

VIRGINIA:

A FY 2018-19 Joint Budget Work Session of the Lancaster County Board of Supervisors and the Lancaster County School Board was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, February 22, 2018.

Board of
Supervisors

Members Present: William R. Lee, Chair

Jason D. Bellows, Vice Chair

Jack D. Larson, Board Member

Ernest W. Palin, Jr., Board Member

Robert S. Westbrook, Board Member

School Board

Members Present: Audrey Thomasson, Chair

Joan Gravatt, Board Member

Kenya Moody, Board Member

Katherine Keith, Board Member

Carolyn Young, Vice Chair, was absent.

Mr. Lee and Ms. Thomasson called the meeting to order.

BUDGET CONSIDERATION

Ms. Thomasson stated that she wanted to introduce one of the new school board members, Katherine Keith who represents District 1. She stated that the second new board member, from District 5, was Carolyn Young, but she was not able to attend today's meeting.

Mr. Lee stated that the purpose of the meeting was to start talks about the proposed FY 2018-19 Lancaster County Public Schools budget. He stated that it was the first work session of the year.

Ms. Thomasson referred to an article in the Rappahannock Record and stated that the article was about the budget that was proposed at the school board meeting last week, but the school board had decided against that budget. She stated that the budget

eliminated one of the at-risk programs for four year olds and some of the teacher salaries. She stated that they were very concerned about the teacher salaries because the County is last in salaries compared to nearby localities. She stated that the budget they are proposing today addresses those issues.

Steve Parker, Lancaster County Public Schools Superintendent, referred to his presentation and asked why do they have a budget process. He stated that was because the state code requires them to do so. He stated that he has heard the term “reversion” over the years, but there is no reversion, just unexpended funds. He stated that it is important to remember that the budget is an estimate of the amount of money deemed to be needed during the next fiscal year for the support of the public schools. He stated that the budget process also ensures close alignment between the school board vision, strategic plan and the allocation of resources. He stated that the responsibility of being good stewards of public funds is something they take very seriously.

Mr. Parker stated that his three priorities really have not changed since he has been with Lancaster County. He stated that they are attracting and retaining high quality staff, maintaining appropriate student-teacher ratios for at-risk students and continued student growth. He stated that he has made presentations to the school board about the teacher shortage crisis, not only in Virginia, but across the country. He stated that in October 2017, there were 1200 vacant teaching positions in the state, but Lancaster County was fortunate that it was fully staffed from day one. He stated that health care costs continue to rise and we need to remain competitive. He stated that the salary increases that his staff received last year did not cover the increase in health insurance premiums. He referred to the second item about maintaining an appropriate student-teacher ratio for at-risk students and stated that Lancaster County has a very high at-risk population. He stated that the percentage of our students at or below one hundred percent of the federal poverty level is twice the state average. He stated that the state average is approximately fourteen percent and Lancaster County is at twenty-eight percent. He stated that sixty-eight percent of our students receive free or reduced lunch. He stated that the students in poverty come to school ill prepared to learn and meeting those needs requires small class sizes.

Mr. Parker referred to the revenue summary portion of the presentation and stated that it was based on a projected average daily membership of 1080 and the proposed Governor’s budget. He stated that they are waiting on the final budget from the General Assembly and estimates that should come the first week in March.

Mr. Lee asked if the average daily membership of 1080 was an estimate.

Mr. Parker replied yes. He stated that currently they are at 1084.

Mr. Parker referred to revenues and stated that they had a reduction in the state reimbursed Virginia Pre-School Initiative slots. He stated that two years ago, there were forty-eight reimbursed slots. This year, there are forty-six reimbursed slots and

next year, the state has projected the kindergarten enrollment to be much lower. He stated that this translates into a \$53,000 decrease in VPI funding from the state. He stated that they also received a slight reduction in federal funding. He stated that there had been an increase in the local composite index and a loss in the average daily membership, so because of that, the Governor's budget includes approximately \$327,000 in a one-time loss of mitigation. He stated that \$327,000 is not included in the second year of the biennium, so that is something to keep in mind for next year.

Mr. Parker referred to expenditures by category and stated that seventy-one percent goes to instruction, which is on target with state wide expenditures. He explained the per pupil expenditures. He stated that, for comparison, Falls Church in FY 16 had the highest per pupil expenditures at a cost of \$19,250, with an average daily membership of over 2400, while Highland County's figure was \$19,243 with an average daily membership of only 209. He stated that the reason for this was because the lower the average daily membership, the higher the per pupil expenditures are going to be because there are always costs that have to be paid regardless of the numbers of students.

Mr. Parker stated that, three years ago, it was discovered that seventy-two percent of our students were reading two or more grade levels below what they should be. He stated that, at the end of last year, that level was at fifty-one percent and he believes that by the end of this year, they will be closer to forty percent. He stated that the earlier the intervention, the better. He stated that ninety percent of our current third graders, as of January, are reading at or above grade level.

Ms. Thomasson stated that can be attributed to the three and four year old programs.

Mr. Parker referred to per pupil expenditures and stated that Lancaster County spends more money on transportation than its neighbors and chooses to separate the primary from the secondary students. He stated that they spend over \$500,000 every year on preschool and he believed that it was an important step in making the schools academically successful. He stated that the research he has reviewed says that one dollar spent on preschool intervention equates to seven dollars saved in the future expenses to the community. He stated that they spend over \$500,000 to serve a small number of special needs children, but it is non-negotiable. He stated that they have three aging facilities and pay a great deal in utilities, as well as three cafeterias, three administrative staffs and three custodial staffs.

Mr. Parker referred to the student-teacher ratio slide and stated that the first column, which identifies teachers in Kindergarten through seventh grade, then eighth grade through twelfth grade, as being 18.2 and 19.7 respectively. He stated that those numbers are as of today.

Mr. Larson asked where the figures on the state website came from concerning the student-teacher ratio.

Mr. Parker replied that they are taken from the master calendar submissions. He stated that, to be clear, the state uses classroom teachers and not the interventionists, elective and expanded core teachers and the special education teachers, who are not classroom teachers according to the state's definition.

Mr. Parker referred to expenditures highlights and stated that the school system needed to maintain a competitive teacher salary regionally. He stated that the salary committee met this fall and recommended a 4.1 percent adjustment to the teacher salary scale, which would bring the starting teacher salary to \$40,000. He stated that they are recommending a three percent salary increase for other staff members. He stated that they are proposing to increase the health insurance contribution from \$475 a month to \$535 a month. He stated that their VRS employer contribution has been reduced this year. He stated that the Regional Special Education tuition has been reduced by \$100,000 and this will be the last year for that.

Mr. Parker referred to regional salary comparisons and stated that Lancaster County is last compared to the other six counties in the region.

Dr. Westbrook asked if he was referring to starting salaries.

Mr. Parker replied yes.

Ms. Thomasson stated that we are competing for teachers with many other localities as well.

Mr. Bellows stated that Virginia ranks forty-fifth for teacher pay in the nation.

Mr. Parker referred to health insurance and stated that, at the present time, there is a \$475 contribution with the employee-only premium costing \$513.97.

Mr. Bellows asked if he knew what the insurance increase would be this year.

Mr. Parker replied not yet.

Ms. Thomasson stated that the raises given in the past have been eaten up by the health insurance increases.

Mr. Parker referred to the teacher absentee rate graph and stated that the absentee rate has dropped in the last two years and they are not spending as much money on substitute teachers.

Mr. Parker referred to the total budget breakdown by source graph and stated that the local source of school funding has stayed relatively constant over the last ten years. He stated that over a ten-year period, they have only increased local funding by \$650,541 or 6.6 percent.

Mr. Parker explained the graph that compared the education contribution from the County to the total County expenditures. He stated that the total County expenditures in the last six years had risen significantly. He stated that, to be fair, the total County expenditures include capital outlays, but the school expenditures do not. He stated that the schools are thirty-six percent of the total County budget. He stated that the fifty-three percent that was mentioned earlier includes pass through state and federal funds, which are not a local contribution.

Mr. Parker stated that was the end of his presentation.

Ms. Thomasson stated that the school staff and community volunteers deserve a lot of credit. She stated that the school budget has remained almost flat for many years and they were here to say that they need their budget increased.

Mrs. Moody stated that considering the rising costs of things such as rent, she thought a starting salary of \$40,000 was still being stingy. She stated that these people teach our children.

Ms. Thomasson stated that the school board would like to be allowed to carryover the leftover funds, should there be any. She stated that they would like to start carrying the funds over, so that they can offer an incentive plan for teachers to sign on with Lancaster County. She stated that the plan could include helping a teacher with rent or moving expenses.

Mr. Lee asked what the requirement would be on the teacher's part.

Mr. Parker replied that they have not worked out all of the details yet. He stated that they would also like to help some local people with tuition assistance as well. He stated that the carryover funds could also help mitigate the loss of the Title II funds.

Dr. Westbrook stated that when he was on the school board, he asked about setting aside the carryover funds in a special account and was told it was illegal to do so. He stated that he has since found out that it is not illegal.

Ms. Thomasson stated that with the carryover funds from the last few years, they could have purchased the land for the new schools and started the architectural design phase.

Mr. Parker stated that schools are an economic development driver and can make or break economic development in a community.

Dr. Westbrook stated that he would like to applaud Mr. Parker. He stated that Mr. Parker has evaluated what he needs, but it is still under what he would want for the schools.

Mrs. Gravatt stated that the school board is asking for what it truly needs. She stated that the children were our responsibility and our future. She stated that it can be tough to talk about raising taxes.

Dr. Westbrook stated that it doesn't necessarily have to involve raising taxes. He stated that taxes are decided after everything else has been decided.

Ms. Thomasson stated that some of the County departments need to eliminate waste like the schools have done.

Mrs. Moody stated that she was elected to the school board to do what is best for students, teachers and this community.

Mr. Parker stated that the sooner they can get an idea about the budget from the Board of Supervisors, the sooner they can start recruiting teachers.

Mr. Lee stated that the Board of Supervisors will probably have its first budget work session around the middle of March and will take a look at everything that has been proposed at that time.

Ms. Thomasson asked about the timeline from last year.

Mr. Gill stated that, last year, the school board budget public hearing was held on April 20th and the adoption was on April 27th.

ADJOURNMENT

Mr. Lee adjourned the Board of Supervisors's meeting until 7:00 p.m.

Ms. Thomasson adjourned the School Board meeting.