

A Special Meeting of the Albemarle County School Board was held on January 16, 2014 at 6:30 p.m., Lane Auditorium, County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

PRESENT: Mr. Stephen Koleszar; Mrs. Kate Acuff; Mr. Ned Gallaway; Mrs. Pamela Moynihan; Mrs. Barbara Massie Mouly; Mr. Jason Buyaki; and Mr. Eric Strucko.

ABSENT: None.

STAFF PRESENT: Dr. Pam Moran, Superintendent; Dr. Billy Haun, Assistant Superintendent for Student Learning; Dr. Matthew Haas, Assistant Superintendent for Organization and Human Resource Leadership; Mr. Jackson Zimmermann, Executive Director of Fiscal Services; Mr. Dean Tistadt, Chief Operating Officer; and Mrs. Jennifer Johnston, Clerk.

Agenda Item No. 1.1. Call Order.

Mr. Gallaway called the meeting to order at 6:30 p.m.

Agenda Item No. 1.2. Pledge of Allegiance.

Agenda Item No. 1.3. Moment of Silence.

Agenda Item No. 1.4. Agenda.

Mr. Buyaki offered a **motion** to approve the agenda. Mr. Koleszar **seconded** the motion, **and the motion passed.**

Agenda Item No. 2.1. Superintendent's Funding Request Presentation.

Dr. Moran presented the proposed funding request for FY2014/15.

Among the more famous and thoughtful poems taught in our English classes is Robert Frost's *The Road Not Taken*, written nearly 100 years ago. It describes the decision-making dilemma we all face so many times in our lives when the right choice is not obvious.

While we may not immediately know the right path to take, what experience teaches us is that the direction we choose usually leads to life-altering consequences. So it is with budgets, which are the ultimate choice documents.

As we approach the midpoint of the second decade of the 21st century, there are before our students and throughout our country, two roads.

One path is described by statistics that tell us the economic dislocations of years past have not yet been righted. Research reveals, for instance, that the average age of a fast-food worker in the U.S. is not 18, but 28. And, a healthy percentage of this population attended college. A report by the Economic Policy Institute concludes that real wages for workers with a college degree are continuing to decline year-over-year and now are about where they were more than 15 years ago. The percentage of people between the ages of 25 and 54 who have a job today is exactly what it was in 2009, when the recession officially ended. Many of our graduates from that period now are preparing to enter this highly uncertain workforce. The road before them will be determined by the quality of their education.

We have seen, however, the early potential of a far better landing point. It is captured by the middle school students who are working with the Smithsonian Museum to recreate early American inventions using original design drawings from the Museum's archives and a 3D printer. The Museum will use their work to develop a curriculum for schools across the United States. It is captured by the elementary school students who are Skyping with scientists in Antarctica to enhance classroom study of climate and geography, and by the high school students who are using GIS technologies to see deep inside historic battlefields to better understand how and why those battles turned the course of nations.

All of these students are learning how to think critically, imaginatively and collaboratively to solve problems. They are leveraging the nearly limitless resources of technology in this 21st century world and using the skills of the 21st century workplace to position themselves for lifelong success as learners, workers and citizens, in fulfillment of our strategic goal.

This is the road our parents and communities have chosen for their children. We know that because:

- We heard it from parents and community leaders during our strategic planning process in 2013;
- Educational excellence is emphasized in Albemarle County's strategic plan; and,
- Our county long has valued its investment in the potential of each and every student.

This is not a road without cost. An accumulation of reduced revenues through and now after the recessionary years was met by multi-million dollar cuts in our expenses and programs deferred in order to deliver balanced budgets without significant or lasting damage to the classroom.

Over time, however, the cumulative effect of lost revenues is having an impact. For example, if our funding from the state simply remained at the same level it was in 2008-09 through this year, we would have received an additional \$20 million. Since 2008-09, the revenue we received from local government has been nearly \$15 million below projections at the time our budgets were adopted.

This continuing revenue shortfall coincides with \$6.8 million in directed or mandated increases in expenditures for the 2014-15 school year. This includes \$2.3 million in new Virginia Retirement System contributions required by the General Assembly and, at the direction of the School Board and the Board of Supervisors, \$2.3 million for a two-percent increase in employee compensation and \$980,000 in employee medical insurance costs. It adds \$816,000 to support an increase in overall student enrollment as well as growth and changing demographics in our special education and ESOL populations.

Of the \$164 million in expenditures in this funding request, only \$732,000, or less than one-half of one percent, is for new initiatives.

Overall, we are projecting total revenues in 2014-15 will increase by just over one percent to \$157.3 million, resulting in a deficit of \$6.98 million in our 2014-15 needs-based funding request. Two significant developments this past year have reduced our ability to offset this deficit.

One year ago, local government revised their policy to restrict the school division's fund balance to two percent of our budget. Historically, we have been able to use the substantial savings we accrue during good times to offset deficits in more difficult times. As the result of the new policy, \$1.7 million was transferred to local government in 2013. Consequently, these funds are not available to help close the gap between expenditures and revenues for 2014-15.

We also have experienced a reduction of more than 70 percent in money available to us from employee turnover. Each year, we generate savings from salaries and benefits that are not paid between the time an employee leaves the school division and when their replacement is hired. Our job vacancy rate declined in 2013 from its historical average of two percent to less than one-half of one percent. We are expecting this rate to remain at its current level, thereby reducing the amount of savings we have historically realized from the vacancy rate by \$1.5 million.

So we stand at a critically important decision point, and the road we choose will have serious consequences throughout the lifetime of our students.

The current school year has been one of groundbreaking achievement measured by the height of our competitive academic performances; the breadth of state and national honors earned by our students and staff; the programs that have drawn national and international visitors; and the strong partnerships we have developed with higher education, the private sector, and government institutions such as the Smithsonian Museum.

The extraordinary contributions of our School Board, local government, community partners, teachers, staff, parents, advisory groups, and volunteers have been invaluable during the past several years of economic challenge. We must work together at this pivotal time to avoid the false premise that excellence can be achieved by lowering our sights and our ambitions for students.

Despite many years of no real increase in wages, our teachers and staff have selflessly dedicated to our students, frequently donating their own time and money to support student learning. It is why our students consistently outperform state and national averages on the Scholastic Aptitude Test; why our on-time graduation rate is among the highest in Virginia; and why two out of every three of our graduates earn an Advanced Studies Diploma. It is why our students have continued to excel even though we are spending less per pupil today than we did in 2008.

There now are two paths before us: One tells us the destination of education excellence no longer is affordable. The other refuses to negotiate the future of our children.

Agenda Item No. 2.2. Budget Process and Schedule.

Dr. Moran provided the Board with an overview of the budget process and the schedule for future work sessions.

Agenda Item No. 3.1. Other Business by Board Members/Superintendent.

Dr. Moran said that a video of the presentation will be posted on the website. She also noted that the presentation was live streamed.

Agenda Item No. 3.2. Closed Meeting.

At 7:39 p.m., Mrs. Mouly offered a **motion** that the School Board go into a closed meeting as authorized by the Virginia Freedom of Information Act, section 2.2-3711(A) of the Code of Virginia under subsection 1 to discuss and consider personnel issues related to the appointment of members to the long range planning committee and the school health advisory board. Mr. Buyaki **seconded** the motion, **and the motion passed.**

Agenda Item No. 3.3. Closed Meeting Certification.

At 8:04 p.m., Mrs. Mouly offered a **motion** 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 Meeting were heard, discussed or considered in the Closed Meeting. Mr. Buyaki **seconded** the motion. **Roll was called, and the motion passed by the following recorded vote:**

AYES: Mr. Koleszar, Mrs. Moynihan, Mr. Strucko, Mr. Gallaway, Mrs. Acuff, Mrs. Mouly and Mr. Buyaki.
NAYS: None.

Motion carried by a 7:0 vote.

Mr. Buyaki offered a **motion** to appoint the following individuals to the School Health Advisory Committee: Samuel Miller District – Dr. Jean Eby; White Hall District – Wendy Phillips; Rio District – Lisa Brown; Jack Jouett District – Mary Ray; Scottsville District – Michelle Rindos; and the At-Large seat – Alexander Grunsfield. Mr. Strucko **seconded** the motion, **and the motion passed.**

Agenda Item No. 4.1. Adjournment.

At 8:07 p.m., hearing no objections, Mr. Gallaway adjourned the meeting of the Albemarle County School Board.

Chairman

Clerk