



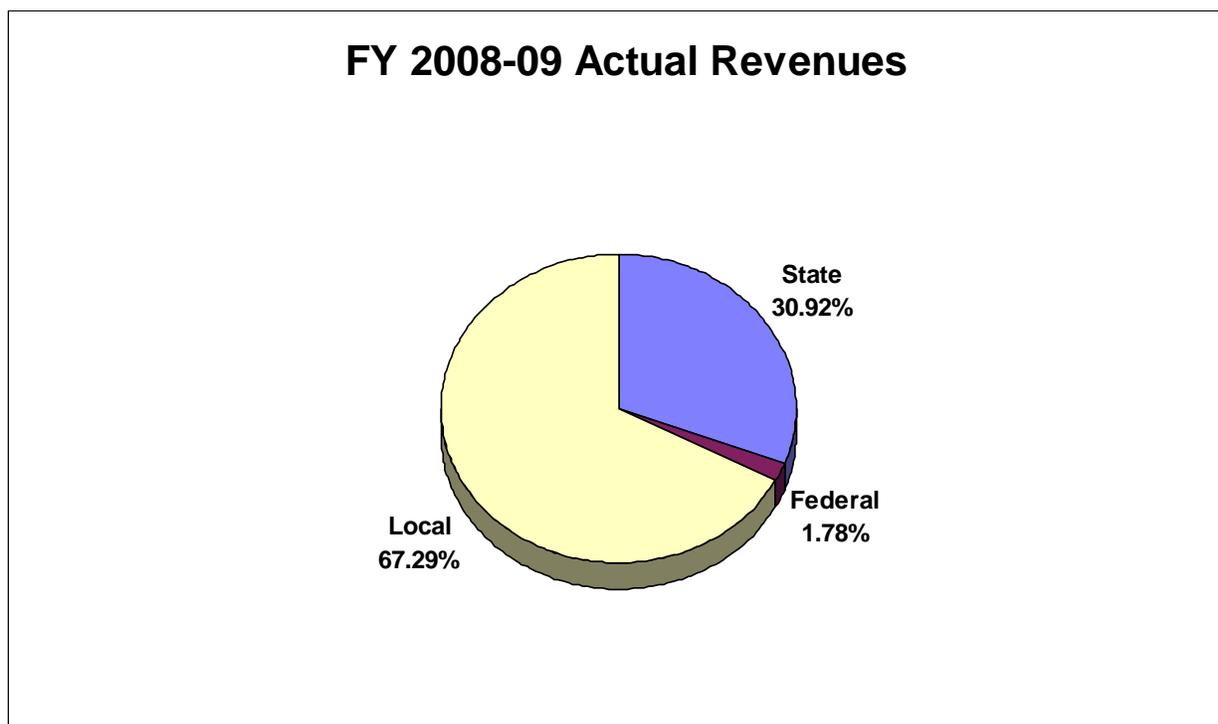
## Frequently Asked Questions Topic: Budget

- Section 1: Revenues
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### 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 2008-09 school year, the School Division received slightly more than 67 percent of its revenue from local sources, 30.9 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. The School Division also has access to federal and state grants and subsidies, and gathers a small portion of revenue from fees, such as for facilities rental.*



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

**A:** *Approximately 67 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 \$0.742 per \$100 of assessed property value. As property values decline 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 also declines. In December, this rate was planned to increase to \$0.772 per \$100 for 2010, an effective tax rate that maintained revenues at approximately their current level, given lower housing values. However as of January, the Board of Supervisors voted to retain the current rate of \$0.742 for planning purposes, resulting in fewer local dollars available to fund education. The Board of Supervisors may elect to change the tax rate further at its March meeting. The current funding request assumes a \$0.742 per \$100 real estate tax rate.*

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

**A:** *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 supporting lower K-3 class size for schools with higher numbers of economically disadvantaged students and other operational areas. 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, as dollars are dependent on the operations of the lottery program.*

*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 than \$4 million less funds are anticipated for the current year (2009-10). For next fiscal year, the Board of Supervisors recently asked staff to plan for operational revenues based upon the current real estate tax of 74.2 cents, resulting in reduced revenues. State revenues are also anticipated to decline due to reduced collections of income and sales taxes. Overall, recurring revenues are anticipated to decline by more than \$4 million for 2010-11, with additional state reductions in 2011-12 as the composite index changes are enacted. Overall costs are not declining, and some costs, such as health care, retirement and other benefits, as well as fuel and utilities costs, are increasing.*

**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. These SOQ are state mandates for numbers and types of positions required for state accreditation. For Albemarle County, application of the 2008-10 Composite Index would result in 60.95 percent of SOQ-related costs being paid for with local Albemarle County taxes and approximately 39 percent being paid for by the Commonwealth. The 2010-12 Composite Index would result in 68.72 percent of SOQ-related costs being paid for with local Albemarle County taxes and approximately 31 percent being paid for by the Commonwealth. Former Governor Kaine's proposed budget has recommended a delay in the implementation of the new composite index for one fiscal year, giving the school division one year to prepare for the \$4.7 million in reduced state revenues that will occur as a result of the Composite Index changes for the next biennium.*

*In addition, the Commonwealth does not fully fund its portion of the Standards of Quality, so Albemarle taxpayers must pick up the difference in cost. 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 2008-09 that equaled more than \$18 million), thus inflating our composite index and reducing the amount of funding we receive from the state. The Division estimates that the state dollars lost to Albemarle County through the composite index due to the revenue sharing agreement exceed \$2 million per year.*

**Q: What is the impact of American Recovery and Reinvestment Act (ARRA, or “Stimulus Funds”) on the Division’s revenue?**

*A: ARRA funds were allocated to the school division with specific guidance and reporting requirements. In order to comply with these guidelines and reporting requirements, ARRA funds were allocated to individual grant accounts to separate them from the regular operating budget. The expenditure of these funds was approved by both the School Board and Board of Supervisors.*

*Part of the ARRA or “Stimulus Package,” passed by the US Congress in January of 2009, had allocated approximately \$3.2 million to Albemarle County over a two-year period through the Individual for Disabilities Act (IDEA) funding process. The Division is scheduled to receive approximately \$1.6 million in 2009-10, which was used, in accordance with the provisions set by the legislation, to fund special education and pre-school teaching positions as well as temporary funding for additional intervention staff.*

*Other ARRA funds of approximately \$5 million were to be dispersed to Albemarle County Public Schools over two years through state fiscal stabilization funds. These federal monies flow to the Commonwealth first, and are then allocated to individual school divisions based on a state formula. Albemarle County planned on using these funds to purchase and deploy significant technology updates throughout the division, consistent with the federal guidelines. For the 2010-11 budget, former Governor Kaine has recommended using the second year of state fiscal stabilization funds to balance the state’s budget shortfall. This proposal results in a \$2.4 million loss of planned revenue to be used to purchase and deploy technology to meet 21<sup>st</sup> century requirements. The loss of these stimulus dollars represents a significant challenge for the school division to install and support the technology infrastructure upgrades, and to continue to fund the instructional positions that had been paid for with these dollars in the current year.*

**Q: What is the impact of the state proposed budget for 2010-11 on the school division?**

*A: Former Governor Kaine’s proposed budget reduces state revenues to Albemarle County schools by \$363,000 for 2010-11. It also increases the costs of mandated retirement costs by \$1.2 million in expenses to the school division. In addition, the Governor ended the long-standing State Technology Grants, which reimbursed localities for classroom computers and technology used by students for instruction and assessment. The loss of this program represents an additional loss of more than \$700,000 per year of technology funding in our Capital Improvements Program. Kaine’s proposed budget also retains the 2<sup>nd</sup> year of state stimulus federal ARRA funds at the state level, rather than passing them on to the localities. **This reduces grant funding of Albemarle County Public Schools by \$2.4 million for 2010-11.** Kaine also proposes delaying the Composite Index changes for one year, giving many school divisions, such as Albemarle County, who saw their Composite Index increase, a reprieve for one year to plan for the additional lost revenue.*

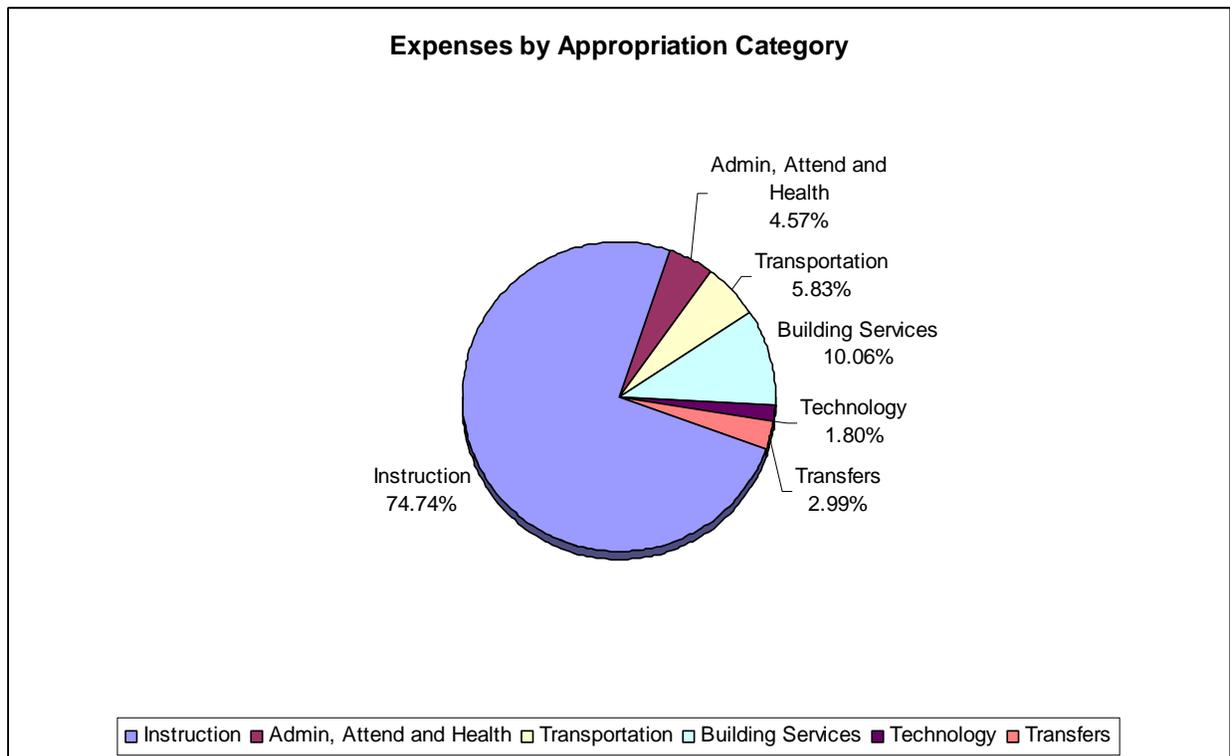
*Kaine had proposed a slight increase in state income tax and a repeal of a portion of the car tax relief as a means to balance the budget. Governor McDonnell has indicated in his State of the Commonwealth address that he will not support tax increases. Not enacting Kaine's proposal results in a loss of \$1.9 billion in potential revenue at the state level, which may ultimately impact K-12 education. The School Division could face additional operational budget reductions from the state for the 2010-11 fiscal year.*

*For the second year of the Governor's proposed budget, the Composite Index changes will go into effect, and Albemarle County Public Schools will lose approximately \$4.7 million in state revenue on top of any further budgetary cuts to K-12 education.*

## 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 nearly 2,200 employees with the remaining 17 percent covering operational costs. Looking at the expenditures another way, the School Division spends approximately 74 percent of its budget on instruction, well above the national target of 65 percent and more than 13 percent above the state average of all school divisions. Approximately 10 percent is allocated to building services, approximately 6 percent to transportation, approximately 5 percent to administration, attendance and health, approximately 2 percent to technology and 3 percent to transfers. See additional questions below for further explanation of each category.



**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, non-school based 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, 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 the 2008 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 results received by the School Board in December 2007 have each been explored, and more than 90 percent of the efficiencies recommended have been implemented through reductions in 2008-09 and 2009-10. Continued facilities management, transportation, and personnel efficiencies will be realized in the proposed 2010-11 budget.*

**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 requires, in the estimation of our Fiscal Services Department, more than \$60 million in funding.*

**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. 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 and 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 2008-09 from the federal government.*

*Another example of a federal unfunded mandate is the 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) provide 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 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 at those expenditures as targets for reduction.*

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

*A: The economic crisis we face is severe. Albemarle County is not alone in being unable to provide raises for employees. 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 is not possible. 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. Because the school divisions in our competitive market are also holding salaries at 2008-09 levels, Albemarle County is generally not losing ground in maintaining salaries and benefits that allow us to attract and retain top-quality teachers and staff.*

*Albemarle County Public Schools' goal is to maintain employee salaries in the top quartile (25%) of the divisions and organizations in our competitive market. For most experience levels and positions, Albemarle County is within this top quartile.*

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

*A: The school division will be reducing both staff and expenses over the next year. Adding bonuses would increase the number of staff necessary to be reduced. For example, a \$500 one-time bonus for each employee in the division would cost more than \$1 million. Another million in reductions would then need to occur to offset the cost of the bonuses.*

**Q: Are there any ways to increase the revenues to the School Division, other than increasing real estate property taxes?**

*A: In the 2010-11 proposed funding request, two strategies to increase revenue have been recommended. An increase in the building rental charges for outside organizations who use our school facilities for their functions is estimated to increase revenue by \$50,000. A per-student, per-sport activities fee of \$75 is also proposed, helping to offset the nearly \$2 million in annual athletics costs supported by the division.*

## **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 January.*
- *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 Department 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 less closely aligned to the strategic plan were targeted more significantly for reductions.*

**Q: Why is the School Board pursuing a budget amendment at the General Assembly?**

**A:** *The School Board has asked Albemarle Delegate Rob Bell to bring forward a budget amendment asking the state to consider the revenue sharing agreement between Albemarle County and the City of Charlottesville when calculating the Composite Index, the ratio used by the state to determine how much funding a locality will receive toward funding the mandated Standards of Quality. Currently, the state calculates Albemarle County's revenues before the nearly \$18 million in revenue sharing is transferred to Charlottesville, overstating the county's available funding for education, and understating the city's. The result is a loss of more than \$2 million in state funding that would be returned to the County if the General Assembly were to pass Del. Bell's proposed amendment.*

**Q: What method does the School Division use to create its funding request?**

**A:** *Albemarle County Public Schools used a modified incremental approach in developing its 2010-11 request. The baseline for each department was the positions and programs that are required by policy, law, formula or mandate. Each department manager used specific staffing allocation formulas, accepted by our Board, to justify positions based on student needs. Efficiencies in programming and resource sharing were identified across the organization, and costs significantly reduced in many areas. All increases in expenditures are specifically tied to increases in costs, or to positions justified by policy, law, formula, or mandate.*

## **GENERAL**

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

**A:** *The current student enrollment is 12,765, up approximately 600 students in the past decade. The 2009-10 enrollment increased by about 200 students over last year; 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 approximately 170% since 2003. These students require additional services, many of which are not subsidized by state and federal funds.*

**Q: How does student enrollment impact the budget?**

**A:** *Student enrollment affects 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, as well as students who receive services that are mandated by state or federal law, such as English Language Learners or Special Education Services. The more students enrolled in our schools, the more students who require special services, the more teachers Albemarle County Public Schools must hire, therefore impacting the budget.*

**Q: Why isn't budget growth proportionate to enrollment growth?**

**A:** *Growth in the overall student population has some impact on budget increases, but it is not the key factor. The critical factor causing budget increases from year to year is compensation for existing employees to help us stay competitive within the market and address changes in the cost of living. 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 currently receives funding to cover about 39 percent of the SOQ costs, based on the county's composite index. The 2010-12 Composite Index would result in approximately 31 percent of SOQ costs being paid for by the Commonwealth. This represents a loss in revenue to the School Division of approximately \$4.7 million.*

*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.*

*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's 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.*

**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:** *In 2009-10, the School Division employs approximately 2,333\* people in teaching, administration and support staff positions. We are one of the largest employers in Albemarle County. This school year we employ:*

- 1,174 teachers
- 318 teaching assistants (examples: regular education, special education, library, computer lab, in-school suspension assistants, etc.)
- 163 bus drivers (does not include transportation assistants)
- 114 food service employees
- 105 administrators (examples: principals, assistant principals, directors, assistant directors, managers, coordinators, etc.)
- 513 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.)

*\*Note: the totals in each category add to more than the total number of employees due to position sharing; some people hold part-time positions in more than one category.*

**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. In an economic downturn, forecasting becomes more difficult. The planning process for facilities encompasses trends of up to 10 years.*

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

*A: 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. It is likely that student achievement would be negatively affected by the reduction in instructional time, and Albemarle families would bear the costs of increased childcare and other responsibilities during those non-school days. It is possible to save around \$60,000 per day should school not operate, primarily by cutting the pay of the hourly 10-month contract employees (custodians, office associates, teaching assistants, bus drivers, food service workers). It is not possible to reduce the state-mandated 200-day teacher contract.*

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

*A: The School Division is closely examining its processes, procedures, schedules, and expenditures, looking for ways to combine and streamline. An independent Resource Utilization Study was commissioned by the School Board in 2007, and more than 90 percent of the efficiencies recommended in the study have been implemented through reductions in 2008-09 and 2009-10. For example, 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. A Long-Range Master Facilities Plan, completed in June 2009, reviewed each of our buildings in terms of their suitability for instruction as well as for cost and efficiency.*

*In addition, the Division has adopted a comprehensive energy management plan and has partnered with Energy Star to realize savings in heating/cooling and other utilities costs. The Division was recognized by the Virginia Department of Environmental Quality and the Virginia School Board Association for its energy management successes and expects to have more than 50 percent of its school buildings Energy Star certified in 2010.*

*For the 2010-11 proposed funding request, additional energy management initiatives, such as a reduction in personal refrigerators and other small appliances, and adjusted heating/cooling set points, will be implemented. Further transportation efficiencies, such as reducing deadhead miles through bus parking changes, bus re-routing, and*

*transportation pay reform, will also be enacted. The Division is considering a possible redistricting of middle and high schools to balance building capacity, and to move Albemarle High School to AA status. Some of these efficiencies may be enacted in 2011-12, when further significant revenue shortfalls occur at the state level.*

**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.*

**Q: What are furloughs and why are they proposed for 2011-12?**

*A: An involuntary furlough is a **temporary** reduction in the total number of days an employee works. Furloughs are enacted by employers as a way to trim expenses without laying off employees. When furloughs are enacted, all employees have their salaries reduced by the amount they earn per day, per number of days of furlough. For example, a school division could enact a 5-day furlough for all employees. This means each employee would work five fewer days per year, and would not be compensated for those five days. For hourly workers, a five-day furlough is essentially a week of unpaid vacation; for salaried employees, a five-day furlough is a reduction in salary equal to 5-days of pay, with the employee not expected to report to work. The salary reduction may be allocated partially in each pay period throughout the year, to minimize the fiscal impact to the employee.*

*The School Division is facing continued significant reductions in revenues for 2011-12, including a projected \$4.7 million less from the state when Composite Index changes are enacted. To cope with the sharply declining revenue, the Division has made significant cuts; a 5-day furlough of all employees saves the Division more than \$2.5 million, and shares the burden of the reduction across all 2,200 employees, minimizing further increases in class size or position cuts.*

**Q: What is the Instructional Coaching Model and what changes are being recommended for Professional Development in 2010-12?**

*A: Job-embedded professional development, such as the Instructional Coaching Model, is helping individual teachers meet their goals, as determined by their Teacher Performance Appraisal.*

*Rather than requiring all teachers to attend particular conferences or group presentations, coaches are working individually or with small groups to help teachers develop professionally in meaningful ways that positively affect student achievement and provide value to the teacher. The coaches also assist the teachers in discovering specific courses or resources that assist them in reaching their professional goals. The professional development is job-embedded; it generally occurs as part of their regular workday, and is immediately transferrable to their daily work, its effectiveness quickly measured. The Division is maintaining the current instructional coaching model with 24 coaches and five lead coaches. Many of these positions are mandated by the Virginia Standards of Quality. An additional 5.06 FTE which were allocated to the coaching model in 2009-2010 have been reduced for 2010-11. These coaching positions were not filled in 2009-10.*

*For 2010-11 the Division proposes reducing Professional Development Reimbursement Program (PDRP) funding by 50 percent or approximately \$68,000. These monies were allocated for faculty and staff to take courses needed for recertification and additional endorsement. In addition, a restructuring of the division-level administration of professional development services has resulted in both operational and FTE savings.*

**Q: What is the effect on the teacher salary scale with a second year of frozen salaries?**

*A: Salary scales for teachers across the Commonwealth are typically based upon years of service in a teaching position. In order to maintain the validity of the scale in reflecting experience levels, as salaries are frozen, the beginning salary on the scale is reduced. As an example, a beginning teacher with no experience in September 2008 made \$41,947 in Albemarle County. In September 2009, that teacher with one year of experience will make the same \$41,947. However a new teacher in September 2009 will make \$41,309 to reflect a lesser experience level. As the number of years of frozen salaries increase, the number of steps on the scale will increase beyond our current 31 steps, and the beginning teacher salary will continue to decrease. However, Albemarle County Public Schools is well within our compensation strategy of being in the top 25 percent of salaries in our adopted competitive market for teachers with less than five years of experience. Reducing the beginning teacher salary does not compromise this position relative to our peer divisions at this time. Please see supporting documents to see our proposed teacher scales.*

**Q: Why are some support departments being reduced at a larger percentage than others?**

**A:** *Certain departments are being reduced at a greater level than others due to several factors, including the amount of reductions taken in previous years, and factors outside of the school operating budget. Two departments that have been substantially impacted by the loss of state and local funding are not being asked to shoulder the additional 5 percent reduction in operating and personnel costs that other centralized support services departments are making. The technology department (fund 2115) has seen a substantial reduction (more than \$3.1M) in state funding of technology in both grants and capital improvements. The Building Services department has been seriously impacted by local reductions in the Capital Improvements Program (CIP). The reductions under consideration in the CIP will not provide for any new, expanded, or improved facilities in the foreseeable future. It is possible that these CIP reductions may not permit the adequate funding of a maintenance program for existing buildings. To reflect these impacts, reductions to these departments are minimized. Building Services and Technology are still participating in the 10 percent reduction in operating expenses that all departments and schools are making in the 2010-11 funding request.*

*\*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](http://www.doe.virginia.gov).*