

FY17 BUDGET WORK SESSION Summary
March 2, 2016
6:00 p.m.

Present:	Board of Supervisors (BOS)	School Board (SB)
	Phyllis Randall, Chair Ralph Buona, Vice Chairman Kristen Umstatted Ron Meyer Matt Letourneau Koran Saines Suzanne Volpe	Eric Hornberger, Chairman Beth Huck Jill Turgeon Tom Marshall Eric DeKenipp Joy Maloney Brenda Sheridan Jeff Morse
Absent:	Tony Buffington Geary Higgins	Debbie Rose

Call to Order

Chairman Randall, Board of Supervisors, called the March 2, 2016, FY 2017 Budget work session to order.

FY 2017 Work Session Process and Schedule:

Phyllis Randall (BOS – Chairman, At-Large) stated that Board members had been provided a tentative schedule for topics to be covered in the upcoming worksessions in their packet. She further stated that for this worksession, there would be no motions made other than the motion to begin deliberation of the FY17 Budget. The meeting would be an overview of the worksession and toteboard process by County staff followed by a discussion of the Loudoun County Public Schools (LCPS) Capital Improvement Program (CIP) and Operating budget with LCPS Board members and staff.

Budget Office Update:

Erin McLellan, Management & Budget, updated the Board on the packet process and explained the tote board.

Chairman Randall moved that the Board of Supervisors begin the budget deliberations and the appropriation budget proposed by the County for the FY17 budget. Seconded by Vice Chairman Buona. The motion passed 7-0-2, Supervisors Buffington and Higgins absent.

LCPS CIP: Discussion of Scenarios

Questions from the Board of Supervisors on FY 2016 LCPS CIP

Matt Letourneau (BOS – Dulles) requested more information on the School's priorities for capital facilities.

Eric Hornberger (SB –Chairman, Ashburn) explained that in the Dulles area, there were larger class sizes than other areas of the County. He stated the largest school had approximately 46 classrooms and the second largest had 43 classrooms. The classroom additions would enable LCPS to add an additional three classrooms to the schools with 43 classrooms (three in Dulles south and three in Dulles north). This need is due to existing overcrowding.

Mr. Hornberger noted that LCPS did not have much inventory of modular classrooms to use when needed. The modular classrooms were purchased many years ago and were beginning to show signs of wear.

Matt Letourneau (BOS – Dulles) asked if the design and construction funding for HS-9 was a concern and should it possibly be moved up in the list of ranking (currently #7) to either the FY18 or FY19 Budget.

Eric Hornberger (SB –Chairman, Ashburn) stated that HS9 was ranked seventh and it was critical; however, it was not as much of a priority on the list because there currently was no site for it. The prioritization list put forward listed items first for which sites exist.

Koran Saines (BOS-Sterling) asked if the insurance of the Naval Junior Reserve Officer Training Corps Facility at Loudoun County High School renewal is open to all Loudoun County students. Eric Hornberger (SB –Chairman, Ashburn) replied that yes, it was a Countywide program.

Kristen Umstatted (BOS-Leesburg) asked why accelerated funding was needed for MS-7. Jill Turgeon (SB-Blue Ridge) and Jeff Morse (SB-Dulles) responded that while the discussion on possible early appropriation was occurring, the impact of a newly endangered species, known as the Northern Long Eared Bat, became apparent. In order to possibly meet a fall 2018 opening, initial land clearing activities must commence in April 2016 to avoid interruption to the Northern Long Eared Bat's natural habitat. In order to begin the land clearing activities in April 2016, it was necessary to appropriate funds earlier than originally anticipated.

Suzanne Volpe (BOS – Algonkian) asked what would become of the space currently housed by the Academies of Science (currently at Dominion High School) when it moved to the Academies of Loudoun space. Eric Hornberger (SB –Chairman, Ashburn) stated that it would possibly be used for regular classrooms or continue as a science lab.

Ron Meyer (BOS-Broad Run) wanted to confirm that the Broad Run District would not suffer

overcrowding issues due to the delay of ES31 by one year. Jill Turgeon (SB-Blue Ridge) responded that more research into the current enrollment and projected enrollment would be necessary to answer the question.

Ralph Buona (BOS – Ashburn) asked if it was appropriate for the Board to keep ES31 construction money in FY17 knowing that it would not be built in FY17 and would it be better to fund it partially in FY17 and partially in FY18. Joy Maloney (SB-Broad Run) responded that they were certainly open to exploring that option. It normally takes two to three years to build a school and a site has not yet been purchased for ES31.

Phyllis Randall (BOS-Chairman) inquired about building maintenance and the rodent problems in some Schools and how to get the problem resolved. Jill Turgeon (Blue Ridge) explained that the Schools have a contract with a pest management company to alleviate the problem.

Phyllis Randall (BOS-Chairman) asked if there was an alternative infield to turf fields and if so, could staff research the cost of such an alternative. Jill Turgeon (Blue Ridge) stated that the crumb rubber fields and alternatives were on the agenda for the Joint Board of Supervisors/School Board Committee meeting scheduled for Friday, March 18, 2016.

Phyllis Randall (BOS-Chairman) asked what the life span of modular classrooms were and the cost to maintain them. Eric Hornberger (SB –Chairman, Ashburn) stated they limit the number of times a modular classroom is moved in order to extend the life. He further stated they would research the cost of maintaining a modular classroom versus a constructed classroom.

Phyllis Randall (BOS-Chairman) asked for clarification on schools whether schools were charging other schools for turf field use. Jeff Morse (SB-Dulles) responded that was not accurate. He said schools have applied fees to outside organizations for use of the fields, but when it was a school to school use, there was no fee.

Several Board members stated they understood some schools were paying to use turf fields at other schools. Eric Hornberger (SB –Chairman, Ashburn) stated staff would research the issue and provide a response to the Board.

Suzanne Volpe (BOS – Algonkian) asked School Board members which they felt was more important, addressing overcrowding issues or implementing full day kindergarten. Eric Hornberger (SB – Chairman, Ashburn) stated that he felt the majority of School Board members would agree that programs currently being provided need to be addressed before adding new services.

Ron Meyer (BOS-Broad Run)-asked how quickly construction could begin on ES31 once a site was secured. Eric Hornberger (SB –Chairman, Ashburn) responded that he would submit the question to staff and provide a response to Board members.

LCPS Operating Budget:

Questions from the Board of Supervisors on FY 2017 LCPS Operating Budget

Matt Letourneau (BOS – Dulles) asked about the attrition rate of teachers, teachers going to Fairfax, the true salary increase (i.e., is it 2.2%?), and the scale adjustment. The County Administrator proposed a 3% per payroll increase for the County; Mr. Letourneau stated he will vote for a lesser amount. Mr. Hornberger and Ms. Turgeon referred to Charts 19 and 20 in the Supplemental Packet which explained the increases, discussed the VRS 1% deduction and the point at which teachers are leaving the system. Mr. Hornberger stated that 30% of teachers lived outside of the County a few years ago and that the County and Schools bids for insurance are done jointly although the benefits operate slightly differently.

There were also discussions on the \$1M increase in the Assistant Superintendent's Office due to restructuring, computer equipment expenses, recent increased bandwidth, and updates by Verizon. Answering Ms. Volpe's question regarding purchase vs. leasing buses, Mr. Hornberger stated that the Schools are not purchasing as many buses as they use to, that they have replacement buses, and that they replace buses at 175,000 miles instead of the industry standard of 150,000 miles. He discussed the cost avoidance of \$18M plus over the next four years.

The Boards discussed boundary line adjustments and maximizing capacity at schools.

They also discussed fluctuations of nutrition spending due to staff fluctuations adjusted to economic conditions and that lunch costs are revenue neutral.

Ron Meyer (BOS-Broad Run) asked why the Board can't get a prioritization of discretionary items from the School Board. School Board members explained the process of delivering requests in accordance with State Code, making decisions based on prioritizations, School Board members and staff different views of prioritizations, the many moving parts and points of view and complexities of the operational budget. It was stated that since Dr. Williams started, budget transparency has increased. Dr. Williams shared some of the School's enhancement requests including big ticket items such as kindergarten and changes to compensations. ***Ms. Maloney will forward the communication of a priorities list to the Joint Board.***

Ralph Buona (BOS – Ashburn) discussed starting the budget process at the \$1.13 tax rate, issues of growth and salary requests, the School's enhancement request and stated that the tax bills are due to be mailed in six weeks. Mr. Hornberger stated the Schools assumption is to begin with the equalized tax rate and that they know there are tradeoffs and that they may need to reallocate according to the budget rate set.

Phyllis Randall (BOS-Chair) stated that she thought School staff were going to be present tonight and not the School Board. She apologized for the room setup. Chair Randall also addressed the ranking of Loudoun students, acknowledged that the School has done well with less funding, that teachers often fund expenses from their own pockets and that non-profits are stepping up with programs. She also addressed funding in the past years and funding this year.

The Boards discussed the consolidation of common departments. The Joint Committee and the Government Reform Commission have looked at consolidation of services in the past. ***The Joint Committee was requested to look at possible collaboration on commonalities and opportunities of efficiencies.***

Jill Turgeon (Blue Ridge) stated that special needs service is growing and that when the budget was fully funded last year, it did not mean that all the School's needs were funded.

Phyllis Randall (BOS-Chair) asked when the last time the School's had an audit. Mr. Hornberger stated that an audit is performed every year by an outside agency and that the Schools are in great shape. Chair Randall asked if there would any cost savings in an efficiency study. Ms. Turgeon stated that Dr. Williams has done a wonderful job of looking at efficiencies and she provided examples of where the School established efficiencies.

Matt Letourneau (BOS – Dulles) addressed Chair Randall's comments regarding Board fully funding the School's budget during an election year. Mr. Letourneau said he would like to look at the Landfill's tipping fees and said he doesn't understand why contracting trash services isn't cheaper than our current system.

Ralph Buona (BOS – Ashburn) stated that the Schools and the County do collaborate on areas such as the ERP system and transportation and that they looked at combining procurement functions. He stated that there were good reasons when some areas were not combined such as the different codes.

The Boards thanked each other for their time and efforts.

Adjourn

Chair Randall adjourned the March 2, 2016 budget work session at 9:53pm.