A Special Meeting was held on April 17, 2014 at 6:30 p.m., Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

PRESENT: Dr. Ned Gallaway; Mrs. Barbara Massie Mouly (arrived at 6:43 p.m.); Ms. Kate Acuff; Mr. Eric Strucko; Mr. Stephen Koleszar; Mrs. Pamela Moynihan; and Mr. Jason Buyaki.

ABSENT: None.

STAFF PRESENT: Dr. Pamela Moran, Superintendent; Dr. Billy Haun, Assistant Superintendent for Student Learning; Dr. Matt Haas, Executive Director; Mr. Vincent Scheivert, Chief Information Officer; Mr. Dean Tistadt, Chief Operating Officer; Mr. Jackson Zimmermann, Executive Director of Fiscal Services; Mr. John Mastrandea, Budget Analyst; and Mrs. Jennifer Johnston, Clerk.

Agenda Item No. 1.1. Call to Order.

At 6:31 p.m. Mr. Gallaway, Chairman, called the meeting to order.

Agenda Item No. 1.2. Pledge of Allegiance.
Agenda Item No. 1.3. Moment of Silence.

Agenda Item No. 1.4. Agenda.

Announcements

Dr. Haas said that the annual School Division Service Awards and *We Notice* Recognition Program Ceremony will be on Thursday, April 24th, 2014. The event will be held in Lane Auditorium and on the front steps of the County Office Building from 4 PM to 6 PM, and will celebrate the dedicated service and exceptional performance of Albemarle County Public Schools employees. We will honor those with service milestones first and then recognize those whose excellent performance have been identified by their peers, students, parents, and community members. We have had over 700 nominations for *We Notice*, exceeding last year's number.

Dr. Haun provided the Board with information on the spring musicals at the three comprehensive high schools.

Agenda Item No. 2.1. FY2014-15 Budget Work Session.

Dr. Moran provided the Board with opening remarks about the Board moving forward to adopt a final budget for the School Division.

Dr. Haas provided the Board with input gathered from advisory groups within the Division such as Parent Council and County Student Council.

Dr. Haas provided the Board with an update on what staff was looking at in terms of health insurance premiums and the impact it will have on employees.

Board members noted or asked the following: 1) are there changes to the out of pocket deductibles, and 2) what was the reaction to a decrease in the discretionary funds by the committees?

Dr. Gallaway provided the Board with guidelines on how he would like the meeting to proceed when dealing with cuts to the budget.

Mrs. Mouly offered a **motion** to reduce the line item for Strategic Plan: Design 2015/Innovation Development (Western Academy) from $250,000 to $125,000. Mr. Koleszar **seconded** the motion. Mr.

Gallaway asked for discussion. There was no discussion**. Roll was called, and the motion passed by the following recorded votes:**

AYES: Mrs. Moynihan, Mr. Gallaway, Ms. Mouly, Ms. Acuff, and Mr. Koleszar.
NAYS: Mr. Buyaki and Mr. Strucko.

Motion carried by a 5:2 vote.

There was Board consensus to eliminate the line item for Interpreter/Translator Services in the amount of $50,000.

Mr. Strucko offered a **motion** to reduce the line item for the Paperless Evaluation and Professional Growth Management in the amount of $45,000. Mrs. Moynihan **seconded** the motion. **Roll was called, and the motion passed by the following recorded vote:**

AYES: Mr. Strucko, Ms. Acuff, Mrs. Moynihan, Mr. Buyaki, Mr. Gallaway and Mrs. Mouly.
NAYS: Mr. Koleszar.

Motion carried by a 6:1 vote.

Strategic Plan: Safe Schools Grant Support Continuation

Mr. Gallaway asked about the .7 FTE nurse position.

Mr. Strucko offered a **motion** to remove the line item for Strategic Plan: Safe Schools Grant Support Continuation in the amount of $250,001. Mr. Buyaki **seconded** the motion. **Roll was called, and the motion passed by the following recorded votes:**

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

Motion carried by 7:0 vote.

Learning Resources Restoration

Mr. Koleszar suggested that after July the Board may consider asking for one time money for items for such things as this.

Mr. Koleszar offered a **motion** to remove the line item for Learning Resources Restoration in the amount of $150,000. Mr. Strucko **seconded** the motion. **Roll was called, and the motion passed by the following recorded vote:**

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

Motion carried by a 7:0 vote.

Strategic Plan Support and Professional Development Restoration

Mr. Buyaki said that he does not feel that a videographer is an essential function of education. He then offered a **motion** to cut the line item for Strategic Plan Support and Professional Development Restoration in the amount of $406,291. Mr. Strucko **seconded** the motion. Mr. Strucko said that he questions the type of professional development covered in this item even though he supports more professional development. Mr.

Koleszar said that he will vote against the motion. **Roll was called, and the motion passed by the following recorded votes:**

AYES: Mrs. Mouly, Mr. Buyaki, Mr. Strucko, Ms. Acuff, Mr. Gallaway, and Mrs. Moynihan.
NAYS: Mr. Koleszar

Motion carried by a 6:1 vote.

Athletics Budget Restoration

Mr. Buyaki offered a **motion** to remove the line item for Athletics Budget Restoration in the amount of $50,000. Mr. Strucko **seconded** the motion. Mr. Gallaway asked for discussion. Ms. Acuff asked about an increase in the athletic participation fee. Mr. Tistadt said that the Board could raise the fee and allocate it to the schools but it cannot be used as a reduction effort. **Roll was called, and the motion passed by the following recorded votes:**

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

Motion carried by a 7:0 vote.

Family Support Workers

Mr. Koleszar offered a **motion** to remove from the budget the Family Support Workers. Mr. Buyaki **seconded** the motion. Mr. Gallaway asked for discussion. He then noted that the Board feels that this item is important but should be funded by local government. **Roll was called, and the motion passed by the following recorded votes:**

AYES: Ms. Acuff, Mr. Koleszar, Mr. Strucko, Mrs. Moynihan, Mr. Buyaki and Mr. Gallaway.
NAYS: Ms. Mouly.

Motion carried by a 6:1 vote.

Eliminate Reclassification Monies

Mr. Koleszar offered a **motion** to remove the reclassification monies from the budget in the amount of $90,000. Mr. Strucko **seconded** the motion. Dr. Gallaway asked for discussion. There was no discussion. **Roll was called, and the motion passed by the following recorded votes:**

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

Motion carried by a 7:0 vote.

Increase Athletic Participation Fees (Revenue)

Mr. Gallaway asked if the cap for charges per family move if the fee was increased. Dr. Haas said that is at the Board's discretion. He then asked if students are unable to pay the athletic fee, where does the money come from to cover the cost. Dr. Haas said that the school covers the cost.

Ms. Acuff asked if there were other fees charged to students for participation in such things as arts and music programs. Dr. Moran said that there are fees associated with certain classes. Those fees are approved by the Board.

Board members asked that this issue be discussed later if needed to balance the budget.

Elementary World Language Program

Ms. Acuff said that she supports maintaining the elementary world languages program. Mr. Buyaki asked if the program is not funded will the program end. Dr. Haun said that it would be difficult to grow the program in the pilot school and it would not expand to other schools. Mrs. Moynihan said that she would like to weigh other options before making a decision on world languages. It would be premature to end the program considering the investment that the Board has put into it. Mr. Strucko said that he would support keeping the funding for this program. Dr. Haun said that the Instruction Department cannot continue to provide funding to grow the program any further.

Discussion

Mr. Buyaki said that he increased class size by .25 for grades 6-12, then reduced the salary increase to one percent and then reduced department discretionary funds by 7.5 percent, the budget gap closed to approximately $202,000. Mr. Strucko asked if the Board had talked about a ten percent reduction in department budgets. Dr. Moran said yes but it is not included in the information because it can just be changed on the spreadsheet.

Mr. Strucko said that lapse factor could be reduced by $392,000 then class sizes would not have to be increased. Ms. Acuff said that she does not see the rationale for reducing lapse factor. Mr. Strucko said that he thinks it is overstated and is an estimate. Mr. Koleszar asked if stay could provide the actual lapse factor for the past several years. Mr. Tistadt said that lapse savings from last year was approximately $600,000. This year, the most updated estimate is about $900,000. The proposed budget is $600,000. If we budget more than we realize then we are going to be over on salary accounts. We have no fund balance to cover those line items. Mr. Strucko asked if stipends and annuities could be reduced. Mrs. Moynihan said that it would cut into services for students and payments to teachers. Dr. Moran said that this account has been reduced in the last several years significantly. Ms. Acuff said that she would hate to underestimate lapse factor. Dr. Haas said lapse factor changes could impact students indirectly through services provided.

Mrs. Moynihan said that she does not favor reducing discretionary funds by ten percent. She would rather look at something like a two percent reduction.

Mr. Gallaway asked if Board members were opposed to a one percent reduction in salary increases. Mr. Tistadt said that the Board was provided with information on alternative ways to implement a two percent raise for example a one percent in July and then a one percent in January. Mr. Buyaki asked about state salary increases. Mr. Zimmermann said that there were various discussions taking place currently.

Mr. Koleszar offered a **motion** to implement a one percent salary increase for classified and teachers. Mr. Strucko **seconded** the motion. **Roll was called, and the motion passed by the following recorded votes:**

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

Motion carried by a 7:0 vote.

Discretionary Funds

Mr. Koleszar said that he asked for the breakdown in the amount for schools and departments. Mr. Zimmermann said that a five percent reduction for schools is $168,870, and a five percent reduction for departments is $298,197. Mr. Strucko said that the schools represent about a third of the total.

Ms. Acuff said that she is reluctant to change the estimate for the lapse factor. If we underestimate the lapse factor, are there funds that the division will be able to draw down from?

Mr. Strucko offered a **motion** to budget for FY14/15 a lapse factor of $1 million. **Having no second to the motion, the motion failed.**

Mr. Buyaki offered a **motion** to adopt a five percent reduction in department and schools discretionary funds. Mr. Strucko **seconded** the motion. Mr. Gallaway asked for discussion. Mr. Koleszar said that he will vote against this motion. Mr. Buyaki said that there are funds being spent on bottled water and food for meetings. Ms. Acuff said that staff has said that those are the items that will be reduced first. Mrs. Mouly said that she is reluctant to reduce the discretionary funds by five percent. Mr. Strucko said that he sees it as a choice between reducing discretionary funds versus raising class sizes. Mrs. Moynihan said that she does not support the motion. **Roll was called, and the motion failed by the following recorded votes:**

AYES: Mr. Strucko, Mr. Gallaway and Mr. Buyaki.
NAYS: Mr. Koleszar, Ms. Acuff, Mrs. Mouly, and Mrs. Moynihan.

Motion failed by a 3:4 vote.

Mr. Gallaway said that he has been reluctant to vote in favor of some of the reductions already made in previous motions because he feels that all of the items are important. He feels that this item will have to be part of the reduction equation. Mrs. Moynihan said that she would support a two percent reduction. Dr. Haun said that any reduction will impact the school. He feels that schools could live with a two percent reduction. Mrs. Acuff asked if a reduction in discretionary funds indirectly impact schools with higher free and reduced lunch populations. Dr. Moran said the impact will be no more than it is already.

Mrs. Moynihan offered a **motion** to make a two percent reduction of school and department funds. Mrs. Acuff **seconded** the motion. Mr. Gallaway asked for discussion. Mr. Strucko said that he will vote against the motion because he feels that it is inadequate. **Roll was called, and the motion passed by the following recorded votes:**

AYES: Ms. Acuff, Mrs. Mouly, Mrs. Moynihan, Mr. Gallaway, Mr. Buyaki, and Mr. Koleszar.
NAYS: Mr. Strucko

Motion carried by a 6:1 vote.

Class Size

Mr. Strucko said that he believes that raising class size is detrimental to students because teachers have to compromise the curriculum. He cannot support a class size increase of any number.

Mr. Koleszar asked if there was an increase in class size could it be done strategically. Staff feels that it is better to do an overall class size increase rather than selectively increase the class size in certain courses.

Ms. Acuff says that she does not feel that class size that impacts instruction. She would favor a modest class size increase.

Mrs. Moynihan said that she does not favor a class size increase. She asked the Board to consider reducing the salary increase to 0.5% before increasing class size.

Mr. Buyaki feels that the relationship between a teacher and a student impacts the student's achievement. He does not like increasing class size but he would favor a very small increase in class size.

Mrs. Mouly said that she is reluctant to raise class size, and if the Board does decide to do it then it should be a minimal increase.

Mr. Gallaway said that he wishes that there was a more creative way to deal with class size. He would like to maintain staff and not increase class size.

(There was a break from 8:33 p.m. until 8:46 p.m.)

Mr. Strucko said that the Board should consider reducing the $75,000 Board Reserve.

Staff provided information on increasing class size and the impact it would have on the budget. Staff also provided information on the savings if compensation would be reduced to 0.5%.

Mr. Strucko asked about providing health care insurance for spouses who can get insurance through their own employer.

Mr. Koleszar asked what the savings would be if classified staff remained at a 1% increase and teachers were reduced to a 0.5% increase. After staff provided the information, Mr. Strucko said that he could support the suggestion. Mr. Buyaki said that he would not support a 0.5% salary increase. He is in favor of a 1% increase.

Mr. Gallaway asked if the Board would like to discuss the Board Reserve. He noted that the Board does not have a fund balance and this can be used as the reserve. Mr. Strucko asked about the reserve accounts that are held by local government. Mr. Gallaway said that he has asked for additional information on those accounts.

Mr. Gallaway asked if staff had a recommendation on an amount that lapse factor could be reduced and still be comfortable. Mr. Tistadt said that he thinks that the lapse could be increased by $200,000 and still be alright.

Mr. Koleszar offered a **motion** to increase class size by 0.20. He then **withdrew** the motion.

There was discussion about the Western Albemarle High School Academy and the proposed funding of $125,000. Several Board members asked if this could be funded out of the Capital Improvements Program.

Mr. Gallaway said that the Board needs to make a decision on compensation increases; does the Board go to a 0.50% increase?

Mr. Koleszar offered a **motion** to increase class size by 0.25 for K-12. Ms. Acuff **seconded** the motion. Mrs. Moynihan asked for clarification on what was being voting on. Mr. Gallaway explained the motion. Mr. Strucko said that he thinks the motion is premature. Mrs. Moynihan said that she would like to look at other options before increasing class size. **Roll was called, and the motion failed by the following recorded votes:**

AYES: Ms. Acuff and Mr. Koleszar.
NAYS: Mr. Strucko, Mrs. Mouly, Mr. Gallaway, Mr. Buyaki, and Mrs. Moynihan.

Motion failed by a 2:5 vote.

Mr. Koleszar offered a **motion** to increase the lapse factor by $200,000. Mr. Strucko **seconded** the motion, **and the motion passed by the following recorded votes**:

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

Motion carried by a 7:0 vote.

Mr. Buyaki offered a **motion** to reduce discretionary funds by 4%. Mr. Strucko **seconded** the motion. Mr. Gallaway asked for discussion. Mr. Koleszar at some point the Board will not be able to ask Dr. Moran to find reductions in discretionary funds because there will not be any. Mr. Buyaki said that the reductions do not have to take place in all departments and schools, the Superintendent can have the discretion on where to reduce the budget. Mr. Buyaki **amended the motion** to reduce discretionary funds by 5%. Dr. Moran said that when you go to 5% schools will still be impacted to some degree. Mr. Strucko **seconded the amendment**. **Roll called, and the motion passed by the following recorded votes:**

AYES: Mr. Buyaki, Mr. Gallaway, Mr. Strucko, and Mrs. Mouly.
NAYS: Ms. Acuff, Mr. Koleszar and Mrs. Moynihan.

Motion carried by a 4:3 vote.

Mr. Gallaway said that there have been a lot of tough decisions to be made and cut $3.2 million. We remain with just over $600,000 and if there was one-time money then the decisions may have been different. Mr. Strucko asked if the Board of Supervisors could provide clarification on use of savings by reducing the salary increase to one percent.

Mr. Strucko said that he is ready to move to pass the budget over to the Superintendent and her staff to find the remaining cuts. Mrs. Moynihan said that this is the Board's budget and she feels staff would cut what they want not necessarily reflecting the Board's opinion.

Mr. Strucko offered a **motion** to instruct the Chairman to discuss with the Board of Supervisors sources of funds regarding commonality and one time money and ask the Superintendent and staff to see if they can continue to reduce spending in other areas that have not been cut yet to get closer to balancing the budget so the Board can continue the work next week with more information and clarity on what is available to the School Division. **The motion failed due to a lack of a second.**

Mr. Gallaway said that the Board of Supervisors has discussed the one-time money issue twice, and they are philosophically against doing it twice. Mr. Koleszar said that we may be better to go back in July and ask for one-time money.

Dr. Moran asked what class size increase would be needed to make up the $625,000 because there is nothing more that the Board of Supervisors said that they were interested in protecting than class size. She would be interested in knowing what that would look like if no additional funds were provided. Mrs. Moynihan said that it is going to come down to class size or compensation.

Mrs. Moynihan offered a **motion** to reduce teacher and classified employee salary increases to 0.5%. Mr. Strucko **seconded** the motion. Mr. Tistadt said that if the Boards stay with methods adopted by the Boards, then next year the hole has been become deeper. In addition, the School Division may not be eligible for State money for teacher salaries. Mr. Strucko asked for clarification on the market. Roll was called, and the motion failed by the following recorded votes:

AYES: Mr. Strucko and Mrs. Moynihan.
NAYS: Mr. Koleszar, Ms. Acuff, Mrs. Mouly, Mr. Gallaway and Mr. Buyaki.

Motion failed by a 2:5 vote.

Ms. Acuff asked what class size increase would be needed in order to cover the remaining $600,000. Dr. Haun said that it would probably be about a 0.20 increase. Mr. Strucko asked how many teachers would need to be let go with such an increase. Dr. Haun said that for a 0.25 increase there would be a reduction in classified staff at the elementary level. He does not feel that any teachers will need to be dismissed. The middle school principals have a plan, and at the high school there would be swap because he would give back 3.0 FTE out of the emergency staffing. Mr. Strucko said that the real danger is in compromising the curriculum in the classroom, and he is not willing to take that risk. Mr. Gallaway said that a 0.21 increase in class size would generate approximately $640,000.

Mr. Koleszar offered a **motion** to increase class size by 0.20. Mrs. Acuff **seconded** the motion. Mr. Gallaway asked for discussion. Mrs. Mouly said that she will probably vote in favor of this motion with the understanding that the Board of Supervisors would like to see what cuts in regards to class size would be needed in order to balance the budget. Mrs. Moynihan said that she is not in favor of increasing class size but there is no other alternative. She will vote in favor of the motion. Mr. Strucko feels that there are still other areas that could be cut rather than increasing class size. He will vote against the motion. **Roll was called, and the motion passed by the following recorded votes:**

AYES: Mrs. Mouly, Mrs. Moynihan, Mr. Koleszar and Ms. Acuff.
NAYS: Mr. Gallaway, Mr. Buyaki and Mr. Strucko.

Motion carried by a 4:3 vote.

Mr. Koleszar offered a **motion** to reduce the Board Reserve by $17,138. Mrs. Mouly **seconded** the motion. Mr. Strucko feels that this motion is a hollow jester and the reserve should be reduced by the full $75,000. He will vote no on the motion. Mr. Buyaki agreed. **Roll was called, and the motion passed by the following recorded votes:**

AYES: Mr. Koleszar, Ms. Acuff, Mrs. Mouly, Mr. Gallaway, and Mrs. Moynihan.
NAYS: Mr. Strucko and Mr. Buyaki.

Motion carried by a 5:2 vote.

Mr. Gallaway said that at the next work session the budget will be finalized. He thanked the Board members for the work that they have put into the budget.

Mr. Koleszar asked that the next work session agenda be adjusted so that public comment can be taken at the beginning of the meeting rather than the end. Mr. Buyaki asked that the first public comment be taken only on budget. **There was Board consensus for the adjustment to be made.**

Mr. Buyaki said that he and Dr. Haas were discussing the impact of adding five minutes to the beginning or ending of the day. This would create additional time where Spring Break would not be touched.

Mr. Gallaway said that the Chairs to have joint Board work to look at sustainable ways for funding. If there is information that the Board would like, he would like to discuss this at the next meeting, time permitting.

Mr. Gallaway said that he would like to meet with each Board member to debrief on the budget process.

Agenda Item No. 3.1. Other Business by Board Members/Superintendent. None.

Agenda Item No 4.1. Adjournment

At 10:17 p.m., Mr. Gallaway, hearing no objections, adjourned the meeting of the Albemarle County School Board.

____
Chairman

____
Clerk