meeting.)

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Chairman

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| Approved by Board |
| Date: 032/02/2011 |
| Initials: EWJ     |