

**VIRGINIA:**

A FY 14 Budget Work Session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Wednesday, April 17, 2013.

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

Staff Present: Frank A. Pleva, County Administrator  
Crystal Whay, Building/Land Use Secretary

Mr. Jenkins called the meeting to order at 4:30 p.m.

Mr. Jenkins stated that Mr. Palin and Mr. Bellows would like to read the Form for Disclosure Of Interest in a Transaction of General Application as required by Section 2.2-3115G of the Code of Virginia.

Mr. Palin stated that he was an employee of the Lancaster County School Board and wanted to make the following disclosure to his agency and the general public. He stated that in connection with consideration of the Fiscal Year 2013-14 School Board Budget, he has a personal interest in such transaction by virtue of his employment and his wife's employment by the Lancaster County School Board, along with approximately 250 other employees. He stated that he and his wife are members of a group of approximately 250 persons which is affected by consideration of the school board budget and that adoption of the school board budget will not affect him or his wife to any greater degree than any other employee of the school board. He stated that consequently, he was able to participate in this transaction fairly, objectively, and in the public interest.

Mr. Bellows stated that he was an employee of the Lancaster County School Board and wanted to make the following disclosure to his agency and the general public. He stated that in connection with consideration of the Fiscal Year 2013-14 School Board Budget, he has a personal interest in such transaction by virtue of his employment with the Lancaster County School Board, along with approximately 250 other employees. He stated that he was a member of a group of approximately 250 persons which is affected

by consideration of the school board budget and that adoption of the school board budget would not affect him to any greater degree than any other employee of the school board. He stated that, consequently he was able to participate in the transaction fairly, objectively, and in the public interest.

Mr. Palin stated that these statements were on file in the County Administrator's office.

### FY 2014 School Board Budget

Mr. Pleva stated that Dr. Lukich and Ms. Sue Salg would be making presentations.

Dr. Lukich stated that some of his staff were present and would be speaking as well.

Dr. Lukich stated that the school board had approved the school budget on March 25, 2013. He stated that whether the Board of Supervisors decided that it was a lump sum budget or a categorical budget, he and his staff were there to work with them.

Dr. Lukich stated that the school system has progressed in many areas and has become more efficient. He stated that after last year's budget sessions, the school board adopted twelve principles. He stated that last year was a very difficult year for every school division in the Commonwealth of Virginia. He stated that it impacted the Lancaster County School System to the tune of about 1.2 million dollars of which \$250,000 dollars was attributable to the county and state funding accounted for about \$500,000 dollars. He stated that they made a lot of adjustments, including the loss of eleven full-time staff, which was made up of nine teachers, one administrator and one aide.

Dr. Lukich stated that there are members of the school board present at the meeting and it speaks to the transparency of the school board and he wanted to compliment them on their work. He stated that they listen to the community and are interested in the community's views.

Dr. Lukich stated that he had included a copy of next year's school calendar in the materials he had handed out. He stated that with the calendar were some data from the state that talks about the abbreviated school year. He stated that there are only four divisions, including Lancaster, that have gone to the 166 day year. He stated that the shortened school year is not very popular in the Commonwealth of Virginia.

Dr. Lukich spoke about school safety, student behavior and other issues that the school system is working on.

Ms. Salg went over expenditures from FY 2013 as compared to five years ago in FY 2008 and showed a drastic drop in state funding. She showed the fifteen million dollar school budget by department in her presentation. She stated that approximately 11.5 million dollars of the fifteen million is related to salaries and benefits. She stated that the school system has approximately 205 full-time employees and from 135 to 150 part-time employees or substitutes.

Ms. Salg stated that they are asking for a \$420,000 increase in county appropriations this year, which includes a three percent raise for all staff and five new staff members. She stated that the instructional team would elaborate on the need for the new staff members.

Mr. John Tupponce stated that the school board had approved the three percent raise for all employees. He stated that the state had approved a two percent raise in December, with the local portion being one percent. He stated that Lancaster County's starting salary for teachers is the lowest as compared with neighboring divisions. He stated that that fact makes it hard to recruit teachers to our area.

Dr. Holly Wargo stated that they are requesting a music teacher at the primary school. She stated that they want to introduce music back into the primary school to give students a good music foundation for later years.

Dr. Wargo stated that they are requesting a reading specialist at the middle school. She showed a chart and stated that Lancaster County students are performing below other counties in reading. She stated that reading is the key to success and every child deserves the chance to read.

Mrs. Tara Booth showed an example of questions on the SOL tests. She stated that the state is expecting more from the children than they did even a few years ago. She stated that the questions used to be just multiple choice, but now the questions demand more cognitive thinking. She stated that their teachers have not been trained efficiently in this area.

Mrs. Booth stated that they are requesting an additional math teacher at the high school. She stated that they currently have four math teachers, but need more assistance with Algebra 1. She stated that they are finding that many students are not ready for Algebra 1 when they get to the high school and need more assistance to get up to speed. She showed a chart, which showed significant drops in SOL scores in math for county students. She further stated that the high school also needs to add options for the higher ability students. She stated that there are not enough teachers to teach the higher math classes such as calculus. She stated that the students' only option is to take the classes online and sometimes they struggle with the online courses.

Mr. Jenkins asked what has changed over the last three years when referring to the test scores.

Mrs. Booth replied that several things had changed including the way students learn and that professional development for teachers has not been a priority.

Mr. Bellows stated that the testing has become more advanced and the students were not necessarily ready for the different types of questions.

Mr. Jenkins stated that there are significant drops.

Dr. Wargo stated that the Department of Education told the school system two years ago to start aligning the curriculum for the different testing so there would be no surprises.

Mrs. Booth stated that SOL tests used to be multiple choice and now there are different types of questions that demand thought.

Dr. Lukich stated that districts that anticipated the changes have done well and the districts that did not anticipate the changes are now responding to the changes.

Mr. Lee asked when the schools were notified of the change.

Dr. Wargo replied in 2009.

Mr. Bellows stated that the students went into it blindly because no one knew what kind of questions were going to be asked.

Mr. Tupponce stated that with the shortened school year, it is hard to train teachers because of the time constraints.

Mrs. Booth spoke of the attributes of having a math specialist staff member.

Mr. Bellows asked what had happened to the funding in the current budget for the math specialist.

Mrs. Booth replied that that position was taken out last year.

Mrs. Booth spoke about the drastic dips in the math scores and showed the decline in charts.

Mr. Lee asked if the low math scores were due to changes in the testing and teachers not being ready for the new testing.

Mrs. Booth replied yes.

Mr. Lee asked if they were asking for a math specialist at the high school.

Mrs. Booth replied that they were asking for an additional math teacher at the high school and a division wide math specialist.

Ms. Alicia Carter stated that, in the last two years, they have been trying to implement instructional best practices. She stated that the SOL tests are not going anywhere and they have to be accountable to the state and federal agencies. She stated that they are working on curriculum mapping and the teachers need to get professional development, so they can teach what the kids need to know.

Mr. Lee asked, if the three percent raise is granted, what would be the starting salary.

Ms. Salg replied \$36,735.00.

Mr. Tupponce stated that they need to consider retention of the teachers as well. He stated that he tries to sell the area and people, but usually one of the first questions the prospective teacher will ask is what is the starting salary.

Dr. Lukich stated that the earlier the Board of Supervisors can make an appropriating decision, the sooner the school board can advertise for teachers. He thanked the Board for their consideration. He handed out a study done by a hired firm that took about nine months to complete and cost approximately \$55,000.00. He stated that the study discusses demographics, education, school facilities and various options.

Mr. Bellows stated that he wanted to clarify the answer to Mr. Lee's question. He stated that even though Lancaster County starts on the bottom of the salary scale, Lancaster has a one to one scale, where there is a raise every year, and some of the other schools do not do that. He further stated that some teachers can wait three to five years for a raise in other divisions. He stated that when factoring that information in, the salaries are more closely aligned than what was shown on the graph.

Mr. Jenkins stated that, in the past, Lancaster County was a training ground for new teachers, who could not get a position in their own state. He stated that that is the nature of the community.

Mrs. Booth stated that the earlier the school board knows about the proposed budget request, the better applicants they can get.

Mr. Bellows stated that the current school calendar is driven by SOL testing and the testing dates do not change. He stated that most teachers were in favor of the current school calendar when it was implemented.

Mrs. Booth stated that she thought most of the teachers now would like to go back to the old calendar because it is not benefiting the students.

Mr. Lee stated that if the children are not achieving, then maybe the schools would need to go back to the old calendar.

Dr. Lukich stated that the estimated cost of going back to the old calendar would be in the \$250,000.00 range.

Mr. Beauchamp referred to page 5 of the budget overview, where it reads, in part, that a \$242,000.00 reduction of the school budget was due to the County reducing their appropriations in order to reduce the county tax rate by \$.01 cent. He stated that that was absolutely untrue.

Mr. Beauchamp referred to page 64, line item 8105 and asked what was the \$12,000.00 item.

Ms. Salg stated that it was for a car.

Mr. Beauchamp asked how many vehicles did the school system currently own.

Ms. Salg replied that she did not have that number, but would get it to him.

Mr. Beauchamp stated that he still feels strongly that the school board needs to look at administration, operation and transportation costs and possibly reduce those areas and put those funds into instruction and teachers. He further stated that when the administrative costs are as high as the school board's are, he feels that something is wrong.

Dr. Lukich stated that their costs have been reviewed and have been found that the administrative costs are no more or less than other school divisions of the same size. He stated that they have looked at pay scales and Lancaster falls somewhere in the middle in regards to administrative costs.

Mr. Bellows asked how many teacher positions have been eliminated versus administrative positions.

Dr. Lukich replied, in the last year, nine teachers to one administrative position.

Mr. Palin stated that the school board is operating with a lean staff.

Dr. Lukich stated that he has met with the school board and after a staff review, asked the school board if there were any administrative positions that needed to be cut. He stated that the school board's reaction was there were no positions to be eliminated from administration.

Mr. Bellows stated that it is not the responsibility of the Board of Supervisors to make operating decisions, it is the job of the school superintendent. He stated that the school superintendent should formulate his or her own proposals to reduce the

administrative costs and submit those proposals to the school board for their review. He further stated that holding up a list of employees in public and asking the school board members to decide which ones they want to cut is unprofessional and cannot be seriously considered a legitimate consensus of the school board. He stated that those decisions should be discussed in private.

Dr. Lukich stated that he was a well-trained school administrator and he appreciated Mr. Bellows' advice. He stated that he had been doing this for thirty-five years and was well aware of what Mr. Bellows had pointed out. He stated that decisions that are made in public are much more prudent than decisions that are made behind closed doors. He stated, that as superintendent, he did make a decision and the Board of Supervisors has it in their hands.

Mr. Beauchamp stated that he has heard what Dr. Lukich is saying but that costs are still out of line. He stated that out of ninety-eight school systems in the state, there are only seven counties that spend more than Lancaster County in local funding. He further stated that Lancaster County is the twelfth highest in total funding per student.

Ms. Salg stated that poverty has been a factor and there has been insufficient reporting.

Dr. Lukich stated that he understood where Mr. Beauchamp was coming from and continued to say that it has taken years to get to where the school system is now and it will take years to get to a place where the Board of Supervisors is more comfortable. He stated that the school system is becoming more efficient and effective and it will take time.

Mr. Beauchamp asked a question concerning fiscal services and stated that in the last couple of years there were listings for appropriations for approximately \$193,000.00 and \$196,000.00 dollars. He asked where did those funds go.

Ms. Salg asked if Mr. Beauchamp was asking how the finance department's expenditures are broken down.

Mr. Beauchamp stated that he would like to know how many staff for those numbers.

Ms. Salg replied that a 2006 state efficiency review recommended that there be three accounting personnel at the school office and the position of business manager get upgraded to a director of finance. She stated that more duties have been taken on since that time.

Mr. Beauchamp asked if her staff was doing more than just handling invoices and that type of thing.

Ms. Salg replied yes.

Mr. Beauchamp stated that the school system has approximately 110 invoices monthly and Lancaster County has approximately 220 invoices and its cost is around \$50,000. He stated that is why he is asking the question.

Ms. Salg stated that staff processes purchase orders, Medicaid billing, payroll, health insurance enrollment, worker's compensation issues and other matters.

Mr. Beauchamp referred to page 65, which covers operation and maintenance, and asked about the energy contract with Honeywell. He stated that it had been told to the Board last year, that there would be a substantial savings on the energy contract. He referred to the electrical costs line item that shows a \$50,000 increase and asked why there was an increase.

Ms. Salg stated that they have schedules for the Board, but because it is such an important topic, she would like to have John Mann come back to address the Board. She stated that they have experienced a decrease in consumption, but the unit rate has increased.

Mr. Beauchamp asked if the school system received a special governmental rate.

Ms. Salg replied that she did not know.

Dr. Lukich suggested that a representative from Honeywell come in front of the Board and asked if the Board would be open to hearing from them again.

Mr. Beauchamp replied yes.

Mr. Jenkins stated that he would as well, since they took a lot of the taxpayer's money.

Ms. Salg stated that she thought Honeywell would have their measurement report by June.

Mr. Jenkins stated that he thought Honeywell should make their report at the Board's regular meeting.

Mr. Beauchamp referred to page 65 that deals with maintenance and service contracts and stated that it is the second highest increase and wanted to know what it was.

Ms. Salg replied that she thought it related to Honeywell, but she could email him the answer when she finds out.

Mr. Palin asked if the school division is successful in obtaining grants, would that increase the cost per pupil ratio.

Ms. Salg replied yes.

Mr. Bellows asked what percentage of the funding comes from grants.

Dr. Lukich replied about ten percent.

Ms. Salg stated that she thought it was less than that and had budgeted for a decrease in grant money.

Dr. Lukich stated that the federal government is trying to get out of funding education as much as they can and the state government is putting it on the local governments. He stated that it had been a bad legislative year for schools in Virginia.

Mr. Bellows stated that he thought the school should be addressing why the advanced students are having a tough time with the virtual classes. He stated that the problem should be addressed and not run away from it because the students will need that preparation for college.

Mrs. Booth stated that she thought the math specialist position would help with that.

Mr. Palin stated that he thought the children also needed interaction with staff.

Dr. Wargo stated that she agreed with Mr. Bellows and that the subject matter be more basic at first when introducing virtual classes, then the student could advance to more challenging courses.

Dr. Lukich stated that there are almost 400 ipads in the school system now and they really are the window to the world.

Mr. Jenkins asked if there were any further questions of the school system.

The Board thanked Dr. Lukich, Ms. Salg and the instructional team.

## **ADJOURNMENT**

Motion was made by Mr. Jenkins to adjourn the meeting to the regular Board meeting on Thursday, April 25, 2013.

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

William R. Lee      Aye

B. Wally Beauchamp   Aye