



Budget Q&A

Where do we stand with the 2009-2010 budget?

- The Superintendent must present her funding request to the School Board in December.
- The School Board holds public hearings on the funding request in January, and finalizes it for presentation to the Board of Supervisors in early February.
- The BOS holds work sessions, public hearings and advertises a tax rate in March.
- Two work sessions on compensation have been held by the School Board, and one joint Board Meeting to provide direction for that area.
- A Telephone Town Hall will be held on November 12 from 7-8 p.m. to solicit constituent feedback.
- A web site for online feedback will be available by November 12.

What are the challenges so far?

For this CURRENT fiscal year we have:

- Cut school budgets by 10 percent and department budgets by 15 percent.
- Implemented a hiring freeze and only positions that are of absolute importance will be advertised or filled.
- Made \$400,000 worth of cuts at the division administration level
- Cut more than \$200K in Building Services operating budget and left 5 vacancies unfilled there. They have deferred or canceled any work requests other than those that affect occupant health and/or safety, or those that are required by code or regulation.

Other Challenges:

- We have identified a 12 percent increase in health insurance costs and a 5 percent increase in dental care costs that will take effect for FY 2009-10.
- Challenged to fund positions whose function is to implement and monitor the high-stakes testing and other mandates that are part of the No Child Left Behind law and other regulations. The School Board has pressed state and national legislators about the difficulty of operating with these “unfunded mandates” which become a burden for local taxpayers to support as money is not provided for them at the state or federal level.
- Albemarle County is considered a wealthy county by state standards; thus the percentage of state funds the School Division receives is smaller than many other localities. One example is lottery funds; ACPS only receives just over \$1 million or 1% of its school division budget from lottery funds. ACPS also only receives about 2% of its budget from federal sources. Nearly 70 percent of the school division’s budget comes from local sources.

What's the outlook?

With the significant drop in revenue from local sources, and anticipated cuts from the state that may range between \$3 and \$6 million dollars, the outlook is rather bleak. The school division is facing a projected minimum \$6 million shortfall – even if no salary raises are given to teachers or classified employees. If state cuts are deeper, or if revenue falls further at the local level, we'll be looking at a larger shortfall to overcome.

We are not alone in this, however. All families are feeling the pinch of this global economic downturn. As a division, we will be doing what families and businesses across the state and nation are doing, asking critical questions about how spend money. What is most important? What is absolutely necessary? What do we have control over? Is this a “must have” or a “nice to have”? What can we do without?

Albemarle County Schools compares very favorably to other school systems in the state and nation. Although we will be forced to make significant cuts, we believe our core goal of preparing students to succeed in a global community will not be adversely affected. 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.

How will the efficiency review play a factor in the budget?

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 this year, and others are slated for implementation in 2009-2010. A major restructuring 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 to follow for 2009-2010. As a result of the study and the restructuring, the central level administration will be leaner, and have a more efficient reporting structure for better work flow.

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.

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 courses that will be offered in 2009-2010.

If cuts have to be made, what is the plan? Where do you start?

There is no “if cuts have to be made.” Cuts will have to be made. We are beginning the process to determine which programs and services might be considered for reduction by seeking input from our staff, parents and community members. We always try to stay as far away from the classroom as possible, but the magnitude of this budget situation will require much more than “nibbling around the edges.” Cuts that affect day to day operations of our schools are unavoidable. As is the case with every budget cycle, we actively seek feedback and ideas from our parents, staff, community and business leaders. There will be various opportunities to provide this input.

Almost 83 percent of the school division’s total budget is compensation (salary and benefits), so it is unavoidable that cuts will have to be made there.

We will have to make difficult decisions such as:

- Changing business practices
- Looking at areas where ACPS exceeds state standards in both programs and staffing
- Non-instructional positions
- Physical resources, materials and supplies
- Operational budgets

We are taking a “kitchen drawer approach” and putting everything on the table and looking very carefully at how each expenditure and budget item directly impacts our division’s mission, vision and goals. Those with more tangential impact will be the first items identified for cuts.

We also have regulations we must abide by: Standards of Accreditation, Standards of Quality, Special Education law, and more that limit the kinds of cuts we can make.

We encourage people to participate in our Telephone Town Hall, which will be held on Wednesday, November 12 at 7:00 p.m. We will be calling 24,000 homes in Albemarle County and asking constituents their priorities on programs in ACPS. Participants will be able to answer polling questions, and ask questions directly of the superintendent and board members. They can also get a better understanding of where the budget stands at that time.