

VIRGINIA:

A Special Joint Meeting between the Lancaster County Board of Supervisors and the Lancaster County School Board was held in the Administration Building Board/Commission Meeting Room on Monday, March 18, 2019 at 6:00 p.m.

Board of
Supervisors
Present:

Jason D. Bellows, Chair

Ernest W. Palin, Jr., Vice Chair

Jack D. Larson, Board Member

William R. Lee, Board Member

Robert S. Westbrook, Board Member

School Board
Members
Present:

Audrey Thomasson, Chair

Carolyn Young, Vice Chair

Joan Gravatt, Board Member

Kenya Moody, Board Member

Katherine Keith, Board Member

Staff Present:

Don G. Gill, County Administrator

Crystal Whay, Clerk to the Board and
Building/Land Use Assistant

Mr. Bellows called the Board of Supervisors meeting to order.

Ms. Thomasson called a continuance of the School Board meeting from earlier in the day.

PROPOSED FY 2020 LANCASTER COUNTY PUBLIC SCHOOLS BUDGET

Ms. Thomasson stated that Dan Russell, the Assistant Superintendent, will be presenting the budget and she wanted to assure the Board of Supervisors that they have

scaled down the budget as much as possible. She stated that the only additions that they are going to see are the salary increases and almost \$300,000 that the state is no longer paying. She stated that Mr. Russell will explain that later in the presentation.

Mr. Russell referred to the power point presentation and stated that the proposed FY20 school budget is only a difference of 1.55 percent over last year's adopted budget. He stated that they were proposing a four percent salary increase for the teachers and a two percent salary increase for all other staff.

Mr. Bellows asked what the starting teacher salary would be with the proposed increase.

Ms. Whitney Barrack, Director of Finance for Lancaster County Public Schools, replied \$41,000.

Mr. Russell stated that the schools had an increase of \$25,388 in federal funds and a \$55,388 increase in federal grants. He stated that they are anticipating a \$30,000 decrease in Medicaid reimbursement next year because of a declining school population.

Mr. Russell stated that they will have a decrease of \$295,769 in state funds because of the declining enrollment. He stated that they have lost approximately \$270,000 off the current year for the same reason and have tried to find efficiencies to make up for it. He stated that, with the proposed budget, there was an increase in local funds of \$542,113 or 4.84 percent.

Mr. Russell referred to a chart and stated that their composite index was 77.18, but they were only asking for 69 percent to come from local funds. He stated that they were not asking for an increase in the health insurance contribution this year because they did not anticipate any health insurance premium increases. He stated that they have reduced a number of positions through attrition and he thought that number was four. He stated that they have reevaluated the transportation costs. He stated that when they changed their priority from the three-year old program versus alternative education, they had a bus route in place for alternative education and that has been removed from the budget. He stated that they have reduced their maintenance projects to priority only.

Mr. Larson asked why transportation costs were going up 5.17 percent if they had removed a bus route.

Mr. Russell replied that it had been reduced from their original proposal.

Mr. Larson asked what were the positions that were eliminated through attrition.

Mr. Russell replied three were teachers and one was an office assistant.

Mr. Lee asked about the 9.06 percent increase in administration.

Mr. Russell replied that part of that were the raises and a discipline hearing officer had been added. He stated that they contract out every month to have this officer who is independent of the school division.

Mr. Larson asked what category was that person paid out of last year.

Ms. Barrack stated that the officer was not in last year's budget and they were finding efficiencies to pay her.

Mr. Larson asked why they could not fund that officer from efficiencies this year.

Ms. Thomasson replied if they put the officer on payroll and not as a consultant, then it has to go into a category.

Mr. Larson stated that he understood that, but wanted to know where the money was coming from.

Mr. Russell replied that the money is coming from efficiencies through salaries. He stated that the efficiencies happen when employees with higher salaries leave and are replaced with employees who may not make as much. He stated that if a teacher retires, who has been with the school system a long time, typically a new teacher would not start at the same salary and that creates an efficiency.

Mr. Larson stated that was a common thing called a lapse. He stated that every organization deals with it, so the question is why does that officer's position have to be added in administration this year, when they know they will have lapses in FY20 as well.

Mr. Russell replied because he has to budget for that position. He stated that when they are creating a budget, they cannot just guess that someone will leave and that they will be able to find efficiencies.

Mr. Larson stated that the fact of the matter is that you can predict a lapse factor and it is usually in the range of four to five percent. He stated that some organizations have more and some have less. He stated that should be part of their school budget.

Ms. Moody asked Mr. Larson if he wanted the school to give them a budget that did not include the officer's salary and just hope that they have lapses.

Mr. Larson replied that he wanted the school to recognize that there is a lapse factor and not ask for that money, in effect, twice. He stated that if the position was funded out of the lapse factor this year, why can't it be funded out of the lapse factor next year.

Mr. Russell stated that they have been asked to present a budget that is accurate. He stated that they have looked for efficiencies everywhere. He stated that they have to propose what they think it is going to be and not what it could be.

Ms. Thomasson stated that the County received \$100,000 back from the schools last year, so there are the lapses. She stated that they do not spend all of the money, just what they need to spend.

Ms. Moody stated that they were not trying to over budget, but were trying to budget for what is necessary. She stated that when there is money left over, it is given back to the County.

Mr. Russell stated that, if they were not proposing the raises this year, they would be asking for less money than they did last year. He stated that he thought that was an important point.

Ms. Thomasson stated that they were asking for the four percent raise for teachers because Mathews County is asking for a thirteen percent increase for its teachers and Middlesex County is asking for seven percent.

Mr. Russell stated that those percentages are down now. He stated that he thought Mathews County was twelve percent and Middlesex County was four percent. He stated that, with their proposal for this year, Lancaster County will be second to last in teacher salaries in the district.

Mr. Bellows asked where they stood on salaries now.

Ms. Barrack replied, in steps one through three, Lancaster County was in the middle.

Mr. Russell stated that the salary position gets better with more years of experience.

Mr. Bellows asked what costs were associated with the two-year old program.

Mr. Russell replied that the cost was for the volunteer coordinator.

Mr. Palin stated that it was his understanding that someone else used to pay for the volunteer coordinator.

Mr. Russell stated that both the two and three-year old volunteer coordinators were paid by Kids First and some foundations, such as the Verlander Fund, for the first three years before the schools took the expense over.

Ms. Thomasson stated that the three-year program has been very successful, especially for the at-risk children.

Mr. Russell stated that they were at a pivotal point concerning loss of staff and he thought it was very important to fund the raises.

Mr. Lee asked about the projected number of students of 1,003 and asked what it was as of today.

Mr. Russell replied 1,034 students.

Mr. Larson stated that he did not see any detail on transportation, technology or maintenance on his proposed school budget printout.

Mr. Russell stated that those pages would be emailed to the County Administrator tomorrow.

Mr. Larson referred to page ten, which deals with the Gifted and Talented program and asked about the funding of \$2,615 being down. He stated that he knew a lot of resources were committed to those who were not gifted and talented and asked if that was a reasonable number.

Mr. Russell replied that they were actually spending more than that and that figure was probably a stipend to one of the schools. He stated that the high school was involved in separate programs such as Governor's School and the Early College Academy.

Mr. Larson asked if they were dedicating enough funds to the students that were working hard.

Mr. Russell replied yes.

Mr. Larson asked about page twenty-five and stated that on line item #061200-1114 there was nothing proposed for FY20, even though there were large amounts there in previous years.

Ms. Barrack stated that in trying to be more in line with the Department of Education and their accounting structure, she combined the items of improvement of instruction and staff services. She stated that figure was now on page twenty-six under improvement of instruction.

Mr. Larson referred to page thirty-four and asked what LCVEF stood for.

Ms. Barrack replied that it stood for Lancaster County Virginia Education Foundation.

Mr. Larson asked if that was a private educational support group.

Ms. Barrack replied yes.

Mr. Larson asked why wasn't that line item being funded out of donations.

Ms. Barrack replied that figure was for the tutor coordinator program. She stated that it started out as money coming from the Lancaster County Virginia Education Foundation, which is why it is labeled that way, but it probably needs to be changed.

Mr. Larson stated that Bill Warren gave a presentation a couple of months ago and talked about all of the sources that the money was coming from for the Education Foundation.

Mr. Larson asked if the tutor coordinator was a school employee.

Mr. Russell replied yes and that it was a part-time position for three people.

Mr. Larson referred to the transportation and maintenance category and stated that there are twenty-six vehicle drivers. He stated that he thought the number had been twenty-three a couple of years ago.

Mr. Russell stated that Mr. Larson was probably right. He stated that they have to have drivers based on the needs and number of students that have to be transported to private facilities through the CSA and CPMT programs. He stated that the number could change and it was not an option.

Mr. Larson stated that the category went up over eleven percent, which was pretty substantial in any budget.

Ms. Barrack stated that they have reduced it to 8.7 percent.

Mr. Larson stated that another category that caught his attention was for vehicle and equipment fuel that is increasing by 22.05 percent.

Ms. Barrack stated that has been reevaluated and is now just over a ten percent increase.

Mr. Larson asked if they anticipate fuel costs rising.

Ms. Barrack replied yes.

Mr. Russell stated that when gas was \$1.89 a gallon, they were still paying \$2.33, so they are planning on working on the fuel contract.

Mr. Larson stated that he thought they better work on the contract because gas prices have been pretty stable.

Mr. Gill stated that he was not sure the last time that contract was advertised and awarded, but he would research it.

Mr. Larson stated that he thought the fuel contract should be reviewed every year, because if they don't, they can be paying fifty cents a gallon more than the going price.

Mr. Gill stated that he would try to have something for the Board to consider at its next regular meeting concerning the fuel contract.

Ms. Moody asked why the schools were getting questions about a contract that goes through the County.

Mr. Larson stated that the Board of Supervisors had not started working on its operating budget, yet.

Ms. Moody stated that they have to do what is mandated and that means driving the children to wherever they need to go. She stated that they are paying the fuel prices through a contract that the County has.

Mr. Larson stated that, a few years ago, when he was on the school budget committee, there was discussion about outsourcing transportation. He stated that after Dr. Parker looked into it, it was determined that the in-house performance was less costly than outsourcing. He stated that it was a very expensive category and when it is compared to other localities, it seems to be excessively expensive.

Ms. Thomasson stated that the buses burn a lot of fuel going up the county and down again to pick up students and get back to the schools.

Mr. Bellows stated that Lancaster County gives benefits to its bus drivers as well.

Ms. Moody stated that Northumberland County has a combined school, which helps with transportation costs. She stated that the Lancaster County schools are spread throughout the County.

Mr. Russell stated that if they decided to outsource the transportation, that company would buy the County buses, so if for some reason the County did not want to renew the contract, then it would have to purchase more buses.

Mr. Larson stated that stipulation was in the bids that were submitted, but it did not have to be that way.

Ms. Moody stated that outsourcing was not a good idea, because it would take away jobs in the community. She stated that would not help with trying to stimulate the local economy. She stated that she would not vote on a budget to pay drivers less than ten dollars an hour.

Mr. Russell stated that Lancaster County has less turnover with its bus drivers and part of that is because of the benefits that are offered. He stated that not all counties offer benefits to their drivers.

Mrs. Gravatt asked if the schools were tied into the County's contract when it came to the fuel costs that were being paid.

Mr. Russell replied yes.

Mrs. Gravatt asked why couldn't they renegotiate.

Mr. Larson replied that they were going to do that. He stated that it should be once every year.

Mr. Palin stated that the County Administrator will be looking into that.

Dr. Westbrook stated that, in years past, the schools have wanted a blessing for the instructional category as soon as possible, so that they could hire teachers. He asked if that was needed tonight.

Mr. Russell replied that it would be most appreciated. He stated that there are three recruiting trips planned in the next week and a half.

Mr. Larson stated that he did not have a problem with what they were proposing for raises for the teachers. He stated that he was told that there were 93 teachers and they are projecting an enrollment of 1,003, which may be less by the time the school year begins. He stated that would make it roughly an 11 to 1 student to teacher ratio, which is extremely low. He asked if all of those teachers were needed.

Mr. Russell stated that they have gone over every grade level and what could look deceiving is that they have to have special education teachers that have specific students and they also are required to have certain teachers that are helping them work towards accreditation. He stated that the number that they shoot for is 20 or below to 1 for a student to teacher ratio.

Mr. Larson asked if the schools with a ratio of 17 to 1 or higher are not dealing with the same issues that are happening in Lancaster County.

Ms. Thomasson stated that was right. She stated that, in the three-year old program and the four-year old program, there are restrictions of 12 students and 16 students respectively, so that brings the ratio down as well.

Mr. Larson stated that those two non-mandatory programs together, great benefits aside, which he does not argue, roughly cost almost \$700,000.

Mrs. Gravatt stated that, at the high school, certain courses must be offered and they may not be filled.

Mr. Russell stated that they have made a good faith effort to tighten up the school budget as best they can.

Mr. Larson stated that if he voted to go along with the requested increase of almost \$600,000, then they essentially have to go out and ask the taxpayers for another three cents on real estate. He stated that year after year, taxes have to be raised just for the schools. He stated that this is for a school system where enrollment has decreased fifteen to twenty percent in the last five years. He stated that they are not getting performance from the money that is being given to the schools. He stated that all of the problems facing the schools cannot be fixed by more money. He stated that parents needed to be involved and children needed to come to school ready to learn. He stated that children can get a good education at Lancaster schools, but they have to take on the responsibility and putting more money into it is not the answer.

Mrs. Gravatt stated that the state is telling them things that they have to do and yet they are not funding those things.

Mr. Larson stated that the Board understood about unfunded mandates. He asked why they were shifting the responsibility on the locality to make it up. He stated that if the state is decreasing the money, there must be a reason.

Mr. Russell stated that the schools are asking for less from the locality than the composite index would suggest that they do. He stated that they were asking for sixty-nine percent and the composite index is 77.18 percent.

Mr. Bellows asked about the state funding cut of almost \$300,000.

Ms. Barrack replied that the state was no longer funding the enrollment loss.

Mr. Larson stated that they will only have to deal with him two more times on the budget because he was not going to run for reelection. He stated that, as long as he was on the Board, he was not going to the taxpayers every year asking for more money to give to the schools.

Ms. Moody stated that Mr. Larson was voted into office to do a job, but so are the School Board members. She stated that she was elected to fight for her constituents and do what is best for them and the Board of Supervisors can decide what they will do. She stated that she was going to support the teachers and fight to get them a raise.

Mr. Larson stated that he was not trying to tell the School Board how to set its priorities. He stated that he was saying that the bottom line was not workable for him.

Mr. Palin asked about supplemental salaries and contracted services on page 15.

Mr. Russell stated that those figures were for a part-time person involved with the Talented and Gifted Program.

Ms. Moody stated that she took offense to Mr. Larson's earlier comments concerning the Talented and Gifted Program. She stated that he wanted to make sure that there were adequate funds for the smarter kids. She stated that the School Board was presenting a budget where there is approximately \$260,000 for those students who are not as smart and may need a little bit of help. She stated that they are arguing over money that is keeping them from getting accredited by reaching out to the kids who are part of the achievement gap, but it is okay to ask if they have the money for the ones that are smart and that is where she takes offense. She stated that maybe she was taking it the wrong way, but she would not act like it wasn't said.

Mr. Lee stated that the three-year old program was very important to him and when he was told that the program might be cut, he thought they should not cut something that works. He stated that the program is going to change the culture of the school over the long run and he was glad to see that it is in the budget. He stated that there should be no argument over \$200,000 for that program. He stated that the Talented and Gifted Program should be funded, too.

Mr. Bellows stated that if they did not stem the tide of the loss of students, the bill is going to keep increasing. He stated that they have to meet the standards of quality and they would need a chemistry teacher whether there was one student or twenty students in the class. He stated that they had to find a way to stop the school system from declining. He stated that the more it declines, the more it will cost the County.

Dr. Westbrook stated that he personally believed that new schools will be the trigger for attracting new students.

Dr. Westbrook stated that the schools used to be funded by category and now they are not funded by category. He stated that he would like the Board of Supervisors to give the schools some assurance about the instructional category. He stated that he would like a consensus to support the funds needed for the instructional category.

Mr. Larson asked what would a consensus mean. He asked if all five members need to be in favor of it. He stated that his understanding is that a consensus is unanimous.

Mr. Bellows stated that he did not know whether a consensus would have to be unanimous. He stated that he thought it could be a majority of the members.

Mr. Larson stated that he thought a consensus would have to be unanimous, otherwise the issue gets put to a vote.

Dr. Westbrook stated that they could not vote on the matter now.

Ms. Thomasson stated that her concern is that the County loses out to other districts if they don't have a competitive starting salary.

Mr. Russell stated that the starting salary would be \$40,000 if they get no consensus today. He stated that if they get a consensus today, the starting salary will be \$41,000.

Mr. Larson stated that he understood that they needed to offer competitive salaries to good teachers, but they also need to look at the total number that they have and ask if it is the right number.

Ms. Young stated that she has sat through two budget cycle discussions and perception is reality. She stated that she felt that the governing bodies need to raise the level of conversation. She stated that, in many localities, they pay attention to the fact that public schools are the most important civic institution. She stated that they should do that instead of knit-picking. She stated that if they really wanted to make a difference in this school district, they needed to look at the localities that are raising the teachers' salaries as much as ten percent or more. She stated that if the bar was raised in the conversations, more positive things would happen. She stated that the Board of Supervisors have the purse strings, but the School Board has the numbers. She stated that there was frustration because it seems like they are having the same conversations as they had last year.

Mr. Bellows stated that it was going to be critical that they focus on salaries. He stated that there are many teacher shortages in the Commonwealth of Virginia this year and the numbers are increasing.

Mr. Lee referred to a consensus on the instructional category and stated that they have done it before.

Mr. Larson stated that they could settle the difference of opinion by having the minutes reflect that a majority had made the decision, rather than a consensus. He stated that he honestly believed that a consensus means that everyone was going along with a decision.

Mr. Russell asked Mr. Larson if they could get his support with the instructional category.

Mr. Larson replied that if he supported it, he would not have a problem with the word "consensus". He stated that he sensed that his four fellow Board members do support the approval of the instructional category.

Mr. Lee stated that he thought they needed to move forward.

Mr. Bellows stated to Mr. Russell that he had the majority of Board members' support for the instructional category.

Mr. Lee asked about the loss of the state funds for the declining school population.

Mr. Russell stated that the state used to fund counties that were rural and declining to make up the difference with the average daily membership. He stated that they were anticipating a loss of approximately \$295,000 for next year.

Mr. Lee stated that he was thinking about the downward trend.

Mr. Russell stated that everything has to be done regardless of the average daily membership. He stated that he would be glad to come back and discuss the budget if the Board of Supervisors wished.

OTHER BUSINESS

Mr. Gill stated that, last month, the Board of Supervisors made a motion and it passed four to one, to move forward and close on the Beale property. He stated that Jim Cornwell, the County Attorney, has requested that a more specific motion be made that would authorize the County Administrator to execute all documents that were associated with the closing on the Beale property.

Mr. Lee made the motion to authorize Don Gill, County Administrator, to execute all documents associated with the closing on the Beale property.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Nay
	William R. Lee	Aye
	Robert S. Westbrook	Aye

VOTE: 4-1 (Motion passed.)

ADJOURNMENT

Mr. Bellows adjourned the Board of Supervisors' meeting until Tuesday, March 26, 2019 at 6:00 p.m. to meet with the volunteer fire departments.

Ms. Thomasson adjourned the School Board meeting until the following night, Tuesday, March 19, 2019.