

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 27, 2017, at 2:00 p.m., Lane Auditorium, County Office Building, McIntire Road, Charlottesville, Virginia. The meeting was adjourned from February 23, 2017.

PRESENT: Mr. Norman G. Dill (arrived at 2:08 p.m.), Ms. Ann H. Mallek, Ms. Diantha H. McKeel, Ms. Liz A. Palmer (arrived at 3:08 p.m.), Mr. Rick Randolph and Mr. Brad Sheffield.

ABSENT: None.

OFFICERS PRESENT: Interim County Executive, Doug Walker, County Attorney, Greg Kamptner, Clerk, Claudette Borgersen, and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. The meeting was called to order at 2:07 p.m., by the Chair, Ms. McKeel.

Agenda Item No. 2. Closed Meeting.

At 2:07 p.m., Mr. Sheffield **moved** that the Board go into Closed Meeting pursuant to section 2.2-3711(A) of the Code of Virginia under subsection (29), to interview offerors and discuss the terms or scope of a public contract involving the expenditure of public funds for the services of an executive search firm, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Board of Supervisors. Ms. Mallek **seconded** the motion.

Roll was called and the motion carried by the following recorded vote:

AYES: Ms. Mallek, Ms. McKeel, Mr. Randolph and Mr. Sheffield.

NAYS: None.

ABSENT: Ms. Palmer and Mr. Dill.

Agenda Item No. 3. Certify Closed Meeting.

At 3:04 p.m., the Board reconvened into open meeting, and Mr. Sheffield **moved** that the Board certify by a recorded vote that to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed, or considered in the closed meeting. Ms. Mallek **seconded** the motion.

Roll was called, and the motion passed by the following recorded vote:

AYES: Ms. Mallek, Ms. McKeel, Mr. Randolph, Mr. Sheffield and Mr. Dill.

NAYS: None.

ABSENT: Ms. Palmer.

Agenda Item No. 4. Recess to Room 241.

At 3:04 p.m., the Chair called a recess.

Agenda Item No. 5. Call Back to Order. The meeting was called back to order at 3:09 p.m., by the Chair, Ms. McKeel. All Board members were present except Mr. Sheffield (arrived at 3:12 p.m.)

Ms. McKeel introduced the presiding security officer and staff present.

Agenda Item No. 6. **Work Session:** FY 2017-2018 Operating and Capital Budgets.

Item No. 6a. Presentation of School Board Budget.

Ms. Kate Acuff, Chair, School Board, addressed the Board and stated that she and fellow School Board member, Jonno Alcaro, would present the School Board's budget for FY18. Ms. Acuff stated that Albemarle County Schools define success as far more than a student's ability to pass a test, challenging students as learners but also realizing that success requires that they equip students with the competencies needed to develop to their full potential, academically, socially, and emotionally. She said that educators and support staff work to ensure that every child who passes through the school division has access to the best learning opportunities the schools can provide. Ms. Acuff stated that one of the key objectives is engaging every student, which is why the theme of this year's funding request is, "All Means All."

Ms. Acuff thanked the Board of Supervisors for their partnership in working together to improve the community, the quality of life, and economic vitality. She stated that every year, the schools' funding request is a product of a commitment to their mission, vision, core values, and student-centered goal. Ms. Acuff said they believe that the most vital component of their mission is establishing relationships with young people, and when high school students talk about their most positive school experiences, they focus on the teachers who took an interest in them, teachers who cared enough to help them through

both academic and personal challenges. She stated that their ultimate goal is not just graduation, but for every student to be prepared for life, ready to embrace and own their futures, and capable of excelling as citizens. Ms. Acuff said that this year they are serving nearly 13,800 pre-K through 12 students with a staff of more than 1,200 teachers and more than 1,200 other school division employees. She stated the teachers have an average of 14 years of experience, and 63% have advanced degrees. Ms. Acuff said the student body has diverse needs, and division-wide, 10.1% of students are English learners, with 28.7% eligible for free and reduced-price meals, 11.4% are served by special education, and 8.8% are identified as gifted. She stated the schools are culturally diverse as well, with students born in 94 countries, speaking 75 home languages. Ms. Acuff noted that the cafeterias serve more than 8,000 meals per day, and buses drive 14,000 miles a day. She said that last year, the Families in Crisis program served 400 homeless children, including 240 public school students and 160 of their siblings.

Ms. Acuff stated that by all the usual measures, graduates compete well against the state and the nation, with NICHE, a national education assessment organization, ranking Albemarle County Public Schools among the top five school divisions in Virginia and among the top five percent of all school divisions in the nation. She said their rankings placed all three of the County's high schools among the top ten percent nationwide, and the 2016 graduates received acceptances at 289 colleges and universities, including 25 of the top 30 universities as ranked by *U.S. News & World Report*. Ms. Acuff commented this is evidence that the schools have invested wisely in programs that work, such as the instructional coaching model, career and technical education programming, the mechatronics labs, maker spaces, fine arts programs, the Spanish immersion program, virtual program, STEM, and STEM-H academies.

Mr. Jonno Alcaro addressed the Board and stated that he is the at-large representative on the School Board. Mr. Alcaro said the schools will present their needs-based funding request for the 2017-18 school year, and said that before they look at the request, he would like to take the opportunity to look at the efficiencies the school system has employed in the post-recession years, in the face of increased, unfunded mandates and significant growth in student population. He stated that the School Board's 2017-18 funding request represents a \$29.5 million net increase since the 2008-09 budget, or nine budget cycles ago, with increasing enrollment and directed and mandated costs. He noted that since that budget cycle, the schools have incurred \$34.7 million of directed and mandated costs, such as Virginia Retirement System, healthcare, and compensation increases. Mr. Alcaro said they have also added \$10.4 million in growth expenses, due to such things as enrollment increases and demographic changes, and have only invested \$5 million in new resources towards projects such as professional development, and the startup of a world languages program. He stated that directed and mandated costs have far exceeded revenues over this time period, during which the schools also generated \$20.6 million in reductions, salary savings, and division-wide efficiencies that have allowed them to balance their budget from year to year, and they continue to operate a lean budget.

Mr. Alcaro stated that the schools' FY 2017-18 funding request totals \$181 million, which represents an \$8.39 million increase over FY 2016-17, which represents a 4.86% increase. He referenced two charts presented that show directed and mandated expenses and those related to growth together make up 81% of the \$8.39 million increase, with 4% of the increase being the result of ongoing commitments and prior initiative, while the remaining amount is composed of the only new initiative being brought forth this budget cycle: the equity and access initiative, which Ms. Acuff would discuss further. He said that looking to next school year, with an anticipated revenue increase of \$7.86 million and an increase in expenses of \$8.39 million, the schools are facing a funding gap of just over \$530,000, which is the smallest gap presented to the Board of Supervisors in a number of years. Mr. Alcaro stated that the increase is comprised of four categories of expenses, the largest being directed and mandated expenses. He said those expenses make up 68% of the increase, totaling \$5.6 million, with the largest items being a salary increase of more than \$2.4 million, \$1.2 million in healthcare and insurance costs, and a \$1.5 million increase in contributions to the Virginia Retirement System.

Mr. Alcaro stated that there is also almost \$500,000 included to address salary compression for classified staff. He said the schools are committed to hiring and retaining employees of excellence, and in support of that, the schools' commitment is to pay teachers a rate within the top quartile of the competitive market, jointly adopted by the Board of Supervisors and School Board and representing the schools' policy for personnel-driven compensation and benefits. Mr. Alcaro stated that the schools are currently conducting a compensation study that will assess their competitive market strategy for teachers, and results are expected by early summer, with any recommendations shared with the Board of Supervisors prior to the next budget cycle. He said that addressing salary compression is an effort to continue to hire experienced candidates without leapfrogging existing employees, and failure to address it leads to higher rates of turnover, inability to attract highly qualified candidates, lengthy recruitments that require existing employees to cover vacancies, and morale issues.

Mr. Alcaro explained that to keep health insurance plan costs as low as possible, the schools have taken a number of actions, including implementing deductibles and changing spousal eligibility criteria. He said that in 2016, the schools conducted a dependent eligibility review, selected Anthem as their medical, dental, and prescription administrator, analyzed market data about benefits, covering topics such as premium costs, employer/employee share of premium costs, coinsurance, out-of-pocket maximums, deductibles, and other plan design topics. Mr. Alcaro stated that they have also elected to offer a new, consumer-driven high deductible plan with a health savings account, as an alternative to the traditional insurance plan. He noted that the schools have implemented wellness measures to manage costs, such as "Lose Well," free screenings like annual physicals and mammograms, and flu shot clinics.

Mr. Alcaro reported that the VRS increase for FY 2017-18 is unprecedented and adds \$1.5 million to the funding request. He said that historically, the state increases VRS contributions in the first year of each biennium; however, the state elected to accelerate the FY 2018-19 request into 17-18, and as a result, the VRS rate is increasing by 1.78% next year, which means the school division must contribute an additional \$1.5 million. Mr. Alcaro stated that the schools' commitment to continue previously approved initiatives is also contributing to the increase in their funding request. He reported that after next year, the schools will have full-time nurses in all schools. He stated that their new college and career planning software is versatile and student centered, and students have found it informative and easy to use. Mr. Alcaro said the schools are also expanding the sophistication of their digital learning initiative by better supporting teachers.

Ms. Acuff reported that another category of expenses that feed the increase stems from continued growth and changing student needs. She stated that this year, growth accounts for about 15% of the increase, or \$1.07 million, and 62% of the increase is related to special education staffing, with a price tag of \$660,000. She said that over the past few years, the schools have experienced growth in special education enrollment, with significant increases in the past two fiscal years, and there has also been an increase in the intensity of the service needs of students. Ms. Acuff stated that staffing for special education is based on a point system in which each special education student is assessed based on their level of service needs, and state regulations require allocation of one FTE per 20 points. She emphasized that staffing is clearly impacted by both the number of special education students and the severity of their disabilities, and part of those costs go to transportation and transportation assistance.

Mr. Randolph said the growth rate for special education students has been trending higher, with an increase from 40 students two years ago to 80 last year and 100 this year. He asked Ms. Acuff to explain what is driving the increase in special education students. Ms. Acuff responded that the school system is not entirely sure what the reason is, even after consulting with their Special Education Director. She said the schools have been working hard to try to keep total special education costs down by providing enough services in schools to not have to do day or residential placements, but those costs are fungible whether they are paid inside the school building or in a residential facility. Ms. Acuff stated that the number of special education students is determined by the number who have an IEP (individual education plan), but it is not entirely clear why there has been a dramatic increase.

Mr. Randolph asked if they are able to obtain information on how long families have lived in the area, and speculated that the quality of the school system is attracting families from outside the area. Ms. Acuff responded that she did not know the answer, but there are families moving to be in the Cale district because of its Spanish immersion program, and some families make decisions based on the presence of certain academies.

Dr. Pamela Moran, Superintendent, stated that one reason is that the schools have been working diligently to bring students back into the system after being placed outside of the system at places like the Virginia Institute of Autism, which reduces CSA costs by providing quality services inside the system. She stated that the schools have made changes in the way they service children with more significant disabilities by bringing them back in and reconfiguring services inside the system. Ms. Moran said there is currently an "A-based" program in the school that is serving children on the autism spectrum, and they are not only able to put children back into neighborhood or community schools, but are also able to provide the equivalent or even more targeted services than CSA providers, which are more costly. She stated that Albemarle is seeing some increased identification coming into the system, with a number of students coming from outside the system with IEPs. Ms. Moran said that 10 years ago, there was a moderation of special education identification, but it started to trend upward about 5 years ago. She stated that she cannot provide specifics, but Special Education Director, Kevin Kirst, has reported that data to the School Board in terms of all the new IEPs last year, including all new students and how many of them were new to the system.

Mr. Randolph said it would be helpful to have that information and how many were coming in from CSA and how many were moving in from the outside.

Ms. Acuff reported that the final component of the schools' funding request is their strategically designed equity and access initiative, and they believe that every student who enrolls, regardless of race, gender, culture, socioeconomic status, or any demographic, should have access to opportunities. She said that despite the overall success of the school division, its programs, and the achievement of many of its students and graduates, there are still students who struggle and leave without life readiness skills needed for them to thrive as adults. Ms. Acuff said that through their equity and access initiative, the goal is to disrupt the predictive value that certain demographics have on student success. She quoted Harvard Dean of Education, James Ryan, who recently said, "There's almost an ironclad link between zip code and success," and the schools are attempting with this initiative to weaken that link. Ms. Acuff stated that Albemarle's most at-risk student populations are those who qualify for free and reduced-price meals, those receiving special education services, and those who speak a language other than English as a first language, all of which are growing at a much faster rate than overall student populations.

Ms. Acuff said the reality is that opportunity and achievement gaps need to be addressed for ACPS to meet its obligations to students and the community, and 30 years of evidence-based research documents the importance of addressing children's social and emotional needs to promote academic achievement. Ms. Acuff cited the academic performance of economically disadvantaged third graders, stating that last year, just over half of them passed the reading SOLs, compared to nearly 90% of students not facing poverty. She said there is a similar outcome in math SOLs, with only 40% of economically disadvantaged third graders passing the test, compared with 86% of peers. She stated

there is further disparity with metrics such as chronic absenteeism and out-of-school suspension, with economically disadvantaged students comprising 29.5% of total student population in 2015-16, but making up nearly 50% of chronically absent students and 57% of those receiving out-of-school suspensions; and just 5.6% of the gifted population. Ms. Acuff emphasized that the most at-risk learners require additional supports and resources in order to be socially, emotionally and academically successful.

Ms. Acuff stated that to address this disparity, the schools are proposing an equity and access initiative with an initial goal of implementing a three-year pilot and study in the four urban ring elementary schools, Agnor-Hurt, Greer, Cale, and Woodbrook, which collectively have 33% of the total pre-K through grade 5 population. She said that in looking across all 16 elementary schools, the four in the urban ring serve the highest population of at-risk learners; more than half of the economically disadvantaged elementary students are served in the four urban ring schools, and 78% of elementary-age English learners attend school in the urban ring. Ms. Acuff stated that compounding the challenges faced by these schools is a high and disproportionate incidence of mobility, which means they begin attending school after the first day, transfer out before the end of the year, or both. She said that by the end of 2015-16, the urban ring elementary schools saw between 12% and 17% of the student population affected by mobility, with high rates of student turnover present a host of challenges for both teachers and students.

Ms. Acuff reported that the schools have made incremental progress, and based on a three-year trend, economically disadvantaged students represent a smaller percentage of chronically absent students, and the same is true for out-of-school suspensions. She also said that performance of disadvantaged students on third grade SOLs is improving, but the overall impact of past investments on opportunity gaps has been minimal, and we must do more. Ms. Acuff stated that the schools are proposing an evidence-based initiative designed to apply a range of supports to help students thrive, and although they will continue to hone existing strategies, including working to expand and strengthen connections with families and community agencies, the additional effort will require additional resources.

Ms. Acuff explained that these consist of a SEAD (social, emotional, academic development team) with a range of specialists to provide ongoing support to schools, administrators and teachers to integrate resources, build capacity in educators, and elevate a structure that reduces variance in the level and timeliness of help. Ms. Acuff said the SEAD team is not supervisory; they are boots on the ground to be deployed as needed in schools, and those are refinements to be developed in the next several months. She stated that the second aspect is a discipline and behavior management structure to collect data and inform problem solving, decision making, and progress monitoring as a means to combat disproportionate discipline, especially suspensions, and positively impact attendance, achievement, behavior, and social/emotional growth. Ms. Acuff stated that the third aspect is replacement of the outdated special education screening and progress monitoring system, as the current one is no longer supported by the vendor. She said the fourth aspect is an incentive-based professional development model, similar to what the County has implemented for its police force, but designed to increase transfer to practice in the classroom.

Mr. Randolph stated that he is trying to understand what the "student achievement management system" is and whether it pertains to students who go through school, their performance and necessary interventions. Ms. Acuff responded that the deliverable will be tracking performance, finding key points of intervention, and measuring the effectiveness of intervention approaches, using a new software system.

Mr. Matt Haas, Deputy Superintendent of Schools, addressed the Board and stated that the schools are looking for a micro-database that would overlay the student information system, Power School, so they can track discipline incidents in the middle schools, where it would be piloted. He stated that this would allow for a closer analysis of incidents in schools so they can direct resources where they are needed, and this system would supplement Power School, which serves as a student's cumulative file. Mr. Haas said they want to be able to see where the disciplinary problems are in school, so that disciplinary biases can be addressed through measures like culturally responsive teaching practices and other professional development.

Ms. Palmer said they would also want to be able to find a child who is having difficulty, not just a teacher who might be doing something wrong. Mr. Haas agreed.

Ms. Acuff said there are a lot of disciplinary levels before out-of-school suspension, and this could help track the whole profile of a student.

Ms. McKeel commented that it would also require an FTE to manage the system.

Mr. Haas stated that the schools are piloting certain aspects of the program in the urban ring because of the concentration, but recognize there are economically disadvantaged students throughout the system, so the student discipline and tracking schoolwide behavior management will help them identify issues anywhere in the system. He said that Mr. Kevin Kirst, Director of Special Education and Student Services, has a program for tracking response to instructional and behavioral interventions, known as "Exceed," but it is outdated and is no longer serviced by the vendor, and it needs to be replaced. Mr. Haas stated that they included it in this initiative because of the growing numbers of special education students, who are also highly concentrated in the urban ring, and it is felt to be a necessity to help address the needs of these students.

Ms. Mallek asked if this is the same item as the "DART data line" and contract services, or whether that is something separate. Mr. Haas responded that it is not part of this initiative.

Ms. Acuff stated that there are students who are academically challenged throughout the school division, not just in the urban ring, and while there would be preference for professional development for teachers at the four elementary schools in the urban ring, it would not be limited to them. She said that once they fine tune this and assessments are done, the hope is to have SEAD teams in all of the feeder patterns.

Mr. Randolph asked why there was an enterprise application specialist for just this software, as he assumes the software would be fairly user friendly and integrated quickly, with the level of people handling the software, given the confidentiality of the information, likely to be principals, vice principals, etc. Mr. Haas said this is a substantial web-based program that tracks thousands of students in the division, including special education students, and students who are in the school-based intervention process, which is a pre-special education measure based on capacity versus achievement. He explained that if a student is struggling academically or behaviorally, a committee convenes and proposes interventions for that student, tracking them for a long period of time to see if the student's needs can be addressed at a classroom level or through increased intervention over time. Mr. Haas stated that this is a substantive process and a legal process that requires a fairly demanding tracking system to maintain it in the schools. He said this would track thousands of students and would require a person to bring it on board, integrate it with Power School and other systems, and offload the old system. Mr. Haas said it would require a position, at least, in the first year, but that may not be permanent.

Mr. Vincent Scheivert, Chief Information Officer, stated that the enterprise application specialist is a full-time position as a database person to bring the solution in-house, as it previously had been contracted out, and this provides a more secure solution. He said that when the company went out of business, it put the schools in a position of liability, so this shift replaces a defunct system for special education management.

Mr. Haas noted that the initial outlay is a big amount in total. Mr. Scheivert agreed that \$100,000 of the initial costs are one-time integration, with initial data input to make sure the data is accessible. He stated that it is a fully web-enabled solution to be utilized by administrators and teachers, primarily as a response to intervention.

Ms. Mallek asked if the data line under growth is part of the hardwiring to the remote schools. Mr. Scheivert responded that it is not, explaining that the fiber optic costs are capital and are in a three-year cyclical schedule, so the data services budget goes to overall internet connectivity and the bandwidth the schools purchase.

Ms. Acuff stated that the schools cannot alter the root cause of certain risk factors that keep students from thriving, but they are faced with addressing the symptoms, such as lower rates of academic achievement and chronic absenteeism. She said that the equity and access initiative is their action plan to address opportunity and achievement gaps, to level the playing field by implementing strategies and embedding procedures that increase capacity to identify, respond to, and successfully meet the needs of struggling students.

Ms. Mallek commented that it might be helpful for the School Board to separate the items that are state mandated items and those that they are choosing to do, as the VRS cost is state, the CSA is state, and staffing to meet fair labor standards is state, with everything else either out of their control or local decision. She said the public often asks questions about that, so it would be good to have it delineated.

Mr. Randolph stated that it would also be helpful to have information from the comparable districts, such as graduation rates of Albemarle versus other counties.

Mr. Dill asked what the reasoning was for choosing this particular initiative over others. Ms. Acuff responded that in previous years, the school division has asked for proposals, and this year they focused on this ongoing issue, with 13 proposals from around the division that totaled about \$3 million, which were honed down to \$1.7 million. She said it was really a focus on the challenges that academically at-risk students are facing and try to address them. Ms. Acuff stated that in the urban ring, there are 40-78% free and reduced lunch eligibility, and some principals spend a lot of their time dealing with social services and foster care, and trying to get resources for the 300 homeless children across the division. She said that Greer Elementary had 98 students arrive after the first day of the school year, with 65 leaving the school system, which generates a lot of administrative work just to deal with the day-to-day crises. Ms. Acuff stated that this initiative was an effort to provide a more proactive and systemic approach to addressing these issues, as the issues of newcomers is huge, especially with families that are living in shared households. She said the most concentrated affordable housing is in the urban ring, which is why Greer Elementary has 78% free and reduced lunch.

Ms. Palmer asked how the school system identifies which children are homeless. Ms. Moran responded that the federal government's McGinny-Binto Act established a number of years ago to govern services for homeless children in schools and developed very specific criteria that school systems around the country use. She said that some of the children may be in shared housing or in homeless shelters, and some may be living in different spaces from night to night. Ms. Moran explained that school staff works with social services and community agencies to develop the list and works with the city and other localities to try to keep homeless children in their original school in an effort to maintain continuity of

school services. She clarified that finding out about them typically comes through local agencies that raise awareness of the situation or from the school, which must be verified.

Ms. McKeel asked what the interaction with social services would be for the new SEAD team, as some people might say this is what social services does. Ms. Moran responded that the schools are not trying to duplicate social services or child protective services or truancy services in the area, but are trying to work on the school side issues associated with children who may be living in homes where there is trauma, parents are incarcerated, parents are unemployed and/or using drugs, or where the family has just moved to the country. She said the SEAD team works to make sure the schools are doing everything possible for those children when they come through the doors, which may involve working with social services, the court system for truancy, or mental health agencies, to bring a partnership to the table to ensure children are getting the services they need. Ms. Moran stated that teachers now will go out and do things like finding out if a child needs glasses, and the SEAD team would take over those tasks so that teachers can focus on the classroom and administrators can focus on school operations. She said that in a school that does not have a high poverty population, those issues are not overwhelming for a school, but with a caseload of 30 kids in child protective services, that becomes a significant issue for principals. Ms. Moran emphasized that the team would work to connect these services and build a database of nonprofit and community partners to support the children, as well as providing services inside the school.

Ms. Mallek said that it looks as though the software, training and people would need to happen at once in order for this to be effective. Ms. Moran responded that they are anticipating finding people who have the skill sets and competency to be on the ground quickly, and for the team to function across the four schools to maximize capacity. She said this team will likely have some responsibility for professional development, as there will be specific skill sets that will help staff respond to students with certain needs.

Recess: At 4:13 p.m., the Board recessed, and then reconvened at 4:24 p.m.

Item No. 6b. Brief overview of major changes associated with the following expenditure categories:

- **Parks Rec and Culture**

Ms. Lori Allshouse addressed the Board and stated that she would briefly touch on **Parks and Recreation** and then move to community development and health and welfare. She stated that on March 28, they could have a discussion of the fire/rescue fund and those services, and if they approve their budget after that, they would still meet their legal requirement for public hearing. Ms. Allshouse said that on March 7, the Board will be finalizing the tax rate for advertisement and moving forward with some of the items on their list.

Ms. Allshouse reported that under cultural agency contributions, the Charlottesville-Albemarle Convention and Visitors Bureau contribution increases by 8.4%, due to the agreement with the City and the County, and there are modest contributions for the Virginia Discovery Museum and Paramount Theater preschool-age programs for at-risk children, which staff felt were important. She noted that cultural agencies are studied by an in-house team of County staff, and while this is not a lot of money, it shows support for the group of children as targeted in the strategic plan.

Mr. Randolph asked if there was a breakdown of contributions from the County, City, and other participating localities for the Festival of the Book. Ms. Allshouse responded that she could provide that information as follow up.

Ms. Mallek noted that there are events held at local schools so that children could participate.

Ms. Allshouse stated that Mr. Kevin Wazaluski and Ms. Phyllis Savides are present at the meeting to answer questions about the Department of Social Services, but in the meantime she would provide some information on their \$13 million FY17-18 budget, a \$711,000 or 5.8% increase. Ms. Allshouse noted that there was a fairly significant increase in direct client assistance, an increase of 9.8% or \$324,000, with almost all of it fully funded by state and federal revenue; one category increasing \$15,000 in the Safe and Stable Families program. She said there are two positions in the budget: an adult family services specialist going from part time to full time, and a full-time position for an eligibility trainer on-boarding coordinator.

Ms. Mallek commented that they have been gradually addressing understaffing, and it seems this budget includes just the change from a part-time to full-time position. Ms. Allshouse responded that there is also the eligibility trainer addition.

Mr. Dill asked what the relationship is between the schools in terms of ESL and disabled students and the social services workload. Ms. Phyllis Savides, Director of Social Services, replied that she was asked when she presented the DSS annual report how many positions she would need to be fully staffed, and in the child welfare division, the number is 4.5 FTEs. She stated that all of the services would be 6.75, including adult services; in benefits, they need 7 FTEs, which comes from the department's workload measures data, but that system was developed in 2009 and is outdated, so she thinks the number would be higher.

Ms. Mallek said that about five years ago, the department was 22 positions short, and it sounds like that has decreased to 18. Ms. Savides responded that it is 7 FTEs in benefits, 6.75 in services, and of those, 4.5 FTEs are for child welfare, making the total need 13.75.

Mr. Sheffield asked what level of overtime staff is experiencing. Ms. Savides responded that she did not have specific numbers with her, but the benefits overtime have increased significantly because they were in a pilot where the SNAP program had to go into a new system. She stated that to help staff, DSS has been paying for temps to help with work rather than paying staff to work overtime, and she could bring them information on both temp and staff overtime costs. Ms. Savides agreed that it would be more cost effective to hire full-time staff than to pay existing staff time and a half, and temps are also cheaper than paying staff overtime.

Mr. Dill asked if there was a seasonality aspect to the work volume, and it would be good to analyze the cost effectiveness of hiring FTEs. Ms. Savides responded that there used to be a seasonality to the work, such as fewer child protective service complaints decreasing in the summer, as many of them come from school personnel. She stated that this was not the case anymore, and staff has struggled with maintaining eligibility application timeliness throughout the year, and this past year has been difficult because the department was in the pilot program for changing the work. Ms. Savides stated that despite their due diligence, they have never been able to meet the compliance because there are too many cases to process and it is a complicated system.

Ms. McKeel asked if there were still concerns about retention because of the heavy workload. Ms. Savides replied that the department has experienced significant turnover in the past year, but some of that is the result of promotion to internal promotions, which is a positive thing. She stated that they are having a hard time hiring seasoned workers, and by definition are hiring people who could become strong eligibility and service workers, but it is becoming increasingly difficult to get them trained and up to speed. She said the state is not holding trainings as frequently as it once did, but if they can have a person in-house, they can have the control to bring them up to speed. Ms. Savides said that this is the reason for requesting eligibility trainers, as it would help bring other workers up to speed. She stated that one of the requests DSS submitted under one-time monies was a pilot for finding families, because the most significant ways they have to cut CSA costs is by keeping children from coming into care. They have done that by finding families to take them, but it has taken a team of four people to do that work, and it is hard to keep in touch after the child is stable. Ms. Savides said that by piloting a full-time person for finding families, they could demonstrate cost savings and come back and ask for a permanent position to do that. She added that DSS has already shown the positive effect of that activity on the service side of CSA costs, and she noted that it is in the County Executive's recommended budget.

Ms. McKeel asked for her reaction to the SEAD team as presented by the schools. Ms. Savides responded that she requested a meeting with Mr. Haas after hearing about it, as it sounded very similar to the DSS family support worker program. She stated that the meeting was positive and she explained that the family support workers were DSS employees but were housed in the schools, and there are at least one or two in all of the four identified schools. Ms. Savides emphasized that those positions provide the family-home connection and work intensively with parents to try to get home life more stable, as well as performing tasks like finding glasses for children. She suggested that DSS partner with the schools for a recommended home-family counselor position, and potentially draw down federal revenue, and the family support program would need to be very connected with that proposal.

Ms. McKeel asked if she was reassured after talking with Mr. Haas, or if she felt there was a lot of redundancy there. Ms. Savides replied that she felt the DSS family support workers were doing that type of work, although they would need more workers because the current staff could not meet all of the needs. She emphasized she had suggested to Mr. Haas that the program use the resources that DSS can draw down and build a collaboration.

Mr. Randolph said that it sounds like a good conversation to have, and noted that he works with a child psychiatry nonprofit in New York that encompasses therapists, social workers, and teachers so that it is fully integrated. He added that DSS and the schools should also involve Region Ten to facilitate a collective service model, in order to deliver the best outcomes for children at the least cost to taxpayers.

Ms. McKeel noted that the schools' program is a pilot that involves bilingual staff. Ms. Savides responded that the family support workers would not be able to meet the academic needs, and she has honed in on the family-home connection.

Ms. McKeel said that the home-school counselor may be the position to be addressed by the collaboration.

Mr. Randolph stated that he would like for the Board to talk about a back-up plan in the event there are federal cuts to DSS, as they could be as much as \$1 million or 20% for FY18. He said that he would like them to be prepared in advance so they are not surprised in the middle of the fiscal year.

Ms. Savides said that she has consulted with liaisons at the state level, who gave her some good information about exactly what is at risk, and one of the funding streams at most risk are the social services block grant, which has been on the chopping block in the past but has survived. She stated that the total amount of federal money in FY16 was \$547,808, and it would be phased out if it were totally eliminated. Ms. Savides said the biggest program of concern is Medicaid, as it could be turned from an entitlement program to a capped block program, which would limit the program from growing, in terms of hiring staff to handle it. She stated that the concern is not having adequate medical insurance, which

could come from repeal of the ACA or capping Medicaid, because people who may have been eligible may not get the insurance, but that is different from funding of operations.

Ms. McKeel stated that there are many people who could be impacted by Medicaid cuts in terms of funding for nursing home placements, and she pushes back when she hears the term "entitlement," because people have paid into that system through payroll deductions. She said there are a lot of issues that could affect the County's budget over the next several years, and once they get through the budget cycle, they could have a discussion about this. Ms. McKeel noted that there has been significant tourism money lost already because people are not eager to travel to the United States, and that could have an impact on tourism money locally.

Mr. Dill agreed, stating that in the short term, they should be conservative with spending because they do not yet know the impact of these things.

Ms. Palmer asked if there was a legal maximum as to the amount of reserve the County can keep. Mr. Kamptner responded that he is not aware of a cap, as it is a political preference.

Ms. Palmer noted that there were best practices recommended regarding reserves.

Mr. Walker stated that they would be having a conversation about reserves later in this meeting.

Ms. McKeel said they would likely have more information in the next few months.

Mr. Randolph emphasized that they may not have the luxury this year to put this off, and they need to have something in reserves to address this. They would be well served to think about having a reserve of \$250,000 or more for social services in the event the feds cut funding.

Ms. Allshouse agreed to put it on the Board's list.

Ms. Savides said that a question had come up the previous week regarding JABA's request and DSS's request to upgrade a position, and explained that DSS's request to make that position full time is to meet the mandated service of providing pre-admission screenings, which JABA cannot do but DSS can. She stated that the Health Department has indicated that DSS is the only locality in the district that is not meeting the 30-day timeline for conducting the screenings, which is simply a result of the workload. Ms. Savides clarified that the request for funds for that position is to meet that need, which DSS and the Health Department are mandated to do together, which JABA cannot do.

- **Community Development**

Ms. Allshouse reported that the functional area of **Community Development** is a category of \$8.2 million, the majority of which is the Community Development Department. She stated that this is also where Charlottesville Area Transit (CAT), Office of Housing, and Economic Development are funded. She reported that the recommended budget has a **Community Development Department** increase of \$630,000 or 13.7% and includes funding to continue to support positions funded in FY17, as well as continuing contract positions associated with modifying the zoning ordinance and making a temporary records imaging position full time.

Mr. Walker stated that staff is also asking the Board to consider an additional neighborhood planner position, which is not included in this budget but reflects the discussion with the Board on the neighborhood improvement funding initiative, with this position focusing on issues related to the work of the CACs and development projects. He noted that Mr. Mark Graham was leaving this meeting to attend the Hydraulic/29 CAC meeting, as they would be discussing the Field School plan, and staff feels they need to provide technical expertise in addition to just community engagement staff.

Ms. Mallek pointed out that for three years, there were staff members assigned to specific neighborhoods, which worked very well, and she was glad to see this recommendation in the budget. Mr. Walker responded that it will enable the department to meet some needs but was not a panacea, as one staff person could not cover seven neighborhoods.

Mr. Randolph stated that this budget includes \$1.4 million for the CACs, and perhaps FY16 surplus could be used to cover this position, as one of the things they had discussed with the neighborhood initiatives program was the probability of CACs proposing planning-related projects. He said that perhaps the planner could be redeployed into another area as the small area plan is rolled out for Rio/29, as they would likely be implementing phase two in FY19, so this person would be project related instead of broad staff. Mr. Walker responded that the budget tries to find the right balance between one-time temporary support and ongoing support, and staff would work with the Board on resources to address all of the needs. He emphasized that this was not the time for staff to bring forward new positions, and this recommendation is an anomaly.

Ms. Mallek said she would like to add this position to the list.

Ms. Allshouse reported that the **Economic Development Department** does not have a lot of changes in this year's budget, and the changes are just adjustments to salaries and benefits, with a \$12,000 or 3.3% increase. She stated that there is \$550,000 in an economic development fund to be

established, and Ms. Catlin would also address an initiative resulting from the GO program that the City of Charlottesville has implemented.

Ms. Lee Catlin, Assistant County Executive for Community Relations, addressed the Board and stated that the Growing Opportunities (GO) program covers technical education, and after discussing MOUs with City Council, they had wanted to move this focus area to short-term initiative rather than leaving it as a long-term initiative. She stated that the City's GO program is focused on preparing City residents for entry-level jobs that have some career possibilities, and the City has several staff members who are staffing the downtown workforce center. Ms. Catlin said the program is entirely free for eligible participants, and the first phase was training of bus drivers, who were trained and then ready to pursue those positions, as a partnership between the City's office of economic development, CAT, and the schools. She stated that the County's program would also focus on self-sufficiency types of employment with job opportunities, and a first phase that would be focused on developing a pipeline for qualified school bus drivers, and both Human Resources and the County's school division were very excited about this program, as they currently have a need for 20-30 drivers per year in positions that have been challenging to fill.

Mr. Randolph stated that it is possible for individuals to train in the City's program and ultimately work in the County. Ms. McKeel responded that the County pays less than the City for those drivers, so it is unlikely they would switch.

Mr. Randolph suggested that they could use a market-driven approach and raise salaries.

Mr. Sheffield commented that the proposed school budget reflects an increase in the salaries for bus drivers.

Ms. Catlin said there are several ways they could approach this, and the program needs to recruit, screen, train, and mentor participants so they have a good chance of success in getting through the program and emerging with job readiness skills, so it needs to be a full-service program.

Mr. Randolph suggested that rather than creating an entirely separate program, the County could work with the City on the training program and try to increase salaries to make them competitive with the City. Ms. Catlin responded that she was not suggesting setting up an entire standalone infrastructure, and there is also a PVCC option as well as a City expansion option. She stated that PVCC is already well staffed to do curriculum, training, and obtaining federal grants to offset student costs, and they could set up two sessions of bus driver training with 10 participants in each one. Ms. Catlin stated that they would limit it to County residents who have resided in Virginia for 12 months or more, as required to draw down federal grant money, would be responsible for recruiting and screening participants, and would do a 7-8 week training program tailored specifically to County school bus driver needs. She noted that this would include driving skills as well as soft skills, such as child care, and PVCC could perform mentoring and tracking, with students graduating from the program with a Virginia Career Readiness certificate, a Class B driver's license, and a passengers safety certification. Ms. Catlin said that PVCC would time the training so that graduates would help meet the County's hiring needs for the following year, with a program cost of \$75,000-\$80,000 for the 20+ possible drivers. She emphasized that the County would not be setting up its own infrastructure, but would contract for a year to see if the results would be positive, and the economic development fund established would have adequate funding to cover those costs when the time was right.

Ms. Mallek suggested connecting through the workforce center, as there are funds for supportive services, such as childcare and transportation. Ms. Catlin commented that Mr. Ridge Schuyler at PVCC could use his resources to ensure that students get what they need.

Mr. Dill said that it is not a CDL license, and this did not really seem to fit into economic development as he sees it.

Ms. Mallek, Ms. McKeel, and Ms. Palmer stated that they did see it as economic development.

Ms. Palmer said she would like to see their economic development dollars go toward education.

Mr. Dill commented that they do not pay for other programs at PVCC for students to attend.

Ms. Mallek stated that the County makes a general contribution to PVCC. Mr. Dill responded that it is not from economic development, and it seems more like a CATEC-type training program than an economic development program, and they still have the Rio/29 small area plan to fund.

Ms. McKeel noted that they have not had an economic development fund to use until now.

Ms. Catlin said the City has had tremendous success in recruiting for this, and basically they are building a pipeline of employees for hard-to-fill positions.

Mr. Dill stated that he did not think there was a lot of sensitivity training built in, in terms of the population they would be dealing with, as it is more technical.

Mr. Sheffield explained that they have shaped the GO program to fill those gaps, and this program is preparing them to go into the job, which will also have its own training. He stated that JAUNT's participation in the good driver training program also involved UTS and CAT, and as the participants

came into employment, there was further training needed, including sensitivity in dealing with children, as opposed to driving elderly or college-age people. Mr. Sheffield said that 20-30 drivers is low, as JAUNT goes through about 50 per year, and the turnover can be high with pay of \$13-16 per hour. He stated that he was talking with an electric company who was having difficulty finding people to bid on projects, and often people come in from out of town to work, and the reason is skilled labor deficiencies, so there is a growing interest in partnerships with development companies in the area on training programs.

Ms. Catlin stated that in speaking with Ms. Valerie Palamountain at PVCC, they felt the bus driver program was a good one to start with since it had worked well for the City, and they could build pipelines for other trades in the future.

Mr. Sheffield said that in looking at government-level employment, those areas have the most turnover, and in the private sector, it becomes more difficult to coordinate and partner.

Ms. Catlin stated that staff could come back with more specifics and funding sources.

Ms. Palmer said the City had also mentioned partnering with them. Ms. Catlin responded that she has been trying to connect with Chris Engel in the City to find out more, and they would need to talk about the ability to control the curriculum, etc., but when staff comes back to the Board, they could discuss it further.

Ms. Allshouse reported that there are no real changes in the Office of Housing budget, besides the general salary and benefit increases.

Ms. Mallek commented that she hopes the voucher cap stays where it is and does not come down, as the voucher numbers have decreased over the years because the dollars have decreased.

Ms. Allshouse reported that with community development agency contributions, **CAT** has an increase of \$81,000 or 7.7%, which is the County's share of routes previously funded in FY17, with the increase resulting from personnel and fuel costs, with level federal revenues. She stated that the increases are basic, with formulas and the County's share of contributions. Ms. Catlin said the Thomas Jefferson Planning District Commission had requested \$6,000, which was put in the Department of Facilities and Environmental Services' budget, and there is a \$5,000 increase for the Rivanna Conservation Alliance associated with a bacteria monitoring program expansion.

- **Health and Welfare**

Ms. Allshouse reported that the **non-departmental category** includes contingencies and funding for future discussion, with this classification because no departmental placement has been decided upon yet. She stated that there is a total of \$171 million in this category, an increase of approximately \$12 million or 7.4%, and this includes the transfer to the school division, transfer to the capital and debt program, revenue sharing, other uses of funds, and water resources. Ms. Allshouse said there is a running total of revenue sharing with the City, which is increasing for the first time in six years, and the school transfer formula is also included to provide further transparency. She noted that the specifics for capital and debt program formula are also included.

Mr. Randolph asked if the local government and schools split the capital and debt-related expenses 60/40. Ms. Allshouse responded that it is split on how much debt occurs on a capital project and mirrors exactly what was borrowed.

Ms. Mallek noted that the payment all comes out of the CIP fund, which is fed from the year-end fund balance. Mr. Walker confirmed this and clarified that this is different from the transfer for operations, which is 60/40, and the debt service breakdown depends on which components of the capital program being funded by debt.

Ms. Mallek said that technically, this comes out of the local government side of the house. Ms. Allshouse reported that the transfer to the water resources fund would eventually be replaced with the storm water fees, and the fire/rescue fund is also tracked separately.

Ms. Allshouse reported that there was a lot of discussion about reserves and contingencies, and she would explain what is built into the recommended budget. She explained that there is a refund reserve of \$181,000 for tax refunds that might be realized; a salary and benefit reserve of \$333,000 to accommodate changes in salaries and benefits, including those resulting from reclassification of positions. Ms. Allshouse stated that there is also a salary and compression reserve of \$428,000 for the general government side, with the schools budgeted separately. She clarified that as those positions are identified, the funding is shifted to the appropriate departments.

Mr. Dill asked why the fire/rescue fund is not separated. Ms. Allshouse responded that there is a separate reserve for fire/rescue, but she is just providing the total impact. She reported that the early retirement fund is for health benefits for those who retire early, based on conversations with Human Resources as to what they anticipate to occur in FY18. Ms. Allshouse said there is also a training pool that departments compete for each year, and that funding is also moved to departments as it is assigned. She noted that there is also a fuel and utilities contingency that is assigned the same way. Ms. Allshouse stated that there is a general contingency fund, formerly called the Board's reserve, for unusual things that may occur in the year, and sometimes it is used for specific agency funding or balancing the budget,

but OMB considers it a reserve for unknown events. She said there is also a category of Board strategic plan priority support fund of \$100,000, which would be assigned to the DSS finding families program and for the Rivanna River Corridor Study. Ms. Allshouse stated that this came from the Board's two-year fiscal plan approval and could be assigned to other areas.

Ms. Allshouse reported that the neighborhood improvement program funding is \$1.4 million in one-time funding plus \$200,000 in ongoing funds for supporting those efforts, such as a neighborhood planner position or other soft costs.

Mr. Randolph noted that the \$1.4 million is surplus from FY16. Ms. Allshouse confirmed that it is being put in the FY17 budget as carryover, but the appropriation had not yet been approved.

Ms. Allshouse reported that there is \$275,000 in transformational initiatives, such as conversion of the copy center, a technology needs assessment for the County, and \$100,000 for a temporary project manager to oversee transformational activities.

Mr. Dill asked if there was a cutoff point at which the County Executive can add funding or the Board must approve it.

Ms. Mallek stated that up to \$50,000, staff can do fund transfers once the budget is adopted.

Mr. Dill said it seems like they should have some latitude with transformational initiatives.

Mr. Walker stated that there may be some latitude to use transformational resources once the broader category is approved.

Ms. Mallek emphasized that she would like to know when consultants are used, as there have been ineffective results in the past. She asked if the funding in this category is for a study of the copy center transformation, or actually doing it. Ms. Allshouse responded that staff feels it is the right thing to do, and this is the technical step of figuring out how to make the conversion.

Ms. Mallek said they did not need to hire someone to tell them how to buy a new machine.

Mr. Walker stated they can make the change, but he does not feel they have the technical expertise to convert a copy center into an imaging center, as they have never done it before. He emphasized that this is staff's best estimate of what will be required to make that change.

Ms. Allshouse noted that if they do not need it, they will not spend it.

Ms. Allshouse reported that the grants matching fund is assigned at \$100,000 per year, as it can leverage other resources to be drawn down.

Ms. Mallek asked if that amount was being spent. Ms. Kristy Shifflett, Grants and Budget Analyst, responded that every grant that requests matching funds shows that amount, and they have not yet hit \$100,000 but have probably used 75% of it, and any unused portion goes into the fund balance. She explained that some of the grants require 50% and others require a smaller percentage, such as DUI checkpoints.

Ms. Mallek said the Community Development Block Grants are a 1:4 match. Ms. Shifflett stated that most recently, those have not required a match and have been fully funded. She added that the County did provide \$30,000 for the VAFD IT grant.

Ms. Allshouse reported that when a fiscal year ends and there is an audit, they determine the general fund fund balance. She explained that they started with \$39,855,507 as an audited fund balance for FY15; in FY16 there were revenues and expenditures, then an audited fund balance for FY16 at \$47.9 million. She stated that the Board has approved policies to follow, with the first step being to sure up a 10% unassigned fund balance reserve, which is the general fund and school budgets, minus the transfer between them, and that number was \$31.3 million. She said the general fund school reserve fund can be up to 2% of the school's budget, and the number ended up under that threshold. Ms. Allshouse noted that any appropriation out of that fund must go to the School Board and then to the Board of Supervisors for approval. Ms. Allshouse explained that there is a category as committed and unspendable, which are things at the end of the year that are reserved per the Finance Department. She said there is also a rainy day stabilization fund, which the Board does not yet have a policy for but could be used for things like federal shortfalls. Ms. Allshouse noted that the amount has varied, and many jurisdictions have a policy for its use as well as stipulating it as a percentage of their budget, and staff feels that \$1.7 million is a good amount for current circumstances.

Ms. Allshouse reported that the subtotal of policy uses for fund balance are about \$35 million, which staff recommends holding onto, and in the FY17 budget, the Board has already adopted \$1.3 million to be held aside. She stated that they have also infused \$400,000 to the healthcare fund, and \$900,000 in other funds that are locked up for other purposes.

Mr. Walker said that an example of this use would be the County Attorney's Office and Community Development Department's need for modernizing the zoning ordinance and implementing the Rio/29 small area plan.

Mr. Dill asked where the return goes from investing that money. Ms. Allshouse responded that the interest goes back into the general fund and grows as a line item of revenue that is reprogrammed into the next fiscal year's budget.

Ms. Allshouse explained that the policy use and appropriated use is subtracted, which leaves \$9.9 million for the budget, and staff has recommendations for its use in FY17.

Mr. Andy Bowman, Senior Budget Analyst, noted that the largest category of expenditure was zoning ordinance modifications as described by Mr. Walker. He said there were also reappropriations for equipment that was ordered in the previous fiscal year but received after July 1 in FY17, so those are just accounting details.

Ms. Allshouse reported that staff's recommendation is to transfer \$5.2 million to the CIP for pay/go equity in the CIP.

Ms. Palmer noted that several years ago, there were three pennies allocated to the CIP. Ms. Allshouse confirmed that this was a policy goal, and they would be talking about this more when they discuss the CIP.

Mr. Walker said that use of one-time monies for this purpose is a good start.

Ms. Palmer asked how the referendum affected this amount. Ms. Allshouse responded that it did not have a direct effect, but it did make staff want to put equity in.

Mr. Walker stated that the decision to borrow all the money to avoid a future interest rate increase had a corresponding impact on having more money available, so the opportunity to infuse cash into the CIP has an effect, and there is a long-term benefit to taxpayers to pay less interest on what is borrowed, and also incur less debt by using more cash.

Ms. Allshouse said they would discuss this in more detail when they address revenue and debt. She stated that in the FY18 budget, there are one-time contributions for items that total \$1.6 million, including the DSS finding families item, the Rivanna study, the economic development fund, fuel and utilities, grants matching, the innovation fund, and one-time costs for new positions such as police officers.

Ms. Allshouse stated that there are 17 other funds, such as Bright Stars, proffers, tourism, etc. She said that on March 2, they will discuss CIP and debt, with the tax rate for advertisement finalized on March 7, as well as further discussion of items on the Board's list. She stated that they would also have the work session on March 28 and a public hearing on April 11.

Agenda Item No. 7. From the Board: Matters Not Listed on the Agenda.

Mr. Randolph stated that there would not be a bike event on June 3 as planned, but they would be doing an informal 33-mile ride.

Ms. Mallek said she is distributing the environmental, land use and energy committee items from the NACO meeting, which will be formally adopted at their official meeting.

Ms. McKeel stated that she had requested of Ms. Catlin a copy of the letter that appeared in the paper to be circulated to A-mail subscribers.

Agenda Item No. 8. From the County Executive: Report on Matters Not Listed on the Agenda.

There were none.

Agenda Item No. 9. Closed Meeting (*if needed*).

There was no need for an additional closed meeting.

Agenda Item No. 10. Adjourn.

At 6:04 p.m., the meeting was adjourned.

Chairman

Approved by Board
Date: 07/05/2017
Initials: CKB