

VIRGINIA:

A joint meeting of the Lancaster County Board of Supervisors and Lancaster County School Board was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, April 12, 2012.

Members Present: B. Wally Beauchamp, Chair
 F.W. Jenkins, Jr., Vice Chair
 Ernest W. Palin, Jr., Board Member
 Jason D. Bellows, Board Member

Staff Present: Frank A. Pleva, County Administrator
 Jack D. Larson, Assistant County Administrator

Mr. Beauchamp called the meeting to order at 7:00 p.m.

Mr. Beauchamp asked everyone to keep Dr. Russell in prayer after undergoing surgery and paused for a moment of silence.

PUBLIC HEARING

- 1 . FY 2013 Lancaster County Schools Budget – Dr. Lukich, Superintendent of Schools thanked the Board for allowing him to present the school board budget. He stated the budget kick-off meeting was held October 19, 2011 and members of the ad hoc Committee in conjunction with the school budget and county staff have come up with this school budget being presented. The School Board has approved this budget by a vote of 3-1. The Governor and Legislature have not finished with the State budget, which means this is not the final budget.

Dr. Lukich said the expectations that came from the County/Board ad hoc Committee meetings on the budget are as follows:

1. There will be no new or additional tax increase because of the School

Board budget.

2. There will be no additional local funding to the school from FY12 to FY13.
3. The school division accepts the challenge and responsibilities for budget cuts or reductions for FY12-13.
4. They will work on control and reduced pupil expenditure, because it is a real concern.
5. Lancaster School has a State ranking of 14 in per pupil cost, which needs to be lowered.
6. There is an increase of pupil/teacher ratio per class, however; the decrease in enrollment causes pupil cost increase.
7. Administration cost is up, but will reduce administrative expenditure by decreasing the number of administrators.
8. Reduce professional/support staff with declining enrollment.
9. The Honeywell Performance Contract was a positive move.
10. The schools will continue to work on minimum clock hours for FY 13 because it has been very effective over the past three years.
11. The schools will continue to try to reduce operating expenditure, while increasing efficiencies with decreasing enrollment.
12. They will search cost efficiencies district wide.
13. Every year the schools return funds to the county that were not used and that practice will continue.

Dr. Lukich said the pupil/teacher ratio for 2013 will be 1206 students and 105 teachers. This equates to an 11.5 student/teacher ratio. He provided the Board with the number of employees by school and the number of students at each school. He also spoke briefly about the VRS professional rate. He stated after reviewing the school budget from 2006 – 2012 the increase requested for 2013 is relatively low at 1.5% (\$154,101) and believes the schools are still moving in the right direction.

Dr. Lukich said an issue that the school faces is the student population and instructional cost. The issues are special education cost, lack of a middle class, with the wealth in the county there is also a mixture of poverty, under educated families, free and reduced lunch, the achievement gap, economic issues, etc. He compared the general cost for regular education instruction per pupil versus the general cost for special education per pupil. They are exploring new programs to help define and address special education issues that could help avoid children being placed in special education.

Dr. Lukich said they plan to cut costs through retirements and resignations. Also, they will retain new and young teachers shifting them around to the right spot without layoff. He stated they are following the minimum allowable calendar in the State of Virginia. This budget reflects efficiency and effectiveness.

Dr. Lukich gave a couple of data points: there is only a 1.5% budget increase, total of the expenditure increase is less than 1%, the budget reduction by the schools is in excess of 5% (\$620,000), the staff reduction is equal across the district, no step, salary, or administration raises including the superintendent. He would however, like to use any additional state funds to address raises which could equate \$150,000.

Dr. Lukich stated there have been a number of highlights in the schools this year:

- The Lancaster High School Boys Basketball State Championship;
- The Lancaster High School Band will be playing at the BCS Bowl;
- There will be 89 graduating from the high school (42 Advanced Diplomas, 43 Regular Diplomas, and 2 Modified Diplomas) with 45% of graduating senior going on to a four year college, 28% will be attending a two year college and 12% to trade and technical, 9% to military and 6% employment;
- Lancaster Middle School both sports and clubs;

- Lancaster Middle School currently offers high school credits;
- Lancaster Primary School has provided a study on poverty for the staff because a lot of the students fall into that category;
- 40 IPADs at the primary school for teachers and students;
- None of the budget cuts will affect any of the programs.

Chairman Beauchamp opened the public hearing.

George Bott, District 1, stated he was looking at the Department of Education website for the State of Virginia that has a lot of interesting data, but one that caught his eye was the near 20% increase in the average salary of vice principal in this county for FY 11-12. The average salary for vice principal in Lancaster County for FY 11 was \$58,904 and FY 12 \$70,497. He asked why the nearly 20% increase?

Dr. Lukich stated the figures are right and the vice principal needed to be certified. In many cases the individual who held such a position did not have the title of vice principal and was not in charge of teacher evaluations or other duties certified people would do. There were at least two persons in the district that were given an opportunity to be certified but did not, therefore a certified vice principal was hired at the increased salary.

Hack Dean, District 1, asked the Board to reconsider the School Board Budget. How can anyone justify spending more money per student when the population is decreasing? In Lancaster County there are 1,207 students at a cost of \$12,545 per pupil. He asked why two vice principals were needed at the middle school at a cost of \$192,000. He stated education should start at home but does not and the administrators or teacher do not get the respect they deserve. He said School Board Member Ella Davis stated she would be willing to pay a few more cents in taxes which is a great statement unless you are on a fixed income. He stated he truly admired School Board Member Patrick McCranie, because Mr.

McCranie stated education takes place in the class room and would be the last place he would cut. This is a man whose wife is a teacher and who has children in the school system. They should consider cutting the school administration which is overloaded.

Albert Pollard, District 1, said he disagreed with Mr. Dean because he also visited the State Board of Education website and found that Lancaster was 15th out of the 132 school districts in Virginia in terms of per pupil expenditures. He said Lancaster County is dealt a bad hand just from the school formula funding. The State support is 130th per pupil out of a 132 school districts, while county support is 13th highest out of a 132. He said instructional per pupil cost is 25th out of the 132 school districts but administrative per pupil cost is 30th out of 132. The total cost of per pupil expenditure is \$11,600 while the cost to attend Chesapeake Academy is \$11,000 but that does not include transportation. Lancaster County Public Schools is 15th out of 132 in per pupil transportation cost and Operations and Maintenance cost is at 9th out of 132 districts and the cost per pupil on free and reduced lunch is 15th out of 132 which drives up the cost dramatically. He has one child at Chesapeake Academy and two children in the Lancaster County Public Schools. He believes that two vice principals are needed at the middle school after his family had a personal experience and was told things are turning around, heading in the right direction. According to the Auditor of Public Accountants the real estate taxes for Lancaster County is the sixth lowest of any Virginia locality, and the ability to pay is the eleventh highest. Again, Lancaster County has been dealt a bad hand with regard to poverty, facility cost, Composite Index and state support. There are good middle class families that are leaving the county, have left, or thinking about leaving simply because of the school system. The teachers do have to give extra attention to those free and reduced lunch students which is about 65% - 67% and that takes the attention away from the parents who do the right thing. He said “money alone would not fix the problem, but it is hard to fix the problem without any money”. He asked the Board to adopt the school budget.

Bob Smart, District 1 said he would not be speaking as a School Board or ad hoc Member but as a citizen. He said there is a difference between efficiency and effectiveness. He stated in FY 09 the increase in county contribution per pupil over the pervious year was \$398, FY 10 was \$377, FY 11 was \$178, FY 12 was \$559 and the proposed FY 13 up \$344. Over the last five years the county contribution per pupil has gone from \$6,910 to \$8,766 for an increase of \$1,856 which is 26.9% in five years. The inflation rate for the past five years is 7.4%. Thus, county expenditures per pupil have gone up 3.63 times as fast as inflation. He said maybe the school division is trying to gain efficiencies, but he does not see the evidence. He stated you can discuss big, small, or rural schools but it all boils down to management.

Charles Costello, District 2 said after listening to all the comments he had previously asked Mrs. Salg about page 12 of the draft school board budget entitled State, Local, Instructional, and Operation. The total salaries for FY 2011 were \$7,600,002 and benefits of \$2,068,000, FY 2012 were \$7,984,380 and benefits of \$2,518,000, FY 2013 were \$7,692,000 and benefits of \$2,984,000. The amount for FY 2013 was only \$9,000 increase over FY 2011 for salaries but benefits are increased by \$900,000. He believes that has something to do with the VRS mandate. He said on page 3 of the same report there is an \$112,000 salary increase plus a 1% off set for VRS with a \$439,000 increase for VRS which is an unfunded mandate. He stated the funding may have to come from the reserve funds, but he did not want the tax levy to increase or decrease. Wait until after the reassessment.

Alexander Fleet, District 5 said he helped to hire the superintendent and he believes the budget presented was a good budget with only a \$154,000 increase. He said the neighboring counties are asking their board for much more. He asked the Board to approve the budget.

Dr. Lukich said there are not two assistant principals at the middle school. There is a Principal and Assistant Principal. The other position is a part-time Assistant Principal who works as the talented and gifted coordinator district wide.

Chairman Beauchamp closed the public hearing.

No action was taken.

CONSIDERATION DOCKET

- 1 . FY 2013 Lancaster County Budget Matter – Mr. Larson stated other items the Board will be discussing during this upcoming budget will be the Capital Improvement budget for which funded will be depleted at the end of this fiscal year. The Capital Improvement funding was primarily used in the schools. At this point any capital improvement item will need to be funded out of the operating or reserves. The county is facing a rapid funding increase in the range of \$200,000 - \$300,000 with Emergency Management. There are reduction in the shared expenses, however; does not believe the will be that significant. The county waits until late in the year to finalize the budget to have firm figures from the State. He said he believes that Dr. Lukich has generally accurately stated suggestions given to him from the ad hoc Committee, Frank Pleva and himself. Unfortunately, no tax increase, at least in the long term will FY 2012 be possible unless the county is willing to draw from the reserve funds. He the revenue and reserve funds which will be higher which than originally projected. There will still have to be a tax increase in the future. Many outside agencies and departments are requesting level or reduced funding. Outside agencies (i.e. Lancaster Community Library, YMCA, Boys and Girls Club, Free Health Clinic, etc.) will make presentation at a work session on April 19, 2012 to defend their budgets. Some of the agencies are asking for increases without any justification.

BOARD REPORTS

Social Services Board

Mr. Beauchamp made a motion to reappoint Vera Lee to the Social Services Board as a representative for District 4 for a four year term beginning July 1, 2012 ending June 30, 2016.

VOTE:	B. Wally Beauchamp	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	Jason D. Bellows	Aye

Planning Commission

Mr. Palin made a motion to reappoint Glendon A. Pinn, Jr. to the Lancaster County Planning Commission as a representative for District 2 to for a four-year term beginning April 1, 2012 ending on March 31, 2016.

VOTE:	B. Wally Beauchamp	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	Jason D. Bellows	Aye

COUNTY ADMINISTRATOR

None

ADJOURNMENT

Motion was made by Mr. Beauchamp to adjourn the meeting to Thursday, April 19, 2012 at 4:00 p.m. for a Budget Work Session.

VOTE:	B. Wally Beauchamp	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	Jason D. Bellows	Aye