

MINUTES  
BOARD OF SUPERVISORS  
COUNTY OF YORK

Adjourned Meeting  
January 22, 2008

6:00 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 6:00 p.m., Tuesday, January 22, 2008, in the East Room, York Hall, by Chairman Thomas G. Shepperd, Jr.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zarembo, Sheila S. Noll, Donald E. Wiggins, George S. Hrichak, and Thomas G. Shepperd, Jr.

Also in attendance were James O. McReynolds, County Administrator; and James E. Barnett, County Attorney.

**JOINT MEETING WITH YORK COUNTY SCHOOL BOARD**

School Board Members Present: R. Page Minter, Chairman; Linda Meadows, Vice Chairman; Barbara S. Haywood; Mark A. Medford, and Dr. Robert W. George were present.

School Division Staff Present: Dr. Steven Staples, Superintendent; Richard M. Hixson, Deputy Superintendent for Operations; Dr. James R. Tucker, Assistant Superintendent for Instruction; Dennis Jarrett, Chief Financial Officer; Dr. Jennifer Parish, Director of Curriculum and Staff Development; and Betsy Overkamp-Smith, Community and Public Relations Officer.

Chairman Minter stated that at the last joint meeting there were some talking points the School Board members brought up regarding the budget process, and the Board of Supervisors members had some questions pertaining to them. He indicated that Mr. Medford would begin the discussion by addressing the Board's questions regarding educational technology.

Mr. Medford indicated one of the questions was what are some comparative jurisdictions doing with their technology. He reviewed the technology policies of Chesapeake, Henrico County, and Williamsburg/James City County.

Mrs. Noll asked what happened to the 5-year replacement cycle for York.

Mr. Medford stated last year the School Board had to pull money from the technology budget to make up for not being fully funded.

Mrs. Noll suggested the School Board's priorities changed.

Mr. Medford stated the priorities were driven by lack of funding. He stated their goal is still the same.

Mrs. Noll indicated the school division made a choice to fund something else. She asked how the school division was using year-end funding.

Mr. Medford stated it was being used for Phase II of the Technology Program. He noted it will cost \$285,000 to get the program back on a 5-year replacement cycle.

Chairman Minter noted it was a tough call. He stated when the system is not fully funded for the needs, then they have to look across the entire budget and take some from each place. When it came to letting a teacher go, he stated they chose to change the technology cycle rather than let a teacher go.

Discussion followed on the diverse types of programs being using by the schools and what they are used for.

Chairman Minter then briefed the Board of Supervisors regarding questions they had on special education which is federally mandated. He stated a local school division may not deny services

because of cost or burden to the locality. It involves a negotiated contract between parents and school division, and those eligible have significant due process rights. He explained that if a parent is not satisfied, they may opt for a due process hearing before an independent officer which may impose additional services. Mr. Minter stated the York County school division works to provide the most cost-efficient services possible, and it has the lowest per capita cost in the state. He also noted that costs are highly variable per year and could be \$200,000 or more per year for a student.

Mrs. Haywood indicated that unfunded mandates and the military impact on the school system costs a phenomenal amount, and when the school division has special need kids, it has no choice but to spend the money, whatever the cost. With respect to military bases and their impact, Mrs. Haywood stated a special needs identification assignment coordination takes place, and due to the concentration of military bases in this area and Children's Hospital of Kings Daughters, they select York County as the place to live.

Discussion followed on the number of students in the York County school division from military families and the number of special education students currently being served.

Chairman Shepperd asked if the County is providing any programs or services in addition to the mandated piece.

Mr. Medford stated the federal government should be funding 40 percent of special education, yet it funds only 10 percent. He stated the School Board works hard to get them to push the numbers up.

Mr. Wiggins asked if the federal government knows it is not funding the other 30 percent and did they know the true costs for York County.

Mrs. Haywood indicated the federal government is fully aware. She stated the school divisions go to Capitol Hill every year, and the Feds tell them the money is coming, but it never does. She stated they are very aware of the costs, but funds are not appropriated. Mrs. Haywood invited the Board members to join them in Washington in a couple of weeks where the school boards go through their priorities at the national level.

Chairman Shepperd noted special education is not the only program for which they are not paying their portion. He stated they do it to impact aid also, and he indicated he would be curious to know what exactly the Feds owe York County using its own formula. Mr. Shepperd stated the public should know this information.

Mr. Medford indicated the school division would provide the Board of Supervisors with that information.

Mr. Shepperd asked if the State was also shorting the county.

Mr. Jarrett stated they are funding the Standards of Quality for special education, but other programs were being funded at minimum standards.

Mr. Zaremba stated the Board of Supervisors would be interested to know what some of the other mandated programs are that have impacted the other programs in the schools budget. He indicated the School Board sets the priorities, and the Board of Supervisors gives the schools what it thinks is affordable. He stated that what the School Board picks as priorities is picked by its subjective prioritization and some by mandates.

Mrs. Meadows then addressed the student/teacher ratio questions that were raised by the Board of Supervisors at the last joint meeting. She indicated she did her own study for years, and the smaller the class size the better. She then reviewed the results of the Tennessee Star Study which indicated significant improvement in student achievement with smaller class sizes. She noted that the gains were greater in the early years, and follow-up studies show the gains were maintained in the later years. Mrs. Meadows stated the School Board's goal is to get the class sizes down, and she reviewed the optimum number for each grade. She noted the school division currently has multiple classes of over 25 students and core classes having over 30 students.

Mr. Shepperd asked the School Board to provide him with a breakdown for all grade levels.

Dr. George then addressed the questions of the Board of Supervisors concerning compensation for teachers and how the York County School Division compares to other divisions on a step basis. He stated they have broken it down to three pay lanes, nine ranks across. He indicated that 49 percent of all steps rank in bottom third, and only 2 percent rank in the top third, leaving 48 percent to rank in middle the third. Dr. George stated 22 percent of the steps rank at mid point or higher.

Mrs. Noll asked how the state ranked nationally.

Dr. George indicated it was 32<sup>nd</sup> out of 50.

Mr. Zaremba stated he felt the state indicator would be better for York County. He noted that a few years ago York was nearer the top. As the years go by, the school division gets better and better at teaching the students. He stated the system is doing a great job, and the Board of Supervisors will provide the school division with as much money as it can, but it is up to the School Board to prioritize the amount of money provided by the County. He indicated the Board keeps hearing priorities, priorities, but that is the School Board's domain. The Board of Supervisors will give the school division everything it can, but the Board's task is different than that of the School Board; the School Board's focus is very specific, where the Board of Supervisors must prioritize in many areas.

Further discussion followed regarding teacher compensation.

Chairman Minter concluded the School Board's remarks by stating the School Division has invited four significant reviews in the last two years, and he provided the Board with figures comparing York County's performance with five other comparable school divisions.

Chairman Shepperd urged the School Board members to pass all the information they have put together to all the Board members. He indicated the Board members are learning more every time the two bodies meet.

Mr. Jarrett then made a presentation regarding the budget outlook for the FY2009 School Division. He indicated that there was a projected increase of 135 students for FY09 according to the County's Planning Division estimates. In reviewing state revenue, Mr. Jarrett noted this would be a new biennium for the state budget, and it continues to experience fiscal stress. He stated the local composite index will change to .3634. He then reviewed the Governor's proposed budget, stating it fully funds re-benchmarking of the SOQs, but there was no increase for teacher salaries provided in FY09. Federal Impact Aid is projected to be level funded for FY08, but approximately \$445,000 less for FY09. Mr. Jarrett then reviewed the teacher salary averages for the school divisions in Hampton Roads, noting that York County ranked seventh out of the nine jurisdictions for both bachelor's degrees and master's degrees, with master's plus 30 ranking York County as sixth out of the nine. He discussed preliminary pay increase estimates for FY09 from Williamsburg/James City County, Portsmouth, and Hampton that are in the 4-6 percent range, and informal discussions with several other school divisions indicate a similar range of increases. He stated that York County had the lowest per pupil expenditure for the nine jurisdictions in FY06. Mr. Jarrett concluded his briefing by reviewing the following school division funding requirements/priorities for FY09:

- Restore cuts from FY08
- Staff compensation
- New Horizons Regional Center
- Instructional technology refurbishment
- Bus fuel
- Buses
- Additional students—teachers, supplies
- General price increases
- Estimated increase in total school division operating budget—in excess of \$9 million

Mr. Zaremba noted that by listening to the presentation he would think the Board of Supervisors cut the school budget last year. He stated the Board actually gave the School Division an increase of \$2 million over the prior year's budget.

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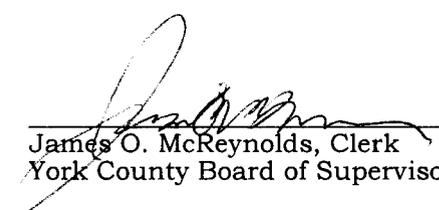
Mr. Medford indicated the cuts were made by the School Board, and now it is looking at adding back some of the things it had to cut.

Mr. McReynolds stated there is a lot of uncertainty in this year's budget climate. Staff does not know what the state is going to do, and there are also changes in state requirements. He stated the Board has to advertise the tax rate 30 days before the public hearing, so the proposed budget has to be presented 2-3 weeks earlier than otherwise. Because of this, staff is not quite as far along with the big picture. He stated when it all comes together, staff will have a good budget to present to the Board of Supervisors on February 19.

Mrs. Marycarol White, Director of Financial and Management Services, then briefed the Board on the FY09 budget outlook. She stated the major expenditures for FY09 will be education, employee compensation, the new athletic field complex, public safety, other post employment benefits, and the Capital Improvements Program and debt service. She then reviewed the revenue summary, noting the local highlights include economic development, FY09 being a general reassessment year, and the County Administrator will propose a tax rate reduction. She stated the increase in real property taxes will depend on the tax rate, and there should be a \$0.3-0.5 million increase in personal property tax revenues from the FY08 budget. Other local taxes will increase \$0.5-0.75 million, and interest, fees, permits and other local revenue will remain level with the FY08 budget. When addressing the state revenue, Mrs. White stated staff believes it will be reduced from the FY08 budget. Other revenue such as insurance recoveries, payment in lieu of taxes, and federal drug assets will also remain level with the FY08 budget. Mrs. White concluded her presentation by reviewing the pay scale benchmark study, which indicates a proposed 2 percent pay adjustment for employees in the FY09 budget.

Chairman Shepperd noted the big driver is the requirement to make the announcement on the tax rate. Normally, the Board would have had more time, but it is now required to publish it 30 days before the public hearing. He told the School Board that as time goes on they will have a better understanding of what their requirements are also. He thanked the School Board for the additional information provided tonight, stating they have continued to increase the knowledge of the Board of Supervisors regarding the school division.

Meeting Adjourned. At 8:41 p.m. Chairman Shepperd declared the meeting adjourned to 8:00 a.m., Saturday, February 2, 2008, in the Northwest Territory Room, Great Wolf Lodge, for the purpose of conducting a retreat.



James O. McReynolds, Clerk  
York County Board of Supervisors



Thomas G. Shepperd, Jr., Chairman  
York County Board of Supervisors