

The Amherst County School Board and the Amherst County Board of Supervisors met in joint session on Wednesday, February 19, 2014, in the School Administration Office, Amherst, Virginia, at 6:00 p.m.

Attendance for Amherst County School Board:

PRESENT: Jones H. Stanley, Chairman
Elizabeth S. Gamble, Vice Chairman
Priscilla M. Liggon
Patricia C. Massie
Margaret R. Morton
Randy V. Summers
Alan J. Wood

ABSENT: None

Attendance for Amherst County Board of Supervisors:

PRESENT: Don Kidd, Chairman
David Pugh, Vice Chairman
Robert Curd
John Marks

ABSENT: Claudia Tucker

Mr. Stanley called the joint meeting of the Amherst County School Board and Amherst County Board of Supervisors to order, asked that a moment of silence be observed, and asked everyone to stand for the Pledge of Allegiance.

Mr. Kidd called the Amherst County Board of Supervisors joint work session with the Amherst County School Board to order. Mr. Kidd asked that the records reflect the date is Wednesday, February 19, 2014; the time is 6:00 p.m.

Mr. Marks made a motion to approve the agenda of the February 19, 2014, meeting of the Amherst County Board of Supervisors. The motion was unanimously carried.

Upon motion by Mr. Wood, seconded by Mrs. Morton and unanimously carried, the Board approved the agenda of the February 19, 2014, joint meeting between the Amherst County School Board and the Amherst County Board of Supervisors.

Mr. Stanley stated the first item of business was the discussion of the Proposed FY15 School Operational Budget.

Dr. Nichols made following statement prior to the presenting the Proposed FY15 Budget.

Statement on the Presentation of the Proposed Budget for 2014-2015

I appear to present the Proposed 2014-15 School Division Budget as the School Division's Chief Executive Officer. It should be noted that the School Board has not yet met to review the proposed budget in detail and to make adjustments. Additionally, some revenue and expense projections are based on the current best available information. As

the General Assembly draws closer to a final State budget, the final cost for hospitalization released and other data provided, we will be updating the information almost daily. In all cases, the information provided will be correct to the best of our ability at that point and time.

This budget has been developed through the input of numerous individuals. Meetings have been held with principals and budget holders to promote a greater level of evaluation and discussion for the items featured in the budget. I, along with members of Senior Staff have worked closely with schools to weigh program needs, examine enrollment projections, and develop processes to comply with state mandates in regard to assessment and school improvement. This has been a thorough and complete review of the school division's finances and how we utilize funding to best meet the needs of our students.

This is a "Needs Based" Budget in that I am providing in this proposed budget the request for funds to best provide for our children and those tasked with their instruction and care. In the case of a needs based budget, the request often exceeds the current level of funding. That is the case here.

Before I review the particulars of the Proposed Budget, I would like to again point out some factors that have had a serious impact on our discussions.

- The required VRS contribution is far above any recent amount collected. This mandatory contribution is outside the school division's control, and along with concurrent requirements for mandatory state life insurance and health credit costs have an almost three quarters of a million dollar impact on the budget before we even consider other needs.
- Hospitalization costs driven by market cost and utilization have increased dramatically.
- The Local Composite Index (LCI) has been adjusted to have a negative impact on our state funding. The LCI is also out of our control.
- Student enrollment has shown a slight decline. Yet, the funding for special education continues to grow through identified disabilities and the cost of such instruction/ care.

As you will see in this budget I have requested funding to provide all employees with a salary increase. Not only is there a demand to stay competitive in the region, it is my hope these funds can help offset a number of years with no increases, and recognize in a tangible way the value of these employees to the community.

This proposed budget also includes funding for school safety, changes to categories to reflect what is actually spent on items like cleaning supplies and the like, recognition of our responsibility to meet state requirements on assessments, and a host of other needed items. In many cases, funds used previously for one program that were not meeting expectations have been moved to those projects that demand more support to maintain excellence.

I would like to be clear that I have approached this budget development with a dual focus. First, legally and morally I am bound by the requirement to promote the best for the young people in my care. Working with other skilled educators, I am committed to promoting excellence among our young people and preparing them for the life's journey ahead. To that end, I must meet various state and federal requirements to insure that level of excellence, and to compensate our employees who work diligently in that regard. I feel I can do no less.

My other focus must be the reality that funds are not endless, and the County does face other needs. The citizens expect support of police, fire services, health, mental health, public works, water service...the list goes on and on, but schools are truly different. While these other services are essential, the work we do with young people allows them to grow into good citizens and taxpayers for the long range benefit of our community—this too is essential. It is my sincere hope that with the knowledge that the school division is working best to serve the children, the Funding Body and other county constituencies will look favorably on the need to maintain the best school system possible.

And now, the presentation of the FY15 Proposed Budget.

Dr. Nichols reviewed the power point presentation on the Proposed FY15 School Operational Budget. The power point presentation will be attached to the minutes.

Dr. Nichols asked if anyone had questions regarding the information presented.

Dr. Nichols presented each member of the Amherst County Board of Supervisors with a copy of the Proposed FY15 School Operational Line Item Budget.

Mrs. Crouch reviewed several pages of the Proposed FY15 School Operational Budget with members of the Amherst County Board of Supervisors to explain how the budget was developed.

Mr. Kidd expressed appreciation to Dr. Nichols and the members of the Amherst County School Board for providing a line item budget to the members of the Amherst County Board of Supervisors.

Dr. Nichols asked if the members of the Amherst County Board of Supervisors have questions, please let him know.

Mrs. Massie asked how many National Board Certified teachers there are in the county.

Dr. Rogers stated there are currently six employees who have the National Board Certification.

Mrs. Massie asked if there are six employees who have received the National Board Certification and the proposal is \$250, why is the amount listed in the proposed budget \$1,875 instead of \$1,500.

Mrs. Crouch stated that FICA, VRS, Group Life and Health Care Credit are calculated on the \$1,500 for a total expenditure of \$1,875.

Mr. Marks asked why there is a difference in the total under additional expenditures \$2,523,439, and on the last page the additional funds needed to balance the budget \$2,065,117.

Mrs. Crouch stated the proposed increase in State funding for Amherst County Public Schools is \$458,322, which compensates for the difference in the two figures. Mrs. Crouch referred members of the Boards to page 14 of the Proposed FY15 Budget for that information.

Mr. Marks asked how the budget year runs.

Mrs. Crouch stated the budget year is from July 1st to June 30th.

Mr. Marks asked school years FY12 and FY13 covers.

Mrs. Crouch stated FY12 stands for 2011-2012, FY13 stands for 2012-2013, FY14 stands for 2013-2014, and FY15 stands for 2014-2015.

Mr. Marks asked how the projected expenditures are calculated for the remaining 2013-14 school year.

Mrs. Crouch stated expenditures have been calculated through the end of the school year. The calculations include the optional payrolls for employees who work ten and eleven months but receive their pay over twelve months.

Mr. Marks asked if the expenditures through December are up-to-date and calculations made for the remainder of the school year.

Mrs. Crouch stated expenditures are up-to-date through January and the calculations have been made for the remainder of the school year.

Mr. Marks asked if the calculations include topping off the fuel tanks before the end of the year.

Mrs. Crouch stated that was correct.

Dr. Nichols stated he was not in the habit of spending money just to be spending.

Mr. Pugh asked that the following items be provided to members of the Amherst County Board of Supervisors:

- Local funding for the past four years
- State funding for the past four years
- Student enrollment for the past four years
- Local funding above the state requirement

Mr. Pugh asked how the county is doing as far as funding over and above the state requirement.

Dr. Nichols stated that localities continue to exceed the requirement of funding because of the way the State is doing its business.

Dr. Nichols discussed programs the State requires school divisions to implement; however, the State does not fund the programs.

Mr. Stanley stated there was a good article on the VSBA website discussing the Local Composite Index (LCI). Mr. Stanley stated he would like to know who performs the calculations and where they get the data for the calculations.

Dr. Nichols explained to the audience what the Local Composite Index is and how it affects State funding. The composite index is calculated every two years.

Mr. Pugh stated when you look at demographics in Virginia; a report was just released to show that Northern Virginia is growing at a faster pace than any other county in Virginia. The rest of the state is showing one percent of growth.

Mr. Pugh stated that County government often bears the blunt of the decisions made by the State regarding school funding. Mr. Pugh stated the County government is often the bad guy if the school system does not get the funding that is requested. The County has continued to help fund the school system over the past few years.

Dr. Nichols stated he did not want anyone to think he was saying the local community had not been helpful. Dr. Nichols stated what he was saying is through this budget year, everyone realizes that the big giant is in Richmond, and we have to find a way to maintain the services our people depend on, and ensure the quality of education. Dr. Nichols stated people could be provided food stamps, work programs or some other form of assistance. Dr. Nichols stated the one thing that can help get people out of poverty is education. The school system is trying its best to take care of the future; however, it is increasingly difficult and it puts the burden on the localities to fund public education. Dr. Nichols stated until the people start holding the legislators accountable for balancing the State budget things will not get better.

Mr. Kidd stated the sad part is if the localities step up to the plate and provide the funding, the situation will never stop and it will continue to snowball. Mr. Kidd stated until you get the legislators in a room with concerned citizens and have discussions with legislators on what needs to happen, nothing will change.

Mr. Kidd stated both Boards need to do a better job of communicating to the citizen in the County.

Mr. Marks stated when you look at the population in Amherst County our population is level, yet we see student enrollment declining. Mr. Marks asked why enrollment continues to decline. Is it due to students attending private schools?

Dr. Nichols discussed the pockets of the country that are showing growth. In addition, Dr. Nichols discussed the nationwide trend that shows we are aging and the population of school age students is shrinking. Dr. Nichols reminded Board members there are certain costs associated with running a school system regardless of the number of students.

Mr. Clarence Monday, County Administrator, provided an update on the County Budget process. The proposed draft County Budget will be presented to the Amherst County Board of Supervisors in about a month.

Mr. Kidd expressed appreciation to everyone for attending the joint meeting.

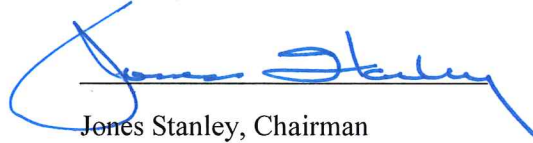
Mr. Stanley echoed Mr. Kidd's comments and thanked the citizens for attending the meeting.

Upon motion by Mr. Wood, seconded by Mrs. Massie and unanimously carried by the School Board, the Board adjourned the joint meeting at 7:10 p.m.

Mr. Marks made a motion to adjourn the joint meeting. The Amherst County Board of Supervisors unanimously carried this motion.



Teresa C. Crouch, Clerk
Amherst County Public Schools



Jones Stanley, Chairman
Amherst County Public Schools