

# Tough choices await schools in budget talks

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School officials may be faced with some tough choices in the next few weeks as they whittle down a budget facing a possible \$2.7 million shortfall. Do they fund much needed instructional aide positions or commit to across-the-board salary increase? Do they replace outdated technology or contribute more to state retirement plans?

Largely due to a change in the local composite index (LCI)—a calculation using true value of property, adjusted gross income and taxable retail sales that determines a locality's ability to pay—state revenues are expected to increase approximately \$2.3 million, from \$21.3 million this year to \$23.6 million next year. However, factoring in level local funding as a placeholder and an approximately \$1.1 million decrease in federal funding, the school division's is expected to have a deficit of \$2.7 million.

Several new fixed and optional cost increases make up the deficit including a \$1.5 million increase in Virginia Retirement Service (VRS), group life insurance and retiree health care credit rates. All three have employer rates which are increasing next year—5.33 percent for VRS, .91 percent for group life insurance and .51 percent for retiree health care credit. Both the employee and the employer make contributions to VRS whereas only the employer makes a contribution to the retiree health care credit. As for group life insurance, in the past only the employer has made a contribution, but next year both the employer and employee will have a contribution.

"The budget seeks to comply with the governor's ambitious plan to fix VRS in two year's time," superintendent Dr. Bob Grimesey said.

Some of the increase in state funding will offset the increase in the VRS rate, but it won't take care of the total increase. Currently, the school division covers the employees' total contribution to the retirement service.

"We'll have the option to revisit assumptions about the school board covering employee contributions," Grimesey said. "If we get into a situation where it's either [covering] VRS or salary [increases], we may need to rethink that employees would be better off if the board pays VRS rather than no salary increase. It would be worse for employees to stay on the current pay scale with the problems that keep coming."

Other fixed cost increases include \$240,000 to hire four elementary teachers, which is a requirement of the state's K-3 class size reduction program; \$170,000 to hire three instructional technology resource teachers, which is a standards of quality requirement and \$103,493 to increase the transfer to the textbook fund in anticipation of several textbook updates. Also included in the fixed-cost increases are several capital improvement projects, including \$260,000 for the first phase of an upgrade to the phone system; \$130,000 for the first phase of teacher computer replacements; \$150,000 in ongoing costs to paint buildings in a rotation; \$300,000 to replace HVAC equipment and \$320,000 to replace four outdated buses.

"We've done without so long it's becoming an embarrassment for us," Grimesey said. "We have a phone system that we have to go on ebay to purchase parts [and] teacher computers that are more than five years old."

Along with the fixed-cost increases, the school board is also considering several optional increases. These include \$900,000 to implement the first year of the new teacher salary scale proposal which seeks to make the Orange County teacher scale more competitive with surrounding counties over a five-year period. An additional \$500,000 is included to give all other employees not affected by the scale change a comparable salary increase of approximately 5 percent. Other optional cost increases include an approximate 8 percent increase in health and dental insurance premiums (\$275,520); \$20,000 to maintain a full-time athletic trainer (half of which was paid for this year using one-time federal jobs funds); \$60,000 to add one science teaching position at the high school (which includes benefits and taxes); \$60,000 to add an economics and personal finance teaching position at the high school; \$40,000 to expand the Virginia Preschool Initiative to Locust Grove (which already serves 18 students at the Taylor Education Administration Complex); \$12,479 to create an afterschool detention program for the county's three secondary schools and \$5,438 to cover two stipends for coaches to implement a ninth-grade football program. Currently, Orange County High School is the only school in its district that does not have a ninth-grade team.

Funding for additional instructional assistants was not included among the optional increases. With a bleak budget outlook, school board members cut six instructional assistant positions from the regular education area in 2009-2010 and then the remaining 11 in 2010-2011. For this year, the school division, with assistance from the board of supervisors through a resolution, added 10 instructional assistants back to the elementary schools, but school board members worry that may not be enough.

"What I hear from teachers is they need more assistants," District 3 school board member Judy Carter said. "I'd like to see more put back in."

District 1 board member Lou Thompson agreed.

"They had situations in Gordon-Barbour Elementary School last year where without aides, the teachers couldn't take a break," he said.

District 2 board member Sherrie Page said a lack of aides is also a problem at Orange Elementary School where, similar to Gordon-Barbour, kindergarten students are kept in a wing disconnected from the main school building. She said teachers have trouble getting students out of the kindergarten wing who may have emergencies or other reasons to go to the main building.

District 4 board member Jerry Bledsoe agreed he would like to see the additional aide positions added back in, but prioritized.

"I wouldn't support that over salary increases," he said.

Grimesey said adding back in seven instructional aide positions would restore the staffing levels back to the full 17 there were in 2008-2009 before any cuts. He said the positions would cost approximately \$160,000 and could be distributed as equitably as possible.

"We still have aide needs that are unmet," he said after the meeting. "I'm proud of the school board that they picked up on that and recommended they be included in the budget. I'm pleased to include them in the budget."

Grimesey said he's prepared to go forward with the entire budget package as it is now, including the \$2.75 million deficit. Grimesey said additional funding could come to the division by way of a more moderate approach to the state's VRS problem. He also said he hopes county residents comment on the budget and decide if they'd be willing to pay more for improved schools.

"I'm sobered by the \$2.75 million deficit," he said. "I've presented a bare bones budget and I'm prepared to present a budget that includes all these things. It really comes down to what people want from their schools."

Grimesey will present his budget to the school board this week, before presenting to the board of supervisors Feb.

14.