Note: A full recording of the meeting is on file in the Clerk's Office and on the School Division website.

A Budget Work Session of the Albemarle County School Board was held on January 26, 2010 at 6:30 p.m., Room 241, County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

PRESENT: Mr. Stephen Koleszar; Mrs. Diantha McKeel; Mr. Brian Wheeler; Mrs. Barbara Massie Mouly (arrived at 6:35 p.m.); Mrs. Pamela Moynihan; Mr. Eric Strucko; and Mr. Ronnie Price.

ABSENT: None.

STAFF PRESENT: Dr. Pam Moran, Superintendent**;** Dr. Bruce Benson, Assistant Superintendent for Operations and Planning Systems; Mr. Billy Haun, Assistant Superintendent for Student Learning; Mr. Jackson Zimmermann, Executive Director of Fiscal Services; and Mrs. Jennifer Johnston, Clerk.

Agenda Item 1.1. Call Order.

Mr. Price called the meeting to order at 6:32 p.m.

Agenda Item 1.2. Agenda.

Mr. Koleszar offered a **motion** to approve the agenda as presented. Mrs. McKeel **seconded** the motion, **and the motion passed with Mrs. Mouly absent.**

Agenda Item 2.1. Budget Work Session.

Mr. Zimmermann provided an overview of the timeline for the Board to develop and submit a funding request to the Board of Supervisors.

Revenues

Mr. Zimmermann provided background information on the revenue situation that the division is currently in.

Mr. Koleszar asked if the $144.95M assume the revenue in Governor Kaine's budget and have there been any adjustments to the incoming Governor's recommendations? Mr. Zimmermann said that these numbers are assuming that Governor Kaine's proposal. Is there any way we could make a realistic approximation or adjustment because he does not see how $2M less revenue over the biennium with the amount of money in Kaine's budget for K-12 state aid will survive. Mr. Zimmermann said that it is likely that will be a decline, however, the new Governor has not brought forward any proposals in terms of how the reductions are to take place. Dr. Moran said that in recent discussions she is aware that we will see some additional revenue reductions from the state.

Mr. Koleszar said that he would like to face the brutal reality in this budget rather than going on a hope and a prayer. Mr. Zimmermann said that this budget is not balanced to any specific revenue number. We know that the revenues most likely will decline, but we are not sure by how much.

Mr. Wheeler said that we need to think about the differential between the adopted budgets and the revenues received. We need to be clear in how we explain this.

Mr. Koleszar said that it would be more accurate if we showed the amount of fund balance being used to make the budget whole included as revenue. Mr. Zimmermann said that we have about 200 more students than we projected. We do allocate additional staff to cover those students even if it exceeds the number of FTEs budgeted for, and fund balance is used to cover the costs associated with this change.

Mr. Zimmermann then reviewed with the Board what is found in each of the categories within the budget. He then provided the Board with how staff got from last year's budget to the current Superintendent's Funding Request.

Mrs. Moynihan asked if we pay more to PREP than we do to Transportation. Mr. Zimmermann said that we pay to PREP than we do for direct operational expenses to Transportation. PREP is one of those areas that is a regional program that offers services that are more expensive to us to contract with private vendors. We pay PREP and we get reimbursed for certain services from the State. Kevin Kirst can answer questions about the reimbursements for services.

Mrs. Moynihan asked if the other original partners on PREP do they pay the same similar amount the County does? Mrs. McKeel said that the reimbursement if based on the composite index. Mrs. Moynihan asked who paid for the building services. Mr. Wheeler said that all those localities participating share the cost of those services. Mrs. McKeel said that Fluvanna is the fiscal agent for PREP.

Mr. Price asked much the division spends on Human Resources. Mr. Zimmermann said that he is not sure. It is important to keep in mind that 20-25 percent of the Human Resources budget is reimbursed by local government.

Mr. Zimmermann wrapped up the presentation by asking that the Board have discussion over the next two meetings about each of the proposed reductions in the budget.

Mrs. McKeel said that it is possible that some of the reductions recommended for the second year may have to be used in the current year depending on the revenue shortfall.

Mr. Strucko asked staff if at year end, they would expect the expense level be less than the adopted budget. Mr. Zimmermann said that the financial requirements require that expenses do not exceed appropriated funds.

Mr. Koleszar said that he is concerned about the cuts in staff development. He is also concerned about the vertical teams handling the work that was previously done by the content coordinators.

Mrs. Moynihan said that she would like to see what Dr. Moran is thinking about for reductions in central office staff or all staff reductions.

Mrs. McKeel said that she would like more information on the recommendation for athletics.

Mrs. Moynihan asked how the reduction in textbook funding impact learning materials for students.

Mrs. Mouly asked about the increase in class size increase. How will it impact electives at the high school and middle school?

Mr. Wheeler said that the Board needs to be thinking out two years. He would like to know how this is being integrated into the County Executive's budget.

Mr. Price said that he would like to see prioritization of the recommendations on the impacts on the division.

Mr. Wheeler asked what is in the Other Wages/Benefits line items in the budgets. Mr. Zimmermann said it includes substitute wages, overtime wages, stipends, etc.

Mrs. Moynihan asked for more information on what staff would be thinking of in terms of potential furloughs. There are rumors going around about what will be happening. She feels it is important for staff to know what may happen.

Agenda Item 3.1. Other Business by Board Members/Superintendent.

Mr. Wheeler noted that he will not be able to attend the Federal Relations Network NSBA conference as originally planned.

Mrs. McKeel said that Dr. Moran has been recognized as one of the nation's top ten K-12 executives for their ed tech leadership and vision by *e-School News*.

Agenda Item 4.1. Adjournment.

At 8:34 p.m., Mrs. McKeel offered a **motion** to adjourn the meeting of the Albemarle County School Board. Mrs. Moynihan **seconded** the motion, **and the motion passed unanimously.**

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Chairman

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Clerk