



Office of the School Board

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February 22, 2010

Ms. Ann Mallek, Chair
Albemarle County Board of Supervisors
401 McIntire Road
Charlottesville, VA 22902

Dear Chairwoman Mallek and Albemarle County Board of Supervisors Members:

Strong schools equal strong communities. More than 95 percent of residents polled last year agreed that education is their number one priority for the county. *Forbes* magazine recognized the strength of Albemarle County Public Schools in 2008 when it named our county one of only 20 "Top Places to Raise a Family" in the nation, and the only locality in Virginia. *Expansion* magazine touted our public schools as it selected Albemarle County as one of the best places to locate a business in 2007. We know that the quality of a community's public schools is directly related not only to the quality of life in that community, but also is the most important factor in developing and maintaining the economic vitality of a region.

Our county's public schools are in grave danger, and their decline predicts the decline of our entire community. The \$145.2 million funding request we are submitting to you is a bare bones, needs-based budget that incorporates about \$6.1 million in reductions, and anticipates the loss of 40 full time teachers and classified staff. It returns state funding to 2005-06 levels, and makes deep cuts that will take years to overcome. It demands that our staff adjust to fast-paced, far-reaching changes in scheduling and workload, it requires them to take on more work for less pay, and asks them to deliver high student achievement with significantly reduced resources and support. All this while our enrollment is growing and our operational and benefits costs are increasing.

This funding request represents a diligent effort on the part of the school board to consider the fiscal reality our schools face for 2010-11 and also to meet the charge we are given by authority of the Commonwealth: to advocate for the needs of our community's children and present to you a request that reflects those needs. We have done our part and made agonizing decisions that put valued employees out of work and jeopardize our student's achievement. We have met the original revenue projections for our school division, balancing to the reduced local revenues and first round of state funding cuts.

But the request we present to you does not fully meet the revenue gap we face. In the past week, we have learned that Albemarle County will likely now receive approximately \$8.5 million less revenue from the state. These further reductions stem from a \$5.22 million loss of Composite Index funding, and about \$3.3 million in additional state cuts to K-12 education just announced by Governor McDonnell on February 17th. The magnitude of these reductions is catastrophic and puts the very future of our community at stake.



To meet the additional reductions of approximately \$8.5 million that we may anticipate from the state, we will have to take reductions of a breadth and depth that are unfathomable for this community. Each one of these options comes with additional widespread job losses. These include:

- Further increasing class size up to four additional students per grade (loss of 29-69 teachers/staff, \$1.5 to \$4.1 million);
- Reducing the extra staffing we provide to help our most at-risk students (loss of 14 teachers, \$~970K)
- Eliminating elementary art, music and physical education teachers above the minimum state requirements (loss of 14 teachers, \$940K);
- Eliminating support for instructional programs throughout the Division (\$111K)
- Division-wide furloughs of 5 days, an approximately two percent reduction in pay for all employees, if allowable with instructional clock hour requirements set by state (~\$2.5 million).

These reductions will directly affect the quality of the educational experience for our children, will affect their achievement, will affect the reputation of our schools, and will affect our community. Economic development efforts will be severely hampered as businesses and families think twice about relocating to Albemarle, a locality that does not adequately fund its schools, that has allowed them to decline, that has decided maintaining one of the lowest real estate tax rates in the country in one of the healthiest, wealthiest localities in the state is more important than their own community's vitality and their children's future.

There are no more operating budget cuts that can be made without significantly compromising basic levels of service. For the third straight year, we have reduced multiple centralized support positions, including another five positions from the central office again this year. With bare minimum administrative staff in our buildings and at the Division level now, and with 83 percent of our budget comprised of personnel expenses, there is no place else for us to go other than our people in our classrooms.


We will be working to strategically reduce our workforce. We ask for access to the School Division's \$820,000 in "lockbox" funds preserved from this year's revenue for budget crises. The crisis is now. With those funds we plan to offer early retirement incentives, separation pay for employees who involuntarily lose their jobs, and incentives for vested employees to volunteer to leave their positions, reducing the number of positions lost by force. Those funds allow us to make reductions that will maintain essential personnel for our operations and our sustainability and will provide the ability to treat our employees with dignity and respect as we are forced to ask them to leave a job they are dedicated to, believe in, and perform well. As we implement the reductions included in this request, and brace ourselves for the likelihood of additional cuts, we need these lockbox funds to accomplish our reductions appropriately and responsibly.

We are doing our part. We are seeking additional revenue to uphold our schools. This funding request includes an unprecedented student activity fee of \$75 per student per sport to offset the costs of those programs. It increases our building rental fees, which we anticipate will result in about \$50,000 more in revenues. And we, as a board, are aggressively pursuing a Composite Index calculation adjustment from the General Assembly through Delegate Bell's budget amendment, at the cost of damaging our relations with the city. We took these actions because we believe it is important for us to seek every source of revenue available to our schools.

We ask nothing less from you, the governing body of Albemarle County. We hope you share our pride and our passion about our schools. We hope you, too, will pursue every revenue option to stop the domino effect of drastic reductions that are devastating to our school division and debilitating to our community.

We ask you to do your part to keep our schools strong, to keep our community one of the best places to locate a business and to raise a family. We ask as a school division in crisis, knowing you have the opportunity to lessen its severity and to demonstrate your commitment to your constituents' number one priority: education.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronnie Price".

Ronnie J. Price, Sr.
Chairman



2010-11 Fiscal Year School Division Funding Request At-a-Glance: *Values and Stewardship for a Stronger Tomorrow*

The 2010-11 school division funding request:

- Represents a total dollar amount that is \$3.75 million less than 2009-10 adopted budget.
- With board direction, this funding request was created with the following priorities:
 - Maintain commitment to the Strategic Plan
 - Provide resources to support high-quality teaching and learning through Division levers: the Framework for Quality Learning, the Teacher Performance Appraisal, and the Professional Learning Community Model
 - Provide support for continued innovation
 - Position the organization so it is able to recover as economy recovers
 - Make decisions based on available revenues, rather than solely on needs.
- At the joint direction of the Board of Supervisors and School Board, no salary increases are funded for teaching or classified staff; however increases in employee health care and retirement costs are included.

Revenue and Expenses

- \$136.40 million in revenues
 - Incorporates a projected \$8.8M decline in state revenues
 - Incorporates original decline of \$363,000 decline in state revenues
 - Assumes Composite Index changes implemented per Governor McDonnell's proposed budget (-\$5.2M)
 - Assumes reductions in state revenue are forthcoming as indicated by Gov. McDonnell (-\$2.8M)
 - Assumes -\$0.50M in state sales tax reductions
 - Incorporates a projected \$4 million decline in local revenues
 - Assumes the current real-estate tax rate of \$0.742 for revenues available to the school division
 - Does not balance expenses to available revenue: an additional \$8.8 million in either increased revenue or additional reductions is necessary.
 - Overall, a 8.45% decrease in revenues from budgeted FY 2009-10
- \$145.23 million in expenses
 - \$148.9 million budget adopted for 2009-10 school year
 - \$6.1 million in budget cuts, all departments, schools, and personnel affected
 - Increases class size by one student in grades 4-12
 - No cuts to art, music, P.E., media specialists, or gifted services
 - Continued substantial reductions of central office and support positions (e.g. building services, transportation) to reduce costs and focus on core services
 - ~\$4M in increases for health insurance, retirement, and growth in numbers of students incorporated

Identified Increases and Reductions

- The School Board's Funding Request includes no percentage or step raise for teachers, and no merit or scale-adjustment raise for classified employees. Teacher compensation scale is adjusted accordingly.
- The joint boards directed the school division to cover an estimated 8 percent increase in health and dental care premiums at a total cost of ~\$953,000.
- All department and school eligible operational budgets were cut by 10 percent.
- Many central support departments absorbed an additional 5 percent reduction in both operational and personnel expenditures (totaling more than 15% in operating funds).
- The budget incorporates a reduction of 30.45 full-time equivalent positions, 21.78 of which are teaching personnel. An additional ~14 bus driver and transportation assistant positions will also be reduced through transportation routing changes. Many of these positions will be lost through attrition, but there are some direct position and programmatic cuts that will be made using reduction in force.
- Learning resources (textbooks, databases, and consumable materials) have been reduced by 50 percent or \$500,000 dollars.
- A 4 x 4 Modified Block Schedule will be implemented at all County high schools. Teachers will teach 6 out of 8 classes, vs. the current assignment of 5 out of 7 classes. This change increases the number of courses a student may take during their high school career, but adds a full class of students to the workload of secondary teachers.
- Two elementary principals will be reduced as a single full-time principal will be shared between Yancey and Scottsville Elementary and between Red Hill and Murray Elementary schools.
- The Transportation department budget is reduced by nearly \$400,000, as efficiencies in routing, compensation, and program delivery are implemented. There will be fewer bus routes, longer bus ride times, expanded walk zones, and fewer bus drivers.
- Energy policy changes will be implemented to save heating/cooling and other utility costs, and building rental charges to community organizations will be increased.
- Professional development reimbursement funds will be reduced by 50 percent.
- Changes in the athletic program offerings will be made:
 - A student activity fee of \$75 per student, per sport, with a cap of \$450 per family will be enacted.
 - Junior Varsity coaching assistants will be eliminated at all high schools.
- Program reductions in instructional support, student services, educational program support, CATEC support, community engagement, executive services (superintendent, board, discipline hearings, communications), vocational education, human resources, fiscal services, and operations and planning support will be made.
- Additional position cuts at the central office will be taken, including leadership reductions.
- Assistant principal positions and emergency staffing will be reduced.
- Class size is increased by one student in grades 4-12.
- Incorporates nearly \$3 million in increases in health insurance, dental insurance, and retirement costs.
- Incorporates \$1.1 million in Growth & Operational Increases due to enrollment growth and increased operational costs such as fuel, utilities and insurance.
- Adds the position of full-time Hispanic-Latino Relations Coordinator, which had previously been 0.50 FTE.

Changes from Superintendent's Requested to School Board's Requested

Proposal	Revenues	Expenditures	Shortfall
Superintendent's Requested	\$144.95 M	\$145.88 M	-\$0.92 M
School Board Requested	\$136.40 M	\$145.23 M	-\$8.83 M

Revenues: \$136.40M

State Reductions: -\$8.83M* (Based on data from February 18, 2010)

- Incorporates original decline of \$363,000 decline in state revenues
- Assumes Composite Index changes implemented per Governor McDonnell's proposed budget (-\$5.2M)
- Assumes reductions in state revenue are forthcoming as indicated by Gov. McDonnell (-\$2.8M)
- Assumes -\$0.50M in state sales tax reductions

Local Revenue: -\$57,517 (Based on data from February 3, 2010)

- HR Transfer : -\$1,428
- Local Transfer: -\$56,089

Total Revenue Changes from Superintendent's Requested: -\$8.83M

Expenses Requested \$144.23 M

Additional Operational Increases added by School Board: \$416,049

- Restore funding for Dept. of Social Services Family Support Workers in Schools: +\$190,000
- Increase Latino Relations Coordinator to Full-Time: +0.50 FTE, +\$48,212
- Restore 9th Grade Athletics Teams: +\$23,892
- Demographic/Technical Changes due to Enrollment Projections: +\$153,945

Reductions by the School Board: (\$1,071,068)

Reduce two elementary principals by sharing a principal between Yancey and Scottsville Elementary Schools and Red Hill and Murray Elementary Schools (-2.0 FTE, \$233,288)

Move to 8-period Schedule for Secondary Schools with Teachers teaching 6 of 8 classes vs. current 5 of 7. (-12.68 FTE, \$837,780)

Total Expenditure Changes from Superintendent's Requested: -\$655,019

* State revenues are in a constant state of flux.

School Division Revenues vs. Expenditures

