

Appendix

The Board of Supervisors of King William County, during their meeting of March 28, 2016, approved the minutes of the February 23, 2016, Joint Budget Work Session with the King William County School Board, prepared by the School Board Clerk, being incorporated into the Board of Supervisors minutes. Said minutes are as follows:

February 23, 2016

The Joint Budget work session of the King William County School Board and the King William County Board of Supervisors was held at Hamilton Holmes Middle School on Tuesday, February 23, 2016 at 6:30 p.m. The following members were present:

School Board

Mrs. Kathy H. Morrison, Chair

Mrs. Lindsay M. Robinson, Vice-Chair

Mr. Donald B. Longest, Jr., Board Member

Mr. Bryan K. Major, Board Member

Mr. Steven M. Tupponce, Board member

Mrs. Stacy Johnson, Interim Superintendent

Mrs. Tinya Ryland, Lead Director of Human Resources

Dr. Stanley Waskiewicz, Principal, King William High School

Mrs. Beverly Young, Principal, Hamilton Holmes Middle School

Mrs. Shelley Nester, Principal, Acquinton Elementary School

Mrs. Rachel Ball, Principal, Cool Spring Primary School

Mrs. Cathy P. Edwards, Clerk

King William County Board of Supervisors

Mr. Stephen K. Greenwood, Chair

Mr. Travis J. Moskalski, Vice-Chair

Mr. Robert W. Ehrhart, Board Member

Mr. David E. Hansen, Board Member

Mr. William L. Hodges, Board Member

Dr. Ken Griffin, County Administrator

Approximately forty-five other people were in attendance.

Mrs. Kathy Morrison, Chair, called the meeting to order.

Mrs. Johnson, Interim Superintendent, proceeded with presenting the 2016-17 school budget and shared it was developed with a "kids first" mindset.

Mr. Ehrhart, Board of Supervisors Member, said that the presentation shows categories with dollar amounts and asked when more breakdowns/details would be available. Ms. Stickley explained that at this point it is earlier than usual in the budget process and final numbers have not been developed yet. Last year an earlier budget was set up due to administration at the county level. When final state revenue figures are available, the details will be filled in.

Mrs. Johnson shared that March 7, 2016 is the target date to have budget numbers from the state.

Mrs. Morrison, School Board Chair, shared that a document was put on the school division website discussing the possibility of a \$5 million cut to the 2016-17 school budget. The School Board felt that the community needed to know the worst case scenario concerning possible budget cuts. Mr. Hansen, Board of Supervisors Member, shared that on February 12th a document was put on the King William County Schools website and talked about a \$5 million reduction from the county to the school budget. Mr. Hansen asked where the figure came from. Mrs. Morrison said she attended a budget work session at the Board of Supervisors meeting on February 8, 2016 and heard the phrase minimum funding to schools used. As the Board of Supervisors talked about things there were concerning them and what they wanted included in the discussion. Mrs. Morrison said that Mr. Greenwood, Board of Supervisors Chair, was preparing his list of items and the language alarmed the School Board because the wording used was minimal lump sum distribution that needed to be discussed. Mr. Hansen asked if it said \$5 million. Mrs. Morrison said no and that she knew from being a school board member what that wording means. She said she was

also very familiar with the SOQ (Standards of Quality) language and no, Mr. Ehrhart did not say SOQ but he did say minimal level funding. The schools have been fortunate in the past to have a Board of Supervisors who gave us money over and above the required amount from the state. That information was alarming and the school board needed the community to know that this could be a potential problem for the budget presented. The School Board decided to communicate the information of what could happen, the worst case scenario of what might happen because the schools have state and federal mandates to fulfill first and then the locality helps with the things that are not mandated. Mr. Hansen said he appreciated the clarification of what could happen if the budget shortfalls took place. Mr. Hansen shared that information was shared at this same budget meeting that the school board has the final say in how all funds are spent for the school division. Mrs. Morrison said the Board of Supervisors appropriates the money that the schools receive and the school division decides how those funds are spent. Mr. Hansen asked if there was any kind of reduction in appropriated funds, were the areas mentioned the areas that the schools would do. Mrs. Morrison said not necessarily. Mr. Tupponce, School Board Member, shared that Mr. Hansen's comment was correct by saying the Board of Supervisors appropriates funds to the school division. The State of Virginia, through the Standards of Quality, states what King William County Schools has to provide as minimum effort funding. The school division has to meet those requirements and fulfill every one of those obligations as outlined within the SOQ. Hypothetically speaking, if there were a reduction of \$5 million to the local school system budget that would set the school system's budget at a minimum level funding by SOQ's. This means the only things that the King William County School Board could fund would be what is defined within the SOQ's. The items listed in that document are not in the SOQ's. They are all over and above the SOQ's. If the

school system is cut to minimum local funding or minimum effort, then the Board of Supervisors are by proxy cutting those items because they are not mandated by the SOQ's. If the locality wants to fund above the SOQ's those items, that is the localities choice. If the locality chooses not to fund those items, then those items don't happen. If it's a minimum effort, then by proxy you have cut those items. Mr. Hansen said he apologized if he confused Mr. Tupponce, but the School Board are the ones who came up with the \$5 million number, not the Board of Supervisors. Mr. Hansen asked why the letter was pulled down from the website within a couple minutes of putting it up. Mrs. Morrison said she pulled the letter down by request from Mr. Ehrhart. Mr. Hansen asked if it was pulled down because of advice from the school attorney. Mrs. Morrison said no. It was pulled down because of the request from Mr. Ehrhart in an email. Mrs. Morrison said she was pretty certain Mr. Hansen was also copied in that email. Mr. Hansen apologized to Mr. Tupponce and said he had nothing to do with this \$5 million decrease of funding and never said anything like that. Mr. Hansend said If that presents any confusion on your part, he understands that. Mr. Tupponce said to Mr. Hansen we can play games all we want but you know exactly what was asked was minimum effort and everyone can read between the lines. The citizens of King William are not foolish. You can stand there and speak as you wish; duly noted that is your prerogative, but the facts are the facts and when you boil it down, it comes to \$5 million based on the language of the request. The schools are required by law to fund the SOQ's first. Mr. Hansen said that he respectfully disagreed. Ms. Stickley said that when the term minimum funding was used, the only organization that sets the minimum is the state. When you say minimum funding, that is part of the state SOQ. When you look at the state SOQ and compare it to what the budget is now, the difference was over \$5 million. So even though the Board of Supervisors didn't explicitly say \$5

million, minimum funding was said. The only government that sets the minimum is the state. When we compare that state minimum to what our current budget is, that number came out as over \$5 million. The school division didn't make it up. It was a calculated number using the state's number and SOQ's. Ms. Stickley said maybe that will help answer the confusion you may have on the \$5 million and hopefully she was able to provide some insight. Mrs. Morrison reported to the audience that last night the draft budget for 2016-17 was presented by the county administrator, who recommended level funding for the school division budget with the removal of the debt service payment, which is going down in 2017. It's a reduction in debt service and does not affect the school division operation. Any other reduction would possibly affect the operation depending on what it was. The School Board feels very good about the proposed recommendation and now the Board of Supervisors have their opportunity during the month of March to meet many times and also have an all-day session where they speak to people from every department and talk about the budget and they ultimately make their recommendations to the county administration. There is a public hearing on April 4, 2016 on the proposed budget and then the Board of Supervisors adopt the budget at the end of April or early May. The process is long and intense and there is lots of opportunity to ask questions. But the School Board was pleased with the recommendation from the county budget and thank you for that. Mr. Hodges, Board of Supervisors Member, asked for the cost of the five new positions. Ms. Stickley said she could give an estimate of the cost of the new positions. Mr. Ehrhart said this rhetoric was not doing anyone any good but he wanted to be clear. The Board of Supervisors did ask the question minimum funding but there was never a reference to SOQ's. There was never a reference to \$5 million. The School Board all assumed that and we know what the reference to assumptions are. But the Board of Supervisors never made

that statement so let's acknowledge that and move on so we can get to the business of discussing this budget, which is why we are here. Mrs. Morrison said we have moved on and the school division is presenting our budget tonight and thanked everyone for coming and being a part of the process. Mr. Hodges asked if there was a reduction what percentage of the \$10.6 million would it begin to affect the other matches from the state. Ms. Stickley said there is some money that we receive that is a separate match. There is some money that is an overall maintenance of effort above basics. She would have to do some more research to get that number. She said that there are programs within the school division that require going above and beyond to meet the needs of the students. Mr. Ehrhart said that in the conversation subsequent to the email reference this is where he was going with this and had asked Mrs. Six if she could assist them in developing a number for that information. Mrs. Morrison said minimal level lump sum distribution was the trigger word. Mr. Ehrhart said he accepted the explanation. Mr. Ehrhart said that whatever the verbiage, the intent was to find out what that reduction equates to. Mrs. Morrison said that Ms. Stickley would have that information. Mr. Longest, School Board Member, said that it's hard to try to determine what needs to be cut until we have the final numbers. Mr. Longest said the Board would look at whether to shave salaries, give no increases, and programs and positions to be cut. It is really hard to get further along until we have some good firm numbers. Mr. Hansen said that it's his understanding since the state is proposing to add \$630,000 to the budget, why not ask the Board of Supervisors to give the school system more money? Mr. Hansen said if you have it justified from the state that you need an additional \$630,000, why not ask the county to come up with more money? Why do level funding? Mrs. Morrison said the school division did a needs-based budget based on the money from the state and we were able to manage it so we could do level funding for the locality. We chose

not to ask for new money from the locality. That is the school division's prerogative how to handle it. We would use the state money. Mr. Hodges said he appreciated us taking the money from the state. Mr. Moskalski, Board of Supervisors Vice-Chair, said the localities have been the ones maintaining the effort because the state as they have demonstrated in this presentation. When the economic collapse happened, they disappeared from their responsibility as far as public education. We have heard the numbers about where we rank in state funding for public education near the bottom despite the overall effort of the state. It's been the King William locality that has stepped up to keep the schools at the level we want them at. He said he thought it was admirable that the School Board understands that the county has been the ones carrying the brunt of the load for the last nearly ten years and now we have the opportunity where the state is finally coming around and giving funding to education. Not as much as they probably should be. Mr. Tupponce said that across that time the school division has only received two increases so we are doing what we can with what we have. Mr. Moskalski said that even those increases have been dwarfed by the state reductions. Mr. Tupponce said the school division is accomplishing what we accomplish by being as frugal as we can and with some of the things we have in the presentation like the focus on energy reduction. When the economy tanked and the federal government was handing out ARRA money, the school division used ARRA money to continue operations. We looked at the ARRA money and said what can we do in King William County that is a one-time cost that will help us drive down costs in the long-term. So basically we reduced our run rate. We looked at electricity. We went through and retrofitted lights within all of the schools and we were able to drive down our electric bill. We have saved over \$700,000 in 6-7 years. The school division is looking at things such as that to drive efficiencies into the school system. It's a

continual improvement process. We are never satisfied with where we are today from an efficiency stand point. If we can find efficiencies we are going to implement those efficiencies so through this budgeting process, the state has stepped back up to the plate to say we are going to make an investment back into K-12 education in the Commonwealth of Virginia. With that, the school division is coming to you saying we don't need additional local funding at this point. When the school division starts getting into discussions later on about the renovation of Hamilton-Holmes Middle School that is in our Capital Improvement Plan and this school is in dire need of some renovations. We don't need to ask for operating increases from the locality when we know that we may be looking at a capital project that is going to have to happen. We're trying to be fiscally responsible as a school board and contain costs as best we can because we understand the position that the Board of Supervisors are in. Ms. Stickley shared that the newly proposed positions were instructional positions costing \$335,000 excluding the technology position. Mr. Hodges said that in dealing with Hamilton-Holmes he hoped that we at least had some funds to keep the school from being uninhabitable. The bricks were falling off at one point back there. Mr. Tupponce said we're not at that point. Mr. Ehrhart said he was going to kind of go the polar opposite of where Mr. Hansen just went. If the school division is looking at level funding, why not expand that beyond the local? If we are getting \$630,000 from the state, why can't we offset that on a local level? Why can't there be a reduction in the amount that is funding locally? Why not have level funding across the Board? Mrs. Morrison asked if Mr. Ehrhart was saying that the school division not accept the state money? Mr. Ehrhart said no. If the school division gets \$630,000 from the state, why can't the Board of Supervisors reduce the amount of local money that is put in? Ms. Stickley said she had several responses to that. First of all, the school division would like to give employees a much

deserved raise this next year. That takes additional funding. We will have an increase in health costs next year and we would like to add back some of the forty-four positions we have cut. The other item is that part of what is coming out of the budget and some of this additional money from the state cannot be supplanted locally. Part of the K-12 funding may have prohibitions against offsets of decreases in local contributions. In other words, they want level or an increased local effort; maintenance of effort is what they call it. Mrs. Morrison said that on page 19 of the budget presentation it gives you the increase and the decrease in our projected budget compared to our budget for this operating year and that may give an idea of what is needed in addition to what the school division already has this year. The locality is not responsible for the additional money. That's how we are using the state funds. Mr. Hodges said if the \$10.6 million is reduced it could affect the increase received by employees. Mr. Tupponce addressed Mr. Ehrhart's questions and said that he may be speaking out of order and is only one man's opinion on the school board side. The House budget actually came out for K-12 with a slightly higher increase in funding than what the governor proposed and with that there was some changes to the lottery funds where they are reintroducing some of the lottery funds based on ADM (average daily membership) that would be divvied out to the localities based on the membership within each school division and the House is looking at potentially using those funds to ease the burden on localities is some of the language that has been used. If that does pass through the House, he is open to having a reduction in the local share based on the House language saying that they're providing additional money over and above what the governor provided to ease some of the burden on the locality and thinks that would be appropriate if that's what truly transpires. Mr. Ehrhart raised a question about the slide concerning ADM. He said he does a lot with numbers and looking at what is on the website and what can be

extrapolated. If we use ADM numbers, and this is not a discussion about whether to use ADM numbers or whether to use Weldon Cooper numbers, we have a large home school population up in the fifth district and those folks are students but they are included in the ADM but they are not included. The Board answered that home school students are not included in the ADM (average daily membership) figures. Mr. Ehrhart said sorry then, the other way around. Mrs. Morrison asked what do you mean the other way around? Explain what you're thinking. That's an important distinction. Mr. Ehrhart said there is a different number as far as school aged students on the superintendent's report vs. what Weldon Cooper has on their site. Ms. Stickley said that the Weldon Cooper figures for student numbers are an estimated number (not actual) forecast of school aged children in the county. The ADM numbers are an actual factual count of how many children are enrolled in the school system. Mr. Ehrhart said that as far as the number calculations he agrees with the numbers that are up here. He said his dilemma is on these when we look and have a similar comparison; King William and Dickenson County both have within twelve student pupils within the ADM. The calculations you see up there are very similar in terms of King William and Dickenson. The money is very similar. The difference comes in on the local share and this is where he is coming back home to. If you look at how much King William puts in locally, we're putting in about \$3 million more out of local tax payer money to fund our schools compared to another school and that's where his focus is. How can we save money locally without compromising the quality education? We put a lot of money in locally. The composite index for King William is .31 and the composite index for Dickenson is .27. School Board members and Ms. Stickley commented that percentage is a big difference between the two counties. Mr. Ehrhart commented that .04 is a big difference? Ms. Stickley said yes, it is a percentage. When you have for example \$15

million, 4% of \$15 million – that's a big number. Mrs. Morrison said that what Mr. Moskalski said about the locality making up the difference, that is the case. Our local composite index gives the ability to pay and the locality will help us with that with their contribution. Mr. Hansen said he had the opportunity to look at the Virginia Department of Education salary survey for 2014-15 which was put on there on January 14, 2015. It says on that document that the King William County Schools line 050, that in 2013 the average salary in this whole county was \$44, 817, in 2014 it was \$48, 618. In 2013-14, that was an 8.48% increase. Ms. Stickley said she can tell exactly why that is. Mr. Hansen said to please let him complete. Mr. Hansen went on to say it also says here that in 2015 the average budgeted teacher salary was \$50,261, a 3.38% increase. The same document from the Virginia Department of Education states at King William High School the average teacher salary is \$52,764. At Hamilton-Holmes, the average teacher salary is \$48,403. In Acquinton, it is \$48,232. In Cool Spring, it is \$49,258. Are those accurate figures? Ms. Stickley said they sound very accurate. Ms. Stickley asked Mr. Hansen what are your concerns? Mr. Hansen said he just wanted to know what the average salaries are because you are asking for a 2% increase this year and received a 3.38% increase last year and it looks like almost a 12% pay increase since 2013. Ms. Stickley said that is inaccurate information. Mr. Hansen then said the school division wants another 2% this year. Ms. Stickley said that is inaccurate and let me tell you why and you wouldn't be able to know from looking at those documents and I am going to give you the information you need so it makes sense. VRS made the schools mandate to increase our salaries by 5%. That occurred as 1% in FY13 and as 4% in FY14. We were mandated to increase teacher salaries 5%. Why? Because then the employees had to take 5% of their salary and put it in VRS. This was so that new employees coming in would start to put more into the system from their salaries. When

you see an 8% salary increase, that's not a net salary increase. The salary went up 5% but they were taxed on that 5% with FICA taxes and then they had to turn around and put 5% into the VRS. So if they had an 8% salary increase, the actual net salary increase after the VRS deduction would have been less than 3%. Mr. Hansen said that in the presentation under salary increase #2, during the past seven fiscal years employees received no raises in three of those years and the remaining four years wages were received between 2 plus 2.5% so Ms. Stickley is just helping to clarify that this statement may not be accurate. Ms. Stickley said no it was absolutely accurate and she stands by it. Mr. Hansen said that the pay raises didn't go into the employee's pocket. It went into basically an offset of the health insurance and those items. The Board commented no, that it went into VRS, the Virginia Retirement System. Mr. Tupponce said the House of Delegates passed this somewhere in the eighties when the state was unable to give a raise. The state decided to at that time, they decided to contribute 5% on behalf of the employees of the State of Virginia and it also went to the teachers and that is how the state was able to give a raise in that particular year so they started contributing 5% on behalf of the employees. Back in the 2013 time frame, the House of Delegates then decided that they no longer wanted that model based on VRS recommendations so through legislation they said that all localities, all school systems and all state employees had to then start contributing to their VRS. They said that all employees had to contribute 5% and the way that they did it was they gave everybody a raise with one hand and they took it with the other. It was a shell game by the House of Delegates that then inflated salaries to make the state look better and even from our perspective the teacher salaries looked better towards the national average. Mr. Moskalski said it actually resulted in lower net take home. Mr. Tupponce said the House of Delegates passed it to make salaries look better on paper but the net effect

on teachers and state employees was they actually had less in their paychecks. Mrs. Amanda Six, Director of Financial Services for King William County, said county employees also had to contribute and the county also had the choice to either do it in a lump sum of 5%. You could do 1% over five-years or anything in the middle like the schools did with 1% and 4%. But they are exactly right. Mrs. Six said when we went through it we had to do calculations where you had to give over a 5% raise to the employee if you wanted their pay to stay the same. Mr. Hansen said that he apologized that he did not know that issue but he is absolutely in support of the classroom teachers and the aides getting a 5% increase. He is absolutely for that. Mr. Hansen then said he would sit back and listen to the rest of the presentation and that he was firmly in agreement that should happen. The classroom teachers and aides deserve every penny they get and more. Ms. Stickley said that she believed every one of our employees is critical to our mission and believes every one of our employees deserves to have cost of living and step increases. Mr. Hansen asked what a two-step increase was for a classroom teacher. Ms. Stickley said it depends on where they are on the scale. Mr. Hansen said to use the average of \$50,000. Ms. Stickley said she would have to pull that information because there is a different amount between the steps. The steps go anywhere from a ¼% to 2% depending where employees are on the scale. She can't really give an average unless she pulls up the information and looks where everyone is. Mr. Hansen asked if a step was based on education and years in school. Ms. Stickley said the steps are based on years of experience. Mrs. Morrison said that the School Board believes very strongly in giving all employees a raise because it takes everyone to accomplish the mission and that's taking care of our children so they have a high quality education. Cafeteria workers, bus drivers, aides, maintenance, bus garage for keeping the buses running and all the teachers in the

classroom no matter what their responsibilities are as well as the people in our offices who handle day-to-day situations very capably and our administration all deserve raises. The School Board believes everyone deserves a raise so we appreciate the Board of Supervisors' support in that regard. Mr. Tupponce thanked Mr. Ehrhart for a comment he made last night (February 22nd) about teacher aides salaries. It caused Mr. Tupponce to go out and do some research today and even though we are paying somewhat of a market rate with some of our area school divisions and some other areas we're not. It may be an opportunity to take a look at this we are looking at giving a raise and that may be an additional area in the budget that we want to take a look at because we are slightly below market rate. Mr. Stephen Greenwood, Board of Supervisors Chair, said he wanted to bring attention and a point of clarification to the new board members. The only members left from the old Board of Supervisors are Mr. Moskalski and himself. The staff, the supervisors, everyone's gone. The new board doesn't know what happened. The county had to go through this too. It's not just the school board. The county had to do the exact same thing for all the county employees. We had to do salary compensation, we had to do the Virginia Retirement System because the exact same thing happened. We had to bump up county employee salaries and then make them pay into the Virginia Retirement System. The new members may not know that happened but we had to do that in our term there are new members here now. The county administrator, the finance position, and new supervisors might not know what we had to do. Mr. Hodges said he knew because during his last year when he retired he had to pay 5% and they gave 5%. Mr. Greenwood said he just wanted to bring that up to everybody because it wasn't just the school board. Mr. Greenwood asked if they could receive a breakdown of the \$335,000 for the new positions. Do you have a total of what the salary increase would be on the

new positions? Ms. Stickley said she could provide that information later. Ms. Stickley said they are such big numbers right now and are so general. Mr. Ehrhart made reference to the .04 on the \$15 million budget amount would be about \$600,000. The county would still be putting in \$3 million more than Dickenson County. We're still putting in \$2.5 million more than Dickenson of local money. \$600,000 is still a lot but it's still only a 1/5 comparatively of an equivalent size school district. Mrs. Morrison said one of the things we wanted to share last night was what is being achieved for your investment and she hopes that everyone heard all the many aspects of King William County Schools. Mr. Ehrhart said we have heard it tonight during the presentation as well. Mrs. Morrison said the county is giving the school division more money but are getting a tremendous return on the investment and it's what our community wants. We talked a lot in the fall about the satisfaction of our parents and how they support the school system. Mrs. Morrison said she thought the Board of Supervisors saw more of that last night. The county is getting a return on the investment. Mr. Hansen said he appreciated giving this much detail. It was an educational experience for him but the bottom line is it's the school division's money to spend once the Board of Supervisors' appropriate it but let's look at the \$10.6 million. Mr. Hansen said the bottom line for him is whether the citizens would approve the \$10.6 million but thanks for the details. Mr. Ehrhart proceeded to ask questions related to Medicaid and CSA. These questions came from constituents within the county through him. The first comment was that King William County Public Schools just started billing Medicaid this year. If this is true, a great majority of special education kids also get Medicaid. It appears that this will result in a surplus which should be identified. How does this affect King William County Public Schools revenue since service providers are reimbursed through Medicaid? Mrs. Johnson said we are very early in that process and are just beginning to build the

Medicaid program and that will result in a surplus that should be identified. This process started in January of this year. Ms. Stickley said it is a very long complex process and a very small portion is received by the school division. The school division has received less than \$5,000 in the last year. It's a very small portion of the services that are billable and it's a small portion of that bill that is paid. It's a long process to go through to get the money back but once we get those funds it will be used to serve that population. Ms. Stickley said she doesn't see it as being a big surplus but if it is great. The school division will use it where it is needed. Mr. Ehrhart shared the next concern he received that it was the understanding that the CSA doesn't get IDEA federal funds per child but the school district does, thus when CSA funds out district placements does the district reimburse CSA? Ms. Stickley said she doesn't have anything to do with CSA and suggested that Mrs. Six may be able to help out here but the amount that we get from IDEA is miniscule. Mr. Hansen asked what IDEA is? Ms. Stickley said IDEA is the Individuals with Disabilities Education Act. Mr. Tupponce said that would be special education funds. Ms. Stickley said its federal money that we get for students with disabilities. There is no way it would come close to paying for even a very small portion of a day placement. It doesn't cover the cost to have the child here. She doesn't know about why CSA doesn't get IDEA. It's given to the school system and I don't know if the school system by law can reimburse CSA. She said she doubted it. She can look into it but it's given specifically to the school system for educating the children that are identified as having disabilities. Mr. Hansen said he is just getting into this issue of children with special needs and it is his understanding that the school division is absolutely bound by federal law to properly fund that system to make sure that children receive the appropriate education and he's still trying to figure out where those dollars are is his question. Is he correct this has to be done in putting the children first? Ms.

Stickley said this is a very simplistic way of putting it. There are many rules about children with disabilities and what must be done to help them. The school division wants to help them. Ms. Six replied that when they are referring to CSA some of the children are served in the school system, some are referred to CSA. She attended a youth policy management team meeting this morning where they look at each individual situation and where the fiscal checkers of everything that happens by the CSA. Sometimes they are referred to the Children's Service Act program which is a different set of funding and were mandated that once the child becomes a mandated child through their IEP's and the court system whatever by the law has attached that mandate to them we are required to mandate and provide those services. But the CSA funding is different than some of the grant programs that come into the schools. Mr. Ehrhart asked whether or not the school division was being double funded? Ms. Stickley said no absolutely not. Mrs. Morrison said that many times the school division is adding funds to what we are getting from the state because it doesn't cover what we need for the students. Mr. Hodges asked about the \$5,000 received for Medicaid and the time frame of when the funds were received. Ms. Stickley said a year. Ms. Six shared that if the schools are getting their refunds the same way as the county is and the state transitioned to a different management system and they are in 100% gridlock and haven't gotten any reporting since June. We're paying for CSA payments our local match for children who received services last year. We have a local match, the CSA children, so we're behind in getting the reports and check monthly to make sure that every child on the list before we do the local match to make sure it is a child assigned to King William. We want to make sure we aren't just paying a bill and that the children are ours, but they are having some major issues at the state which has slowed us down immensely and it's a new program and these are difficulties that are far out of our

control in that realm. Mr. Ehrhart said he had another final comment related to this. This item goes back to the previous board and he is reading from a previous board meeting. On February 24, 2014, Mr. Redd commented that maybe the county could go back to schools and let them know their responsible for these costs, the additional \$270,00,0 because the county's not going to cover this under the general fund. Supervisor Stone then commented that the cost of out-of-district placements far exceeds what a school system would spend on educating children. She said she felt this would be a good discussion and the statistics would be interesting. Mr. Ehrhart said that here we are two years later – has the King William County School Board addressed these comments from past board members? Mrs. Stone having been on the school board, having been on the board of supervisors, publicly stating that it far exceeded what a school system would spend on educating children - what has been done to implement changes two years later to reduce these costs? Mrs. Morrison asked if it was referring to the CSA costs. Mrs. Ehrhart said he believed that's what it was, the \$270,000 that was associated with the budget. Mrs. Morrison said the school division is partnered with CSA. The school division has nothing to do with CSA. Mr. Moskalski said he believed the General Assembly took up legislation last year that made it easier for out placement to happen because that decision doesn't happen between the Board of Supervisors and the School Board. Mr. Ehrhart said these things are two years old so he wanted to make sure. Mrs. Six said that some of the changes that their talking about in the current budget past it would be even easier for parents to get certain waivers and bypass. There's a parent advisory team called FAPT that evaluates all the situations and then that decision goes to the team she referenced earlier that looks at the more fiscal impact of it and the General Assembly has made it a lot easier to go through that process and once they review those waivers the locality is

required to pay for it. Mrs. Six said she doesn't know the context of that discussion but it's her understanding that CSA is a difficult animal to predict and can be very volatile. Mr. Moskalski said the context of that conversation was sticker shock. There was a \$300,000 increase in CSA costs and the county found no other way around it. Mr. Hansen said he didn't know of any way we could set a fixed number for these children because each year additional ones may be identified and the needs are there and it would be impossible to set a fixed number. Mrs. Six said they try to do their best estimates knowing what the reimbursement rates for CSA are, at .3985, and make our best estimate and go over it and then come back to the county and ask for additional money because we are mandated to provide the services. Mr. Hansen said he absolutely agreed. Mr. Moskalski said in some of the last few years the county had to go for an additional appropriation after adopting the budget and had to appropriate an additional amount over that before adopting the budget for next year. It's tough to predict and talk about a cost driver on the county side of the budget, \$300,000. There's no way to predict it. Mrs. Morrison said that's what we understand about your budget. Mrs. Morrison said we don't know all the details and all the numbers and everything that you have to analyze and to fix and to help but we understand that there are other things out there that are also important. That's another reason the school division tries to take level funding if possible. If we can use state money instead of the locality it's all good and we think on behalf of what the county is trying to do. Mrs. Morrison asked if there were other questions. Mr. Ehrhart asked whether that meant other questions or questions specific to the budget? Mrs. Morrison said specific to the budget. The school division has offered another meeting for other topics when we have time to schedule it. Mr. Ehrhart said he just wanted to clarify because Mrs. Morrison had stated we would talk about it later and he thought that may have meant later this evening. Mrs. Morrison

said in the email she sent she offered another joint meeting that we can plan. Mr. Ehrhart said he wanted to make sure he was clear. Mrs. Morrison said she had one statement she wanted to share that during the citizens speaking last night there was a parent who spoke about a special education issue. It is her prerogative as a parent to receive documents. It disturbed the School Board. The school division asked for discretion in publishing the child's name in the document, even if the parent is giving out the information. Anyone can make a complaint. The school division is defending our practices when a parent files a complaint. That's part of the school divisions' process. The School Board would like for you to ask the parent about the outcome of the complaint because all that is there is the complaint. The same thing with the Office of Civil Rights visits. This has become common practice. Most school systems in the state of Virginia have visits from the Office of Civil Rights and something is investigated and once they come to investigate one complaint of a parent, they then have access to everything and it becomes extensive in most cases and it has become more prevalent. We maintain our obligation for confidentiality in cases with parents in due process or Office of Civil Rights visits. The School Board believes that the line was crossed in sharing a publication that had student names, staff names and details about situations. Mrs. Morrison said that a line was crossed last night in talking about those complaints without giving the results which are usually sealed and cannot be shared and the School Board just wanted to make that clear. It's concerning. Mr. Hodges said he believed it was illegal to actually open that up even with the file. Mrs. Morrison said the parent had the document so she chose to give them to someone. Mr. Hansen asked what this had to do with the budget. Mrs. Morrison said it had nothing to do with the budget and she made that statement regarding those documents there were shared. The budget discussion was over. Mr. Hansen said thank you. Mrs. Morrison said the

School Board really appreciated the Board of Supervisors coming and the School Board is very willing to meet again if the Board of Supervisors have questions and we appreciate your support and understand your process and we empathize because we know it's long and drawn out. March is a long month but we will get through it and you will get through it. From the school division's standpoint, our children will benefit and our parents will be pleased in what we can provide. Mr. Hansen asked for clarification on the statement Mrs. Morrison made at the end and asked if she was suggesting any kind of cover up on a part of the School Board? Mr. Hansen commented that the School Board was just suggesting due process. Mrs. Morrison said we have no cover up. The school division cannot share documents and cannot share results. We are bound by a confidentiality agreement to protect our students and are bound by law. The parent had the documents and they were shared by her. The parent was able to do that but it's disturbing to the School Board that the information about students, staff members and details are out there. It's disturbing so the School Board just wanted to let you know. Mr. Hansen said a comment was made about what the school division has done in the past to deserve this close scrutiny? Mrs. Morrison acknowledged the comment was made. Mr. Hansen said he thought this was just an issue for consideration that you could not bring up because of confidentiality but the parent or advocates could. Mrs. Morrison said the implication is that the school division is not serving our special education students adequately and we are paying too much money when we have to handle a complaint. Mr. Hansen said the document speaks for itself. Ms. Stickley said those were accusations made in the documents with no answers so you can't say it speaks for itself. The document is just a complaint and she know what Mr. Hansen was saying but there's no other side and know there are always two sides or more to every story. Ms. Stickley said she just wanted to be clear about that. Mrs.

Morrison said there cannot be the other side from the school divisions' standpoint. Mr. Longest said the other side won't be shared. Mrs. Morrison said it will never happen. Ms. Stickley said the school division does what is in the best interest of the child and that's why the law is there. Mr. Tupponce made a motion to adjourn and Mrs. Morrison said the Board of Supervisor had to adjourn their meeting first and then the School Board would adjourn. The Board of Supervisors made motions to continue their meeting for the Planning Commission meeting on March 8, 2016. On a motion by Mr. Tupponce, seconded by Mr. Longest, the School Board adjourned the Joint Budget Work Session at 7:41 p.m.

Kathy H. Morrison, Chair

Cathy P. Edwards, Clerk