

Overview

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Our Vision

All learners believe in their power to embrace learning, to excel, and to own their future.

Our Mission

The core purpose of Albemarle County Public Schools is to establish a community of learners and learning, through rigor, relevance, and relationships, one student at a time.

Our Goals

1. Prepare all students to succeed as members of a global community and in a global economy.
2. Eliminate the Achievement Gap.
3. Recruit, retain, and develop a diverse cadre of the highest quality teaching personnel, staff, and administrators.
4. Achieve recognition as a world-class educational system.
5. Establish efficient systems for development, allocation and alignment of resources to support the Division's vision, mission, and goals.

The Superintendent's 2009-10 Funding Request Journey Towards a Brighter Future: Value-Driven Resources in a Time of Change

Noted inventor and pioneer of the human spirit Thomas Alva Edison once said, "Be courageous. I have seen many depressions in business. Always America has emerged from these stronger and more prosperous. Be brave as your fathers before you. Have faith! Go forward!" As inspirational as Edison sounds, taking his advice to heart in a time of critical budgetary challenges and staying focused on the future is not an easy task.

However, as Edison remarks, these times demand courage, and keen insight on what is most important to a family, an organization, a nation. As we created this Funding Request, we focused on what is most important: creating success for each and every student as they move through our school system and into the global community for which we are preparing them and in which they must compete.

The 2009-10 Superintendent's Funding Request is sharply focused on our core: teachers and students learning together in classrooms. In a business in which 83 percent of our budget is comprised of compensation – salaries and benefits for our employees – meeting the budgetary challenges we faced without reducing personnel is not possible. Tough decisions have been made, including recognizing that we are unable to provide raises for our employees in this economic climate. However, we are proud that despite the significant cuts we have had to make, we have maintained our current class size ratios. That means that we kept our focus not only on people, but most importantly on the teachers who come in contact with our students, your children, every day. As we considered programs and services for reduction, and took bold steps to re-imagine our organization as a leaner, more-efficient learning delivery system, we never took our eyes off of that teacher-student relationship that is at the heart of our vision: learning.

Albemarle County Public Schools takes its role as steward of the public trust very seriously. It is not possible, in this financial

climate, to simply ask our taxpayers to provide more money for our operations without examining, line by line, program by program, the expenditures we make and formulate reductions accordingly. We have taken a microscope to each of our budget lines, looking for places where we can find additional savings. We have also taken a 'big picture' approach, and looked at ways we can deliver even better learning experiences for our children, despite reduced resources. We have introduced in this budget a new "Instructional Coaching" Model that places more emphasis on schools-based positions to work directly with students and teachers creating engaging, relevant learning experiences every day, and far fewer managers coordinating this work. The results of our examination, with both microscope and telescope, is reflected in this Funding Request.

The Superintendent's Funding Request calls for:


- Maintaining current teacher and support staff salaries, and covering cost increases in benefits, including a 6 percent jump in health care costs;
- Maintaining current class size ratios, keeping teachers in the classrooms, engaging students every day;
- Expanding efficiencies in our operations, including transportation, building services, executive and support services and our division level administration.
- Further reorganization of our division leadership to be leaner and more aligned. This will include creating an assistant superintendent of planning and operations and a director of secondary education in order to maintain the regulatory and reporting requirements and streamline the organizational structure. This will be accomplished through the reorganization of existing positions.
- A reorganization of our delivery system for advancing the work of the Division, which includes shifting the learning environment to one that meets the needs of the 21st Century Learner and the global economy.

This Superintendent's Funding Request totals \$149.1 million in projected revenue, at total of \$2.2 million less than the 2008-09 adopted budget. The local, state and national economic downturn we are all experiencing will cause the School Division to receive far less revenue than we have in the past, and we have made significant cuts in our programs and services to balance our budget. State revenue projections were not available at the time of this document, although this funding request assumes a decline in state revenue of \$3.2 million.

When finances are strained, our commitment to the people on the front lines matters even more. Organizations have to determine what is most important to them, and work diligently to ensure that the heart of their business is protected from the economic storms. This Funding Request represents our best plan for meeting school division needs within the significant constraints of very limited resources. It protects our classrooms, so that our teachers can continue working with our children everyday.

Through January 2009, we will seek further input from our employees and the community as we finalize our proposal for the Albemarle County Board of Supervisors. I look forward to working with the School Board and our community, shoulder to shoulder, hand in hand, and with unity of purpose to continue advancing our vision of success for every child. Together, we can emerge from this economic downturn, as Edison said, stronger and more purposeful, with renewed emphasis on what is most important: preparing all learners to excel and to own their future.

Sincerely,

A handwritten signature in cursive script that reads "Pamela R. Moran".

Dr. Pamela R. Moran, Superintendent



Our Strategic Portfolio

Highlights from the 2007-08 School Year

Division Profile 2007-08 School Year

Enrollment:	12,581	Schools:	27*
Employees:	2,310	Per pupil cost:	\$11,507

Staffing Ratios:

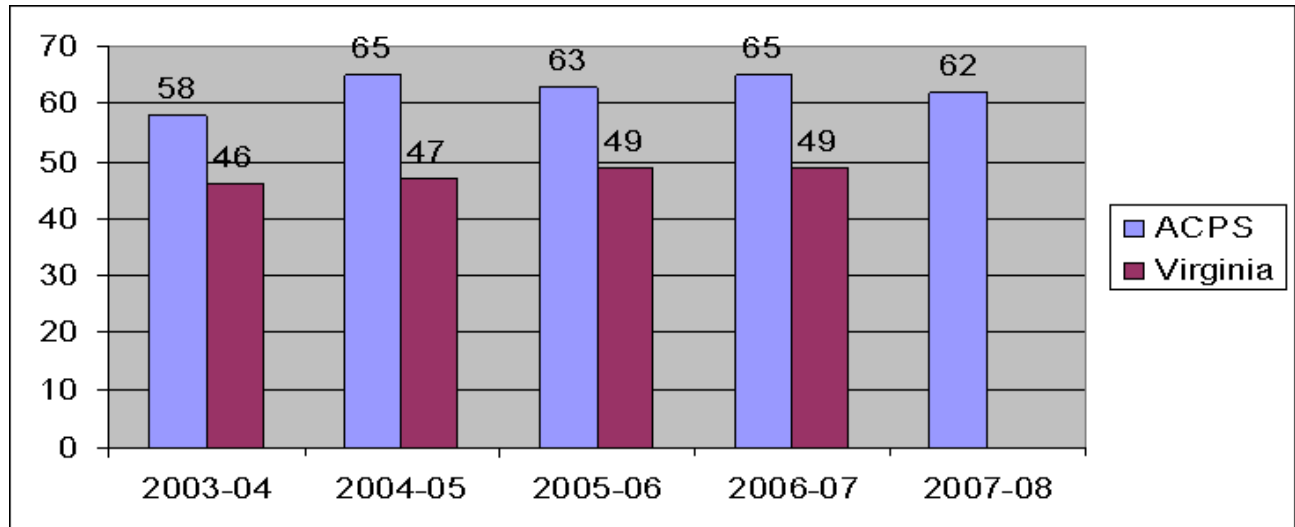
Grades K-3:	18.90:1	Grades 6-8:	21.39:1
Grades 4-5:	19.86:1	Grades 9-12:	21.09:1

Academic Achievement Accountability

- All schools are fully accredited by the Virginia Department of Education. Full accreditation is the highest rating schools can earn in the Virginia Assessment Program.
- The most recent survey of Albemarle County parents and community members, conducted in fall 2008, found that 92 percent of parents are satisfied with the quality of education that their children receive from Albemarle County Public Schools. The percentage of community members who rate Albemarle County Public Schools positively increased from 88 to 92 percent from 2006 to 2008.
- Twenty Albemarle County schools met or exceeded 29 different requirements for statewide Standards of Learning (SOL) testing to meet Adequate Yearly Progress (AYP) requirements under the federal No Child Left Behind (NCLB) Act. AYP represents the minimum percentage of students that must pass the SOL tests each year overall and in six student groups. The school division as a whole also made AYP in English and mathematics for the 2007-08 school year.
- Overall, at the division level, our students achieved above a 90% pass rate in reading, writing, science, and social studies, and had an 89 percent pass rate in mathematics across all grade levels 3-12. The state benchmarks were 77 percent for reading and 75 percent for mathematics.
- Albemarle County Schools was one of only 19 school divisions in the state to earn the VIP Governor's Award for Educational Excellence. The distinction is given to school systems that far surpassed the benchmarks established by the state.
- Murray Elementary School was one of only 340 schools in the nation to be named a No Child Left Behind Blue Ribbon School for superior student achievement.

- Average SAT scores by Albemarle County students surpass state and national averages by more than 10 percent.
- 82 percent of Albemarle County high school graduates pursue post-secondary education.
- Seven Albemarle County elementary schools were recognized by the Virginia Board of Education for raising the academic achievement of economically disadvantaged students. The recognition is earned by schools that have significantly closed the achievement gap or exceeded AYP targets for two or more consecutive years under the federal No Child Left Behind Act.
- As a division, 99.93% of our teachers are Highly Qualified under the provisions of the No Child Left Behind act. Approximately 58-percent of Albemarle County teachers hold a master's degree and both teachers and support staff continue to receive honors as leading education experts in Virginia and the nation, including the Red Apple award for integrating technology into the classroom, which has gone to an Albemarle schools educator for the past two years, and the Milken Educator award, which went to Woodbrook Principal Bill Sterrett in 2008.
- Albemarle High School has been selected as a Blue Ribbon School for its music program for the past three years. The choirs, bands and orchestra at AHS each earned superior ratings at state and national festivals to earn this honor.
- Sixty-two percent of graduating seniors in the Class of 2007 earned an Advanced Studies Diploma. Albemarle County has one of the highest percentages of students graduating with Advanced Studies Diplomas in Virginia.

Albemarle County vs. Virginia; Percent of Advanced Studies Diplomas Earned



- In 2007-2008, our school division offered 53 Advanced Placement (AP) courses and 21 dual-enrollment courses in cooperation with Piedmont Virginia Community College or the University of Virginia. While in high school, 66 percent of students in the graduating Class of 2007 took one or more college-level courses.

	# AP Enrollments	# Dual Enrollment and Dual Credit	# of Dual Enrollment/Credit and AP Enrollment	% of Graduates Taking One or More College Courses
01-02	1126	61	1187	50%
02-03	1166	180	1346	54%
03-04	1361	257	1618	48%
04-05	1539	427	1966	60%
05-06	1677	676	2353	60%
06-07	2042	925	2967	66%
07-08	2150	945	3095	66%

- The percentage of students in grades 9-12 taking at least one Advanced Placement (AP) test remained 24 percent. Of the students who took an AP test, 79 percent scored a three or higher, well above the state and national averages. The number of AP exams taken has more than doubled in the past six years, and includes significantly greater numbers of students who had been traditionally underrepresented in AP classes.

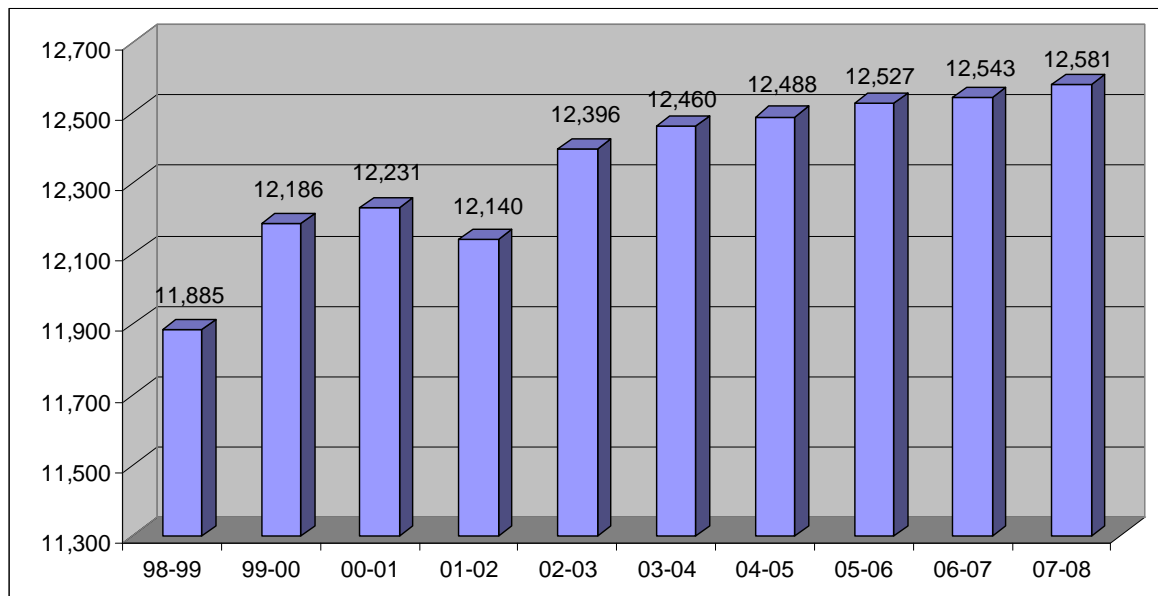
	# AP Enrollments	# AP Exams Taken	% Taking Exam	# AP Scores 3 to 5	% AP Scores 3 to 5
02-03	1166	878	75%	639	73%
03-04	1361	934	69%	692	74%
04-05	1539	1365	88%	969	71%
05-06	1677	1450	86%	1132	78%
06-07	2042	1652	81%	1340	81%
07-08	2150	1764	82%	1390	79%

**Includes Community Public Charter, the arts-infused middle school currently housed at Burley Middle School. This school opened in fall 2008. Total number of schools also includes CATEC, operated jointly with Charlottesville City Schools.*

Fiscal Accountability

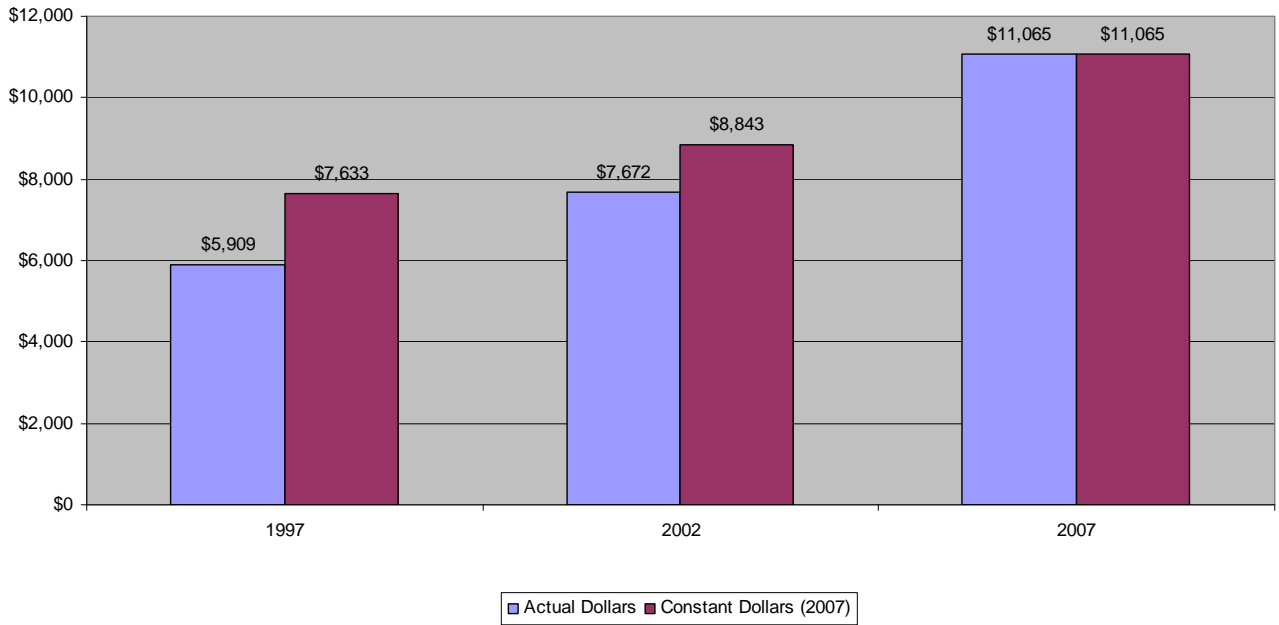
- The School Division budget for 2009-10 was aligned with the organization's strategic goals.
- The School Division request for the 2009-10 school year was reduced and balanced to available revenue following considerable declines in local and state revenues, using an assumption of \$3.2 million shortfall from the state and a \$0.745 per \$100 tax rate for revenues available to the school system.
- The School Division incorporated recommendations from an independent Resource Utilization Study conducted in 2007. The report assisted the Division in identifying ways to better align and allocate resources to support strategic planning goals.
- A long-range master facilities planning process was begun in October 2008 and will continue through June 2010. The committee is conducting a review of all school facilities and their ability to provide a physical environment conducive to best-practice instruction, as well as to examine building capacity and efficiency. Phase I of this study involves the southern feeder pattern and will be complete in May 2009.
- Division plans are now based upon a 2-year projection of revenues and expenses.
- Enrollment has grown over the last 10 years and is projected to continue to increase slightly in the future, with shifting demographics.

Enrollment History (June 2008)



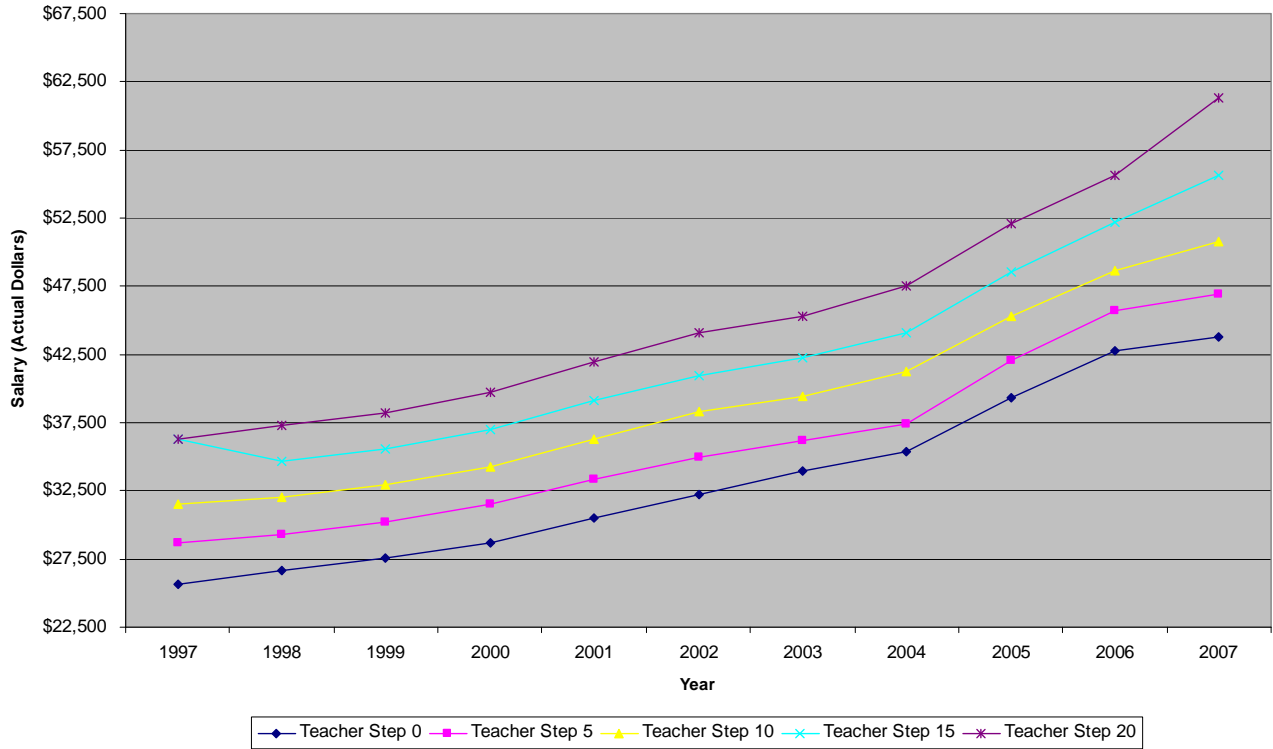
- Per-pupil expenditures have grown as a result of improved standing in the competitive market and increasing costs of benefits.

Per Pupil Expenditures from 1997-2007



- Albemarle County has made significant strides in teacher salaries particularly since 2004.

**Individual Teacher Salary Across 10 Years
(Actual Dollars)**





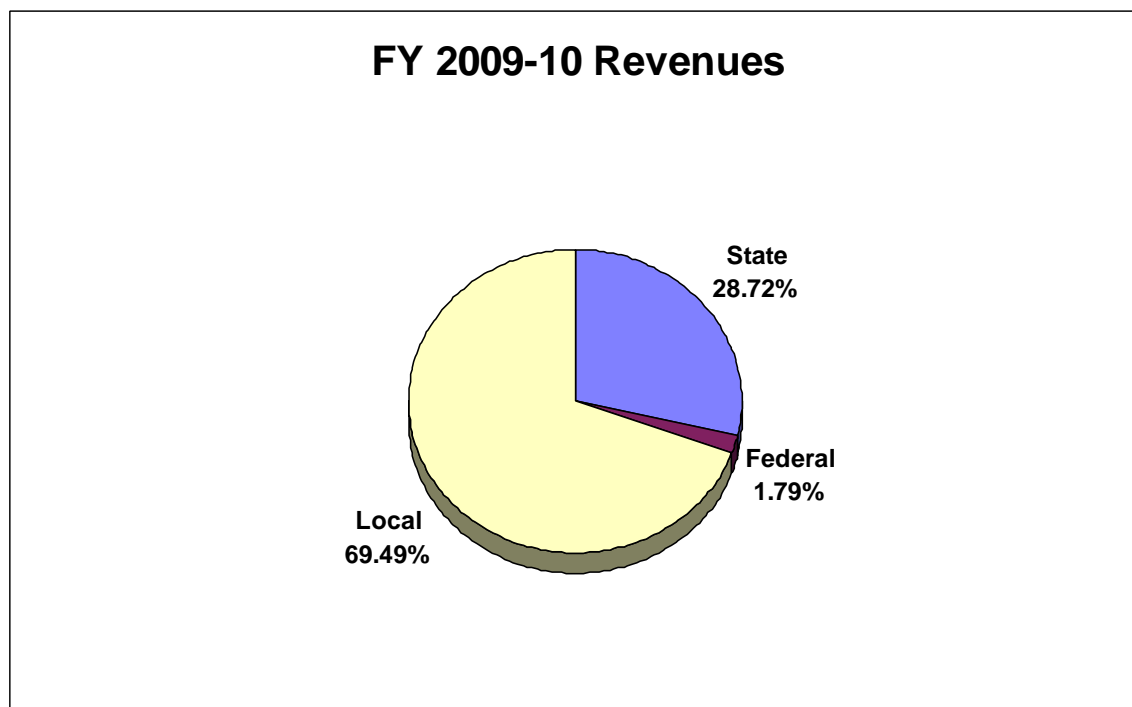
Frequently Asked Questions Topic: Budget

- Section 1: Revenues**
- Section 2: Expenditures**
- Section 3: Budget Process**
- Section 4: General/Other**

REVENUE

Q: What are the sources of School Division revenue?

A: The School Division receives the majority of its funding from local sources such as real estate and personal property taxes. For the 2007-08 school year, the School Division received 70 percent of its revenue from local sources, 28.1 percent from the state, and less than 2 percent from the federal government. As part of its annual budget development process, the Albemarle County Board of Supervisors allocates a portion of certain types of new local revenue, typically 60 percent, to the School Division.



Q: How does the local real estate tax rate affect School Division funding?

A: *Just over 70 percent of School Division funding comes from local sources, primarily the real estate property tax. When the real estate tax rate is reduced or property values decline, the level of funding for the School Division declines. Albemarle County collects real estate taxes two times each fiscal year, in December and June. The current real estate tax rate as set by the Board of Supervisors is \$0.71 per \$100 of assessed property value. Due to depressed real estate values in the county, the amount of revenue available for the schools is substantially lower, as the amount of taxes paid on the same property, under the same tax rate. This amount was scheduled to increase to \$0.72 per \$100 for 2009, and the board of supervisors may elect to change the tax rate further at its March meeting. This funding request assumes a \$0.745 per \$100 revenues available to the school division.*

Q: How does the Virginia Lottery benefit Albemarle County Public Schools?

A: *As of the last General Assembly, lottery funds are now part of the general funding stream for all school divisions. Previously these funds were treated as additional funds to support some operational and capital costs had not been included in the general funding stream, based on taxes. Now, these funds have been used to replace tax dollars to fund programs such as supplemental dollars to support lower K-3 class size for schools with higher numbers of economically disadvantaged students and other operational areas which are considered supplemental to core educational services. This redirection of funds ensured that divisions were not seriously impacted in core services by the reductions at the state level for the 2008-09 fiscal year; however, it provides a less secure revenue stream for the funding of programs which directly affect many needy students.*

The Commonwealth uses an allocation formula to determine the amount of lottery funds that each locality receives. Albemarle County receives approximately \$1 million, or less than 1 percent of its revenue, from the Virginia Lottery each year.

Q: What impact has the current economic downturn had on the School Division's revenues and ability to provide services to our children?

A: *Current year revenues from both local sources and state sources have been seriously impacted by the economic downturn. More that \$4M less funds are anticipated for the current year. For next fiscal year, the Board of Supervisors have asked staff to plan for operational revenues based upon a rate which is equivalent to 74.5 cents. At this rate, local revenues are approximately equal to those proposed for FY 2008/09. However, state revenues are anticipated to decline significantly due to reduced collections. This reduction is anticipated to be equal to approximately 10% of the revenues previously proposed by the General Assembly as part of its biennial budget. Overall, recurring revenues are anticipated to decline by nearly \$3M, while costs are not generally declining.*

Albemarle County Schools compares very favorably to other school systems in the state and nation. Although we have been forced to make significant cuts, we believe our core goal of preparing students to succeed in a global community will not be adversely affected as we have held teacher- student ratio harmless with this budget. We will still be working one student at a time to help each not only master our curriculum, but develop lifelong learning skills that will bring success beyond the 12th grade as citizen, scholar and employee.

Q: What is the "composite index" and how does it impact revenue?

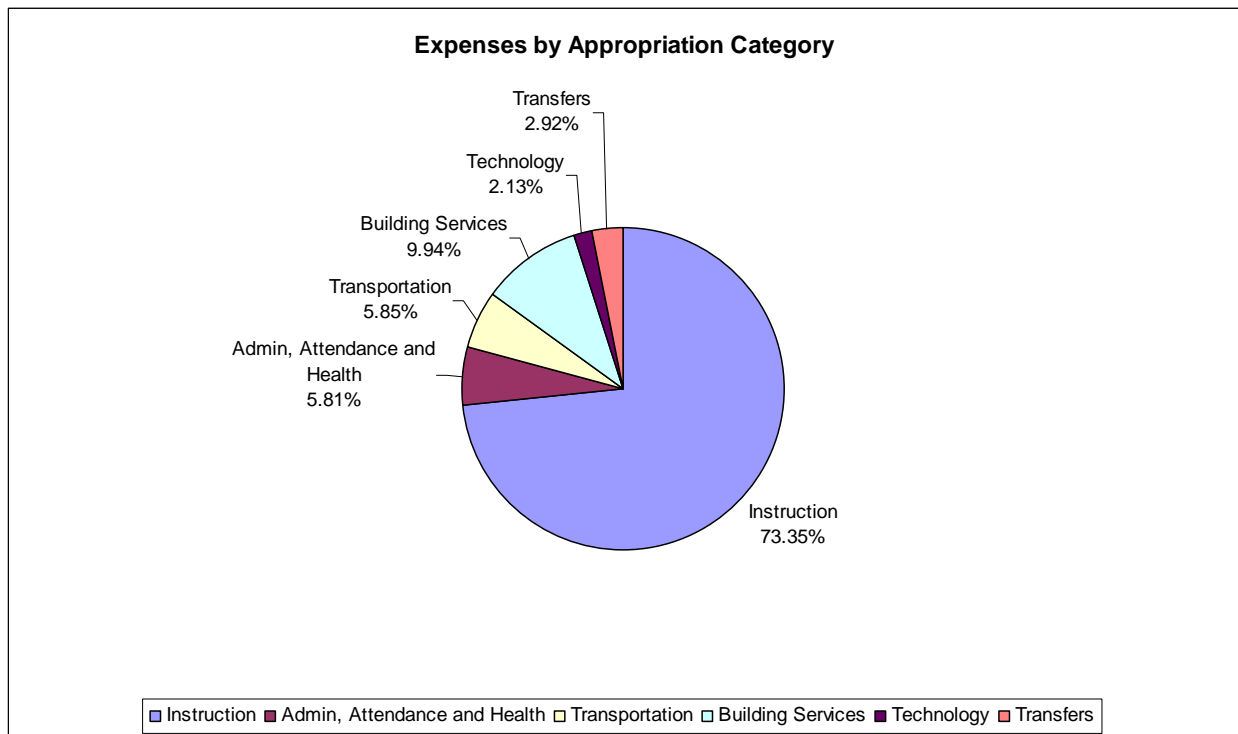
A: *The Composite Index is calculated by the Commonwealth of Virginia to determine our local ability to pay for school services. It is calculated every two years. The Composite Index determines how much money the state will contribute to the School Division to help fund Virginia Standards of Quality (SOQ) requirements. For Albemarle County, application of the Composite Index would result in 60.95 percent of SOQ-related costs being paid for by the School Division and approximately 39 percent being paid for by the Commonwealth.*

*However, the Commonwealth does not fully fund its 39 percent portion so Albemarle taxpayers pick up the difference. Albemarle County's composite index is further hampered by the revenue-sharing agreement the county has with the city of Charlottesville, requiring \$0.10 of the county's real estate tax rate to be redirected to the city government. The state calculates the funds that will be sent to Albemarle based on its revenues **before** that revenue sharing is removed (in 2007-08 that equaled more than \$18 million), thus inflating our composite index and reducing the amount of funding we receive from the state.*

EXPENDITURES

Q: How does the School Division spend its budget?

A: Education is a “people business”. More than 83 percent of the School Division’s budget is spent on salary and benefits for its 2,200 employees. The School Division spends more than 73 percent of its revenue on instruction, well above the national target of 65 percent. Approximately 10 percent is allocated to building services, 6 percent to transportation, 6 percent to administration, attendance and health, 2 percent to technology and 3 percent to transfers.



Q: What does the administration, attendance and health category* represent?

A: *The administration, attendance and health category* represents expenses for positions in schools and central office that provide support services to students and are non-instructional in nature. Some examples of expenditures in this category include:*

- *non-instructional central office positions, such as building services, administrative and support staff*
- *non-instructional school-based positions such as nurses at each school*
- *the costs of psychological, speech and auditory services for special education students.*

**Many expenses in this category are required under the Virginia Standards of Quality (see later questions on SOQ).*

Q: What does the transfers category represent?

A: *The transfers category represents inter-fund and intra-fund transfers. When the School Division transfers funds to Local Government to pay for the School Division's portion of shared programs, it is an inter-fund transfer. Some examples include transfers to the Department of Social Services for the Bright Stars pre-school program, the Family Support Workers program, and costs related to the Comprehensive Services Act (CSA). Funds transferred from one School Division account to another internal account are intra-fund transfers. Examples include purchase of replacement school buses and computers.*

Q: What is the Comprehensive Services Act (CSA) and what does it pay for?

A: *The Comprehensive Services Act for At-Risk Youth and Families is a 1993 Virginia law which provides funding for community-based services for at-risk youth and their families. Funds from the CSA account cover the costs of services needed by special education students but which are not available through School Division programs. Examples of services provided by the CSA include residential placement of students with serious emotional or behavioral problems, and enrollment of students in the Virginia School of Autism.*

Q: What does the Technology Category represent, and why does it appear on this year's budget?

A: *During its last session, the General Assembly established a new appropriation category that encompasses technology expenditures. This new category moves expenses from both the administrative and instructional areas in order to highlight expenses in this area.*

Q: How does the Resource Utilization Study factor in this budget?

A: *The Resource Utilization Study conducted last year gave us some specific recommendations for ways we can be more efficient. Some of these recommendations were implemented in 2008-09, and others are slated for implementation in 2009-2010. A major reorganization of the Division Level Administration is in process with \$400,000 in compensation cuts at the central office level made for 2008-09 as a result of the study, with additional cuts of more than twice that to follow for 2009-2010. As a result of the study and the reorganization, the central level administration will be leaner, and have a more efficient reporting structure for better work flow. More specific information about this reorganization is available in the budget document itself.*

In addition, the study recommended a review of our transportation routes, and changes were made there to realize savings in fuel, bus replacement costs, and hours. A new transportation director who begins work in January will continue to refine these efficiencies.

The study also recommended we look at our building capacities and plans for renovations and capital improvements. We have begun a Long-Range Master Facilities Plan that will look at each of our buildings in terms of their suitability for instruction as well as for cost and efficiency. The Southern Feeder Pattern is the first phase, and a recommendation about three elementary schools, Scottsville, Yancey and Red Hill will be sent to the board in May for possible action in 2009-2010.

The Resource Utilization Study also made some recommendations about class size, school schedules, and about the feasibility of offering school-specific electives. Those recommendations will be considered for scheduling and staffing for 2009-2010.

Q: What are “unfunded mandates?”

A: *An unfunded mandate is something the state or federal government requires the School Division to do without providing all of the related funding. The total combined funding from the federal and state governments for schools continues to shrink although the number of unfunded mandates has increased. To create a comprehensive list of all mandates with costs would be a major undertaking, involving a large number of staff over a lengthy period of time. This list of mandates may generate, in the estimation of our Fiscal Services Department, more than \$60 million in funding required to support mandates.*

Q: What are some examples of federal unfunded mandates?

A: *An example of an unfunded federal mandate is the No Child Left Behind (NCLB) Act of 2001. In 2004, the Commonwealth of Virginia completed a study* of the cost of unfunded mandates required by the NCLB Act for Virginia schools. Albemarle County Public Schools participated in a Virginia study of this single, federal mandate. Despite a highly restrictive methodology causing NCLB costs to be underestimated, the unfunded mandates from NCLB in 2004 resulted in our Division paying a per pupil cost of \$138, or just under \$2 million. The cost of unfunded mandates for Albemarle County in 2007-08 well exceeded \$2 million.*

In the Albemarle County Standards of Learning (SOL) testing program alone, approximately 30,000 exams will be given to students this spring. In the 2000-01 school year, approximately 22,000 SOL exams were given. There has been a 36 percent increase in the number of SOL tests given since the 2000-01 school year as a result of NCLB, which requires more frequent testing. The School Division must spend money to fund testing coordinators for each school, technology support staff and data and reporting staff to comply with these mandates. These costs, as well as other costs associated with NCLB, are not funded by the \$2.6 million the Division received in 2007-08 from the federal government.

Another example of a federal unfunded mandate is the federally funded Individuals with Disabilities Education Act (IDEA). The original IDEA for special education was to provide 40 percent of program funding to serve students; in actuality, Albemarle County Public Schools receives less than 15 percent of the total costs of implementing this legislation.

Q: What are some examples of state unfunded mandates?

A: *The Virginia Standards of Quality (SOQ) provides an example of a state mandate that is only partially funded. The prescribed Standards of Quality for Public Schools in Virginia are part of the Code of Virginia and can be revised only by the General Assembly. The SOQ were last revised in 2005.*

The SOQ specifies required staffing for K-12 public schools but the state only partially funds its share of the costs for these staff. Examples of SOQ-required staffing include:

- *17 full-time equivalent (FTE) instructional positions for each 1,000 student identified as having limited English proficiency*
- *1 full-time reading specialist in each elementary school*
- *5 FTEs per 1,000 students in grades K-5 to serve as resource teachers in art, music and physical education*
- *Two FTE per 1,000 students in grades K-12 with one FTE to provide technology support and one to serve as an instructional technology resource teacher*

The state funds approximately 40 percent of the requirements under the SOQs. The other 60 percent is borne by the locality, primarily from real estate property taxes.

Q: How do the minimum standards described in the Standards of Quality (SOQ) and associated state payments affect Albemarle County's taxpayers?

A: *The state can change the amount that it provides for the Standards of Quality, or amend the SOQ themselves. Those legislative changes can add an additional burden on a locality's taxpayers in times of budget deficits, as the state may decide to lower its funding as a way to balance its own budget. Because the positions are still required under the SOQ and cannot be subsequently cut by a School Division, the responsibility for paying for these mandated positions falls on the local taxpayers.*

It also is important to understand that the SOQ represents minimal possible standards for public schools. Albemarle County, in many cases, has chosen to exceed standards beyond the state's baseline expectations as defined in the SOQ. In this year of significant budgetary reductions, the School Division examined the places where it exceeded the SOQ, and looked that those expenditures as targets for reduction.

One example: the state standard for English for Speakers of Other Languages (ESOL) education provides partial funding for no more than 17 staff per 1,000 students. The state provides SOQ funding of approximately \$300,000 in support of the ESOL program. Typically, Virginia should provide approximately 40 percent of the total funding for programs that are mandated.

ESOL services by Albemarle County does not significantly exceed the mandated state requirements. However, in reality, state funding does not approach the actual cost of serving our ESOL students. The difference between the state funding of under \$300,000 and the total cost of services of approximately \$1.6 million is borne completely by the local taxpayer through real estate taxes.

Q: Why won't employees get a raise for next year?

A: The economic crisis we face is severe. Unemployment rates are rising, many companies and industries are experiencing layoffs, and all organizations are challenged to do more with less. Because we want to maintain our class size ratio, which means keeping the total number of core classroom teachers that we currently have, and because we do not want to create further reductions in current positions, the Superintendent is recommending no raises for teachers or classified staff. By foregoing raises for employees, we are able to keep more of them employed in the 2009-10 school year.

Albemarle County is not alone in being unable to provide raises for employees. Public schools and universities across the state and the nation are implementing similar strategies to maintain as many employees as possible and reduce the number of layoffs that would be necessary.

Q: Instead of raises, can you do a bonus of some kind, especially for top performers?

A: One time bonuses have been discussed as a less costly and less rewarding means of compensation. For classified employees, there is currently a merit-based pay structure based upon performance. No cost-of-living raises or other non-merit based pay has been used to compensate classified staff. Teachers are rewarded based upon a longevity based system, consistent with pay structures across the nation. Annually, pay is compared between Albemarle County and other cities and counties in the Commonwealth in order to ensure that staff is paid competitively. For the coming fiscal year, revenues will not be sufficient to meet recommended salary increases.

The school division will be reducing both staff and expenses over the next year. Adding increased salaries would increase the number of staff necessary to be reduced. While a salary increase for staff is part of the overall budgetary recommendations if revenues are available, the current ability to fund such an increase without significantly impacting the classroom would not be possible. A slightly less than 2 percent salary increase or bonus for teachers would cost nearly \$1.2M.

BUDGET PROCESS

Q: What is the School Board's responsibility in the budget development process?

A: *The School Board is required by Virginia Statute to request funding that meets the educational needs of the students served by our schools. The Albemarle County School Board Policy also tasks the School Board with adopting an annual budget to provide the financial basis for the buildings, furnishings, staff, materials, equipment, and transportation needed to educate the students of Albemarle County. The School Board also is required to ensure that all funds are accurately accounted for and disbursed according to the adopted budget. Lastly, the Albemarle County School Board provides direction to the Superintendent in terms of the programs, initiatives and priorities that the board would like to pursue to drive the work of the division forward and achieve the strategic plan.*

Q: How is the School Division budget created?

A: *The School Division typically follows a lengthy budget development cycle that begins in August and ends in April:*

- *The process includes gathering input from the variety of stakeholders in the school system and community.*
- *A Division Budget Advisory Committee reviews all budget requests, aligns budget requests to the Division strategic plan, and prioritizes requests as part of its recommendations to the Superintendent. The Superintendent then forms a Funding Request, which is presented to the School Board in December.*
- *The School Board reviews the Superintendent's Funding Request during a series of work sessions and a public hearing, and makes its own adjustments to the spending plan. The School Board also hosts a Telephone Town Hall to gain constituent input.*
- *A School Board Funding Request is next presented to the Albemarle County Board of Supervisors, which makes the final decision regarding the amount of revenue to be allocated to the school system. The final budget may then have to be revised based on the revenue the Division will receive.*
- *The School Board adopts the final budget in April for the following school year.*
- *This year, the Superintendent advised departments that rather than submit initiatives to the Budget Advisory Committee, they should focus on reductions, due to the negative economic climate.*

Q: What role does the School Division's vision, mission and strategic goals play in the budget development process?

A: *Staff and the superintendent align the proposed funding request with the vision, mission and strategic goals of the School Division. Budget initiatives must be proven to support the strategic goals of the School Division in order to move forward in the budget development process. The Superintendent, the Office of Fiscal Services, the Superintendent's Budget Advisory Committee, and the School Board each conduct a review of budget initiatives to ensure alignment with strategic goals.*

In this year of budget reductions, programs and services that are further removed from or more tangential to the strategic plan were targeted more significantly for reductions.

GENERAL

Q: Has the School Division's student enrollment changed over the past 10 years?

A: *The current student enrollment is 12,581, up over a thousand students in the past decade. The 2008-09 enrollment is up about 50 students over last year, with much of the growth in the western feeder pattern. However, the most significant way that student enrollment has changed in the past 10 years is in the number of students from other countries who enroll in our schools' English Language Learners (ELL) program). ELL students are enrolled in all 25 schools and CATEC, and the number of ELL students has grown 170% since 2003. These students require additional services, many of which are not subsidized by state and federal funds.*

Q: Why is funding compensation increases for teachers and other positions in the school system that are higher than the standard cost-of-living adjustment so important for the School Division?

A: *This year, no teachers or classified staff will receive any compensation increase. Providing employee raises would have caused us to have to eliminate additional personnel. The superintendent, in her funding request, elected to keep as many people employed as possible, but to freeze their salaries at 2008-09 amounts. The funding request does cover the additional health care premium costs that will go into effect for 09-10.*

Albemarle County has a very high cost of living, which challenges Human Resources staff to recruit and retain highly qualified staff for both schools and local government. Some positions are difficult to fill even within the local market. Each year, Human Resources staff collects information about the cost of living from World at Work data. They also examine changes in our competitors' salary scales. Using this information, they compute how salaries need to change to keep up with the cost-of-living and maintain market competitiveness so that good employees are not lost to neighboring school divisions.

Initial comparisons done in September 2008 showed Albemarle County slightly below its competitors in terms of salaries for classified staff and for some teachers in the middle of their careers. These recommended increases will not be funded in 2009-10, making future years' compensation challenges potentially greater.

Q: How does student enrollment impact the budget?

A: *Student enrollment impacts the budget in two ways: the amount of money received from the state through “Average Daily Membership” and employee staffing. We receive some state funding based on the number of students who attend each of our schools, through a formula known as “Average Daily Membership.” Student enrollment also determines the number of employees to be hired. The School Division uses a school staffing formula that increases or decreases positions for core content teachers, school administrators, fine arts, physical education, counselors and other educator positions in schools based upon the actual enrollment numbers of students. The numbers of special education teachers and Limited English Proficient (LEP) teachers hired are based upon growth in those areas as well as by the Standards of Quality for established by the Virginia General Assembly. The more students the division has, and the more students who require special services, the more teachers Albemarle County Public Schools must hire, therefore impacting the budget.*

For example, the 2009-10 funding request assumes an overall increase of 5 teachers due to the anticipated increased numbers of students receiving free- and reduced price meals. The Division’s staffing formula allocates additional teachers to serve students who have been identified as possessing one or more risk factors, such as poverty.

Q: Why isn’t budget growth proportionate to enrollment growth?

A: *The critical factor causing budget increases from year to year is the compensation for existing employees to help us stay competitive within the market and address changes in the cost of living. Growth in the overall student population has some impact on budget increases, but it is not the key factor. In fact, a formula based upon overall enrollment growth would not address other factors that result in budget increases such as:*

- *necessary staffing for certain populations such as special education or English Language Learners;*
- *increased costs associated with technology and other instructional resources;*
- *inflationary costs associated with fuel increases, health-care costs increases;*
- *mandated increases from the state or federal government or other entities such as the Virginia Retirement System, which determines the amount the employer must contribute for each employee.*
- *legislative changes in the amount paid for social security, Medicare/Medicaid, or to fund the requirements of various education laws also increase the total amount the Division requires to operate.*

Q: Why are the Standards of Quality (SOQ) important?

A: *The Standards of Quality (SOQ) provide minimum requirements that all school divisions must meet. The SOQ therefore represents the state's foundation program for all school divisions. Standards are set by the Virginia Board of Education, subject to revision only by the Virginia General Assembly.*

Under the Virginia Constitution, the General Assembly determines how funds are provided to school divisions to maintain an educational program that meets the SOQ. The General Assembly establishes the SOQ cost and determines the local responsibility for funding those SOQ costs.

Each locality receives its funding from the state based on the locality's "composite index," or its ability to pay. The composite index is calculated so that the state's aggregate share of SOQ costs after deduction of the state sales tax is about 55 percent, but the actual percentage of funding the locality receives may vary, based upon the locality's ability to pay. Albemarle County receives funding to cover about 39 percent of the SOQ costs, based on the county's composite index.

Local governments may fund education operating costs at levels above the minimum requirements of the SOQ and the state may also do so as a matter of policy choice. Funding provided by the localities and by the state for operating cost purposes which exceed the SOQ is called "non-SOQ" operating costs.

Q: How does education impact our community's economic vitality?*

A: *The quality of public schools has become a critical "site location factor" for new businesses and companies that relocate. Economic vitality within a community depends upon public schools because they:*

- *shape the basic skills, soft skills, and attitudes of the local work force*
- *play a role in both quality of life and the ability to relocate professional talent within a community*
- *provide sufficient numbers of prospective employees with required work force skill sets*

In 2008, Albemarle County was named one of the Best Places to Raise a Family by Forbes magazine. Only twenty localities nationwide were named to this list and Albemarle County was the only one in Virginia. This ranking was based primarily on the quality of the county's public schools, and also included other quality of life indicators which are also affected by the quality of schools.

Albemarle County also was one of only seven localities in Virginia to receive the top GOLD rating from Expansion Management magazine as a great place for businesses to relocate. This ranking was based on how well our students learn and how many graduate, our community's financial commitment to education, and our community's adult education and income levels.

The vitality of our public education in Albemarle County is deeply rooted in the vitality of our entire community, and is a key factor in the County continuing to be highly ranked as a place to reside. Many of the features we hold dear as being essential to Albemarle County are a result of the quality of the public schools here.

Revised February 2009

Q: How do we determine the components and costs of our employee benefits packages?

A: Major components of the Albemarle County benefit package are health, dental and life insurance plans, and retirement benefits through the Virginia Retirement System. These are comparable to the benefits packages offered by other major employers, including local governments, school systems, and businesses. In order to provide cost-effective and valued benefits, we review our health and dental plans on an annual basis by gathering data from other localities and by looking at the plan design and costs (to employees and to the County). This review indicates that Albemarle County offers plans in line with other localities.

The Virginia Retirement System (VRS) plan provides a fixed income at retirement based on a formula created by VRS. VRS establishes the amount that localities contribute to fund this program. Albemarle County provides this benefit at no cost to the employee, as do nearly all other localities. To gain full benefits, an employee must generally work at least 30 years.

Q: How many people does the School Division employ and in what types of jobs?

A: The School Division employs approximately 2,300 people in teaching, administration and support staff positions. We are one of the largest employers in Albemarle County. This school year we employ:

- *1,172 teachers*

- *295 teaching assistants (examples: regular education, special education, library, computer lab, in-school suspension assistants, etc.)*

- *160 bus drivers (this figure does not include transportation assistants)*

- *119 food service employees*

- *108 administrators (examples: principals, assistant principals, directors, assistant directors, managers, coordinators, etc.)*

- *482 other classified support staff (all other staff not included above. Examples: office associates, custodial/maintenance staff, Extended Day Enrichment Program staff, technology staff, mechanics, school nurses, etc.)*

Q: Can we create a reserve in boom years, so that we have savings available to cover times of shortfall?

A: It is possible to have reserves or “rainy day funds” built up to address one-time shortfalls. Our Division has, through hiring freezes and operational reductions over the past 2 years, been able to build a reserve or “rainy day fund” that will assist in meeting the revenue shortfalls in the current year and also offset the severity of the impact of revenue reduction for next fiscal year. These reserves were built over the past 2 years primarily due to revenue uncertainties from our two largest revenue sources, local taxes and state taxes. Since approximately 83 percent of all expenses in the school division are for personnel and benefits, reducing expenses requires earlier planning and action than materials intensive industries.

Q: How accurately are we forecasting student population and growth? How far out are we looking in our planning process?

A: Our student population forecasts have been extremely accurate in the short term, with accuracy declining as the forecast extends into the future, as do all long-term forecasts. Our current forecasting model has been found to be significantly superior to all other forecasts available. The planning process for facilities encompasses trends of up to 10 years..

Q: Could we lose days from the school-year calendar? What cost savings would be generated?

A: It is not possible to reduce the state-mandated 200-day teacher contract. Albemarle County Schools believes that a full 180-day school year is an important part of meeting our goals for each and every student in the division. Should this reduction be a serious consideration, it would be solely to address the financial situation at hand. It is possible to save more than \$60,000 per day should school not operate, which would primarily be possible by reducing hourly 10-month contract employee days. However, Albemarle families would bear the costs of increased childcare and other responsibilities during those non-school days, and it is likely that student achievement would be negatively affected by the reduction in instructional time.

Q: What are you doing to address creating efficiencies in operating costs, particularly in building capacity and capital improvements?

A: Our Long-Term Master Facilities Planning Committee has begun a comprehensive review of all of our building facilities, school district boundary lines, and construction plans in light of best practice instruction and operational efficiency. This is a two-year review begun in the Fall of 2008 with Phase I, which addresses the Southern Feeder Pattern. Phases II and III, the Northern and Western Feeder Patterns will be undertaken in 2009-10. In addition, our independent Resource Utilization Study provided some new insight regarding our existing school capacities and ways we can make more efficient use of our facilities. These recommendations from the efficiency review are part of the Master Facilities Planning process.

Q: Have you considered a 4-day school week as a way to cut costs?

A: School divisions that are moving to a 4-day school week are also increasing the length of the school day from the current 6.5 hours to as long as 8 hours to partially offset the lost time. Albemarle County currently has staggered bus service to minimize costs where elementary students are picked up first and then the same buses are used to pickup middle and high school students. If the school day were lengthened, pickup times would be unrealistically early for elementary pickup and unrealistically late for middle and high school drop-off. In order to move to a 4-day school week, a substantial number of additional buses and drivers would have to be added, which would more than offset potential savings. A typical 4-day school week does not have the same number of hours of instructional time as a full 180-day school year.

**The Cost of Fulfilling the Requirements of the No Child Left Behind Act for School Divisions in Virginia, issued by Augenblick, Palaich and Associates, Inc. The study is available on the Virginia Department of Education website at www.doe.virginia.gov.*

*** Information collected from Expansion Management magazine at <http://www.expansionmanagement.com>*

2009-10 Budget Development Cycle



August through October 2008

- State indicates substantial budget shortfalls in current and next fiscal years
- Local revenue shortfalls estimated
- Budget requests and input on priorities placed on hold by Superintendent
- Schools and departments submit baseline 2009-10 budgets
- Superintendent receives direction from School Board regarding priorities for building her budget for the next fiscal year
- School Board and Board of Supervisors hold joint meeting to discuss shared employee compensation strategy
- Employee compensation projections prepared
- Projections for student enrollment, inflation, expected costs and other factors driving budget development are prepared

November 2008

- Preliminary local revenue projections for 2008-09 and 2009-2010 are announced; School Division revises financial forecast
- Superintendent, in consultation with the School Board, revises budget data collection process to change from initiatives-based to reductions-focused strategies.

December 2008

- Local Revenue forecasts updated
- Superintendent's Funding Request presented to School Board
- Governor's budget with state revenue projections is announced

January 2009

- School Board reviews Superintendent's Funding Request in a series of work sessions
- School Board hosts a Telephone Town Hall to gain constituent input
- School Board hosts a public hearing on the Superintendent's Funding Request

February 2009

- School Board revises Superintendent's Funding Request to create the School Board's Funding Request. School Board Funding Request approved and submitted to the County Executive for Local Government
- County Executive presents Local Government Recommended Budget to Board of Supervisors, including proposed funding allocation for School Division
- Local Government holds public hearing on the County Executive's Recommended Budget
- Virginia General Assembly adopts state budget

March 2009

- School Board's Funding Request formally presented to Board of Supervisors in work session
- Board of Supervisors holds series of work sessions to address the budget
- Board of Supervisors sets real estate tax rate and advertises it to the public

April 2009

- Board of Supervisors holds public hearings on tax rate, proposed operating and capital budgets
- Board of Supervisors adopts 2009 calendar year tax rate
- Board of Supervisors adopts 2009-10 budget and determines funding for School Division
- School Board revises budget based on funding provided by the Board of Supervisors. School Board adopts budget.

FRAMEWORK FOR THE SCHOOL BOARD'S FY 2009/2010 REQUEST

Goals:

- Develop a request that is tied to the strategic plan.
- Provide systemic guidance to the division when faced with overall revenue reduction.
- Provide data for a 2nd year to give indications for future expense and revenue issues

Revenue Assumptions:

- -\$536,488 (-0.53%) in local revenues based upon revenues used to fund operations and assumed additional reductions in CIP funding transferred to operations.
- An overall reduction in Governor's estimated state revenues for next fiscal year, reflecting a decline of ~\$2.3M from budgeted current year funds. Current year state funds were budgeted at ~\$1M less than final adopted state estimates.
- No increase in Federal revenues as final funding & guidelines for stimulus are still not available.
- \$800,000 in fund balance will be designated as recurring funding available.
- Fund balance of \$1,000,000 is utilized as one-time funding for recurring initiatives to help offset revenue losses. It is expected that these funds would decline in use over time.

Expenditure/Reduction Assumptions:

- Salary and step increases are not anticipated to be possible in the current revenue scenarios.
- Reduced services will be necessary to meet revenue forecasts.
- A 6% increase in health insurance funding is budgeted, as estimates have lowered the expected increased costs.
- Reflects maintenance of existing VRS rates through 2008-2010 biennium.
- Maintains the focus upon classroom activities with reductions for the 3rd year in departments and activities.
- Will fund enrollment growth due to demographic shifts beyond budgeted for FY 2008/09. The economic situation has increased the overall numbers of Free/Reduced lunch eligible students. Our staffing formula provides additional resources based upon the increasing students being served under the Federal Free/Reduced Lunch Program. This results in more than 5 additional teachers in the classrooms.

School Board's Adopted Budget

	07/08 Actual	08/09 Adopted	09/10 Adopted	\$ Increase	% Increase	10/11 Projected
Revenues						
Local School Revenue	\$1,321,508	\$946,553	\$675,278	(\$271,275)	-28.66%	\$679,278
State Revenue	\$44,593,393	\$45,110,478	\$43,260,327	(\$1,850,151)	-4.10%	\$43,565,695
Federal Revenue	\$2,077,007	\$2,668,306	\$2,668,306	\$0	0.00%	\$2,718,306
Local Revenue	\$96,372,397	\$101,225,059	\$100,150,577	(\$1,074,482)	-1.06%	\$102,081,230
One-Time Use of Fund Balance	\$0	\$171,546	\$1,000,000	\$828,454	482.93%	\$800,000
Recurring Use of Fund Balance	\$0	\$750,000	\$800,000	\$50,000	6.67%	\$800,000
CIP & Other Transfers	\$422,061	\$424,000	\$424,000	\$0	0.00%	\$424,000
Total Revenues:	\$144,786,366	\$151,295,942	\$148,978,488	(\$2,317,454)	-1.53%	\$151,068,509
Expenses						
Instruction						
Staffing	\$96,584,948	\$100,129,654	\$98,280,565	(\$1,849,089)	-1.85%	\$104,390,303
Operating	\$10,990,119	\$11,083,204	\$10,522,628	(\$560,576)	-5.06%	\$11,109,471
Capital	\$468,259	\$344,219	\$325,177	(\$19,042)	-5.53%	\$334,932
SB Reserve	\$0	\$50,067	\$128,549	\$78,482	156.75%	\$51,569
Subtotal Instruction	\$108,043,326	\$111,607,144	\$109,256,919	(\$2,350,225)	-2.11%	\$115,886,275
Admin, Attendance and Health						
Staffing	\$8,735,765	\$9,789,171	\$7,578,662	(\$2,210,509)	-22.58%	\$7,878,074
Operating	\$917,759	\$1,312,399	\$1,051,321	(\$261,078)	-19.89%	\$1,082,862
Capital	\$64,323	\$59,841	\$31,641	(\$28,200)	-47.12%	\$32,591
Subtotal Admin, Attendance a	\$9,717,847	\$11,161,411	\$8,661,624	(\$2,499,787)	-22.40%	\$8,993,527
Transportation						
Staffing	\$6,990,970	\$7,335,331	\$6,992,752	(\$342,579)	-4.67%	\$7,470,450
Operating	\$1,909,539	\$2,435,077	\$1,724,562	(\$710,515)	-29.18%	\$1,776,302
Capital	(\$2,685)	\$0	\$0	\$0	0.00%	\$0
Subtotal Transportation	\$8,897,824	\$9,770,408	\$8,717,314	(\$1,053,094)	-10.78%	\$9,246,752
Building Services						
Staffing	\$7,452,407	\$8,032,213	\$8,085,505	\$53,292	0.66%	\$8,610,231
Operating	\$5,604,963	\$5,788,697	\$6,524,914	\$736,217	12.72%	\$7,171,413
Capital	\$239,133	\$286,050	\$209,150	(\$76,900)	-26.88%	\$215,425
Subtotal Building Services	\$13,296,503	\$14,106,960	\$14,819,569	\$712,609	5.05%	\$15,997,069
Technology						
Staffing	\$0	\$0	\$2,706,292	\$2,706,292	100.00%	\$2,886,129
Operating	\$0	\$0	\$440,951	\$440,951	100.00%	\$454,181
Capital	\$0	\$0	\$26,750	\$26,750	100.00%	\$27,553
Subtotal Technology	\$0	\$0	\$3,173,993	\$3,173,993	100.00%	\$3,367,863
Transfers	\$3,784,024	\$4,650,019	\$4,349,069	(\$300,950)	-6.47%	\$4,479,540
Total School Fund Expenses	\$143,739,524	\$151,295,942	\$148,978,488	(\$2,317,454)	-1.53%	\$157,971,026
Balances of Revenues vs Expenses				\$0		(\$6,902,517)
Self-Sustaining Funds:	\$15,516,326	\$16,525,489	\$16,948,585	\$423,096	2.56%	
Total Overall Budget	\$159,255,850	\$167,821,431	\$165,927,073	(\$1,894,358)	-1.13%	

Due to a change in state appropriation requirements, Technology is an appropriation category. These expenses were previously listed under Instruction and Administration.

Albemarle County Public Schools FY 2009-10 Compensation Summary

Discussed Salary Adjustments

Market Findings

Classified:

As an organization, overall salaries are currently 0.63% below FY 08/09 defined market
 Classified scale is slightly below defined market
 Certain positions may be below defined market
 Highly skilled and certain administrative positions are more competitive regionally

Teacher:

Achieved competitive position within the top quartile for our most experienced
 Teacher salaries are improving when compared to VA averages
 Ability to hire teachers is improving, maintain competitive position
 Retention and competitive position within the top quartile need to be future focus

Market Recommendations

Classified:

3.93% Merit Pool (based on WorldatWork projection of 3.3%)
 Increase scale by 2.0% (affects only new hires)
 Address position discrepancies identified as below defined market

Teacher:

3.71% increase (based on WorldatWork projection of 3.30%)
 Approximately 2.65% to a 5.19% increase (including step) in salary

***DUE TO REVENUE CONCERNS, IN CONSULTATION WITH THE JOINT BOARDS,
 INCREASES IN SALARY ARE NOT PLANNED FOR THIS RECOMMENDATION***

Benefits Summary

	<u>2008-09</u>	<u>2009-10</u>
Each Full-Time Participating Employee Will Receive:		
Contribution toward Health Insurance	\$6,645	\$7,045
Contribution towards Dental Insurance	\$241	\$253
In Addition, the Following Benefit Rates Apply:		
Social Security (FICA)	7.65%	7.65%
Virginia Retirement System (VRS)		
Professional Rate	14.89%	14.89%
Non-Professional Rate	12.60%	12.60%
Virginia Retirement System Group Life Insurance	0.89%	0.89%

Synopsis of Growth and Operational Increases

There are minimal growth and operational increases in this year's funding request as this is primarily a budget of reductions. However, certain growth initiatives are unavoidable, as insurance costs and tuition costs to participate in regional programs have risen. In addition, the Division will require additional teachers to support the increased numbers of at-risk students, whose numbers are rising as a result of the economic downturn.

Total Growth and Operations : \$391,075

Enrollment Space and Growth Costs : \$355,795

Growth Due to Enrollment/Demographics {5.56 FTE - \$355,795} - Board Goal 5

This includes 5.06 Full-time Equivalent (FTE) for teacher growth and 0.50 FTE for an OA II at Brownsville Elementary. Overall, the division has experienced an increase in the numbers and proportion of Free or Reduced Lunch Program participants. Additional school teaching staff is provided as the number of students in economic need increase, according to the Division's staffing allocation formula.

Operational Increases : \$35,280

Charlottesville-Albemarle Technical Education Center (CATEC) Increase {\$4,440 in Recurring Operational Costs} - Board Goal 1

Projected annual increase based on historical data.

Insurance Increase {\$30,840 in Recurring Operational Costs} - Board Goal 5

Due to the financial crisis, the balance sheets of insurance firms have experienced a significant reduction. It is anticipated that insurers will increase rates to offset market losses.

Synopsis of Improvements and Infrastructure

There are minimal improvements and infrastructure initiatives in this year's funding request as this is primarily a budget of reductions. However, the following initiatives are required to sustain operations and continue work already in progress.

Total Improvements : \$1,673,261

Compensation and Benefits : \$602,016

Dental Increase {\$19,560} - Board Goal 3

Estimated 5% increase in costs over FY 2008-09.

Increase of Health Insurance {\$682,456} - Board Goal 3

Estimated 6% increase in costs over FY 2008-09. Recent trend data indicates that the initial estimated increase of 12% could be reduced.

Lapse Factor Increase {(\$100,000) in Non-Recurring Operational Costs} - Board Goal 5

Historical trends indicate that overall savings from unanticipated staff turnover and lower replacement costs would warrant an increased savings.

Total System Initiatives : \$1,071,245

IV. Support Services Initiatives : \$1,071,245

Energy Increases {\$622,683 in Recurring Operational Costs} - Board Goal 5

These are fixed costs that are administered by utility companies and an energy consultant, and it is prudent to plan accordingly for the anticipated increases. Increases in these areas typically lag the market substantially.

Additional Square Footage Costs for 2009/2010 Capital Improvement Projects {4.80 FTE - \$184,506 and \$210,698 in Recurring Operational Costs} - Board Goal 5

Current approved Capital Improvement Projects (CIP) provide for significant additions and renovations for the following projects, to become operational in 2009/2010:

- Albemarle High School Renovations & Addition: 31,950sf - \$75,970
- Brownsville Elementary Renovations & Addition: 12,800sf - \$33,359
- Greer Elementary Renovations & Addition: 12,930sf - \$53,135
- Air Conditioning of eight (8) Gymnasiums - \$47,630
- Staffing - \$184,506
3.57 Custodial staffing
1.23 Maintenance /Grounds Staffing

Early Retirement Incentive Proposal {\$53,358 in Recurring Operational Costs} - Board Goal 5

In an effort to affect cost savings over the next five years while maintaining commitments to employees, it is critical to seek innovative solutions to reduce compensation costs. A proposal has been developed to offer a one-time retirement incentive to create opportunities for employees who wish to retire. This incentive provides Voluntary Employee Retirement Incentive Program (VERIP) eligible employees the option to apply for VERIP and receive the Board contribution to medical benefits for two additional years or receive a lump sum payment equivalent to that amount. This scenario would benefit employees who want to retire, but are concerned about the gap in medical coverage prior to reaching age 65, to receive the Board contribution to medical for two additional years. The Division would benefit as there is a savings for VERIP retirement in regard to staffing costs.

Synopsis of Reductions to Baseline Operations

The following reductions are reflected within this funding request, and represent the necessary operational reductions required to balance the budget to available revenues. Each item is aligned to the Division's strategic goal that will be impacted by the reduction.

Total Reductions: (\$3,586,886)

Voluntary Early Retirement Incentive Plan (VERIP) Reduction {(\$666,512)} - Board Goal 3

As retirees complete their 5th year of VERIP, they no longer receive benefits. As the number of retirement applications has dropped, there is savings in this specific area related to an overall reduction in retirements.

Department of Instruction Reductions {-0.18 FTE - (\$16,461) and (\$117,140) in Recurring Operational Costs} - Board Goal 5

Overall, these reductions will result in fewer dollars for curriculum development, professional development, and materials. In addition, there is little flexibility in the existing monies to answer any significant division or school challenges that may occur during the 2009/2010 school year.

Department of Instruction Coaching Model Reorganization {-9.00 FTE - (\$627,435) and (\$129,000) in Recurring Operational Costs} - Board Goal 5

These reductions will decrease the number of curriculum coordinators who work with teachers to implement the Framework for Quality Learning in classrooms across the Division and decrease non-classroom teaching staff at the schools. However, these duties will be allocated across school-based instructional coaching teams, with fewer overall positions delivering service to the schools. A focus of these school-based staff will be to provide direct coaching support to teachers in the classroom. As a part of this reorganization, a Director of Secondary education is established to ensure that regulatory guidelines and reporting are accomplished.

Student Services Reductions {-0.90 FTE - (\$61,110) and (\$43,006) in Recurring Operational Costs} - Board Goal 5

School psychology services is reduced by 0.70 FTE while maintaining all required services to schools. A 0.20 FTE Family Specialist position will be reduced and the workload for this position will be redistributed to the remaining family specialists. Operational line items have been reduced that provide funding for professional development, supplementary educational materials, and transportation costs associated with field trips and community experiences. PREP related services shows a net decrease of 25,570 due to a two student decrease at Ivy Creek.

Federal Program Reductions {(\$60,624) in Recurring Operational Costs} - Board Goal 5

Operational line item reductions have been made in instructional supplies, computer purchases, and part-time salaries.

Media Services Reductions {(\$307,140) in Recurring Operational Costs} - Board Goal 5

Textbooks/Learning Resources are reduced, which may impact the use of 21st century electronic learning resources. Individual school allocations for Learning Resources/Textbooks have also been reduced. Support for instructional initiatives requiring school-board-approved Learning Resources is decreased.

Vocational Education Reductions {(\$6,310) in Recurring Operational Costs} - Board Goal 5

Equipment will not be purchased for office use in FY 2009-2010 and Career Pathway brochures will not be re-printed. Expenditures for books, subscriptions, and educational supplies will be adjusted to comply with reduction in funds.

Professional Development Reductions {0.50 FTE - \$30,874 and (\$65,396) in Recurring Operational Costs} - Board Goal 5

With less staff development money, the Division will have to rely on internal expertise working with leadership team and teacher leaders to implement best instructional practices. The Division will have less money available for new teachers and school-based professional development. An office associate position (0.50 FTE), which was funded with eliminated federal Title V resources, has been retained through additional operational reductions.

Synopsis of Reductions to Baseline Operations

Assessment Reductions {-1.51 FTE - (\$135,189) and \$20,000 in Recurring Operational Costs} - Board Goal 5

Elimination of Web Services Coordinator will force the Division to distribute the duties to other members of the Department of Accountability, Research and Technology. The same level of expertise does not exist at this time amongst the remaining staff; therefore, some funds will be retained for part-time assistance/contracted services.

Executive Services Reductions {-0.50 FTE - (\$26,369) and (\$1,290) in Recurring Operational Costs} - Board Goal 5

With the implementation of ElectronicSchoolBoard and the anticipated efficiencies that it will create, a 0.50 FTE clerical position is being eliminated from the Executive Services budget. In addition, a reduction in the Travel for Education line item will limit the number of Board members who attend state and nationwide conferences for staff development.

Community Engagement Reductions {(\$4,614) in Recurring Operational Costs} - Board Goal 5

The discretionary funds line items of books and subscriptions will be reduced by more than 20% and the travel car expense line item will be eliminated. A coordinator from this department was eliminated due to the instructional coaching model reorganization.

Instructional Support Reductions {(\$4,100) in Recurring Operational Costs} - Board Goal 5

Decrease in operational funds.

Human Resources Reductions {-0.50 FTE - (\$27,707) and (\$120,098) in Recurring Operational Costs} - Board Goal 5

As a result of the recommended budget reductions, the Human Resources Department will need to reduce or eliminate 0.50 FTE of staffing and several programs such as the Employee Recognition Program, Consulting, Recruitment/Advertising, and Overtime/Temporary Help Wages. Although the Employee Recognition Program is an important program that enhances the morale of our employees, it cannot be funded in 2009/2010. The elimination of our overtime and temporary help monies may result in reduced customer service as workloads increase during peak times, but current staff will be realigned as needed to ensure minimal service disruption. We also have implemented cost saving measures and streamlined initiatives to mitigate cuts to advertising and recruitment. The reduction in the consulting budget will require all school job classification reviews to be done in-house.

Division Support Reductions {-0.53 FTE - (\$23,557)} - Board Goal 5

This eliminates a vacant nursing coordinator position. Duties are distributed among current nursing staff.

Fiscal Services Reductions {-0.50 FTE - (\$22,715) and (\$5,492) in Recurring Operational Costs} - Board Goal 5

A portion of a vacant office clerical position will be eliminated. This position's responsibilities will be distributed to existing staff, with some duties absorbed by other office associates in the instructional departments. There will be part-time office staff dedicated to answering phones, distributing calls, greeting the public, and assisting the public in searches for records. Duties associated with the management of the budget for this office will be handled through senior bookkeepers. The ordering and travel processes will be substantially curtailed. Also, some operational items will be reduced, which will impact staff development opportunities and repair and replacement of equipment. Additionally, the budget document will no longer be produced as a paper copy, it will only be available in electronic format for the majority of recipients.

Synopsis of Reductions to Baseline Operations

Transportation Services Reductions {-7.09 FTE - (\$243,612) and (\$6,388) in Recurring Operational Costs} - Board Goal 5

Transportation Services is able to eliminate the following positions and still transport students to and from school safely and efficiently on a daily basis: (1) Driver Trainer, (4) eight hour activity Bus Drivers, (3) Regular Bus Drivers, and approximately (15) Transportation Assistant positions, most of which were vacant. Eliminating the trainer position allowed a vacant Special Needs Driver position to be filled with an existing employee. Adjustments to the hours of Transportation Assistants reduced the cost of those remaining positions. If the plan to combine the Monticello High School and Walton Middle School Bus Routes is approved, the (4) eight hour Bus Driver positions will be reestablished in exchange for the 9 driver positions that would be eliminated as a result. Discretionary account spending is reduced by \$6,388 with minimal impact to the program due to identified cost-sharing and efficiencies. New contracts for shop uniforms are being negotiated jointly with Building Services and will result in better pricing for both departments.

Fuel Reductions {(\$656,495) in Recurring Operational Costs} - Board Goal 5

Based on fuel projections, a savings of \$656,495 is expected.

Building Services Reductions {-1.30 FTE - (\$83,246) and (\$166,754) in Recurring Operational Costs} - Board Goal 5

A \$250,000 budget reduction will have an impact on the services provided by the Building Services Department. In order to achieve this goal, approval of work requests will be limited to those that involve health or safety, or those that require minimal materials and supplies.

The following reductions will be implemented:

- Aesthetic or cosmetic work will be carefully evaluated to determine that cost of supplies and the amount of labor.
- Mulching and other non-essential grounds tasks will be deferred, unless the facility is willing to purchase the mulch, or other supplies.
- The mowing frequency may be reduced, depending on funds available for equipment repair and maintenance, and for temporary seasonal workers.
- Custodial and Maintenance supplies will be ordered as needed; custodial service may be reduced as positions are reduced.
- Feasibility Studies for capital projects will be requested only for current projects.
- Staff development will be limited and overtime will be authorized only for emergencies. Part time wages will be used only for after hours/weekend activities Contracted services will be used only to perform required services when in-house labor is not adequate.

Salary Restructuring Account Reductions {(\$10,000) in Recurring Operational Costs} - Board Goal 5

This will decrease the amount of monies available for salary restructuring based upon anticipated reduced need in this area.

Additional Reductions Under Consideration Not Included in Budget Proposal

The current funding request is balanced to available revenues without having to make the additional reductions below. However, should revenue projections from state or local sources fall further, additional reductions to bring the budget to balance would be taken from the items listed below.

Total Reductions :(\$12,425,937)

MHS/WALTON Bus Run {(\$250,000)} - Board Goal 5

Further reductions in staffing costs, fuel, and maintenance can be achieved by slightly altering start and end times of Walton Middle School so that a single combined run of students could be made to both schools. The savings would depend upon middle and high school students sharing the same bus ride.

Intervention/Prevention Middle Schools Reduction {(\$216,552)} - Board Goal 5

An additional 3 FTE teaching staff are provided to support those middle schools which have high needs populations. These positions are not required by the state.

Redistrict Middle Schools {(\$247,591)} - Board Goal 5

Currently Walton Middle School is under enrolled relative to the staffing necessary to offer the middle school curriculum. It would be possible to move approximately 100 students into Walton and save as much as 2.5-3 FTE teaching staff on an annual basis.

Reduce Calendar by 8 School Days {(\$632,000)} - Board Goal 5

It is possible to reduce the number of days which students attend school. For each day that students do not attend school, non-teaching staff that work 10 month contracts would not be compensated. Approximately \$54,000 in salaries could be saved per day without students. Additionally, there would be substantial savings in transportation, building services, and stipend costs. Teachers are mandated by state law to work 200 day contracts; the number of days worked remains unchanged.

School Counseling Reductions {(\$516,552)} - Board Goal 5

Initiatives to increase guidance services have been funded over the past several years. These initiatives could be rolled back to deliver guidance and career awareness services to the levels previously provided.

K-1 TA Time Reduction {(\$1,272,604)} - Board Goal 5

Currently there is no requirement for staffing of Teaching Assistants (TA's) in K-1 classrooms. The current level of services is 4 hours per day per 20 students. Savings indicated is to eliminate services entirely.

Nurse Reduction {(\$827,324)} - Board Goal 5

Currently there is no requirement for nurses to be at our schools. It is possible to eliminate this service entirely.

Building Services Reductions {-1.00 FTE - (\$79,456) and (\$170,544) in Recurring Operational Costs} - Board Goal 5

An additional \$250,000 budget reduction will impact several portions of the Building Services Department. In order to achieve this goal, approval of work requests will be restricted to those that involve health or safety issues. Reductions in preventative maintenance may have costlier larger repairs in the long-term.

Gifted Reduction {(\$1,559,174)} - Board Goal 5

Gifted services are provided at levels that exceed state requirements. Currently more than 13.5 FTE serve elementary schools. The Division's gifted plan would need to be reviewed and approved by the state.

Transportation Reduction {(\$250,000)} - Board Goal 5

Additional reduction of staffing, beginning with vacant Transportation Assistant positions, is possible as are other schedule changes for existing personnel that would reduce costs.

Summer School (Elementary and Middle) {(\$179,243)} - Board Goal 5

Mandated remedial services could be provided to students during the school year, eliminating the need to offer summer school to elementary and middle school programs.

Additional Reductions Under Consideration Not Included in Budget Proposal

Bright Stars {(\$93,518)} - Board Goal 5

This is matching monies to support the Bright Stars programs. It is not mandated by SOQ to offer these pre-K programs.

Region 10 {(\$54,138)} - Board Goal 5

Additional counseling services are provided by Region 10 to our schools. These services are not mandated by SOQ.

School Resource Officer {(\$214,100)} - Board Goal 5

The school division and police department jointly operate a School Resource Officer (SRO) program in each high and middle school. These services are not mandated by the SOQ.

Family Support Workers {(\$188,975)} - Board Goal 5

ACPS partially funds a number of family support workers employed through social services. These services are not mandated by the state.

Fund Balance {(\$2,000,000)} - Board Goal 5

ACPS has a fund balance of approximately \$6.5M. While a substantial portion of these monies are required to offset potential shortfalls in the current year, it is possible to increase the use of fund balance to fund more one-time items or to temporarily increase funds in other areas. If fund balance is utilized for recurring items, reductions in expenses in future years may be required. \$1M in fund balance is currently being recommended to offset shortfalls in FY2009/10.

Elementary Art, Music and PE Reduction {(\$3,674,166)} - Board Goal 5

Specialist services are not required to the level provided in our schools. Currently more than 50 FTE are provided in support of these specialized services.

Unfunded Synopsis of Growth and Operational Increases for FY 2009/2010

The item below was unable to be added to the funding request as there are not available revenues to support this initiative.

Total Growth and Operations : \$825,543

Operational Increases : \$825,543

3% Projected Operational Increase for Schools and Departments {\$825,543 in Recurring Operational Costs} - Board Goal 5

This initiative assumes a 3% increase in operational costs on FY 2008-09.

Unfunded Synopsis of Improvements and Infrastructure Support for FY 2009/2010

The items below consist of initiatives that the Division believes are critical to continued success, but are not reflected in the funding request as there are not available revenues to support them.

Total Improvements : \$5,359,758

Compensation and Benefits : \$4,054,974

Maintain Competitive Salaries - Teachers {\$2,558,620} - Board Goal 3

Meet market minimums plus 3.3%

Maintain Competitive Salaries - Classified Staff {\$1,496,354} - Board Goal 3

Projected increase of 3.93% for classified staff to continue compensation that is aligned with our adopted compensation model to be within the top quartile of the adopted competitive market.

Total System Initiatives : \$1,304,784

I. School Staffing Initiatives : \$198,789

Expansion of Math Specialist Initiative {3.00 FTE - \$198,789} - Board Goal 2

Five Full-time Equivalent (FTE) math specialists were funded in FY 2008-09. In order to further the Board initiative of Math Specialists to increase high yield mathematics instruction and improve student achievement, an additional 3.00 FTE is proposed.

II. System Improvement Initiatives : \$238,668

Enterprise Center Concepts {\$10,000 in Recurring Operational Costs} - Board Goal 5

The Division will be examining the continuum of alternative education services for behaviorally challenged students. This could include a Second Chance Center, implementation of further restorative practices and the re-envisioning of services to students in disciplinary difficulty.

Administrative Interns {3.30 FTE - \$218,668 and \$10,000 in Recurring Stipends} - Board Goal 5

This initiative provides positive support and ensures that employees currently on staff have an opportunity to successfully develop administrative leadership roles within the Albemarle County School Division. The administrative intern program will allow qualified candidates to strengthen the skills required to successfully move to a leadership role, while enhancing the current level of school-based knowledge. The intern program would help develop internal candidates for administrative positions. The interns would be on an 11-month teacher contract with an additional stipend for the additional responsibilities.

IV. Support Services Initiatives : \$867,327

Reinstate Full Bus Replacement Schedule {\$800,000 in Recurring Operational Costs} - Board Goal 1

This projected initiative fully restores the bus replacement to \$1.3 million.

Classified Technical Training {1.00 FTE - \$67,327} - Board Goal 5

This initiative would establish a dedicated training position within the Professional Development Department to focus on technology training for new systems and classified staff development to improve productivity. School Net, SASI, and other databases initiatives are just a few of the areas that require both systemic and hands-on training resources to improve productivity of staff.

Initiative/Reduction Fund Location

2100 - K-12 INSTRUCTION-SALARIES

Growth Due to Enrollment/Demographics - (5.56 FTE)	\$355,795
Voluntary Early Retirement Incentive Plan (VERIP) Reduction	(\$666,512)

2100 - K-12 INSTRUCTION-SALARIES Total	(\$310,717)
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2102 - C.A.T.E.C

Charlottesville-Albemarle Technical Education Center (CATEC) Increase	\$4,440
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2102 - C.A.T.E.C Total	\$4,440
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2111 - INSTRUCTIONAL SUPPORT

Department of Instruction Coaching Model Reorganization	(\$756,435)
Department of Instruction Reductions	(\$133,601)

2111 - INSTRUCTIONAL SUPPORT Total	(\$890,036)
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2112 - STUDENT SERVICES

Student Services Reductions	(\$104,116)
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2112 - STUDENT SERVICES Total	(\$104,116)
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2113 - FEDERAL PROGRAMS

Federal Program Reductions	(\$60,624)
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2113 - FEDERAL PROGRAMS Total	(\$60,624)
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2114 - MEDIA SERVICES

Media Services Reductions	(\$307,140)
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2114 - MEDIA SERVICES Total	(\$307,140)
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2116 - VOCATIONAL EDUCATION

Vocational Education Reductions	(\$6,310)
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2116 - VOCATIONAL EDUCATION Total	(\$6,310)
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2117 - PROFESSIONAL DEVELOPMENT

Professional Development Reductions - (0.50 FTE)	(\$34,522)
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2117 - PROFESSIONAL DEVELOPMENT Total	(\$34,522)
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2118 - ASSESSMENT & INFORMATION SVCS

Assessment Reductions	(\$115,189)
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2118 - ASSESSMENT & INFORMATION SVCS Total	(\$115,189)
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2410 - EXECUTIVE SERVICES

Executive Services Reductions	(\$27,659)
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2410 - EXECUTIVE SERVICES Total	(\$27,659)
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Initiative/Reduction Fund Location (continued)

2411 - COMMUNITY ENGAGEMENT

Community Engagement Reductions (\$4,614)

2411 - COMMUNITY ENGAGEMENT Total (\$4,614)

2412 - DIV. INSTRUC/EDU SUPPORT

Instructional Support Reductions (\$4,100)

2412 - DIV. INSTRUC/EDU SUPPORT Total (\$4,100)

2420 - HUMAN RESOURCES

Human Resources Reductions (\$147,805)

Early Retirement Incentive Proposal \$53,358

2420 - HUMAN RESOURCES Total (\$94,447)

2430 - DIV SUPPORT/PLANNING SERV

Division Support Reductions (\$23,557)

2430 - DIV SUPPORT/PLANNING SERV Total (\$23,557)

2431 - FISCAL SERVICES

Fiscal Services Reductions (\$28,207)

Insurance Increase \$30,840

2431 - FISCAL SERVICES Total \$2,633

2432 - TRANSPORTATION SERVICES

Transportation Services Reductions (\$250,000)

Fuel Reductions (\$656,495)

2432 - TRANSPORTATION SERVICES Total (\$906,495)

2433 - BUILDING SERVICES

Energy Increases \$622,683

Additional Square Footage Costs for 2009/2010 Capital Improvement Projects - (4.80 FTE) \$395,204

Building Services Reductions (\$250,000)

2433 - BUILDING SERVICES Total \$767,887

2556 - SALARY RESTRUCTURING ACCOUNT

Salary Restructuring Account Reductions (\$10,000)

2556 - SALARY RESTRUCTURING ACCOUNT Total (\$10,000)

2557 - LAPSE FACTOR ACCOUNT

Lapse Factor Increase (\$100,000)

2557 - LAPSE FACTOR ACCOUNT Total (\$100,000)

Initiative/Reduction Fund Location (continued)

MULTIPLE FUNDS

Increase of Health Insurance	\$682,456
Dental Increase	\$19,560
MULTIPLE FUNDS Total	\$702,016
GRAND TOTAL	(\$1,522,550)

Summary of Compensation, Growth, and Operational Increases/Reductions

Compensation and Benefits

Dental Increase	\$19,560
Increase of Health Insurance	\$682,456
Voluntary Early Retirement Incentive Plan (VERIP) Reduction	(\$666,512)
Lapse Factor Increase	(\$100,000)
Total Compensation and Benefits	(\$64,496)

Growth

Growth Due to Enrollment/Demographics - (5.56 FTE)	\$355,795
Additional Square Footage Costs for 2009/2010 Capital Improvement Projects - (4.80 FTE)	\$395,204
Total Growth	\$750,999

Operational Increases/Reductions

Charlottesville-Albemarle Technical Education Center (CATEC) Increase	\$4,440
Energy Increases	\$622,683
Insurance Increase	\$30,840
Department of Instruction Reductions	(\$133,601)
Building Services Reductions	(\$250,000)
Fiscal Services Reductions	(\$28,207)
Assessment Reductions	(\$115,189)
Federal Program Reductions	(\$60,624)
Media Services Reductions	(\$307,140)
Vocational Education Reductions	(\$6,310)
Professional Development Reductions - (0.50 FTE)	(\$34,522)
Student Services Reductions	(\$104,116)
Executive Services Reductions	(\$27,659)
Community Engagement Reductions	(\$4,614)
Instructional Support Reductions	(\$4,100)
Transportation Services Reductions	(\$250,000)
Salary Restructuring Account Reductions	(\$10,000)
Division Support Reductions	(\$23,557)
Department of Instruction Coaching Model Reorganization	(\$756,435)
Fuel Reductions	(\$656,495)
Human Resources Reductions	(\$147,805)
Total Operational Increases/Reductions	(\$2,262,411)
Total Compensation, Benefits, Growth, & Operational Increases	(\$1,575,908)

Summary of New Recurring Initiatives

Early Retirement Incentive Proposal	\$53,358
Total Recurring Initiatives	<hr/> \$53,358

Initiatives/Reductions by Key Area

Maintenance of Effort

Charlottesville-Albemarle Technical Education Center (CATEC) Increase	\$4,440
Insurance Increase	\$30,840
Energy Increases	\$622,683
Growth Due to Enrollment/Demographics - (5.56 FTE)	\$355,795
Additional Square Footage Costs for 2009/2010 Capital Improvement Projects - (4.80 FTE)	\$395,204
Maintenance of Effort Total	\$1,408,962

Market Competitiveness

Increase of Health Insurance	\$682,456
Dental Increase	\$19,560
Voluntary Early Retirement Incentive Plan (VERIP) Reduction	(\$666,512)
Early Retirement Incentive Proposal	\$53,358
Lapse Factor Increase	(\$100,000)
Market Competitiveness Total	(\$11,138)

Initiatives/Reductions by Key Area (continued)

Reduction

Fiscal Services Reductions - (-0.50 FTE)	(\$28,207)
Building Services Reductions - (-1.30 FTE)	(\$250,000)
Assessment Reductions - (-1.51 FTE)	(\$115,189)
Student Services Reductions - (-0.90 FTE)	(\$104,116)
Federal Program Reductions	(\$60,624)
Media Services Reductions	(\$307,140)
Vocational Education Reductions	(\$6,310)
Professional Development Reductions - (0.50 FTE)	(\$34,522)
Department of Instruction Reductions - (-0.18 FTE)	(\$133,601)
Executive Services Reductions - (-0.50 FTE)	(\$27,659)
Community Engagement Reductions	(\$4,614)
Instructional Support Reductions	(\$4,100)
Transportation Services Reductions - (-7.09 FTE)	(\$250,000)
Salary Restructuring Account Reductions	(\$10,000)
Division Support Reductions - (-0.53 FTE)	(\$23,557)
Department of Instruction Coaching Model Reorganization - (-9.00 FTE)	(\$756,435)
Fuel Reductions	(\$656,495)
Human Resources Reductions - (-0.50 FTE)	(\$147,805)
Reduction Total	(\$2,920,374)
Total	(\$1,522,550)

Initiatives/Reductions by School Board Goals

Board Goal: 1

Prepare all students to succeed as members of a global community and in a global economy

Initiatives/Reductions Affecting this Goal

Charlottesville-Albemarle Technical Education Center (CATEC) Increase	\$4,440
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Board Goal: 1 Total	\$4,440
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Board Goal: 3

Recruit, retain, and develop a diverse cadre of the highest quality teaching personnel, staff, and administrators.

Initiatives/Reductions Affecting this Goal

Dental Increase	\$19,560
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Increase of Health Insurance	\$682,456
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Voluntary Early Retirement Incentive Plan (VERIP) Reduction	(\$666,512)
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Board Goal: 3 Total	\$35,504
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Initiatives/Reductions by School Board Goals (continued)

Board Goal: 5

Establish efficient systems for development, allocation, and alignment of resources to support the Division's vision, mission, and goals.

Initiatives/Reductions Affecting this Goal

Insurance Increase	\$30,840
Energy Increases	\$622,683
Growth Due to Enrollment/Demographics	\$355,795
Additional Square Footage Costs for 2009/2010 Capital Improvement Projects	\$395,204
Early Retirement Incentive Proposal	\$53,358
Lapse Factor Increase	(\$100,000)
Fiscal Services Reductions	(\$28,207)
Building Services Reductions	(\$250,000)
Assessment Reductions	(\$115,189)
Student Services Reductions	(\$104,116)
Federal Program Reductions	(\$60,624)
Media Services Reductions	(\$307,140)
Vocational Education Reductions	(\$6,310)
Professional Development Reductions	(\$34,522)
Department of Instruction Reductions	(\$133,601)
Executive Services Reductions	(\$27,659)
Community Engagement Reductions	(\$4,614)
Instructional Support Reductions	(\$4,100)
Transportation Services Reductions	(\$250,000)
Salary Restructuring Account Reductions	(\$10,000)
Division Support Reductions	(\$23,557)
Department of Instruction Coaching Model Reorganization	(\$756,435)
Fuel Reductions	(\$656,495)
Human Resources Reductions	(\$147,805)
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Board Goal: 5 Total	(\$1,562,494)
 GRAND TOTAL	 (\$1,522,550)

FY 2010/2011 Projected Initiatives and Reductions

Reductions

Lapse Factor Increase (Projected 2010/2011) (-782,000 in Non-Recurring Operational Costs) - Board Goal
1

This amount is the projected increased savings moving from FY 2009-10 to FY 2010-11.

Reductions Total **(\$782,000)**

FY 2010/2011 Projected Initiatives and Reductions

Initiatives

Energy Costs (427,231 in Recurring Operational Costs) - Board Goal 1

These are fixed costs that are administered by utility companies and an energy consultant, and it is prudent to plan accordingly for the anticipated increases. Increases in these areas typically lag the market substantially.

Charlottesville-Albemarle Technical Education Center (CATEC) Increase (50,000 in Recurring Operational Costs) - Board Goal 1

Projected increase based on historical data.

Piedmont Regional Education Program (PREP) - Ivy Creek / ED Program / Autism (74,980 in Recurring Operational Costs) - Board Goal 2

Ivy Creek - This initiative addresses the increased tuition for 32 students that are served at the Ivy Creek Regional Day Program for students with emotional disturbance. - \$23,221

Emotional Disturbance Program - This is a regional program that provides services to students with emotional disturbance. The increase is based on the rise in tuition. - \$17,956

Autism / MD / SD - This is a regional program that provides services to students with autism, multiple disabilities or severe disabilities. The increase is based on the rise in tuition. - \$25,062

Related Services - These are services that are purchased from the Piedmont Regional Education Program (PREP). These include vision services, physical therapy and the Parent Resource Center - \$8,741

ESOL Staffing Growth (1.00 FTE - 69,131) - Board Goal 2

Projected growth in staffing due to ESOL population growth.

Special Education Staffing Growth (1.00 FTE - 69,131) - Board Goal 2

Due to an increase in the level of service provided to special education students as well as the increase in the overall severity of disabling conditions (i.e. behavioral issues related to impairments, medical issues) an increase in staffing is required to meet the standards outlined in the Individuals with Disabilities Education Improvement Act of 2004.

Maintain Competitive Salaries - Teachers (4,840,539) - Board Goal 3

Meet market minimums plus 2%

Maintain Competitive Salaries - Classified Staff (2,148,084) - Board Goal 3

Projected increase of 5.93% for classified staff to meet market in FY 2010/2011. This is larger due to a lack of an increase in FY 2009/2010.

Increase of Health Insurance (956,392) - Board Goal 3

Estimated 8% increase in costs over FY 2009-10.

Dental Increase (32,418) - Board Goal 3

Estimated 8% increase in costs over FY 2009-10.

Insurance Increase (23,520 in Recurring Operational Costs) - Board Goal 5

Projected 10% increase in insurance premiums.

Growth Due to Enrollment/Demographics 2010/2011 (2.43 FTE - 167,987) - Board Goal 5

This includes 2.43 Full-time Equivalent (FTE) for teacher growth. Overall, it is expected the division will experience a decrease in student enrollment. However, an increase in the proportion of Free or Reduced Lunch Program participants is projected thereby growing staffing slightly to support these students according to Division's staffing model.

3% Projected Operational Increase for Schools and Departments (915,125 in Recurring Operational Costs) - Board Goal 5

This initiative assumes a 3% increase in operational costs on FY 2009-10.

Initiatives Total \$9,774,538



Division Leadership Reorganization

In 2007-08, Albemarle County Public Schools conducted an independent Resource Utilization Study through the Commonwealth Educational Policy Institute at Virginia Commonwealth University. The study, led by former state superintendent William Bosher, allowed the Division to benchmark its structure, operations, facilities and procedures against other high-performing school systems across the state and nation. The study found that there are many ways that Albemarle County Public Schools represented exemplary or best-practice educational processes, but there was also room to improve both our efficiency and our effectiveness.

In 2008-09, the Division began implementing many of the recommendations of the efficiency study, including an overhaul of our transportation services, a review of our capital improvements and facilities management operations, and an overall reorganization of the division leadership. In 2008-09, approximately \$400,000 was reduced from the central office, and other positions were targeted for reduction in 2009-10. The Division worked throughout 2008-09 to determine a streamlined organizational structure that improves alignment of duties, creates enhanced work flow, and makes the reporting structure more effective for better accountability. This proposed structure is previewed on the following pages.

2008-09 Organizational Structure

The former Division Leadership Structure included one Assistant Superintendent who was primarily responsible for Student Learning/Instruction. However, this position had nine direct reports, which also included functions that related to accountability, technology, and operations. There was no single person responsible for all aspects of planning and operations, which complicated communication and work flow. Furthermore, this structure included 16 coordinators of instruction, special education, or federal programs, who reported to various people, rather than a single position in charge of elementary, secondary or special education. The Resource Utilization Study found that the Division had too many executive-level administrators reporting to a single assistant superintendent, and too many coordinators who worked in isolation.

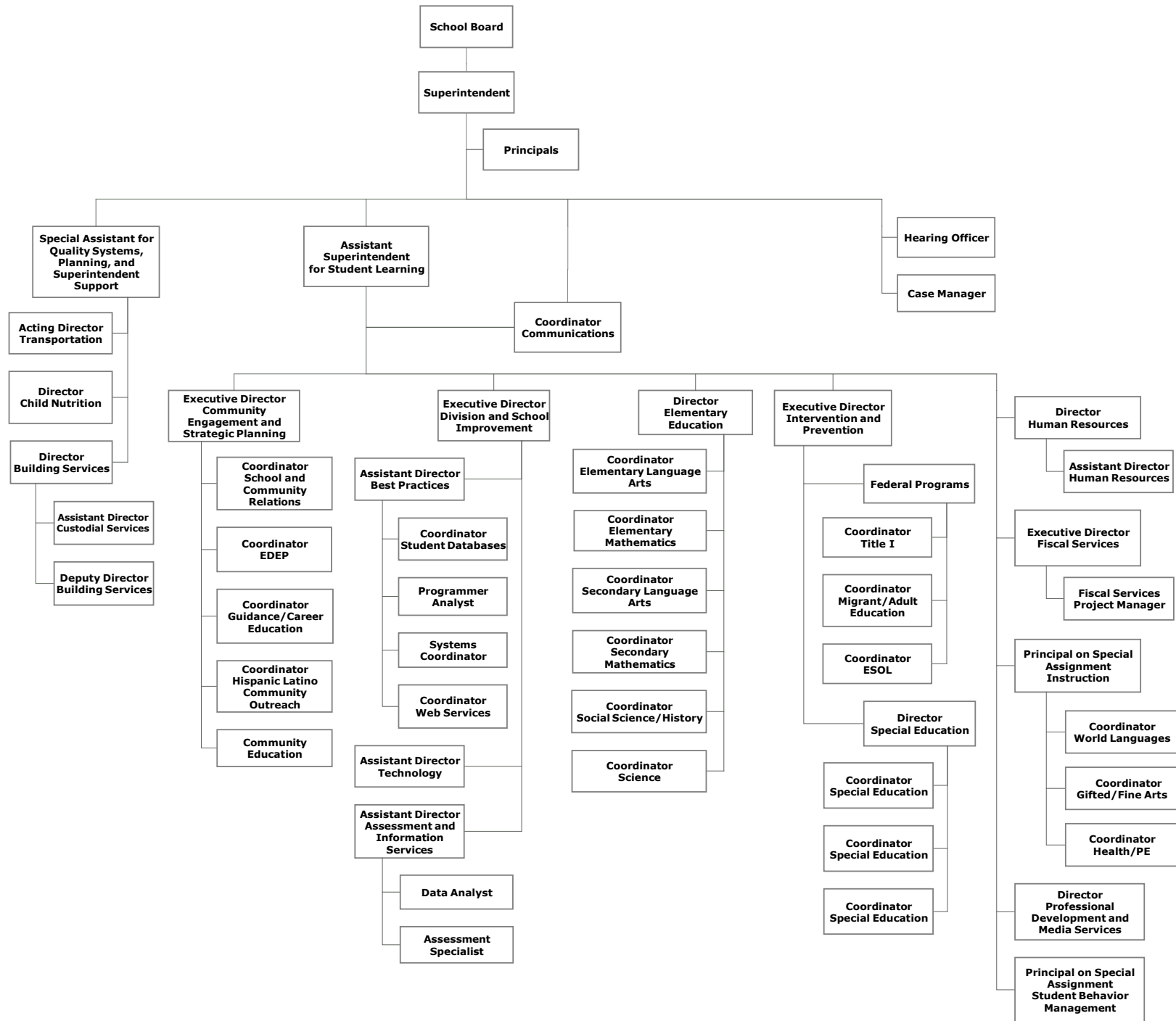
Organizational Goal

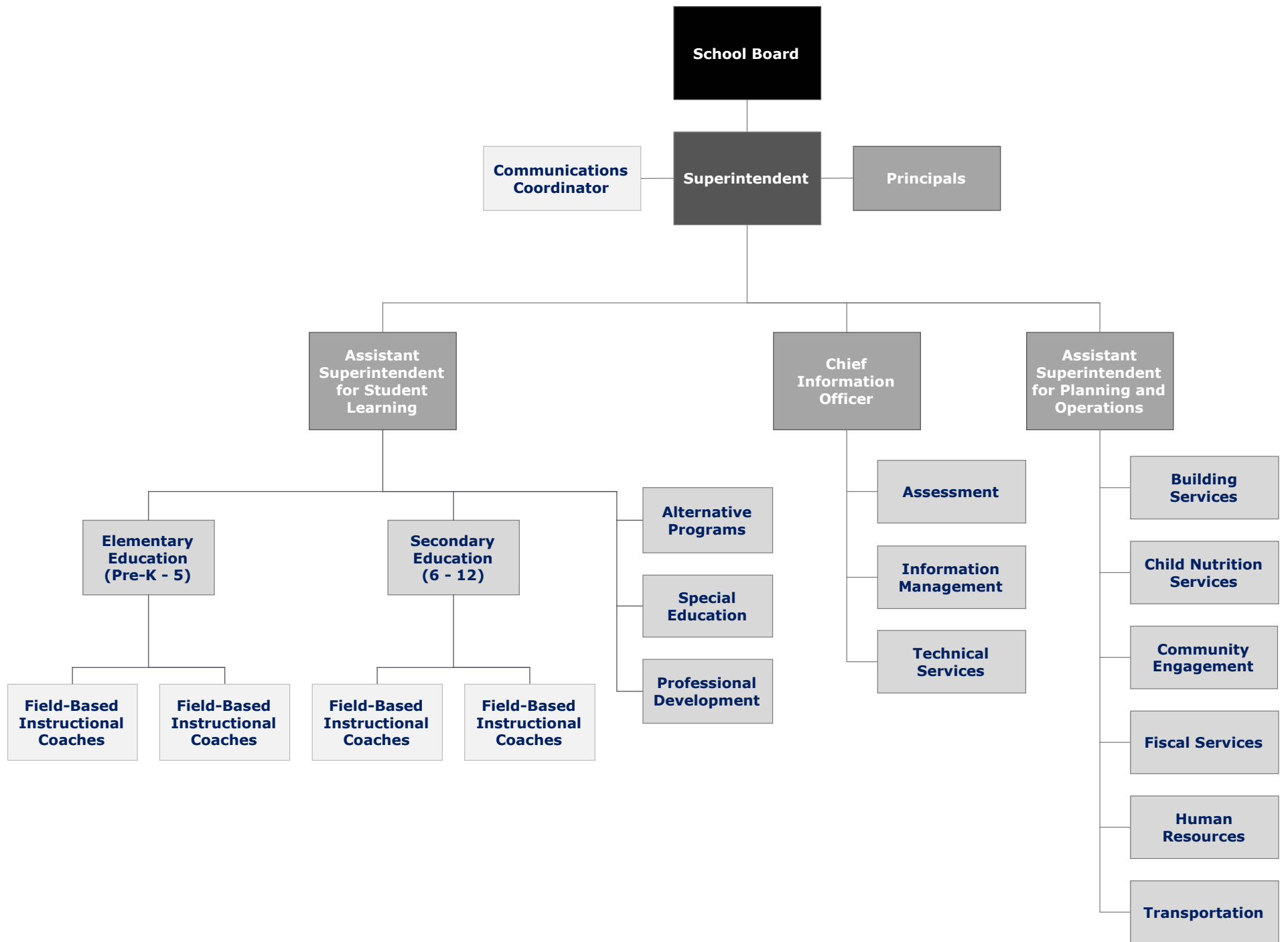
This structure aligns the management functions of the Division under three executive positions who report to the superintendent: an Assistant Superintendent for Student Learning, an Assistant Superintendent for Planning and Operations and a Chief Information Officer.

This new organizational structure is similar to those in use by same-size school divisions throughout the nation, and is in line with the recommendations of the Resource Utilization Study. Each Assistant Superintendent has 5-6 direct reports, and each has a specific sphere of responsibility. All instructional areas report to one executive, and all operations/planning positions report to another dedicated executive. The two assistant superintendents work collaboratively with the Chief Information Officer to ensure that instructional needs are met with operational planning and effectiveness and that data, research and technology continue to inform and support both key areas. The number of 'middle management' instructional coordinators is substantially reduced, and rather than work in isolation, these positions work on field-based teams that move the work closer to the classrooms they serve. These teams are managed and supported centrally, through elementary and secondary education leaders who maintain accountability, and consistency of expectation and delivery.

This leaner, more efficient, and benchmarked organizational structure shifts Division resources to schools-based positions, emphasizes the work that is going on in the classrooms between teachers and students and provides an efficient structure to deliver support to that core service.

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