

A regular meeting of the Board of Supervisors of Albemarle County, Virginia, was held on March 17, 2025, at 3:00 p.m. in Room 241, Second Floor, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia, 22902.

BOARD MEMBERS PRESENT: Mr. Jim H. Andrews, Mr. Ned Gallaway, Ms. Beatrice (Bea) J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Mr. Mike O. D. Pruitt.

BOARD MEMBERS ABSENT: none.

SCHOOL BOARD MEMBERS PRESENT: Ms. Kate Acuff, Ms. Judy Le, Mr. Graham Paige, and Ms. Rebecca Berlin.

SCHOOL BOARD MEMBERS ABSENT: Ms. Leslie Pryor, Ms. Ellen Osborne, and Allison Spillman.

COUNTY OFFICERS PRESENT: County Executive, Jeffrey B. Richardson; County Attorney, Andy Herrick; Clerk, Claudette K. Borgersen; and Senior Deputy Clerk, Travis O. Morris.

SCHOOL OFFICERS PRESENT: Superintendent of Schools, Matthew Haas; Chief Operating Officer of Schools, Rosalyn Schmitt.

Agenda Item No. 1. Call to Order. The meeting was called to order at 3:00 p.m., by the Chair, Mr. Jim Andrews.

Mr. Andrews introduced the Albemarle County Police Department Officers present to provide their services at the meeting, Tayvaun Richardson and Brooke Chaco.

Ms. Kate Acuff, Chair of the Albemarle County School Board and representative of the Jack Jouett District, called the meeting of the School Board to order and introduced those present.

Agenda Item No. 2. **Work Session:** FY 2026 Operating and Capital Budget.

Mr. Andy Bowman, Assistant Chief Financial Officer, said that today marked the third budget work session of the Board of Supervisors. He clarified that no action was requested today, but as they had discussed last week, it was scheduled for the proposed budget and proposed advertised tax rates to be advertised after the afternoon work session on March 19. Tomorrow, they would kick off the first of seven town halls, with the first one scheduled at the Center from 5:30 p.m. to 7:30 p.m. tomorrow, and those meetings would continue as shown on the slide.

Mr. Bowman stated that to recap, the intent of these work sessions was to provide a level of detail between the comprehensive budget document and the high-level County Executive's presentation. He said that staff from County Government would be present to address any Board questions as they went through this, and they would capture any amendments desired and bring them back on Wednesday for the proposed budget. He noted that all of the work session materials and answers to follow up questions were posted to the website for transparency.

Mr. Bowman stated that today, they would begin with the School Board, followed by a break if needed, and then cover the Capital Improvement Program and debt chapters. They would recap everything they had discussed to date heading into the March 19 work session. He added that if time allowed, they may pick up a couple of chapters they had not finished on Wednesday, but if those went to the upcoming Wednesday, that was perfectly fine.

Mr. Bowman stated that his final introductory slide was a summary of the investments and transfers they had discussed last week with the Board of Supervisors, specifically the revenue going to the public school division. The transfer to the public schools for their operating budget was \$14.3 million, or a 7.3% increase compared to last year's budget. This included normal revenues and a \$0.004 dedication from the real estate tax rate, which was equivalent to \$1.2 million.

Mr. Bowman noted that this was the first time the real estate tax rate had changed since the Fiscal Year 20 process, where the Board had raised the rate \$0.015 for public operational and capital indebtedness related to the referendum. There was also a \$6.2 million one-time transfer to the schools for their share of the one-time transfer to the Health Fund, funded by County government, specifically year-end funding from FY24. He noted that typically, this information was not provided, but it was a one-time situation included in the recommended budget.

Mr. Bowman said that they also had formula transfers to capital and debt. As their Capital Improvement Plan (CIP) had increased in recent years and projects had been executed, they were now issuing bonds and paying back the principal and interest. He said that \$2.6 million was specifically for public schools, based on the timing of their most recent bond issuance and ongoing projects.

Mr. Bowman said that beyond the formula transfer to capital and debt, they had discussed a public school capital plan. He said that if tax rates were raised in Calendar Year 2025, this would impact both Fiscal Year 2026 and Fiscal Year 2025. This would generate \$6 million in the current fiscal year, which would be recommended to be collected in June and provided to the school CIP to support the

projects currently included.

Ms. Acuff stated that she and Ms. Berlin would provide an update to the Board on the current status of the School Division's funding request for Fiscal Year 2026. She noted that this needs-based funding request represented more than just financial figures; it embodied their commitment to ensuring every student had the resources, support, and opportunities they needed to thrive.

Ms. Acuff expressed her appreciation for the Board's ongoing support and partnership with the School Board. She stated that they were fortunate to partner with the Supervisors, who all understood the importance of investing in public education. She said that it was exciting last month to break ground on not one, but two new schools: Mountain View Upper Elementary and the Albemarle Career Exploration (ACE) Academy at Lambs Lane, both of which would open in the fall of 2027. She said that they looked forward to having these wonderful educational spaces available for their students and were delighted to have some of the Supervisors join their recent groundbreaking ceremonies and celebrations.

Ms. Acuff stated that behind every budget decision, every investment, every reduction, and every initiative, there were real people. Their students, educators, support staff, leadership, families, community members, and partners like the Supervisors were those real people. She said that this afternoon, their presentation would cover key areas, including a review of who they were, who they served, and their budget development process. They would discuss their return on investment and where they stood currently with the budget, as well as provide an overview of specific funding proposals, revisit their capital needs, and outline the first two segments of their funding request.

Ms. Berlin said that she wanted to take a moment to provide some context about who they were as a School Division, their students, staff, and the services they provided. This foundation was essential to understanding how they prioritized funding and allocated resources to best support their schools and their community. As they moved forward, they would provide a brief overview of their budget development process, which reflected a thoughtful and collaborative approach to balancing the needs, constraints, and long-term goals.

Ms. Berlin said that it was essential to ground themselves in the numbers of their County. Albemarle County Public Schools served more than 14,000 students from preschool through 12th grade, as well as post-high school students. They operated 24 schools, including 15 elementary schools, 5 middle schools, 3 comprehensive high schools, and 1 charter school. As they entered the Calendar Year 2025-2026 school year, they would operate four specialty centers and programs.

Ms. Berlin said these included the Albemarle Career and Exploration Academy at Seminole Trail, formerly Center 1, would serve students in grades 9-12, the Center for Learning and Growth, their alternative education center for students in grades 6-12 who required short-term placements with targeted behavioral and academic support, and the Intensive Support Center, which provided intensive behavioral support for K-12 students and would expand this fall to include services for K-12 students with emotional disabilities and functional life skills instruction for post-high students, aged 18-22 with Individualized Education Programs (IEPs). She said that they would share more about this expansion later in the presentation. She said that the final specialty learning center was the Newcomer Learning Center, their program for students who were new to the United States.

Ms. Berlin said that additionally, Scholar Studios was a program that provided students in grades 9-12 with real-world learning experiences while building essential skills for success. They would also discuss this program in more detail later in the presentation. She said that she was honored to work with the incredible workforce of over 2,800 employees, which included dedicated teachers, administrators, and education support professionals who kept their schools, departments, and facilities running every day.

Ms. Berlin said that about half of their staff were teachers, and more than two-thirds of their educators held at least a master's degree. They were proud of their 86.8% teacher retention rate, but their work was not done. They continued efforts to attract and retain top talent, not just in the classroom, but also as teaching assistants, bus drivers, and transportation staff, building services staff, and after-school professionals. Their student enrollment placed them among the largest one-third of school systems in Virginia. They currently served 14,173 students from preschool through 12th grade.

Ms. Berlin said that more than 13% of their students received special education services, 28% were economically disadvantaged as measured by the number certified to receive free and reduced-price meals, and 13% of their students were English learners. While these numbers continued to shift, every day they knew that their students came from over 103 countries and spoke 78 different languages at home, leading to the continued diversity of their system. She said that beyond the classroom, they provided essential services to students to fully participate in their school day.

Ms. Berlin said that their child nutrition team served an average of 7,600 meals daily. Their school bus drivers traveled more than 9,400 miles each day to safely transport their students to and from school. Their technology team supported more than 19,000 student and staff laptops, 5,600 laptops for their youngest learners, and a growing number of digital tools and infrastructure that supported instruction, communication, and school operations. They also helped ensure that families across the County had reliable internet access at home. She noted that another critical support system for students was their homeless education program, which served nearly 400 homeless children, including 353 of their pre-K through 12th grade students.

Ms. Berlin stated that their strategic plan, Learning for All, was the core of everything they did,

including their budget development process. Developed during the 2021 school year and adopted in 2021 and 2022, this plan guided their vision for student success. Their vision, mission, core values, and strategic goals helped ensure that every student had access to high-quality learning experiences and the support they needed to succeed. This funding request reflected their efforts to make decisions that brought them closer to achieving these goals.

Ms. Berlin explained that their budget was built on six guiding principles to ensure responsible funding decisions that aligned with their long-term goals and maximized resources for student success. They prioritized fiscal responsibility, aligned resources with their mission while maintaining financial stability. Community engagement ensures that families, staff, businesses, and the broader community have a voice in shaping budget priorities.

Ms. Berlin said that to attract and retain top talent, they offer competitive compensation with market-aligned salaries and benefits. They also maintain sustainable operations by using best practices to ensure facilities, transportation, and services are used efficiently. Every budget decision supports strategic alignment with their School Board priorities and strategic plan, and they rely on data-based decisions using performance measures to ensure that funds are used effectively.

Ms. Berlin said that these principles help keep their budget focused, responsible, and centered on student success. Their budget cycle begins each September and extends into May. The process involves extensive analysis, planning, and community engagement, and multiple levels of review. Today, they come before the Board in the final stage of their budget development. Budget development was a shared effort involving division leadership, advisory groups, and extensive community engagement. By working together, they help ensure that their funding priorities and decisions reflect the needs of those they serve.

Ms. Berlin said that throughout this process, they had received numerous emails, phone calls, and public comments related to the community's priorities. With this foundational context in mind, she would take a moment to focus on why investing in public education matters. She said that their schools were not only places of learning, but also central to the success of the community, workforce, and combined future.

Ms. Berlin said that the investments they make today directly impact student outcomes, economic growth, and the well-being of the entire region. As a parent of two public education graduates, she knew that public education was one of the most powerful investments a community can make, whether they were aiming to build a stronger economy, attract business, lower crime rates, promote healthier lifestyles, or increase civic engagement; it all starts with the investment in quality public education. A well-educated workforce earns higher wages, in turn boosting tax revenue and reducing reliance on public assistance. A 2003 study from the Economic Policy Institute showed that students who graduate high school earn, on average, 30% more, and that fuels local economies.

Ms. Berlin explained that quality schools attract businesses that need skilled employees. In Albemarle County, this was most evident in their technology and healthcare sectors. Strong schools also make neighborhoods more desirable. According to the National Bureau of Economic Research, every dollar invested in schools results in a \$20 increase in property values. Higher graduation rates reduce crime and save billions in law enforcement costs. The U.S. Department of Justice found that a 5% increase in graduation rates could save the U.S. \$18.5 billion annually. Also, education also leads to healthier lifestyles and lower medical expenses.

Ms. Berlin said that the healthcare career pathways help address regional workforce shortages while reducing long-term public health care costs. Finally, research shows that high school graduates were more likely to vote, volunteer, and give back to their communities. She said that the Board of Supervisors' continued investment in Albemarle County Schools directly correlates to a strong, thriving Albemarle County for future generations.

Ms. Berlin stated that public education also has a strong return on investment, and they were seeing this in Albemarle County Public Schools. She said that, as shown on the provided slide, they spend more money per student than the state average, but their students are also performing above the state average. In addition to comparing their student performance to that of their peers across the state, they had also included comparative data for Charlottesville City Schools, where per pupil spending is higher than in Albemarle.

Ms. Berlin said that when examining this data, one could see that Albemarle County Public Schools outperform both the State and Charlottesville City Schools in nearly every measure. She said that whether they looked at pass rates on State assessments, the number of students who earn an advanced diploma, enroll in AP or dual enrollment classes, or graduate on time, one could see evidence that Albemarle County Public Schools was making wise investments and seeing strong results.

Ms. Acuff said that now that they had established the importance of investing in public education, they could examine the numbers. This section offered a high-level overview of their funding request, detailing the sources of their funding, how it was allocated, and the key factors driving their financial decisions. Their budget overview provided a snapshot of their current financial position. For the first time, they were presenting their budget by showing the big picture, their total budget, which included revenues from both the School Fund and the special revenue fund. This total of \$308 million represented the revenue they expected to receive from local, state, and federal sources, as well as a small amount from their fund balance.

Ms. Acuff said that most of their funding, approximately 71% or \$219.3 million, came from local sources. She explained that primarily, this was due to County tax revenues, with the State contributing nearly 25%, or \$75 million, and the federal government providing just over 4% or 13.5 million. The total budget included both their main operating budget, known as the School Fund, and their special revenue funds, which accounted for self-sustaining programs such as child nutrition, extended day enrichment programs, and federal, state, and local grant funds.

Ms. Acuff said that within this budget, money moved between funds for specific purposes, so when calculating their total budget, they made adjustments to avoid double counting. She said that the takeaway here was that \$308 million reflected all revenue available to support their schools in the coming year. In their total budget, they saw that ACPS anticipated receiving \$13.5 million in total federal funding.

Ms. Acuff said that all federal revenues, with the exception of a \$460,000 Medicaid reimbursement from some of their medically needing students, was budgeted in special revenue funds. These funds were separate from their main operating budget and were restricted to specific programs that served students with the greatest needs. There were three main programs that made up the majority of federal funding.

Ms. Acuff said that first, school lunch, or school meals, provided free and reduced-price meals to students and helped offset food costs. She said that IDEA, the Individuals with Disabilities Education Act, helped cover federally required special education services. She said that Title I directly supported reading and math interventions for students facing the greatest academic and economic challenges.

Ms. Acuff noted that these funds are not flexible and must be used for these designated programs. If federal funding for these programs were reduced, the services they support would be at risk, and the Division would be forced to rely on local funding, severely limiting their ability to serve students and families. While federal funding plays a critical role in supporting specific programs, their primary operating budget, called the School Fund, is what keeps their schools running day to day.

Ms. Acuff said that this fund covers core expenses such as teacher salaries, classroom resources, and school operations. Their proposed School Fund revenues for FY26 total \$284 million, reflecting a 5.4% overall increase over last year. The majority of the funding in their operating budget comes from local sources, about 75%. The \$460,000 in federal funding, or 0.2% of the operating budget, comes from the federal government and included Medicaid reimbursements. At first glance, one would see that the State revenues have increased compared with last year. However, they remained significantly lower than two years ago.

Ms. Acuff said that they were facing an estimated \$10 million loss per year due to the change in the State's local composite index (LCI). She said that the LCI is a formula used by the State to determine how much funding a school division is expected to receive locally versus how much it will receive from the State. She said that prior to the most recent LCI calculation, which came into effect, they were able to present a balanced funding request for several years.

Ms. Acuff said that however, with the most recent LCI change, they were facing significant revenue gaps. As a reminder, the LCI is based on three financial factors that are supposed to measure a locality's ability to generate revenue for schools. She said that first, property values, or the total value of taxable real estate, represented 50% of the LCI calculation. However, this value did not account for the lower tax rates in Albemarle County for land use. The remaining 40% of the LCI was comprised of income levels, specifically the adjusted gross income of residents. She said that this figure did not take into account the impact of high net worth individuals, which was believed to have occurred four years ago.

Ms. Acuff said that the remaining 10% is comprised of retail sales tax, with the amount of taxable sales locally. She emphasized that a locality's LCI is directly correlated with its expectation to fund schools using local revenue and the amount of State aid it receives. As a result of the recalculated LCI for the 24 to 26 Fiscal Years, Albemarle County's locality was determined to be able to contribute a larger share to its school funding. This shift resulted in a significant decrease in state aid, estimated at \$10 million per year. If the State contribution had remained at the level of FY24, they would not be facing a funding gap.

Ms. Acuff explained that consequently, they must rely more heavily on local funding to maintain current programs. Moving forward, she would examine how they allocate their funds to support students, employees, and schools. The table provided compared their FY adopted budget with their proposed FY26 budget, broken down by expense category. Their projected expenses for the next fiscal year total \$285 million, a 5.7% increase.

Ms. Acuff noted that it was evident from this breakdown that salaries, benefits, and other wages account for nearly 87% of their budget, reflecting their commitment to investing in their workforce and prioritizing education as a people business. She acknowledged that their expenses in areas like transportation and essential services had increased, but their overall operational costs had decreased by \$2.2 million. To better visualize these expenditures, the next slide presented this information in pie charts, making it easier to see how resources are distributed.

Ms. Acuff noted that the chart on the left of the slide breaks down expenses by category, with salaries, benefits, and other wages accounting for the majority of their budget at 87%. Operations were 10.3%, which covered critical costs such as classroom supplies, utilities, fuel, contracted services, while transfers were 2.8%. The chart on the right showed expenditures by State reporting categories, with

instruction making up the largest share at 71%. This includes not just classroom teaching but also school-level administration, counseling, library, media, services, and others.

Ms. Acuff said that building services at 9.5% and transportation at 6.7% reflected their commitment to maintaining safe and accessible learning environments. Administration, attendance, and health services round out the remaining balance at 6.2%. The clear takeaway was that the vast majority of their funding was dedicated to supporting students, employees, and schools.

Ms. Acuff said that as the Board of Supervisors was aware, a major driver of rising costs was healthcare. Over the past two years, their healthcare contributions had increased by more than 54 percent. This increase was driven by higher premiums, increased medical claims, and adjustments to their fiscal year budget calculations. One key factor was that their healthcare reserve, managed by local government, has fallen below the recommended level based on industry standards. Despite this, they remain committed to managing these expenses while maintaining the quality of coverage for employees.

Ms. Acuff said that one important step in this effort was the establishment of the new Albemarle Care Clinic, which was expected to help control costs and improve access to healthcare over time. Another key factor driving up costs was enrollment growth. Their FY26 requests included a projected-to-projected increase of \$1.3 million to accommodate enrollment growth, which was projected to increase by 178 K-12 students.

Ms. Acuff said enrollment growth beyond their K-12 population. She said that in recent years, they had seen a significant increase in their post-high student population, including students aged 18 to 22 who required specialized support to transition successfully to adulthood. This growth has outpaced their current capacity, with 29 students currently enrolled in a space designed for 24. To address this, their FY26 funding request includes \$649,000 to expand the Intensive Support Center, which would enhance services for K-12 students with intensive behavioral needs and relocate their post-high students to a more suitable facility to ensure they have the space and resources they need.

Ms. Acuff said that as they looked further ahead to FY27, the openings of Mountain View Upper Elementary School and Albemarle Career Exploration Academy at Lambs Lane would require significant staffing and operational investments. Their FY26 request included early staffing adjustments to ensure a smooth transition ahead of these openings.

Ms. Acuff said their request included \$8.3 million in strategic investments that support their students, staff, and schools. These investments were directly aligned with their strategic plan, reinforcing their commitment to equity, excellence, and sustainability. Their goal was to ensure that every student has access to the resources and support they need.

Ms. Acuff said that for FY26, they were prioritizing five key investments, including a 3% compensation increase for all employees, with additional adjustments for some staff with specialized roles, such as special education assistance, and some for transportation. She was expanding educational resources in response to recommendations from their 2020 three-year Bellwether Instructional Practices Audit, supporting staff and operational needs for their Scholars Studios, also known as career learning pathways, to ensure equitable access to these rigorous, innovative learning experiences for all students. She said that they were planning on enhancing the intensive behavioral support for K-12 students and expanding the functional life skills for post-high students, which would be a project at the Ivy Creek School.

Ms. Acuff said that they would strengthen school safety by ensuring that all comprehensive high schools had a dedicated School Resource Officer (SRO). Additionally, they had made \$6.4 million in service reductions, which included \$5.5 million in structural changes, such as reducing or freezing central office and department-based positions, reducing the number of instructional coaches by 40%, eliminating their foreign language in elementary school program, and pausing their furniture replacement program. She said that their proposed reductions also included \$935,000 in deferred costs to FY27, including deferment of their classification review and technology replacement cycles, as well as administrative positions for Center 2, the ACE Academy.

Ms. Acuff said that these deferments would yield a one-time saving, as their FY27 budget would need to pick up the slack. These reductions, including a loss of more than 40 FTEs (Full-Time Equivalent), reflected difficult decisions that had both anticipated and unforeseen effects on students' experiences and staff support. They also came on top of the \$3.5 million in cuts, including the reduction of 16.3 FTEs last year, which included increasing class sizes, underscoring the continued financial challenges they faced.

Ms. Acuff said that the School Division remained committed to minimizing the impacts of these budget cuts. They were statutorily required to present a needs-based funding request, but what was presented did not fully meet their needs. She explained that rather, this was a continuation of difficult decisions to cut programs and staff on top of last year's difficult decisions. Despite the budgetary challenges, they remained committed to meeting the needs of their students, staff, and schools. The next slide highlighted their progress in funding key priorities, with funded programs shown in green and unfunded programs in red.

Ms. Acuff said that the priorities they included in their fiscal year funding request represented important investments, but they also recognized that there were several significant priorities that remained unfunded, including initiatives that supported instruction, employee benefits, recruitment, and

infrastructure. While these were not included in their current budget proposal, they remained critical to achieving their mission and would continue to be part of their long-term planning.

Ms. Acuff said that in summary, their proposed \$15.3 million, or 5.4% increase in expenditures, included \$2.6 million in baseline adjustments to maintain existing commitments, a 26% increase in health care for Plan Year 2025, and \$10.8 million for another 24% increase in mandatory or non-discretionary charges, including inflation, enrollment growth, technical changes, and healthcare rate increases.

Ms. Acuff the increase also included \$8.3 million in new investments to support their strategic plan commitments. She said that, however, this increase was offset by \$6.4 million in service reductions to address ongoing revenue constraints. Nearly \$1 million of these reductions were one-time savings, meaning the costs would shift to the following fiscal year. Despite strategic investments and cost-saving measures, they faced a revenue gap driven by rising costs and depressed State funding. This gap also reflected the school board's unanimous commitment to preserving essential supports.

Ms. Acuff said that their current revenue gap in the funding request stood at approximately \$750,000. However, this figure is after the 6.4 million in service reductions, of which \$1 million came from one time saving. She said this did not accurately reflect their true funding gap of 1.7 million, and those deferred costs would still need to be addressed, whether in FY26 or FY27. If the Board of Supervisors would help them close this recurring gap now, they would not begin the FY27 budget process in the hole.

Ms. Berlin stated that they had outlined their overall budget picture and funding gap, so she would next take a closer look at the key investments that drove this request. She said that these five strategic proposals reflected their commitment to supporting students, staff, and schools, ensuring that, even within financial constraints, they were making targeted investments that had the greatest impact. She said that the first proposal was to increase compensation.

Ms. Berlin said that to remain competitive, they proposed a \$6.5 million investment in employee compensation, including a 3% salary increase for all employees, effective July 1, 2025. In addition, they were making targeted salary adjustments for special education teaching assistants and transportation assistants, positions that they felt were critical to student success, particularly for their most vulnerable learners. Currently, these salaries lagged their market goal by 4% to 5%.

Ms. Berlin said that by increasing their pay and adjusting their pay grade, they could improve retention, provide greater stability for students, and recognize the vital role these employees played in their schools. She said this investment aligned with their long-term strategy to keep salaries 10% above the market average, ensuring that ACPS remained competitive in attracting and retaining top talent across all employee groups. The next slide compared their proposed 3% salary increase to the reported proposals in many divisions in their adopted market.

Ms. Berlin said that while full data was not available for every division, they had gathered information on much of the market. ACPS was shown in coral, the market was in green, and their closest competitor, Charlottesville City Schools, was in orange. ACPS remained competitive in the early to mid-career salary straps, with salaries exceeding the market by as much as \$1,654 at step 15. However, beyond 20 years of service, the gap started to close, and at step 25, ACPS fell below the market by \$945. By step 30, ACPS salaries lagged the market by \$1,836. When compared specifically to Charlottesville City's proposed increases, ACPS fell short at every step.

Ms. Berlin noted that the difference grew significantly in later years, with Charlottesville City surpassing ACPS salaries by over \$2,400 at step 25 and by more than \$3,600 at step 30. Additionally, Charlottesville's planned 1.5 step differentiation, not reflected on this slide, could further widen this gap, making it even more challenging for ACPS to stay competitive in retaining experienced teachers with their closest competitor. A 3% increase was essential in maintaining their competitiveness, especially as they worked to recruit and retain experienced educators and prevent further salary gaps from widening.

Ms. Berlin said that their next initiative was to invest in instructional resources. Their instructional priorities were driven by recommendations from their spring 2023 Bellwether Instructional Practices Audit, which identified key opportunities to strengthen instruction and address persistent learning gaps in literacy, mathematics, and equitable access to rigorous standard-aligned content. She said that in the first year of this plan, which was the upcoming 2025-2026 school year, they were investing \$500,000 in expanding intervention programs, new assessment tools, and curriculum enhancements.

Ms. Berlin said that this included a multi-tiered support system database, progress monitoring tools, and virtual intervention licenses, resources designed to better track and support individual student learning. They were also making one-time investments in targeted math and literacy interventions, as well as new Algebra I and Math 8 textbooks to improve math readiness and better align to their secondary curriculum. Looking ahead, their long-term instructional strategy included a comprehensive secondary math and middle school language art textbook adoption for the 2026-2027 school year.

Ms. Berlin said that this investment would ensure that all teachers and their students had access to high-quality, standard-aligned resources that supported both state requirements and their division's instructional goals. Their next proposal was to support the Scholar Studios staffing. Scholar Studios was a four-year program starting in ninth grade that provided ACPS high school students with the opportunity to explore their passions through specialized hands-on learning experiences.

Ms. Berlin said that it was open to students across the County and offered 12 studios, each

designed around a specific area of interest. Within these studios, students engaged in collaborative real-world learning that connected them to work-based experiences and industry credentials. Through a combination of academic coursework, project-based learning, and real-world career experiences, Scholar Studios helped students build the skills and knowledge needed for success in college, careers, and beyond.

Ms. Berlin said that to maintain and expand Scholar Studios, this proposal included a \$406,000 investment in staffing and resources, ensuring equitable access for all students. This funding supported studio leads, dedicated assistance to English learners and special education students, and operational resources to sustain and enhance their programming. In the first year of this plan, the 2025-2026 school year, their focus was on stabilizing existing programs by establishing core staffing and resources.

Ms. Berlin said that in the second year, they expanded support for English learners and special education studios. She said that this helped scholars develop physics and enhance advanced learning opportunities, strengthening pathways to high-demand careers. She said that this investment reinforced their commitment to providing rigorous, innovative learning experiences that prepared students for success, helping to build a stronger workforce, attract business investment, and contribute to a thriving local economy in their County.

Ms. Berlin said that their second-to-last proposal was to expand their special education services. The Intensive Support Center (ISC) provided intensive behavioral supports in a low teacher-to-student ratio setting for K-12 students with disabilities who might otherwise be placed outside of their County. Beginning in the 2025-2026 school year, ISC would expand to serve more students with intensive behavioral needs, including K-12 students with emotional disabilities and post-high students who required functional life skills and instruction.

Ms. Berlin said that this expansion would allow ACPS to transition students currently placed in Ivy Creek School through PREP (Piedmont Regional Education Program) to their own program, providing a greater continuity of care. To support this expansion, their FY26 funding request included \$649,000 to establish ISC as a fully ACPS-run center, strengthening stability and ensuring that students received high-quality, consistent support within their schools. She said that this investment also reduced long-term costs associated with external placements.

Ms. Berlin said that with this funding, the current post-high program, now located behind Burley Middle School, would relocate to ISC at the Lambs Lane campus, allowing the two centers to operate as one. This move would also free up space for the Center for Learning and Growth, their alternative education center for grades 6 through 12, to operate during the day rather than being limited to after-school or evening hours. Expanding access to these specialized services ensured that students who needed them most could benefit from dedicated instructional time and resources.

Ms. Berlin said that by growing their internal capacity to serve students with complex needs, this investment strengthened their ability to provide specialized instruction, staffing, and resources, ensuring that every student could thrive in their school system. She said that their last proposal was to add school resource officers. This proposal funded one additional school resource officer at Monticello and one at Western Albemarle, ensuring that all three comprehensive high schools had a dedicated safety presence. The \$252,000 investment strengthened school safety by implementing proactive safety measures and crisis support for students, staff, and families.

Ms. Berlin said that School Resource Officers were more than law enforcement officers; they were trained to work with students, build positive relationships, and support school safety through education, mentorship, and crisis response. Their specialized training included adolescent psychology, de-escalation, working with students with disabilities and mental health needs, and strategies for ensuring fair and equitable interactions with all students. In addition to crisis response, SROs collaborated year-round with school leadership and safety teams, providing guidance on topics such as citizenship, substance abuse prevention, and legal awareness.

Ms. Berlin said that this program operated under a formal Memorandum of Understanding between ACPS and the Police Department, which defined the role and responsibilities of SROs in their schools. The Memorandum of Understanding was reviewed every two years, with the next review set to reflect this expansion. During this opportunity, there would be opportunities for public input to ensure transparency in line with their School Division's values. By ensuring a consistent safety presence in every comprehensive high school, strengthening school law enforcement partnerships, and providing dedicated crisis support, this investment reinforced their commitment to creating a secure and supportive learning environment for all their schools.

Ms. Acuff said that in addition to their operating budget, they must also consider the long-term investments to support their students and schools. She expressed her gratitude to Albemarle County government for their support of critical capital projects that shape the future of ACPS. As their student population continued to grow, additional funding was essential to ensure that their facilities and their infrastructure kept pace with their needs.

Ms. Acuff said that a needs-based funding request that supported equitable, transformative resources must also address their capital needs, ensuring safe, modern, and effective learning environments for students and staff. The support for their second high school center and two new elementary schools represented a significant investment in their future. She said that for FY26-30, local government had approved \$189.6 million in capital funding, covering about 33.9% of their request.

Ms. Acuff said that while this funding was critical, additional investment was needed to support their growing student population and address the infrastructure needs of the aging school buildings. Their operating budget moved them forward in many ways, but their ability to fully meet student and staff needs was directly tied to the quality of their facilities. As they closed, she wanted to summarize the key takeaways from their funding request and the challenges they faced in this budget cycle.

Ms. Acuff said that this final section provided a high-level overview of their funding priorities, their remaining deficit, and the critical next steps in the budget process. Provided was a summary of how they arrived at today's funding request and highlighted the key financial decisions made along the way. On February 20, when the Superintendent presented the division's draft funding request, the revenue gap stood at \$7.8 million.

Ms. Acuff said that to help close that gap, they identified \$2.7 million in service reductions for FY26 on top of the \$3.5 million in cuts they have already made in the FY25 budget. She said that at their first work session on February 27, they were informed of an additional \$2.8 million from a local government transfer. This would reduce the funding gap to about \$5 million.

Ms. Acuff said that during their second work session on March 6, they reviewed a range of options to further close the gap. Community priorities made it clear, however, that maintaining two critical reductions in social-emotional learning coaches and mental health support specialists, along with school safety coaches, was a unanimous agreement on the School Board. Their priorities in working through this funding request had been in fulfilling their strategic plan, with a particular emphasis on the mental health and safety of their students, supporting high-quality teachers and staff, and focusing on instruction.

Ms. Acuff said that today they were presenting a funding request with the remaining revenue gap of \$750,000 to sustain these high-priority services. To reach this point, they had proposed \$6.4 million in service reductions for FY26. While they asked for the Supervisors' support in closing the \$750,000 gap, they also recognized that it did not fully resolve their funding challenge.

Ms. Acuff said that the best path forward would be to address the full \$1.7 million gap now, covering both the immediate \$750,000 shortfall for FY26 and the \$934,000 cost deferred to FY27 so they would be in a better position for next year's budget process. She said that the School Board appreciated the Board's help in their work to balance these priorities and ensure long-term sustainability. She said that the upcoming School Board meetings on April 10 and April 24 would offer opportunities for public input and any necessary adjustments to their funding request. On May 8, the School Board would adopt the final FY26 budget.

Ms. McKeel asked if Ms. Acuff could please clarify the funding gap and the differences between this year and next year.

Ms. Acuff said that this year, they had a \$750,000 operating revenue gap. To address this, they made cuts and deferrals, including reducing programs, positions, and also postponed some expenditures. She said that specifically, they deferred preliminary staffing for Center 2, computer replacement cycles, and furniture purchases. While these deferrals would help balance this year's budget, they would eventually need to be addressed. To make room for necessary investments, they had delayed or paused those purchases for new hires until next year.

Ms. McKeel asked if that was the reduction of \$6.4 million.

Ms. Acuff said that within the \$6.4 million, about \$1 million were those deferred costs.

Ms. McKeel asked about the \$9.9 million in reductions over two years.

Maya Kumazawa, Director of Budget and Planning for Albemarle County Public Schools, replied that the \$9.9 million was the combined total of the FY25 reductions and the FY26 reductions from the previous year.

Ms. Berlin said that slide 25 showed the deferrals they were discussing, which included the classification review and technology.

Ms. McKeel asked staff to explain how the tax rate would be calculated for the \$1.7 million figure.

Mr. Bowman said that each tenth of a penny was worth approximately \$310,000. He said that to fully cover the \$750,000, \$0.003 would be required, which amounted to about \$900,000. For the second gap as well, \$0.006 would be needed, equating to approximately \$1.8 million total in dedicated funding.

Ms. McKeel asked Mr. Bowman to explain what dedicated funding meant.

Mr. Bowman said that the Board had a practice in their financial management policies of allocating the change in the value of their shared revenues through a formula published in the book. He said that the split was 54% for public schools, 36% for County government, and 10% for the joint capital and debt programs. The recommended budget for this year included this split, with the exception of \$0.04 in the real estate tax rate, which were dedicated to public safety, housing, and education. He said that if the Board were to increase the dedication for public schools from \$0.004 to \$0.007 to address this year's gap or to \$0.01 to address the entire gap, it would generate enough money to eliminate the schools'

funding gap.

Ms. McKeel asked what the effects would be if it was undedicated funding.

Mr. Bowman said that if it was not dedicated, the school's value of a penny was approximately \$1.7 million dollars, so they would need a full penny to cover that amount in the revenue split. He said that a little less than half a penny would be necessary to provide \$600,000 in that scenario.

Ms. McKeel said that she noticed the retention rates for one department. She said that overall, that was what she was looking for because they used to receive the HR report, which included retention rates. She said that she was missing that information, and she was asking for a general overview rather than just the data from one department, which she thought was available here.

Ms. Berlin said that the overall teacher retention rate was 86.8%.

Ms. McKeel asked what the retention rate was for classified employees.

Mr. Matthew Haas, Superintendent of Albemarle County Public Schools, said that teaching assistants had a retention rate of approximately 80%.

Ms. Berlin explained that their request for increased compensation was meant to support those classified positions and encourage better retention.

Ms. McKeel asked if they had a breakdown of all of that information.

Mr. Haas said that they broke down the recommendation into smaller components because they could not afford the entire proposal based on their market. Upon reviewing several classified positions, they targeted specific ones because their Special Education Advisory Committee had recommended increasing pay for special education teaching assistants. He said that bus driver assistants were another challenging position to fill, resulting in a significant amount of turnover in those roles.

Ms. McKeel said that she wanted to discuss the additional School Resource Officers. She said that they already had support officers in place, and she wanted to clarify that they planned to keep those officers while also adding the school resource officers to the existing support officers.

Ms. Acuff said that it was around five to six years ago that they decided to pause their efforts to implement school resource officers in the schools. Instead, they hired school safety coaches, who had a complementary but not identical function to school resource officers. The school safety coaches focused more on interacting with the mental health team and students, and did not have law enforcement duties. After last year, they hired a director of school safety and security, who recommended adding a school resource officer as a pilot at Albemarle High School.

Ms. Acuff said that they had seen that this approach had been effective, and they also redrafted their Memorandum of Understanding with the Police Department, specifying the training they needed to have in child development and conflict resolution, as well as other required trainings. They would review the MOU every other year. They had received a positive response from Albemarle High School, with the president of the Parent-Teacher Student Organization praising the school resource officer.

Ms. Acuff said that as a people business, they must carefully hire and screen individuals who work in high schools. The principals at Monticello High School and Western Albemarle High School reported that they did not want to have to choose between school safety coaches and school resource officers, as they had different roles. While there had been incidents, such as drug use and assaults, the numbers were not high. The school resource officers were primarily there for deterrence and to facilitate closer coordination with the Albemarle Police Department.

Ms. McKeel said that they received the SRO report, and the number of calls was noteworthy, particularly with the three high schools and Monticello, Western, and Albemarle. She said that the number of homeless children in the community was indeed striking, and it was even higher than last year. Given their lack of social safety nets, both locally and nationwide, these numbers were likely to continue rising.

Ms. McKeel said that she was curious to know more about the efforts being made to address homelessness among these children. Specifically, she would like to know more about the services being provided which were aimed to support homeless children and help them stay in one school.

Ms. Acuff said that approximately 10% of the nearly 400 homeless students attended Greer Elementary. She said that one in 42 students at Albemarle High School were homeless. She emphasized that it was a major issue and disproportionately concentrated in the Jack Jouett District.

Mr. Haas said that 60 of those students were at Woodbrook.

Rosalyn Schmitt said that they were legally required to provide transportation to the base schools, so their Transportation staff had to come up with creative solutions, which sometimes strained their resources. She said that they did everything possible to ensure they stayed in the same educational environment.

Ms. McKeel said that they had mentioned a dollar invested in schools equated to \$20 in

increased real estate values.

Mr. Haas said that a dollar invested in school construction yielded a return of \$20 in increased real estate values over time. He added that a \$1 investment in schools generally generated a return of \$4 to \$7 to the local economy over time.

Ms. McKeel said that she was looking at the rising healthcare costs, specifically the 54.2% increase.

Ms. Acuff said that the increase was over two years.

Mr. Bowman said that they were utilizing the same estimates for County government. He said that the annual increase was \$3 million, but there were differences in pay schedules and differences in employee structures.

Ms. McKeel said that the Scholar Studios were formerly referred to as career pathways. She asked if these would specifically be at Center 2.

Ms. Acuff said that it would be more comprehensive than that.

Mr. Haas said that they would be housed at all the schools. He said that they had previously presented that specific information to the Board.

Ms. Acuff said that they had adopted 12 of the state's 17 career pathways and rebranded them.

Ms. McKeel said that she hoped that the Chamber could provide support to help address some of these issues. She said that they had received questions from the community regarding duplication with Piedmont Virginia Community College (PVCC). She said that PVCC was certainly working on career pathways, so she would like clarification on why it may appear that there was duplication in one view, the programs were distinct and addressed different aspects.

Mr. Haas said that they actually partnered with PVCC, and PVCC provided a significant number of their programs, including post-secondary academic education and credentialing programs. This partnership allowed them to work together without overlapping services, as PVCC primarily focused on adult education. ACPS did have access to PVCC's adult education programs, such as their advanced manufacturing lab, the Bollocks Center, which PVCC had recently built. He said that their students were part of the consortium, allowing them to attend, and as a result, K-12 students were also involved. He said that their partnership with PVCC was more collaborative than duplicative.

Ms. McKeel said that she recalled that Monticello High School had previously had some really good connections with PVCC due to its location.

Mr. Haas said that they had the early college scholars program at Monticello, allowing students to earn their high school diploma and associate's degree.

Ms. McKeel asked if that program could be expanded to include the other two high schools.

Mr. Haas said that students from other schools attended this program. He said that it was an every-other-day schedule, so they would travel to Monticello for the courses or switch their base school to Monticello. He said that the Albemarle and Western students were not being excluded; they also attended the program, with transportation provided. He said that this program was part of their scholar's pathway.

Ms. McKeel said that she was supportive of the proposals for the Ivy Creek School for special education. She said that one aspect of his plan from a broader perspective was attempting to minimize external placements, which had historically been costly, sometimes exceeding \$100,000 per student.

Mr. Haas said that the typical placement fee for a student was \$150,000 per year. He said that ultimately, their proposal would result in a cost savings, an operational cost savings over time, and the funding they were requesting from the Board was a net funding based on recuperating staff to the intensive support center, and the additional funding required was primarily for administrative overhead, which was the net amount they needed to cover for the first year. In the subsequent years, it was expected to be a net savings from year to year. Most importantly, this would enable them to keep their students within their school system, rather than having them travel to alternative locations or lease spaces currently used for those students.

Ms. McKeel said that she had envisioned PREP (Piedmont Regional Education Program) as a facility that helped them by pooling their resources with other school systems to actually save money. She said that she thought that by working together, they could reduce costs and make the most of their resources. This example illustrated that even when they looked at things differently or considered timing, they could make more cost-effective decisions.

Mr. Gallaway said that he had recalled his time on the School Board when they discussed the complexity of determining ROI (Return on Investment) for school services. He said that the real estate aspect was clear, but he believed the return on investment for each student was more nuanced. He noted that they spent approximately \$20,000 per student, and he hoped that the return on investment came back to the individual student, not just to other people's quality of life, property values, or crime statistics,

but to their overall quality of life. However, he could not find any research that specifically addressed that topic.

Mr. Haas said that Ms. Berlin had mentioned a \$200,000 increase in lifetime earnings for a high school diploma.

Mr. Gallaway said that overall statistics may not be directly applicable to Albemarle County. He said that given the high level of wealth in this community, he would expect their students to be benefiting from it.

Mr. Haas said that he had the privilege of participating in the Strategic Plan for Economic Development for the County, and that was one of the key areas they were discussing. He said that one of the parts of the plan was exploring the 12 pathways that were viable in the local economy, out of the 17 state pathways. One of the requirements for the Career Technical Education (CTE) Plan was to identify what was viable locally for students to gain employment and have a sustainable wage. Retaining young people had been a recurring theme in the Economic Development Strategic Planning conversation. While it was not just about graduating from high school and immediately staying in the area, a significant percentage of students did return to Albemarle County, exceeding 40%.

Mr. Haas said that this did not mean they would stay forever; however, having more entry-level and professional jobs available could encourage them to stay longer. He believed it required a collective effort to achieve this. Recently, they met with the Blue Ridge Home Builders Association, where they presented their budget and discussed the Pathways program. He said that they were enthusiastic about it, as they represented various associations in the community that could highlight mid-level positions that students could aspire to, including internships that could lead to growth into those jobs, either as high school graduates or returning after post-secondary study.

Mr. Gallaway said that he believed that to build a house, it required 29 different subcontractors, each representing a unique industry and set of skills. He said that unfortunately, these subcontractors did not earn small wages, as their housing costs indicated. He was glad to hear what Mr. Haas had discussed. He said that if they came across any information that addressed what he had asked about, he would appreciate it if it could be shared. He said that as someone who was no longer actively involved in his educational research, he was somewhat disconnected from this topic.

Ms. Berlin said that the Federal Reserve has been conducting research, and she could review the Richmond Federal Reserve's research to see if it aligned with that.

Mr. Gallaway said that he had been hearing a complaint within his various economic development committees, both regionally and locally. He said that it seemed like a persistent issue, where local businesses expressed concerns that the schools weren't producing the skills they needed. He was not saying that the criticism was specifically directed at ACPS schools, but rather that the schools were not meeting the needs of the local workforce.

Mr. Gallaway said that he did not think that criticism was entirely unfounded, but he was not convinced that it was well-defined. He said that he was glad to hear that they were engaging with the Blue Ridge Home Builders Association to address this issue. He said that he would challenge everyone involved to have a more nuanced discussion about this topic and to explore partnerships that could help.

Mr. Gallaway said that he understood that ACPS compared themselves directly to Charlottesville City Schools, as well as other school divisions. He said that he appreciated the effort to provide context and comparisons. However, he could not help but wonder if they conducted similar analyses to compare their own budget to that of other school divisions. For example, according to the most recent data, they were ranked eighth in the state in terms of per-student spending, while some of the top-performing divisions were spending less per student. He said that he wondered if they conducted these types of comparative analyses.

Mr. Haas said that they had had a few successful projects over the past few years, particularly coming out of the pandemic. It was not just about the dollar spent, as there were other factors at play, such as the cost of living, cost of employment, and cost of housing in Albemarle County, which were beyond the School Division's control. He said that factors such as the cost of housing in Albemarle County would drive the need to pay their employees, as 62% of the schools' employees lived in the County, and 17% lived in the City.

Mr. Haas said that they were among the most expensive places to live in Virginia, potentially in the greater region as well. However, they were intentional about identifying school districts that shared similar characteristics, such as size, geography, and demographics, so they could learn from them and improve success, particularly with their mission. He said that they had worked with York, Hanover, Roanoke, and Augusta Counties, which had low-cost, low LCI school systems. They had had meetings with them to discuss their instructional programming and how to achieve better results.

Mr. Haas said that this had helped them to a great extent, in addition to the Bellwether audit. The Bellwether audit had brought in hundreds of other school systems to compare due to their experience in consulting across the country. Recently, he had outreach from another school system in Virginia, and what was unique about Albemarle was its geographic size, the combination of urban, rural, and suburban communities, their specific economy, as well as having an urban ring. He said that they had identified five other school systems, and the initiating school system had sent a spreadsheet of central department

positions, and had requested everyone else fill it out.

Mr. Haas said that it became apparent that it was not apples to apples. He said that they then met with three of the school systems to pin down who did what and how they accomplished it, given the different staffing levels. This was the most productive approach, as it got to the point of how much they were spending on positions to get the required functions done, as mandated by Virginia Code. To summarize, their research showed that similar school systems had similar-sized departments, with some variation in certain areas.

Mr. Haas said that the exercise was valuable and took over half a day to match similar functions. He said that it allowed them to revisit and make further reductions, which coincided with their initial sweep of reductions. He said that they had previously implemented some cost-saving measures last year, and they then did it again. He said that they had made some reductions going into their presentation to the School Board, and they were continuing to review and refine their approach. He said that their goal was to be efficient while still achieving their objectives with the right number of staff. He said that he was not sure if they would need to reduce staff, but they were aware of the growing needs of their school system and wanted to be mindful of that.

Mr. Gallaway said that this next question may be a topic for future discussion, particularly regarding the CIP and related matters. He said that during their previous two-by-two meetings, they had touched on some of the needs in their schools. He said that upon reflection of that discussion, he recalled that Mr. Haas had mentioned that painting a door did not necessarily address the issue of the adjacent hall. He said that he was wondering if there were any items in the out-year Capital Improvement Plan (CIP) that should be handled as ongoing maintenance, rather than being added to the renovation cycle.

Mr. Gallaway said that for instance, painted doors and walls should be considered regular maintenance tasks. He said that in a proper CIP algorithm, he wondered if there should be a set number of bathroom renovations or updates allocated each year, allowing them to prioritize which projects to undertake. He said that he knew the County Office Building had gotten stuck without their window replacements because it was not considered as part of the ongoing replacement cycle. He said that he would like to know if there were opportunities to move some stuck renovation projects into the ongoing maintenance category. He said that they had not always done it effectively, as evidenced by the years it had taken to get buses into the CIP.

Ms. Schmitt said that the CIP maintenance, which was the largest ongoing program, did include bathroom upgrades, painting, and repairs to roofs and mechanical systems. In contrast, the school renovation projects that were currently unfunded represented a more comprehensive approach to addressing these needs, allowing for multiple projects to be completed simultaneously. These projects often involved reconfiguring spaces, adding outlets, and other improvements. There were some components of the renovation projects already included in the maintenance program.

Mr. Gallaway said that he thought it was time to reassess all the things that were being pushed off, and consider that just because it was different from 20 years ago, it did not mean it was not worth re-examining. He said that he wondered if they were missing an opportunity to spread out the work over a longer period, rather than trying to complete everything at once. He said that for example, if they could get some essential renovations done in a school over a five- or six-year period, it might actually be beneficial in the long run.

Mr. Gallaway said that by doing so, they could potentially check off a significant number of items on the list by the time they were due for a major renovation, which would still add to their maintenance budget but would be a more sustainable approach. He said that this way, they were treating the project like a roof or a gymnasium floor replacement, rather than trying to tackle everything at once.

Ms. Schmitt clarified that was exactly what they were doing now. She said the example she provided was a school where the bathrooms were renovated beautifully, but the adjacent classroom still looked like it had for the past 20 years. She said that this resulted in a patchwork of improvements. If they were to undertake a more comprehensive school renovation project, they could achieve efficiencies, minimize disruptions to the school, and implement a more systematic approach. Currently, they were addressing these needs through their maintenance program, which involved renovating the roof and mechanical systems in separate sequences.

Mr. Gallaway said that according to Slide 25, the FTE reductions, including the dollar gap and the five-year projections, were based on a two-year FTE. He said that in the previous year, they had reported 16.3 FTE reductions, so it was 56.3 total FTE reductions.

Ms. Acuff said that the 16.5 were a result of increasing class sizes.

Mr. Gallaway said that it appeared that they had vacant positions last year on the elementary school language program. He said that this meant that the seven positions that remained were not the same as the frozen positions from last year, but rather actual existing positions from last year that had transitioned to the current school year.

Ms. Schmitt said that was correct; it was a combination of vacant positions and the current programming.

Mr. Gallaway said that on slide 31, when they were comparing Charlottesville City Schools, he

would like to know if they offered employer contributions to help with retirement plans.

Ms. Acuff said that she would assume so but was unsure.

Mr. Gallaway said that he would be curious to know more about the income salary comparison. He said that those benefits should be included in the comparison. Regarding the PREP program, he wanted to clarify that it was not just the PREP program that they were bringing in, but also the other programs in addition to the Ivy Creek students. They were still using the PREP where they did not have 12 students and needed to serve two inside a school, and that staff person would go around and that counted.

Mr. Haas said that they would continue to utilize PREP for certain areas, such as if a student had a visual impairment and another identified disability, they may need to work with one or two licensed teachers in Virginia, who were often difficult to obtain. In such cases, PREP provided the necessary support. He said that additionally, PREP handled Medicaid services, which was another important function they offered. He confirmed that they would still be providing services through PREP.

Ms. Schmitt clarified that they would not remove their need for private day placement. She acknowledged that the needs of their students were great and difficult, and they would not be able to serve all of those needs. Specifically, around emotional disabilities, this was just one practical example. She said that they had PREP for 29 slots, but were only able to use 14 or 15 of them, and were denied use of the others. She said that they had students who they felt could qualify for those slots, and this would allow them to start serving students who they would like to serve, but it was not a comprehensive solution.

Mr. Gallaway said that in addition to the 15 students, even if the full allotment had been used, they were still sending out students who were not being served by the PREP program. He said that they were now bringing in both the students who were being served by PREP and the students from outside the division.

Ms. Schmitt said that it was not all, but it was a lot. She said that to set expectations, one program alone would not be sufficient to meet the needs.

Mr. Gallaway asked Mr. Bowman if the SRO FTE was comparable to adding a police FTE in terms of cost, including salary, benefits, and one-time expenses such as equipment.

Mr. Bowman replied that yes, under the Memorandum of Understanding, the School Division would receive funding for the ongoing costs, and the one-time costs would be a technical adjustment to the funding solution, which was outlined in the Wednesday work session.

Ms. Kumazawa said that they had 69 students in private day and residential placements.

Mr. Gallaway asked how many of those students they projected they would serve.

Ms. Kumazawa said that it was difficult to determine, but it would be a minority of those positions.

Ms. Schmitt said that the math they had been using suggested that even if they could only serve three of those, it was a cost-neutral solution.

Mr. Gallaway said that the cost was a significant factor, and he assumed it was even more expensive for non-PREP students compared to PREP students.

Ms. Kumazawa said that they did not have control over how they would serve them, and that was why they had not budgeted for it. She said that it was something they could not really do at this time.

Mr. Gallaway said that a pressing concern for their CIP funding was that the state was reducing its support for localities through Smart Scale and road and transportation projects. He said that instead, they were asking localities to take on more cost sharing, which could result in tens of millions of dollars in additional expenses. For example, one project that they had previously collaborated on with the Metropolitan Planning Organization (MPO) to be a joint City-County project between Charlottesville and Albemarle County at Greenbrier and Barracks Road, with a total estimated cost of \$130 million. He said that if the VDOT only funded projects up to \$50 million, then the City and County would each have to fund the remainder of the project, around \$35 million each, which is the cost of an elementary school.

Mr. Gallaway said that they should be forward-leaning in getting the \$0.01 sales tax legislation approved. He said that in addition to lobbying in future General Assembly sessions, he believed it was essential to lobby in elections as well, because they should want the supporters of this initiative to be elected officials and follow through. He said that once they were in office, they needed to work with them to implement their plans. With changes in how they funded transportation projects, it could change their funding abilities for other items as well. He asked if Ms. Kumazawa and Mr. Bowman used the same revenue projections.

Mr. Bowman confirmed that yes, they had regular updates on revenues and the schools had the same figures.

Ms. Kumazawa said that the schools did their own State revenue projections.

Mr. Gallaway said that it was no secret that housing was a problem in their County. He said that Ms. McKeel had mentioned the homeless population, but he thought it was worth noting that if they did more to help people afford their housing, they would also be helping those who were struggling to make ends meet. He said that it was unlikely that only the homeless were experiencing educational issues and concerns at the schools. Those who were under financial stress to afford a home, not just those who were fortunate enough to have one, were still receiving support to help with housing costs.

Mr. Gallaway said that they did a good job of identifying potential solutions and investing funds to mitigate costs. Hearing today that support for housing initiatives could help offset costs for the School Division, particularly for their homeless population, was a positive note. He said that he wanted to take this a step further and suggest that this issue affected others as well. He said that he was familiar with the Woodbrook and Greer homeless populations, but he believed that similar challenges existed in other areas, such as Agnor and Red Hill, where housing costs were difficult to afford.

Mr. Gallaway said that he believed that their housing initiatives could help avoid some of the costs that the School Division may face, which was crucial in his view. However, he also acknowledged that the School Board recognized the significance of the housing crisis in their area. He said that the challenge lay in balancing competing interests, which was where budget decisions came in.

Ms. Mallek said that she had seen two different figures: \$20,000 per student and \$17,000 per student. She said that when they multiplied either by 14,000 students, the total came out to be a significant amount. She asked that staff please clarify which figure she should focus on discussing.

Ms. Schmitt said that the \$17,000 on the slide was intended to be a comparison to the State's data, specifically from the 2022-2023 period, as that was the most recent publicly available data. She said that the current fiscal year's cost per pupil in this budget proposal was just under \$20,000.

Ms. Mallek said that on slide 16, they discussed the fund balance. She asked how much was remaining in that fund balance.

Ms. Kumazawa said that on slide 16, the use of fund balance was mostly in their special revenue funds, which were restricted to those funds. They were not planning to use their School Fund balance, but they did have a projection at the end of the year, which was approximately \$1.3 million in June.

Ms. Mallek said that on slide 18, she was looking at the \$14.5 million increase. She asked whether the \$6 million in healthcare transfer, if adopted, was included in this amount or was in addition to that figure.

Ms. Kumazawa said that it was not included on that slide.

Ms. Mallek said that, therefore, if all of those factors were to occur, the total increase for the coming year would be \$20 million.

Ms. McKeel asked for clarification on those numbers.

Ms. Kumazawa said that the one-time transfer to the Health Fund for the ACPS portion was not included in this calculation.

Mr. Gallaway said that it was not the School Division's expense; the County was covering it.

Ms. Kumazawa said that they were still working out the technical details of how the transfer would be handled within their combined funds.

Mr. Bowman said that it would be simpler for the County government to transfer that money to the schools, as it was an expense of the schools for their healthcare. He said that the schools would then transfer that amount into the Health Fund.

Ms. Mallek said that she was still unclear about the total amount, as it appeared to be a local government budget allocation. She said that the figure seemed to be around \$20.5 million.

Ms. Kumazawa said that she wanted to confirm that the expenditure side of the matter was not included in any of the tables.

Ms. McKeel said that they were trying to determine how much additional funding the County was providing.

Ms. Mallek said that they mentioned the Scholar Studios, and she recalled that there were new teaching staff assigned to that program. She said that however, she was unclear about the specifics. She asked, for that instance, with the change in format for the Environmental Sciences Academy, would the existing teachers be transitioning to scholar studio roles, or would they be replaced by new staff.

Ms. Schmitt said that she wanted to clarify what was meant by "new teachers" in this context. She said that when they referred to new teachers, they were actually referring to different studios and career pathways. She said that each studio had a lead teacher who was responsible for that specific area. She said that this arrangement provided them with an additional planning period to support their work.

Ms. Schmitt said that as a result, they arrived at the 1.67 FTE figure, where each teacher received a .17 of an additional planning period to support the work and leadership of this program. She said that the other two were focused on providing support to their English Learning students. She said that it was essential to note that this was not related to the teaching of the actual curriculum, which was handled by the existing teachers.

Ms. Mallek said that moving on, she would like to know if there is still a dedicated technology fund from the state, which previously purchased computers.

Ms. Christine Diggs, Chief Information Technology Officer for Albemarle County Public Schools, replied that it existed; it was approximately \$700,000.

Ms. Mallek said that she wanted to encourage Albemarle to consider partnering with the Workforce Center. She said that employers often discussed with Workforce the importance of soft skills, work capacity, and understanding what it meant to go to work. She said that many local jurisdictions, except Albemarle, were already utilizing federally funded education partnerships. She said that this may present an opportunity for Albemarle to avoid duplicating efforts, as alternative options were available.

Ms. Mallek said that the Workforce Center offered a range of services, including construction and various skill sets. She recalled a past joint University-Chamber meeting at Pantops, where Leonard Sandridge discussed the need for individuals who could measure, read, communicate effectively, and demonstrate a commitment to showing up to work. She said that these were the "soft skills" that were essential, not advanced manufacturing skills like operating a lathe or machine.

Ms. Mallek said that they involved understanding how to participate in the local economy or any economy. She said that the Workforce Center excelled in providing these services. She said that she wanted to emphasize this point, as she believed it was crucial to avoid missing an opportunity. She said that regarding the Center for Learning and Growth, she would like clarification about whether it was being relocated.

Ms. Schmitt said that currently, the Intensive Support Center operated out of the Ivy Creek facility, but due to space constraints, it also operated after school in the evening. She said that the ISC was available during the day, while the Center for Learning and Growth took place in the evening. She said that this arrangement was not ideal, and once they had full ownership of the entire building, the ISC and the Center for Learning and Growth would have their own dedicated spaces.

Ms. Mallek asked if the 27 security personnel for their schools were already existing or if they would be added. She clarified that this was not included in today's presentation but had been mentioned in the past few weeks and she wanted to clarify that information.

Ms. Schmitt said that they had three types of positions that included safety or security in their title. She said that one was their school security officers, who were stationed at their middle and high schools, with one to three positions in each location. She said that they also had student safety coaches, one per middle school and high school. She said that they currently had a school resource officer assigned to Albemarle High School, and in this proposal, they were proposing to add one at Western High School and one at Monticello High School.

Ms. Acuff said that she believed that one of the proposals to cut costs involved reducing the number of school safety coaches at the high schools to offset the cost of hiring school resource officers. She said that due to the feedback from the community, including students, they ultimately decided to keep both the school safety coaches and the school resource officers.

Ms. LaPisto-Kirtley asked how many school security officers they had in their schools.

Ms. Schmitt said that on average, each school was allocated one to three security officers, depending on the school's size. She said that these officers typically monitored hallways, ensured all doors were locked, worked the front door at Albemarle High School, and performed similar tasks, such as monitoring the back door when they were escorting students to the trailers.

Ms. Mallek said that in the 2008-2010 capital plan, they had a clear distinction between above-the-line and below-the-line funding, with maintenance taking precedence above the line for several years. She said that she believed there was a subsequent effort to prevent surreptitious capital expenditures from being included. She said that she was glad to hear that they were implementing efficient and fair methods to address this issue.

Ms. Schmitt said that she would like to clarify one point regarding the school renovation project. He said that the project involved a significant amount of internal renovations, but these projects would also require some small additions to reconfigure and create more contemporary spaces. She said that this was why it could be challenging to maintain the facility, as it involved small improvements rather than a complete overhaul.

Ms. Mallek said that the HVAC project was distinct from the school renovation, which had to be completed by August, so she appreciated their understanding of that. She said that she was also impressed with the efforts they were making to improve the students' experience within the CSA framework. She said that one of the moments that stood out to her was the State's commitment to

providing \$8 million to their schools in August 2008, which was a significant investment. However, when that funding was not received, it created a significant challenge for them. She asked for clarification on what was meant by a residential day school program, such as did they day placement or a boarding school.

Ms. Schmitt said that they would provide further details on that program to her.

Mr. Pruitt said that he appreciated the work that had been done today to explain how the Scholar Studios program had evolved, as well as the evolution of the Center concept. He said that while he appreciated the progress made, he would like a bit more clarification on how to reach their goals. He said that they had invested heavily in the Center concept, which he believed was essential to the School Division's success moving forward.

Mr. Pruitt said that this was how they planned to expand high school education and manage class sizes. He said that he was aware that they still had challenges with enrollment in the Centers, particularly noteworthy as they were doubling the number of centers. He said that he would like more help understanding the relationship between the Scholar Studios program and the Centers, as well as how they could create a clear path to drive enrollment at the Centers. He said that from a fiscal perspective, they needed to increase enrollment, and he was curious about how they could achieve this.

Mr. Haas said that they only had Center 1 currently, and the program was currently under-enrolled, largely due to their poor recruiting efforts. He said that the entering class of ninth graders was fully enrolled, and they expected this trend to continue year after year. He said that with Center 2, they planned to house several studios, but they were not counting on that facility being fully enrolled with studio students or pathways students in the first years.

Mr. Haas said that it was conveniently located next to Albemarle High School, which would help alleviate capacity issues at Albemarle. He said that to address this, they would schedule classes at Center 2, allowing students to walk out and alleviate the need for portable facilities. He said that this would also reduce the core pressure on the building. He said that over time, their goal was to attract students who were choosing to attend the programs offered at Center 2.

Mr. Haas said that research across Virginia had shown that about 10% of students would move from school to school. He said that with approximately 4,000 students in their high schools, this translated to around 400-500 students who would likely switch schools for specific programs. He said that to ensure equity of access to all programs, they aimed to house these students, while still allowing them to make their own choices about whether to attend programs at different schools.

Ms. Acuff clarified that it was not the case that the Scholar Studios would be unable to operate without the Centers; their goal with the Scholar Studios was to provide an alternative to the traditional academy model. She said that unlike the MESA (Mathematics, Engineering, Science Achievement) program, which became very exclusive and limited to a select few, they aimed to engage students across a wide range of career paths and interests.

Ms. Acuff said that this was an effort to provide more flexibility and options for their students, rather than focusing on a single, elite program. She said that the Centers were actually an alternative to building a new comprehensive high school, which would have required a significant investment of \$150 million. She said that by modernizing their existing high schools and incorporating the Centers, they could achieve a more flexible learning environment at a lower cost.

Ms. Acuff said that the Centers were designed to be flexible and could support the Scholar Studios, but they did not need to be exclusively tied to them. Many schools across the country were looking at this model as a way to invite employers into the school, offer work-study programs, and provide apprenticeships. She would like to address the concern that they were not solving their capacity issues.

Ms. Acuff said that while it was true that the County had approved the second Center in 2019, it would not open until 2027. They had hoped to have another Center open by now, and the intervening pandemic had set them back. Nevertheless, she believed that this project represented a step in the right direction towards providing more flexible and inclusive learning opportunities for their students.

Mr. Pruitt said that on the next slide, they discussed the cost and the savings, which were both significant. He said that looking at this, he would assume that this was not a year-one cost, but rather a consistent expense carried over from year to year. Since the costs were primarily salaries, which would remain consistent, and the savings were routine operating costs, he believed this was a balanced figure.

Mr. Pruitt said that on slides 30 and 31, he understood they had a target market, and they were attempting to maintain all the different steps of the salary scale at 10% above that. He said that currently, TAs were only 4% above that, and senior educators were under that. He said that this proposal seemed to suggest a 3% increase across the board, with a specific increase to bring TAs up to parity. He asked if the 3% increase was evenly distributed, or if there was an additional salary or compensation realignment addressing this specific gap that he was not seeing.

Ms. Schmitt said that according to the current proposal, the rate was a flat 3%. She said that in the past, they had considered alternative methods to reach the top of the scale, which would involve an adjustment in their step rate. She said that this adjustment would result in an additional cost at this time, and they had not been able to afford it. She said that as a result, the current rate remained 3%. She said

that Mr. Pruitt was correct that different step increases would address the top of the scale issue, but that would come at a greater cost.

Mr. Pruitt asked if the 3% increase brought them in line with market rates, or if they were still below the market average at specific steps.

Ms. Schmitt said that if they were to implement the 3% increase, and assuming the market trends as they currently anticipated, this would be the likely outcome. She said that this was why the concern arose if they were to forgo the 3% increase.

Mr. Pruitt said that he would like for staff to clarify, for their audience and for those listening, what the adopted market actually meant. He asked who the market was.

Ms. Berlin explained that the adapted markets they compare to include Alexandria, Augusta, Charlottesville, Chesterfield, Fauquier, Hanover, Henrico, Montgomery, Prince William, Rockingham, Spotsylvania, Stafford, Virginia Beach, Williamsburg, and York.

Ms. Acuff said that about 3 or 4 years ago, they adjusted the market basket and set compensation at 10% above the median. She said that within that market basket, they had some schools that were considered out of reach in terms of pay, but some of their closer neighbors were more comparable.

Mr. Pruitt said that they previously discussed the retention rates for the special education teaching assistants and the general instructional staff. He said that according to the earlier comparison, the retention rates were just under 80% for the special education teaching assistants and just over 80% for the general instructional staff. He said that he was unsure how these rates compared to the market, as he did not have specific data on this topic.

Mr. Pruitt said that he was aware that he knew these numbers were worse compared to the County's retention rates for most other staff. He said that it was possible that teachers were more mobile, and he would appreciate their help in placing these retention rates in the broader market context.

Ms. Acuff said that she was not aware of whether they had market data available, but they may have access to State data.

Mr. Haas said that they had lagging state data, but they were outperforming the state in terms of retention and vacancy rates at the beginning of the year. He said that they outperformed the local market. He said that nationally, the teacher retention rate was 83% the last time he looked, and theirs was near 87%. He said that coming out of the pandemic, there was more State reporting on this metric, allowing them to benchmark against other districts. He said that nevertheless, they were outperforming the state of Virginia.

Mr. Pruitt said that they had mentioned briefly in last year's budget that, as part of managing funding that did not match the requested amounts, an increase in class size was implemented. He said that he would like to know if this increase was uniform across all classes or if it was targeted at specific classes.

Ms. Schmitt said that when they discussed increasing class size, what they meant was that they had a set of formulas that determined the number of staff allocated to schools. She said that by increasing the student-to-teacher ratio, they applied this change across all schools, although the actual impact on class sizes varied depending on numerous factors.

Mr. Pruitt asked how they stacked up against their peers, specifically the City, in terms of class size.

Mr. Haas said that in elementary school, class sizes tended to be lower for an average class size. He said that in middle school, class sizes were generally higher. He said that in high school, class sizes tended to be lower again.

Mr. Pruitt said that he wanted to know if they were close to each other on each of those metrics, or if the difference was more significant, perhaps hovering around the median, or if there was a more substantial gap at any level.

Mr. Haas said that they were pretty close.

Mr. Pruitt said that for the members of the Board who dealt with housing and homelessness on multiple levels, he wanted to highlight that the data they were analyzing here, particularly in relation to students and their community, was not comparable. He said that these data points were based on different standards and metrics. He said that he wanted to caution against conflating homelessness in different contexts, such as those experienced by people living in trailer parks or staying with grandparents.

Ms. LaPisto-Kirtley said that she wanted to commend the School Division regarding on-time graduation rate and the success of their dual enrollment program with PVCC. She said that these achievements were particularly notable, in addition to their numbers of advanced diplomas and low numbers of chronic absenteeism. It was very impressive and not many school districts had such statistics.

She took this as evidence that their schools were succeeding. She asked if their TA's (Teaching Assistants) were only in special education classrooms or if they were used in all classrooms.

Ms. Schmitt said that regular TAs by allocation were K-1 classrooms at half part-time. She said that schools may elect to use TAs in other functions, but not in every classroom.

Ms. LaPisto-Kirtley asked if special education had no TAs.

Mr. Haas said that they did if students had IEPs.

Ms. LaPisto-Kirtley said that to her, this was a potential pathway to hiring new teachers. She said that if they could secure part-time teaching assistants, especially for special education and regular classrooms, it could be beneficial. She had mentioned this earlier, and she was not sure if they had full-time TAs. However, this would provide a pool of potential candidates.

Ms. Acuff said they do actively try to grow their own.

Furthermore, she was concerned about their homeless students. She said that she would hope that once they opened the Premier Circle, there would be a way to give those families some kind of priority.

Mr. Pruitt said that the parts of Premier Circle that were temporary supportive housing would still mean those families would be homeless because it was temporary.

Ms. LaPisto-Kirtley asked if Premier Circle would offer permanent supportive housing for those experiencing chronic homelessness.

Mr. Richardson said that he was not sure.

Mr. Pruitt said that part of the Premier Circle plan included supportive housing, which was a shorter-term solution with wraparound services integrated into the program. He said that another component was the subsidized rental housing, which had been developed in collaboration with the Piedmont Housing Alliance.

Mr. Pruitt said that the intention was that residents would eventually transition into these subsidized housing units. He said that it was essential to note that the current subsidized rental housing was not the same as supportive housing. He said that regarding the original question, if the children in that situation were to be placed on the same side of the operation as the supportive housing, his understanding was that they would no longer be considered homeless under federal law. He said that he was unsure if children were allowed to participate in the supportive housing.

Mr. Andrews said that they did not know yet.

Ms. McKeel said that they had a discussion about children coming out from Premier Circle, as they would be transitioning into the schools, but she could not answer the question about them being placed there.

Ms. LaPisto-Kirtley expressed concern that last year, there were 16 FTE cuts proposed, and 40 FTE cuts this year. To her, it looked like a dire situation and seemed to be kicking the can down the road because they were putting off addressing the shortfall. She said that they would effectively catch up if they funded the \$1.7 million gap. She said that she was further worried about the potential impact on federal revenues, which were currently \$13.5 million. She asked if that funding was in danger of being revoked.

Ms. Berlin said that the IDA, Title I, and Head Start programs were mandated by statute, which made it challenging to take those away. She said that the \$1.0 million for other federal revenues were not necessarily in statute, so it was possible it could be lost. She acknowledged they were continuing to examine contingency plans, but the largest proportion was likely to remain intact due to statutory rules.

Ms. Acuff said that school lunches were not necessarily in statute, so those could potentially be lost and result in thousands of hungry children. She said that it was unknown at this point. They were, of course, concerned about this issue. Medicaid, arguably, could not cut funding for this program, but they did not know what the future held.

Ms. LaPisto-Kirtley said that losing that additional funding would mean a deficit this year of \$1.7 million, rather than the \$700,000. She said that this would require a complete overhaul of the budget, similar to what they had to do during the pandemic. She was concerned that they may be facing a similar situation. She asked if they could explain the 16 FTE cuts made last year. She would like to know who those individuals were and what positions they held. Additionally, she would like to know about the 40 FTE cuts this year.

Ms. Schmitt said that the reduction last year was primarily due to formula and school reductions. She said that she believed they would need to revisit and assess the impact of these reductions. The impact would likely be highly variable, but all schools were affected. She noted that they had provided the specific proposed FTE reductions in the presentation on slide 25. She said that she would need to review the specific details to confirm the extent of the impact the reductions from last year had on the teachers.

Ms. LaPisto-Kirtley said that she would appreciate it if they could share that number with her. She noted that she was glad to see a vast majority of County teachers lived within the County and the City, rather than outside of the County.

Mr. Andrews said that he was very impressed with the depth of analysis with this request, as it aligned with the goals they were tasked with achieving. He said that there were multiple slides discussing additional full-time equivalent positions for various roles. He asked if this was a net increase, or if these positions were being cut separately from those being added elsewhere.

Ms. Schmitt said that the number provided was only the reductions; it was not a net number. She said that they would need to calculate the net. She said that the complicating factor in this was their Intensive Support Center, which was currently transitioning from a contracted service to a full-time employment arrangement with 32 full-time equivalent positions related to that. She said that they were moving from paying PREP to do it to hiring those individuals, so there were still costs.

Mr. Andrews said that he wanted to clarify a few points to ensure they had a clear understanding. He said that moving their facilities internally was a cost-saving measure that they appreciated. He said that regarding their comparables, he believed they needed a more comprehensive story to share with the public. He said that even when he came to the area in 1979, he was told that Charlottesville was divided into two distinct communities: one wealthy and one not. He said that looking at Albemarle County through a similar lens, he recognized that their assets as a school system attracted individuals with certain needs. He said that he would like to better understand this dynamic and understand who they were serving.

Mr. Andrews said that he was curious about the costs associated with relocating students between schools, whether due to homelessness or other factors. He said that it would be helpful to know the extent of these costs and how they impacted their students. He said that he appreciated the teacher salary market analysis and the discussion on benefits. He said that it would be beneficial to have a comprehensive understanding of both salary and benefits as a package, as this could influence teachers' decisions when considering their starting salary and long-term prospects.

Mr. Andrews said that finally, he looked forward to hearing more about their CIP in the future, particularly regarding high school improvements and additions. While they had some differences in their priorities, he appreciated the efforts to provide detailed information and the challenges that came with balancing competing needs with their school budget.

Ms. McKeel said that she would like to bring up a specific issue they were discussing earlier, the lack of high school diplomas. She said that she would like to remind the public that 20% of their inmates at the Albemarle-Charlottesville Regional Jail had a high school diploma. She said that this average was a stark reminder that not educating people could be far more expensive than educating them.

Ms. McKeel said that regarding the changeover at CATEC, she wanted to assure the public that the school system was paying tuition for CATEC students who were Albemarle County students. She said that there was an article in the paper that may have caused some confusion, and she would like to set the record straight. She said that the school system was covering the cost of tuition for these students. She said that she would like to publicly clarify this to avoid any further confusion.

Finally, Ms. McKeel said would like to ask a quick question regarding the Capital Improvement Plan. She said that she noticed that project number five was a middle school facility master plan, and while she understood that planning usually was less expensive than actual construction, she was concerned that they were creating a master plan for a middle school when they already had a master plan for an elementary campus that had not been prioritized. By starting a new master plan for a middle school, they were essentially duplicating efforts and potentially delaying implementation of the existing plan.

Ms. Acuff said that the School Board would follow up with the requested information. She thanked the Board for working with them today.

At 5:33 p.m. the School Board adjourned.

Recess. The Board recessed its meeting at 5:33 p.m. and reconvened at 5:41 p.m.

Agenda Item No. 2. **Work Session:** FY 2026 Operating and Capital Budget, *continued*.

Mr. Bowman said that he would begin this portion of the work session by helping the Board prepare for Wednesday's meeting. He said that they could then decide how far to delve into the CIP based on the discussion. He said that on March 19, the fourth work session was scheduled, and provided was the planned agenda for that meeting. They would complete any remaining items from prior work sessions, including Administration, Parks, Community Development, Transit, and position changes and reengineering. The latter was not primarily driving the tax rates, but they did want to cover them as the Board proposed the budget.

Mr. Bowman said that they would also have updates from prior work sessions, including technical adjustments such as the SRO change they mentioned earlier. Additionally, they would have time for the

Board to consider any adjustments. As they had heard last week, there was a desire from Board members to include or increase the amount of the Affordable Housing Investment Fund. Before Wednesday, staff would work together to provide options for the Board to consider.

Mr. Bowman said that currently, there were no other projects or initiatives that required similar analysis. If there were, it would be helpful to hear from the Board so they could incorporate those as options to prepare for Wednesday. On Wednesday, the Board could adjust the proposed budget, bring up new items, or make changes as well. If they knew about any other programs or initiatives the Board was considering, it would help them prepare for Wednesday.

Mr. Bowman said that after they covered the tax rates for advertising and the proposed budget for advertising, they would discuss the key note on the tax rate, noting that only that rate or lower could be adopted. If they did not complete the full CIP today, they would add it to the start of the next meeting to work through it. He said that he was happy to answer any questions about Wednesday's process or if there was anything else staff should be working on as they prepared for Wednesday.

Mr. Andrews said that there were no questions from the Board at this time.

Mr. Bowman said that as they moved through the Capital Improvement Plan (CIP), this work session continued to be guided by the six strategic goals, and many of these projects would be framed in their connection to the County's strategic plan. He said that he would introduce the CIP, and much of this would be similar to the comments he had shared on December 4 in the joint meeting with the schools.

Mr. Bowman said that he would reiterate those points; it had been a couple of months since then, and they had had several work sessions and updates since then. When they discussed the CIP, terminology was crucial. He said that sometimes they referred to the capital budget, which only included the first year of the plan and was appropriated by the Board of Supervisors. It also included any active projects. For example, the courts project had been underway for some time and would continue to be included, just like Center 2 was appropriated.

Mr. Bowman said that the capital budget was distinct because it was the only one requested for appropriation. Years 2 through 5 of the CIP served as a starting point, and last year's CIP, years 2 through 5, FY26 through FY29, became the basis for their deliberations. Similarly, the Board's approval for FY27 to FY30 became a starting point for next year's update. He said that the connection between operating budgets and the General Fund and School Fund was strong, as debt service increased and projects were executed, it also led to debt retirement, which limited their operating capacity, and they needed to plan for ongoing operating impacts of those projects, whether they be new facilities or related operating costs.

Mr. Bowman said that as they prepared the CIP, staff followed a four-step process. First, they respected the past Board's CIP and used it as the starting point for their projects. Then, they updated financial assumptions, including changes in project costs, interest rates, and other financial assumptions, as well as revenue updates. He said that they had held a December 4 joint meeting with the School Board, where they discussed their multi-year process and long-range planning committee. He said that they incorporated new projects guided by the strategic plan to the extent possible.

Mr. Bowman said that he had one slide that contained the changes made to the CIP since December. On the left, they had a revenue update, reflecting the changes in revenues, similar to the entire budget. They had also included one-time revenue, such as \$2 million from available year-end funding or the impact of tax rates in Fiscal Year 25. He said that on the right, they had done cost updates for ongoing programs, such as the school buses, which had been discussed last week and had been addressed to account for the cost increase of that ongoing program.

Mr. Bowman said that they had also needed to address some costs associated with existing projects, five of which were shown on this screen. Additionally, there were some new projects added across various strategic goals. He noted that these were new projects added or expanded. For example, transportation leveraging had been expanded. The Northern Feeder Pattern Elementary was not a new project, but the capacity increase of 100 students there was included.

Mr. Bowman said that furthermore, school renovation funding had been increased. It had previously been \$2.8 million a year, now it was \$4 million a year. The community nonprofit capital request for Loaves and Fishes was also included. Moving from process to figures, these were the revenues that funded the Capital Improvement Program (CIP). The CIP was primarily funded by the Board's discretion over cash equity, which accounted for 22% of the revenues. The borrowed proceeds, which accounted for 72% of the revenues, came from bond issuances.

Mr. Bowman said that he would not discuss the other revenues in detail, as they were typically applied to a specific project and could not be easily moved to another project. For example, state revenue included a small grant for school buses that could not be applied to another project. If there was a proffer specifically written for a Parks project, it also could not be applied to transportation or schools. Therefore, they would focus on the cash equity and planned borrowed proceeds.

Mr. Bowman said that the CIP received 10% of the change in revenues from the allocation of shared revenues formula. This was the primary source of funding, and any available cash was used to supplement it. He said that the first thing cash did was pay the County's debt service, which included both the principal and interest. This was essentially the County's mortgage payment over the next 20-year

period for the particular bonds. He said that after debt service was paid, the standard for projects that were not eligible for borrowing due to their life cycle or other eligibility requirements was funded by cash. He said that for projects where it makes sense to borrow from a financial planning perspective, 5% of the project cost was planned to be funded by cash.

Mr. Bowman said that this was a hierarchy of needs, with the County's mortgage payment being the first priority, followed by projects that were not eligible for borrowing, and then projects that could be borrowed for, with 5% of the project cost being funded by cash. He said that looking at the planned borrowed proceeds, this came from bond issuances. He said that the County regularly issued bonds to fund these projects, which typically had a 20-year life cycle.

Mr. Bowman said that they had recently issued bonds in 2021 and 2023, and the next one was planned for spring 2026, providing revenue to fund 95% of project costs that were not funded by cash. He said that while discussing bond issuances, he would like to take a moment to discuss the County's bond rating, which was triple triple A by the three major credit rating agencies. He said that the County had two ratings in 2003 and the third was attained in 2013.

Mr. Bowman said that this was a rare occurrence in local government. He said that out of 3,000 plus counties in the United States, only 55 had achieved this rating since October, and 13 of those were located in Virginia. He said that while it was relatively common in Virginia among their peer localities, it was less common in the greater United States. He said that having a triple triple A bond rating offered three significant benefits. He said that in essence, it provided a perfect credit rating, offering flexibility. He said that when debt service costs were lower, this flexibility allowed for capital projects in the future or day-to-day operations.

Mr. Bowman said that second, it enabled access to the best possible interest rates. He said that the last time the County issued bonds, they received seven different bids, indicating a strong market. He said that this allowed for the best possible rate when making a 20-year commitment to future costs. He said that third, it provided the ability to access borrowing when needed. He said that if an emergency borrowing or regular borrowing was required, it was not guaranteed that a market for bonds would be available. He said that however, with a triple triple A rating, assuming access to the market, it was likely that the best rate could be obtained.

Mr. Bowman said that the County's CIP was within the County's triple triple A bond rating financial management policies, which included staying below the red lines. He said that the left side of the provided chart showed the annual debt service payment as a percent of general fund and School Fund revenues, while the right side showed the total outstanding debt compared to the County's taxable property values. He said that in all five years, there was an adequate amount of headroom in these policies.

Mr. Bowman said that moving from a high-level overview of revenues to expenditures, the majority of the CIP was allocated to public school expenses, with the remainder distributed across County government functional areas. He said that the 5% category was slightly larger and included the cost of issuance, which was factored into the CIP. He said he wanted to highlight the importance of maintaining assets to avoid future expenses as part of the Board's financial policies. He said that specifically, it referred to programs for maintaining and replacing existing facilities, rather than expansion or renovation projects. He said that ongoing programs, which accounted for 56% of the CIP, were listed on the current slide.

Mr. Bowman said that non-ongoing programs, which comprised 44%, would be discussed next and highlighted in the strategic plan. He said that he would first speak to the public schools budget. He noted that Ms. Kumazawa had provided a detailed presentation on December 4, and school staff was present today to answer any outstanding questions.

Mr. Bowman said that this document illustrated the total \$189 million referred to by Ms. Acuff earlier, which pertained to the CIP. He said that this document highlighted the timing of High School Center 2 and Elementary 1, as well as the cost updates that would be recommended, including the Northern Feeder Pattern. He said that the Northern Feeder Pattern would have design in Fiscal Year 27 and construction in Fiscal Year 28.

Mr. Bowman said that there were ongoing projects, including renovations, maintenance, and school bus replacement projects. He said that an alternative way to view the data was by project, where the dollars were allocated. They would see that there were other projects listed that fell under the ongoing programs category of network infrastructure and project management services. This document served as a recap of the school Capital Improvement Plan.

Ms. McKeel asked if the Southern Feeder Pattern Elementary School and other high schools were included in these numbers as design work.

Mr. Bowman said that the majority of those projects had been appropriated, with the final bids there was a small cost update.

Mr. Gallaway said that he was supportive of the decision to increase the capacity of the Northern Feeder Pattern Elementary School.

Ms. Mallek said that based on her understanding of the rules regarding stocks and bonds, she

believed that when stocks declined, bonds tended to increase in value, and the return on investment went up. She said that alternatively, the costs associated with selling bonds or issuing new bonds may rise in this turbulent market environment. She said that she hoped that by 2026, the market would stabilize, but she wanted to inquire about this while she had the opportunity.

Mr. Bowman said that the cost of issuance for bonds tended to be relatively steady at around 2% of the issuance. He said that there was more volatility in interest rates. He said that historically, interest rates had increased more rapidly than they had decreased. He said that to mitigate this, they worked closely with their financial advisors to make the best possible assumptions about interest rates.

Mr. Bowman said that their current assumption was 5.75%, which they believed struck a reasonable balance to achieve conservative financial planning. He said that this approach allowed them to prepare for potential future scenarios without being caught off guard, while also being mindful of the uncertainty that lay ahead, particularly in the out years where they would be even more cautious due to the unpredictability of future economic conditions.

Ms. LaPisto-Kirtley asked if the increase in funding for the Northern Feeder Pattern was due to the increased enrollment planned for the school.

Mr. Bowman confirmed that the full \$10 million increase was attributable to the additional 100 students.

Ms. LaPisto-Kirtley said that she had one additional point regarding the previous question about the CIP. She asked, if the interest rates were to decrease significantly, as they had in the past, would they prioritize paying off loans with lower interest rates or those with higher interest rates? She said that she was simply curious about the approach they would take in this scenario.

Mr. Bowman said that it would depend on the terms of the past bonds in terms of when they would refinance. They needed to consider what interest rates were available. He said that for example, the 2021 and 2023 bonds were issued at very low interest rates, which would make it challenging to refinance those bonds because the rates were so low in the first place. He said that when lower interest rates became available in the future, they would factor into that future decision.

Mr. Andrews said that based on his understanding, several years typically passed before refinancing became an option.

Mr. Bowman confirmed that it usually was a long time; ten years was a good rule of thumb.

Mr. Bowman said that if the Board wished to proceed, they could quickly walk through the projects for County government.

Mr. Ryan Davidson, Deputy Chief of Budget, stated that similar to what they had previously discussed on the school side, the provided graphic illustrated the timing of when they would be evaluating these projects. He said that the CIP budget was approximately \$128.5 million over the next five years. The CIP had been designed to advance existing projects and update budgets to reflect increased costs, rather than adding new projects. He said that most of the projects on the CIP were from the previous two years, with a few in the out years.

Mr. Davidson said that earlier, they had focused on projects that supported Goal 5 of the strategic plan. Now, they would highlight a few non-ongoing local government projects that spanned across multiple strategic plan areas, including safety and well-being. He said that they would delve into more detail on each of these projects on future slides. Starting with courts, he pointed out that the colored box on these slides aligned with the strategic plan goal and listed the year in which the funding was budgeted and the amounts.

Mr. Davidson said that first, they would be examining the Courts Facilities Addition. He said that this project involved updating costs based on market rates and market conditions, including the addition of a new general district court at the Levy site and renovations of the historic Levy Opera House, scheduled to begin in May and move into the new facilities. He said that next, they would move to phase two, which involved cost additions, starting with the renovations of the historic circuit courthouse.

Mr. Davidson stated that the transportation leveraging program was recommended at approximately \$28 million, spread over three fiscal years in varying amounts. He said that this program provided flexible and consistent funding for high-priority transportation projects and initiatives within the County. He said that these projects often required significant financial commitment and time to develop and implement and often involved cost-sharing programs with the State.

Mr. Davidson noted that they had listed several of the projects slated for the transportation leveraging program on the slides. He said that he would not go through each one in detail, but if they had questions, they could circle back to those at the end. He said that next, they had the Northern Convenience Center, which included the design and construction of the Solid Waste Center, similar to the one recently completed and in operation in the southern part of the County.

Mr. Davidson explained that the design work had been included in last year's CIP, and they were slated for construction dollars in FY27. This schedule followed the previously adopted CIP and allowed them to spread out the operating costs of bringing multiple RSWA facilities online more gradually. He said

that this was one of their community capital projects that they had included in the CIP the previous year.

Mr. Davidson said they were working in conjunction with the City of Charlottesville on the Central Library project. He said that this facility was co-owned, and it was worth noting that 57% of the circulation at the library was attributed to Albemarle County. He said that they had included several funding contingencies in the plan and were working closely with the City to ensure they met those as they moved forward in partnership. He said that the City had included this project in their proposed CIP at the same time, so they were in lockstep in terms of timing and funding amounts.

Mr. Davidson said that next, Biscuit Run was a key focus area for the Parks and Recreation Department in their capital projects. He said that they had opened the park earlier in FY24, and with the other elements coming online in the future, they had approximately \$3.5 million budgeted for FY26. He stated that there was a slight cost update within this project, but it still followed the same timing, and they had adjusted some of the timing of the funding to move the Hickory Street Bridge portion forward, which remained on the same schedule. He said that this had been agreed upon the previous year. He said that he would like to highlight a photo from the Darden Towe project, which showed the new grass fields that would be coming online.

Mr. Davidson said that this was one of four new grass fields that would be added, with one set to open in the spring and another to be completed and then closed for a year before being reopened next year. They would cycle through the other two fields one at a time as they moved through the funding for this project. He said it was a joint City-County project, and the split was about 70% from the County and 30% from City, based on the Darden-Towe agreement that the County had with the City of Charlottesville.

Mr. Davidson said that the Urban Pocket Park had been identified as a project in the FY24 CIP, and they had placed some initial funding for design work in the FY25 CIP. He said that Parks and Recreation was finalizing some recommendations and would come forward for future discussion with the Board. He said that the funding they had put in for FY26 represented an initial construction estimate for this project, and they would continue to review and adjust these estimates as conversations continued.

Mr. Davidson said next, the Workplace Facility Renovations were related to the development and implementation of the Space Utilization Program for the County Office Buildings, both at McIntire and at Fifth Street. He said that the FY25 CIP included some funding for initial planning, design, and construction work, and this project would continue into the future with approximately \$2.2 million spread between FY26 and FY27.

Mr. Davidson said that he would like to take a moment to discuss the Community Non-Profit Capital Process of the CIP. He said that in the fall of 2022, the Board had created this process to establish a more formalized way to receive community nonprofit requests and integrate them into the regular budget cycle. He said that this was so they could evaluate these projects within the context of the entire County Capital Improvement Plan (CIP) and weigh these needs against other projects within the CIP. He said that in 2023, they had revisited and refined their criteria, which were outlined on the slide and had remained unchanged from last year's version. He said that the Board had been supportive of these criteria, and they had continued to use them this year.

Mr. Davidson said that based on their recommendations, they had considered several community non-profit requests. He said that for more information on these requests, including the reasons behind them, the amounts, and the timing, one could refer to page 287 of their budget book. He said that in FY26, one community non-profit capital project had been recommended for funding, which was approximately \$40,000 for the Loaves and Fishes organization.

Mr. Davidson said that this funding would help improve food support and food security for lower-income residents in the community. Unfortunately, their affordability and capacity constraints had limited the number of community projects they could fund this year. He said that they had funded three community projects in FY25, which they were continuing to support and work with outside agencies to ensure their success.

Mr. Bowman said that he would like to bring the Board's attention to the Advancing Strategic Priorities Reserve, which was currently budgeted in the CIP. He said that for context, this reserve was established in the Fiscal Year 2020 process, just before the pandemic, with the intention of setting aside capacity for a future strategic need that would be used one-time.

Mr. Bowman said that over time, this reserve had been used for smaller projects, mostly initiated by the Board of Supervisors, as shown on the slide here. He said that currently, the reserve stood at \$1.9 million, which was unallocated and awaiting the Board's direction on how to apply it. He said that this funding was available in full cash, and it did not need to be a capital project; the Board could direct it outside of the CIP to another one-time use if desired.

Mr. Bowman said that as they moved forward, if the Board considered any one-time projects, this funding would be available to them. He said that he was simply reminding the Board that this reserve was available, waiting for their direction whenever they were ready. In his final comments, he would like to refer to debt management, specifically the impact on the County's debt capacity.

Mr. Bowman said that to put this into perspective, they had previously discussed debt service charts in December, and he would like to bring this back to the Board. He said that currently, they would be at their tightest point in Fiscal Year 29, when they would be at 8% of General Fund and School

Revenues going to debt service. He said that doubling that to 10% would provide about \$145 million of capacity. However, he would like to demonstrate an exercise to show what would be required from a financial planning perspective if the Board were to go further.

Mr. Bowman said that if the projects were added to the CIP, the first question would be whether there was sufficient capacity. He said that yes, there was. He said that at 9% capacity, they would have up to \$72 million and would need 5% pay-as-you-go funding, which would total \$3.6 million. He said that once the \$72 million was executed upon and they issued the bonds, they would need to pay back just under \$6 million annually for 20 years to fund that.

Mr. Bowman said that if the Board were to lease revenue or hold a general obligation, the interest rate would be slightly better. He said that there was no funding available in the recommended budget; all available revenues had been accounted for in the plan, which was part of staff's analyses. They would also need to consider when the actual implementation would occur, as it likely would not happen all at once. The operating impacts of constructing new facilities would also need to be taken into account. This analysis was consistent with the normal requests the Board had made in the past regarding what was needed to fund additional capacity.

Ms. McKeel said that looking at slide 23, she had a question. She said that Ms. Mallek and Mr. Gallaway had mentioned this several times, so she was wondering if they knew at what point the Smart Scale transportation funding decisions would be made.

Mr. Gallaway said that they had already made them for the current cycle. He said that only one of the County's seven projects was approved, which was the continuation past the diverging diamond intersection at the Peter Jefferson Parkway. As a result, their other projects, including 5th Street and Greenbrier, would not be moving forward at this time. He said that he was confident that staff would return with a plan based on the feedback they received from VDOT, as this project had been scored differently this time. The recommendation for the next cycle would not be for another two years.

Ms. McKeel said that she was trying to determine when they might have a clearer understanding of the situation. She said that she assumed it would be within the next two years.

Mr. Gallaway said that it would be his guess that the criteria could change if a new administration changed the Commonwealth Transportation Board, and if the CTB wanted to change the scoring criteria, they would do so. He said that he did not think that would happen within two years.

Ms. McKeel asked if that was discussed at an MPO meeting.

Mr. Gallaway said that he had made some impertinent comments based on his understanding of VDOT's statements, and none of them were disputed.

Ms. McKeel said that regarding the Northern Convenience Center, she said that approximately three to four years ago, staff had a schematic of the Northern Convenience Center, which included moving extraneous facilities off the Lambs Lane campus to the proffered site which the County government owned. She said that her question was, when designing the Northern Convenience Center, would the location and design remain the same as previously shown, leaving room on the proffered site for a car wash or gas station?

Mr. Davidson said that they would have to go back and double-check that information, but they were working through the design process currently.

Ms. McKeel said that given that they had the opportunity to locate the Convenience Center and other utilities from the Lambs Lane campus, there was sufficient space for all of it. She said that she simply wanted to ensure that they were not relocating it and potentially creating another issue.

Mr. Bowman said that staff would confirm that. He said that what was presented by the Facilities team was the northernmost section of that proffered land off of Rio Hills Road.

Ms. McKeel said that regarding Biscuit Run, the trails were multi-purpose for bikes and pedestrians.

Mr. Bowman confirmed that was correct.

Ms. McKeel asked if the \$1.5 million for Darden Towe paid for one field or two.

Mr. Davidson said that it was the remaining funding to be split between the other two fields.

Ms. McKeel expressed her appreciation for the funding being given to Loaves and Fishes. She asked if staff could provide information on the three other non-profits they had previously funded.

Mr. Davidson said that during the FY25 process, they funded three community nonprofits. He said that the design for the Bennett's Village Playground, the Earlysville Fire Station renovations, and two separate projects for the Seminole Trail Volunteer Fire Station.

Ms. McKeel said that they had \$1.9 million in unallocated funding for one-time purposes. She said that she appreciated the fact that the school's gap was not going to be solved by one-time funding; they

required ongoing support. She asked if the Board could utilize that one-time funding in some way to support their affordable housing initiatives.

Mr. Bowman confirmed that as long as it was used for a one-time expense, that would be perfectly fine.

Mr. Gallaway asked if staff could send out the details regarding the Pantops Transportation Plan. He said that he was having trouble remembering the various components that made up the plan and what differed from Smart Scale.

Ms. Mallek said that on slide 28, they discussed the urban park, and the first task was to identify a suitable location. She said that she was wondering, however, whether a specific site had already been identified or if the design process was starting from scratch.

Mr. Richardson said that they had been working with Mr. Crickenberger and his staff in the urban ring. He said that they were considering a couple of locations, and his staff had been conducting extensive data analysis on foot traffic in nearby neighborhoods, walkability, sidewalks, and the only remaining factor was determining the total cost, available funds, and whether they could implement one location or make additional improvements at a different site. He said that he would be prepared to present a proposal to the Board in a timely manner.

Ms. Mallek said that it was much further along than she initially thought, and that was great. She said that the success of the Habitat soccer field was a notable example of how it was essential to engage with people who would be walking and living nearby, and try to determine what they would most like, rather than simply doing what the County government thought was best for them. She was not sure how to achieve this, but she hoped they could, as she believed it made a significant difference. She asked if there would be bicycle-only trails at Biscuit Run.

Bob Crickenberger, Director of Parks and Recreation, said that it was a partnership that they had with the Biking Club, but that was a different project.

Ms. Mallek said that she would like to hear information about the unfunded projects in this budget, such as the ECC building, which has been needed for five years. She said that what she would like was the expected timeline for those projects, and if they were part of the initiatives they were working on. Additionally, she would like to discuss the bridge project from the east side of John Warner Parkway to McIntire Park, which received \$600,000 in State funding that the Board supported. She recently learned that this project would connect and include a parking area, allowing residents to use the shared use path from Rio Road all the way down to the east side of John Warner Parkway.

Ms. Mallek said that this would provide County residents, particularly those living around Rio, with the ability to access the shared use path and cross the bridge to reach facilities at McIntire Park and the botanical garden. She believed this project had a broader scope than previously mentioned, and she would like to share this information with everyone.

Ms. Mallek slide 35, they discussed the debt capacity, but she would like to highlight the staff capacity to carry out these projects. She said that they had learned in 2008 the lack of adequate supervision and staff can lead to project delays and poor outcomes. She was concerned that the increased workload may require an additional \$10 million to increase staff, which could be a significant increase from the original \$72 million. She would like to bring this to everyone's attention and consider whether they should factor this into their budget.

Mr. Pruitt said that on slide 25, regarding the Central Library, he would like a reminder of how their relationship with the library's foundation and their private fundraising efforts would function in this project as they moved forward.

Mr. Bowman said that the Friends of the Library had provided substantial support to past projects, including the Crozet Library, where they had invested over a million dollars in the capital project. He said that the libraries had communicated that, as part of their mission, they had been conserving resources for this project. He said that as they moved into Fiscal Year 27, this process would become more apparent.

Mr. Bowman said that he would reach out to the Director to determine how this would proceed. He said that one aspect of this was that the County's books would not receive those dollars, as the City would serve as the fiscal agent and lead the construction process. He said that it was expected that the Friends of the Library would continue to bring funds to the table, as they had committed to doing so.

Mr. Pruitt noted that the phrasing here suggested that there might be a mechanism to pause or stop funding if a certain threshold was not met. He said that for example, if the funding could not be raised to a certain level, their funding would stop until it was raised. He said that he wondered if there were other mechanisms, such as de-escalators, that they could incorporate into this system.

Mr. Pruitt said that as someone who raised funds from the public in a regressive manner, he thought it was reasonable to consider how their services were funded. He asked if the Friends of the Library exceeded their target there would be a corresponding reduction in the public cost of the escalator.

Mr. Bowman said that at this point, because it had been an out-year project, they had not yet reached that milestone. He said that those conversations had centered on ensuring that the City, County,

and Friends of JMRL were aligned in their efforts to bring the project to fruition.

Mr. Pruitt said that he was wholly supportive of the project but was wondering about those specifics. He said that on slide 28, he said that the concept was perhaps more detailed than they could delve into, but he would like to discuss the concept of a pocket park. He said that people may interpret this term in different ways.

Mr. Pruitt said that they could explore examples such as a single athletic field, a basketball court, or even a small, amenity-rich site. Having spent time in Baltimore, he had noticed that pocket parks were common in certain areas of the city. He said that in those environments, they typically referred to small sites with no amenities but just had trees, paths, and benches.

Mr. Pruitt said that given the \$1.5 million budget, he assumed it may be closer to the latter interpretation. As they finalized their budget and discussed this project among themselves, they should be helped to shape expectations regarding what they could reasonably expect in terms of the final product's design and features.

Mr. Crickenberger said that they were still in the planning process, and they had considered several potential locations. He said that in summary, they did not yet have a design concept. They had a vision and some ideas for the types of recreational amenities that could fit into an urban park, including playgrounds, a water feature, and possibly an off-leash dog area. He said that pocket parks could be misleading, as they were often smaller than the actual urban park.

Mr. Crickenberger said that they were still exploring their options and had not yet finalized their ideas. He said that once they had identified a suitable location, their plan was to engage the local community through a public process. He said that they would work closely with community advisory groups to ensure that the design process was inclusive and responsive to the community's needs.

Mr. Pruitt said that Mr. Crickenberger's explanation helped him better understand the scale of things. He said that although they were early in the process, he had listed several amenities, which were more extensive than he initially thought when he heard the term "pocket park." He said that in his mind, he often associated pocket parks with not much more than a gazebo, but what the speaker was proposing was more substantial, potentially including a sports field, playground, and even a splash pad. He said that on slide 30, referring to their community partners, he had a brief question regarding the partners that did not receive funding. He said that specifically, he was curious about the reason the County was not moving forward with the Dogwood project was because the City had not included any funding on that project.

Mr. Davidson confirmed that the City did not have any funding in their Capital Improvement Plan for that project at this time.

Mr. Pruitt said that regarding the Salvation Army project, he would appreciate it if they could provide more information on the City's level of participation. He said that they already had a total contribution of \$100,000 to this project.

Mr. Davidson said that he would need to verify this with Ms. Dimock, but based on what he had been provided by the City, they had operational funding in their CIP and affordable housing dollars for that project. He said that however, their budget did not specifically mention capital contributions. He said that he would double-check to ensure accuracy, as the City did have larger lump sums allocated for housing purposes, which may be separate from the project's funding.

Mr. Pruitt said that he would like to bring up a point that may serve as a talking point. He noted that Mr. Gallaway had previously highlighted the issue of misunderstanding what a Housing Trust Fund was, which he highlighted here because the reason they did not fund the Salvation Army project was because it was said to be better suited for a Housing Trust Fund. He said that however, he did not think of this project as being part of the function of a Housing Trust Fund. He said that in his opinion, their Housing Trust Fund would be primarily designed to support the construction of income-qualified housing units on the private market.

Mr. Pruitt said that this project, however, appeared to be focused on emergency shelter housing, which was a different part of the housing ecosystem. He did not think it aligned with the typical funding model for a Housing Trust Fund, which was designed to support private or non-profit markets. He said that while it was possible to use the Housing Trust Fund for this purpose, he believed it would be the wrong method. He said that more pressing, they had not established clear norms and practices for how the Housing Trust Fund was used.

Mr. Pruitt said that if they had a proposal to use the Housing Trust Fund for a small, targeted housing voucher program to help elderly and disabled individuals find housing opportunities within multiple communities. He said that the proposal did not have a brick-and mortar element; it would be a direct individual subsidy. He said that if they would be leveraging private donations to support this effort, there was an argument that could be supported with a Housing Trust Fund, mostly because they did not have an established standard for it.

Mr. Pruitt said that he thought it was essential that the Board and staff have a thorough discussion about the purpose and scope of the Housing Trust Fund, as well as how much they should fund it. He said that this conversation should inform their funding decisions and ensure that they were

using this tool effectively.

Ms. LaPisto-Kirtley said that she was curious to know if there was a minimum acreage requirement for an urban pocket park.

Mr. Crickenberger said that there was no set-in-stone acreage requirement for a pocket park or an urban park. He said that one made the most of what was available. He said that the ones they were currently considering were limited to approximately half to three-quarters of an acre or slightly more. He said that this presented a significant opportunity for recreation in that area.

Ms. LaPisto-Kirtley said that regarding the CIP advanced strategic priorities reserve, it could be applied to various needs, including transportation. She said that they were hoping to install a red-light camera in the Pantops project, which had been successfully used in the past, such as at the intersection of Rio and 29. She said that it had been removed due to the grade separation project. She said that if they were to use it again in the Pantops project, she wondered if they could allocate additional funds to pay for the camera, or if there were any restrictions on installing additional red-light cameras.

Mr. Bowman clarified that the reserve could be used for any one-time costs. He said that he was not current on the latest developments in red-light camera laws. He said that he believed they would need to revisit the legal changes related to red-light cameras as a follow-up discussion with the Police Department regarding speed cameras in the western area.

Mr. Richardson said that the red-light camera in the western part of the County was involved in the high school being there. That was very specific legislation tied to high schools, but they would need to follow up with the Board to ensure they were on the right track. He said that the legislation was very specific, and they did not want to make any premature statements about what they could and could not do until they received confirmation from the County Attorney's Office.

Ms. LaPisto-Kirtley said that it would be beneficial if they could add the red-light camera back in to some part of the County to alleviate traffic issues.

Mr. Andrews said that he would like to add a couple of points for clarification. He said that he was very interested in the process outlined on slide 30 regarding how they funded community projects. He said that specifically, he was interested in the Salvation Army project, as he needed to understand not only their concerns about housing and where it fit within their housing framework, but also how well it aligned with the criteria they had established.

Mr. Andrews said that if the Salvation Army project already met these criteria, it would significantly impact his perspective on this matter. He said that he agreed with Mr. Pruitt that they were not on the same page about on a Housing Investment Fund or a Housing Trust Fund, but he believed they all agreed that they wanted to support a list of housing projects. He said that therefore, he would like to know how funds could be allocated for these projects.

Mr. Andrews said that he hoped they could move forward with these projects, even if they could not finalize the details on how to allocate the funds. He said that, in his opinion, the Central Library project was not a nonprofit organization, despite being supported by nonprofits. He said that therefore, they may need to explore how the Friends of the Library could assist with this project and how far they could go in supporting it.

Mr. Bowman said that there existed a unique relationship where the County and the City collaborated to create this entity, with the County owning half of the building and the City owning the other half.

Mr. Andrews said that he was interested in the 57% of circulation attributed to Albemarle County, as he was aware that more and more people were downloading their books. He said that he often downloaded books through the library app, and he was unsure about the source of the books. He said that if the library provided this information in the future, he would be interested in seeing it.

Mr. Bowman said that he had one more slide to prepare for Wednesday. He said that advertisement deadlines were built into their budget calendar to comply with Virginia Code requirements and were also based on a tax collection due date of June 25. He said that while the law allowed for adoption until June 30, for tax collection purposes, they could not adopt the deadline after June 25. He said that they needed to establish dates to allow for the billing process and provide adequate notice to the public. He said that this year, when building the budget calendar, they allowed for at least one unforeseen disruption, such as a weather event or an error in the advertisement process.

Mr. Bowman said that this was evident in past experiences, including the City of Charlottesville's rescheduling of hearings and the County's experience with a similar issue seven years ago. He said that as a result, they could not adopt the proposed budget after May 7 without impacting the tax billing process. He said that another consideration was that six of the seven town halls were scheduled after the proposed budget, providing clarity on upcoming milestones. He said that if the Board wanted to delay the action on the proposed budget and rate to June 26, it would require everything to be in place, both within the County's control and beyond, to maintain progress from now until May 7.

Mr. Andrews clarified that no meetings were scheduled between March 19 and March 26.

Mr. Bowman said that March 26 was scheduled as an if-needed work session. He said that if the Board would take action on March 19, and no other issues had arisen, the decision to hold the March 26 session would have been up to the Board. He said that there was also a sixth meeting scheduled after March 26, should it be necessary. He said that if something went wrong, they would need to consider special meetings and their associated timelines, which could be managed on the spot. He said that this was the rationale behind preparing the calendar in this manner.

Mr. Bowman said that his final slide would be presented here. He said that they would revisit this agenda to cover the items they did not discuss today. He said that they would review the technical adjustments, consider additional funding in the Housing Fund, and then turn it over to the Board for action.

Ms. McKeel said that she believed the board should consider the possibility of establishing a manufactured home ordinance to avoid a similar situation that had arisen last time. She said that manufactured homes could potentially be a valuable asset in their efforts to provide affordable housing. She said that without such an ordinance, they may end up in a future predicament. She said that she was proposing that they at least consider this topic for discussion, and she would like to see it brought to the table in some form.

Agenda Item No. 3. From the County Executive: Report on Matters Not Listed on the Agenda.

There was no report.

Agenda Item No. 4. From the Board: Committee Reports and Matters Not Listed on the Agenda.

There were no additional comments from Supervisors.

Agenda Item No. 5. Adjourn.

At 6:48 p.m., the Board adjourned its meeting to March 19, 2025, 1:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA, 22902. Mr. Andrews said information on how to participate in the meeting would be posted on the Albemarle County website Board of Supervisors home page and on the Albemarle County calendar.

Chair

Approved by Board
Date: 10/15/2025
Initials: CKB