Questions from Brian Wheeler on 12/30/07 – 9:34 PM

1. **School Resource Officers** - What is out proposed total investment in SROs in FY2009-10? What is local government's contribution for each of those fiscal years?

This question was answered by Jackson Zimmermann.

The school division payment is based upon a 50% cost sharing of the salaries and benefits of the 7 school resource officers at the middle and high school levels. There is no cost sharing of operational expenses, capital expenses, or supervision expenses. Local government expenses would likely exceed $400,000 for these positions; however these positions do not exclusively serve schools.

2. **AVID Program** - Are principals provided FTE's specifically to support the Advancement Via Individual Determination (AVID) program or do they have to fund it though their general instructional allocation? Is this creating any challenges at the school level?

This question was answered by Don Vale.

No additional FTE are designated for AVID schools. The class serves as an elective so there is not a need for additional FTE’s and the biggest challenge is keeping class size small as proposed in the AVID materials. The budgeted funds cover the contract cost, training for teachers and administrators and support instructional materials.

3. **Revenues from gifts and grants** - Can we be provided with trend data on revenues from other sources besides state, federal and local government? Can that revenue be broken down by source type (e.g. private foundations, non-profits [that are not private foundations], and individual donors)?

This question was answered by Jackson Zimmermann.

It is not possible to characterize other sources of revenues in the manner requested without several days of staff work. In the school fund, Misc. Revenues on page B-3 encompass these funds. Typically the revenues exceed budgeted and these funds are appropriated by the Board for the specific purposes requested by the donors. In the Self-Sustaining funds, a number of grants are provided and small funds are received and appropriated by the Board. For the FY 2008/09 cycle there are 3 grants funded by non-public sources.

Fund 3502 Foundation for Excellence	$12,000
Fund 3157 Kluge – Club Yancey	$20,000
Fund 3158 American History Grant	$95,000

4. **AATF Support** - Has the school division ever allocated funds to support the African-American Teaching Fellows (AATF) program in the form of contract for service to support minority recruitment efforts? I believe we resolved the legal issues that were seen as a barrier to supporting AATF in 2005, so now I want to check and see if any contract for services has ever been pursued.

This question was answered by Bernard Hairston.

The division has not allocated funds to support the African-American Teaching Fellows (AATF) program.

5. **Newcomer Center** - What is the total cost for our investment in the Newcomer Center (students arriving in our school division with limited English proficiency)? How many non-County students have been served? Is joint funding with the City of Charlottesville being pursued?

This question was answered by Tom Nash.

Program Description: In 2006-2007 an ESOL Newcomer Program was established. The secondary program is in partnership with the Charlottesville Albemarle Technical Education Center (CATEC). The elementary program is served by a teacher who travels to the schools. The teacher is based at Greer elementary, which has the largest elementary ESOL population. The elementary newcomer teacher provides direct one to one support to the student and to the ESOL teacher in the school to support the student's entry into school and to assist the student in gaining confidence and developing independence. The second teacher serves secondary students and is based at CATEC. The teacher provides a continuum of services. Specific and direct instruction is provided to students who have entered our secondary schools with limited education and language development, support is also provided for Level 2 ESOL students who are enrolled in CATEC classes, and consultation services are provided to the CATEC classroom teachers regarding best practices for instructing ESOL students. Both the elementary and secondary program operates under the assumption that Limited English Proficient (LEP) newcomer students need a period of adjustment not only to US schools but also to social systems. The program offers an emotionally-safe atmosphere that fosters acculturation, rapid language learning and a sense of personal empowerment and esteem.
Staffing: The Newcomer program is staffed by two teachers (2 FTE): an elementary ESOL teacher, a secondary ESOL teacher and two half-time ESOL Family Support workers (1FTE). The primary cost for this program is the personnel costs which are $170,052. The elementary newcomer teacher will serve over the full school year in the range of 30-50 students with no more than

12 students served at any one time. The secondary newcomer teacher will serve 10 students directly, another 10 students through providing direct support for their CATEC class and another 10-15 students will be monitored. The family support workers serve approximately 20-30 families at any given time. They provide support for families as they transition into the school system and serve as advocates and support for the family and children. The Charlottesville School division has chosen to use their own approach when serving ESOL children. Albemarle County does provide some indirect assistance but does not directly serve any non-county students.

6. **PDRP** - With proposed increase (restored funds) for Professional Development Reimbursement Program (PDRP), what will be the maximum amount available to a teacher per year? Can we get an updated picture of TOTAL professional development allocations as a percent of total operational budget (i.e. the graph we received last year)?

This question was answered by Jamie Endahl. Additional information will be provided by Jackson Zimmermann at a later date.

The maximum allowable in the current FY is $500. The amount proposed for the coming fiscal years is $1,000 per teacher.

7. **Central Office Staffing** - Can we get total FTE's, salary, benefits for central office employees in FY2009-10 budget? I'd like three major groupings: clerical/admin; Directors/Leadership; and remainder (e.g. assistant directors, deputy directors, coordinators, technical, analysis, etc.).

A consolidated list will be provided by Jackson Zimmermann at a later date.

This data is currently provided in each department summary, albeit not grouped in the requested fashion. This would require more than 15 minutes consolidating and verifying in this fashion.

8. **Travel-Mileage** - Can we get a total of ALL the proposed line items in the budget intended to support Travel-Mileage? Can we have the data presented with a comparison to FY2006 Budget, FY2006 Actual, FY2007 Budget, FY2007 Actual, and FY2008 Budget?

This question was answered by Jackson Zimmermann.

All data for travel mileage is presented on page C-57 of the Superintendent's Request. The FY 2005/06 budget for this specific line item was $109,694.

9. **YTD Financial Reports** - When will the School Board receive the next YTD financial report with data closing out FY2007? When will we receive first YTD financial report on FY2008?

This question was answered by Jackson Zimmermann.

June 30, 2007 Audited, October 2007, and November 2007 will be presented to the Board on January 24. July through September 2007 has been presented to the Board. The first report on FY 2008/09 is scheduled to be provided in September of 2008.

10. **Compensation question #1** - What might cause a department to allocate more for personnel salaries than the amount adopted in that year's budget? I am comparing several department's FY2007 actual presented in the FY2009-10 funding request to the FY2007 adopted budget. In these cases, the departments appear to have the same number of FTEs and while total actual expenses are BELOW adopted budget, it makes it appear that we needed to shift funds to address compensation needs from other line items in the departmental budget. Does that indeed happen and if so in what circumstances?

This question was answered by Jackson Zimmermann.

There are a number of circumstances where allocated dollars in terms of line items across departments would differ from actual expenses. Staff turnover would introduce significant variance between budgeted and actual expenses. There would be variance introduced due to the length of vacancy and also with the difference between salaries of staff leaving and hired. In terms of classified merit, a system-wide average is budgeted by position and line item, however actual payments are made based upon measured performance against goals and therefore may vary. Finally there are funds budgeted in Fund 2556 that are to address specific market discrepancies across the entire division. The funds to address these market discrepancies are often appropriated well in advance of the application to the appropriate line item. Typically the number of staff members is clearly adhered to during the school year. Departments or schools do not have access to saving in these areas nor are they responsible for expenses that exceed in these areas. The resulting system-wide savings in these areas are reflected in the fund balance available to the Board.

11. **Compensation Question #2** - I'd like a response to Steve Gissandaner's testimony in public comment on December 6, 2007 raising questions about our competitive market for teachers. Specifically, I'd like to know why we cap the market comparison for Fauquier (Step 16), Williamsburg/James City (Step 16), and Loudoun (Step 15). If this is what is happening, I believe our methodology should "fill in the gaps" and allow for a more accurate comparison of our teacher salaries for those with greater than 15 years experience, particularly for those with advanced degrees or hours towards an advanced degree. I believe a methodology could be developed by ACPS that is consistent with the joint-board agreement on compensation strategy and maintain the existing market localities. While the current approach may reflect what a very experienced teacher leaving our system would start at in another locality (i.e. Loudoun), it seems to me to send the wrong message to our senior teachers and to potential recruits looking to make their career in our division. I'd also like to see a competitive market analysis that allows us to better compare ourselves to tiered scales (e.g. Williamsburg and Fauquier). Even if it turns out using more complete data results in the same "bottom of the top quartile" targets, it would be a more complete and transparent analysis.

This question was answered by Kimberly Suyes.

The Human Resources department attempted to contact the three school divisions in question and received responses from Williamsburg/James City County and Fauquier. We have not heard back from Loudoun County. Williamsburg/JCC confirmed that the maximum salary a teacher with a bachelor's degree only can earn there for 2007-08 is $48,004 (i.e. step 16 of their 26-step scale). Teachers with 20 or 25 years tenure would indeed receive a longevity supplement. However, we do not include longevity increases in our analysis of salary data because the information is not available for all of the counties in our market and because they are not applied in a consistent manner.

Fauquier County's response was similar to that of Williamsburg/JCC. That is, a teacher with a bachelor's degree only is capped at step 16, no matter how many years experience beyond 16 they may have. They receive whatever the annual scale increase is, as do all Albemarle County teachers.

Consistent with this approach, our decision to use Loudoun's step 17 salary for the 20, 25, and 30 year benchmarks is based on the salary that they would use for initial placement on the scale (e.g. for a tenured teacher transferring from another county).

It's important to remember in looking at these numbers that the Board's compensation strategy for teacher salaries is not based on the median of our competitive market, as it is with all other County employees. Instead, teacher salaries are targeted to be at the bottom of the top quartile of the adopted competitive market (i.e. we aim to be roughly the 7th highest salary in our market at each benchmark level).

The salaries for the three counties in question do not have a significant impact on this target. Loudoun County is ranked higher than Albemarle at each benchmark level. Because the Board's strategy is based on position in the top quartile and not the median, the amount by which Loudoun's salaries exceed Albemarle's does not impact the salary target.

While we don't believe that it would be appropriate to adjust the Fauquier and Williamsburg/JCC salary data for the 20 and 25 year benchmarks as has been suggested, in any case, doing so would not have a significant effect on the market comparison. If the two counties' salaries are adjusted based on their published Master's scale minus $2,000 they would indeed both move into the top quartile at the 20 and 25 year benchmarks. The effect this would have, however, is quite small. At the 20 year mark, Albemarle would trail the target salary by only $473. At 25 years, the difference would be only $234.

It may indeed make sense to base our analysis of teacher salary data in the future on the market's master's scale. While it is not possible to do so for the 2008-09 year, we plan to gather and analyze that data for the following academic year.

12. Five-Year Financial Plan - The school division's five-year financial plan (page A-40) shows a $3.5 million operational deficit in year five. Is this projection being factored into local government's balanced five-year financial plan? If not, it would seem very strange for the Board of Supervisors to review a "balanced" five-year plan that ignores current school division projections. These projections should create a conversation for the joint boards about our joint ability to "fund the future."

This question was answered by Jackson Zimmermann.

The projection is not factored into local government's model. Their model is purely based upon the provision of specific transfer amounts to the school division, not the actual cost of services. There is no connection between the local government model and the anticipated expenses of the school division.

Questions from Brian Wheeler on 12/30/07 – 9:34 PM

1. **PDRP** - With proposed increase (restored funds) for Professional Development Reimbursement Program (PDRP), what will be the maximum amount available to a teacher per year? Can we get an updated picture of TOTAL professional development allocations as a percent of total operational budget (i.e. the graph we received last year)?

This question was answered by Jamie Endahl and Jackson Zimmermann.

The maximum allowable in the current FY is $500. The amount proposed for the coming fiscal years is $1,000 per teacher.

Type	Actual 05	Actual 06	Actual 07	Budgeted 08	Proposed 09
School Funds	$ 3,961,459	$ 4,313,365	$ 4,796,442	$ 5,596,178	$ 5,785,919
Self-Sustaining Funds	$ 873,698	$ 837,641	$ 585,461	$ 592,947	$ 536,271
Professional Development	$ 4,835,157	$ 5,151,007	$ 5,381,904	$ 6,189,125	$ 6,322,190
Professional Development %	3.73%	3.68%	3.54%	3.79%	3.72%
Grand Total	$129,619,441	$139,881,811	$152,152,867	$163,204,548	$170,065,234

Questions from Steve Koleszar on 1/14/08 –4:31PM

1. **As we discussed Thursday, I need a better handle on the assumptions that go into our 5 year projections. Could we do a best & worst case scenarios?**

This question was answered by Jackson Zimmermann.

It is difficult to perform a best and worst case scenario. As the costs have already changed during each of the past few board meetings, these changes have implications for future years. It is simple to adjust the percentage increases associated with revenues and expenses, however it is important to keep in mind that this model is a very gross tool. Compensation adjustments include both salary and benefit costs. A significant reason for the relatively high percentages associated with compensation increases is due to the anticipated VRS cost increases, health insurance increases, and market forces for teacher salaries.

Questions from Steve Koleszar on 1/14/08 –4:31PM
(Continued)

2. What is the total cost for VERIP? Is this still an effective strategy or should we discontinue it for new employees?

This question was answered by Jackson Zimmermann and Kimberly Suyes.

The total cost of VERIP for FY 2008/09 is projected to be $2,591,678. Additional information will be provided at a later date.

3. On page C1 where does savings from previous year come from?

This question was answered by Jackson Zimmermann.

Savings from the prior year comes from a myriad of places. The largest single source is the K-12 Instructional Salaries fund and is primarily due to teacher retirements and staff turnover. Since the division typically hires 140-160 teachers each year, there are salary savings associated with this turnover. Lapse has been increased somewhat to account for this, however lapse can be somewhat variable and therefore increased dependence upon turnover for succeeding year's budgets should be done cautiously. Other areas include Transportation and Building Services, these budgets have been adjusted downward to reflect anticipated actual costs.

4. What has actual lapse been for last 3 years?

This question was answered by Jackson Zimmermann.

The actual lapse has varied from year to year by significant amounts. We have examined this for the past 7 years and it has varied from a low of under $250,000 in FY 2002/03 to more than $2.4M in FY 2006/07. Years in which hiring freezes were implemented typically have significant amounts of lapse.

Questions from Brian Wheeler on 1/21/08 – 11:14 PM

1. What would it cost to fully fund the school division's goal for **gifted education staffing standards** (page F-25)? How does this standard compare to the recommendations of the Gifted Advisory Committee from June 2007?

This question was answered by Jackson Zimmermann.

There are 8 schools with a projected enrollment to exceed 500 students. To fully fund the goal would require 2.0 FTE teachers at a cost of ~$132,200.

2. Follow up to question from set #1 regarding **revenue from gifts and grants**. If this takes several days of work to provide detail on the sources and targets of all our gifts and grants, what do we need to do to our accounting systems to make this a simple query? Is that currently a specific goal of the Access Albemarle accounting systems?

This question was answered by Jackson Zimmermann

The source and target of gifts and grants are not accounting detail that is required by the Governmental Accounting Standards Board (GASB), Generally Accepted Accounting Procedures (GAAP), the Commonwealth, or the Federal governments. It would require altering our existing financial system to provide an additional number of fields to input required data, establishing standards for the entry of such data, and actually entering in such data. Due to work on the Access Albemarle system, work on alteration of our current accounting system is limited to absolutely essential accounting issues.

3. Follow-up question on **Travel Mileage Line Item**, #550100 (Page C-57). In the FY2008 budget we approved an adopted amount for Travel Mileage ($202,830) that it now turns out was 44.4% higher than the prior year's actual ($140,495 for FY2007). While smaller increases are budgeted for FY2009 (7.54%), does YTD financial data suggest the prior year's budget increases were warranted? In other words, are we going to come anywhere close to needing $202,830 this fiscal year? If so, what is driving those increases? Is that attributable entirely to the increase in the federal mileage reimbursement rates (i.e. rising gas prices) or to increasing mileage driven?

This question was answered by Jackson Zimmermann

It is difficult to determine if current year expenses warrant the entire increase requested or not. There is a significant chilling effect upon mileage reimbursements submitted when significant operational reductions are planned in the current year. There are a significant number of staff that travel from one facility to another during their workday. Given the size of our county, our mileage costs do not appear to be high. The cost of the increased rate was based upon the budgeted amounts in each school and department budget.

Questions from Brian Wheeler on 2/1/08 – 8:31 AM

1. Mr. Boyd would like a more detailed breakout of the methodology and data used to create the pie chart showing that 75% of our funds are used in the classroom. I'd like to include this in our funding request to the Supervisors.

This question was answered by Jackson Zimmermann.

Page E-38 shows instructional expenses are 73.67% of the total request and reflect items unaffected by rounding issues. This is based upon the state accounting methodology that is required of all school divisions. These expenses include teachers, teaching assistants, principals, asst. principals, school office associates, central office coordinators working on instructional issues, and central office staff involved in the delivery or improvement of instruction. The classification and reporting of these expenses is in accordance with the state accounting structure.

Questions from Jon Stokes on 2/1/08 – 10:29 AM

1. What is the possibility of increasing our operating budget by reducing our capital budget? With the planned renovations/additions to Albemarle/Brownsville/Greer, the capacity of the school buildings (assuming no trailers) increases to 14,291 while enrollment is projected to be only 12,750 in SY12/13. That's over 1500 seats for a projected growth of only 260 students in the next five years. And that's using ACPS capacity figures which are much lower than the capacity figures set forth by the RUS. In the next five years, the current CIP budget calls for spending over $50 million (over half of the CIP budget) on school expansions. Is there a way to keep teacher salaries at the market level and maintain class sizes by reducing our spending on excess and unneeded building capacity?

This question will be answered by Diane Behrens.

Decreasing the transfer of fund to CIP will yield approximately $849,000 for every cent reduced. The decrease in transfer of funds for CIP would allow for more revenue for the 60/40 split. Decreasing the transfer would require an adjustment in projects in the future years. Projects such as Greer, Brownsville, and Albemarle High School are already in process. We would hope that the decrease in transfer would not negatively impact pay as you go funding for computer replacement and smaller building services projects. A more complete analysis of the impact of this division would require far more than 15 minutes of staff time.