

Superintendent and School Board Relationships:
Applying Leadership Strategies to Maintain Quality Public Schools
During an Economic Recession

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ABSTRACT

This study describes the strategies that were employed by the Frederick County Public Schools Superintendent and the School Board to maintain instructional programming while assuring continued support for schools by the local governing body during the economic recession of 2007-2009. Despite reductions in state appropriations beginning in 2008 and continuing through 2011, division leaders worked closely with the county Board of Supervisors to support public schools and local governmental services, even as the local economy faltered. While other local governments annually reduced appropriations to schools, effort by the Frederick County School Board and its administrative leadership to foster a positive relationship with the Board of Supervisors led to only one operating fund reduction in fiscal year 2010, as the schools' share of the projected local revenue shortfall. This study describes those actions that promoted and improved trust between the School Board and the Board of Supervisors. This study addresses the following research questions:

1. What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the local Board of Supervisors?
2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain quality education programs for all students?
3. How did State Fiscal Stabilization Funds provided under the American

Reinvestment and Recovery Act influence decision making for fiscal year 2010?

Some of the actions taken by the School Board and the Board of Supervisors may be representative of those steps taken to address revenue shortfalls by other Virginia local governments. However, each community has had unique financial challenges to overcome. Not all actions described will be generalizable to other communities. As economic uncertainty continues at the time of this study, the findings may foreshadow how public education will be supported in the future.

Dedication

This dissertation is dedicated to Mrs. Patricia Taylor, retired superintendent of Frederick County Public Schools and to my wife, Nancy Noel. Patty pushed, prodded and cajoled me toward completing this work constantly reminding me that I had it in me to complete my doctoral program. Patty possesses the leadership qualities that we all should ascribe to and her work led to this project. Nancy has supported me quietly as I gathered the energy to complete this work. To both, I am very grateful.

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Chapter 1

Introduction

Virginia's economy began faltering during fiscal year 2006, as a result of a declining housing sector.¹ Governor Timothy Kaine, in remarks to a joint meeting of the Virginia Senate Finance, House Finance, and House Appropriations Committees on August 20, 2007, predicted slower rates of revenue growth and announced a \$234 million reduction in anticipated revenues.² By August 2008, Governor Kaine's outlook on Virginia's economic condition was even less encouraging: Sales tax revenue had improved by only 0.8% during the last four months of fiscal year 2008 and income tax withholding grew by only 1.6%. State revenues were projected to increase 6.4% overall in order to fully fund the state budget, but actual collections increased by 1.2%.³ Governor Kaine reinforced the need to forecast expected revenues downward for fiscal year 2009 in his remarks to the joint committees assembled on August 18, 2008.⁴

Governor Kaine underscored the impact of the housing market downturn, turmoil in world financial markets and rising inflation due to increased fuel costs as reasons why Virginia's state budget for fiscal year 2009 would require downward adjustment to remain in balance with projected revenue.⁵ Reductions in the state budget also reduced appropriations to Virginia localities. By November 2008, localities were aware of reductions in both state support and in local revenue collections. In Frederick County, a joint work session of the Board of Supervisors

¹ Governor Kaine's prepared remarks to joint meeting of the Senate Finance, House Finance and House Appropriations Committees, August 20, 2007. Web Archive of Virginia Governor Timothy Kaine, 2006-2010. State government records collection, The Library of Virginia, Richmond, Virginia.

² Id.

³ Richard D. Brown, *Report of General Fund Revenues and the Virginia Economy for FY2008*, August 18, 2008. Available at <http://sfc.virginia.gov/archives.shtml>, Retrieved March 8, 2012.

⁴ Governor Kaine's prepared remarks to joint meeting of the Senate Finance, House Finance and House Appropriations Committees, August 18, 2008. Web Archive of Virginia Governor Timothy Kaine, 2006-2010. State government records collection, The Library of Virginia, Richmond, Virginia.

⁵ Id.

and its Finance Committee⁶ considered ways to overcome a \$4 million shortfall in projected revenue for fiscal year 2009.⁷

Preparation of the fiscal year 2010 budget for schools and local governments across the Commonwealth proved to be challenging. This study identifies and chronicles challenges faced by the Superintendent and County School Board of Frederick County⁸ to prepare and gain local support for a budget to adequately fund the school division and maintain education programs during the economic recession.

Historical Background

Frederick County Public Schools, geographically located at the top of the Shenandoah Valley of Virginia, is the largest school division in the Northern Shenandoah Valley and had a population of 12,913 students in 2008-2009.⁹ For fiscal year 2009, the division's original approved operating budget was \$135 million.¹⁰ For comparative purposes, the fiscal year 2008 operating budget was \$130.6 million.¹¹

The county ranked among the fastest growing localities within the Commonwealth of Virginia. The community grew by 27.2% during the years 2000-2009, making it the sixteenth fastest growing locality in Virginia.¹² In 2002, total division enrollment was 10,774, and has since grown by 2,139 students. The projected growth rate had been 250 students annually, with

⁶ The Frederick County Finance Committee is comprised of Board of Supervisors members, with one serving as chair, and citizens appointed by the Board. Its purpose is to review revenue and expenditures and to recommend budgetary adjustments to the Board of Supervisors consideration after a committee report at the subsequent supervisors' meeting.

⁷ *Minutes of the Frederick County Board of Supervisors Work Session, November 19, 2008*, Book 34, page 124.

⁸ The official name of the Frederick County School Board is the "County School Board of Frederick County." See School Board Bylaw 101P, available at <http://www.frederick.k12.va.us>.

⁹ *Vital Statistics 2009-10*, Frederick County Public Schools, available at: <http://www.frederick.k12.va.us>

¹⁰ *FY 2009 Frederick County School Board Approved Budget*, available at: <http://www.frederick.k12.va.us/finance>

¹¹ *FY 2008 Frederick County School Board Approved Budget*, available at: <http://www.frederick.k12.va.us/finance>

¹² Michael A. Spar, *Enrollment and High School Graduation Projections 2009-10 – 2014-15*, Weldon Cooper Center, available at <http://www.coopercenter.org/demographics/publications/enrollment-and-high-school-graduate-projections-virginia-public-schools-20>

enrollment expected to be 14,261 by fiscal year 2015.¹³ Since the turn of the century, six new schools have opened, including four elementary schools, one middle school and one high school. The additions bring the total number of schools to 22, including one jointly operated regional special education center and a career and technical education center.¹⁴

Revenues also grew rapidly for most of the first ten years of the millennium. For fiscal years 2005-2009, state revenues increased annually an average of 8.67% while local revenues for the school operating budget increased by 7.82%, on average.¹⁵ However, as the economy began to worsen, the annual percentage increase in state revenue declined to 5.3% and new local revenue declined to 6.3% for fiscal year 2009. The fiscal year 2009 budget was adopted in spring 2008, in advance of the accelerating economic downturn.¹⁶

By November 2008, local revenue collection in Frederick County proved to be far lower than anticipated. On November 19, 2008, the county administrator briefed members of Board of Supervisors in a called work session.¹⁷ At this meeting, an anticipated revenue shortfall of \$4 million was announced.

On December 17, 2008, the Finance Committee of the Frederick County Board of Supervisors was made aware of the anticipated \$4 million revenue shortfall for fiscal year 2009.¹⁸ Immediately following the Finance Committee meeting, the Board of Supervisors met in work session to consider ways to address this revenue shortfall.¹⁹ The county administrator

¹³ *Frederick County Public Schools Capital Improvement Plan 2010-15*, available at <http://www.frederick.k12.va.us>.

¹⁴ *Fiscal 2009 Approved Budget 2009*, *supra* note 8 at page 167.

¹⁵ *Id.*, at page 54. Note: Derived from data.

¹⁶ Kaine, *supra* note 2.

¹⁷ Minutes, *supra* note 5.

¹⁸ *Minutes of the Frederick County Board of Supervisors Finance Committee*, December 17, 2008, Item 8 (no page number). See also *supra* note 6 for committee membership.

¹⁹ Minutes, *supra* note 5 at 168-173.

recommended apportionment of \$2.3 million of the revenue shortfall to the school division, which would necessitate a budget adjustment by the Frederick County School Board.²⁰

Also in attendance at the December 17, 2008, Board of Supervisors work session, were several members of the Frederick County School Board and the division Superintendent. At the invitation of the Board of Supervisors Chairman, the Superintendent outlined recommendations to reduce the fiscal year 2009 School Operating budget by \$2.3 million.

Additionally, the Superintendent provided an initial estimate of projected revenue shortfall for fiscal year 2010. The current economic climate, reduced local revenue, anticipated enrollment growth and increased operating expenditures all contributed to a projected revenue shortfall between \$10-16 million for fiscal year 2010.²¹ The actual projected revenue shortfall for fiscal year 2010 was \$7.9 million.²² Over \$4.0 million in State Fiscal Stabilization Funds (SFSF)²³, provided through the American Reinvestment and Recovery Act of 2009 (ARRA) were applied to mitigate the revenue shortfall.²⁴ Reduced staffing and other expenditure savings were used to capture the remaining \$3.9 million. Had ARRA funds not been appropriated by the General Assembly to the locality significant reductions to educational programs and services would have occurred.²⁵

Basis for Study

A worldwide economic recession was not anticipated in advance of the downturn that began in fall 2007 and accelerated through much of 2008. Even though Governor Kaine signaled downward pressure on the Commonwealth's revenues in August 2007, the General Assembly

²⁰ Id., at page 171. Note: For fiscal year 2009, 57.5% of county revenue from all sources was allocated to the school division. The apportionment of \$2.3 million reflects this percentage.

²¹ Minutes, *supra* note 5 at 124.

²² Frederick County Public Schools FY2010 Final Revenue Budget Worksheet, March 17, 2009.

²³ "State Fiscal Stabilization Funds" were the federal response to collapsing state revenues.

²⁴ *American Reinvestment and Recovery Act of 2009*, Act of the 111th Congress, House Bill 1.

²⁵ *FY 2010 Frederick County School Board Approved Budget*, available at: <http://www.frederick.k12.va.us/finance>

still anticipated adequate growth in revenue to continue fund increases in state appropriations.²⁶

As both state and local revenue collections declined, the Commonwealth and localities needed to reduce expenditures in order to balance budgets as the Commonwealth or localities cannot operate in a deficit.²⁷ Decreased revenues for public schools required a wholesale examination of instructional programs and support services to identify potential savings. Throughout the economic recession, state and federal student achievement expectations were not relaxed and certain amendments to the Virginia Standards of Quality were to impact funding of instructional and support staff in public schools.²⁸

Study Purpose

The Commonwealth of Virginia began to experience economic recession in 2006, as housing market activity began to decline.²⁹ The Commonwealth's annual budget was built on continued increases in sales, real estate recordation, and income taxes. The General Assembly would not consider additional taxes and expected continued robust growth.³⁰ Concurrently, speculation in commodities markets (especially in oil) dramatically increased cost of living expenses and reduced disposable income for residents of the Commonwealth along with the rest of the nation.³¹ Ultimately, a worldwide economic recession, which had beginnings in 2007, resulted in the collapse of financial and commodities markets in fall 2008. As the financial sector

²⁶Brown, *supra* note 2.

²⁷ *Constitution of Virginia*, Article X, Section 7. Taxation and disposition of revenues, "Other than as may be provided for in the debt provisions of this Constitution, the Governor, subject to such criteria as may be established by the General Assembly, shall ensure that no expenses of the Commonwealth be incurred which exceed total revenues on hand and anticipated during a period not to exceed the two years and six months period established by this section of the Constitution."

²⁸ See State Superintendent's Memo #052-09, *Amendments to the 2008-10 Biennial Budget passed by the 2009 General Assembly*. Available at http://www.doe.virginia.gov/administrators/Superintendents_memos

²⁹ Governor's Budget Recommendations for 2008-2010. Available at <http://leg1.state.va.us/081/bud/BudSum/Overview30.PDF>, accessed June 5, 2013.

³⁰ Id., *supra* note 1.

³¹ Kenneth J. Singleton, "Investor Flows and the 2008 Boom/Bust in Oil Prices," accessed April 15, 2012, <http://www.stanford.edu/~kenneths/OilPub.pdf>. Note: the paper considers the impact of investors and financial market conditions in crude oil futures markets.

retreated, lines of credit became unavailable to both businesses and private citizens.³² Property taxes make up the majority of revenue available to localities across the country and this revenue stream declined due to a rising foreclosure rate.³³

Frederick County was not immune to the sudden change in the economic climate. While school enrollment projections for fiscal year 2009 expected an increase of 160 students, actual new enrollment equaled 8 students.³⁴ As the fiscal year 2009 budget was based on 152 more students, the School Board would receive less state revenue and had to adjust the school operating budget accordingly downward to account for fewer than anticipated students. When notified of a reduction in the local appropriation for fiscal year 2009, the School Board's revenue and expenditure conundrum worsened.³⁵

Given that the division operates relatively efficiently and did not offer full-day kindergarten, reductions to the operating budget were expected to be challenging.³⁶ The School Board had endeavored to provide small class sizes along with access to diverse educational opportunities to meet the needs of all students. The school division's cost per pupil was \$9,935 for fiscal year 2009.³⁷ At the time, Frederick County Public Schools was the 19th largest school division in the Commonwealth.³⁸ School division staff did not anticipate any additional revenue from state or federal sources when beginning preparations for the fiscal year 2010 budget. The

³² Paul Mizen, "The Credit Crunch of 2007-2008: A Discussion of the Background, Market Reactions, and Policy Responses," accessed June 5, 2013. Federal Reserve Bank of St. Louis Review, 90(5), p. 531-67. Available at <http://research.stlouisfed.org/publications/review/08/09/Mizen.pdf>.

³³ Richmond Federal Reserve (Data from Mortgage Bankers Association/Haver Analytics). Available at: http://www.richmondfed.org/banking/markets_trends_and_statistics/trends/pdf/delinquency_and_foreclosure_rates.pdf, accessed June 5, 2013)

³⁴ *Capital Improvement Plan 2010-15*, *supra* note 11.

³⁵ Minutes, *supra* note 5.

³⁶ Frederick County's Per Pupil Expenditure ranked 70th of 132 school divisions for Fiscal Year 2009, Superintendent's Annual Report for Fiscal Year 2009 at http://www.doe.virginia.gov/statistics_reports/supts_annual_report/2008_09/index.shtml, accessed March 22, 2013.

³⁷ Superintendent's Annual Report, *supra* note 34.

³⁸ *Id.*, *supra* note 34.

task was to consider means to reduce expenditures while maintaining adequate educational programming. A priority was to encourage the Board of Supervisors to maintain funding for school operating and debt service at adequate levels for fiscal year 2010.

This study describes how shared values and cooperation between the Board of Supervisors and the School Board developed and how division and county leadership crafted a plan to navigate an extended time period with finite resources and increasing operational costs. The Superintendent worked with the School Board to develop, consider and adopt a budget for fiscal year 2010 that minimally disrupted educational services. Concurrently, the county administrator sought to prevent loss of government services and gain agreement from the Frederick County Board of Supervisors to stabilize local revenue collections. Further, the study illustrates how State Fiscal Stabilization Funds provided through the American Investment and Recovery Act of 2009 allowed the School Board to restore educational services expected to be eliminated due to the state revenue shortfall. The study considers three research questions:

1. What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the local Board of Supervisors?
2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain a quality education program for all students?
3. How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

Methodology

Case study methodology was used to consider the research questions. Board and committee minutes for both the School Board and Board of Supervisors were readily available. Budget preparation documents, working papers, and deliberations by both boards and their administrative leadership were reviewed and analyzed. Contemporary news accounts of budget progress, as reported by the two daily newspapers in the Northern Shenandoah Valley of Virginia, are fully archived and were employed. General Assembly budget documents were reviewed and referenced, as appropriate. Key leaders of the school board, board of supervisors, as well as school and county administrative staff were interviewed to describe the political and relationship strategies employed to sustain adequate funding from the Board of Supervisors. The now-retired Superintendent remained in the community. Lastly, to understand the impact of State Fiscal Stabilization Funds on school budgeting, an assessment of future budgetary implications will be explored.

Limitations and Delimitations

The research study uses review of contemporary documents, news articles and working papers to characterize efforts made to sustain public school education programs in Frederick County, Virginia. Certain historical documents including meeting minutes of both the School Board and its standing committees, and the Board of Supervisors and its standing committees may not provide detailed information regarding deliberations or decisions by both bodies. News media accounts, while purportedly impartial, reflect the reporter's interpretation of actions taken by public officials. The researcher had access to detailed deliberative and working documents used to prepare Superintendent and School Board budget proposals, as well as the final approved documents.

Finally, the study did not analyze actions of the General Assembly to produce a balanced state budget for fiscal year 2011, but considered those actions taken to balance the fiscal year 2010 budget. The actions of the 2010 General Assembly, in combination with the use of fiscal year 2011 State Fiscal Stabilization Funds expended to close a revenue gap in fiscal year 2010, complicated future revenue and expenditures by both the Commonwealth and local governments. Those future budgetary complications are considered and discussed in Chapter 5.

Limitations

The review of the budgetary actions by the Governor and the General Assembly were restricted to published accounts, press releases, and minutes of meetings either archived by the *Library of Virginia* or available through the *Legislative Information System* of the Virginia General Assembly. Certain working documents used by division staff and the Frederick County School Board may have been excluded in order to maintain integrity as non-public working papers.

Delimitations

This study reflects the work of the Frederick County School Board and its administrative leadership staff to address revenue shortfalls for the remainder of fiscal year 2009 and fiscal year 2010. While the study may be descriptive of actions taken by other School Boards within the Commonwealth, these actions should not be considered as representative. Each community within the Commonwealth had unique circumstances placing financial pressure on local school boards and governing bodies in different ways. This study describes the methods and strategies employed in Frederick County, Virginia, to meet financial challenges during the period of 2008-2010.

Assumptions

The study assumes minutes from meetings of the School Board and Board of Supervisors are accurate records. Archived records from accessed through the *Library of Virginia* and the *Legislative Information System* are official records of events and actions during 2007-2009 taken by the governor and General Assembly. Budget planning documents prepared by division or county staff reflect the chronological evolution of the fiscal year 2010 budget. Budget materials provided to the Frederick County School Board and the Frederick County Board of Supervisors for decision-making are also accurate records.

Definitions

This section includes definitions of terms commonly used to describe school division budgets.³⁹ The Board of Education, in consultation with the Auditor of Public Accounts, establishes the system for accounting for all school funds. An annual accounting is completed through the Superintendent's Annual Report.⁴⁰

Administration – Activities concerned with establishing and administering policy for operating the Local Education Agency (LEA).

Allocation – The amount of funding appropriated to an agency. Types of allocations include per-pupil allocations, fixed allocations, and replacement equipment allocations.

American Reinvestment and Recovery Act of 2009 – Funds appropriated by Congress to stabilize the American economy as national and world financial markets retreated into a recession (the recession of 2007-2009). ARRA funding was available in two major funding streams: State Fiscal Stabilization Funds (SFSF) and State Formula Grants. In Virginia, the General Assembly has designated the entire amount of the Governor's portion of the SFSF funds

³⁹ Adapted from *Approved Fiscal Year 2011 Budget* (Document), Frederick County School Board, available at www.frederick.k12.va.us/finance.

⁴⁰ Certain definitions included in this appendix are from Attachment C of the Superintendent's Annual Report

for specified state-level projects. The state formula grants were awarded for: Title I, Part A; IDEA; Title II, Part D, Educational Technology; McKinney-Vento Homeless Education; Equipment Assistance for School Nutrition Programs.⁴¹

Appropriation – An authorization granted by the legislature or local governing body to make expenditures and to incur obligations for specific purposes.

Attendance and Health Services – Activities whose primary purpose is the promotion and improvement of children's attendance at school.

Average Daily Membership (ADM) – the aggregate number of days in attendance of all students during a school year divided by the number of days school is in session during the year.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Co-curricular – Programs offered having a direct relation to a class or course, e.g., FBLA–business, FFA–agriculture.

Composite Index – The Composite Index determines a school division's ability to pay education costs fundamental to the Commonwealth's Standards of Quality (SOQ). The Composite Index is calculated using three indicators of a locality's ability-to-pay: 1) True value of real property (weighted 50 percent); 2) Adjusted gross income (weighted 40 percent); and, 3) Taxable retail sales (weighted 10 percent). Each locality's index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

Contracted or Purchased Services – Payments for services, not including capitalized expenditures, acquired from outside sources.

⁴¹ Virginia Department of Education PowerPoint Presentation, "The American Recovery and Reinvestment Act of 2009," March 27, 2009

Debt Service – Includes expenditures for redemption of principal on bonds and notes and expenditures for interest on bonds and notes.

Direct Aid – State funding for local school divisions for public education programs is provided through the Direct Aid to Public Education budget. The General Assembly appropriates the funds. Direct Aid funding is appropriated in six budgetary categories: 1) Standards of Quality; 2) Incentive Programs; 3) Categorical Programs; 4) Lottery Proceeds Fund; 5) Supplemental Education Programs; 6) Federal Funds.

Expenditures – Total charges incurred, whether paid or unpaid, for current costs.

Federal Funds – Revenues received from the federal government, either directly or through the state, in support of educational programs and needs.

Fiscal Year – Any 12-month period concluded by determination of financial conditions and closing of financial records. School divisions operate July 1 to June 30.

Fixed Allocation – Allocation to an agency for costs of personnel, services, and supplies common to agencies regardless of size or student enrollment.

Fund – Fiscal and accounting entity with a self-balancing set of accounts recording assets and liabilities for specific activities of the school division.

Fund Balance – Excess of assets of a fund over its liabilities and reserves.

Instruction – Activities dealing directly with the interaction between teachers and students.

Materials and Supplies – Includes articles and commodities consumed or materially altered and minor equipment not capitalized.

Operating Fund – Fund providing for the day-to-day operations and maintenance of the schools and funded through local, state, and federal funds.

Operations and Maintenance – Activities concerned with keeping the physical plant open, comfortable and safe for use and keeping grounds, buildings and equipment in effective working condition.

Per Pupil Allocation – An allocation to an agency (division, school or jointly-operated program) based on the type and/or number of students enrolled.

Personal Services – All compensation for the direct labor of persons in the employment of the local government.

Pupil Transportation—Activities concerned with transporting students to and from school, as provided by state and federal law.

Revenue – The income of a government agency from taxation and other sources.

SOQ – *Standards of Quality*. The prescribed minimum program all public school divisions in Virginia must meet as established in the *Constitution of Virginia* and defined in the *Code of Virginia* (§§ 22.1-253.13:1 through 22.1-253.13:8).

State Funds – Revenue received from the Virginia Department of Education in support of the operational standards for Kindergarten through grade 12 as prescribed by the Board of Education subject to revision by the General Assembly.

Technology – Expenditures related to the use and/or purchase of technology tools or resources in any of the major classifications of school funds.

Virginia Retirement System Benefits – Payments into the trust fund of the Virginia Retirement System by the employer.

Study Organization

The study is organized into five chapters. Chapter 1 introduces the research project and summarizes the economic conditions that lead to an economic recession in the Commonwealth

of Virginia. Chapter 2 provides the research basis for the study. Characteristics of desired leadership, decision-making and capacities for trust building of Superintendents and School Boards will be discussed in the literature review. Chapter 3 describes the research methodology, justification, and data collection techniques employed. Chapter 4 presents the findings of the study and chapter 5 summarizes the findings, identifies implications and suggests questions for further study.

Study Significance

The economic recession first emergent in late 2006 has been one the nation has been slow to recover from. School divisions across the Commonwealth have contended with limited new funding or continued reductions in revenue annually at the local level. The state's use of ARRA funds and other short term solutions may have offered a false sense of security to some localities, causing them now to face a new reality of limited or even no access to additional local operational revenues.

Both the School Board and Board of Supervisors of Frederick County, Virginia, recognize the value of a high quality public school system as means to attract and maintain investments by large corporate concerns. While prior boards often had disagreements as to the appropriate level of local funding for the school division, both boards found common ground during the recession through open dialogue and a commitment to public education. This study describes how shared values and cooperation between the Board of Supervisors and the School Board developed and how division leadership crafted a plan to navigate an extended time period with finite resources and increasing operational costs.

Chapter 2

Literature Review

This chapter reviews the literature regarding relationships between the Superintendent and the School Board. For purposes of establishing the basis for this study, the chapter provides a description of Virginia's school funding mechanisms at both the state and local levels. As Virginia does not grant taxing authority to local School Boards, the dynamic existing between the School Board and the local governing body will be explained.

This chapter is organized into three sections: 1) Leadership, decision making and trust building of the Superintendent; 2) Leadership, decision making and trust building of the local School Board; and, 3) Funding methodology for Virginia public schools. Several studies have identified desired leadership characteristics of school Superintendents, yet decision-making and trust of and by the Superintendent seem not to have been explored in depth. Studies do exist that consider "dissatisfaction theory" in the context of Superintendent-School Board relations.¹

Superintendents

This section discusses the superintendency and will consider leadership, decision making and trust building capacity. Because this study considered what strategies were used to prepare and properly fund a school budget during an economic recession, study questions are considered through the lens of the public school budgeting process. The Virginia General Assembly, through the Code of Virginia, has provided the framework through which School Boards and Superintendents work to establish a school operating budget. A brief overview of this framework

¹ Paul Williams and Anna Maria Tabernik, "School District Stability: The Relationship Between the Stability of a Board of Education and the Superintendent," *International Journal of Education Reform* 20 (2011): 16. This study describes "dissatisfaction theory" as predictive of the influence on student performance when School Board membership and Superintendent turn over are influenced by local community politics.

follows and illustrates necessary Superintendent leadership, decision making and trust building capacities.

To provide leadership and direction to a public school division, Virginia requires School Boards to employ a division Superintendent.² Perhaps one of the most important responsibilities of the division Superintendent is to prepare an annual operating budget. The division Superintendent, with School Board approval, determines the funds necessary for the support of public schools and seeks appropriation of funds from the local governing body.³ Local funds coupled with state and federal funds apportioned to the various school divisions provide for the operation of local public schools.⁴ Obtaining appropriate funding to meet operational and capital needs of the public schools often is a source of conflict between Superintendents and their School Boards, or between Superintendents, School Boards and local governing bodies. Such conflict is documented annually through local media. Interestingly, Thorton found that the ability to craft and shepherd a budget from genesis to approval was not among the most desired leadership characteristics of a Superintendent among Virginia School Boards.⁵

Leadership

Desired characteristics of the Superintendent have been discussed since the early days of public schools in the United States. An early discussion captured thoughts about the role and function of school Superintendents:

An individual is deemed wise who knows his own limitations, and a School Board is wise that does not assume a direct responsibility, which as individuals and as an organized

² VA. CODE ANN. §22.1-5, Division Superintendent required.

³ §22.1-92, Estimate of monies needed for public schools; notice of costs to be distributed.

⁴ §22.1-99, Approval and certification of apportionment of school funds. The Superintendent of Public Instruction annually apportions funds to the school divisions of the Commonwealth.

⁵ Michael Thorton, "A Comparative Study of Superintendent Leadership Characteristics of Virginia School Superintendents" (EdD. Diss., Virginia Tech, 2009), 45. Thorton found that, among Virginia School Boards, this characteristic ranked 7th.

body, it is in no way fitted to discharge. If competent Superintendents are a scarcity, what better service can boards render the cause of education than to create a demand for them...[and] to confer such powers upon these officers as will test to full measure their manhood, their scholarship, their judgment, and their organizing ability.⁶

Continued, the author described the ideal state between School Board and Superintendent:

If the principles which regulate the conduct of private business enterprises are considered essential to the efficient conduct of a school system, then the Superintendent's recommendations as to teachers and text-books [sic] should be taken as the final sense of the board, and ratified by official action.⁷

Albeit in contemporary language, the same discussion continues today. Thorton's 2009 study sought to quantify leadership characteristics both Virginia Superintendents and School Board chairpersons believed essential for a successful superintendency. His work replicated, in part, an Arizona study by Wilson.⁸ Thorton observed the "quality and effectiveness of the local school district can be a direct reflection of the quality and effectiveness of the relationship between the Superintendent and the School Board."⁹ Richard and Kruse, in a qualitative study, suggested a "positive Board-Superintendent relationship, including the Board's ability to

⁶ W. S. Mack, "The Relation of a Board to its Superintendent," *Journal of Education* 44 (1896): 99

⁷ Id.

⁸ Thorton, *Supra* note 5 at 7.

⁹ Id., 22.

maintain a positive perception of the Superintendent, is critical to the Superintendent's effectiveness."¹⁰

Patterned after Wilson's study, Thorton considered ten leadership characteristics of Superintendents: instructional leadership, effective School Board relations, visionary leader, effective community builder, team builder, school finance understanding, professional development focus, school law understanding, astute politically, and intellectual capacity.¹¹ School Board chairpersons and Superintendents ranked each of these characteristics. Thorton found, as did Wilson, no significant difference in perceptions existed between School Board chairpersons and Superintendents.¹² Thorton's study also described "personal and professional integrity, honesty and fairness" as the most important Superintendent leadership traits. He also observed "effective communication with Board members and other community stakeholders" was nearly equally important.¹³ Knowledge of school finance ranked low as an essential characteristic in both the Wilson and Thorton studies. However, gaining a proper appropriation for school operating expenses may be evidence of the trust developed between the Superintendent and School Board, and companion trust between the School Board, Superintendent and the local governing body.¹⁴ Trust may be coupled to fairness, honesty and integrity demonstrated by the Superintendent.

Williams and Tabernik studied school district leadership stability. The findings of this qualitative study may offer clues as to why personal and professional integrity and effective

¹⁰ J. V. Richard and S. D. Kruse, "Understanding School Board Members' Perceptions of Superintendents' Leader Behaviors," *Midwestern Educational Researcher* 21 (2008):9. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

¹¹ Thorton, *Supra* note 5 at 3.

¹² *Id.*, 4.

¹³ *Id.*, 45.

¹⁴ Williams and Tabernik, *Supra* note 1 at 24.

board communications rate as desirable Superintendent characteristics. Stable school districts have capable leadership promoting:

1. Knowledge, understanding and support of the district's vision and mission;
2. Sound organizational processes and procedures;
3. Clear communication between board members and the Superintendent, coupled with understanding of roles and responsibilities of both board members and the Superintendent;
4. Consistency in district leadership and programming;
5. Stability in central office administration; and,
6. Focus on student achievement without distraction by other issues.¹⁵

Williams and Tabernik suggested trust maintained by a community for its school leadership is influenced by “fiscal transparency, positive media coverage, and ... positive experiences with their children's schooling.”¹⁶

Decision-making

Crowson and Morris, in a 1991 qualitative study, considered the Superintendent's impact on school effectiveness. Crowson and Morris found the Superintendent's influence on schools was resultant of relationships with the community, Board-Superintendent dynamics, limited risk exposure of Superintendents and the Superintendent's “unique relationship with building principals.”¹⁷

¹⁵ Id.

¹⁶ Id., 25.

¹⁷ Robert L. Crowson and Van Cleve Morris, “The Superintendency and School Effectiveness: an Organizational Hierarchy Perspective,” *School Effectiveness and School Improvement* 3 (1991): 69. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

In unstructured interviews with participant Superintendents, Crowson and Morris consistently observed the Superintendents' responses focused primarily in the contexts of the community they served and their relationships with their School Boards.¹⁸ The researchers comparatively noted "principals appear to be focused on the socialization of parents or the involvement of parents in the life of the school while Superintendents tend to worry about the school district's normative reputation in the surrounding community."¹⁹ Further, the Superintendents discussed the "moral" nature of their decision making; in other words, "doing what's right."²⁰ This observation parallels Thorton's desired traits of personal and professional honesty, integrity and fairness.²¹ While conflict between a School Board and its Superintendent is more frequently studied, Crowson and Morris also noted Superintendents in their study tended to emphasize the strong relationship maintained with their own School Boards, paralleling the findings of Thorton, and Williams and Tabernik.²² Managing conflict, in the view of Crowson and Morris, is "risk-management." That is, the Superintendent recognizes certain decision making situations will require assumptions, concessions, and accepting internal and external conflict as a matter of "doing business."²³

Trust

Peterson and Short, in their 2001 mixed methods exploratory study on the relationship between Board Presidents and Superintendents, suggested successful Superintendents "require interpersonal skills that foster the Superintendent's ability to define, recommend, and support on

¹⁸ Id., 74.

¹⁹ Id., 74.

²⁰ Id., 76.

²¹ Thorton, *Supra* note 13; Williams and Tabernik, *Supra* note 14.

²² Thorton, *Supra* note 13.

²³ Crowson and Morris, *Supra* note 17, 81.

policy issues and decisions facing the district.”²⁴ Interpersonal skills are essential of both the School Board chairperson and the Superintendent when navigating “competing perspectives and expectations” that influence local policies and “the type and scope of issues faced by a district.”²⁵ These interpersonal skills facilitate respect and trust between the Board chairperson and the Superintendent and are essential for “effective school governance.”²⁶

Peterson and Short’s study considered “social influence theory,” which is described as considering the behavior of one individual trying to persuade another individual.²⁷ There are two elements of social influence including 1) social attractiveness or the similarity in life experiences between people and 2) credibility or “trustworthiness and expertness.”²⁸ The researchers also considered “social style,” and is described as the communicative interaction an individual has with others.²⁹ There are two constructs of social style and include 1) assertiveness or “effort one takes to control and influence others;” and, 2) emotiveness or the amount of feelings expressed to others.³⁰ The study found Board chairpersons who knew their Superintendents well were likely to consider their Superintendents more trustworthy, value their expertise more, and acknowledged their persuasiveness.³¹ The researchers also found female Superintendents were perceived as more assertive than their male counterparts.³² Although Peterson and Short cautioned their study was not large enough to be generalizable, their study supported Thorton’s

²⁴ George J. Peterson and Paula M. Short, “*The School Board’s President’s Perception of the District Superintendent: Applying the Lenses of Social Influence and Social Style*,” *Education Administration Quarterly* 37 (2001): 535, accessed April 9, 2012. <http://eaq.sagepub.com/content/37/4/533>.

²⁵ *Id.*, 537.

²⁶ *Id.*, 538.

²⁷ *Id.*, 539.

²⁸ *Id.*, 539.

²⁹ *Id.*, 540.

³⁰ *Id.*, 540. Note: Emotiveness is *toward* another individual, not emotion *demonstrated* by an individual.

³¹ *Id.*, 547.

³² *Id.*, 548.

observation that personal and professional integrity, honesty and fairness are the most desired traits of a Superintendent.³³

This section considered three elements of the superintendency: leadership, decision-making and trust. Trustworthiness, as derived by the Superintendent's social interaction and emotiveness with the School Board, provides opportunities to demonstrate leadership and make decisions without interference by the School Board. When trustworthiness is combined with traits of honesty, integrity and fairness, the Superintendent is empowered by the School Board to effectively operate the school division. The next section considers leadership, decision making and trust building by the School Board.

School Boards

Responsible for the operation of public schools, Virginia School Boards are unique entities.³⁴ Virginia School Boards do not have taxing authority to fund school operating and capital budgets to meet needs prioritized by the collective whole.³⁵ Rather, local School Boards are fiscally dependent upon a local governing body. Annually, the School Board must deliberate upon a Superintendent's proposed budget, amend it, and then adopt its own budget. The School Board then seeks an appropriation from the local governing body—the Board of Supervisors or City Council, for example.³⁶ The governing body's annual appropriation usually does not equal the School Board's request but must meet the minimum required appropriation as prescribed by the Commonwealth.³⁷

³³ Thorton, *Supra* note 13.

³⁴ VA§22.1-2. System of free public elementary and secondary schools to be maintained; administration.

³⁵ §22.1-71. School Board constitutes body corporate; corporate powers.

³⁶ §22.1-. Definitions. "Governing body" or "local governing body" means the board of supervisors of a county, council of a city or council of a town, responsible for appropriating funds for such locality, as the context may require.

³⁷ §22.1-94. Appropriations by county, city or town governing body for public schools. A governing body may make appropriations from the funds derived from local levies and from any other funds available, for operation, capital outlay and debt service in the public schools. Such appropriations may not be less than the cost apportioned to the

School Boards are responsible for providing leadership and setting policy of the school division. School Boards may adopt bylaws, policies and regulations to organize itself, and to operate and manage the local school division.³⁸ In Virginia, School Boards may be appointed by the local governing body or elected to office. Each locality, through referenda, may determine the method of selecting board members.³⁹ Generally, a School Board is responsible for the operation of the local school division. School Boards must do so in a manner consistent with Virginia Board of Education Regulations and state statutes.⁴⁰

While School Boards are established to operate and maintain public schools, historically they are concerned with direction and policy, and should not involve themselves with the day-to-day operations of the schools. An early discussion of the ideal School Board proposed:

The appointees should be men of the highest citizenship [sic], and should serve for small salaries. The Superintendent's work tends to become more effective when so constituted. Board members can be most effective by acting in a critical capacity as to the Superintendent's work. A Superintendent has a splendid capital for doing good work when he has a School Board composed of fine, broad-minded [sic], capable business men who know a business proposition when they see it, who discuss fairly with the Superintendent all his proposals, and who stand by all conclusions of the Board and Superintendent when such conclusions are once reached.⁴¹

governing body for maintaining an educational program meeting the standards of quality for the several school divisions prescribed as provided by law. *Note:* The Standards of Quality are the minimum standards established for public schools, and no Virginia locality may fund below its required share as prescribed in the Appropriation Act.

³⁸ §22.1-78. Bylaws and Regulations [of School Boards].

³⁹ §22.1-57.3. Election of School Board members.

⁴⁰ VA§22.1-79. Powers and duties. This section provides specific expectations of the local School Board, and establishes the Virginia Board of Education's eminent authority.

⁴¹ Linnaeus N. Mines, "The Ideal School Board from the Superintendent's Point of View," *Journal of Education* 74 (1911): 93.

The author further suggested “board members ought not want to and ought not pretend to be experts when it comes to details of school room administration.”⁴² As with all bodies corporate, individual members can influence decisions of the whole. Collective leadership characteristics, positive decision-making and trustworthiness are essential elements of effective School Boards.

Leadership

In the context of this study, leadership demonstrated by School Boards is defined as their ability to work as a collective body to make decisions. Individuals seek membership on School Boards either to satisfy a desire to serve the community or to be in a position to address concerns held regarding the effectiveness of the local schools.⁴³ Williams and Tabernik’s study of the stability of School Boards and Superintendents described two competing characteristics of individuals who seek Board membership: 1) They are satisfied with the present direction and outcomes of the local schools, or 2) They are dissatisfied with the school district, the Superintendent or both.⁴⁴ School Board members must be skilled in “boardsmanship,” whereby their individual viewpoint is integrated with the view of the whole. One’s inability to isolate personal beliefs and bias often leads to conflict.

Mountford, in a mixed methods study of School Board and Superintendent relationships, observed role confusion is often a cause of strained Board-Superintendent interactions.⁴⁵ When a Board member believes he or she is better equipped to respond to community issues, conflict among Board members and with the Superintendent often ensues. Effective School Boards can

⁴² Id.

⁴³ Williams and Tabernik, *Supra* note 1 at 22.

⁴⁴ Id., 23.

⁴⁵ Meredith Mountford, “Motives and Power of School Board Members: Implications for School Board-Superintendent Relationships,” *Education Administration Quarterly* 40 (2004): 705. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

be categorized by attributes including 1) focus on district policy rather than micromanagement; 2) positive relationships among board members and with the Superintendent; 3) ability to set district priorities; and, 4) focus on professional development and evaluation.⁴⁶

The concept of social capital may be used to understand the influence of School Board leadership on school operations.⁴⁷ Social capital “refers to the nature of ties within a social unit, as well as the unit’s external relationships.”⁴⁸ In a quantitative study of Pennsylvania school districts, Saatcioglu et al. observed effective School Board functioning is not necessarily connected to outcomes that measure success of the organization. Actions of the School Board may only have an indirect influence over schools and students.⁴⁹ The authors of this study noted School Boards should develop strong relationships both within and outside their organization. Failure to maintain external ties may limit “innovation, legitimacy, and access to resources for the schools.”⁵⁰ If a positive relationship exists among Board members, these internal ties will manifest themselves in “trust, cooperation and mutuality.”⁵¹ Shared vision among School Board members enhances their ability to develop and implement policy.⁵²

Mountford found those individuals joining a School Board for personal reasons were more likely to question practices and often held personal prejudices inhibiting their ability to function as part of a cohesive School Board. If the individual joined the School Board for more

⁴⁶ Abe Feuerstein, “School Board Ethics and Effectiveness,” *Planning and Changing* 40 (2009): 7. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁴⁷ Argun Saatcioglu, Suzanne Moore, Gokce Sargut, and Aarti Bajaj, “The Role of School Board Social Capital in District Governance: Effects on Financial and Academic Outcomes,” *Leadership and Policy in Schools* 10 (2011): 1. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁴⁸ Id.

⁴⁹ Id., 2.

⁵⁰ Id., 5.

⁵¹ Id., 5.

⁵² Id., 7.

altruistic reasons, i.e., as service to the community, contributions to the Board were viewed as positive.⁵³

Williams and Tabernik observed School Board members should understand their role as being “distinct and separate from the role of Superintendent [and] critical to good governance.”⁵⁴ Moody, in a quantitative study of School Board-Superintendent relations, affirmed the distinct roles of the Board and Superintendent. School Boards are responsible for setting policy and Superintendents are responsible for implementing policy.⁵⁵ Leadership demonstrated by a School Board is best described as collectively setting policy for the division.

Decision-making

In a 1964 qualitative study, Kerr considered School Board members’ motivations. He found many new Board members focus not on educational issues but on issues related to school operations and finance.⁵⁶ Although an older work, Kerr’s observation underscores the work necessary by School Board chairpersons, other Board members and the Superintendent to acclimate the new Board member to issues of common concern. Fusarelli et al. in a discussion of distributive leadership within the context of public schools, observed stakeholders, including School Board members, need to “actively participate in school governance and remain informed about school issues.”⁵⁷ Feuerstein described effective school governance, from a contemporary

⁵³ Mountford, *Supra* note 44 at 719.

⁵⁴ Williams and Tabernik, *Supra* note 1 at 23.

⁵⁵ Michael J. Moody, “Superintendent-Board Relations: Competencies for Success.” *CEDER Yearbook* (January 2008): 83. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁵⁶ Norman D. Kerr, “The School Board as an Agency of Legitimation,” *Sociology of Education* 38 (1964): 42. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁵⁷ Lance D. Fusarelli, Theodore J. Kowalski, and George J. Peterson, “Distributed Leadership, Civic Engagement, and Deliberative Democracy as Vehicles for School Improvement,” *Leadership & Policy in Schools* 10 (2011): 48. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

perspective, “in terms of accomplishing goals (now largely imposed by the state or federal governments) without questioning the quality or desirability of these goals.”⁵⁸

Crum and Hellman, in a mixed methods study of decision making by a single Virginia School Board, noted School Boards serve as “good stewards of the community [and] must make sound administrative decisions.”⁵⁹ Because of contemporary focus on school accountability measures, Crum and Hellman observed Boards have assumed greater leadership roles requiring effective decision-making skills.⁶⁰ As the body converting federal and state legislation into local action, School Boards must be deliberate in their interpretation of statutes and regulations, as decisions made can have both positive and negative impact on school operations.

Crum and Hellman’s study employed a decision-making framework originally proposed by Griffiths. The five step framework included 1) Recognize and define the problem; 2) Analyze and evaluate the problem; 3) Establish criteria for evaluating solutions; 4) Collect data relevant to the problem; and, 5) Select alternatives and weigh consequences.⁶¹ School Board members most often involved themselves in steps (2) and (5), leaving central administrative staff to identify, establish collect information; and provide alternatives.⁶² The authors additionally observed the subject School Board relied heavily on interpretation of legal mandates by administrative staff.⁶³ One study outcome verified School Board decision making as being at the policy level and illustrated the expected tendency of School Boards to not involve themselves in day-to-day processes and procedures of the school division. Feuerstein’s study also supported decision-making at the policy level and noted School Boards should be “empowered to ask

⁵⁸ Feuerstein, *Supra* note 45 at 9.

⁵⁹ Karen S. Crum and G. Victor Hellman, “School Board Decision Making in the Era of No Child Left Behind,” *Educational Planning* 18 (2009): 13. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁶⁰ *Id.*, 14.

⁶¹ *Id.*, 15.

⁶² *Id.*, 21.

⁶³ *Id.*

broader questions and facilitate discussion about the value of educational goals and the processes used to develop and pursue them.”⁶⁴ School Board decisions often impact the community, so Board members are subject to pressures from various community groups attempting to influence individual members or the collective body. Kerr accurately described this dynamic as a “context of potential crisis.”⁶⁵

Trust

School Boards, as they increasingly face accountability pressures from the broader public, and state and federal governments, are driven to make decisions that may be opposed by the local community. Kerr termed this as “alienation,” as some issues coming before Boards are extremely complex and may be only partially understood by the community.⁶⁶ The School Board’s decisions need to be consistent with the value structure of the community.⁶⁷ Internal and external publics should consider School Boards trustworthy. Additionally, mutual trust must exist between a School Board and its Superintendent. One School Board chairperson described what occurs when the Board and the Superintendent do not communicate openly and honestly.

First, each party feels constrained because there are things they want to ask, but do not, things they want to learn but cannot, or things they want to say but will not. There are two results from this: ignorance and annoyance. Then these two results breed a third: mutual distrust.⁶⁸

⁶⁴ Feuerstein, *Supra* note 45 at 9.

⁶⁵ Kerr, *Supra* note 55 at 53.

⁶⁶ *Id.*, 55.

⁶⁷ Feuerstein, *Supra* Note 45 at 9.

⁶⁸ Becky B. Hurley, “Learning on the Job: The Education of a School Board President in Shared Leadership,” *Yearbook of the National Society for the Study of Education* (Wiley-Blackwell) 105 (2006): 174. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

Fusarelli et al. contextually described trust as properly managed conflict. Conflict is defined as either being personal or organizational.⁶⁹ Personal conflict may be between two or more individuals. Organizational conflict can be viewed similarly as between another organization or between multiple organizations.⁷⁰ In the case of School Boards, conflict needs to be managed or minimized between individual Board members and should be properly managed between governmental bodies. Feuerstein defined trust as individual and collective integrity.⁷¹

Feuerstein's quantitative study of ethics practices in Pennsylvania suggested ethical behavior is a "fundamental aspect of School Board effectiveness." The study employed the Board Self-Assessment Questionnaire, an instrument developed by Chait, Holland and Taylor in 1993.⁷² The questionnaire considers six elements of Board behavior:

1. Contextual—The Board understands and takes into account the culture, norms, and values of the organization it governs;
2. Educational—The Board takes necessary steps to ensure members are well informed about the organization and the professions working there, as well as the Board's own roles, responsibilities, and performance;
3. Interpersonal—The Board nurtures the development of its members as a group, attends to its collective welfare, and fosters a sense of cohesiveness;
4. Analytical—The Board recognizes the complexities and subtleties in the issues it faces, and draws upon multiple perspectives to dissect complex problems and to synthesize appropriate responses;

⁶⁹ Fusarelli, et al., *Supra* Note 56 at 53.

⁷⁰ *Id.*

⁷¹ Feuerstein, 8.

⁷² *Id.*, 14. *Note:* The questionnaire was defined for non-profit organizations and has found applicability in the public sector.

5. Political—The Board accepts as one of its primary responsibilities the need to develop healthy relationships with all key constituencies; and,
6. Strategic—The Board envisions and shapes institutional direction and helps ensure a strategic approach to the organization’s future.⁷³

These six elements, properly integrated, embody organizational trust. Feuerstein’s findings suggested School Boards adhering to these standards are more likely to be considered trustworthy by the local community.⁷⁴ Fusarelli et al., in their discussion of conflict, suggested shared goals helps to build trust among groups both within and outside the organization.⁷⁵ Focus on contributions benefiting the larger community, improving and increasing communications with groups, and exposing individuals to a variety of roles that increase their knowledge and empathy serve to minimize conflict and improve the trustworthiness of the organization.⁷⁶

This section discussed leadership, decision making and trust as three traits of effective School Boards. School Board leadership is best described as being at the policy level, leaving day-to-day leadership to the Superintendent and administrative staff. Effective School Board leadership is evidenced through its ability to make decisions in a collegial manner. Policy decisions must be considered carefully and incorporate the values of the local community. Decisions made by the School Board are derived from a synthesis of information provided to them by the Superintendent. Board members should understand decisions are not made in a vacuum, and the public’s understanding of the question(s) being considered may be limited by the complexity of the issue. School Board effectiveness can be measured by its trustworthiness, as evidenced by its interactions among its own members, the Superintendent, its employees, the

⁷³ Id., 14-15.

⁷⁴ Id., 22.

⁷⁵ Fusarelli et. al., *Supra* note 56 at 55-56.

⁷⁶ Id.

local community and with other agencies with which interactions occur. A School Board's ability to properly manage conflict without discounting necessary discourse among constituent groups further improves the community's perception of its trustworthiness. The next section discusses public school funding in the Commonwealth of Virginia.

Public School Funding in Virginia

This section provides a brief overview of public school funding in the Commonwealth of Virginia. This section is not intended as a comprehensive presentation of the biennial budgeting process employed by the Virginia General Assembly or how funds are apportioned to localities through the Virginia Department of Education. This section discusses how the costs of public education are proportionally divided between the state and local governments through basic and categorical aid, apportionment of sales tax revenues to the locality for school purposes, and the impact of federal education monies on the state's share of local school funding. This section is adapted from a 2009 presentation to the Virginia General Assembly's Standing Committee on the *Standards of Quality* by staff of the Virginia Department of Education.⁷⁷ Additional information is appropriately cited. The various statutory authorities granted to local School Boards and Superintendents have been described throughout this chapter.

The Constitution of the Commonwealth of Virginia requires the state Board of Education to establish *Standards of Quality* for the public schools.⁷⁸ These are codified at VA CODE §§22.1-253 et seq. and represent minimum standards for public schools in Virginia. The General Assembly may revise the *Standards of Quality*, while determining its costs and apportioning those costs between the state and the locality.⁷⁹ Appropriations are determined biennially through

⁷⁷ Kent C. Dickey, "Overview of the Standards of Quality Funding Process," (media presentation). Accessed April 8, 2012, http://www.doe.virginia.gov/school_finance/index.shtml.

⁷⁸ Constitution of Virginia Article VIII, Section 2: Standards of Quality, State and local support of public schools

⁷⁹ *Id.*

the Appropriation Act and companion legislation. The Commonwealth's biennial budget defines the state's share of funding and includes estimates of the local required share of public school funding.⁸⁰ The Commonwealth funds only its share of the *Standards of Quality* and localities are required to fund their share. As the *Standards of Quality* represent the minimum required levels of funding, localities often fund greater than the required local share in order to provide additional educational programs.

State funding is apportioned on a per-pupil basis through Basic Aid and seven categorical accounts. Localities are prohibited from transferring funds among these accounts unless specifically authorized to do so in the *Appropriation Act* or companion legislation.⁸¹ Additionally, a percentage of the state sales tax is dedicated to public schools.⁸²

Costs for the *Standards of Quality* are calculated for three areas including: 1) required number of instructional positions; 2) recognized support positions; and, 3) costs for utilities, supplies and other non-personal support expenses. Support costs are funded through Basic Aid typically on a prevailing cost basis. Per pupil costs for each *Standards of Quality* account are calculated for each division and are based on the division's March 31 Average Daily Membership. Costs for the three areas are re-benchmarked every two years. Data are collected to factor student enrollment, staffing standards, salaries, fringe benefit rates, standard and prevailing costs, and inflation factors. Federal revenues for education are deducted from support costs, as is sales tax revenue. Another factor calculated is the locality's local-ability-to-pay or

⁸⁰ Note: A standing interpretation of the *Appropriation Act* is its preeminence over other Acts of the General Assembly. For instance, the *Standards of Quality* may require certain levels of state-supported staffing; if that staffing is not funded by the *Appropriation Act*, then the staffing provision may not be enforced.

⁸¹ The 2009 General Assembly approved Governor Kaine's proposal to allow localities to use textbook funds for other purposes. This flexibility was rendered moot when the Kaine administration reduced appropriations to localities later in fiscal year 2010 by an amount equal to the state's share of the textbook fund to close a budget shortfall.

⁸² As of this writing, the state sales tax rate is 5.3%. Of this rate, 1.125% is dedicated to public schools. The apportionment to public schools is derived from total state sales tax revenue collected. Importantly, the revenue raised by this tax is subject to retail sales trends. In an economic downturn, this source of revenue falls sharply.

composite index. Those localities with greater the ability-to-pay bear a higher proportional share of the cost for public education.

After total costs are calculated for each *Standards of Quality* category, these are converted into a per pupil amount and multiplied by the average daily membership for each division. This yields the total cost for each *Standards of Quality* account to be apportioned to the locality. The total cost is reduced by estimated state sales tax revenue distributed to the localities, based on school age population, before the state's cost share of *Standards of Quality* is apportioned. The remaining amount is divided between state and locality based on the locality's composite index. The composite index is derived from three data points: 1) True Value of Real Property in the Locality (weighted 50%); 2) Adjusted Gross Income in the Locality (40%); and, 3) Taxable Retail Sales in the Locality (10%). Each data point is expressed on a per capita (weighted 33%) and per pupil (weighted 67%) basis. The composite index is the proportion of the weighted local values relative to the weighted statewide values, and is adjusted to reflect an overall statewide local share of 45% and an overall state share of 55%. No locality pays less than 20% of the cost or more than 80% of the cost to fund the *Standards of Quality*.⁸³

Full funding of the *Standards of Quality* is not equivalent to the total costs to provide for public schools. The community generally assumes a greater share of the true cost of public schools due to local decisions to expand educational programs and other services within the community.⁸⁴ These costs are in addition to what the Commonwealth requires and can be a

⁸³ *Special note:* There is some debate over the minimum and maximum a locality must contribute. Generally, the 20%-80% rule applies.

⁸⁴ For example, most Virginia school divisions offer full day Kindergarten in their schools. The Commonwealth only requires a half-day program. For the most part, these additional costs are borne by the locality.

source of fiscal tension between the Commonwealth, School Boards and local governing bodies.⁸⁵

Summary

This chapter considered characteristics of leadership, decision-making and trust by the Superintendent; and by the School Board. These elements were considered in both quantitative and qualitative studies. The studies suggested effective leadership and decision-making lead to increased levels of trust among internal and external constituencies and governmental bodies. The chapter also described the method of funding Virginia Public Schools. Funding by the Virginia General Assembly for public schools is limited to that which is identified through the *Standards of Quality*. These standards establish the minimum funding expectations for the local governing body. Additional funds appropriated by the local governing body in excess of the *Standards of Quality* may often be the source of conflict between School Board and the local governing body especially if the appropriation is less than what the School Board has determined necessary for the schools. The next chapter introduces the research problem and the methodology.

⁸⁵ Richard G. Salmon, "The evolution of Virginia Public School Finance: From the beginnings to Today's Difficulties," Virginia Newsletter 86:3, June 2010.

Chapter 3

Methodology

Crotty described methodology as "the strategy, plan of action, process or design lying behind the choice and use of particular methods."¹ Study procedures and results presentation are discussed. The chapter is organized into three sections including Research Methodology, Procedures, and Data Collection.

The Research Methodology section includes the study purpose, research study rationale, the framework to guide data collection, and the role of the researcher. The Procedures section details how the study site was selected, participants, and confidentiality measures. This section also reviews entry, reciprocity, and ethics concerns. Data collection techniques; data analysis organization; and, procedures and methods for determining reliability and validity are detailed.

Research Methodology

Purpose of the Study

This study examined how a Virginia public school division, Superintendent and its elected School Board successfully closed a known budget deficit for fiscal year 2010. The study considered relationships between the School Board and the Board of Supervisors, the relationship between the School Board and its executive leadership, and the relationship between the Superintendent and County Administrator. The data gathered in the study include pertinent documents including budget preparation materials, meeting minutes and correspondence between school and county officials, and interviews with individuals who were key decision makers during this time. The case study is descriptive, as the study examined relationships between key

¹ Michael Crotty, *The Foundations of Social Research* (London: Sage Publications, 2009), 3.

individuals, processes employed, and decisions made as they navigated county and school budget processes over a six-month period.²

Merriam wrote, "...hypotheses emerge simultaneously with the collection and analysis of data. The researcher tries to support tentative hypotheses while at the same time remaining open to the emergence of new hypotheses."³ The researcher's intent is to describe and enumerate those strategies employed by the School Board, Superintendent and leadership team to address both an immediate revenue reduction and a projected funding imbalance for the coming fiscal year.⁴ A case study methodology was appropriate to conduct the research. Data were categorized into multiple categories using a constant comparative approach derived from Grounded Theory.⁵

Rationale for Research Design

This study considered what actions were taken and how these responses were chosen to close a school-funding shortfall that arose because of the 2007 -2009 worldwide economic recession. Researchers use qualitative case studies to describe "how" or "why."⁶ Yin observed, "[T]he case study is used in many situations to contribute to our knowledge of individual, group, organizational, social, political, and related phenomena."⁷

Merriam described five characteristics of qualitative research. First, the researcher must understand the participant's perspective. Second, the tool for data collection and analysis is the researcher. Third, the researcher must conduct fieldwork; that is, to experience first-hand the situation. Fourthly, the researcher builds a theory based on observations and findings: an

² Sharran B. Merriam, *Qualitative Research and Case Study Applications in Education* (San Francisco: Jossey-Bass, 1998), 38

³ Id., 191.

⁴ *Special Note*: Depending upon one's perspective, a reduction in local effort was offset by additional state funds or one could posit that federal funds augmented state revenues to stabilize both local and state budgets.

⁵ Merriam, *Supra* note 2 at 159.

⁶ Robert K. Yin, *Case Study Research: Design and Methods (3rd Ed.)* (Thousand Oaks, CA: Sage Publications, 2003), 1.

⁷ Id., 4.

“inductive” approach. Lastly, the study uses language to describe “process, meaning, and understanding.”⁸

Merriam described qualitative study methodologies as being 1) Basic or Generic; 2) Ethnography; 3) Phenomenology; 4) Grounded Theory; and, 5) Case Study.⁹ Identifying characteristics of each are described briefly below:

Basic or Generic: Researchers attempt to identify and “understand a phenomenon, a process, or the perspectives or world views of the people involved.”¹⁰

Ethnography: Researchers interpret data from a “socio-cultural” viewpoint.¹¹

Phenomenology: Researchers consider what is observed in a setting, and then consider the potential “meanings” from multiple observation points.¹²

Grounded Theory: Researchers derive theory from data that is collected in a structured manner and analyzed. Grounded Theory “begins with an area of study, and allows the theory to emerge from the data.”¹³

Case Study: Researchers study “a contemporary phenomenon within its real life context...when the boundaries between phenomenon and context are not clearly evident.”¹⁴

Based on the above characteristics, case study methodology was best suited for this study. The researcher “wanted to cover contextual conditions—believing that they might be

⁸ Merriam, *Supra* note 2 at 8.

⁹ Id., 11.

¹⁰ Id.

¹¹ Id., 14.

¹² Id., 17.

¹³ Anselm Strauss and Juliet Corbin, *Basis of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*, (Thousand Oaks, CA: Sage Publications, 1998), 12.

¹⁴ Yin, 13.

highly pertinent to [the researcher's] phenomenon of study."¹⁵ First, the questions consider a unique phenomenon: The division's school operating budget was based on anticipated revenues and expenditures adequate to support instruction in Frederick County, Virginia. Second, a severe economic recession resulted in a new condition for Frederick County's public schools; third, specific interactions between key individuals appear to have led to strategies to address the phenomenon; and fourth, the outcome(s) of this event may yield an understanding of appropriate steps necessary by others for future periods of economic uncertainty. This study proposal focused on a single case with the school division as the unit of study.

Framework

Merriam described a Theoretical Framework as "the orientation or stance that [the researcher] brings to the study."¹⁶ A framework places the study in context with existing literature on the topic. Merriam described the body of existing literature as the outer most "frame" and shows the "disciplinary orientation that [the researcher] draws upon to orient the study."¹⁷ The literature review may suggest topics that require further study,¹⁸ enabling the researcher to derive a problem statement or research question(s) (the next inner "frame"). The literature review for this study considered the relationship between Superintendents and School Boards, and discusses funding methodologies employed by the Virginia General Assembly. This established the outermost "frame" suggesting areas for further study. The next inner "frame" included the research questions:

1. What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the local Board of Supervisors?

¹⁵ Yin, *Supra* note 3 at 13.

¹⁶ Merriam, *Supra* note 2 at 45.

¹⁷ Id., 47.

¹⁸ Strauss and Corbin, *Supra* note 11 at 37.

2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain a quality education program for all students?
3. How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

Finally, the purpose of the study is connected through the innermost “frame.”¹⁹ The framework also established the focus for the study: Will the responses to the three research questions accurately describe how the Superintendent navigated the budgeting process during difficult economic times?

Yin described a study’s focus as potentially “exploratory” for developing “hypotheses and propositions for further inquiry.” An “explanatory” study seeks to be “predictive of certain outcomes.”²⁰ This study explored how relationships are developed between Superintendents, School Boards and Boards of Supervisors and sought to explain narrowly how one locality addressed a significant event. The first research question is exploratory while the second and third questions are explanatory.

Role of the Researcher and Validity

The researcher plays an integral role in a case study. Yin wrote, “Each case study investigator must understand the theoretical or policy issues because analytical judgments have to be made throughout the data collection phase.”²¹

In describing the characteristics of a Grounded Theorist, Strauss and Corbin suggested the researcher be able to 1) critically analyze situations; 2) recognize bias; 3) think abstractly; 4)

¹⁹ Merriam, 47.

²⁰ Yin, *Supra* note 3 at 6.

²¹ Yin, 61.

remain flexible and open to critique; 5) demonstrate sensitivity toward interviewees; and 6) demonstrate dedication to the “work process.”²² These characteristics also apply to traditional case study researchers.

Merriman suggested six strategies to maintain internal validity:

1. Triangulation—using multiple sources or methods to confirm findings;
2. Member Checks—confirming data or findings with individuals from whom the information were collected;
3. Long-term observation—gathering data over time to improve reliability;
4. Peer examination—seeking feedback on findings as these emerge;
5. Participatory or collaborative modes of research—involving participants in all aspects of the study; and,
6. Researcher biases—clarifying assumptions and orientation before commencing the study.²³

Multiple strategies were used to assure internal validity in this study, given the variety of data sources available. Budget documents, meeting minutes, working papers and news media were triangulated, as these records are available from public archives, participants and the participant researcher. Member checks and peer examination were used to confirm understandings that emerged from the data.²⁴ As interviews were conducted, the researcher found areas requiring additional discussion with interviewees. Data sorts were performed multiple times to categorize and organize information to prevent personal biases from emerging.

²² Strauss and Corbin, *Supra* note 11 at 7.

²³ Merriam, 204-5.

²⁴ *Special Note*: Multiple member checks were used during analysis of participant interviews. Participant perspectives, while not necessarily in conflict, needed to be considered in context.

Because of the researcher's integral role throughout a study, researcher bias was accounted for. Merriam wrote, "Both the readers of case studies and the authors themselves need to be aware of the biases that can affect the final product."²⁵ Yin encouraged determining openness to contrary findings and researcher willingness to report alternate understandings of phenomena.²⁶ A participant-researcher should be especially careful, given natural tendency to overemphasize his or her influence on the process.²⁷ This study pre-supposed members of division executive leadership naturally sought to protect assets within their areas of supervision. The researcher, as a member of the division executive leadership, contributed to problem identification, analysis and decision-making throughout fiscal years 2009 and 2010 budget deliberations. Because personal working papers represented the researcher's opinions or recommendations, master files and records archived by the director of finance were used as reference materials throughout the study. When necessary and appropriate, master files were compared to the researcher's record for clarity or greater explanation.

This section described the essential tasks of the researcher. First, judgments were made throughout data collection. Second, collected data were synthesized to provide focus. Third, collected data were arranged in order to draw conclusions. The researcher took appropriate steps to assure conclusions drawn from the data were valid and reliable. Fourthly, the researcher made deliberate effort to recognize and prevent bias. Finally, the researcher considered alternate findings, if supported by evidence collected.

Experience of the Researcher

The researcher played an integral role in resolving the expected budget deficit originally anticipated in the millions of dollars. The researcher began his career over thirty years ago in a

²⁵ Merriam, 42.

²⁶ Yin, *Supra* note 2 at 62.

²⁷ Merriam, *Supra* note 24.

suburban school district outside of Richmond, Virginia. The researcher has served as a teacher, assistant principal, principal, director of instruction, and as an assistant superintendent in the subject school division.

As a participant-observer, the researcher had first-hand knowledge of deliberations to craft a balanced fiscal year 2010 budget. Because first-hand knowledge can be influenced by one's own desire for specific actions, the reliability of the study may be diminished. Yin described participant observation as a means "to gain access to events or groups that are otherwise inaccessible to scientific observation."²⁸ To minimize bias, most data sources were records prepared by other individuals, participant interviews, archived state documents, or media accounts. Time also served to minimize bias as written records improved accuracy of the recollection of events and actions taken. Additionally, the researcher continually crosschecked data sources to avoid interpretations too narrow or predictive. Critical insight was gleaned from interviews and by contrasting perspectives of study participants.

Procedures

Selection of the Setting

After problem identification, the unit of analysis must be determined. In case studies, the unit is the site or the sample.²⁹ The site presented itself readily because the researcher chose to investigate a unique circumstance.³⁰ Qualitative research often focuses on a particular event. Merriam suggested that purposeful sampling should be used for site selection; that is, selection of a site where "the most can be learned."³¹ Because the researcher was employed in the subject school division, the selection served as a convenient sample.

²⁸ Id., 94.

²⁹ Merriam, *Supra* note 2 at 60.

³⁰ Yin, *Supra* note 2 at 78.

³¹ Merriam, 61.

Conditions that existed in 2008-2009 were nearly universal among Virginia public school divisions and local governments. As state and local revenues continued to decline, localities were forced to consider means to reduce expenditures for governance and schools while minimizing disruption to essential services. Frederick County Public Schools represented a typical medium sized Virginia school division. Comparative school divisions include Albemarle County, Fauquier County, Montgomery County, Roanoke County, and York County.³² Because there exist a like group of school divisions, findings from this study may provide insight into questions related to this topic in those divisions.

Participants and Assurances of Confidentiality

Participants consisted of the Superintendent (retired), School Board members, County Administrator and Board of Supervisors chairperson. Participants completed informed consent forms, including an explanation of the study, and were given notice of voluntary participation and the opportunity to withdrawal from the study at any time. Appendix A documents consent forms for participants.

Entry, Ethics and Reciprocity

Approval to conduct this research study was sought through the school division, using its protocol for conducting research. Virginia Tech Institutional Review Board approval was granted on September 12, 2013, and renewed on August 25, 2014, and is found in Appendix B. Participant identities and other individuals referenced in the study are protected through pseudonyms or by title-only. The protections are minimal, as the individuals who participated in interviews were or are public officials. The completed study will be made available to study participants.

³² Virginia School Divisions have been organized into peer cluster groups by Virginia Commonwealth University. These peer cluster groups have been used for comparative purposes when state-sanctioned efficiency reviews have been conducted. See, http://www.cepi.vcu.edu/programs_and_services.html (Last accessed June 27, 2013).

Given the researcher's former capacity as a member of executive leadership within the division, access to participants was already established with division personnel and county administrative staff. To afford protections to study participants, safeguards derived from the school division's Request to Conduct Research procedures were employed (see Appendix C).

1. Purpose and objectives were communicated orally to the division Superintendent and in writing using prescribed forms.
2. Permission was obtained from the division Superintendent to conduct the study.
3. Approval to conduct research was requested from Virginia Tech, following its protocol.
4. Data collection strategies were explained to the division Superintendent using the prescribed format.
5. Participants were provided informal consent forms, with the option to withdraw at any time.
6. Certain working documents were redacted, as appropriate, to offer anonymity as necessary, if used as supporting evidence in the study.
7. Names of individuals interviewed or referenced were protected through the use of pseudonyms or listed by title.

Procedures for Data Analysis

Data for this study were collected from structured interviews and from archived and file documents created during the time period of 2006 through 2009. Participant interviews were conducted during fall 2013 and member checks occurred in winter-spring 2014. While the study

is historical in part, the researcher's participation in the event coupled with interviews provided opportunity to employ the strength of case study methodology.³³

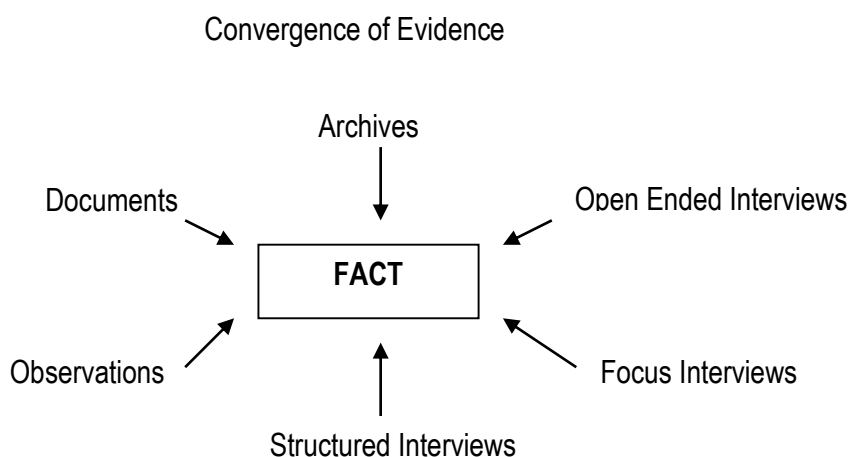


Figure 3.1 Triangulation

Multiple sources of evidence are desired when conducting a case study. Yin suggested collecting evidence from a variety of sources allows for “corroboration.”³⁴ This strategy is described as triangulation and is a means to address construct validity in a case study. A diagram depicting the process is shown in Figure 3.1.³⁵ Extensive documentation of the FY2009 and FY2010 budgeting processes was available. Each Superintendent’s cabinet member maintained a budget workbook with personal notes. Additionally, a master workbook with a complete record of budget deliberations was made available to the researcher. This afforded the researcher means to reconstruct actions from multiple perspectives, and were confirmed through interviews.

Documents refer to archived records including meeting minutes and supporting materials, working papers used for budget preparation, and public records from the office of the Governor of the Commonwealth of Virginia, and finance committees of the Virginia legislature.³⁶ These

³³ Yin, *Supra* note 3 at 8.

³⁴ Id., 99.

³⁵ Id., 100.

³⁶ Archived documents are available through the website of the Library of Virginia or <http://www.virginia.gov>.

records were used to illustrate timelines, historical understanding, and describe external and internal influences on the subjects of the case study. Document authenticity was established, so as to be credible and valuable to the study.³⁷ Merriam noted, “that qualitative researchers [should] also attend...to whether documents are primary or secondary sources.”³⁸ The case study employed primary and secondary sources. Primary sources included transcripts of participant interviews, actual working papers and budget presentation materials. Secondary sources included meeting minutes and press accounts of actions taken at the local and state levels.

Documents consisted of state government press releases; prepared remarks by Governor Kaine; budget documents from the Virginia General Assembly; and meeting minutes for the Frederick County Board of Supervisors and its finance committee arranged chronologically. Public meeting minutes of the School Board during work sessions, internal staff working documents and memoranda, and public and non-public budget documents arranged chronologically were also employed. These documents provided a comprehensive representation of actions taken externally and internally to respond to fiscal concerns and prepare an approved state, county and school division budget. Because decision points throughout the budget process were influenced externally and internally, these documents provided means to verify facts, interpretations and understandings. Media accounts of meetings at state and local levels serve to validate primary data sources.

³⁷ Merriam, *Supra* note 1 at 122.

³⁸ *Id.*

Document	Type	Description
Budget Workbook	WD	Chronologically-ordered working drafts of program costs/reductions by object code and category
Adopted Budget	PR	Final FY2010 Budget as approved by School Board
Early Retirement Incentive Proposal	WD	Solicited proposal for personnel cost reduction
Program Savings Analysis	WD	Planning document to identify savings by instructional program and/or support program
Staffing Template	WD	Planning document to project staffing needs
School Board Meeting Minutes	PR	Summary of school board actions taken at several meetings
Board of Supervisors Meeting Minutes	PR	Summary of supervisor actions taken at several meetings
Finance Committee Minutes	PR	Board of Supervisor standing committee minutes of several meetings
Newspaper Articles	M	Media summary of actions taken by either board
Superintendent's Annual Report	PR	Reported revenue, staffing and expenditures as compiled by VDOE for several years
General Assembly Reports	PR	Summary of actions taken by the General Assembly to balance state budget
State Superintendent's Memoranda	PR	Various communications to divisions regarding state budget process

PR: Public Record WD: Working Document M: Media Report

Table 3.1 Document Descriptors

Interview Procedures and Protocols

Participant interviews enabled the researcher to gather important information. Yin suggested that questions be presented in a “how” format as opposed to a “what” format. By forming questions that do not use “why,” the interviewer avoided putting the respondent in a defensive position.³⁹ Further, leading questions do not provide opportunity for subsequent interviewees to substantiate evidence, but serve to diminish the research value of the question.⁴⁰

³⁹ Yin, *Supra* note 3 at 90.

⁴⁰ Id., 91.

Questions were designed to be open-ended and then shifted to focus on specific elements.⁴¹ Merriam observed, “Interviewing is also the best technique to use when conducting intensive case studies of a few selected individuals,”⁴² as occurred in this case study.

Interviews with key individuals provided insight into the dynamics between the two boards and the division Superintendent before and during the 2008-2010 budget years. Pre-existing conditions under prior superintendents were explored to establish context for the emergent condition with a new Superintendent. The literature review served to generate questions for structured interviews. Additional questions were derived from study of deliberations by both boards as each moved toward an adopted budget for fiscal year 2010. The researcher sought to identify a logic sequence, a representation of action-reaction or a cause-effect pattern from both document review and interviews.

Study Participants

Five key individuals were invited to participate in this study. All agreed to participate and completed informed consent documents as required by the Institutional Review Board of Virginia Tech. Each served in local government or school leadership capacities prior to and during the 2007-2009 economic recession. Interviewees are not identified by name, but by pseudonym. Study participants included P. Columbus, retired Superintendent of Schools (2006-2011); J. Richmond, County Administrator; R. Stephenson, Chairperson at-large of the Board of Supervisors; J. Albany, Chairperson of the School Board 2007-2010; and, S. Loudoun, present Chairperson of the School Board. Each interviewee had at least ten years of service as either a Board member or member of school or county leadership and, therefore, was able to place events

⁴¹ Id., 90-91.

⁴² Merriam, *Supra* note 1 at 72.

and conditions in context. Interviewees offered their perspective through a structured interview protocol.

Interview Protocol

The initial interviews were conducted beginning September 24, 2013, and completed October 25, 2013. Informed Consent forms were provided to and completed by the participants, as required by the University. Subsequent follow-up interviews and member checks were conducted with study participants, to seek clarity of understanding. A structured interview process was employed and interviews are linked through a questioning matrix coinciding with the study questions and the literature review. Opportunities to triangulate and validate perceptions of decision-making processes existed because the participants were from among both boards and their administrative leadership. The complete interview matrix is included as Appendix D. Structured interview questions are included as Appendix E. Areas of inquiry were categorized according to the interview matrix, as shown below.

Research Question	Inquiry/Interviewee ↓	→	(1) Supt A	(2) County Admin	(3) SB Chair	(4) SB Vice Chair	(5) BOS Chair at Large
I	a. Supt/SB		X		X	X	
I	b. Supt/BOS		X	X	X	X	X
I	c. SB/BOS		X	X	X	X	X
I, II, III	d. Supt/County Admin		X	X			X
I, II, III	e. Supt Fostering Relationship		X	X	X	X	X
I, II, III	f. SB Chair Fostering Relationship		X	X	X	X	X
I	g. Pre-Existing Board Relationship(s)		X	X	X	X	X
I, II, III	h. Influence of Relationship on Funding		X	X	X	X	X

Table 3.2 Inquiry Matrix
Data Analysis

Documents and interview transcripts were categorized to show relationships between individuals, critical events, decisions made collectively or individually, and processes. This

strategy allowed the researcher to discriminate among data.⁴³ Categories and sub-categories of data were organized in a manner to “[reflect] the purpose of the research and [be] mutually exclusive.”⁴⁴ The study used a constant comparative method through which “the researcher beg[an] with a particular incident...and compare[d] it with another incident in the same set of data or another set.”⁴⁵ In this study, there were multiple perspectives within collections of data. Comparisons of these perspectives yielded categories and from which a theory may be derived.⁴⁶ Narrative methodology was employed to describe events relevant to the study.

Categorization of Archived Documents

Collected resources were organized using a general protocol:

I. By Research Question

- A. Source (Staff Working Paper, School Board, Board of Supervisors, Governor’s Communication, Federal or State Deliberation or Action)
- B. Topic (interpersonal relationships, board relationships, decision-making, leadership, trust, honesty, integrity, collaboration, emerging themes, etc.)
- C. Relevance to question (explanatory, descriptive, relational, corroborative, etc.)

II. By Theme

- A. Significance (by factor, event, pivot point, action or reaction)
- B. Influence (on outcomes or upon others)
- C. Validation or verification by Primary Source (by interview, document, working papers)

⁴³ Merriam, *Supra* note 1 at 80.

⁴⁴ *Id.*, 184.

⁴⁵ *Id.*, 158.

⁴⁶ *Id.*, 158.

- D. Validation or verification by Secondary Source (by media account, meeting minutes, press release)

III. By Purpose

- A. Strategic (to influence others or to achieve desired short- or long-range outcome(s))
- B. Informational (to explore, understand, seek or receive)
- C. Operational (to cooperate, collaborate, or operationalize)
- D. Planning (to anticipate future needs)

IV. By Outcome

- A. Internal Decision-making
- B. External Decision-making
- C. Governance-orientation
- D. Business-orientation

Refinement of the data provided opportunities for the researcher to draw inferences and construct understanding of the phenomenon. The written record and personal interviews with participants lent understanding of the strategic actions and decisions made by the Superintendent, County Administrator, Board of Supervisors chairperson and School Board chairperson to foster cooperative working relationships.

Data Management

Elements of this study were managed electronically, while others required a manual filing system. Materials were organized following the protocol described above. All interview documents were securely stored in locked files, on private computer hard drives or solid-state media.

Study Context

The relationships between former Superintendents, School Boards and Boards of Supervisors were explored to establish contrast and describe the environment in which the new Superintendent inherited. Pre-existing condition subjects are shown in table 3.4. Emerging and new condition subjects are shown in Table 3.5. Understanding of prior conditions provided basis for developing a hypothesis.⁴⁷ Interactions between the chairperson of the Board of Supervisors, Stephenson; then chairperson of the School Board, Orleans; the county administrator, Richmond; and former superintendent, Denver, were studied. Factors emerged through which Columbus's tenure could be contrasted. Description and analysis of the leadership skills employed by Columbus to guide School Board members and senior staff in formulating a school division budget offers insight as to how diverse opinions are merged through collaboration and consensus.

Subjects Pre-existing Setting
Denver—Immediate Past Superintendent
Tannery—Former Superintendent
Richmond—County Administrator
Stephenson—Board of Supervisors Chairperson
Orleans—School Board Chairperson

Table 3.3 Subjects Pre-existing Setting

Subjects Emerging-New Setting
Columbus—Incumbent Superintendent
Richmond—County Administrator
Stephenson—Board of Supervisors Chairperson
Albany—School Board Chairperson
Loudoun—School Board Vice-Chairperson

Table 3.4 Subjects Emerging-New Setting

⁴⁷ Yin, *Supra* note 3 at 6.

Legend	
Color Key	Relationship
Dark Blue	Healthy and Balanced
Red	Unhealthy and Unbalanced
Light Blue	Appropriate to Position
Black	Limited
Gray	Participation Limited

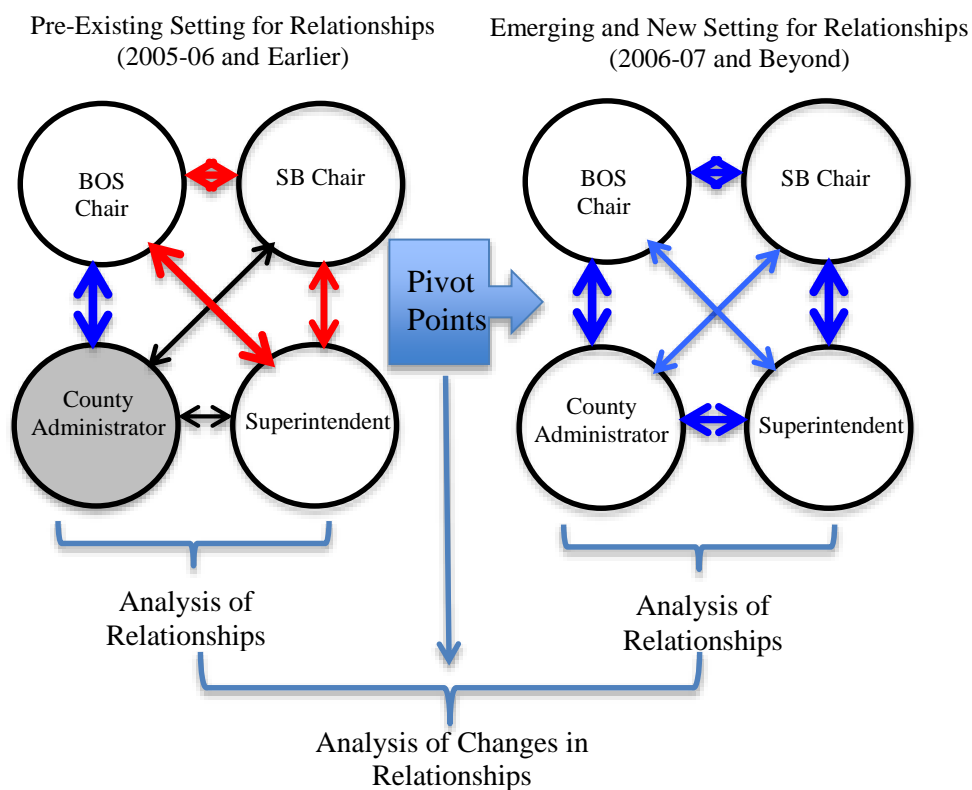


Figure 3.2 Data Analysis Process

Data Categorization

Data were categorized in analysis to establish and understand pre-existing board relationships prior to Columbus being appointed superintendent of schools. These data provided context and identified factors that may have caused them. Pre-existing themes emerged from the data.

Pre-Existing Setting
Denver—Board of Supervisors
Denver—Stephenson
Denver—Richmond
Orleans—Stephenson
Orleans—Denver
Orleans/Denver—School Board
School Board—Board of Supervisors
School Staff—County Staff

Table 3.5 Pre-existing Setting

Data were then assessed to determine how relationships changed during the tenure of Columbus. As these data were studied, new themes emerged representing change in the dynamic between both boards and leaders.

Emerging or New Setting
Columbus—Board of Supervisors
Columbus—Stephenson
Columbus—Richmond
Albany—Stephenson
Albany—Columbus
Albany/Columbus—School Board
School Board—Board of Supervisors
School Staff—County Staff

Table 3.6 Emerging or New Setting

Data were assessed to identify factors influencing relationships. From data analysis, leadership characteristics emerged. Characteristics were then paired and contrasted. Finally, relationships and decision-making of both Boards and their respective leadership are studied through the lens of both fiscal year 2009 and 2010 budget cycles.

Organization of Findings

The findings are organized into three sections to consider each research question. The data are organized chronologically or by critical event (or factor). Section I addresses relationships and leadership characteristics among key leaders and is organized into three

subsections. The first subsection describes relationships, settings and conditions prior to 2006 between leaders of the school division and county government. Within this section the relationships between the former Superintendent, the county administrator, the chairperson of the Board of Supervisors, and the then chairperson of the School Board are explored.

The second subsection describes how the new Superintendent and chairpersons of both Boards considered pre-existing conditions and fostered new relationships between Boards; leadership of each Board; and, between county government staff and School Board staff.

The third subsection considers how the factors related to change in relationships contributed to improved conditions between the Boards and key leadership. A number of internal and external factors emerged. Controlling factors that influenced, and perhaps required re-alignment of priorities, are considered.

Section II considers how county government staff, school board staff, and their respective Boards worked, resultant of changed relationships, to close known local revenue shortfalls and reprioritize expenditures to work within expected revenues. This section is presented in the context of the fiscal year 2009 and fiscal year 2010 budgets. Efforts to provide essential governmental services provide additional context.

Section III considers the impact of State Fiscal Stabilization Funds on the school division's fiscal year 2010 budget. This section describes what strategies were employed by the Superintendent and staff to leverage these funds to restore programming reductions expected due to loss of state and local revenue.

Summary

This chapter described methodology used to conduct the case study. Included were a discussion of qualitative measures and the justification for a case study approach. The chapter

considered a theoretical framework to place the study in context with present literature on the topic. The role of the researcher was discussed and included a discussion of validity and reliability, biases, and methods for assuring integrity and quality of the study. Procedures and units of analysis were presented along with ethical expectations. Means for data analysis, management and presentation of the findings were described. The case study is narrative and used a constant comparative methodology to identify emergent themes. The next chapter discusses the findings of the study.

Chapter 4

Study Findings

This chapter describes the study findings and is divided into three sections considering each of the research study questions. The research questions are:

1. What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the local Board of Supervisors?
2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain a quality education program for all students?
3. How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

The data are organized chronologically or by critical event (or factor). Relationships and leadership characteristics among key leaders are discussed in section I. Three subsections consider 1) relationships, settings and conditions prior to 2006 between leaders of the school division and county government; 2) new and emerging relationships, settings and conditions in subsequent years; and 3) how the factors related to change in relationships contributed to improved conditions between the Boards and key leadership. Controlling factors that influenced, and perhaps required re-alignment of priorities, are considered.

Section II is presented in the context of the fiscal year 2009 and fiscal year 2010 budgets. Efforts by the Board of Supervisors to consider available revenue sources, work by the County Administrator to craft a county budget within the constraints established by the governing body,

and work of the School Board and Superintendent to amend and prepare school division budgets are explored.

Section III considers the short- and long-range impact of State Fiscal Stabilization Funds on the school division's fiscal year 2010 budget. Use of these funds would impact future year budgets and considerations made by the Superintendent are identified.

Five key individuals participated in the study, were long-term leaders at the school or county levels, and offered critical insight. Interviewees are not identified by name, but by pseudonym. Study participants included P. Columbus, retired superintendent of schools (2006-2011); J. Richmond, county administrator; R. Stephenson, chairperson of the Board of Supervisors; J. Albany, chairperson of the School Board 2007-2010; and, S. Loudoun, present chairperson of the School Board.

Three other individuals identified by pseudonym include J. Denver, superintendent from 1997-2006; N. Orleans, chairperson of the School Board until 2006; and S. Tannery, Denver's immediate predecessor. None were interviewed for this study. Additionally, School Board administrative staff or county officials are identified by title only.

Study Subjects by Pseudonym	
Non-Participants	
Former Superintendent (1997-2006)	Denver
Former School Board Chairperson	Orleans
Former Superintendent (Pre-1996)	Tannery
Participants	
New/Incumbent Superintendent	Columbus
School Board Chairperson	Albany
Board of Supervisors Chairperson	Stephenson
County Administrator	Richmond
School Board Vice-Chairperson	Loudoun

Table 4.1 Study Subjects by Pseudonym

Data Collection, Organization and Findings

Records Review

Extensive materials were available including local and state budget materials and deliberations, working documents, transcripts and meeting minutes. Many of these documents were primary sources. Media accounts of local and state action were archived and used to validate primary source data.

Interview Protocol

Structured interviews were conducted beginning September 24, 2013, and initially completed October 25, 2013. Subsequent follow-up interviews and member-checks were conducted with study participants.

Data Organization

Data were categorized and re-categorized in subsequent analysis to establish and understand pre-existing board and staff relationships. These data provided context and identified factors that may have caused them. Data were then assessed to determine how relationships changed over time during the tenure of Columbus. Factors influencing relationships were identified.

Initial Findings

Pre-existing themes emerged including: distrust, ineffective communication between boards, ineffective communication or consultation by the Superintendent and School Board chair with School Board members, misunderstanding of role(s), and lack of cooperation. Even though these themes emerged, participants generally viewed the former Superintendent, Denver, as a strong leader and advocate for schools.

Emerging or new themes include: authenticity; collaboration and communication between the new Superintendent, Columbus and County Administrator, Richmond; positive communication and collaboration between Board chairpersons, Albany and Stephenson; improved inter-personal relationships between members of both Boards; trustworthiness; cooperative decision-making and leadership. Participants universally viewed Columbus as an effective leader and advocate for the schools and community.

Section I: Political and Relationship Factors

Pre-existing Setting

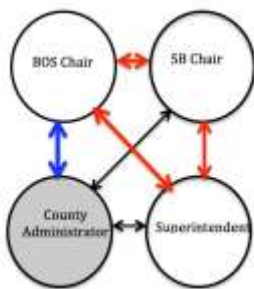


Figure 4.1

This sub-section focuses on the years, 1997-2006, during which J. Denver served as Superintendent. The school division had grown rapidly, and additional operational and capital resources were required to accommodate growth during this period.¹ Interviewees described mistrust between the Superintendent and County Administrator, and

between the School Board and the Board of Supervisors.² Columbus observed that Denver was “excellent in many ways, but had not experienced an aspect important aspect of Virginia school funding—that of a School Board not having fiscal autonomy.”³ Columbus’s observation emerged as a critical factor influencing the relationship between the two Boards. Pre-existing Setting subjects are identified in Table 4.1.

¹ The school division grew from 11,549 to 12,403 between 1996 and 2006. Governor’s Proposed Amendments to the FY 1997 and FY 2006 budgets. Available at:

http://www.doe.virginia.gov/administrators/superintendents_memos/2005/inf250b.pdf and http://www.doe.virginia.gov/administrators/superintendents_memos/2007/inf260b.pdf. Retrieved March 6, 2014.

² J. Richmond [pseud.], Interview by author, October 10, 2013, Winchester, VA. Lines 67 and 76.

³ P. Columbus [pseud.], Interview 1 by author, October 9, 2013, Winchester, VA. Lines 31-32.

Subjects Pre-existing Setting
Denver—Immediate Past Superintendent
Tannery—Former Superintendent
Richmond—County Administrator
Stephenson—Board of Supervisors Chairperson
Orleans—School Board Chairperson

Table 4.2 Subjects Pre-existing Setting

Denver—Board of Supervisors

Denver’s relationship with the Board of Supervisors was at times strained. Interviewees reported both the Superintendent and the Board of Supervisors had little interest in collaboratively developing a budget.⁴ Denver’s relationship with the Board of Supervisors was seen by some to be simply an extension of pre-existing conflict. Columbus observed, “Tannery [Denver’s predecessor] had the same frustration [with the Board of Supervisors] but for different reasons. He understood Virginia politics—[and had been] a member of the Board of Supervisors—his frustration was based on a clear understanding of governing body dynamics. How might the Board of Supervisors value or understand the school budget?”⁵ Loudoun recalled a conversation with a Board of Supervisors member who offered advice not to believe Tannery’s reasoning and advocacy for school funding, “Viable and good board members need to believe what the Superintendent says is true. I learned quickly that [this supervisor’s] information could be flawed when challenged.”⁶ From the Board of Supervisors’ perspective, tenacity on the part of Denver was sometimes interpreted as being antagonistic. Columbus noted, “Denver followed [a Superintendent] who was a strong advocate for funding for public schools. [Tannery] was outspoken and could infuse strong convictions about public education and do so with emotion.”⁷ Richmond, recalling past budget deliberations, remembered Tannery as saying, “If you think I’m

⁴ Albany [pseud.], Interview by Author, October 4, 2013, Winchester, VA. Line 71; Loudoun [pseud.], Interview by author, September 24, 2013, Winchester, VA. Line 75; and Richmond, Interview, Line 66.

⁵ Columbus, Interview 1, Lines 44-47.

⁶ Loudoun, Interview 1, Lines 81-84.

⁷ Columbus, Interview 1, Lines 48-50.

you're white knight to save your situation, well I'm not.”⁸ Conflict between the Superintendent and the Board of Supervisors was the expected norm and stemmed from superintendents legitimately advocating for and defending financial needs of the school division.⁹

Denver's previous experiences had been in states where the Superintendent actively advocated support for school tax levies.¹⁰ Columbus observed, “From time to time—there was a lack of understanding or acceptance—of the Board of Supervisors' viewpoint, [and those] experiences in prior responsibilities made it difficult for the Board of Supervisors to understand his efforts....”¹¹ Notably, Denver's budget presentations to the Board of Supervisors were often received skeptically despite being based on the needs of the division.¹²

Columbus suggested Denver was given guidance by the School Board to lessen the “emotional angst between the community [which grew to expect adequate resources] and the Board of Supervisors.”¹³ Columbus remembered Denver making efforts to develop common ground by establishing social time between the School Board and Board of Supervisors.¹⁴ Efforts at building effective relationships with the Board of Supervisors and county staff seem to have failed, though Columbus remarked “[Denver] used time and resources for social interchange where the governing body could see value systems and background....”¹⁵ Denver's relationship with Richmond, the County Administrator, was strained.¹⁶ Yet, Denver's relationship with Stephenson was very positive. Denver's relationship with Stephenson emerged as a second critical factor: Peer-to-peer interactions were limited.

⁸ Richmond, Interview, Lines 544-545.

⁹ Columbus, Interview 2 by author, March 4, 2014.

¹⁰ Columbus, Interview 1, Lines 31-33.

¹¹ Columbus, Interview 1, Lines 36-38.

¹² Columbus, Interview 2.

¹³ Columbus, Interview 1, Lines 51-52.

¹⁴ Columbus, Interview 1, Lines 237-239.

¹⁵ Columbus, Interview 1, Lines 233-235.

¹⁶ Richmond, Interview, Lines

Stephenson said, “Denver had a better relationship with me than with the Board of Supervisors. We met and talked frequently [and] [t]his enhanced our relationship.”¹⁷ Columbus saw the relationship between Denver and Stephenson as a respectful and candid.”¹⁸ Stephenson remarked, “We honestly communicated, we transferred objectives, and agreed to share objectives. Denver carried out my requests willingly.”¹⁹ Yet, the relationship seemed to be unknown to Richmond, who observed, “I don’t think there was any interest in maintaining lines of communication with the Board of Supervisors.”²⁰ While Stephenson appreciated the usefulness of a relationship with Denver, it was problematic. Stephenson saw equal value in proper relationships, “Strong peer to peer relationships are vital. Chair-to-Chair, Superintendent to County Administrator, Finance Director to Finance Director, and on down the line. Anything else looks and feels like disrespect.”²¹ Columbus noted prior work experiences most likely influenced where Denver positioned the superintendency, as “[the] responsibility was to manage passing of board levies in school districts.”²² While not knowing of Denver’s relationship with Stephenson, Albany believed the lack of relationships was a key concern, “Denver attempted to talk to Richmond and Stephenson, but there was no facilitation of communication.”²³ But Albany touched on another issue, and that was Denver’s control over the school budgeting process. Albany recalls Denver tightly managing presentations of proposed budgets to the School Board and to the governing body.²⁴ Denver’s relationship with Stephenson was beneficial to the school division, but seemed to unintentionally negatively impact the relationship between the School

¹⁷ R. Stephenson, Interview by author, October 25, 2013, Winchester, VA. Lines 275-276.

¹⁸ Columbus, Interview 1, Lines 267-268.

¹⁹ Stephenson, Interview, Lines 276-277.

²⁰ Richmond, Interview, Lines 279-80.

²¹ Stephenson, Interview, Lines 328-330.

²² Columbus, Interview 1, Lines 31-32.

²³ Albany, Interview, Lines 218-219.

²⁴ Albany, Interview, Lines 219-220.

Board and the Board of Supervisors. Stephenson observed, “It clearly didn’t do much good for Denver to have a relationship with me.”²⁵

Denver-Richmond

Columbus recalled, “I was not aware of a strong working relationship between [Denver] and Richmond.” Columbus related there was not any expectation for meaningful communication between the two offices.²⁶ Denver and Richmond seemed not to trust each other, especially when the issue involved finance. Columbus described how trust between the two parties might have eroded:

Money does strange things in relationships. The charge is to protect the treasury and citizenry elect you to do so, so you have a strongly delivered message to not waste money. It’s a cultural expectation and there is nothing wrong with that expectation. This has sustained the community well over time—this has demanded that those overseeing where the money needs to be directed have to work hard to communicate about how the money will be directed.²⁷

Richmond understood how dynamics could influence Denver’s perspective. He observed, despite experience as a Superintendent, Denver came to a system that can be a stage for failure simply because of its structure. “[In Virginia,] [a]n elected School Board can pontificate the value of education and what needs to be done...[but has] no fiscal authority to do it.”²⁸ The conflict between the two was always regarding adequate resources. Columbus noted, “It all comes back to adequate funding available to county government to make those [necessary]

²⁵ Stephenson, Interview, Line 701.

²⁶ Columbus, Interview 1, Lines 89-91. *Special note: Columbus related that through a succession of superintendents, communication between the county administrator and superintendent(s) had been strained.*

²⁷ Id., Lines 96-100.

²⁸ Richmond, Interview, Lines 106-109.

things happen.”²⁹ Yet, how the two men viewed their respective roles may have produced unintentional tension.

Denver assumed the role of leader of the school division. Richmond’s role was manager or facilitator for county government. Richmond clarified, “I view [my] job as one that positions the governing body to make the optimum decision with the information we provide. The chairperson must be viewed as the leader.”³⁰ Denver’s misunderstanding of Richmond’s role within county government disrupted efforts to communicate effectively regarding budget matters. Columbus understood that Richmond “was quite firm as a manager, not as a leader...[having] never tried to do [the Board of Supervisors’] job.”³¹ Loudoun observed there was “nowhere near the affability, congeniality or one-to-one conversations [as existed between Columbus and Richmond].”³² The relationship between the Denver and Richmond was strained.

Orleans-Stephenson

Orleans, School Board chairperson during Denver’s final years as Superintendent, had a similar background as Stephenson. Orleans was chief executive officer for a non-profit facility while Stephenson served as chief financial officer for another non-profit organization. Columbus observed, “Orleans may have developed a relationship with Stephenson quickly...they could communicate with each other fairly easily.”³³ There were long standing expectations that both Board chairpersons would communicate with each other. Richmond observed Stephenson was able to communicate through a succession of School Board chairpersons, beginning with Loudoun whose tenure on the School Board began in 1996.³⁴ Stephenson remembered Loudoun

²⁹ Columbus, Interview 1, Lines 134-135.

³⁰ Richmond, Interview, Lines 637-638.

³¹ Columbus, Interview 1, Lines 589-592.

³² Loudoun, Interview, Lines 287-288.

³³ Columbus, Interview 1, Lines 207-210.

³⁴ Richmond, Interview, Lines

seeking and encouraging open lines of communication.³⁵ A past School Board member and chairperson, whose spouse was formerly chairperson of the Board of Supervisors, helped establish capacity for communication.³⁶ Richmond believed the expectation for communication helped, “Th[at] was a fairly contentious time period for the Board of Supervisors. [Stephenson] had to navigate a political landscape with a new Board and new attitude, and also be engag[ed] with the school system.”³⁷ Despite open lines of communication between Board chairpersons, there were egos to contend with, Albany recalled.³⁸

Orleans/Denver-School Board

Albany noted Orleans, while engaged with Stephenson, was not interested in broader discussions with the Board of Supervisors regarding needs for adequate funding. Orleans and Denver preferred one-on-one discussions with the Board of Supervisors chairperson.³⁹ Orleans’ leadership style also extended to the School Board, tending to share information but not seek input about decisions being made.⁴⁰ Nor did open lines of communication exist between School Board members and their Board of Supervisors counterparts.⁴¹ Communication to School Board members by the School Board chairperson regarding funding matters seemed to be a task rather than a responsibility. Columbus remembered funding matters were generally left to the School Board chairperson to work out with Denver and Stephenson.⁴² Richmond’s role in facilitating budget agreements was limited by the Orleans-Denver-Stephenson relationship⁴³ Limited

³⁵ Stephenson, Interview, Lines 196-197.

³⁶ Richmond, Interview, Lines 200-203.

³⁷ Richmond, Interview, Lines 214-216.

³⁸ Albany, Interview, Line 643.

³⁹ Id., Lines 425-426.

⁴⁰ Albany, Interview, Lines 426-427.

⁴¹ Columbus, Interview 1, Line 192.

⁴² Id., Line 192.

⁴³ Richmond, Interview, Line 540.

participation by members of both Boards in school funding decision-making emerged as a third critical factor.

School Board—Board of Supervisors

Relations between the School Board and the Board of Supervisors were periodically contentious. Conflict always surrounded seeking adequate funding. Albany remembered, “[The] School Board was all about needing more money, and the Board of Supervisors would say, ‘you have enough money, [you’re getting] greater than 50% of the revenue....’”⁴⁴

Loudoun described obtaining adequate funding as the biggest challenge. Loudoun observed, “Conflict was always financial.... We were looking at things with mono-vision, the Board of Supervisors was looking at the budget in a multi-faceted way—they look at everything and there is only so much of the pie.”⁴⁵ Rapid student population growth contributed to conflict. “We had operational and capital needs—we were opening a school a year—so we were responding to [growth], [and] not creating a plan,” stated Loudoun.⁴⁶ Columbus added, “There were other points of disagreement: In property, [need for a new] transportation facility, appropriate building designs or designs reduced in size and scope; and needed employees—all related to money.”⁴⁷

Loudoun recalled efforts to have informal one-on-one meetings with Stephenson, as both were elected at-large. Loudoun remembered, “We needed to have more cordial relationships—this is about budgets, [but] if we agreed on all things, then Stephenson would not be doing [the] job [as chairperson].”⁴⁸

⁴⁴ Albany, Interview, Lines 173-175.

⁴⁵ Loudoun, Interview, Lines 177-180.

⁴⁶ Id., Lines 181-182.

⁴⁷ Columbus, Interview 1, Lines 130-132.

⁴⁸ Loudoun, Interview, Lines 222-226.

Stephenson described deterioration of relationships, as mistrustful: “People don’t always know that they are [being mistrustful]—they are finding excuses, ‘the School Board doesn’t always tell the truth.’”⁴⁹ Stephenson understood disbelief led to still more tension and elaborated further, “We d[idn’t] ever get to the core issues...we’re fighting over the peripheral stuff.”⁵⁰ So much so that one supervisor described the school division as “spending irresponsibly,” a descriptor that remains unsettling to veteran School Board members and supervisors. Columbus recalled:

[This was] a very divisive comment and broke a fragile relationship. The fact it was not retracted or amended in any way by the person who uttered it allowed the comment to be repeated by others who did not have a basis for understanding whether the Superintendent was being fiscally irresponsible or not.... The most public display of attitude on the part of a supervisor is an example of how public comment repeated in the media can overshadow years of hard work at accomplishing something good.⁵¹

Stephenson was even more direct regarding the supervisor’s observation, “Don’t choose words that will inflame. When you are doing your stuff, don’t go after integrity.”⁵² “Most of the time it was just showboating. The rhetoric was amusing to some and painful to others,” said Stephenson.⁵³ Columbus remembered, “This was discouraging—however, it sharpened School Board members in their attention to their role in defending the needs of the school division.”⁵⁴

⁴⁹ Stephenson, Interview, Lines 140-141.

⁵⁰ Id., Lines 142-143.

⁵¹ Columbus, Interview 1, Lines 249-260.

⁵² Stephenson, Interview, Lines 103-105.

⁵³ Id., Lines 164-166.

⁵⁴ Columbus, Interview 1, Lines 262-263.

Mistrust also extended to the relationship between School Board staff and county government staff.

School Board Staff—County Government Staff

A superintendent needs to be organized—for the budget, for position papers, to be able to re-work and collaborate. The superintendent cannot be a one-person show.⁵⁵ As relationships between school and county leaders worsened, so did those of their respective staff. Stephenson observed, “...[T]he members of the organization are just as important—not just the leadership.”⁵⁶

Stephenson elaborated, “There have been some controversial things that didn’t need to get controversial. There was some administrative orchestration [on the part of the County Administrator]; for example, a re-appropriation for carry-over, usually approved without a blink, was turned down by [Richmond] cold.”⁵⁷ Conversely, he noted, “[Y]ou can’t insult people you want something from. Over the years, there have been some things done by the Superintendent and school administration that just have been insulting.”⁵⁸ Stephenson expected truthfulness and accuracy.⁵⁹ Properly prepared Board members are critically important. Richmond observed, “If you can understand the big picture, it’s easier to reach a conclusion. Work sessions are challenging for both sides—the Board of Supervisors needs to understand the needs of the School Board. You need to communicate effectively to those having the money.”⁶⁰

⁵⁵ Loudoun, Interview, Lines 20-21.

⁵⁶ Stephenson, Interview, Lines 144-145.

⁵⁷ Stephenson, Interview, Lines 684-686.

⁵⁸ Id., Lines 681-682.

⁵⁹ Id., Lines 690-691.

⁶⁰ Richmond, Interview, Lines 536-538.

Summary

This section described conditions existing prior to 2006 when Columbus was named Superintendent. Limited relationships between elected officials and staff caused tension between the School Board and the governing body, distrust between staff of both Boards, and mistrust between the Superintendent and County Administrator. Denver did not understand the role of the County Administrator as a facilitator to the chairperson of the Board of Supervisors. Denver had a positive relationship with the Board of Supervisors chairperson, Stephenson, as did Orleans, the School Board chairperson. These relationships disrupted equilibrium and became problematic not only in board-to-board relations, but also in how both Orleans and Denver worked with the School Board. In the years prior to 2006, through the tenures of several superintendents, conflict regarding adequate funding for schools was a perpetual expectation. The next section describes how the relationship between leaders and the two boards began to change prior to and during the economic recession.

Emerging and New Setting

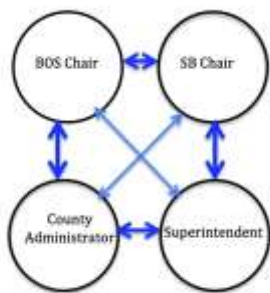


Figure 4.2

This section explores the years 2006-2011 and describes how the newly appointed superintendent, Columbus, a new School Board chairperson, Albany, and the chairperson of the Board of Supervisors, Stephenson, considered existing relationships and promoted improved working relationships over time. A deteriorating economic climate provided some but not all of the impetus to

reconsider how the School Board and Board of Supervisors worked together. There appears to have been desire among the three leaders to change the existing dynamic between county government and the school division. Proper balance among Boards and their leadership emerged

as genesis for an emerging new condition. Subjects in the Emerging and New Setting are shown in Table 4.3.

Subjects Emerging or New Setting
Columbus—Incumbent Superintendent
Richmond—County Administrator
Stephenson—Board of Supervisors Chairperson
Albany—School Board Chairperson
Loudoun—School Board Vice-Chairperson

Table 4.3 Subjects Emerging-New Setting

Columbus—Board of Supervisors

The existing relationship between the school division and county government was tenuous, at best. Missing were collaboration, communication, trust and relationship building. Interviewees, when asked what leadership skills are necessary of a Superintendent, referenced these characteristics.⁶¹ The relationship between the Superintendent, County Administrator and the Board of Supervisors had to improve. Columbus understood “the Superintendent is the linchpin between boards.”⁶² However, Richmond observed, “When [Columbus] was appointed, we thought more of the same,” contemplating continued adversity.⁶³

However, after having worked for the division for 18 years, Columbus was known to the Board of Supervisors. Richmond said, “We all [knew] Columbus.... I think the philosophy [became], ‘don’t categorize, let’s see what happens.’”⁶⁴ Columbus understood the importance of credibility.

I was not known to county government officials for what I might believe on the business side of a large organization. They could only form a belief from the instructional side.

My exposure to three former Superintendents told me I needed to fill a gap of

⁶¹ Columbus, Stephenson, Richmond, Albany and Loudoun, Interviews, Lines 3-17.

⁶² Columbus, Interview 1, Line 28.

⁶³ Richmond, Interview, Lines 334.

⁶⁴ Richmond, Interview, Lines 334-336.

information by demonstrating my commitment to a quality school division and how I intended to make decisions and bring these forward to the School Board, and when appropriate, to the governing body.⁶⁵

Loudoun recalled Columbus “immediately grasped the problem. There [be]came a mindset of collaboration.”⁶⁶ Columbus held regular meetings with Richmond and Stephenson and “the [approach became] we have to work together—so why not make it a positive relationship?”⁶⁷ Richmond remembered, “[Columbus] was a huge advocate—[you] have to be—and did it effectively and civilly.”⁶⁸

Albany recalled Columbus’s influence as being “very significant.”⁶⁹ “Columbus and I talked about constituencies. [We agreed] Board of Supervisors [members] mean well and may have a different opinion. This was a good starting point.”⁷⁰ Stephenson observed both boards needed to be educated—the School Board needed to understand governance and the Board of Supervisors the purpose for schools. If people don’t work together then, “How do you solve problems? If you disengage, then you get proposals and counterproposals.”⁷¹ Columbus began to develop trust with the Board of Supervisors and county staff.

Trust is consistency in leadership. It is people’s ability to believe in what you are doing.

You must be honest—you cannot break trust. I also had to demonstrate integrity—if there was an error—I had to be the first to own up to the problem.⁷²

Columbus knew the importance of communication to achieve goals common to both boards.⁷³ Loudoun remembered Columbus coming into the position “with a sense of humor—

⁶⁵ Columbus, Interview 1, Lines 295-300.

⁶⁶ Loudoun, Interview, Lines 445-446.

⁶⁷ Id., Lines 446-447

⁶⁸ Richmond, Interview, Line 526.

⁶⁹ Albany, Interview, Line 424.

⁷⁰ Id., Lines 432-433

⁷¹ Stephenson, Interview, Lines 510-511.

⁷² Columbus, Interview 1, Lines 471-473.

more down to earth—a good congenial attitude that got the message across.”⁷⁴ Importantly, Loudoun noted, positive relationships led to still more positive relationships, “[Columbus’s attitude toward the County Administrator and the Board of Supervisors trickled to other [constitutional officers and these elected officials began] to advocate for school funding.”⁷⁵ Establishing trust between both Boards, and school and county staff emerged as a factor during Columbus’s tenure. Columbus was perceived to be honest and forthright.

Columbus—Stephenson

Columbus and Stephenson had a positive working relationship undergirded by mutual respect for each other. Columbus was sensitive to the role of the Superintendent and with whom to have relationships. Columbus recalled, “With Stephenson, our relationship allowed us to call each other. Richmond had no ego that insisted on being the first contact—a very real factor among busy people involved with time-sensitive matters.”⁷⁶

Stephenson appreciated Columbus’s integrity, “[Columbus] was picked to meet with me to talk about the Standards of Learning. I was engaged.... I remember the honesty and feel-goodness—geez, I kind of like this person.”⁷⁷ Loudoun remembered Columbus’s communication efforts, “[Columbus] would advocate without putting up hackles. [Columbus] needed to educate the County Administrator and the Board of Supervisors.... It was teacher to student: A set of facts were presented.”⁷⁸

More importantly, Columbus sought to learn from Stephenson and Richmond. “In meetings, I would ask questions—what do you need? Does this meet your needs? What

⁷³ Richmond, Interview, Lines 533-534.

⁷⁴ Loudoun, Interview, Lines 562-563.

⁷⁵ Id., Lines 565-566.

⁷⁶ Columbus, Interview 1, Lines 903-904.

⁷⁷ Stephenson, Interview, Lines 317-319.

⁷⁸ Loudoun, Interview, Lines 453-455.

information is missing for you to fully understand the issue?”⁷⁹ Columbus frequently sought council from Stephenson and Richmond, “Too often we might think we have the best plan, but without understanding the needs of the community, our plan could have serious flaws.”⁸⁰ Stephenson recalled Columbus never faltering on agreements, “There was no ‘bait and switch.’ There was a lot of liking—[this] built trust, built respect, and then [we’re] off to the races.”⁸¹ Stephenson, while he appreciated his relationship with Columbus, saw greater benefit in a strong relationship between Columbus and Richmond. Developing appropriate peer-to-peer relationships emerged as a second critical factor.

Columbus—Richmond

Columbus understood the necessity of a relationship with Richmond and avoided being mischaracterized, “I always needed to build up my trust ‘bank.’”⁸² Richmond remembered, “Right out of the box, we had a meeting to talk casually. [Columbus] asked, ‘What is your opinion and what do you think?’ From that point forward, we developed a relationship.”⁸³

Stephenson found the relationship between Columbus and Richmond good. “...[O]nly when [there’s] trouble, do you know. [Richmond] operates on personal and business relationships.... Maybe [Columbus] fostered [that relationship].”⁸⁴ In truth, Stephenson asked Columbus to build a relationship with Richmond. Columbus recalled, “Stephenson had seen the value of his relationship with Denver, and he wanted Richmond to experience the same with me.”⁸⁵ Stephenson affirmed desire for a strong relationship between the peers.⁸⁶

⁷⁹ Columbus, Interview 1, Lines 487-488.

⁸⁰ Columbus, Interview 1, Lines 312-313.

⁸¹ Stephenson, Interview, Lines 319-321.

⁸² Columbus, Interview 1, Lines 475-477.

⁸³ Richmond, Interview, Lines 338-339.

⁸⁴ Stephenson, Interview, Lines 371-373.

⁸⁵ Columbus, Interview 1, Lines 479-480.

⁸⁶ Stephenson, Interview, Lines 328-329.

Columbus was glad that the financial crisis came after the first year as superintendent. Columbus's relationship with Richmond "was fine at the outset [and] it improved incrementally as we found some pretty serious financial circumstances. [We] were fortunate to start on smaller topics to build relationships—that I felt to be worthy of trust—that was going to be needed later."⁸⁷

Columbus believed "plain-talk, factual information, clear options, and logic...were very important in assuring a trusting relationship could be built between Richmond, myself and subsequently the two Boards."⁸⁸ Richmond, as he described Columbus's efforts, offered, "Only friendly criticism: At some point you need to turn it off. No late calls.... I would say, 'it'll be there in the morning.' Th[is] relationship developed with a friendship."⁸⁹ Trust was growing between the two administrators. Columbus recalled, "I just began to call Richmond. I need[ed] to understand the issues. The more I could understand the concerns, the better for me to interface division needs with those of the county."⁹⁰ The two administrators worked well together, yet their roles within their organizations were different.

Richmond viewed the County Administrator as a facilitator and not as a leader.⁹¹ Conversely, interviewees saw the Superintendent as the leader of the school division. Richmond recalled Columbus maintained "open communication and honesty. You would understand where [the Superintendent] was coming from. [Columbus] had the ability to lead and support the School Board in their role."⁹² Columbus grew to understand Richmond's approach to responsibilities, "When I understood, I could better understand what suggestions were useful,

⁸⁷ Columbus, Interview 1, Lines 361-363.

⁸⁸ Columbus, Interview 1, Lines 303-305.

⁸⁹ Richmond, Interview, Lines 380-382.

⁹⁰ Columbus, Interview 1, Lines 484-485.

⁹¹ Richmond, Interview, Lines 636-639.

⁹² Id., Lines 413-414.

and what would be useless.”⁹³ Stephenson elaborated on the role of the County Administrator, “I ask committee⁹⁴ and board members all the time, what do you care most about? [Richmond] then has to develop a means to make that happen.”⁹⁵

Columbus understood Richmond deferred to the Board of Supervisors chairperson. Columbus said, “[Richmond] has had a very long tenure which lasted through very different Boards of Supervisors with unique perspectives. [Richmond] gives good, solid, safe information and council to the Board of Supervisors.”⁹⁶ Richmond shared, “We are one of four localities with a chairperson-at-large. If you have a good one, it’s very easy to let go.”⁹⁷ Stephenson regularly polls the supervisors on issues before them, a timesaving practice and also signals Board intentions to administrators.⁹⁸ Effective communication and personal relationships emerged as key factors.

Albany—Stephenson

Albany recalled going to the first Board of Supervisors meeting as School Board chairperson, “I was very assertive and made a statement that got a [negative] reaction. [I learned] it was another world out there [and] this was a very helpful lesson learned.”⁹⁹ Albany recalibrated the approach toward the Board of Supervisors and Stephenson. “Albany [is a] person of high integrity and not prone to ignite confrontation—he’s a problem solver. [Albany’s] a person whose skill set is to defuse different situations. This was ideal during [Albany’s] time as a Board leader,” observed Columbus.¹⁰⁰

⁹³ Columbus, Interview 1, Lines 756-758.

⁹⁴ *Special Note: The Board of Supervisors has several committees comprised of supervisors and lay community members (most notably its Finance Committee).*

⁹⁵ Stephenson, Interview, Lines 692-694.

⁹⁶ Columbus, Interview 1, Lines 589-591.

⁹⁷ Richmond, Interview, Line 705-706.

⁹⁸ Richmond, Interview, Lines 706-707.

⁹⁹ Albany, Interview, Lines 427-430.

¹⁰⁰ Columbus, Interview 1, Lines 573-575.

Loudoun said, “Albany worked very well with Stephenson.... They [Board of Supervisors] were tough nuts to crack.”¹⁰¹ Albany shared, “...I went to meet with Stephenson. We made an agreement that there would be no surprises, but promises. Neither of us would embarrass the other or Boards publicly. We would handle this privately.”¹⁰² Richmond recalled Albany “as a calming influence—[and] came at it from a different direction. One word: Sincere.”¹⁰³ Persistence on Albany’s part helped improve relations between the two Boards. Richmond noted, “Albany did a great job of going the extra mile to communicate with Stephenson. [Albany] lent ... skill sets to both individuals... to try to get to where they needed to be.”¹⁰⁴ Trust continued to grow between the Board chairpersons. Albany recalled, “Two years into my chairpersonship, Stephenson and I didn’t always agree, but I trusted [Stephenson’s] opinion.”¹⁰⁵ Albany had been successful in building trust with Stephenson, and this was soon extending to members of both Boards. Trustworthiness emerged as a critical factor.

Columbus—Albany

Columbus and Albany enjoyed a very good working relationship. Albany summarized their relationship by quoting Harry Truman, “It’s amazing what you can get accomplished if you don’t care who gets the credit.”¹⁰⁶ Columbus recalled, “Our styles were very similar.... We were able to work together on approaches that made sense to both of us. Our styles of leadership allowed those options to be communicated to our employees, parents and to the governing body with authenticity.”¹⁰⁷ Loudoun affirmed the relationship, “...[T]hey mirrored each other. Albany

¹⁰¹ Loudoun, Interview, Lines 656-657.

¹⁰² Albany, Interview, Lines 435-437.

¹⁰³ Richmond, Interview, Line 616.

¹⁰⁴ Id., Lines 605-607.

¹⁰⁵ Albany, Interview, Lines 440-441.

¹⁰⁶ Id., Lines 552-553

¹⁰⁷ Columbus, Interview 1, Lines 580-582.

had a very collaborative style and an inclusive mentality. A [person] of integrity [who] would not put anything out there [without] believing it.”¹⁰⁸

Columbus was a teacher. Albany remembered, “We were always learning. Columbus would lead you toward decisions, I realized many times after the decision was made this was where [the Superintendent] wanted the [School Board] to go.”¹⁰⁹ Loudoun recalled Columbus as being skilled at “education, collaboration and communication.”¹¹⁰ “Gentle nudging,” was used by Albany to describe Columbus’s work with the School Board. Columbus would ask, “What do you think? What angle can be played?”¹¹¹ Columbus worked to build consensus among School Board members by first working with the chairperson and then both worked with Board members to reach agreement on a course of action. A third critical factor emerged: Columbus and Albany were collaborative and inclusive.

Columbus/Albany—School Board

Columbus and Albany began their tenures during a period of continued student enrollment growth within the school division.¹¹² Even as the economy faltered in 2008, there remained expectation among School Board members for increased appropriations from the governing body despite declining local and state revenues.¹¹³ Relationships with School Board members had to be carefully developed. Albany recalled, “Responsiveness was important. There were a lot of phone calls—let’s think this through [and] consider the downside.”¹¹⁴ Several

¹⁰⁸ Loudoun, Interview, Lines 650-652.

¹⁰⁹ Albany, Interview, Lines 553-555.

¹¹⁰ Loudoun, Interview, Lines 560-561.

¹¹¹ Albany, Interview, Lines 555-556.

¹¹² *Total student enrollment grew from 12,596 in 2006-2007 to 12,913 in 2008-2009.* Enrollment History and Projections, Frederick County Public Schools Planning Office, October 27, 2009.

¹¹³ Albany, Interview, Lines 730-731.

¹¹⁴ *Id.*, Lines 641-642.

School Board members had lengthy tenure and delicate egos. “I needed to form bonds carefully [and] this required a face-to-face, eyeball-to-eyeball [discussion],” said Albany.¹¹⁵

Concurrently, Columbus was building relationships with School Board members. Albany noted, “Columbus contacted Board members individually to drum key messages home and moved us to a one-to-one dialog on issues.”¹¹⁶ Columbus observed, “As a Superintendent, there is a fine line of how much information [you provide] and how frequently you dispense it. You don’t want to wear [the School Board] out.”¹¹⁷ Albany observed, “If you believe the intent, trust the content.... There was no manipulation, and we always trusted the content of the [Superintendent’s] message.”¹¹⁸ Loudoun noted the difficulty of managing the Board, “Boardsmanship is a multi-headed monster. People were forced to think outside the box.”¹¹⁹

Effective communication with the School Board by the Superintendent and the Board chairperson was crucial. During fiscal year 2010 budgeting Columbus recalled, “The School Board took a lot of extra calls from me—extra meetings—and no decisions, but they were better informed.”¹²⁰ Effective communication by Columbus and Albany with members of the School Board emerged as another critical factor.

School Board—Board of Supervisors

The School Board learned to avoid being antagonistic toward the Board of Supervisors as there would be no benefit creating conflict.¹²¹ Timely communication and positive relationships became goals for Richmond, Columbus and Albany. As the local economy worsened, the Boards had to work collaboratively to sustain services. Columbus recalled, “We quickly understood that

¹¹⁵ Id., 647-648.

¹¹⁶ Ibid, Lines 813-814.

¹¹⁷ Columbus, Interview 1, Lines 821-822.

¹¹⁸ Albany, Interview, Lines 802-803.

¹¹⁹ Loudoun, Interview, Lines 844-846.

¹²⁰ Columbus, Interview 1, Lines 833-834.

¹²¹ Loudoun, Interview, Lines 788-789.

we had to work together as a community. The community needs fire and rescue [and] social services just as it needs a strong school division.”¹²² “Relationship was huge. We had to have one, if there were to be choices. Trust would have been everything—the fiscal reality dictated we had to do without any new money,” remembered Richmond.¹²³

Columbus facilitated relationships between School Board members and their Board of Supervisors counterparts. “This [gave] us a platform to sit down with a Supervisor to describe circumstances.... This helped a great deal for School Board and Board of Supervisors members to talk through a flood of detail in waves,” said Columbus.¹²⁴ Albany described how Board members discussed issues, “We tried to break up the meetings with the Board of Supervisors. I would meet with Stephenson and others would meet individually with their counterparts. It’s hard to point a finger at someone you know—relationship growing was important.”¹²⁵ Even though conversations between the Boards became expected there remained holdouts. Albany recalled, “[One of my Board members] refused to talk to [the Supervisor representing the same district].”¹²⁶ Yet, with time and a common focus, the reluctant Board members came around.¹²⁷

Loudoun recalled these individual meetings as “more personable and congenial.”¹²⁸ Richmond remembered, “We had to do business without losing ground—and maintain goals the Boards wanted for quality education.”¹²⁹ “We began to understand the stress and pressure the

¹²² Id., Lines 662-663.

¹²³ Richmond, Interview, Lines 713-714.

¹²⁴ Columbus, Interview 1, Lines 852-855.

¹²⁵ Albany, Interview, Lines 951-953.

¹²⁶ Id., Line 955.

¹²⁷ Id., Lines 956-957.

¹²⁸ Loudoun, Interview, Line 958.

¹²⁹ Richmond, Interview, Lines 715-716.

Board of Supervisors was under,” observed Albany.¹³⁰ Loudoun said, “We were credible [when] we said the repercussions would be severe [and] they heard us.”¹³¹

Mutual understanding of the challenges facing both Boards grew the relationship between them. Richmond recalled, “We put together a game plan: Joint work sessions, determined [key concerns and] we identified needs. Collectively, what was our strategy to get through this?”¹³² Richmond surmised, “[Poor relations] could happen again, but I don’t see it happening. Now there always seems to be a way to broker a deal on how we want to move forward.”¹³³ Trust between the two Boards emerged as a critical factor.

School Staff—County Staff

Prior to and during the Denver administration, the working relationship between school and county staff was rarely collaborative. “It would not be unfair to say there was a sense of lack of trust that existed between Boards and the offices of the Superintendent and County Administrator,” recalled Columbus.¹³⁴ Columbus sought to build trust between school staff and those of Richmond. “I do believe effort on our part helped Richmond (and staff) trust our intentions and our data, and eventual decisions,” said Columbus.¹³⁵ As the economy deteriorated, effective communication between school and county staff became critical. Loudoun remembered, “We counted on staff to come up with creative ways to get through the issues.”¹³⁶

On the county government side, Richmond and staff worked to resolve the collapsing economy’s impact on government resources. Richmond recalled, “[W]e received information before we got it to [school staff]. We looked at [county services first] to figure out what we were

¹³⁰ Albany, Interview, Lines 722-723.

¹³¹ Loudoun, Interview, Lines 958-959.

¹³² Richmond, Interview, Lines 342-344.

¹³³ Richmond, Interview, Lines 352-353.

¹³⁴ Columbus, Interview 1, Lines 93-94.

¹³⁵ Id., Lines 313-314.

¹³⁶ Loudoun, Interview, Lines 805-806.

going to have to do to make it.”¹³⁷ Similarly, Columbus was working to find ways to weather the recession. In November 2008, the County Administrator informed Columbus that the county was running a deficit and that \$1.8 million was needed to bring the budget back into balance.¹³⁸ Columbus recalled, “The \$1.8 million “refund” changed a lot of things. This demonstrated to employees things were really different.”¹³⁹

Richmond remembered sharing budget information with Columbus and staff, “Here’s what we are going to have to do, [so] we needed to be sincere. The School Board met us dead on the other side. I don’t think you can be genuine unless you show what needs to be accomplished to get your own house in order.”¹⁴⁰ Columbus observed, “Key staff were more than diligent in developing ways of making complex situations more understandable through cogent points.”¹⁴¹ Improved communication and sincerity of need were necessary elements in developing strategies to offset the impact of the recession.

Columbus said, “I knew we needed dramatic operational changes to protect [education of students] and this meant protecting a skilled workforce.”¹⁴² County and school staffs were able to reach consensus on a revenue sharing plan, before publicly discussing matters with the two Boards. “We reached an understanding of revenue sharing.... We needed to know what we had for a reasonable School Board request. I know Columbus had staff that said, ‘we can’t, but [Columbus] said we have to,” recalled Richmond.¹⁴³ Columbus said, “Albany and I were clear this was not a time for dramatics.... Crises require calm thoughtfulness and planning for worst

¹³⁷ Richmond, Interview, Lines 942-943.

¹³⁸ *Minutes of the Frederick County Board of Supervisors Work Session, November 19, 2008*, Book 34, page 124.

¹³⁹ Columbus, Interview 1, Lines 365-366.

¹⁴⁰ Richmond, Interview, Lines 946-949.

¹⁴¹ Columbus, Interview 1, Lines 858-859.

¹⁴² *Id.*, Lines 368-369.

¹⁴³ Richmond, Interview, Lines 386-388.

case scenarios and to hope that is not where you find yourself.”¹⁴⁴ Columbus remembered discussing options with Richmond and staff, “If we can make this work, can you can make this work? ... We had frequent discussions with options and genuinely expressed concern that other county services should remain intact.”¹⁴⁵ Although agreement was reached on revenue sharing, school and county budgets were developed independently. “One could have categorized that [Columbus] was just doing as the Board of Supervisors was directing—that was not the case at all—I think Columbus communicated to all [school] support mechanisms [proposed solutions],” observed Richmond.¹⁴⁶

Summary

The County Administrator and the Superintendent had to respond to the reality of deteriorating economic conditions by working together to craft solutions. However, the economy was not the only driver for improved relations between the two Boards and staff. Rather, Columbus and Stephenson knew that equilibrium among key leaders (Chairpersons of both Boards, Superintendent and County Administrator) was imbalanced and had contributed to conflict between the two Boards and their respective staff. Once peer-to-peer interactions among leaders were reset, a new more positive condition emerged. This condition may be characterized, in part, through improved communication, trust, integrity, honesty, sincerity, consensus, responsibility and decision-making. Each of these elements contributed to a productive, open and friendlier relationship between the School Board and the Board of Supervisors.

Changes in Relationships

This section analyzes the change in behaviors between School Board and Board of Supervisor leadership, the Superintendent and the County Administrator, and both Boards. The

¹⁴⁴ Columbus, Interview 1, Lines 876-878.

¹⁴⁵ Id., Lines 671-674.

¹⁴⁶ Richmond, Interview, Lines 418-420.

School Board and Superintendent's response to a rapidly deteriorating economic climate earned the respect of county leaders and a positive working relationship emerged between both Boards and their respective leadership.¹⁴⁷ Controlling factors that influenced, and perhaps helped re-align priorities, will be discussed.

As the relationships between the Boards and their respective leaders were analyzed, recurring language emerged describing how the parties interacted or grew to work together in their respective capacities. In general, *relationship* describes the conditions between the bodies; however, *individual relationship* is a significant factor that links to another factor, *friendship*. As relationship factors emerged from data analysis, they were organized as pairs; i.e., Individual Relationship : Friendship, or Leadership : Collaboration. The table below illustrates the factors that emerged from the data and are organized aligned to their pair.

Relationship Factors	
Individual Relationship	Friendship
Trust	Integrity
Communication	Honesty
Balance	Equilibrium
Leadership	Collaboration
Decision-making	Consensus Building

Table 4.4 Factors

Individual Relationship : Friendship

Relationships matter. Under the Denver administration, peer-to-peer relationships among key individuals were limited.¹⁴⁸ Despite efforts by Loudoun, during his tenure as School Board chairperson, a climate of cooperation did not exist.¹⁴⁹ However, relationships did exist between the chairperson of the School Board, Orleans, the chairperson of the Board of Supervisors,

¹⁴⁷ Stephenson, Interview, Lines 410-411.

¹⁴⁸ Richmond, Interview, Lines 66-67.

¹⁴⁹ Loudoun, Interview, Lines 75-77.

Stephenson, and the superintendent, Denver.¹⁵⁰ Denver did not have experience with Virginia's governance structure and built a relationship with the chairperson of the Board of Supervisors rather than the County Administrator.¹⁵¹ Additionally, Orleans and Denver were experienced as "deal-makers" at the expense of relationships with School Board members.¹⁵² By all reports, relationships were difficult to establish or maintain. Distrust played out in public forums especially when members of the Board of Supervisors questioned School Board budget requests.¹⁵³

Conversely, Columbus recognized that continued discord between the two Boards and among school and county staff was not productive.¹⁵⁴ Columbus, and later Albany, came to understand that the Board of Supervisors did not appreciate being put in adversarial positions.¹⁵⁵ Columbus sought to establish positive relationships with Stephenson and Richmond.¹⁵⁶ For Stephenson, a peer-to-peer relationship between Columbus and Richmond was essential.¹⁵⁷

Albany quickly learned being aggressive toward the Supervisors was not effective, calling it "another world out there."¹⁵⁸ He later approached Stephenson and both agreed to be respectful of each other and to talk frequently particularly as the economy worsened.¹⁵⁹ With mutually agreed upon rules, their relationship grew as did their friendship.¹⁶⁰

¹⁵⁰ Stephenson, Interview, Lines 62-64.

¹⁵¹ Columbus, Interview 1, Lines 29-34.

¹⁵² Richmond, Interview, Lines 207-210.

¹⁵³ Stephenson, Interview, Lines 103-105.

¹⁵⁴ Columbus, Interview 1, Lines 297-300.

¹⁵⁵ Albany, Interview, Lines 432-433.

¹⁵⁶ Loudoun, Interview, Lines 445-447.

¹⁵⁷ Stephenson, Interview, Lines 328-329.

¹⁵⁸ Albany, Interview, Lines 427-430.

¹⁵⁹ Id., Lines 435-437.

¹⁶⁰ Id., Lines 440-441.

Stephenson encouraged Columbus to build a relationship with Richmond.¹⁶¹ At first, Richmond was skeptical and expected “more of the same.”¹⁶² At Stephenson’s urging, Columbus was persistent and continued to communicate with Richmond. Richmond grew to appreciate Columbus’s honesty and integrity.¹⁶³ At the peak of the recession, both administrators consulted frequently to develop approaches to maintain essential services. Richmond recalled Columbus’s sincerity when sharing information regarding significant reductions to the county workforce.¹⁶⁴ A friendship grew between the two individuals.

The emerging friendship between key leaders proved to be an effective counter to occasional attempts to pit Board members against each other. Albany, Columbus and Stephenson sought to ensure that public conversations between the Boards were polite, respectful and productive.¹⁶⁵ Albany encouraged and at times, cajoled, School Board members to meet individually with their counterparts to build relationships between them.¹⁶⁶ This strategy was effective as the most fiscally conservative Board of Supervisors member came to support the efforts of the School Board and Superintendent, and publicly praised Columbus for work with both Boards.¹⁶⁷

Trust : Integrity

Relationships are dependent upon trust between parties. At the core is personal integrity. Denver understandably bristled when his integrity was challenged by members of the Board of Supervisors or by Richmond, the County Administrator.¹⁶⁸ By not building trust with Richmond, Denver lacked an ally who may have helped efforts to advocate for funding for the school

¹⁶¹ Columbus, Interview 1, Lines 479-480.

¹⁶² Richmond, Interview, Line 334.

¹⁶³ Id., Lines 713-714.

¹⁶⁴ Id., Lines 413-414.

¹⁶⁵ Loudoun, Interview, Lines 445-448.

¹⁶⁶ Albany, Interview, Line 443.

¹⁶⁷ Loudoun, Interview, Line 565.

¹⁶⁸ Stephenson, Interview, Lines 104-105.

division.¹⁶⁹ Mistrust between the two administrators led to distrust between staff members in the schools and county government.

Any trust between the two administrators faded away when routine requests were held up for lack of specific spending plans.¹⁷⁰ To Stephenson, that should not have mattered, “I’m just interested in the cut for schools, not the specific use of funds.”¹⁷¹ Despite increasing state appropriations resultant of rapid student enrollment growth, additional county funds were expected and often met resistance from the Board of Supervisors.¹⁷²

The partnership between the School Board chairperson, Orleans, and Denver, occasionally put them at odds with their own Board.¹⁷³ Albany noted the lack of information being shared with the School Board and failure to consult with Board members left them ill-suited to participate in decision-making or to represent the needs of the school division appropriately.¹⁷⁴ The Board of Supervisors did not consider the School Board trustworthy.¹⁷⁵ An “us against them” attitude emerged among members of both Boards.¹⁷⁶

Columbus pursued building trust with Stephenson, Richmond and the Board of Supervisors.¹⁷⁷ Columbus counseled Albany to build trust with Stephenson and the Board of Supervisors, believing that developing trust between the boards was proper strategy.¹⁷⁸ Ultimately, Albany was described as a “calming influence.”¹⁷⁹ Columbus sought to draw on

¹⁶⁹ Columbus, Interview 1, Lines 88-91.

¹⁷⁰ Id., Lines 684-686.

¹⁷¹ Id., Line 922.

¹⁷² Id., Lines 130-132.

¹⁷³ Id., Line 425.

¹⁷⁴ Id., Line 426.

¹⁷⁵ Id., Line 721.

¹⁷⁶ Columbus, Interview 1, Lines 254-256.

¹⁷⁷ Loudoun, Interview, Lines 445-447.

¹⁷⁸ Albany, Interview, Lines 422-423.

¹⁷⁹ Richmond, Interview, Line 616.

Albany's strengths to improve relationships with the Board of Supervisors and cause the School Board to adopt a more collaborative approach when seeking funding.¹⁸⁰

Albany, in developing a relationship with Stephenson, saw value in setting norms including an agreement never to be disrespectful in public.¹⁸¹ As Stephenson observed, public animosity was not appreciated by the Board of Supervisors or by county government officials. Trust grew through this agreement.¹⁸² Columbus's sincerity in seeking guidance from Richmond further helped build trust.¹⁸³ Richmond was admittedly cautious at first, but soon saw Columbus's efforts to seek common ground were changing how county staff interacted with School Board staff.¹⁸⁴

Columbus seemed to work all hours of the day. Columbus believed Richmond had to see a commitment to finding solutions to navigate the recession.¹⁸⁵ Richmond often wished Columbus not telephone in the evening, as the problem was going "[to] be there in the morning."¹⁸⁶ However, persistence demonstrated integrity: No one challenged Columbus, recalled Richmond.¹⁸⁷ Albany concurred, observing Columbus would discuss options and gently nudge the School Board toward solutions Columbus saw as best.¹⁸⁸ Even in social settings Columbus persisted using this tactic.¹⁸⁹

As Richmond began to consider the recession's impact on county government operations, Columbus's cooperation would be essential.¹⁹⁰ Richmond recognized the Board of Supervisors

¹⁸⁰ Columbus, Interview 1, Lines 665-666.

¹⁸¹ Albany, Interview, Lines 435-436.

¹⁸² Richmond, Interview, Lines 605-606.

¹⁸³ Columbus, Interview 1, Line 471.

¹⁸⁴ Richmond, Interview, Line 334 and Lines 946-947.

¹⁸⁵ Columbus, Interview 1, Lines 909-910.

¹⁸⁶ Richmond, Interview, Lines 381-382.

¹⁸⁷ Id., Lines 413-414.

¹⁸⁸ Albany, Interview, Line 555.

¹⁸⁹ Id., Line 558

¹⁹⁰ Richmond, Interview, Lines 536-537.

would be unwilling to offset lost revenue with increased taxes.¹⁹¹ Columbus knew clearly the “same people we are taxing are also suffering.”¹⁹² In this context, Columbus’s integrity and compassion were demonstrated.¹⁹³ Richmond reciprocated, as he was more willing to share the conditions under which he was trying to maintain essential services.¹⁹⁴ A partnership built on each other’s trust and personal integrity emerged allowing both administrators to guide their respective Boards toward reasonable and fiscally responsible solutions through which the recession was navigated.

Communication : Honesty

Perceptions cloud reality. Denver, for whom personal integrity was tantamount, was understandably upset by questions regarding his honesty when presenting budget requests to the Board of Supervisors.¹⁹⁵ Even though Stephenson respected Denver’s personal integrity, he could not control the Board of Supervisors’ sometimes petty questioning of Denver’s honesty.¹⁹⁶ There was no dispute the school division was growing rapidly, yet the expectation for higher and higher local revenue transfers appeared to many as unrealistic and unrelenting.¹⁹⁷

Over a lengthy tenure as County Administrator, Richmond worked with a number of Board of Supervisor chairpersons.¹⁹⁸ Richmond and Stephenson meet weekly, providing an opportunity for both to consider issues important to the county.¹⁹⁹ Stephenson noted Richmond works best when he has a positive relationship with an individual.²⁰⁰

¹⁹¹ Id., Lines 718-719.

¹⁹² Stephenson, Interview, Line 406.

¹⁹³ Id., Lines 407-408

¹⁹⁴ Richmond, Interview, Lines 946-949.

¹⁹⁵ Id., Lines 66-67.

¹⁹⁶ Stephenson, Interview, Line 102.

¹⁹⁷ Albany, Interview, Lines 173-175.

¹⁹⁸ Columbus, Interview 1, Lines 589-592.

¹⁹⁹ Richmond, Interview, Lines 707-708.

²⁰⁰ Stephenson, Interview, Line 371.

Richmond felt Denver was not always forthright about the needs of the school division.²⁰¹ Communication between the two was tense.²⁰² Stephenson emphasized that relationships between school staff and county staff were limited and were characterized by a lack of communication.²⁰³ While Denver worked and communicated well with Stephenson, Richmond recalled limited effort by Denver to extend the same courtesy.²⁰⁴ During Denver's tenure, communications from the school division to county government were met with skepticism by county staff.²⁰⁵

Columbus knew effective communication with Richmond was critical. To Columbus, pitting the needs of the school division against those of county services was unnecessary and unwise.²⁰⁶ Balance needed to be established. Richmond came to appreciate Columbus's openness and honesty.²⁰⁷ Columbus expressed a genuine interest in being sure county services remained viable throughout the recession.²⁰⁸

As Columbus considered operational and capital needs of the school division, Richmond's council was sought as to how best present information or concerns to the Board of Supervisors. Columbus pursued clarity through Richmond.²⁰⁹ Stephenson remarked, "As a supervisor, you don't like hearing about [a problem] for the first time in a meeting."²¹⁰ Columbus's factual information became interpreted as honest and open communication between Columbus and Richmond, and ultimately between both Boards.²¹¹ Further, Columbus's honesty

²⁰¹ Richmond, Interview, Lines 68-69.

²⁰² Loudoun, Interview, Lines 286-287.

²⁰³ Stephenson, Interview, Lines 144-145.

²⁰⁴ Stephenson, Interview, Line 64.

²⁰⁵ Columbus, Interview 1, Lines 507-508.

²⁰⁶ Id., Lines 662-663.

²⁰⁷ Richmond, Interview, Lines 526-527.

²⁰⁸ Id., Lines 390-391.

²⁰⁹ Columbus, Interview 1, Lines 307-308.

²¹⁰ Stephenson, Interview, Line 375.

²¹¹ Columbus, Interview 1, Line 894.

and communication were appreciated by county staff and by constitutional officers, most notably the County Treasurer who had not been supportive of the schools in years past.²¹² Columbus and Richmond soon found themselves able to lead their organizations through difficult economic conditions without rancor and heated debate.

Balance : Equilibrium

The field of play has to be level. Denver was used to singularly advocating for the needs of the school division directly to the voting public. All Superintendents should be advocates for their school division yet the approach in Virginia is necessarily different because of school board dependency on local governing bodies for appropriations.²¹³ Albany recalled Denver preferred to negotiate the local transfer and then sell it to the School Board.²¹⁴ Orleans and Denver were accustomed to efficiencies by working through more limited channels and the County Administrator was often excluded from these negotiations.²¹⁵ Peer-to-peer relationships among key individuals were ignored.

The school division's share of county revenue was perceived by the Board of Supervisors to be rising at the expense of other necessary services.²¹⁶ Without open lines of communication with Denver, Richmond's ability to consider effectively the budgeting process was compromised.²¹⁷ Discord between the administrators was resultant of the relationship between Orleans, Denver and Stephenson.²¹⁸

²¹² Loudoun, Interview, Lines 565-566.

²¹³ Richmond, Interview, Line 109.

²¹⁴ Albany, Interview, Lines 218-219.

²¹⁵ Richmond, Interview, Lines 207-209.

²¹⁶ Columbus, Interview 1, Lines 160-161.

²¹⁷ Stephenson, Interview, Lines 102-103

²¹⁸ Id., Lines 328-330.

Columbus remembered struggling to build a relationship with Richmond.²¹⁹ Partly this was lack of precedence for effective communication between the two positions.²²⁰ Columbus was persistent, understanding the importance of the relationship and at the behest of Stephenson. Columbus encouraged Albany to do the same with Stephenson.²²¹ Stephenson saw value in these efforts, “Peer-to-peer relationships are vital...[o]f, course there are many of us who also value our [other] relationships, discretely, especially to use them when needed.”²²²

Stephenson certainly was receptive, as Albany and Columbus worked together to initiate and re-balance relationships.²²³ A newly found equilibrium was achieved and proved to be essential when Columbus and Richmond needed to work through the economic downturn together.²²⁴

Columbus understood that to work effectively with county government, acceptance by Richmond as a peer was essential. As Richmond recalled, Albany approached issues in a business-like yet compassionate way.²²⁵ Albany’s professional career had been devoted to conflict resolution and this skill set was used effectively with the School Board and the Board of Supervisors.²²⁶ Columbus and Albany had similar personal styles and characteristics, and used these to build relationships with county leadership.²²⁷

²¹⁹ Id., Line 482.

²²⁰ Loudoun, Interview, Lines 80-81.

²²¹ Id., Lines 446-447.

²²² Stephenson, Interview, Lines 330-331.

²²³ Id., Line 373.

²²⁴ Richmond, Interview, Lines 342-344.

²²⁵ Richmond, Interview, Line 607.

²²⁶ Columbus, Interview 1, Line 574.

²²⁷ Loudoun, Interview, Lines 650-651.

Leadership : Collaboration

Decisions are not made in a vacuum. Publicly, Denver was perceived to be unnecessarily strong when addressing the Board of Supervisors.²²⁸ Denver's strategies to gain community support for schools seemed not as effective when in competition for a share of revenue generated by the local governing body, yet Columbus observed Denver developed skill over time.²²⁹

Denver used the relationship with Stephenson to lobby directly for increased appropriations.²³⁰ Denver focused singularly on the needs of the school division. As Albany recalled, both Denver and Orleans shared little detail with the School Board until the appropriation was near approval.²³¹ In contrast, Richmond and Columbus contemplated the importance of school funding being balanced against the demand for government services—services also needed by the school division.²³²

While Stephenson was sympathetic toward Denver and Orleans' requests, personal perspective may or may not be shared by the Board of Supervisors, as a whole.²³³ Also, Richmond's support for school division budgetary needs was an important element seemingly ignored. Conversely, Columbus recognized that Richmond was a crucial budget participant and sought to provide the County Administrator opportunities to ask questions, and be given information needed for planning purposes.²³⁴

Columbus and Richmond worked on communication strategies effective with the Board of Supervisors.²³⁵ Reductions in expenditures had to be carefully considered within both school

²²⁸ Albany, Interview, Lines 283-284.

²²⁹ Id., Lines 59-60.

²³⁰ Stephenson, Interview, Lines 276-277.

²³¹ Albany, Interview, Line 425.

²³² Richmond, Interview, Lines 386-387.

²³³ Stephenson, Interview, Lines 510-511.

²³⁴ Columbus, Interview 1, Lines 671-674.

²³⁵ Id., Lines 903-906.

operations and county government.²³⁶ Richmond recalled the county workforce was reduced by 20% during the economic recession.²³⁷ Meanwhile, Columbus sought to “protect” the core of school operations—maintaining an effective teaching staff at a level adequate to address the needs of children.²³⁸

The frequency of communication between Richmond and Columbus increased during fiscal year 2010 budget planning.²³⁹ Richmond was struggling to reduce spending. Sales tax, Business Professional and Occupational License, and personal property tax revenues dropped off significantly.²⁴⁰ Columbus recalled, “We needed to find a way to keep all county services intact as long as possible.”²⁴¹ Richmond knew additional local revenue for the county to offset anticipated state reductions was unlikely.²⁴² Columbus sought continued funding from the county close to the present level, observing “this meant [school decision makers] could seek opportunities to determine how to use resources without destroying the core of the division.”²⁴³ Richmond and Columbus sought terminology easily understood by both boards—and began using the phrase “level funding.” To Columbus, level funding “was a neutral term in a destructive period.”²⁴⁴ Albany recalled, “[Level funding] lent credibility.... We were sensitive to demands and responsive to our constituency.”²⁴⁵

Both Columbus and Richmond knew the difficulty each faced in continuing services both in the schools and at the county level. An assurance of level funding provided a framework in

²³⁶ Richmond, Interview, Line 929.

²³⁷ Richmond, Interview, Lines 718-719.

²³⁸ Columbus, Interview 1, Lines 742-743.

²³⁹ Columbus, Interview 1, Lines 494-495.

²⁴⁰ Richmond, Interview, Lines 718-719.

²⁴¹ Id., Lines 666-667.

²⁴² Richmond, Interview, Line 719.

²⁴³ Columbus, Interview 1, Lines 748-749.

²⁴⁴ Id., Line 751

²⁴⁵ Albany, Interview, Lines 781-782.

which both could work to realign budget priorities.²⁴⁶ Stephenson described level funding as “fundamentally solid.” Stephenson noted, “Coming up with the term was wise. ‘No increase’ was not the same as ‘level funding.’”²⁴⁷

Albany remembered working with the School Board to help them accept the concept of level funding, “We began to understand the stress and pressure the [Board of Supervisors] were under.... It was comfortable politically to say ‘yes’ and this enhanced the relationship.”²⁴⁸ Richmond and Columbus had no choice but collaboratively solve significant budgetary concerns. Their work together earned the respect of both boards, and collaboration soon spread to other common areas of need and interest, including a replacement transportation maintenance facility.²⁴⁹

Decision-making : Consensus Building

Effective solutions require commitment by all stakeholders. Often decisions were made by Denver and Orleans and then presented to the School Board for a “stamp of approval.”²⁵⁰ In contrast, Stephenson expected Supervisors to be engaged in budget discussions and actively solicited Supervisor input.²⁵¹

Albany recalled efforts to involve School Board members more fully and worked carefully to form a bond with each member.²⁵² “My board wanted more money, so I had to make lots of phone calls. There was a realization from the citizens that [businesses and families were reducing expenses], so it was a tough year for everybody,” said Albany.²⁵³ Columbus recognized

²⁴⁶ Loudoun, Interview, Line 734.

²⁴⁷ Stephenson, Interview, Lines 763-765.

²⁴⁸ Albany, Interview, Lines 722-724.

²⁴⁹ Richmond, Interview, Lines 934-940.

²⁵⁰ Id., Line 219.

²⁵¹ Stephenson, Interview, Line 692.

²⁵² Albany, Interview, Lines 647-648.

²⁵³ Id., Lines 730-731.

the School Board's expectation for increased funding had to be tempered, "[W]e had to go about doing things differently."²⁵⁴

Columbus's presentations were factual. Columbus remembered engaging in detailed preparation, as "obscure questions...could stop processes for days."²⁵⁵ As the Supervisors grew in their understanding of school operations, appreciation for the preparatory work of Columbus was publicly noted.²⁵⁶ As the economy worsened, the improved relationship between the School Board and Board of Supervisors would be tested. Yet, Loudoun remembered the consensus among School Board members, "We were not going to circle the wagons [to be in for a fight]...."²⁵⁷

Columbus and Albany formed a partnership. Because Columbus and Albany shared similar leadership styles, they were able to easily work together.²⁵⁸ As fiscal year 2010 budget deliberations continued, Albany's leadership to the School Board and the community required drawing upon personal strengths. Albany said, "It was important to get the emotions out. How do we make the right decisions to make [budget reductions] as doable as possible?"²⁵⁹ Columbus remembered lengthy School Board budget work sessions in which expenditure scenarios were discussed. "We had to wait for the General Assembly to do its work, so allowing the School Board to get a flavor of the issues we faced—if this, then this might—and to not lock ourselves into positions prematurely," observed Columbus.²⁶⁰ Board members learned of repercussions if

²⁵⁴ Columbus, Interview 1, Line 754.

²⁵⁵ Id., Lines 913-914.

²⁵⁶ Albany, Interview, Lines 803-804.

²⁵⁷ Loudoun, Interview, Lines 788-789.

²⁵⁸ Columbus, Interview 1, Lines 580-581.

²⁵⁹ Albany, Interview, Lines 799-800.

²⁶⁰ Columbus, Interview 1, Lines 823-824.

certain actions were taken.²⁶¹ Importantly, the School Board came to consensus and owned each decision.

Columbus had been very public in exploring options for closing an expected budget gap of up to 12 million dollars.²⁶² Many of these options were to have far-reaching consequences, if adopted. On February 24, 2009, the School Board held a public budget hearing at one of the high schools.²⁶³ More than 300 parents and community members attended and the Board received feedback on many of the budget reduction options under consideration. Loudoun described this public hearing as critical to the School Board's relationship with the Board of Supervisors, "We took the hit as opposed to the Board of Supervisors."²⁶⁴ Albany concurred, and observed the School Board public hearing provided a forum for community members to voice their concerns in a productive way. The public hearing demonstrated the School Board's willingness to own difficult budget decisions.²⁶⁵

Columbus's purpose had been to build consensus among School Board members. Albany was an active participant/leader in consensus building and decision-making processes.²⁶⁶ By exploring critical issues in depth, Board members could develop an understanding how one decision may impact another.

Columbus introduced the term "level funding" which set the stage for future work of the School Board and supervisors. For the Board of Supervisors, level funding allowed them to signal support for public education.²⁶⁷ For the School Board, level funding was a mechanism

²⁶¹ Albany, Interview, Lines 554-555.

²⁶² Director of Finance, Presentation to School Board, January 6, 2009.

²⁶³ School Board Adopted Budget Calendar, Approved November 18, 2009.

²⁶⁴ Loudoun, Interview, Line 785.

²⁶⁵ Albany, Interview, Lines 727-728.

²⁶⁶ Columbus, Interview 1, Lines 877-878.

²⁶⁷ Stephenson, Interview, Line 763.

used to set parameters through which they could make difficult decisions.²⁶⁸ As the fiscal year 2010 budget process concluded, the School Board was able to take complete ownership of the product. Neither the School Board nor the Board of Supervisors was put on defense, yielding an outcome desired by Albany, Stephenson, Columbus and Richmond.²⁶⁹

This sub-section analyzed factors that emerged from data analysis. The factors were paired and were compared to the pre-existing condition and then to the emerging condition. Stephenson sought to stabilize the relationship between the Superintendent and County Administrator and restore balance among peers. Columbus was an active participant in restoring balance and in developing a positive relationship with Richmond. Appropriate equilibrium emerged between Board chairpersons and administrators allowing trust to grow between both Boards. Trust was a critical attribute needed to successfully manage school and county operations during a very difficult economic period. Consensus building was necessary because difficult decisions would require complete support of both Boards. The adoption of the term “level funding” afforded both Boards a framework around which they could reach agreement with adequate latitude to make choices necessary to protect core services in future budget years.

Findings

Key findings emerged from data analysis include: 1) Denver’s prior experience with a fiscally-autonomous School Board negatively influenced relationships with a governing body upon which the School Board was fiscally dependent; 2) Peer-to peer relationships were limited and created conditions for mistrust between school staff and county staff; 3) Roles within and across organizations must be understood; and, 4) Effective characteristics of leaders include communicating effectively; demonstrating personal integrity; being honest, sincere and

²⁶⁸ Loudoun, Interview, Lines 781.

²⁶⁹ Richmond, Interview, Lines 947-949.

trustworthy; willing to seek consensus; encouraging collaborative decision-making; and accepting responsibility.

Section II addresses how change in relationships between the Boards, key staff and leadership afforded the opportunity to realign budget priorities collaboratively. The fiscal year 2010 budget provides context through which improved relationships are tested. Much improved relationships between Boards and respective administrators contribute to a cooperative and collaborative approach to budgeting.

Section II: Strategies to Maintain Quality Education

Section II describes how the Superintendent, School Board, and county government worked together to respond to deteriorating economic conditions. The Board of Supervisors' request to reduce school operating expenses was coupled with a similar expectation for county governmental services. Both the Superintendent and the County Administrator needed to guide their Boards toward budgetary decisions that would provide for the continuation of essential school and governmental services. Section II is divided into sub-sections corresponding to a) response(s) to reduced revenues for the fiscal year 2009 county and school operating budgets; and, b) school budget preparation and planning for fiscal year 2010.

Data suggested decisions were made using thoughtful and deliberate processes, included multiple stakeholders, and made effort to plan for long-term revenue instability. Multiple relationship factors influenced decision-making processes. Data also suggested the Superintendent and School Board chairperson skillfully managed decision-making of the School Board and communicated effectively with the Board of Supervisors.

Fiscal Year 2009 County and School Amendments (November 2008-January 2009)

As the economy continued to falter in fall 2008, tax revenues declined at the local level. By early November 2008, the County Administrator, Richmond, anticipated a county revenue shortfall of \$4.0 million.²⁷⁰ Anticipated state funding for the school division was based on a projected enrollment of 13,218 students and the actual September 15 enrollment²⁷¹ of 12,913 students already required the School Board to reduce its operating budget.²⁷² While not unusual to not meet projected enrollment, the fiscal year 2009 projection was off by 2.3%, and became problematic as the economy worsened.²⁷³

The School Board immediately needed to address an anticipated net \$1.7 million revenue shortfall in school operating funds through not meeting enrollment projections. The School Board had learned of the projected shortfall at a joint School Board finance and personnel committee meeting, held on October 13, 2008.²⁷⁴ At the time, the school division was not anticipating further reductions in appropriations either from the state or county government. The division's director of finance was quoted in news media as saying, "We don't have a contingency fund in case of lost revenue."²⁷⁵ To address the revenue shortfall, the finance committee received a recommendation to grant a two-month group health insurance premium holiday to allow funds normally earmarked for the health insurance fund (the employer share) to be redirected to the school operating fund. This same two-month holiday was extended to those employees who elected insurance coverage requiring a contribution.²⁷⁶ This action reduced the revenue shortfall

²⁷⁰ *Minutes of the Frederick County Board of Supervisors Work Session, November 19, 2008*, Book 34, page 124.

²⁷¹ *Note: Frederick County uses September 15 as its enrollment date for planning purposes. The reported September 30 count seldom varies significantly.*

²⁷² Frederick County Public Schools Planning and Development Office. Enrollment History and Projections. October 27, 2009.

²⁷³ *Id.*

²⁷⁴ Jessica Burchard, "Frederick schools address shortfall," *Winchester (Virginia) Star*, 14 October 2008.

²⁷⁵ *Id.*

²⁷⁶ *Id.*

to approximately \$0.2 million, which could be addressed through others savings. Unfortunately, more budget adjustments were forthcoming.

In determining how to address the county’s revenue shortfall, Richmond apportioned reductions in expenditures proportionately between county government and school operations. The school division’s share was \$2.3 million. In a subsequent presentation to the School Board, the division’s director of finance detailed the total estimated fiscal year 2009 revenue shortfall of \$4.3 million derived from the following sources:²⁷⁷

Revenue in millions	Source
(0.6)	Sales Tax
0.4	Increase in State Revenue due to sales tax decrease
(1.5)	Reduced State Revenue due to fewer students enrolling
(2.3)	Reduction in local funding
(0.3)	Debt Service Fund (Lottery)
(4.3)	Total FY 2009 Shortfall

Table 4.5 FY2009 Estimated Revenue Shortfall (Schools)

The School Board was asked to consider options to reduce overall spending for fiscal year 2009 and capture \$2.3 million in expenditure savings to help balance the county budget in addition to efforts already made to close a known \$1.7 million loss in anticipated state revenue. This task would test the still-growing relationships between Richmond and Columbus, and Stephenson and Albany. Some School Board members were reluctant to support reducing expenditures. One School Board member, at a meeting of the School Board finance committee on December 15, 2008, described the requested reduction as “unfair.”²⁷⁸ Albany, in published

²⁷⁷ Director of Finance, Presentation to School Board, January 20, 2009.

²⁷⁸ Alex Bridges, “School board members ask about large cuts to budget,” *Northern Virginia Daily* (Strasburg), 16 December 2008.

remarks, observed, “I think it’s a reality that we are facing...and I don’t want to give our community false hope and false direction [regarding future revenues].”²⁷⁹

The Board of Supervisors’ views were also mixed in resolving the revenue shortfall. One option considered but ultimately rejected by the Board of Supervisors was to raise the county real estate tax by 8-12 cents.²⁸⁰ Still another was to withdraw additional funds from the General Fund Reserves. However, the current budget relied on \$8.7 million taken from the General Fund Reserves and Richmond cautioned against further withdrawals.²⁸¹ Richmond noted, “The real problem with the county’s current shortfall is the effect it will have on next year’s budget.”²⁸² Richmond further observed the importance of making up a revenue shortfall in the short term rather than waiting until the end of the fiscal year given economic uncertainty.²⁸³ The Board of Supervisors’ consensus was to reduce operating expenses to cover the shortfall in lieu of raising taxes or drawing down the General Fund Reserves further.²⁸⁴

Albany pointed out in a press release, “Finding areas to cut at this point in the fiscal year when monies have been obligated will have an adverse effect on the services [offered].”²⁸⁵ Columbus was asked to submit a spending reduction plan to the County Administrator in advance of the next Board of Supervisors meeting scheduled for December 17, 2008.²⁸⁶

Columbus had limited options for reducing expenditures. The nation’s economy was failing yet costs were escalating. For example, the division had originally budgeted diesel fuel at \$3.30/gallon for fiscal year 2009, but had to revise the fuel budget upward to \$4.20/gallon during

²⁷⁹ Alex Bridges, “Frederick panels consider drastic measures,” *Northern Virginia Daily* (Strasburg), 17 December 2008.

²⁸⁰ Minutes, *Supra* note 270 at 124.

²⁸¹ Jessica Burchard, “Frederick shortfall could lead to job cuts,” *Winchester Star*, 20 November 2008.

²⁸² *Id.*

²⁸³ Minutes, *Supra* note 270 at 125.

²⁸⁴ *Id.*, page 126.

²⁸⁵ FCPS Press Release #162, November 20, 2008.

²⁸⁶ *Id.*

2008-2009.²⁸⁷ Columbus had already taken steps to decrease spending by reducing school field trips and not filling vacant positions.²⁸⁸ Reductions to school operating funds for fiscal year 2009 were foreshadowing future budget work, as the revenue forecast for fiscal year 2010 was not positive. Albany, in prepared remarks, said, “The School Board’s top priorities are its students and staff.... With the revenue shortfalls we’re anticipating for fiscal year 2010, it will be next to impossible to assemble a budget that doesn’t harm our school division....”²⁸⁹

Working with staff, Columbus assembled a plan to reduce expenditures. An important component of the plan was \$633,000.00 in re-appropriated funds carried over from fiscal year 2008 year-end fund balance. Typically used for one time capital needs, carry over funds could be re-purposed to prevent reductions in already planned school operating expenditures. Capital expenditures could be delayed.²⁹⁰ After peaking in September 2008, fuel prices began to decline and allowed the division to capture \$350,000.00 in fuel savings.²⁹¹ These two items provided 43% of the needed \$2.3 million.

Columbus and Albany saw the \$633,000.00 as a means to buy time to plan for potential additional reductions above the \$2.3 million requested.²⁹² A fall 2008 news article described the growing financial storm as then-Governor Kaine continued to freeze spending at the state level and state Senate Finance committee leaders were predicting significant cuts to education and mental health services to balance a \$2.5 billion state budget shortfall.²⁹³ Columbus was well aware reduced state appropriations to schools and local government could be devastating. Using Governor Kaine’s request for agency spending reductions of 5%, 10% or 15%, Columbus

²⁸⁷ School Operating Fund fiscal year 2009 Items to Review for Budget Reduction Worksheet, December 4, 2008.

²⁸⁸ Press Release #162, *Supra* note 285.

²⁸⁹ Press Release #165. School Board Reviews Possible FY09 Budget Cuts and Outlook for 2010, December 9, 2008.

²⁹⁰ School Operating Fund fiscal year 2009 Items to Review for Budget Reduction Worksheet, December 4, 2008.

²⁹¹ *Id.*

²⁹² Jessica Burchard, “Frederick readies for school cuts,” *Winchester Star*, 18 December 2008.

²⁹³ Dena Potter, “Nothing is Safe,” *Winchester Star*, 3 December 2008.

estimated a state revenue loss of between \$5.6 to \$11.1 million for fiscal year 2010.²⁹⁴ Planning for even deeper spending reductions became imperative.

Columbus proposed reductions in school operating expenses totaling \$1.7 million in addition to the \$633,000.00 that had been re-appropriated to the school division. These are detailed below:

Reductions	Value
Re-appropriated fund balance	\$633,000
Projected fuel savings	350,000
Vacancy Savings	282,200
Regional Special Education Surplus	118,450
Defer Maintenance Projects	169,200
Reduce School Per-Pupil Allocation by 30%	256,900
Restrict Overtime	104,880
Limit Substitute Staff for Short Term Absences	69,400
Re-allocate Early Reading Intervention Local Match	258,050
Eliminate SOL Remediation funds	77,500
Total	\$2,320,000

Table 4.6 FY2009 School Operating Fund Expenditure Reductions

After being able to assemble budget reductions for fiscal year 2009, the School Board and Columbus began to focus on preparations for the fiscal year 2010 budget. Albany understood additional reductions for fiscal year 2010 by the Board of Supervisors or the General Assembly would have significant impact on “students, programs and staff.”²⁹⁵ Columbus remembered, “...This demonstrated to employees things were really different.... I knew we needed dramatic operational changes to protect the core [of our operations]....”²⁹⁶ There was urgency for Richmond and Columbus to work together. “We needed all those services provided by the Board of Supervisors—police, fire, rescue, and social services,” recalled Columbus.²⁹⁷

²⁹⁴ FCPS Press Release #165, *Supra* note 289.

²⁹⁵ *Id.*

²⁹⁶ Columbus, Interview 1, Lines 365-369.

²⁹⁷ Columbus, Interview 1, Line 500.

Richmond observed the relationship with Columbus was important, “We had to have one if there were to be choices....”²⁹⁸ Columbus and Albany recognized a collaborative approach in addressing revenue shortfalls would provide dividends later as economic conditions worsened.²⁹⁹ The School Board approved Columbus’s recommended expenditure reductions at its meeting on December 16, 2008, and authorized Columbus’s presentation to the Board of Supervisors.³⁰⁰

On December 17, 2008, Richmond and Columbus presented their proposed reductions to the Board of Supervisors and its finance committee. As Richmond presented recommended county government reductions of \$1.7 million to the Board of Supervisors, the County Administrator highlighted the impact these reductions would have on county services. Richmond was quoted as saying, “As county administrator, I recognize the budgets we are facing are the hardest we have seen in decades...because most of the [budget cuts] are going to deal with people in some way....”³⁰¹ Columbus shared the same concern and desired to stave off personnel cuts in the short term by using the \$633,000.00 re-appropriation as part of the division’s overall reduction. However, use of one-time funds was not without controversy. Some county constitutional officials and leaders did not see the \$633,000.00 as a “cut.”³⁰² One Board of Supervisors member shared similar concern, while three others were neutral on Columbus’s strategy.³⁰³ However, one Supervisor voiced support and was quoted as saying, “Our children and our school system is just an absolute essential and important portion of what we do in local government.”³⁰⁴ To move the discussion forward, Richmond re-focused the Board of Supervisors

²⁹⁸ Richmond, Interview, lines 713-716.

²⁹⁹ Press Release #165, December 9, 2008.

³⁰⁰ Minutes of the Frederick County School Board, December 16, 2008.

³⁰¹ Bridges at 304.

³⁰² Minutes, page 171.

³⁰³ Id.

³⁰⁴ Bridges at 304.

on future budgets and suggested revenue forecasts portended difficult tasks ahead for both schools and county government.³⁰⁵

Despite the objection by the Board of Supervisors Finance Committee chairperson, the School Board's proposed reductions were accepted.³⁰⁶ The Board of Supervisors approved a public hearing to be held on January 28, 2009, to receive community input for amendment of the fiscal year 2009 budget to reflect reduced expenditures of \$3.37 million, after deducting \$633,000 already returned by the School Board.³⁰⁷ The subsequent public hearing received no public comment and the Board of Supervisors approved a resolution decreasing General Fund Appropriations by \$3.67 million.³⁰⁸

With this action completed, both Boards began work on fiscal year 2010 budgets. Weighing heavily on the minds of Richmond and Columbus was Governor Kaine's proposed state budget released also on December 17, 2008. Reduced support to public education and local governments were among the strategies recommended to address a \$2.9 billion revenue shortfall.³⁰⁹

Fiscal Year 2010 County and School Budget Preparation and Planning

(December 2008-March 2009)

Governor Kaine had reported several times that Virginia's economy was slowing and had begun to seek budget savings throughout state government.^{310, 311} In his prepared remarks to the

³⁰⁵ Id.

³⁰⁶ Minutes of the Board of Supervisors, Book 34, pages 168-173, December 17, 2008.

³⁰⁷ Bridges at 304.

³⁰⁸ Minutes of the Board of Supervisors, Book 34, page 200, January 28, 2009.

³⁰⁹ Governor Kaine, *Prepared remarks to the Joint Money Committees, December 17, 2008*. Retrieved March 26, 2014 from <https://wayback.archive-it.org/263/20081230193517/http://www.governor.virginia.us>.

³¹⁰ Press Release, Governor Kaine announces revised budget revenue forecast, February 12, 2008. Retrieved March 27, 2014 from <https://wayback.archive-it.org/263/20080302222956/http://www.governor.virginia.us>.

³¹¹ Governor Kaine, *Prepared remarks to Joint Meeting of the Senate Finance, House Finance and House Appropriations Committees*, August 18, 2008. Retrieved March 26, 2014 from <https://wayback.archive-it.org/263/20090314125011/http://www.governor.virginia.us>.

Senate and House Finance Committees on August 18, 2008, the governor stated he had “implemented \$300 million in executive budget savings” in the prior calendar year.³¹² Kaine also reminded the committees revenue was reforecast \$1.9 billion lower in February 2008.³¹³ Kaine further expected budget reductions as the 2009 General Assembly convened, and reported the General Assembly had increased funding for public education even with revenues declining and managed “state transfer payments to localities so that reductions to those programs have been less than reductions to state agencies.”³¹⁴ However, Kaine reported that all programs would be subject to reduction if the economy continued to worsen.³¹⁵ By December 2008, the economy had worsened and the governor reported a projected a \$2.9 billion shortfall for the 2009-2010 biennium.³¹⁶

Kaine’s response to continued revenue decline now included measured reductions in public education support. Kaine announced he would not recommend cuts in public school support for the remainder of fiscal year 2009, but would recommend changes for fiscal year 2010.³¹⁷ The governor proposed revising the methodology to calculate state funding for school support positions (those not directly involved in classroom instruction). The recommended change would save \$340 million statewide by funding one support position for every 4.03 instructional positions. The ratio was “represent[ed] the 3-year linear weighted average of Virginia school divisions’ prevailing practices.”³¹⁸ Additionally, \$27.5 million in school construction grants and \$55 million in state lottery funds dedicated to school construction would

³¹² Id.

³¹³ Id.

³¹⁴ Id.

³¹⁵ Id.

³¹⁶ *Governor Kaine announces revenue reforecast, plan to address shortfall, December 17, 2008*. Retrieved March 27, 2014 from <https://wayback.archive-it.org/263/20081230193517/http://www.governor.virginia.us>.

³¹⁷ Id.

³¹⁸ Id.

be redirected to cover “base instructional expenses.”³¹⁹ The governor’s proposed amendments to the fiscal year 2010 state budget would impact significantly many local school budgets statewide. Those divisions most affected by the governor’s amendments would be those with lower composite indices, as there was a greater reliance on state funding for operations.³²⁰ Frederick County’s composite index was 0.4122 for the biennium and would be impacted by state funding reductions.³²¹

For Frederick County, the net projected loss in state revenue for operations amounted to \$3.5 million.³²² Additionally, the division had projected \$2.0 million in state revenue for its debt service fund making for a total state revenue shortfall of \$5.5 million.³²³ The division’s finance director expected the county would continue its reduction of \$2.3 million and the division would receive \$0.4 million less from the federal government as special education enrollment continued to decline.³²⁴ All told, the division was anticipating a reduction of \$8.2 million in school operating and debt service funds. Compounding a bleak budget picture were expected increases to fixed expenses over which the School Board had little control and the planned opening of a 12th elementary school. Projected expenditure increases totaled \$3.9 million, of which \$1.2 million was necessary to open the new school.³²⁵ A \$12.1 million total revenue shortfall was anticipated.³²⁶

For Frederick County and localities across the commonwealth, Governor Kaine’s

³¹⁹ Id.

³²⁰ Bob Lewis, “Kaine reveals deep cuts in state’s budget,” *Winchester Star*, 18 December 2009.

³²¹ State Superintendent’s Memorandum No. 241, *Composite index of local ability-to-pay for the 2008-2010 biennium*, November 14, 2007. Retrieved March 27, 2014 from www.doe.virginia.gov/administrators/superintendents_memos/2007/inf241.html.

³²² Director of Finance, *Overview of amendments to the 2008-2010 biennial budget as proposed by Governor Kaine*, Presentation to School Board, January 6, 2009.

³²³ Id.

³²⁴ Id.

³²⁵ Id.

³²⁶ Id.

amendments to the FY2010 budget meant significant changes in educational service delivery, re-prioritization of available funds and potentially staff reductions. Columbus, as quoted in a news release, said, “When the reductions in revenue are combined with our increased expenses and debt service, we get a sense of the financial challenges facing the school division.... Staff and students remain our top priorities, but everybody is likely to feel some pain as a result of the grim fiscal picture.”³²⁷ In a news release dated January 13, 2009, Albany observed, “As the Board develops the budget over the coming months, we will be working to keep school as normal as possible for our students despite the likelihood of significant cuts including programs and staff.”³²⁸ Columbus knew frequent communication with the School Board, and with Richmond and the Board of Supervisors was essential. Still, Richmond had to contend with the Board of Supervisors before he was able to provide Columbus with an estimate of local revenue.

Board of Supervisors’ Deliberations

Richmond needed a measure of the Board of Supervisors’ position on raising additional revenue locally. Already the Board had used \$8.7 million from the General Fund Reserve to balance the fiscal year 2009 budget.³²⁹ At a work session held on January 21, 2009, the Board of Supervisors considered real property tax rates following recent reassessment. If the tax rate remained level, the county would realize roughly \$800,000.00 in new revenue.³³⁰ After considerable discussion, the Board of Supervisors reached consensus to roll the tax rate back to revenue neutral.³³¹ The Board of Supervisors also considered continued use of General Fund Reserves at this meeting. The treasurer cautioned against using too much money from reserves as

³²⁷ Press Release #169, January 6, 2009. *FCPS updates FY10 budget projections.*

³²⁸ Press Release #171, January 13, 2009, *School board delays several priorities until 2011.*

³²⁹ *Minutes of a Work session of the Frederick County Board of Supervisors*, Wednesday, January 21, 2009. Book 34 pages 200-201.

³³⁰ *Id.*, page 200.

³³¹ *Id.*, page 201.

the cash balance “could fall below the level of one month’s payables.”³³² Stephenson asked Supervisors for input on continuing to draw from the reserve fund. Some members were concerned about the reliance on reserve funds to balance the budget and remaining revenue neutral. These members preferred to see a blend of reserves and additional revenue from reassessment.³³³ One Supervisor offered a suggestion to reduce the reserve fund withdrawal by 50% to \$4.4 million, and six of the seven members supported this proposal. With this guidance, Richmond could craft a proposed budget using a revenue neutral real property tax rate and with \$4.4 million drawn from the General Fund Reserve and reflect a decrease in operating funds of \$4.3 million from fiscal year 2009.³³⁴ However, this would be contingent upon all other revenue sources remaining at present levels. Even though the Board of Supervisors reached initial consensus, continued discussion regarding projected revenues and the impact on county services was needed.

The Board of Supervisors convened a work session on Wednesday, February 18, 2009, to be updated on fiscal year 2010 budget preparation, to review proposed reductions in the county operating budget and receive an update on revenue collections.³³⁵ Richmond proposed reducing the county budget by 15% and decreasing appropriations to outside agencies by 15%.³³⁶ Richmond alerted the Board that an additional \$1.5 million in reductions would be accomplished “through a reduction in the workforce, [captured] health care benefit savings, reduced overtime costs and reductions in salaries.”³³⁷ The Commissioner of the Revenue informed the Board

³³² Id., page 201.

³³³ Id., page 201.

³³⁴ Id., page 201.

³³⁵ *Minutes of the Frederick County Board of Supervisors Budget Work session*, February 18, 2009. Book 34, pages 245-247.

³³⁶ Id., page 245.

³³⁷ Id., page 245.

personal property tax collections were projected to be \$2.0 million less.³³⁸ The Board of Supervisors already had reduced its revenue forecast by \$4.3 million but had not expected another \$2.0 million decrease in revenues and loss of these revenues had not been included in the County Administrator's proposed budget plan.³³⁹

Richmond was concerned, as additional reductions in the county spending plan would prove difficult. Richmond asked the Board of Supervisors to consider a revenue neutral tax rate on personal property to offset the projected \$2.0 million loss.³⁴⁰ The Board responded by asking for additional time to consider the county administrator's request. The Board of Supervisors were also growing concerned as several members asked to reconsider their consensus decision to hold the real property tax rate neutral.³⁴¹ Stephenson requested additional revenue and expenditure information from Richmond to provide the Board of Supervisors with a comparison between fiscal year 2009 and proposed for fiscal year 2010.³⁴² This information would be provided at the February 25, 2009, work session.

The next work session brought more bad news for the Board of Supervisors. Richmond announced the personal property tax revenue shortfall increased from \$2.0 million to \$4.0 million.³⁴³ If this shortfall were to be made up in additional reductions, \$2.3 million would be apportioned to schools and \$1.3 million from the General Fund.³⁴⁴ Richmond made clear desire for the Board of Supervisors to set the personal property tax rate at revenue neutral, so as to avoid further cuts to school or county operations.³⁴⁵ All told, Richmond reported \$9.3 million

³³⁸ Id., page 246.

³³⁹ Id., page 246.

³⁴⁰ Id., page 246.

³⁴¹ Id., page 247.

³⁴² Id., page 247.

³⁴³ *Minutes of the Frederick County Board of Supervisors Budget Work Session*, February 25, 2009. Book 34, pages 248-251.

³⁴⁴ Id., page 249.

³⁴⁵ Id., page 249.

less in funds available in the General Fund.³⁴⁶ Richmond shared several potentially available revenue enhancements to offset some of the revenue shortfall. These included registration fees for trailers, increased airplane taxation, increased land-use valuation, fee-for service, and vehicle licensing fees based on weight.³⁴⁷ The Board of Supervisors deferred consideration of revenue enhancements until Richmond was able to provide estimated revenues from each.³⁴⁸

The Board of Supervisors met again on March 4, 2009, in a work session to review elements of Richmond's budget proposal and consider tax rates for both real and personal property.³⁴⁹ The chairperson, Stephenson, polled the Board as to their preferences for a revenue neutral or level real property tax rate.³⁵⁰ Previously, the Board had signaled preference for a revenue neutral rate; however, members were increasingly concerned about decreased personal property tax revenue. Initial polling of the members was mixed and Stephenson asked for more discussion to reach consensus.³⁵¹ Some were hesitant to commit to a revenue neutral real property tax rate and wanted the Board to hold to an advertised rate of \$0.525, with the option to reduce the rate after public hearing.³⁵² After continued discussion, Board members agreed to set the real property tax rate at revenue neutral plus 1%.³⁵³ The county finance director noted the additional 1% collected would be held in reserve as a contingency.³⁵⁴ Discussion shifted to personal property tax rates. To remain revenue neutral, the personal property tax rate would need to be increased by \$0.70 per hundred dollars of valuation to \$4.90.³⁵⁵ Members agreed to set a

³⁴⁶ Id., page 249.

³⁴⁷ Id., page 250.

³⁴⁸ Id., page 250.

³⁴⁹ *Minutes of the Frederick County Board of Supervisors Budget Work session*, March 4, 2009. Book 34, pages 266-269.

³⁵⁰ Id., page 267.

³⁵¹ Id., page 267.

³⁵² Id., page 267.

³⁵³ Id., page 268.

³⁵⁴ Id., page 268.

³⁵⁵ Id., page 268.

revenue neutral rate to offset the projected \$4.0 million shortfall in personal property tax collections.³⁵⁶ However, members of the Board of Supervisors and Richmond remained worried about revenue forecasts.

At a work session on Wednesday, March 11, 2009, the Board of Supervisors received updated information from the County Administrator and Commissioner of the Revenue.³⁵⁷ Richmond described this meeting as getting “square” with the Commissioner of the Revenue.³⁵⁸ Richmond wanted to be sure the Commissioner of the Revenue was providing current information to the Board of Supervisors before real and personal property tax rates were advertised. The Commissioner of the Revenue advised the Board a real property tax rate of \$0.51 per hundred would increase revenue approximately 0.61% and a higher rate would be in excess of 1%, requiring an advertisement for a tax increase.³⁵⁹ Additionally, setting the personal property tax rate at \$4.86 per hundred was necessary to stay revenue neutral.³⁶⁰ Richmond noted that the revised real property tax rate would generate approximately \$240,000.00 in new revenue, funds previously earmarked as contingency funds.³⁶¹ The vice chairperson of the Board recommended advertisement of \$0.51 for the real property tax rate and \$4.86 for the personal property tax rate. The Board of Supervisors supported the recommendation by consensus.³⁶² Richmond now knew the Board’s expectation and was able to begin preparing a proposed county budget. However, both Richmond and Columbus still did not know where the General Assembly would land with the commonwealth’s budget.

³⁵⁶ Id., page 268.

³⁵⁷ *Minutes of the Frederick County Board of Supervisors Budget Work session*, March 11, 2009. Book 34, pages 270-271.

³⁵⁸ Id., page 270.

³⁵⁹ Id., page 270.

³⁶⁰ Id., page 270.

³⁶¹ Id., page 270.

³⁶² Id., page 271.

Developing a Division Strategy

Columbus continued to build a relationship and trust with Richmond. During winter 2009, Columbus and Richmond encouraged both Boards to work together. Columbus recalled, “I believe by sharing painful decisions, both Boards demonstrated a respect for each other’s contributions to the community.”³⁶³ From a conversation with Columbus, Albany remembered, “We talked for a long time about how difficult and devastating this could be.... How do we make the right decisions to make [cuts] as doable as possible?”³⁶⁴ Columbus observed, “Crises require calm thoughtfulness and planning for worst case scenarios, and hope that is not where you find yourself.”³⁶⁵

Richmond said, “During that period of time I lost 20% of my workforce, lost most of the Business, Professional, Occupational and License Tax revenue, had a 30% reduction in sales tax revenue and [we] couldn’t increase other taxes.”³⁶⁶ Columbus elected to maintain frequent contact with the county administrator and held weekly School Board budget work sessions to share information and discuss options. Communication with the community increased during this time period.

Columbus and division staff had warning the fiscal year 2010 budget cycle was going to be difficult. Budget work had been underway for some months. At the fall School Board training session, held on October 17, 2008, the director of finance highlighted challenges ahead in the coming months.³⁶⁷ The director of finance asked the School Board to consider how to solicit priorities from the school community, taxpayers and the Board of Supervisors. The General Assembly would convene in early January 2009 about the same time the Superintendent would

³⁶³ Columbus, Interview 1, lines 665-666.

³⁶⁴ Albany, Interview, lines 798-800.

³⁶⁵ Columbus, Interview 1, Lines 877-888.

³⁶⁶ Richmond, Interview, lines 713-719.

³⁶⁷ Personal notes of the director of finance in preparation for board training session, October 17, 2008.

normally propose a division budget. Columbus elected to delay presenting a proposed budget until February allowing time for continued staff discussion and recommendations for expenditure reductions, and let the Board of Supervisors engage in their own discussions.³⁶⁸ Reductions to programs and personnel seemed inevitable.

Columbus knew effective and frequent communication with the School Board was important. Columbus related, “There is a fine line of how much information and how frequently you dispense it. [During this time] we couldn’t put a budget together. We had to wait for the General Assembly to do its work.”³⁶⁹ The School Board needed to explore options and learn how decisions could impact educational services. Columbus did not want to “lock into options prematurely.”³⁷⁰ Columbus believed the recession would impact service delivery for an extended period and the School Board needed to have a long-range plan. Columbus recalled, “We began to develop options for down the road. If this is a sequence, what are the consequences several years out?”³⁷¹

The Board of Supervisors also needed understanding of the consequences of possible School Board decisions. Albany and Columbus arranged for School Board members to meet individually with Board of Supervisors counterparts to describe and explain circumstances.³⁷² Richmond supported individual meetings and stressed the importance of finding common ground regarding funding.³⁷³ The Board of Supervisors knew good schools were an economic driver and were interested in maintaining, to the extent possible, high quality instructional programs.³⁷⁴ The Board of Supervisors’ decision to remain revenue neutral for fiscal year 2010 and draw just \$4.4

³⁶⁸ Budget Calendar as approved by the Frederick County Public School Board, December 9, 2008.

³⁶⁹ Columbus, Interview 1, Lines 821-823.

³⁷⁰ Id., Line 825.

³⁷¹ Id., Lines 825-826.

³⁷² Columbus, Interview 1, Lines 852-853.

³⁷³ Richmond, Interview, Lines 929-930.

³⁷⁴ Loudoun, Interview, Lines 961-963.

million from General Fund Reserves made difficult circumstances for Richmond and Columbus, yet was the only known constant in early 2009.³⁷⁵

Columbus had to develop a plan to make do with reduced state appropriations and wanted to avoid further reduction in local appropriations. Debt service was projected to increase due to the opening of a new elementary school and the cost to continue at present levels with additional debt was expected to increase by \$3.9 million.³⁷⁶ As the Board of Supervisors moved closer to approving the county budget in March 2009, Columbus knew the school division would receive at least \$4.8 million less in local appropriations for the school operating fund and needed to offset loss of \$2.0 million in state lottery funds for increased debt service.³⁷⁷

Considering Options

Chronologically, the work by Columbus and staff was roughly parallel to work done by the County Administrator, Richmond and county staff. Early budget work depicted effort to draw inferences from media releases and public comments by Governor Kaine, and attempted to predict future revenues and expenditures in a volatile economy. Expenditure estimates and revenue shortfalls were developed as worst-case scenarios and changed over time.

In October 2008, the director of finance began to consider ways to reduce operating expenses for fiscal year 2010.³⁷⁸ Anticipating reduced state aid, the finance director believed categorization of all school division programs and services for value to the organization was needed.³⁷⁹ The finance director wrote, “Each action should be identified as something we feel is an ‘ok’ for a short term cut but we agree we will need to re-build or a long-term cut where we

³⁷⁵ *Minutes of a Work Session of the Frederick County Board of Supervisors*, Wednesday, January 21, 2009. Book 34, pages 200-201.

³⁷⁶ *Overview of budget amendments* at 347.

³⁷⁷ Cabinet Meeting Budget work documents, January ___, 2009. (No date)

³⁷⁸ Director of Finance, Internal electronic mail to Cabinet, October 23, 2008.

³⁷⁹ *Id.*

agree to live without it until further notice.”³⁸⁰ The initial list of considerations included 38 programs ranging from adult education to middle school team planning to transportation to school closures.³⁸¹ Targeted cuts to programs and services were necessary if state aid was significantly reduced.

In a presentation to the School Board on October 17, 2008, the director of finance summarized budget information.³⁸² Attention was given to world financial market instability and potential impact on local, state, and federal revenue streams.³⁸³ Market instability could cause further escalation in fuel and utility costs and impacted borrowing costs for new construction or renovations (both planned for fiscal year 2010).³⁸⁴

In a November 3, 2008, memorandum to Columbus, the director of finance further detailed concerns regarding the fiscal year 2010 budget.³⁸⁵ Projected enrollment for 2009-2010 was 13,092 or 192 students fewer than budgeted for 2008-2009. While a net of \$410,525 in new revenue was expected from the state, the finance director warned anticipated new revenue had not been adjusted after summer and fall state revenue re-forecasting and \$3.4 million was needed to sustain existing programs.³⁸⁶ The director of finance cautioned none of the preliminary budget work included consideration of “Governor Kaine’s announcement of a state revenue shortfall ranging from 5% to 15%.”³⁸⁷ If reduced state funding did occur, the School Board would have to consider budget shortfalls ranging from \$6 million to \$12 million (including anticipated costs to

³⁸⁰ Id.

³⁸¹ Id.

³⁸² Director of Finance, 2009-10 Budget Planning (Power point presentation to school board), School Board Training Session, October 17, 2008.

³⁸³ Id., Slide 6.

³⁸⁴ Id.

³⁸⁵ Internal Memorandum to Columbus from Director of Finance, November 3, 2008.

³⁸⁶ Id.

³⁸⁷ Id.

continue).³⁸⁸ Columbus elected to pursue a worst-case strategy to identify areas for cost savings.

Programs and services identified for cost savings were organized in a worktable with an assessment rubric. Items related to compliance with the *Standards of Quality*,³⁸⁹ *Regulations Establishing Standards for the Accreditation of Public Schools in Virginia*,³⁹⁰ provisions of the Elementary and Secondary Education Act of 1965, as amended in 2001,³⁹¹ and safety and security were considered to be non-negotiable.³⁹² Items were to be assessed for financial impact, instructional impact, emotional and political impact, policy or regulation impact, and as considered as short-term reductions or eliminated completely.³⁹³

Following the November 19, 2008, joint Board of Supervisors and county finance committee meeting at which the fiscal year 2009 budget shortfall was discussed, the director of finance prepared a memorandum describing Board of Supervisors' discussion regarding the fiscal year 2010 budget.³⁹⁴ Stephenson, the Board of Supervisors chairperson, was advocating "no growth" in expenditures and no use of the General Fund Reserve.³⁹⁵ Richmond had observed, "Present level funding will actually result in a decrease in operations due to increases in debt service, inflation and FY09 supplemental appropriations."³⁹⁶ Expenditures for fiscal year 2009 totaled \$135.1 million including schools. Stephenson proposed reducing the county budget to \$131 million and end drawing on General Fund Reserves.³⁹⁷ The "hand-shake" revenue sharing agreement is 42% for county services and operations, and 58% for school operations

³⁸⁸ Id.

³⁸⁹ VA§22.1-253.13.6 *et. seq.*

³⁹⁰ 8 VAC 20-131 *et. seq.* Regulations of the Virginia Board of Education.

³⁹¹ Also known as "No Child Left Behind."

³⁹² Budget work document dated November 5, 2008.

³⁹³ Id.

³⁹⁴ Memorandum to Columbus. *Supra* note 385.

³⁹⁵ Id.

³⁹⁶ Id.

³⁹⁷ Id.

including debt service.³⁹⁸ Had the Board of Supervisors adopted “no growth” and no use of reserve funds, then the local school revenue shortfall including debt service could have amounted to \$7.5 million. Coupled with costs to continue, reduced projected enrollment and the potential for a 15% reduction in state funding (nearly \$10 million), the potential total revenue shortfall approached \$22 million.³⁹⁹

Columbus organized school board office department heads to address the looming budget shortfall for fiscal year 2010. The director of finance continued to refine revenue estimates over the coming weeks.⁴⁰⁰ In early December 2008, a Budget Reduction Study and Communication task list was prepared.⁴⁰¹ The task list identified key dates and communications between cabinet staff, the superintendent, and with county government leaders.⁴⁰² Talking points were developed to manage discussions with School Board members, Board of Supervisors and local media.⁴⁰³ By December 2, 2008, Columbus had learned of the Board of Supervisors’ desire to keep the real property tax rate at the current rate of \$0.51 and apportion 58% of lost revenue to the schools (\$4.64 million).⁴⁰⁴

On December 9, 2008, the School Board’s finance committee met to review the proposed School Board budget calendar, approve forwarding to the full School Board reductions to the fiscal year 2009 budget, and receive their first view of the potential fiscal year 2010 revenue shortfall.⁴⁰⁵ This meeting was scheduled immediately before a regular meeting of the School

³⁹⁸ Memorandum to Columbus. *Supra* note 385. *Special Note: Numerous references to revenue sharing appear throughout county and division records. There is no formal agreement between the Board of Supervisors and the School Board.*

³⁹⁹ Cabinet budget work session document (undated).

⁴⁰⁰ *Special Note: Columbus described the budget process as an ever-moving target. Many of the early revenue projections were estimates based on best information available and changed almost daily.*

⁴⁰¹ Cabinet budget work session document (undated), “Budget Reduction Study and Communication.”

⁴⁰² *Id.*

⁴⁰³ *Id.*

⁴⁰⁴ *Id.*

⁴⁰⁵ Agenda of the Frederick County Public Schools Finance Committee, December 9, 2008.

Board and all members attended. An updated preliminary view of the fiscal year 2010 budget projected an \$11.15 million reduction in revenues. Local revenue for fiscal year 2010 was down \$2.3 million, based on the fiscal year 2009 budget adjustment, and state revenues were projected downward \$8.24 million and based on state budget reductions as high as 15%.⁴⁰⁶ Costs to continue amounted to \$3.734 million with an additional \$0.979 million needed for debt service, making for a total shortfall of \$15.87 million.⁴⁰⁷ The original school operating budget for fiscal year 2009 was \$135,033,708. The base school operating budget for fiscal year 2010 should have been \$138,768,249, but only \$123,878,664 was anticipated to be available in revenue (excluding additional debt service of \$0.979 million).⁴⁰⁸

Concurrently, Columbus and the director of finance were preparing for a joint Board of Supervisors-Board of Supervisors finance committee meeting to be held on December 17, 2008.⁴⁰⁹ This was Columbus's first opportunity to share with the Board of Supervisors the potential impact of \$10-\$16 million in lost revenue for fiscal year 2010.⁴¹⁰ The Board of Supervisors learned options the School Board would consider when addressing expected revenue shortfalls:

1. Elimination or reduction of instructional programs;
2. Elimination or reduction of afterschool programs;
3. Elimination or reduction of support programs;
4. Reduction of workforce;
5. Salary reduction or freeze;

⁴⁰⁶ Id. *Note: figures are rounded.*

⁴⁰⁷ Budget worksheet provided to school board finance committee, prepared December 4, 2008.

⁴⁰⁸ Derived from budget worksheet.

⁴⁰⁹ Budget Reduction Study and Communication. *Supra* note 430. *Special Note: The BOS Finance committee is comprised of Supervisors and lay appointees.*

⁴¹⁰ Columbus, Memorandum to Board of Supervisors, *Impact of potential reduction of local funding in FY2009*, December 17, 2008.

6. Longer bus rides;
7. Reduced functionality of technology; and,
8. Delayed opening of new school or closing of existing school(s).⁴¹¹

The task list for possible fiscal year 2010 budget cuts grew from 38 items to 66 items (See Appendix F).⁴¹² Three examples of tasks are described in the paragraphs below.

To operate within projected revenues, lower personnel costs would be necessary. Personnel costs (salaries and benefits) accounted for 85% of the school operating budget.⁴¹³ The director of human resources calculated the difference between current staffing and required *Standards of Quality* staffing. A projected staffing template was modified to show positions in excess of the *Standards of Quality*.⁴¹⁴ To complete this work, the School Board's Reduction-in-Force regulation needed to be considered.⁴¹⁵ The director of human resources soon discovered the reduction-in-force regulation presented obstacles toward executing an orderly reduction of staff. Principally, the regulation's criteria were endorsement area, evaluation, other competencies (advanced degrees, leadership roles) and seniority as factors for determining reduction-in-force. These criteria were to be considered in rank order across the division and applied only to the position the individual presently held.⁴¹⁶ Too often seniority became the deciding factor and could potentially leave select schools with few staff veteran to the building. Senior staff debated revising the regulation but ultimately decided to leave as is, after consulting with School Board counsel.⁴¹⁷

⁴¹¹ Id.

⁴¹² Cabinet work session document, "Task List for FY2010 Budget Cuts," December 16, 2008.

⁴¹³ School Board Approved Budget fiscal year 2010, page 19.

⁴¹⁴ Division Staffing Template (work document). *Note: The template was updated extensively through the budget process to accurately project staffing levels based on expected final pupil-teacher ratios.*

⁴¹⁵ Frederick County Public Schools Regulation 538R Reduction in Force. Available at <https://sites.google.com/site/fcpspolicymanual/500---personnel/538r---reduction-in-force> retrieved May 6, 2014.

⁴¹⁶ Director of Human Resources, Reduction in Force Guiding Document, (undated).

⁴¹⁷ Personal notes from Cabinet Meeting (undated).

Recognizing involuntary reduction-in-force was not desirable, the director of finance looked for other ways to reduce personnel costs. In December 2008, contact was made with third-party education workforce management firm to explore a voluntary employee severance plan.⁴¹⁸ The proposal was presented to Cabinet on January 5, 2009, and designed to provide a financial incentive for certain employees to separate from employment with the division.⁴¹⁹ The goal was to capture savings by reducing the workforce or by reducing total compensation for those positions needing to be replaced.⁴²⁰ The proposal suggested an incentive of \$40,000.00 for licensed professional staff and administrators, and \$20,000.00 for support staff.⁴²¹ Initial queries found 92 employees met proposed eligibility criteria. If all eligible employees took advantage of the incentive, a net savings of \$4.389 million could be achieved.⁴²²

Cost containment became essential and health insurance costs were considered.⁴²³ The School Board offered a self-funded plan with three tiers of health insurance coverage managed by a third party. By dropping the top tier benefit plan (with lower deductibles) and adding a Health Savings Plan (including a stop-loss benefit) cost increases could be minimized.⁴²⁴ The health insurance fund was expected to disburse \$14 million in benefits to employees for fiscal year 2010 and represented a 3.6% increase to the employer over the prior year. The plan changes prevented an increase in employer cost.⁴²⁵

The tasks described above represent a fraction of the work completed to prepare the superintendent's proposed budget. However, these efforts produced a large portion of the budget savings necessary to balance expenditures against anticipated revenues. Each department was

⁴¹⁸ Educators Preferred Corporation Draft Proposal, December 21, 2008.

⁴¹⁹ Memorandum to Cabinet from director of finance, dated January 5, 2009.

⁴²⁰ Id.

⁴²¹ Educators Preferred Corporation Draft Proposal, December 21, 2008, page 4.

⁴²² Early Retirement Incentive Spreadsheet (discussion draft), December 30, 2008.

⁴²³ Task List for FY2010 Budget Cuts at 441.

⁴²⁴ Cabinet work session notes, undated.

⁴²⁵ School Board Approved Budget fiscal year 2010, page 19.

analyzed programs and expenditures to identify cost savings.⁴²⁶ Cost savings were anticipated to cause instructional, emotional or political impacts. School athletics and instructional program reductions, additional fees, and school facility consolidation were options the Superintendent and School Board would receive extensive staff and community feedback.⁴²⁷ Despite advance work completed in November and December 2008, Columbus still needed Governor Kaine's proposed fiscal year 2010 state budget amendments to prepare a proposed budget.

Building a Base Budget

Amendments to the commonwealth's budget were presented on December 17, 2008, and Governor Kaine proposed reduced spending for public education.⁴²⁸ This same day Columbus presented projected budget reductions to the joint Board of Supervisors-Board of Supervisors Finance Committee meeting.⁴²⁹

By January 6, 2009, the director of finance had prepared the first calculations of revenue changes from the state. For the school operating fund, state revenue and sales tax proceeds decreased by \$3.519 million.⁴³⁰ Governor Kaine redirected lottery proceeds from school debt service to fund direct education costs, and amounted to a loss of \$2.078 million for the debt service fund.⁴³¹ Proposed state revenue reductions totaled \$5.597 million. Projected total revenue shortfall varied during January 2009 as the General Assembly forged an amended fiscal year 2010 budget. On January 6, the local and state revenue shortfall was \$12.1 million; rose to \$14.6 million by January 21; dropped to \$13.3 million on January 30th; and a day later fell to \$12.20 million.⁴³² By early February 2009, proposed school operating budget reductions were \$11.6

⁴²⁶ Cost savings template by program (working document).

⁴²⁷ Personal notes of author from School Board Budget Public Hearing, February 24, 2009.

⁴²⁸ Governor Kaine at 344.

⁴²⁹ Columbus at 439.

⁴³⁰ Superintendent's Proposed Budget Information Tabloid (working draft), January 31, 2009.

⁴³¹ Id.

⁴³² Id.

million.⁴³³ Of the expected \$58.6 million local transfer to schools for the school operating fund, \$2.9 million had to be added to the debt service fund, which reduced the county's contribution to \$55.7 million (of a total fiscal year 2010 local transfer of \$71.26 million).⁴³⁴ While the Board of Supervisors had not yet set tax rates or finalized a budget, the finance director expected \$4.9 million less from the county.⁴³⁵ The targeted total school operating fund budget reduction became approximately \$12.0 million (See Appendix G).

Superintendent's Proposed Budget

Given the challenges before the General Assembly, Board of Supervisors, and of preparatory staff work, Columbus delayed presenting a proposed budget to the School Board until February 9, 2009.⁴³⁶ In anticipation of a large audience, the School Board meeting was held at a high school. Columbus began the presentation as follows:

Chairperson Albany and members of the School Board. You have just completed an item of business (reducing a current year's budget) that is a preface for the year we are now planning. Beginning at your training session in October, we explored school division needs against the backdrop of a changing national financial outlook. As indicators have continued to disappoint, the reality is upon us and upon the General Assembly now in session that Virginia is in significant change.... In good times, we remind our citizens that all county services are "in this together" needing each other's support to keep a community working well. As a school division, we will be asked to meet increased federal and at least some state mandates with fewer resources.... I had planned to say this evening, that I have hope for some improved state budget figures that may make it

⁴³³ Superintendent's Proposed Budget Presentation to the School Board, February 9, 2009, text page 3.

⁴³⁴ Superintendent's Proposed Budget at 433.

⁴³⁵ Id.

⁴³⁶ Approved Budget Calendar at 394.

possible for you to improve upon the Superintendent's proposed budget in the weeks ahead. I don't believe that hope exists ... at this time, as the state revenue shortfall continues to grow toward an estimated \$4 billion... [T]his evening we will look at the Superintendent's proposal for meeting a significantly reduced budget.⁴³⁷

Columbus's all funds budget proposal totaled \$153.4 million and represented a net decrease of \$10.9 million.⁴³⁸ The school operating budget decreased \$11.6 million from \$135 million to \$123.4 million.⁴³⁹ Full time equivalent positions were reduced by 134.5 positions.⁴⁴⁰

Fund	FY2009 \$ M	Total Positions	FY2010 \$ M	Total Positions	Change \$ M	Position Change
Operating	\$135	1930.0	\$123.4	1808.4	(\$11.6)	(121.6)
Debt	14.6		15.5		0.9	
Textbooks	3.1	0.5	3.8	0.5	(0.7)	
Food Service	5.6	103	5.6	97.1	0	(5.9)
Capital Projects	0.5		0		(0.5)	
NREP	5.5	80.6	5.1	73.6	(0.4)	(7)
Construction	0.0	1.0	0	1.0	0	
Total	\$164.3	2115	\$153.4	1980.6	(10.9)	(134.5)

Table 4.7 Superintendent's Proposed FY 2010 Budget

Columbus reminded the School Board the projected operating fund shortfall had been revised several times during January 2009.⁴⁴¹ Columbus stated:

[B]ased on current forecasts and more current information, staff has increased the [school operating] revenue shortfall to \$11.6 million⁴⁴² due to our increased costs for debt service that must be funded [out of the] operating fund. Staff has also decreased our new expenditure requirements due to alternate use of buildings, change in health insurance

⁴³⁷ Superintendent's Proposed Budget at 433, text slide 1.

⁴³⁸ Id., slide 2.

⁴³⁹ Id.

⁴⁴⁰ Id.

⁴⁴¹ Id., slide 3.

⁴⁴² \$11.6 million represents revenue shortfall as of January 31, 2009. This figure ranged from a low of \$8.2 to \$11.6 million over the month, and changed as local and state revenue amounts were recalculated.

cost projection, and enrollment loss contingency. These actions brought our total budget shortfall down from \$14.6 to \$12.6 million.⁴⁴³

State revenues were projected to decrease by \$3.5 million, federal funds decreased by \$0.4 million and local funds would decrease by \$7.8 million⁴⁴⁴ for the school operating fund.⁴⁴⁵ Local revenues were reduced as a result of the \$4.0 million shortfall (\$2.3 million apportioned to schools) and a decision by the Board of Supervisors to reduce by 50% the use of general fund reserves to balance the county's budget (\$2.5 million apportioned to schools).⁴⁴⁶ Additionally, \$2.9 million of the local transfer needed to be applied to debt service.⁴⁴⁷

The fiscal year 2009 original school operating budget was \$135.0 million. Expenditure increases for fiscal year 2010 totaled \$0.8 million and resultant of increased utility costs, vehicle fuel, telecommunications, health insurance and for regional programs.⁴⁴⁸ Columbus proposed consolidating the three locations of the Regional Special Education Program into one existing elementary school and relocating students presently attending the elementary school to a newly constructed, larger facility.⁴⁴⁹ The re-purposing of an existing facility and closing of three others resulted in a net expenditure increase of \$0.1 million.⁴⁵⁰ Had the new facility opened as a 12th elementary school, new costs for staff, utilities and grounds maintenance would total \$1.2 million.⁴⁵¹ The proposed school operating budget stood at \$135.9 million.

⁴⁴³ Superintendent's Proposed Budget at 463, text slide 3.

⁴⁴⁴ *Special note: Budget work documents and the superintendent's proposed budget show this figure as \$7.8 million. Despite efforts to reconcile, the correct number appears to be \$7.7 million. Numbers may not add properly due to rounding.*

⁴⁴⁵ Id., slide 4.

⁴⁴⁶ Id., slide 5.

⁴⁴⁷ Id.

⁴⁴⁸ Id., slide 8.

⁴⁴⁹ Budget worksheet Section B and C1, Joint School Board and Board of Supervisors Work Session, February 13, 2009.

⁴⁵⁰ Superintendent's Proposed Budget at 463, slide 8.

⁴⁵¹ Budget planning worksheet, First year costs for 12th Elementary School, December 19, 2008.

Central office and support services budgets were reduced \$1.7 million.⁴⁵² Reductions included 14.25 positions, technology equipment, buses, and contracted grounds maintenance.⁴⁵³ Buildings and Grounds lost 2.3 positions, finance—2.02 positions, human resources—1.07 positions, information technology—2.5 positions, instruction—1.5 positions, and transportation—4.86 positions.⁴⁵⁴ New bus purchases were reduced from 11 to 5, saving \$0.6 million; and, new or replacement technology purchases decreased by \$0.3 million.⁴⁵⁵ After these reductions, the proposed budget totaled \$134.2 million.

Elementary teaching and support positions were reduced by 36.5 positions.⁴⁵⁶ Class sizes were increased grades K-3 from 18:1 to 20:1, and in grades 4-5 from 20:1 to 22:1, a reduction of 19.2 positions.⁴⁵⁷ Because fewer resource teachers (music, physical education and reading support) were needed, 6.7 positions were eliminated.⁴⁵⁸ Instructional aides and assistant principals assigned to those schools for which the *Standards of Quality* did not require a full-time assistant were reduced by 10.6 positions. Instructional supply allocations to elementary schools were reduced by 35%, and provided \$2.3 million in savings.⁴⁵⁹ The Superintendent's proposed school operating budget now totaled \$131.9 million.

Columbus's proposed budget made significant cuts to middle school instructional and extracurricular programs. Reductions to core academics were achieved by raising the pupil teacher ratio to 23:1 in grades 6-8, eliminating 18 teaching positions.⁴⁶⁰ Reductions to electives included 1.4 physical education and health teachers, 2.1 music teachers, 2 gifted resource

⁴⁵² Id., slide 11.

⁴⁵³ Budget worksheet Section C2, Joint School Board and Board of Supervisors Work Session, February 13, 2009.

⁴⁵⁴ Budget worksheet Section 5 A-G, Joint School Board and Board of Supervisors Work Session, February 17, 2009.

⁴⁵⁵ Id.

⁴⁵⁶ Superintendent's Proposed Budget at 463, slide 12.

⁴⁵⁷ Id., slide 12.

⁴⁵⁸ Id., slide 12.

⁴⁵⁹ Id., slide 12.

⁴⁶⁰ Id., slide 13.

teachers, and 2 career and technical education teachers.⁴⁶¹ Because the middle school-age special education population had declined, 11 fewer special education teachers were needed.⁴⁶² An assistant principal position was eliminated, due to the school's smaller enrollment.⁴⁶³

The most controversial recommendation was elimination of the middle school sports program, for a savings of \$296,013.⁴⁶⁴ Other proposed reductions to middle school expenditures included a 35% reduction in school site allocations, limiting extended teacher contracts and certain salary supplements for sponsorships.⁴⁶⁵ All told, \$2.5 million in middle school program expenditures were eliminated.⁴⁶⁶

Columbus proposed reducing high school expenditures by \$1.6 million.⁴⁶⁷ Pupil-teacher ratios in core academic classes would increase to 23:1, eliminating 12.8 full-time equivalent positions.⁴⁶⁸ Of these full-time equivalents, eight were designated as "extra-period" assignments, a means to add instructional time by compensating the teacher one-fifth of his/her salary for each additional period taught.⁴⁶⁹ Additional reductions included physical education and health positions by 2.6 positions, art and career and technical education by 4 positions, and special education by one position.⁴⁷⁰ Nine clerical and custodial positions were eliminated. Extended contracts and certain academic supplements were reduced. Finally, instructional supplies funding was reduced by 35%.⁴⁷¹ The proposed school operating budget was now reduced to \$127.8 million.

⁴⁶¹ Id., slide 13.

⁴⁶² Id., slide 13.

⁴⁶³ Id., slide 14.

⁴⁶⁴ Budget Planning Worksheet, Joint SB & BOS Meeting Materials Expenditures, February 13, 2009.

⁴⁶⁵ Superintendent's Proposed Budget at 463, slide 14.

⁴⁶⁶ Id., slide 13.

⁴⁶⁷ Id., slide 15.

⁴⁶⁸ Id., slide 15.

⁴⁶⁹ Staffing template 2009-10, page 4, September 15, 2008.

⁴⁷⁰ Superintendent's Proposed Budget at 463, slide 16.

⁴⁷¹ Id.

A reduction of \$0.2 million came from career and technical education and alternative programs. Two alternative education full time equivalents were eliminated and the instructional supplies allocation was reduced by 35%.⁴⁷² Two full-time equivalent English Language Learner positions were reduced, summer school for middle and high school discontinued, and remediation funds were reduced.⁴⁷³ After reducing programs and services across the school operating fund, the Superintendent's proposed budget was now \$127.4 million, or \$4.0 million short of the target of \$123.4 million.⁴⁷⁴

To achieve the targeted operating budget, Columbus proposed changes to employee wages and benefits totaling \$4.0 million.⁴⁷⁵ Funding for substitutes for teachers, administrators and support staff decreased by \$77,000, \$242,000 gathered in overtime savings, and permissible accumulation of employee sick leave was increased to 150 days from 120 days saving \$77,000.⁴⁷⁶ Finally, Columbus proposed reducing wages by 3.9% to capture \$3.9 million. These actions brought the proposed school operating budget in balance with expected revenues of \$123.4 million.⁴⁷⁷

In summary, Columbus proposed \$11.6 million in reductions to the school operating fund. Included were elimination of 121.6 positions, of which 14.3 full time equivalents were already vacant.⁴⁷⁸ An additional 5.6 positions were eliminated in the School Food Service Fund, yielding no change in expenditures to that fund.⁴⁷⁹ Of the reductions to the school operating fund, \$2.9 million were applied to offset elimination of lottery funds for debt service.⁴⁸⁰

⁴⁷² Id., slide 17.

⁴⁷³ Id., slide 18.

⁴⁷⁴ Id.

⁴⁷⁵ Id., slide 19. *Special Note: The presentation reports \$4.2 m in savings, yet the total is \$4.0 m.*

⁴⁷⁶ Id.

⁴⁷⁷ Id.

⁴⁷⁸ Id., slide 20.

⁴⁷⁹ Id., slide 21.

⁴⁸⁰ Id., slide 22.

Columbus concluded the budget presentation with the following:

...Tonight's budget proposal began with a daunting goal of reducing the budget of programs that are helping students master academic standards at a time when academic performance is monitored from the perspective of myriad points of interest... [The budget] asks that employees do more, to do some things differently, and to do that with less and for less money.... Without a doubt, we are facing a difficult time; but we are not alone—and we have a community that is demonstrating that it cares very much about its schools.... If all of us are able to focus on why our public schools exist, our decisions, while perhaps not easy, will be guided by our common ground—providing students an excellent education.⁴⁸¹

The Superintendent's proposed budget was a work in progress. The School Board considered potential impacts of a reduced operating budget during January, February and March 2009. Concurrently, the Board of Supervisors deliberated a county budget and the General Assembly was working toward an amended fiscal year 2010 budget. Still unknown was the impact of the American Reinvestment and Recovery Act (ARRA) on the commonwealth's budget and how localities may be able to use ARRA funds.

Because the General Assembly had not completed its work, and little understanding existed as to how ARRA funds would be distributed, the School Board could only consider possibilities. Columbus said, "We could only offer [the School Board] sets of circumstances that might come into play, and alert them to potentially more favorable circumstances and then report to the community the best options."⁴⁸²

⁴⁸¹ Id., slide 24.

⁴⁸² Columbus, Interview 1, Lines 829-831.

School Board Budget Work Sessions and Proposed Budget Public Hearing

The Superintendent and School Board chairperson had been signaling to employees and the general public budget reductions were going to be significant. Despite these warnings, employees and the community were taken aback by the extent of the reductions. One communication from a citizen implored the School Board not to make cuts in the classroom.⁴⁸³ School-based positions accounted for 84% of all approved full-time equivalents, transportation positions another 10% and non-school (central office) 6% of the full-time equivalents.⁴⁸⁴ In fiscal year 2009, instructional program costs amounted to \$102.35 million as opposed to \$32.7 million for support.⁴⁸⁵ Pupil transportation, technology and operations accounted for \$26.4 million of support costs.⁴⁸⁶ The remaining budget category of Administration and Attendance and Health accounted for \$6.3 million of the approved budget, and even if totally eliminated would not cover the projected deficit.⁴⁸⁷

Personnel costs make up the largest portion of the school operating budget. To find necessary savings, significant staff and teaching positions needed to be eliminated. The finance director first proposed a voluntary severance package in December 2008 and presented proposal to the School Board on January 13, 2009.⁴⁸⁸ The severance plan was described as a way to reduce staff while minimizing the number of lay-offs.⁴⁸⁹ Following the Superintendent's proposed budget presentation, feedback was requested from principals.⁴⁹⁰ Universally was considerable

⁴⁸³ Citizen's electronic correspondence addressed to superintendent and school board member, March 3, 2009.

⁴⁸⁴ FY 2010 Approved Budget, page 25.

⁴⁸⁵ Id., page 24.

⁴⁸⁶ Id.

⁴⁸⁷ Id. *Special Note: Included within Administration and Attendance and Health categories are SOQ-required staffing and expenditures, making this example merely an exercise.*

⁴⁸⁸ Draft Press Release #174, January 20, 2009.

⁴⁸⁹ Id.

⁴⁹⁰ Internal electronic mail from author to principals, February 11, 2009.

confusion regarding severance plan eligibility and concerns regarding reduction-in-force.⁴⁹¹

Immediately, teachers and staff wanted to know if their position was among those to be eliminated.⁴⁹² Several employees shared with principals concern about losing income as a result of no longer teaching extra periods, others worried about extended contracts being shortened, and still others offered suggestions for budget savings.⁴⁹³ Columbus observed building level administrators were very good managing the flow of information to and from employees. Communication of accurate information to employees was critical.⁴⁹⁴

Columbus expected and prepared for questions from the School Board and school employees. “When we came to the most difficult time, we did not abandon our practices. We stepped up communication—most importantly to our internal public. We knew it was extremely important to have 2000 people with the right information,” observed Columbus.⁴⁹⁵ Albany recalled, “Columbus let us know repercussions of [potential] decisions.”⁴⁹⁶ Loudoun noted, “We had enough communication to make good decisions. There were no surprises, [we] would hear from [staff] before anyone else.”⁴⁹⁷ Columbus remembered the fiscal year 2010 budget process as being a time “where staff would crave access to leadership...[and] this was mirrored with the School Board as they needed information to not have a void in their knowledge base—even if we didn’t know yet.”⁴⁹⁸

Loudoun, who served as vice-chairperson of the School Board, had questions for Columbus following the proposed budget presentation.⁴⁹⁹ Loudoun hoped areas not yet

⁴⁹¹ Id. (Responses by building principals)

⁴⁹² Id. (Responses by building principals)

⁴⁹³ Id. (Responses by building principals)

⁴⁹⁴ Columbus, Interview 1, Lines 898-899.

⁴⁹⁵ Columbus, Interview 1, Lines 865-867.

⁴⁹⁶ Loudoun, Interview, Lines 812-814.

⁴⁹⁷ Albany, Interview, Lines 839-840.

⁴⁹⁸ Columbus, Interview 1, Lines 870-874.

⁴⁹⁹ Loudoun, Electronic correspondence to Columbus, February 11, 2009.

considered could yield savings. Community members were very vocal regarding proposed reductions to middle school, freshman and junior varsity sports programs.⁵⁰⁰ Loudoun queried Columbus regarding costs to operate athletic field lights, potential revenue from pay-to-participate fees and expected savings if just half of the middle school athletic programs were eliminated.⁵⁰¹ These changes were calculated to reduce operational costs by only \$276,000.⁵⁰² Loudoun shared concern regarding the proposed 3.9% salary reduction.⁵⁰³ Loudoun wanted to know how many staff positions this reduction would save—the number totaled 40.⁵⁰⁴ Columbus believed questions from School Board members were important, as these were means through which information could be sent and received.⁵⁰⁵ Columbus recalled, “There were many extreme communications from staff and citizens—but helpful to our process—we always encouraged people to call and discuss issues central office staff may not fully understand.”⁵⁰⁶

The School Board held a public hearing on the Superintendent’s proposed budget on February 23, 2009, again at one of the high schools.⁵⁰⁷ Over 300 people were in attendance.⁵⁰⁸ Media reports described parental and resident concerns as emotional.⁵⁰⁹ Previous public comment at the School Board’s February 9, 2009, meeting had focused on proposed elimination of middle school and freshman sports programs.⁵¹⁰ One teacher’s comments reflected the tenor of the hearing: While most fearful of losing her job, she had watched her son pray, “[To] still

⁵⁰⁰ Citizen Letters to Editor, *Winchester Star*, dated 10 February and 13 February 2009.

⁵⁰¹ Loudoun at 536.

⁵⁰² Cabinet Budget Meeting notes, February 12, 2009.

⁵⁰³ Loudoun at 536.

⁵⁰⁴ Notes at 535.

⁵⁰⁵ Columbus, Interview 1, Line 874.

⁵⁰⁶ Columbus, Interview 1, Lines 880-881.

⁵⁰⁷ Approved budget calendar at 394.

⁵⁰⁸ Editorial, “Beyond the box?” *Winchester Star*, 26 February 2009.

⁵⁰⁹ J. R. Williams, “Residents demand school board take action against cuts,” *Northern Virginia Daily*, 25 February 2009.

⁵¹⁰ *Id.*

have a chance to play middle school sports.”⁵¹¹

Teachers were bracing themselves for the worst. Said one, “We fear for our jobs, our families, our students and our community. We may fear worse for our dignity...”⁵¹² Students and parents spoke to the value of extracurricular activities, one parent shared more was learned from sports participation than in the classroom. The parent admonished the Board, “Don’t let your legacy be the ‘Grinchs’ that stole sports.”⁵¹³ However, a Winchester Star editorial from February 26, 2009, captured the majority’s sentiment:

Highlighting the proposed loss of 134.5 positions—potential casualties of a budget \$12.2 million in shortfall—speaker after speaker pleaded with school officials to establish priorities and determine what’s truly important. In their mind, it was time to “stand up for teachers.”⁵¹⁴

The local education association president urged the School Board to “make sure the quality of education and ... the dedication of our staff is what is protected.”⁵¹⁵ Loudoun noted the School Board’s attentiveness and concern during the public hearing, “All of [the citizens’] points were valid. We wish we could do everything they want, but we simply can’t.”⁵¹⁶

Comments from the public hearing were collapsed into 22 areas for clarification and discussion with the School Board (see Appendix H).⁵¹⁷ Parents expressed concern about cuts to elective programs including band auxiliary squads and questioned why teachers were sending home notes for school supplies.⁵¹⁸ One teacher had shared expected loss of \$8000 in annual

⁵¹¹ Jason Kane, “Job losses key topic a school hearing,” *Winchester Star*, 25 February 2009.

⁵¹² Williams at 546.

⁵¹³ Kane at 548.

⁵¹⁴ Editorial at 545.

⁵¹⁵ Williams at 546.

⁵¹⁶ Editorial at 545.

⁵¹⁷ Cabinet budget work document, School Board Public Hearing FY10 Budget, February 24, 2009.

⁵¹⁸ Id.

income because extra-period pay was cut.⁵¹⁹ Still others proposed pay-to-participate to self-fund middle school athletics.⁵²⁰ Some asked for more administrative positions to be eliminated. Others sought textbook rental fee restoration.⁵²¹ Each category required a response based on budget reasoning, *Standards of Quality* provisions, or how the state funds public schools. Columbus and senior staff readied responses to each citizen comment for future budget meeting presentations.

Despite reasoned explanation for elimination of middle school sports, the School Board endured considerable pressure to reinstate the program.⁵²² Loudoun indicated he would support a pay-to-participate structure to underwrite costs. Columbus was reluctant to pursue alternatives “when a host of other funding issues and possible job losses must be faced.”⁵²³ However, Columbus established a middle school athletics study committee comprised of parents, principals and central office personnel. Led by the assistant superintendent for administration and a middle school principal, the committee was charged to develop options for middle school sports. The committee first met on March 11, 2009, and received information including costs of \$376,000.⁵²⁴ Coaches salaries and stipends including benefits; equipment, uniforms and officials; and, transportation costs were the expenditure components.⁵²⁵ Over several meetings, the committee agreed to limit competition to nine sports with in-county opponents only. Each sports season was shortened, and stipends were reduced commensurate with the length of season.⁵²⁶ The cost of the program was reduced to \$100,000.⁵²⁷ The re-structured sports program represented a

⁵¹⁹ Id.

⁵²⁰ Id.

⁵²¹ Id.

⁵²² Drew Houff, “Decision on middle-school sports delayed,” *Winchester Star*, 18 February 2009.

⁵²³ Id.

⁵²⁴ *Minutes of the Middle School Athletics Study Committee*, March 11, 2009.

⁵²⁵ Id., page 1.

⁵²⁶ Recommendations of Middle School Athletics Study Committee (undated).

⁵²⁷ Budget worksheet—School Operating Fund dated March 11, 2009.

compromise, but necessary for the School Board to be able to move toward considering more significant budget reductions.

The Superintendent's proposed budget generated considerable public outcry over reductions to popular programs. Columbus's decision to hold both the presentation of the proposed budget and a public hearing at schools with large auditoriums was an important one. Audiences were large and the community heard what was probable first hand. More importantly, Columbus and the School Board bore the brunt of community outcry and helped transform the relationship between the School Board and the Board of Supervisors.

Columbus remembered, "Both boards demonstrated a respect for each other's contributions to the community. The way we shared information publicly—we showed other entities that weren't fighting against them—we were trying to work to make resources stay intact for the greater good of the community."⁵²⁸ The School Board came to understand there was no benefit to shifting blame to the Board of Supervisors.⁵²⁹ Columbus encouraged the School Board to practice cooperation and reason with the Board of Supervisors. "That ability to not fall into emotional or dramatic responses was greatly appreciated by the governing body," recalled Columbus.⁵³⁰

Loudoun recalled, "We were cutting programs and the impact was getting attention. We had to answer the question, 'Are we presenting to get a reaction and [then] holding the Board of Supervisors accountable?'"⁵³¹ Columbus and Albany did not want blame directed to the Board of Supervisors.⁵³² So, as Loudoun described the condition, "The School Board took the hits as opposed to the Board of Supervisors. The School Board served as a lightning rod...and insulated

⁵²⁸ Columbus, Interview 1, Lines 665-669.

⁵²⁹ Loudoun, Interview, Lines 788-789.

⁵³⁰ Columbus, Interview 1, Lines 890-891.

⁵³¹ Loudoun, Interview, Lines 845-847.

⁵³² Columbus, Interview 1, Line 876.

the Board of Supervisors.”⁵³³ Albany agreed, “The Board of Supervisors didn’t have to—we pre-empted it—I don’t know if they perceived this, but they were grateful they didn’t have to say, ‘no.’”⁵³⁴ Richmond believed change in the relationship between the two Boards allowed the county to successfully navigate the recession and “maintained goals the Boards wanted for quality education [services.]”⁵³⁵

Because the Board of Supervisors elected to remain nearly revenue neutral, additional debt service for construction underway reduced local funds available for school operations. For fiscal year 2009, additional debt service amounted to \$900,000.⁵³⁶ In total, the school operating fund had to be reduced by \$2.9 million after Governor Kaine transferred lottery funds from school construction to categorical aid.⁵³⁷ Stephenson, the Board of Supervisors chairperson, emphasized importance of debt management, “We were able to push forward with certain capital projects and to pitch these in austere times.”⁵³⁸ While fiscal year 2010 saw only the opening of a new facility already under construction, planning during this period helped pave the way for future endeavors. Richmond said, “A big target we focused on was how much we could tolerate increasing mortgage payments...debt balancing got us through it.”⁵³⁹ During fiscal year 2010 budget deliberations, the School Board purchased land for a new transportation facility using funds from a previously approved bond issuance. Some in the community criticized the land purchase even though the Board of Supervisors had been consulted and lent support to the purchase.⁵⁴⁰ Richmond recalled, “The School Board did a good job [negotiating the land

⁵³³ Loudoun, Interview, Lines 785-786.

⁵³⁴ Albany, Interview, Lines 726-728.

⁵³⁵ Richmond, Interview, Lines 715-716.

⁵³⁶ Columbus at 472.

⁵³⁷ Columbus at 515.

⁵³⁸ Stephenson, Interview, Lines 767-769.

⁵³⁹ Richmond, Interview, Lines 930-932.

⁵⁴⁰ Stephenson at 580.

purchase]—this was one of the bigger things—though it may not have been good politically.”⁵⁴¹

Without growing trust between the School Board and Board of Supervisors, new capital projects would not have been possible.

The Board of Supervisor’s local transfer to the division was reduced by \$4.8 million from the amended fiscal year 2009 transfer of \$76.06 million⁵⁴² and was apportioned as 58% of the total governing body’s local operating revenue reduction of \$8.3 million.⁵⁴³ Still, the local transfer would total \$71.26 million.⁵⁴⁴ Debt service required \$14.62 million of the local transfer.⁵⁴⁵ In out years, debt service gradually declined and freed funds for one-time capital expenditures and small renovation projects.⁵⁴⁶ Decreasing debt level could also free funds for school operating purposes in future years, if new revenue did not materialize from state and federal sources. A stable local transfer would become a pivotal point for future budgets.

Given economic uncertainty, Columbus sought stability where stability could be found. The commonwealth continued to seek ways to reduce expenses in future biennial budgets, and support through the American Recovery and Reinvestment Act was short term. Columbus began to speak of “level funding,” and encouraged the Board of Supervisors to, minimally, support the school division at fiscal year 2010 levels in future budgets.⁵⁴⁷ Albany and other School Board members understood what “level funding” meant to the division, “Without level funding, the infrastructure would start breaking apart. We came to understand where the Board of Supervisors stood...constituents did not want taxes raised and we had to understand where the community

⁵⁴¹ Richmond, Interview, Lines 934-935.

⁵⁴² *Special Note: The amended local transfer reflects the reduction of \$2.32 million, as approved in January 2010.*

⁵⁴³ School Board Approved FY2010 Budget, page 51.

⁵⁴⁴ Id.

⁵⁴⁵ Id., page 52.

⁵⁴⁶ Id., page 82.

⁵⁴⁷ Columbus, Interview 1, Lines 748-749.

stood.”⁵⁴⁸ Implications of “level funding” will be explored in chapter 5.

Findings

Key findings include: 5) Communication with School Board and local governing body by the new/incumbent Superintendent was timely and effective; 6) Key leaders, School Board and Board of Supervisors used collaborative decision-making strategies; 7) Constituent groups, staff, School Board and local governing body had ample opportunities for input and contributions to budget decision-making; and, 8) Deliberate action steps were taken to prioritize and protect core instructional services.

Section III: 2009 Final General Assembly Action and State Fiscal Stabilization Funds

On February 17, 2009, Governor Kaine announced Virginia would receive approximately \$1.0 billion in State Fiscal Stabilization Funds (SFSF) through the American Reinvestment and Recovery Act of 2009 (ARRA).⁵⁴⁹ An additional \$3.0 billion was expected to go directly to residents and localities through late 2010.⁵⁵⁰ To receive stimulus funding, planned reductions for public schools were to be restored.⁵⁵¹ Funds were to be spent to save or create jobs; improve student achievement through school improvement and reform; and, were available for only two to three years.⁵⁵² In addition, state support for public schools could not fall below fiscal year 2006 funding levels.⁵⁵³ By February 24, 2009, the House of Delegates and Senate had

⁵⁴⁸ Albany, Interview, Lines 767-769.

⁵⁴⁹ Bob Lewis, “Kaine announces stimulus funds,” *Northern Virginia Daily*, 17 February 2009.

⁵⁵⁰ *Id.*

⁵⁵¹ *Id.*

⁵⁵² Virginia Department of Education, American Recovery and Reinvestment Act of 2009: Use of funds summary, page 1. Available at http://www.doe.virginia.gov/school_finance/arra/info_alerts/2009/04_24_09_use_of_funds_summary.pdf. Retrieved June 9, 2010.

⁵⁵³ State Maintenance of Effort Assurance, SFSF State Application Phase I, page 9. Available at http://www.doe.virginia.gov/school_finance/arra/stabilization/va_sfsf-phase1_application.pdf. Retrieved June 9, 2014.

tentatively agreed to “apply \$357 million in stimulus cash” to public schools.⁵⁵⁴

Impact of the American Reinvestment and Recovery Act

The means through which ARRA funds could be used was complicated. In a local media interview, the director of finance explained, “Essentially what the government is saying, ‘You’re getting this money but you can’t do what you’ve always been doing.’”⁵⁵⁵ Funds were distributed to schools through state fiscal stabilization funds (SFSF), the Elementary and Secondary Education Act (ESEA) and Individuals with Disabilities Act (IDEA).⁵⁵⁶ Funding through ESEA and IDEA were distributed to school divisions on a reimbursement basis.⁵⁵⁷ SFSF funds were not subject to “supplement not supplant” provisions, which meant these revenues could be used to for new construction or renovation, or any activity authorized under the Elementary and Secondary Education Act, Individuals with Disabilities Act, Carl D. Perkins Career and Technical Education Act of 2006, or the Adult Education and Family Literacy Act.⁵⁵⁸ However, any funds received directly through ESEA or IDEA would be subject to “supplement not supplant” provisions.⁵⁵⁹

Navigating “supplement not supplant” rules when using IDEA and ESEA funding is generally not problematic as use of funds are subject to comparability with those schools or programs not eligible for funds under these acts.⁵⁶⁰ However, ARRA funds were intended to be short term so expenditures were considered carefully to not create new problems once these

⁵⁵⁴ Bob Lewis, “Kaine: state is facing tough budget choices,” *Winchester Star*, 15 February 2009.

⁵⁵⁵ Jason Kane, “Stimulus funds a big relief for school systems,” *Winchester Star*, 13 March 2009.

⁵⁵⁶ ARRA Use of Funds at 593, page 1.

⁵⁵⁷ *Id.*

⁵⁵⁸ *Id.*

⁵⁵⁹ State Superintendent’s Memorandum 288-09, October 16, 2009. Second Half, Individuals with Disabilities Education Act (IDEA) Part B Sub-grant Awards Under the American Recovery and Reinvestment Act of 2009 (ARRA). Available at http://www.doe.virginia.gov/administrators/superintendents_memos/2009/288-09.shtml. Retrieved July 17, 2014. *See Attachment C: Use of ARRA Funds. Special Note: There is a required local effort for these programs and school divisions must annually report their funding of Title I and IDEA programs.*

⁵⁶⁰ State Superintendent’s Memorandum 309-09, November 6, 2009. 2009-2010 Title I, Part A Comparability Report. Available at: http://www.doe.virginia.gov/administrators/superintendents_memos/2009/309-09.shtml. Retrieved July 17, 2014.

funds were exhausted. Frederick County's anticipated additional allocation for fiscal year 2010 amounted to \$677,000 for ESEA and \$1,264,500 for IDEA.⁵⁶¹ Federal stimulus funds through SFSF amounted to \$4,025,491 nearly offsetting the state Basic Aid and Categorical Funding revenue reduction of \$4,045,346.⁵⁶² As noted above, SFSF funds were not restricted. Columbus and staff prepared plans to deliberately expend restricted ESEA and IDEA funds.

Both ESEA and IDEA provide means to carry forward funds unexpended from the prior year's allocation. Generally, not more than 15% of the locality's federal allocation can be carried forward. The grant period runs from July 1 (new state fiscal year) to September 30 of the following year (end of the federal fiscal year).⁵⁶³ Under the Tydings amendment, localities have an additional federal fiscal year to encumber allocations under ESEA or IDEA.⁵⁶⁴ In the revised Superintendent's proposed budget, ARRA funds under ESEA and IDEA were not allocated until long-term plans were developed.⁵⁶⁵

Carrying forward unexpended and undesignated funds prolonged access to ARRA funding. This meant services provided under ESEA or IDEA would not be expanded under the Superintendent's proposed budget; however, funds would be used to protect jobs as required under ARRA.⁵⁶⁶ The Virginia Department of Education sought a waiver from the 15% rule to provide opportunity for school divisions to manage ARRA expenditures for an extended period.⁵⁶⁷ The United States Education Department approved the waiver in August 2009.⁵⁶⁸ This

⁵⁶¹ Superintendent's Revised Proposed Budget, March 18, 2009.

⁵⁶² Id.

⁵⁶³ State Superintendent's Memorandum 100-14, Title I, Part A, Carryover Provisions and Reallocation Procedures Under the *Elementary and Secondary Education Act of 1965* (ESEA). Available at: http://www.doe.virginia.gov/administrators/superintendents_memos/2014/100-14.shtml. Retrieved July 17, 2014.

⁵⁶⁴ Id. *Special Note: reimbursement application must occur by December.*

⁵⁶⁵ Superintendent's Revised Proposed Budget at 602.

⁵⁶⁶ Superintendent's Revised Proposed Budget Worksheet, March 19, 2009, page 4.

⁵⁶⁷ Id.

solved the problem of spending too much, too quickly on instructional efforts or other potential ARRA expenditures that would prove unsustainable once funds were no longer available.

Columbus called ARRA funds “temporary,” meaning means had to exist to replace these funds if spent on new initiatives.⁵⁶⁹ As Columbus’s revised proposed budget was prepared, staff looked to future years to assure expenditures could be sustained. Coupled with level funding in future years from the local governing body, safeguarded existing programs and services.⁵⁷⁰

The General Assembly also incorporated SFSF funds into its budget. For the school division, state fiscal stabilization funds funneled through state appropriations was anticipated to be \$4,025,491, and was reflected in the Superintendent’s revised proposed budget as partially offsetting the commonwealth’s reductions in Basic Aid and Categorical Funding.⁵⁷¹

Additionally, the General Assembly allowed state and local textbook funds to be used for other purposes for fiscal year 2010. For the division, this amounted to \$1,531,065 of which \$896,084 was state funds.⁵⁷² State revenue changes are detailed in the table below:

FY 2010 Projected Basic Aid and Categorical Funding Revenue Changes		
Sales Tax Change		\$984,233
Basic Aid Reduction due to Sales Tax Increase	(578,827)	
State Revenue Change due to enrollment change	(27,688)	
General Assembly Actions	(4,045,346)	
FY 2010 Alternate Use of Textbook Funds	896,084	
Sub-total State Restricted Projects	117,163	
Sub-total State Funds exclusive of Sales Tax		(3,638,614)
Total State Revenue and Sales Tax Changes		(\$2,654,381)

Table 4.8 Revenue Changes (Schools)based on 2009 Final Acts of Assembly⁵⁷³

Additional federal funds offset reduction in state funds and helped offset some of the

⁵⁶⁸ Letter to Joseph C. Conaty, Designated Authority, Office of Elementary and Secondary Education, USED, dated August 28, 2009, from Patricia I. Wright, Superintendent of Public Instruction. Available at http://www.doe.virginia.gov/school_finance/arra/title1_part_a/waiver_request082909.pdf. Retrieved July 17, 2014.

⁵⁶⁹ Press Release #185, Superintendent presents revised FY10 budget proposal, March 12, 2009.

⁵⁷⁰ Columbus, Interview 1.

⁵⁷¹ Superintendent’s Revised Proposed Budget Projected Revenue Changes, March 18, 2009.

⁵⁷² Id.

⁵⁷³ Id.

local reduction in revenue. Of the \$4,025,491 in SFSF revenue, \$1,371,110 could be applied to offset the net local reduction of \$6,834,425 for school operations.⁵⁷⁴ Additionally, \$1,553,010 was anticipated in restricted ARRA funding through ESEA and IDEA, yet was not used to offset a revenue gap in the Superintendent's revised proposed budget.⁵⁷⁵

Total Anticipated Revenue FY2010	
FY 2009 Original Budget	\$135,033,708
State Revenue Change	(2,654,381)
Federal Revenue Change (Includes 1,533,010 restricted ESEA and IDEA funding)	5,578,501
Miscellaneous Revenue Change	28,157
Local Revenue Change (Includes transfer to debt service of \$2,034,425)	(6,834,425)
Projected School Operating Budget FY2010	\$131,151,560

Table 4.9 Anticipated Revenue FY 2010 (Schools-All Sources)⁵⁷⁶

The General Assembly completed its budget on February 28, 2009, and the Board of Supervisors signaled its direction to Richmond, the County Administrator, on March 11, 2009.⁵⁷⁷ Columbus knew the local transfer would decrease for school operating costs by \$6.8 million due to reduced local revenues and to support debt service for new construction. Columbus and staff used the final revenue projections exclusive of restricted ESEA and IDEA funds to prepare a revised proposed budget.⁵⁷⁸

Superintendent's Revised Proposed Fiscal Year 2010 Budget

In a press release dated March 12, 2009, Columbus described the impact of stabilization and stimulus funds, "The...funds are intended to keep school divisions as whole as possible in the hopes that the economic picture will improve in following years.... Although the [school

⁵⁷⁴ FY2010 Final Revenue Budget Worksheet, March 17, 2009.

⁵⁷⁵ Id.

⁵⁷⁶ FY2010 Projected Revenue Changes at 612.

⁵⁷⁷ Board of Supervisors at 382.

⁵⁷⁸ Superintendent's Revised Proposed Budget at 602.

division] will be receiving more funds than was anticipated...we will still be operating with [approximately] \$4 million less in the School Operating Fund in FY10 compared to the current fiscal year.”⁵⁷⁹ On March 18, 2009, Columbus presented a revised proposed budget to the School Board. Columbus’s new proposal restored many proposed cost saving measures yet reductions in staffing and programs remained necessary (See Appendix I).

Support departments and central office saw funding reduced by \$1.5 million, with 5.42 positions eliminated.⁵⁸⁰ Funds for replacement school buses and these funds were reduced from \$1.1 million to \$500,000. Funding for technology infrastructure, tuition assistance and grounds maintenance were reduced by \$303,000.⁵⁸¹

Instructional costs for elementary schools were reduced by \$1.1 million.⁵⁸² Class sizes increased through the elimination of 5.4 teaching positions and resource staffing needs were reduced by 4.5 positions.⁵⁸³ Additionally, secretarial and custodial support was reduced by 4.8 positions and instructional supply funds reduced by 35%.⁵⁸⁴

Middle school instructional costs decreased by \$1.6 million.⁵⁸⁵ Core classes and special education were reduced by 14.2 positions of which 6 were special education.⁵⁸⁶ Elective programs including music, gifted, and career and technical education were reduced by 6.1 positions. One support staff position was eliminated.⁵⁸⁷ The middle school sports program was limited to \$100,000 in expenditures.⁵⁸⁸ Instructional supply costs were reduced by 35%.⁵⁸⁹

⁵⁷⁹ Press Release #185 at 610.

⁵⁸⁰ Superintendent’s Revised Proposed Budget (Power Point Presentation) at 602.

⁵⁸¹ Id.

⁵⁸² Id. at slide 16.

⁵⁸³ Id.

⁵⁸⁴ Id.

⁵⁸⁵ Id. at slide 17.

⁵⁸⁶ Id.

⁵⁸⁷ Budget Worksheet, *Supra* note 527.

⁵⁸⁸ Id. at slide 18.

⁵⁸⁹ Id.

High schools saw a total of 22 positions reduced to save \$1.3 million.⁵⁹⁰ Support staff accounted for 9 positions and included secretaries and custodians.⁵⁹¹ Core classes and physical education were reduced by 7 positions.⁵⁹² Art and career and technical were reduced by 4 positions; and, special education services reduced by 2 positions.⁵⁹³ Lastly, agriculture education, and strength and conditioning extended contracts were reduced or eliminated, and instructional supplies were reduced by 35%.⁵⁹⁴

Other programs and services were reduced by \$200,000.⁵⁹⁵ Middle and high school summer school was eliminated, and alternative education was restructured.⁵⁹⁶ The Superintendent's original proposed budget included a 3.9% reduction salary and benefits and was not included in the revised budget proposal.⁵⁹⁷ To bring the proposed budget into balance change totaling \$500,000 was made to wages and benefits. These included limited use of substitutes for secretarial and custodial staff, increased the permissible accumulated sick leave allowance and increased unemployment expenses to cover a minimum of 10 employees.⁵⁹⁸ Additionally, the General Assembly approved changes to group health insurance and retiree health care rates netting a savings of \$56,620.⁵⁹⁹ Savings from reduced wages and benefits due to employee turnover captured \$122, 386.⁶⁰⁰

The General Assembly's decision to allow alternate uses for textbook funds was treated similarly to restricted ESEA and IDEA funds: Of the \$1,531,065 available, \$773,317 was used

⁵⁹⁰ Id. at slide 19.

⁵⁹¹ Id.

⁵⁹² Id.

⁵⁹³ Id.

⁵⁹⁴ Id. at slide 20.

⁵⁹⁵ Id. at slide 21.

⁵⁹⁶ Id.

⁵⁹⁷ Superintendent's Proposed Budget at 512.

⁵⁹⁸ School Operating Fund Expenditure Worksheet, March 17, 2009.

⁵⁹⁹ School Operating Fund Expenditure Scenario Worksheet, March 10, 2009.

⁶⁰⁰ Id.

for one-time start up costs for the replacement elementary school and \$240,000 for anticipated unemployment expenses.⁶⁰¹ The remaining balance of \$517,718 was used to restore salary and job loss.⁶⁰² Columbus reduced expected employee loss from 121.6 positions to 66.4 positions.⁶⁰³ All but four of these positions did not require use of the School Board's reduction-in-force policy.⁶⁰⁴

Columbus's revised proposed budget used unrestricted federal stabilization funds but held restricted ESEA and IDEA funds until an expenditure plan was prepared.⁶⁰⁵ The budget was prepared with future years in mind: Stabilization funds would be available in fiscal year 2011 as would restricted ESEA and IDEA funds.⁶⁰⁶ However, the General Assembly's flexibility in using textbook funds for alternate purposes was not anticipated to continue.⁶⁰⁷ Columbus in a prepared statement noted, "Federal stimulus funds allow the amendments I've proposed.... We will use the months ahead to review areas for continued restructuring. FY11 is predicted to be another challenging year and we will...continue to prepare for that challenge."⁶⁰⁸

This section described Columbus's work with staff and the School Board to craft a school operating budget using funds apportioned to the locality under the American Reinvestment and Recovery Act. The product was fiscally conservative and prepared in anticipation of long-term reduced funding for public schools.

Findings

Key findings include: 9) Programs and services were not restored or expanded unless funding

⁶⁰¹ Superintendent's Revised Proposed Budget at 602, slide 24.

⁶⁰² Id.

⁶⁰³ Id. at slide 23.

⁶⁰⁴ School Operating Fund Expenditure Worksheet at 640. *Special note: Of the four individuals subject to reduction in force, only one did not take advantage of recall due to attrition.*

⁶⁰⁵ Superintendent's Revised Proposed Budget at 602, slide 29.

⁶⁰⁶ Id.

⁶⁰⁷ Id.

⁶⁰⁸ Press Release #185 at 610.

sources were sustainable; and, 10) Revenues and expenditures were allocated conservatively within constraints and guidelines of the local governing body, state or federal government.

Summary

Findings of the study were presented in three sections and sought to answer the following research questions:

1. What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the local Board of Supervisors?
2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain a quality education program for all students?
3. How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

Section I addressed political and relationship factors between the Superintendent, School Board, County Administrator and the Board of Supervisors. Section II was devoted to deliberations of the Board of Supervisors and School Board to develop fiscal year 2010 county and school budgets. Section III discussed the Superintendent's fiscally conservative approach in leveraging State Fiscal Stabilization Funds through the American Reinvestment and Recovery Act to reduce the revenue shortfall and plan for future budgets.

Pre-existing Setting

To establish context for the study, conditions existing prior to 2006 were described. Poor or strained relationships between elected officials and staff caused tension between the governing body and the School Board, distrust between staff of both Boards, and limited interaction between the County Administrator, Richmond, and Superintendent, Denver. Denver did not fully grasp necessity for a fiscally dependent School Board to work cooperatively with the

appropriating governing body. The Board of Supervisors chairperson, Stephenson, School Board chairperson, Orleans, and Superintendent, Denver, shared positive relationships. Denver's relationship with Stephenson disrupted equilibrium and became problematic in Board-to-Board relations. The School Board chairperson, Orleans, contributed to Denver's difficulty by becoming chief negotiator with both the Board of Supervisors and the School Board. Denver's tenure was by no means unique. Prior to 2006, conflict regarding adequate funding for schools was an annual expectation.

Emerging and New Setting

Columbus's 2006 appointment as Superintendent brought change in the relationship between school and county leaders. Columbus, though, became Superintendent just as the local, state, national and world economy entered downturn.

The County Administrator, Richmond, and the Superintendent, Columbus, responded to the reality of deteriorating economic conditions by working together to craft solutions. The economic climate required movement toward improved relations between the two Boards and staff. Equilibrium among key leaders (chairpersons of both Boards, Superintendent and County Administrator) was imbalanced and contributed to conflict between the two Boards and respective staff. More positive conditions emerged once peer-to-peer interactions among leaders were reset and properly established. The new condition may be characterized, in part, through improved communication, trust, integrity, honesty, sincerity, consensus, responsibility and decision-making. Each of these elements contributed to a productive, open and friendlier relationship between the School Board and the Board of Supervisors.

Analysis of Factors

The factors from data analysis were analyzed. The factors were paired, compared to the pre-existing condition and then to the new condition. Stephenson recognized the relationship maintained with Denver was problematic, describing peer-to-peer relationships as necessary and “good.” Stephenson promoted a relationship between Columbus and Richmond to restore proper balance. Columbus was actively engaged in restoring balance by consistently seeking input from Richmond as they both worked through their respective fiscal challenges. Albany, as School Board chairperson, developed a positive relationship with Stephenson. The positive interaction between Board chairpersons and administrators promoted trust between both Boards. Trust and effective decision-making were essential to successfully sustain county and school operations during the difficult economic period. Difficult decisions would require complete support of both Boards.

Board of Supervisors and School Board Strategies

Section II discussed how the two boards worked to resolve budget shortfalls expected in fiscal year 2010. The Board of Supervisors apportioned the county revenue shortfall between county operations and schools. The General Assembly’s transference of lottery funds from school construction to categorical aid added an additional \$2 million stressor to the school operating budget. Columbus had to reduce school operating funds by an equal amount to cover increased debt service.

Richmond sought consensus from the Board of Supervisors regarding use of available local funds and gained agreement to keep certain taxes revenue neutral. Demand grew for county health services, social services and public safety. Richmond and Stephenson were cognizant that schools were a driving economic factor for the community and, while sympathetic toward the

financial needs of the then still-growing school division, assigned proportional share of reduced local revenues to the School Board. Local revenue projections changed frequently making Richmond's work with the Board of Supervisors even more difficult. Columbus appreciated the challenge before the County Administrator and local governing body. Economic conditions had deteriorated significantly and, in the view of Columbus and Albany, cooperation with the governing body was the only reasonable and prudent way to weather the recession. The recession influenced the change in relationships between the Boards, leadership and key staff.

Following Columbus's leadership, the School Board set the stage for continued positive conversations with the Board of Supervisors regarding future school budgets. By wisely choosing not to encumber all funds available through ARRA, the School Board prepared for future budget years with funds in reserve from carry-forward provisions. The fiscally conservative Board of Supervisors appreciated deliberate long-range planning. The School Board's stewardship of local funds enabled the purchase of property for a new transportation facility through a previously approved bond issue. Even though the land purchase was controversial in the community, the Board of Supervisors fully endorsed its acquisition.

State Fiscal Stabilization Funds

Section III considered the impact of American Reinvestment and Recovery Act funds. Columbus's decision to prepare a conservative budget keeping ARRA funds in reserve also contributed toward improved Board relationships. Both Boards were able to make decisions for the best interest of the community even though these might not have been politically popular. Tension remains to this day regarding appropriate funding for school operations. However, the School Board has far greater appreciation of the competition among county agencies for shares

of finite resources. Much improved relationships between Boards and respective administrators have contributed to cooperative and collaborative approaches to budgeting.

Chapter 5 discusses the implications of this study.

Chapter 5

Summary, Conclusions and Recommendations

The purpose of this study was to describe strategies employed by the Superintendent and the School Board to maintain instructional programming while assuring continued support for schools by the local governing body during the economic recession of 2007-2009. Division leaders of Frederick County Public Schools worked closely with the county Board of Supervisors to promote support for public schools and local governmental services, even as local, state, national, and world economies faltered. Efforts by the Frederick County School Board and its administrative leadership to foster a positive relationship with the Board of Supervisors led to only one operating fund reduction in fiscal year 2010, as the schools' share of the projected local revenue shortfall. The study described efforts to promote and improve trust between the Superintendent, County Administrator, School Board and the Board of Supervisors.

This chapter is divided into six sections: A review of the study, summary of findings conclusions from the study, implications for practice, recommendations for further study, and reflection.

Review of the Study

This is a case study using constant comparative and historical methodologies. The study was divided into three sections. Section I identified leadership and relationship characteristics of Superintendents, School Board Members, county government officials and Board of Supervisors. Section II considered the work of the County Administrator to secure local revenue streams, and effort by the Superintendent to prepare proposed school budgets within parameters established by the Board of Supervisors for anticipated local, state and federal revenue. Section III considered the impact of State Fiscal Stabilization Funds from the American Reinvestment and

Recovery Act on the school operating budget. The research questions for the study were:

1. What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the local Board of Supervisors?
2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain a quality education program for all students?
3. How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

Study findings, in part, were derived from structured interviews with five key leaders of the school division and county government. Participants included the Superintendent (now retired), School Board Chairperson, School Board Vice-chairperson, Chairperson of the Board of Supervisors and County Administrator. So that pre-existing conditions could be described through the perspective of interviewees, the relationships maintained by the former Superintendent and former School Board Chairman are discussed. These relationships were contrasted to those developed by the new/incumbent Superintendent. The former Superintendent and School Board Chairperson were not interviewed for this study.

Study Subjects by Pseudonym	
Participants	
New/Incumbent Superintendent	Columbus
School Board Chairperson	Albany
Board of Supervisors Chairperson	Stephenson
County Administrator	Richmond
School Board Vice-Chairperson	Loudoun
Non-Participants	
Former Superintendent	Denver
Former School Board Chairperson	Orleans

Table 5.1 Study Subjects by Pseudonym

Structured interview questions are included in Appendix 3.5 and 3.6. Factors emerged from data and were analyzed to assess significance. Additionally, study findings were derived from the historical record of events from October 2008 through March 2009, and included primary and secondary source documents. These data identified principal milestones in the fiscal year 2009 and 2010 budget processes and provided context within which former, emergent and new relationships were assessed between key leaders and both Boards. Both participant perspective and contemporary records provided rich description of the phenomena studied.

Data were studied within the context of conditions existent in fall 2008 and early 2009. Although previously protected by the Governor and General Assembly, state support for public schools in fiscal year 2010 would decrease. Because Superintendent's budget proposals are often presented at the same time the General Assembly is in session, anticipated state revenues were unknown state-wide. Simultaneously, local governing bodies consider tax rates and other revenue sources upon which their budgets will be built. Economic uncertainty provided conditions through which actions of key leaders could be studied. Finally, federal support through the American Reinvestment and Recovery Act for state governments, localities and public schools impacted decisions made at the state, local and division levels. While easing revenue shortfalls temporarily, federal assistance has had long-lasting implications for public schools and their governance.

Research Question 1

What political and relationship factors contributed to maintaining level local funding in fiscal year 2010 and beyond by the Board of Supervisors?

Finding 1: Superintendents must be familiar with the organizational structure and

methods for seeking local funding for fiscally dependent school divisions.

Finding 2: Effective peer-to-peer relationships between public school and local governing body leaders facilitate cooperative decision-making.

Finding 3: Roles within and across organizations must be understood.

Finding 4: Effective characteristics of leaders include communicating effectively; demonstrating personal integrity; being honest, sincere and trustworthy; willing to seek consensus; encouraging collaborative decision-making; and accepting responsibility.

Research Question 2

What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain quality education programs for all students?

Finding 5: Communication with School Board and local governing body by the new/incumbent Superintendent was informative, timely, effective, and aided critical decision-making by the School Board and Board of Supervisors.

Finding 6: Key leaders, School Board and Board of Supervisors used collaborative decision-making strategies.

Finding 7: Constituent groups, staff, School Board and local governing body had ample opportunities for input and contributions to budget decision-making.

Finding 8: Deliberate action steps were taken to prioritize and protect core instructional services.

Research Question 3

How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

Finding 9: Programs and services were not restored or expanded unless funding sources were sustainable.

Finding 10: Revenues and expenditures were allocated conservatively within constraints and guidelines of the local governing body, state or federal government.

Summary of the Findings

The study described strategies employed by the incumbent Superintendent, Columbus, and the School Board to maintain quality educational programming and services during an economic recession. First, the study considered prior relationships between the former Superintendent, Denver; Richmond, County Administrator; and Board of Supervisors. Second, emerging or new relationships among Columbus, Richmond, the School Board and Board of Supervisors were considered. Third, the study considered how these leaders worked together to prepare local government and school budgets to meet service demands and school operations during difficult economic times. This section compares the research findings to findings of prior studies.

Superintendents must be familiar with the organizational structure and methods for seeking local funding for fiscally dependent school divisions

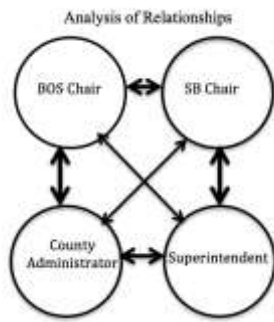


Figure 5.1

Structured interviews revealed School Board members and county government leaders universally expected the Superintendent to have firm grasp of Virginia’s means of funding public schools. In fact, understanding of Virginia public school finance was a primary expectation. As observed by the County Administrator, Richmond, those with little experience with School Board fiscal dependency on the local

governing body can “be set up for failure.”¹ Thorton’s Virginia-based study of desired superintendent characteristics ranked knowledge of school funding low among expected characteristics of Superintendents.²

Similarly, Wilson’s study of Arizona school board-superintendent relationships placed school finance understanding among the bottom five desired characteristics of school superintendents.³ In that study, School Board members considered instructional leadership, effective board relations, visionary leadership, and community and team building as desired traits of effective superintendents.⁴ This study’s participants identified similar desirable characteristics and placed understanding of methods to fund fiscally dependent Virginia public schools among their top priorities.

Relationship building and work as a team player are also desired characteristics of

¹ J. Richmond [pseud.], Interview by author, October 10, 2013, Winchester, VA. Lines 529-530.

² Michael Thorton, “A Comparative Study of Superintendent Leadership Characteristics of Virginia School Superintendents.” (EdD. Diss., Virginia Tech, 2009), 45.

³ D.D. Wilson, “Current Perceptions of Leadership Characteristics for Superintendents.” Proquest Dissertations and Theses, 10, (514), 63. (UMI No. AAT3210236)

⁴ Id. at 26.

Superintendents.⁵ These traits were particularly important during the height of the recession. Denver was skilled at negotiating funding with Orleans, the School Board Chairperson, and Stephenson, Board of Supervisors Chairperson. Although not completely ignoring the School Board, Denver seemed to share budget information at the end of negotiations rather than during the process. Denver did not develop a positive working relationship with the County Administrator, Richmond, and thus extended ongoing mistrust of the Superintendent and School Board by the local governing body and county staff. In contrast, Columbus sought to establish positive relationships with Richmond and Stephenson, and engaged both Boards in constructive discussions regarding the financial needs of the school division. As economic conditions worsened, Columbus demonstrated willingness to work as a team player with Richmond and sought agreement from the School Board to follow suit. Columbus's willingness to help mitigate financial stress and work within constraints established by the Board of Supervisors helped re-establish positive relationships with the local governing body and county government.⁶ Columbus's ability to work alongside Richmond was made possible by communicating clearly to the School Board the graveness of the economic recession. Williams and Tabernick observed stable school districts have effective communication structures between Board members and the Superintendent, and Board members have clear understanding of their organizational role and that of the Superintendent.⁷ Columbus made sure communication channels were open with Richmond, and considered the county administrator a peer. Columbus and Richmond collaboratively sought solutions to the financial crisis.

Columbus and Albany sought to provide clear and factual information to both the School

⁵ Id. at 27.

⁶ P. Columbus [pseud.], Interview 1 by author, October 9, 2013, Winchester, VA, Lines 494-495.

⁷ Paul Williams and Anna Maria Tabernik, "School District Stability: The Relationship Between the Stability of a Board of Education and the Superintendent," *International Journal of Education Reform* 20 (2011): 24.

Board and Board of Supervisors. As Columbus observed, trust took a long time to build.⁸ Credibility was earned over time and ultimately positioned the School Board to gain approval for capital projects that were not politically popular but necessary.⁹ Williams and Tabernick observed fiscal transparency influenced community trust for school leadership.¹⁰ They found public funds have to be managed wisely and transparently in order to sustain trust from the community.¹¹ Similarly, local governing bodies in Virginia require assurances from the School Board and Superintendent of sound fiscal management. While the former Superintendent, Denver, grew in understanding of Virginia's governance structure and funding methodology, negative perceptions seemed hard to overcome.¹² The Board of Supervisors' collective lack of trust regarding school financial matters during the tenure of the Denver was evident in participant interviews.

Effective peer-to-peer relationships between public school and local governing body leaders facilitate cooperative decision-making

There was no direct corollary in the literature regarding this finding. This study identified the relationship between Orleans, Denver and Stephenson as being unbalanced because Richmond, as Denver's peer, was not included as a member of the decision-making group. Once Columbus became superintendent, Stephenson encouraged a relationship between Columbus and Richmond. Stephenson may have desired to re-set relations between school leaders and county government leaders, as historically conflict characterized funding and school construction

⁸ Id., Lines 475-476.

⁹ R. Stephenson [pseud.], Interview by author, October 25, 2013, Winchester, VA. Lines 767-769.

¹⁰ *Supra* note 7 at 16.

¹¹ Id. at 25.

¹² Columbus, Interview 1, Lines 52-54.

needs.¹³ Opportunity may have been presented during Denver’s tenure for Stephenson to facilitate a better relationship between Denver and Richmond; however, conflict between the Superintendent and County Administrator had been the norm through a succession of superintendents.¹⁴ Simply, poor relationships and conflict among key individuals were accepted as part of “doing business.”¹⁵

Mountford, in her study of motives and power among School Board members, suggested the “relationships between and among members educational organizations are hierarchical, controlling, and riddled with conflict.”¹⁶ Those holding power, Mountford wrote, “should initiate and facilitate collaborative decision-making processes.”¹⁷ Rather than having “power-over,” the individual should have “power-with.”¹⁸ Orleans and Denver seemed to exercise “power-over,” as opposed to engaging stakeholders in collaborative decision-making. Columbus wanted all stakeholders engaged in decision-making processes—a “power-with” approach. In this study, effective peer-to-peer relationships were possible because Columbus saw value in promoting shared decision-making with Richmond. As Richmond noted, Columbus could have been perceived as doing that which the Board of Supervisors dictated but, in reality, both the County Administrator and Superintendent had to craft budgets with local, state, and federal limitations over which neither had any control.¹⁹ As the two leaders cooperated, their relationship grew.

Effective peer-to-peer relationships may be best described as “power-with” relationships.

¹³ Columbus, Interview 1, Lines 130-132.

¹⁴ S. Loudoun [pseud.], Interview by author, September 25, 2013, Winchester, VA, Lines 286-288.

¹⁵ Columbus, Interview 4, October 23, 2014.

¹⁶ Meredith Mountford, “Motives and Power of School Board Members: Implications for School Board-Superintendent Relationships,” *Education Administration Quarterly* 40 (2004): 710. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

¹⁷ Id. at 711.

¹⁸ Id. at 711.

¹⁹ Richmond, Interview, Lines 418-419.

For Stephenson, the Board of Supervisors chairperson, effective peer-to-peer relationships provided opportunities for both Boards to maintain collective commitment to public education and necessary local government services.²⁰ Albany agreed with Stephenson's assertion and noted how much better both Boards were able to work together once relationships were properly aligned.²¹ Effective school leaders practicing "power-with" are more capable of collaborative decision-making thereby minimizing conflict with stakeholders.²² Identifying characteristics of effective relationships between public school and local government officials is an area of additional study.

Roles within organizations must be understood

Extant literature focuses on Superintendent and School Board relationships, yet from an organizational perspective, confirms the importance of understanding roles held in public schools or county government.²³ Mountford's study suggested role confusion is one cause of strained School Board-Superintendent relations.²⁴ School Board members unaware of expectations for collective leadership by a body corporate often attempt to exert influence individually through personal motivation. Motivation Theory implies people "act for personal reasons, altruistic reasons, or some combination of the two."²⁵ Motivation combined with power may allow an individual "to dominate and oppress others to fulfill personal needs, desires or agendas."²⁶ Both Denver and Orleans, the then School Board chairperson, were veteran advocates and negotiators. Their sole motivation was appropriate funding. By seeking out only Stephenson for funding, they

²⁰ R. Stephenson [pseud.], Interview by author, October 25, 2013, Lines 328-329.

²¹ J. Albany [pseud.], Interview by author, October 4, 2013. Lines 435-436.

²² Mountford, *Supra* note 11 at 712.

²³ Williams and Tabernick, *Supra* note 3 at 24.

²⁴ Mountford, *Supra* note 11 at 705.

²⁵ *Id.* at 707.

²⁶ *Id.*

inadvertently generated animosity from the School Board, Board of Supervisors and county leadership.²⁷

Decision-making power was consolidated among three people: Stephenson, who held rein over the Board of Supervisors and by extension, county finance; Orleans, as School Board chairperson; and, Denver, as Superintendent. Ill will did not drive Denver and Orleans's motivation yet both misapplied personal power. Denver and Orleans failed to see Richmond as integral to budget negotiations and, therefore, did not engage the County Administrator in discussions.²⁸ Richmond made clear deference to Stephenson as the leader of County government, and Denver may have not understood Richmond's role as manager of county funds.²⁹ Stephenson, after he learned how difficult relations were between Denver and Richmond, took steps to encourage Columbus to build trust and partnership with Richmond.³⁰ Columbus and Richmond worked collaboratively as the economy worsened. Columbus and Albany sought to ensure the School Board's full participation in budget deliberations.³¹

Denver, by all accounts, acted as chief executive officer of and chief negotiator for the school division. Unique to this study were the chief financial officer backgrounds of the former School Board chairperson, Orleans, and Stephenson as Board of Supervisors chairperson. Both chairpersons oversaw financial operations of two very large non-profit organizations. Given their workplace roles, Orleans and Stephenson were quite comfortable negotiating without including their respective Boards.³² As an experienced Superintendent in states with fiscally independent School Boards, Denver was a skilled advocate for school funding. As suggested by interviews

²⁷ Stephenson, Interview, Lines 275-277.

²⁸ Richmond, Interview, Lines 386-387.

²⁹ Id., Lines 638-639.

³⁰ Columbus, Interview 1, Line 482.

³¹ Albany, Interview, Lines 643-644.

³² Id., Lines 425-426.

with Albany and Columbus, Denver naturally gravitated toward Stephenson rather than Richmond, a peer as County Administrator.³³

Denver and Columbus approached the role of Superintendent differently. Columbus saw the Superintendent as a collaborative leader. Columbus sought individual meetings with Board of Supervisors members to provide each with information about programs, services and needs of the school division.³⁴ Columbus's intent was to open lines of communication.³⁵ Columbus was clearly the chief executive officer of the school division, yet Columbus believed "plain talk, factual information, clear options and logic" could be used to build a trusting relationship with Richmond and between the two Boards.³⁶ Richmond described Columbus as an advocate for schools who did so "effectively and civilly."³⁷ As Columbus grew to understand how Richmond approached the role as County Administrator, an effective working relationship emerged. Richmond explained the role as "one that positions the governing body to make the optimum decision based on the information we provide."³⁸ In many ways, Columbus also moved the School Board toward effective and appropriate decisions through timely and well-constructed information in advance of meetings. Albany recalled realizing the School Board often moved in Columbus's desired direction, yet the Board believed consensus was achieved on its own.³⁹

Effective characteristics of leaders include communicating effectively; demonstrating personal integrity; being honest, sincere and trustworthy; willing to seek consensus; encouraging collaborative decision-making; and accepting responsibility

³³ Albany, Interview, Lines 71-73; Columbus, Interview 1, Lines 192-194.

³⁴ Loudoun, Interview, Lines 223-225.

³⁵ Richmond, Interview, Lines 279-280.

³⁶ Columbus, Interview 1, Lines 303-305.

³⁷ Richmond, Interview, Lines 526-527.

³⁸ Id., Lines 637-639.

³⁹ Albany, Interview, Lines 809-810.

As a case study, consideration was afforded how these characteristics were applied. Thorton's study of Superintendent-School Board Relations identified communication, collaboration, and trustworthiness as positive characteristics of Superintendents.⁴⁰ Richard and Kruse suggested being consultative, communicating information in a clear and timely manner, being open, and encouraging of others as desired leadership characteristics.⁴¹ They emphasized recognizing and attracting Superintendents who demonstrate these leadership behaviors will positively impact the school district and School Board goals.⁴² The aforementioned leadership traits also emerged during interviews. Additionally, personal integrity and responsibility were identified as positive characteristics. Columbus considered Denver an effective leader who possessed the characteristics described above.⁴³ Stephenson noted Denver did not fare well working with the Board of Supervisors or Richmond.⁴⁴ Richmond found working with Denver to be difficult and occasionally confrontational.⁴⁵

Denver appeared to struggle to employ effectively the skill set with the local governing body, despite being a seasoned Superintendent.⁴⁶ Denver was able to provide leadership within the structure of the school division and to the external public with vested interest in schools.⁴⁷ Among those who perceived public schools as a financial burden, Denver's leadership was perceived negatively. In contrast, Columbus was able to successfully employ desired traits both internally and externally. Columbus quickly grasped how dire the county's financial condition

⁴⁰ Thorton, *Supra* note 2 at 25-26.

⁴¹ J. V. Richard and S. D. Kruse, "Understanding School Board Members' Perceptions of Superintendents' Leader Behaviors," *Midwestern Educational Researcher* 21 (2008): 10. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁴² *Id.* at 10.

⁴³ Columbus, Interview 1, Lines 28-34.

⁴⁴ Stephenson, Interview, Line 276.

⁴⁵ Richmond, Interview, Lines 66-67.

⁴⁶ Loudoun, Interview, Lines 15-17.

⁴⁷ Richmond, Interview, Lines 115-116.

was during the recession and took steps to assure the School Board, school staff and community were engaged in decision-making processes.⁴⁸

Interviewees universally praised Columbus. Stephenson recalled Columbus building respect, trust and demonstrating integrity—“there was never any faltering on what [Columbus] wanted to do or did.”⁴⁹ Richmond observed Columbus was an honest and open communicator, “You would know where [Columbus] was coming from. [Columbus] had the ability to lead and support the School Board in their role.”⁵⁰

In Virginia, effective leadership and advocacy for school funding is necessary to secure the desired local transfer from the local governing body. Saatcioglu, et al. observed the Superintendent and School Board have to maintain strong ties outside the organization to gain access to financial resources.⁵¹ Columbus developed and maintained positive relationships with Albany, Stephenson, Richmond, the School Board and Board of Supervisors through consistency in leadership. Of significance was Columbus’s work to develop positive ties to the Board of Supervisors. In Virginia, strong relationships with the local governing body are crucial. Using leadership to promote goals to outside agencies and the funding body warrant additional study.

Communication with School Board and local governing body by the new/incumbent Superintendent was informative, timely, effective, and aided critical decision-making by the School Board and Board of Supervisors

Williams and Tabernick emphasized clear communication as essential for Superintendent

⁴⁸ Id., Lines 418-420.

⁴⁹ Stephenson, Interview, Lines 319-320.

⁵⁰ Richmond, Interview, Lines 413-414.

⁵¹ Argun Saatcioglu, Suzanne Moore, Gokce Sargut, and Aarti Bajaj, “The Role of School Board Social Capital in District Governance: Effects on Financial and Academic Outcomes,” *Leadership and Policy in Schools* 10 (2011): 1. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

success.⁵² Thorton's study noted contemporary Superintendents must be effective communicators.⁵³ Crum and Hellman suggested effective communication by the School Board and Superintendent demonstrated "good steward[ship] of the community."⁵⁴ Columbus, in discussions with Stephenson and Richmond, came to understand clearly how strapped the community was financially.⁵⁵ As Columbus's understanding grew, effort to communicate the condition to the School Board commenced in earnest. Stephenson observed the School Board had to be engaged in governance throughout the recession, and both Albany and Columbus took steps to ensure the School Board was committed to working alongside the Board of Supervisors.⁵⁶

Both the School Board and the Superintendent maintained open lines of communication with the Board of Supervisors, a practice encouraged by Fusarelli, et al.⁵⁷ Columbus regularly communicated with Richmond, seeking solutions and pathways to problem resolution. Often, Columbus explained why a proposal from Richmond would not work, and Richmond would offer advice as to why a proffer from Columbus was ill advised.⁵⁸ Richmond observed, "Good things come through working in a collaborative manner to move the system forward effectively."⁵⁹ Effective communication especially between the Superintendent, Columbus, and County Administrator, Richmond, was highlighted.⁶⁰

⁵² Williams and Tabernick, *Supra* note 3 at 24.

⁵³ Thorton, *Supra* note 2 at 25.

⁵⁴ Karen S. Crum and G. Victor Hellman, "School Board Decision Making in the Era of No Child Left Behind," *Educational Planning* 18 (2009): 13. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁵⁵ Columbus, Interview 1, Lines 494-495.

⁵⁶ Stephenson, Interview, Line 510.

⁵⁷ Lance D. Fusarelli, Theodore J. Kowalski, and George J. Peterson, "Distributed Leadership, Civic Engagement, and Deliberative Democracy as Vehicles for School Improvement," *Leadership & Policy in Schools* 10 (2011): 48.

⁵⁸ Richmond, Interview, Lines 536-538.

⁵⁹ Richmond, Interview, Lines 546-548.

⁶⁰ Id. at Line 413.

Collaborative decision-making strategies were employed by key leaders, School Board and Board of Supervisors

Crum and Hellman's study considered how School Boards assumed greater participation in decision-making. Their study suggested School Boards were increasingly deliberative of administrative staff recommendations.⁶¹ Richard and Kruse noted the Superintendent must be willing to consult with the School Board before decisions are made.⁶² School Board actions often impact the community and are thus subject to outside pressures and influences.⁶³ Many School Board members serve for personal reasons rather than serving for the good of the community, thus motivations may be contrary to the collective whole.⁶⁴

Albany observed certain School Board members required more personal attention, as they were unwilling to compromise believing the Board of Supervisors had enough revenue to continue to support the school division at present levels.⁶⁵ Loudon stated the School Board had to make consensus decisions for the best interest of the community at large, as there was "nothing to be gained by being antagonistic toward the Board of Supervisors."⁶⁶ Columbus informed the School Board of repercussions of possible decisions in advance of public meetings, so as to avoid contentious debate.⁶⁷ Stephenson observed both Boards made better decisions once each understood the issues and financial pressures each faced.⁶⁸ Columbus and Richmond sought common ground: Each shared what was necessary for continued operations of the school

⁶¹ Id. at Line 21.

⁶² Richard and Kruse, *Supra* note 37 at 9.

⁶³ Norman D. Kerr, "The School Board as an Agency of Legitimation," *Sociology of Education* 38 (1964): 53. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁶⁴ Mountford, *Supra* note 11 at 709.

⁶⁵ Albany, Interview, Lines 641-643.

⁶⁶ Loudoun, Interview, Lines 788-789.

⁶⁷ Albany, Interview, Lines 812-813.

⁶⁸ Columbus, Interview 1, Lines 665-669.

division and county government.⁶⁹ Columbus and Richmond sought to move their respective Boards toward consensus and collaborative decision-making.

Constituent groups, staff and local governing body had ample opportunities for input and contributions to budget decision-making

The fiscal year 2010 budget process was ripe for conflict. Crowson and Morris observed decision-making requires accepting internal and external conflict.⁷⁰ Constituent input was a vehicle for both the School Board and Board of Supervisors to be informed of matters of concern to the community, a finding supported by Fusarelli, et al.⁷¹ Yet constituent group input could impact and perhaps scuttle efforts promoted by the Superintendent. Notably, Columbus's proposed elimination of middle school, freshman and junior varsity sports drew considerable outcry from the community.⁷² Ultimately, Columbus's recommendation was replaced with an alternate proposal curtailing the length of season and costs.⁷³

Pressure applied to the School Board could influence personal motivations of individual members.⁷⁴ Loudoun and one other School Board member actively sought alternatives to eliminating middle school sports. For Loudoun, community pressure was intense.⁷⁵ Personal motivation influenced the other as the children of the Board member participated in sports.⁷⁶ Columbus highlighted the volume of correspondence from parents and other constituents, calling

⁶⁹ Richmond, Interview, Lines 929-930.

⁷⁰ Robert L. Crowson and Van Cleve Morris, "The Superintendency and School Effectiveness: an Organizational Hierarchy Perspective," *School Effectiveness and School Improvement* 3 (1991): 81. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

⁷¹ Fusarelli, et. al., *Supra* note 16 at 48.

⁷² *Minutes of the Middle School Athletics Study Committee*, March 11, 2009.

⁷³ Id.

⁷⁴ Mountford, *Supra* note 11 at 709.

⁷⁵ Loudoun, Electronic correspondence to Columbus, February 11, 2009.

⁷⁶ Minutes, *Supra* note 66.

some “extreme but necessary.”⁷⁷

Public forums for constituent input provided opportunities for the School Board to receive criticism for considering the recommendations of Columbus. Loudoun described the School Board as “taking the hit[s] to insulate the Board of Supervisors.”⁷⁸ Albany agreed and noted, “The Board of Supervisors was thankful they did not have to say ‘no.’”⁷⁹ Columbus and Albany had similar leadership styles, and this helped them as they listened teachers, community members and staff. Albany and Columbus’s leadership styles allowed options to be communicated to the community with authenticity.⁸⁰ The School Board’s deliberative reaction to community input enhanced credibility with the Board of Supervisors and demonstrated responsiveness to constituents.⁸¹

Deliberate action steps were taken to protect core instructional services

Crum and Hellman’s study of School Board decision-making described a framework of five steps including 1) Recognize and define the problem; 2) Analyze and evaluate the problem; 3) Establish criteria for evaluating solutions; 4) Collect data relevant to the problem; and, 5) Select alternatives and weigh consequences.⁸² Similar procedures were employed by Columbus and staff to assess impacts of potential reductions of programs and services. Consequences of recommendations were communicated, in advance, to School Board members.⁸³ Considerations were also communicated to the Board of Supervisors and Richmond, County Administrator. Richmond emphasized need for both Boards to fully understand budget ramifications—setting

⁷⁷ Columbus, Interview 1, Lines 880-881.

⁷⁸ Loudoun, Interview, Lines 785-786.

⁷⁹ Albany, Interview, Lines 727-728.

⁸⁰ Columbus, Interview 1, Lines 573-584.

⁸¹ Loudoun, Interview, Lines 781-783

⁸² Crum and Hellman, *Supra* note 17 at 15.

⁸³ Loudoun, Interview, Lines 812-814.

the stage for better decisions.⁸⁴

Programs and services were not restored or expanded unless funding sources were sustainable

Feuerstein's study places this finding in the context of ethical behavior.⁸⁵ Three characteristics of School Board behavior influence decision-making and include 1) Analytical—recognizing complexities in issues; 2) Political—developing healthy relationships with constituencies; and 3) Strategic—shaping institutional direction and future.⁸⁶ Considered further, Kerr suggested decisions are made in the “context of potential crisis.”⁸⁷ Richmond noted deliberate communications from Columbus and the School Board helped both Boards maintain identity, goals and objectives.⁸⁸ Considering the view of the Board of Supervisors was important to Columbus and Albany, School Board chairperson. Opinions mattered and helped the School Board make decisions in the best interests of the community.⁸⁹

Revenues and expenditures were allocated conservatively within constraints and guidelines of the local governing body, state or federal government

School Board decisions need to be consistent with the value structure of the community.⁹⁰ Crum and Hellman wrote School Boards must make sound administrative decisions.⁹¹ Despite need to successfully meet ever-increasing state and federal accountability provisions, Columbus and the School Board elected to conservatively budget funds to weather uncertain economic conditions. Columbus recognized the community was increasingly requiring access to safety net

⁸⁴ Richmond, Interview, Lines 53638.

⁸⁵ Feuerstein, *Supra* note 11 at 9.

⁸⁶ Id. at 14-15.

⁸⁷ Kerr, *Supra* note 19 at 53.

⁸⁸ Richmond, Interview, Line 416.

⁸⁹ Albany, Interview, Lines 432-433.

⁹⁰ Feuerstein, *Supra* note 11 at 9.

⁹¹ Crum and Hellman, *Supra* note 17 at 13.

services provided by the county.⁹² Richmond, as County Administrator, expressed similar concern for important community services knowing additional revenues to support these were not likely.⁹³ Because decisions were carefully measured, trust developed between the School Board and Board of Supervisors, and minimized organizational conflict between the two Boards.⁹⁴

This section compared study findings to extant literature. As a case study, the findings represented un-desired and desired characteristics of key leaders; ineffective and effective decision-making processes employed by leaders and their respective Boards; and how trust emerged between leaders and both Boards after appointment of the new Superintendent, Columbus. The next section offers conclusions from the study and discusses implications of future “level funding” by the Board of Supervisors.

Study Conclusions

This section is divided into two parts: First, perspective as a participant-observer; and second, implications of “level funding.”

Participant-Observer

The researcher was involved in many of the processes employed to identify strategies, research implications, and recommend solutions to the Superintendent, Columbus. The Superintendent actively encouraged collaborative teamwork among members of senior staff, and generally, recommendations were the consensus of staff.

Executive staff was engaged in presenting options to the School Board for their collective

⁹² Columbus, Interview 1, Lines 671-674.

⁹³ Richmond, Interview, Lines 715-716.

⁹⁴ Fusarelli, et. al., *Supra* Note 16 at 53.

consideration. Senior staff also participated in meetings with and offered perspective to the Board of Supervisors. Participation in these discussions provided inside knowledge of how Columbus collected necessary data to be informed and make decisions. However, despite many man-hours dedicated to analyzing, deliberating and preparing recommendations, staff did not always have clear vantage points of how Columbus might use this information when working with Albany, the School Board chairperson; School Board; Richmond, County Administrator; Stephenson, Board of Supervisors chairperson; or the Board of Supervisors.

The case study brought to life facets of school and local governance the staff or public is not generally privy to. Kerr observed issues coming before School Boards are extremely complex and may only partially be understood by the community.⁹⁵ Senior staff understanding of issues coming before the School Board was only *partially* understood, because only impacts on school operations and debt service had been considered. Richmond, the County Administrator, rightly surmised Columbus had staff who firmly believed certain budget reduction strategies were unacceptable yet were adopted anyway.⁹⁶ Senior staff did not, and most likely could not, have full knowledge of budget negotiations between Columbus and Richmond. Columbus and Albany, the School Board chairperson, invested countless hours outside of formal meetings educating School Board members about impacts of decisions they might make. Albany made clear expectation for unanimity in public settings to the School Board.⁹⁷

Superintendents devote considerable time to School Board relations. That is, informing or responding to individual School Board members. School Board members have to maintain trust

⁹⁵ Kerr, *Supra* note 19 at 55.

⁹⁶ Richmond, Interview, Line 388.

⁹⁷ Albany, Interview, Lines 643-644.

in their Superintendent. Feuerstein defined trust as individual and collective integrity.⁹⁸ Albany was more direct, “If you believe the intent, trust the content.”⁹⁹ Honest and open communication between Columbus and School Board members was critical during this period of economic uncertainty. Hurley reported such communications are imperative for successful School Board-Superintendent relationships under any condition.¹⁰⁰

Level Funding

Social influence theory is the behavior of one individual trying to persuade another person.¹⁰¹ Within this theory is the element of credibility or “trustworthiness and expertness.”¹⁰² Columbus was looking long-term. In 2009, hope for a quick economic rebound was dim. To foster some sense of stability, Columbus sought to broker an agreement with the Board of Supervisors to maintain funding for school operating costs and debt service minimally at fiscal year 2010 levels. The term, level funding, was suggested to Richmond and Stephenson as a politically palatable means to generate continued fiscal support of schools.

Albany, School Board chairperson, and Stephenson, Board of Supervisors chairperson, believed level funding was politically astute. Columbus described level funding as a “neutral term in a destructive period.”¹⁰³ In reality, Columbus set in place conditions for school staff to begin work on future budgets understanding local transfers for school operations and debt

⁹⁸ Feuerstein, *Supra* note 11 at 8.

⁹⁹ Albany, Line 802.

¹⁰⁰ Becky B. Hurley, “Learning on the Job: The Education of a School Board President in Shared Leadership,” *Yearbook of the National Society for the Study of Education* (Wiley-Blackwell) 105 (2006): 174. *Education Research Complete*, EBSCOhost (accessed April 8, 2012).

¹⁰¹ Peterson and Short, *Supra* note 8 at 539.

¹⁰² *Id.*

¹⁰³ Columbus, Interview 1, Line 751.

service would remain basically at fixed levels.¹⁰⁴ Coupled with known federal ARRA allocations and expected allocations under ESEA, IDEA and Perkins, two of the three primary revenue sources had fairly firm valuations.

ARRA allocations were not completely budgeted in fiscal year 2010, and were contingent upon a spending plan compliant with federal guidelines. Once guidelines were clearly understood, spending plans were implemented to leverage funds over several federal fiscal years using Tydings amendment provisions.¹⁰⁵ Columbus's intent was to fortify the division against potential reduced state appropriations for public schools in future years. While changes did come, initially as beneficial reductions to both the state and local share of required retirement system contributions, future years brought increased costs to re-pay and stabilize the retirement system reducing funds available for direct instruction. As Superintendent, Columbus had made sure the division was positioned to restore programs and services once additional revenues became available as the economy stabilized. This conservative approach reflected the values of the community and was only possible because of Columbus's credibility with key leaders, the School Board and Board of Supervisors.

This section described the merit of case studies. Access to perceptions of elected and appointed officials helped lead to understanding of the relationships held by the former Superintendent, Denver, and the incumbent, Columbus, with the School Board and Board of Supervisors. Triangulation through artifacts, both primary and secondary, added to the richness of the study. Finally, this section discussed how Columbus applied skill, both personally and

¹⁰⁴ *Special Note: The debt service load was declining during this period and freed funds for one-time capital expenses including school buses previously purchased through school operating funds. Excess debt service served as a reserve if need had arisen to transfer dedicated debt service funds to school operating expenses.*

¹⁰⁵ State Superintendent's Memorandum 100-14, Title I, Part A, Carryover Provisions and Reallocation Procedures Under the *Elementary and Secondary Education Act of 1965* (ESEA). Available at: http://www.doe.virginia.gov/administrators/superintendents_memos/2014/100-14.shtml. Retrieved July 17, 2014.4

politically, to position the school division for the future. The next section discusses implications for practice.

Implications for Practice

Study findings suggested personal and professional relationships should be established and maintained between key leaders of a school division and corresponding local government. In general, *relationship* describes the conditions between the bodies; however, *individual relationship* is a significant factor that links to another factor, *friendship*. Relationship factors emerging from the data are shown in the table below:

Relationship Factors	
Individual Relationship	Friendship
Trust	Integrity
Communication	Honesty
Balance	Equilibrium
Leadership	Collaboration
Decision-making	Consensus Building

Table 5.2 Factors

The factors were aligned to companion factors and were compared to the pre-existing condition and then to the emerging condition. Stephenson sought to stabilize the relationship between the Superintendent and County Administrator and restore balance among peers. Columbus was an active participant in restoring balance and in developing a positive relationship with Richmond. Appropriate equilibrium emerged between Board chairpersons and administrators allowing trust to grow between both Boards. Trust and integrity were critical attributes needed to successfully manage school and county operations during a very difficult economic period. Consensus building was necessary because difficult decisions would require complete support of both Boards.

Additionally, sound fiscal stewardship by the Superintendent, Columbus, was recognized and appreciated by both the School Board and local governing body. Finally, conservative use of available revenues allowed the School Board and local governing body to maintain necessary services within the constraints of a significant economic recession. Implications for practice include:

1. Committing to building positive and effective relationships among key leaders *and* staff in schools and local government;
2. Trusting each other's opinion and perspective;
3. Communicating honestly and openly about needs and concerns;
4. Developing effective peer-to-peer relationships thereby avoiding conflict among individuals;
5. Demonstrating leadership through collaborative problem-solving;
6. Making decisions through effective consensus-building;
7. Practicing sound fiscal stewardship; and
8. Conserving funds for long-term needs during periods of financial uncertainty.

Study findings suggested practices described above were employed successfully in the subject locality. Findings also suggested norms established by key leaders in 2008-2009 continue nearly five years later. Such norms could be adopted in other localities provided willingness exists to change conditions.

Recommendations for Further Study

The study considered the work by key leaders of one locality to build positive personal and working relationships with each other and address anticipated revenue shortfalls. The study

validated most of the characteristics desired of Superintendents by School Boards but also illustrated expectation by the School Board for strong fiscal stewardship. Fiscal stewardship was not among highly ranked characteristics found in the literature review. For those School Boards with fiscal autonomy, tension will exist between the Superintendent and the Board regarding appropriate school funding. For those fiscally dependent, tension will exist between the School Board and local governing bodies, and their administrative leaders. Tension is not unhealthy, as community calls for sound management of taxpayer dollars should be expected. Further research is suggested in the following areas:

1. Broader assessment of School Board members' value of the relationship characteristics identified through this study. This study targeted one community and principal leaders of the school division and local governing body.
2. Broader assessment of the local governing body's value of the relationship characteristics identified through this study. The study considered this question from the school division perspective.
3. Consideration of the role of the Superintendent as chief executive officer of a school division as opposed to that of the County Administrator/Manager. This study identified differences in perspectives held by the individuals holding these positions and their respective boards. For instance, the County Manager of Henrico is generally viewed as the leader of county government. In city government, contrast may be made among mayoral forms of government and city manager governance, as evidenced by the city of Richmond. Administrators of the four Virginia communities with a Board of Supervisors chairperson elected at-large may view their role similarly while those with rotating chairpersons may see

themselves as chief executive officers.

4. Discovery of how school divisions managed funds distributed under the American Reinvestment and Recovery Act (ARRA). This study discussed a conservative and long-range approach toward applying ARRA funds to sustain quality educational programs. Because the study did not consider fiscal years beyond 2010, use of these funds in out years should be explored.
5. Policy implications for local governance of public schools should be explored as a result of federal intervention in fiscal years 2009 and 2010. State Fiscal Stabilization funds under ARRA were not distributed without conditions. Expectations for improved teacher and Superintendent evaluation processes, student and school accountability, student achievement standards, and program innovation have changed. This study did not consider federal intervention in public schools.

Reflection

Throughout a 33 year career in public education, the researcher observed or participated in nearly annual conflict between school divisions and county governments over what each perceived as appropriate local transfers for funding of school operations and debt service. Frequently, perspectives of the School Board and local governing body differed radically. Under these circumstances, tensions were often unhealthy and damaging for the community. However, properly managed tension is good and an indicator of sound fiscal stewardship.

Necessarily, the division Superintendent must be an advocate for appropriate local funding of public schools, yet need not always do so at the expense of other services provided by local governing bodies. By law, the Superintendent must certify the local governing body

provided funds necessary to operate the public schools. Indeed, there are school divisions across the Commonwealth whose share of local revenue perilously endangers certification of necessary funding, as required by the *Standards of Quality*.

Building capacity among local governmental leaders to provide appropriate financial support of public schools must among the primary responsibilities of the division Superintendent. Too often conflict erupts between the Superintendent and local government senior administrator, and between School Board and local governing body over school operations or debt service. Understanding public schools consume the majority of local revenues, the researcher surmises improved communications and relationships between key school and government leaders will lead to cooperative efforts to properly fund school needs and local government services.

However, the researcher is a realist. The School Board and the local governing body may have established norms for communications and relationships, but the personalities and motivations of elected or appointed officials, governmental and agency leaders predicate how effectively the School Board and local governing body work together. One must first form a relationship and then develop trust. Trust of intent is the linchpin connecting personalities and organizations together. Without trust, meaningful relationships may not be possible.

Appendices

Appendix A (1) Informed Consent

Informed Consent-Superintendent and School Board Relationships

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
Informed Consent for Participants
in Research Projects Involving Human Subjects

Title of Project: Superintendent and School Board Relationships: Applying Leadership Strategies to Maintain Quality Public Schools During an Economic Recession

Investigator(s): William Glenn (Chairperson) wglenn@vt.edu
Name E-mail / Phone number
Peter J. Vernimb (Doctoral Candidate) pvernimb@vt.edu
Name E-mail / Phone number

I. Purpose of this Research Project

The study seeks to explore the relationships between the superintendent and school board. Specifically, to describe the financial challenges that a Virginia public school division addressed during an economic recession, and the strategies that were employed by the Superintendent and the School Board to maintain instructional programming while assuring continued support for schools by the local governing body. The following are the research questions:

1. What political and relationship factors contributed to maintaining level funding in fiscal year 2010 and beyond by the local Board of Supervisors?
2. What strategies were employed by the School Board and division leadership to reduce operating expenditures and maintain a quality education program for all students?
3. How did State Fiscal Stabilization Funds provided under the American Reinvestment and Recovery Act influence decision making for fiscal year 2010?

The results of this study shall serve to fulfill requirements for the candidate's doctorate in education. Eight individuals have been identified as potential candidates for inclusion in this study. They include key members of the 2008-10 superintendent's leadership team, 2008-10 school board leadership, and county government leaders.

II. Procedures

Should you agree to participate, you will be asked to engage in one or two structured interviews to assist the investigator in developing an understanding of the strategies employed by the superintendent, key staff and the school board to build a relationship with county government and understanding regarding the required funding for continuity of school operations. Interviews will be scheduled over a one month period beginning in September 2013.

You may be subsequently contacted to clarify either interview responses or to provide additional background regarding archived budget documents. These contacts will be unstructured and may occur via telephone or electronic mail.

Appendix A (2)

Informed Consent-Superintendent and School Board Relationships

An interview should last no more than one hour, and will be audio recorded. The investigator will transcribe the interview for use in addressing one or more of the research questions. Interviews may take place at your place of work, school board office, or at a neutral location of your choosing.

Your identity will remain confidential to the fullest extent possible using third person references or pseudonyms. Because the research project is being conducted in a geographically identifiable portion of Virginia, your identity may be deduced.

III. Risks

The potential for you to suffer any harm or risk as a result of this study is minimal. The study considers a public, historic event experienced by school divisions and local governments across Virginia during the years 2008-11. Deliberations during this period are recorded in school division archives. However, as described in (II) above, despite effort to maintain anonymity by the investigator, your identity may be deduced from elements necessary to the study.

IV. Benefits

There are no tangible benefits to you as a study participant. No promise or guarantee of benefits has been made to encourage you to participate. There are, however, potential benefits to understanding and explaining the phenomena being studied.

The economic recession that began in late 2006 has been one that the nation has been slow to recover from. Divisions across the Commonwealth have had to contend with limited new funding or continued reductions in revenue annually at the local level. The state's use of ARRA funds and other short term solutions may have offered a false sense of security to some localities, causing them now to face a new reality of limited or even no access to additional local operational revenues. This study seeks to describe how shared values and cooperation between the Board of Supervisors and the School Board developed and how division leadership crafted a plan to navigate an extended time period when resources were finite yet operational costs continued to rise.

V. Extent of Anonymity and Confidentiality

Participant identity will be protected. Interview data will be cross validated through interviews with other participants and the archived records of the phenomena studied. While certain questions asked may require the opinion of a subject, opinions will be contrasted against those of others in such a way to mask to whom the opinion may be attributed. Your identity will remain confidential to the fullest extent possible using third person references or pseudonyms. Individuals will be identified by title (i.e., superintendent), position (i.e., board member) or by pseudonym (i.e., Jane Doe).

Because the research project is being conducted in a geographically identifiable portion of Virginia, your identity may be deduced. All personal identifiers, interview transcripts and audio recordings will be stored separately in secured files. Upon successful completion of the

Appendix A (3)

Informed Consent-Superintendent and School Board Relationships

dissertation, these records will be destroyed.

At no time will the researchers release identifiable results of the study to anyone other than individuals working on the project without your written consent.

The Virginia Tech (VT) Institutional Review Board (IRB) may view the study's data for auditing purposes. The IRB is responsible for the oversight of the protection of human subjects involved in research.

VI. Compensation

Your participation is entirely voluntary and you will earn no compensation for participation in this study.

VII. Subject's Consent

I have read the Consent Form and conditions of this project. I have had all my questions answered. I hereby acknowledge the above and give my voluntary consent:

Subject signature

Date

Subject printed name

VIII. Freedom to Withdraw

It is important for you to know that you are free to withdraw from this study at any time without penalty. You are free not to answer any questions that you choose or respond to what is being asked of you without penalty.

Please note that there may be circumstances under which the investigator may determine that a subject should not continue as a subject.

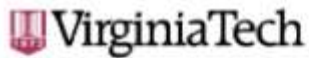
Should you withdraw or otherwise discontinue participation, you will be compensated for the portion of the project completed in accordance with the Compensation section of this document.

IX. Questions or Concerns

Should you have any questions about this study, you may contact one of the research investigators whose contact information is included at the beginning of this document.

Should you have any questions or concerns about the study's conduct or your rights as a research subject, or need to report a research-related injury or event, you may contact the VT IRB Chair, Dr. David M. Moore at moored@vt.edu or (540) 231-4991.

Appendix B (1) IRB Approval



Office of Research Compliance
Institutional Review Board
North End Center, Suite 4120, Virginia Tech
300 Turner Street NW
Blacksburg, Virginia 24061
540/231-4606 Fax 540/231-0959
email irb@vt.edu
website <http://www.irb.vt.edu>

MEMORANDUM

DATE: August 25, 2014
TO: Peter Vernimb, William Joseph Glenn
FROM: Virginia Tech Institutional Review Board (FWA00000572, expires April 25, 2018)
PROTOCOL TITLE: Superintendent and School Board Relationships
IRB NUMBER: 13-651

Effective August 21, 2014, the Virginia Tech Institution Review Board (IRB) Chair, David M Moore, approved the Continuing Review request for the above-mentioned research protocol.

This approval provides permission to begin the human subject activities outlined in the IRB-approved protocol and supporting documents.

Plans to deviate from the approved protocol and/or supporting documents must be submitted to the IRB as an amendment request and approved by the IRB prior to the implementation of any changes, regardless of how minor, except where necessary to eliminate apparent immediate hazards to the subjects. Report within 5 business days to the IRB any injuries or other unanticipated or adverse events involving risks or harms to human research subjects or others.

All investigators (listed above) are required to comply with the researcher requirements outlined at:

<http://www.irb.vt.edu/pages/responsibilities.htm>

(Please review responsibilities before the commencement of your research.)

PROTOCOL INFORMATION:

Approved As: **Expedited, under 45 CFR 46.110 category(ies) 6,7**
Protocol Approval Date: **September 12, 2014**
Protocol Expiration Date: **September 11, 2015**
Continuing Review Due Date*: **August 28, 2015**

*Date a Continuing Review application is due to the IRB office if human subject activities covered under this protocol, including data analysis, are to continue beyond the Protocol Expiration Date.

FEDERALLY FUNDED RESEARCH REQUIREMENTS:

Per federal regulations, 45 CFR 46.103(f), the IRB is required to compare all federally funded grant proposals/work statements to the IRB protocol(s) which cover the human research activities included in the proposal / work statement before funds are released. Note that this requirement does not apply to Exempt and Interim IRB protocols, or grants for which VT is not the primary awardee.

The table on the following page indicates whether grant proposals are related to this IRB protocol, and which of the listed proposals, if any, have been compared to this IRB protocol, if required.

Invent the Future

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
An equal opportunity, affirmative action institution

Appendix B (2)

IRB Number 13-651

page 2 of 2

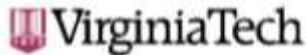
Virginia Tech Institutional Review Board

Date*	OSP Number	Sponsor	Grant Comparison Conducted?

* Date this proposal number was compared, assessed as not requiring comparison, or comparison information was revised.

If this IRB protocol is to cover any other grant proposals, please contact the IRB office (irbadmin@vt.edu) immediately.

Appendix B (3)



Office of Research Compliance
Institutional Review Board
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Blacksburg, Virginia 24061
540/231-4606 Fax 540/231-0959
email irb@vt.edu
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IRB NUMBER: 13-651

Effective September 12, 2013, the Virginia Tech Institutional Review Board (IRB) Chair, David M Moore, approved the New Application request for the above-mentioned research protocol.

This approval provides permission to begin the human subject activities outlined in the IRB-approved protocol and supporting documents.

Plans to deviate from the approved protocol and/or supporting documents must be submitted to the IRB as an amendment request and approved by the IRB prior to the implementation of any changes, regardless of how minor, except where necessary to eliminate apparent immediate hazards to the subjects. Report within 5 business days to the IRB any injuries or other unanticipated or adverse events involving risks or harms to human research subjects or others.

All investigators (listed above) are required to comply with the researcher requirements outlined at:

<http://www.irb.vt.edu/pages/responsibilities.htm>

(Please review responsibilities before the commencement of your research.)

PROTOCOL INFORMATION:

Approved As: **Expedited, under 45 CFR 46.110 category(ies) 6,7**
Protocol Approval Date: **September 12, 2013**
Protocol Expiration Date: **September 11, 2014**
Continuing Review Due Date*: **August 28, 2014**

*Date a Continuing Review application is due to the IRB office if human subject activities covered under this protocol, including data analysis, are to continue beyond the Protocol Expiration Date.

FEDERALLY FUNDED RESEARCH REQUIREMENTS:

Per federal regulations, 45 CFR 46.103(f), the IRB is required to compare all federally funded grant proposals/work statements to the IRB protocol(s) which cover the human research activities included in the proposal / work statement before funds are released. Note that this requirement does not apply to Exempt and Interim IRB protocols, or grants for which VT is not the primary awardee.

The table on the following page indicates whether grant proposals are related to this IRB protocol, and which of the listed proposals, if any, have been compared to this IRB protocol, if required.

Invent the Future

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
An equal opportunity, affirmative action institution

Appendix B (4)

IRB Number 13-651

page 2 of 2

Virginia Tech Institutional Review Board

Date*	OSP Number	Sponsor	Grant Comparison Conducted?

* Date this proposal number was compared, assessed as not requiring comparison, or comparison information was revised.

If this IRB protocol is to cover any other grant proposals, please contact the IRB office (irbadmin@vt.edu) immediately.

Appendix C (1) Request to Collect Data

FREDERICK COUNTY PUBLIC SCHOOLS
REQUEST TO COLLECT DATA FOR EDUCATIONAL STUDIES

Name **Peter J. Vernimb** _____ School **SBO** _____

Home Address **1089 Filbert St** _____

Stephens City 22655 _____ Phone **540-869-3063** _____

Current Teaching Assignment or Credentials Asst Supt _____

Course and Instructor/Advisor **Dissertation Research/ Dr. William Glenn** _____

Organization/University **Virginia Tech** _____

Topic of Research: **Relationships between Supt/ School Board and BOS regarding budgeting** _____

Reason for Data Collection **To collect pertinent written data regarding FY2010 Budget and to interview key individuals involved in budget work.** _____

Specific Data to be Collected **Working documents, board adopted documents, meeting minutes, oral interview responses** _____

Data will be Collected from: Records **x** Employees **x** Students* ____ Parents ____

*Attach required Parental Notification/Permission form.

Description of Data Gathering Techniques **Data mining and interviews** _____

Appendix C (2)

Description of Data Use _____

To identify inferences, themes, and inter-relationships through a qualitative study

Amount of Time Required to Supply Information **N/A** _____

Time Frame for Collecting Data **August - September 2013** _____

Computer Hardware/Software Requirements **None** _____

Dissemination/Publication of Data **Upon successful defense posted through VT Dissertations Online** _____

I understand that data collected from Frederick County Public Schools as described in this request will not be utilized in any manner that will identify Frederick County Public Schools as an organization or its employees, students, or parents as individuals. I further understand that participation by employees, parents, or students of Frederick County Public Schools is optional and at the individual's discretion.

Signature

Date

Attach copies of all relevant documents (class syllabus, project rubric, survey, questionnaire, interview questions, parental notification/permission letters, etc.)

Submit request and documents to the office of the Assistant **Superintendent for Instruction** prior to data collection. Approval must be obtained prior to any data collecting.

Approved ____x__

Not Approved _____

Limitations Under Which Approval Is Given:

Signature

Date

Appendix D (1) Inquiry Matrix

Research Question	Inquiry/Interviewee → ↓	(1) Supt A	(2) County Admin	(3) SB Chair	(4) SB Vice Chair	(5) BOS Chair at Large
I	a. Supt/SB	X		X	X	
I	b. Supt/BOS	X	X	X	X	X
I	c. SB/BOS	X	X	X	X	X
I, II, III	d. Supt/County Admin	X	X			X
I, II, III	e. Supt Fostering Relationship	X	X	X	X	X
I, II, III	f. SB Chair Fostering Relationship	X	X	X	X	X
I	g. Pre-Existing Board Relationship(s)	X	X	X	X	X
I, II, III	h. Influence of Relationship on Funding	X	X	X	X	X

QUESTIONS BY AREA OF INQUIRY

Interviewee	(Inquiry) Question
1, 2, 3, 4, 5	(--) What leadership skills would best describe your expectations for a superintendent?
1, 2, 3, 4, 5	(g) How would you characterize the relationship between the school board and board of supervisors during the tenure of Dr. B?
1, 2, 3, 4, 5	(g) What issues seemed to cause the greatest conflict between the two boards?
1, 2, 3, 4, 5	(g) What role did the school board play in establishing (or maintaining) communication with the BOS?
1, 2, 3, 4, 5	(g) What role did Dr. B play in establishing (or maintaining) communication with the BOS?
1, 2, 5	(d) How would you characterize the relationship between the superintendent and county administrator during Dr. B's tenure?
1, 2, 5	(d) [If appropriate] What issues seemed to cause the greatest conflict between the county administrator and superintendent?
1, 2, 5	(d) How would you describe the relationship between the county administrator and Mrs. A?
1, 2, 5	(d, h) Regarding school funding matters, describe communication between the county administrator and the superintendent.
2, 3, 4, 5	(c) To what extent do you attribute the present relationship between both boards to Mrs. A?
2, 3, 4, 5	(b, e) What leadership skills do you think Mrs. A demonstrated to foster this relationship? Follow-up: How did these manifest themselves?

Appendix 3.4 (2)

Interviewee	(Inquiry) Question
1, 2, 3, 4, 5	(f) To what extent do you attribute the present relationship between both boards to the school board chair?
1, 2, 3, 4, 5	(h) To what extent do you perceive that improved relations between the boards contributed to the decision to hold local funding level?
1, 3, 4	(a, c, h) Why was it important for the school board to continue to receive level local funding?
3, 4	(a, e, h) How were you prepared for the potential of having to make funding cuts? What information were you given, how and by whom?
1, 3, 4	(b, h) How would you describe the communication between the school board and the superintendent regarding the FY2009 and FY2010 budget processes? Probe: frequency, collegiality, timing, etc.
1, 2, 3, 4, 5	(c) How would you describe the communication between the school board and the board of supervisors regarding the FY2009 and FY2010 budget processes?

Appendix E (1) Interview Questions

QUESTIONS BY INTERVIEWEE

1	(--) What leadership skills would best describe your expectations for a superintendent?
	(g) How would you characterize the relationship between the school board and board of supervisors during the tenure of Dr. B?
	(g) What issues seemed to cause the greatest conflict between the two boards?
	(g) What role did the school board play in establishing (or maintaining) communication with the BOS?
	(g) What role did Dr. B play in establishing (or maintaining) communication with the BOS?
	(d) How would you characterize the relationship between the superintendent and county administrator during Dr. B's tenure?
	(d) [If appropriate] What issues seemed to cause the greatest conflict between the county administrator and superintendent?
	(d) How would you describe the relationship between the county administrator and yourself?
	(d, h) Regarding school funding matters, describe communication between the county administrator and yourself.
	(f) To what extent do you attribute the present relationship between both boards to the school board chair?
	(h) To what extent do you perceive that improved relations between the boards contributed to the decision to hold funding level?
	(a, c, h) Why was it important for the school board to continue to receive level local funding?
	(b, h) How would you describe the communication between the school board and the superintendent regarding the FY2009 and FY2010 budget processes? Probe: frequency, collegiality, timing, etc.
	(c) How would you describe the communication between the school board and the board of supervisors regarding the FY2009 and FY2010 budget processes?

Appendix E (2)

2	(--) What leadership skills would best describe your expectations for a superintendent?
	(g) How would you characterize the relationship between the school board and board of supervisors during the tenure of Dr. B?
	(g) What issues seemed to cause the greatest conflict between the two boards?
	(g) What role did the school board play in establishing (or maintaining) communication with the BOS?
	(g) What role did Dr. B play in establishing (or maintaining) communication with the BOS?
	(d) How would you characterize the relationship between the superintendent and county administrator during Dr. B's tenure?
	(d) [If appropriate] What issues seemed to cause the greatest conflict between the county administrator and superintendent?
	(d) How would you describe the relationship between the county administrator and Mrs. A?
	(d, h) Regarding school funding matters, describe communication between the county administrator and the superintendent.
	(c) To what extent do you attribute the present relationship between both boards to Mrs. A?
	(b, e) What leadership skills do you think Mrs. A demonstrated to foster this relationship? Follow-up: How did these manifest themselves?
	(f) To what extent do you attribute the present relationship between both boards to the school board chair?
	(h) To what extent do you perceive that improved relations between the boards contributed to the decision to hold funding level?
	(c) How would you describe the communication between the school board and the board of supervisors regarding the FY2009 and FY2010 budget processes?

Appendix E (3)

3	(--) What leadership skills would best describe your expectations for a superintendent?
	(g) How would you characterize the relationship between the school board and board of supervisors during the tenure of Dr. B?
	(g) What issues seemed to cause the greatest conflict between the two boards?
	(g) What role did the school board play in establishing (or maintaining) communication with the BOS?
	(g) What role did Dr. B play in establishing (or maintaining) communication with the BOS?
	(c) To what extent do you attribute the present relationship between both boards to Mrs. A?
	(b, e) What leadership skills do you think Mrs. A demonstrated to foster this relationship? Follow-up: How did these manifest themselves?
	(f) To what extent do you attribute the present relationship between both boards to the school board chair?
	(h) To what extent do you perceive that improved relations between the boards contributed to the decision to hold local funding level?
	(a, c, h) Why was it important for the school board to continue to receive level local funding?
3	(a, e, h) How were you prepared for the potential of having to make funding cuts? What information were you given, how and by whom?
	(b, h) How would you describe the communication between the school board and the superintendent regarding the FY2009 and FY2010 budget processes? Probe: frequency, collegiality, timing, etc.
	(c) How would you describe the communication between the school board and the board of supervisors regarding the FY2009 and FY2010 budget processes?

Appendix E (4)

4	(--) What leadership skills would best describe your expectations for a superintendent?
	(g) How would you characterize the relationship between the school board and board of supervisors during the tenure of Dr. B?
	(g) What issues seemed to cause the greatest conflict between the two boards?
	(g) What role did the school board play in establishing (or maintaining) communication with the BOS?
	(g) What role did Dr. B play in establishing (or maintaining) communication with the BOS?
	(c) To what extent do you attribute the present relationship between both boards to Mrs. A?
	(b, e) What leadership skills do you think Mrs. A demonstrated to foster this relationship? Follow-up: How did these manifest themselves?
	(f) To what extent do you attribute the present relationship between both boards to the school board chair?
	(h) To what extent do you perceive that improved relations between the boards contributed to the decision to hold local funding level?
	(a, c, h) Why was it important for the school board to continue to receive level local funding?
	(a, e, h) How were you prepared for the potential of having to make funding cuts? What information were you given, how and by whom?
	(b, h) How would you describe the communication between the school board and the superintendent regarding the FY2009 and FY2010 budget processes? Probe: frequency, collegiality, timing, etc.
	(c) How would you describe the communication between the school board and the board of supervisors regarding the FY2009 and FY2010 budget processes?

Appendix E (5)

5	(--) What leadership skills would best describe your expectations for a superintendent?
	(g) How would you characterize the relationship between the school board and board of supervisors during the tenure of Dr. B?
	(g) What issues seemed to cause the greatest conflict between the two boards?
	(g) What role did the school board play in establishing (or maintaining) communication with the BOS?
	(g) What role did Dr. B play in establishing (or maintaining) communication with the BOS?
	(d) How would you characterize the relationship between the superintendent and county administrator during Dr. B's tenure?
5	(d) [If appropriate] What issues seemed to cause the greatest conflict between the county administrator and superintendent?
	(d) How would you describe the relationship between the county administrator and Mrs. A?
	(d, h) Regarding school funding matters, describe communication between the county administrator and the superintendent.
	(c) To what extent do you attribute the present relationship between both boards to Mrs. A?
	(b, e) What leadership skills do you think Mrs. A demonstrated to foster this relationship? Follow-up: How did these manifest themselves?
	(f) To what extent do you attribute the present relationship between both boards to the school board chair?
	(h) To what extent do you perceive that improved relations between the boards contributed to the decision to hold local funding level?
	(c) How would you describe the communication between the school board and the board of supervisors regarding the FY2009 and FY2010 budget processes?

Appendix F Budget Cut Task List

Task List for FY 2010 Budget Cuts

(Note: Tasks are necessary to assist with determining financial impact. Each consideration has an instructional, political, and possible policy impact to be compiled by Al Orndorff and Pete Vernimb.)

Person Responsible	Item	Title	Task
[REDACTED]	2	Adult Education - CTE	calculate fee to offset after Pete gets participant numbers
[REDACTED]	4	Textbooks - State Reimb.	analyze year 2 and year 3 impact
[REDACTED]	21	Overtime	propose adjustment to FCPS overtime rules (hours worked) i.e., FLSA criteria
[REDACTED]	30	Title I, Local	schedule meeting with Pete and Janet regarding reading recovery and reading specialist for both 040/041
[REDACTED]	56	Health Insurance Options	schedule meeting with consultants to discuss options
[REDACTED]	63	Early Retirement Incentive Plan	schedule meeting with consultants to discuss options
[REDACTED]	1	4-day summer work week	need building utility cost for day saved offset by extended time on other work days
[REDACTED]	1	4-day summer work week	identify impact to BASIC program
[REDACTED]	11	Equipment - Technology	provide overview language of funded items and long term effects of cuts
[REDACTED]	12	Extended Contracts	review and make recommendations
[REDACTED]	14	Increase PTRs	review RIF policy
[REDACTED]	16	Media Center	list what should be represented here (along with Pete)
[REDACTED]	40	A&E for Last Three Years	explain why we outsource rather than hire staff for A&E work
[REDACTED]	24	Middle School Sports	cost of parks and recs grounds upkeep for classes fields
[REDACTED]	53	Transportation not Required	document all transportation that we are required to offer
[REDACTED]	14	Increase Pupil-Teacher Ratios	double check 29 teachers and explain details of ratio increase
[REDACTED]	14	Increase PTRs	review RIF policy
[REDACTED]	19	Middle School Team Planning	provide worksheet on 6.93 ftes
[REDACTED]	61	Reduce High School Course Offerings	verify three high school history course requirement; research 7 paid day/core effect (along with Pete)
[REDACTED]	66	All Positions Above SOQ	calculate difference between FCPS current staff and SOQ on staffing template
Vernimb, Pete	1	4-day summer work week	identify impact to summer school
Vernimb, Pete	2	Adult Education - CTE	list programs and participants
Vernimb, Pete	3	Aides above SOQ	research EFE aides


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Appendix F (2)

Person Responsible	Item	Title	Task
Vernimb, Pete	4	Textbooks - State Reimb.	identify books to be delayed
Vernimb, Pete	5	MS Summer Governor's school, PAVAN, all summer G&T	describe program and identify number students, travel, and transportation expenses (if applicable)
Vernimb, Pete	6	Breakthrough/Early Reading	provide detail of program, number of students, alternative use of funds
Vernimb, Pete	6	Breakthrough/Early Reading	research contract cancellation on Breakthrough
Vernimb, Pete	12	Extended Contracts	review and make recommendations
Vernimb, Pete	14	Increase PTRs	review RIF policy
Vernimb, Pete	16	Media Center	list what should be represented here (along with AI)
Vernimb, Pete	17	Memberships	review other memberships not charged to the membership account line
Vernimb, Pete	19	Middle School Team Planning	write summary of schedule/effect/pros and cons
Vernimb, Pete	20	Nurses above SOQ	identify and document SOQ requirement level
Vernimb, Pete	26	Summer School	identify number of students served; number of repeat and new courses; online coursework to take the place of summer school
Vernimb, Pete	30	Title I, Local	analyze and document bare minimum requirements for Title I
Vernimb, Pete	32	Tuition Assistance	document impact of various scenarios, number of users, degree programs
Vernimb, Pete	42	Do Not Open 12th ES	research resource teacher allocations if a school is closed/opened
Vernimb, Pete	45	Middle & Elementary Gifted Resource	document impact of reduction to elementary and middle schools
Vernimb, Pete	47	Middle School Ag Teachers	research student periods availability if electives are cut
Vernimb, Pete	49	Middle School Core Teachers	confirm middle school principal submission
Vernimb, Pete	50	Safe and Drug Free Coordinator	document effects if eliminated
Vernimb, Pete	51	Alternative Ed.	identify student counts by program and TLC and MAP teachers. Include number of days "saved" by students
Vernimb, Pete	52	Close GED Test Center	identify number of students served
Vernimb, Pete	58	Senior Release	document what is meant by senior release and provide ftes "saved"
Vernimb, Pete	61	Reduce High School Course Offerings	verify three high school history course requirement; research 7 paid day/core effect (along with Larry)
Vernimb, Pete	64	Restructure ISS Position	set new rule for staffing template and services

12/16/2008

Appendix G (1) Proposed School Operating Fund (Governor's Proposed Budget)

		<div style="border: 1px solid black; padding: 5px; text-align: center;"> School Operating Fund Revenue based on Governor Kaine's Proposals Fiscal Year 2009-2010 </div>			REVENUE
Projected Revenue Changes for FY2010		Column A	Column B	Column C	
1 FY 2009 Original Budget:					
a	State funding based on 13,218 students projected for 9/30/08	49.0%	66,132,120		
b	Federal funding	3.3%	4,448,277		
c	Other miscellaneous funding (tuition, fees, carryforward encumbrances)	0.7%	981,218		
d	Local funding from the governing body	47.0%	63,472,093		
Total FY 2009 Original Budget					135,033,708
2 Projected <u>State</u> Revenue Changes for FY2010 - based on 13,092 projected membership at 9/30/09					
a	State Revenue and Sales Tax Changes per DOE/Governor				(3,544,411)
b	Other miscellaneous state revenue changes				25,000
c	Total State Revenue and Sales Tax Changes				(3,519,411)
3 Projected <u>Federal/Restricted</u> Program Revenue Changes for FY2010					
a	Projected increase in federal and restricted funding				(351,713)
4 Projected <u>Miscellaneous</u> Revenue Changes for FY2010					
a	Projected increase (decrease) in miscellaneous sources				28,157
5 Projected <u>Local</u> Revenue Changes for FY2010 in School Operating Fund					
a	Per 11/19 BOS information regarding planned FY2010 shortfall		(2,320,000)		
b	Per 1/21/09 BOS meeting regarding reduction in use of fund balance for FY2010		(2,552,000)		
c	Local reduction to Operating Fund to cover local increase in Debt Service Fund		(2,931,675)		
d	Total change in local funding				(7,803,675)
6 Total FY 2010 Potential Changes to Operating Fund Revenue					(11,646,642)
7 Total Projected School Operating Fund FY2010					123,387,066
<div style="border: 1px solid black; padding: 5px; text-align: center;"> School Debt Service Fund Revenue based on Governor Kaine's Proposals Fiscal Year 2009-2010 </div>					
8 FY 2009 Original Budget:					
a	Lottery proceeds	12.4%	1,822,550		
b	School construction proceeds	1.7%	259,532		
c	Carryover from previous year	0.0%	2,429		
d	Local funding from the governing body	85.8%	12,591,726		
Total FY 2009 Original Budget					14,672,237
9 Projected <u>State</u> Revenue Changes for FY2010					
a	Lottery fund redirected to fund current state funded programs		(1,822,550)		
b	Elimination of school construction funds		(259,532)		
c	Change in state funding				(2,078,082)
10 Required Increase in <u>Local</u> Funds for Debt Service					
a	To replace reduction/loss of state funds		2,078,082		
b	To fund increased debt service payments		853,593		
c	Required increase in local funding				2,931,675
11 Total Projected School Debt Service Fund FY2010					15,525,830

Workpaper prepared for joint meeting of School Board and Board of Supervisors

2/17/2009

Appendix G (2)

EXPENDITURES		
<div>  <div> School Operating Fund Expenditures based on Governor Kaine's Proposals Fiscal Year 2009-2010 </div> </div>		
Projected Expenditure Changes	Column A Cost of Item	Column B Cost of group
1 FY 2009 Original School Operating Fund Budget		135,033,708
2 Additional Operational Costs		901,615
A Vehicle fuel	164,250	
B Utilities: electricity, heating, water and sewer	297,820	
C Telecommunications and Wide area network (WAN)	49,148	
D Miscellaneous expense accounts	(7,825)	
Cell phone monthly service		
Third-party advisor - 403b services		
Mandated increase in textbook funding, Function of state funds and composite index		
E Group health insurance increase	398,222	
Group Health insurance premiums - increase of 5.5%		
Group Health insurance premiums - savings due to 22 less participants		
3 Regional Education Programs - FCPS Share		(129,630)
A Northwestern Regional Educational Program (NREP special education) - FCPS share	(109,630)	
B FCPS share of Mountain Vista Regional Governor's School	(20,000)	
4 Alternative use of existing buildings or schools		101,478
A Utilities and additional building expenses for Greenwood Mill	205,353	
B Moving expenses for Senseney Road population to move to GWES	23,317	
C Senseney Road utilities saved in school operating, paid by NREP	(111,323)	
D Old Stephens City School utilities	(15,869)	
5 Department budget reductions	-14.25	(1,707,886)
A Buildings and Grounds		
Maintenance contingency		(15,903)
Part-time Maint Tech - .86 fte	0.86	(46,625)
Voc 20735 - 1.0 maintenance tech level 2	1.00	(45,804)
Custodian-pt at SBO	0.44	(10,350)
B Executive Administration		
Westlaw contract services		(7,325)
C Federal/ State Grant Programs		
NCLB Title V -A		(13,132)
NCLB Title IV -A Drug Free Schools		(5,093)
Title II - D Tech Ed		(1,184)
Title II Part A Improve Teacher		737
Title I Part A reduction in federal grant		(14,483)
D Finance		
Worksheet prepared for joint meeting of School Board and Board of Supervisors		2/17/2009

Appendix G (3)

Projected Expenditure Changes			EXPENDITURES	
			Column A Cost of Item	Column B Cost of group
	Specialist	1.00	(52,000)	
	Finance - pt acct clerk	0.62	(22,696)	
	COE position	0.40	(6,459)	
E	Human Resources			
	Human Resources-pt acct clerks	1.07	(39,151)	
F	Information Technology			
	Technology replacement purchases		(300,000)	
	Library specialist	1.00	(98,000)	
	IT part-time technical assistance	1.50	(47,790)	
	Technology resource teachers - from 205 to 200 days		(19,490)	
G	Instruction			
	Dictionaries for Reading is Fundamental program		(1,800)	
	Tuition assistance - discontinue single class reimbursement		(5,824)	
	Tuition assistance - discontinue paying stipend for coaches education program		(750)	
	Tuition assistance-reduce reimbursement for graduate degree classes by \$50/class		(22,100)	
	Student support services part-time administrator	0.50	(17,085)	
	Student Support Specialists (one by 20 & one by 10 days)		(10,770)	
	Teachers-part-time On-line Academy pay homebound tchr rate		(7,785)	
	Instructional Support Specialist to Teacher status		(12,999)	
H	Planning and Facilities			
	Parks and Recreation reduction in services		(75,000)	
I	Policy and Public Information			
	Public information mailing		(10,000)	
J	Special Services			
	G&T Coordinator	1.00	(105,000)	
K	Transportation			
	Purchase 5 replacement buses instead of 11		(600,000)	
	Reduce full-time bus driver subs (from 6 to 4)	2.00	(50,000)	
	Bus Driver vacancies	2.00	(41,096)	
	Part-time mechanic vacancy	0.66	(23,796)	
	Increase driver sub expense due to reduction ft sub staff		27,000	
	Driver supplement		(2,929)	
	COE position	0.20	(3,203)	
6 School-based instructional and other student program changes				(6,730,740)
A	Elementary Schools	-36.51	(2,302,614)	
1	Elementary school class sizes			
	KG	2.60		
	1-3	15.10		
	4-5	1.50		
	Music	1.00		
	PE	2.10		
	Reading specialists	2.10		
	Vacancy elementary reading recovery	0.5		
	Vacancy special education teacher	1.00		
	Title I Teachers - from 212 to 205 days			

Worksheet prepared for joint meeting of School Board and Board of Supervisors

2/17/2009

Appendix G (4)

Projected Expenditure Changes		EXPENDITURES	
		Column A Cost of Item	Column B Cost of group
Early Reading Intervention			
2	Elementary school support positions		
	Kindergarten aides	2.81	
	KG noon-lunch aides	4.80	
	ES Assistant Principal	3.00	
3	Elementary instructional supplies allotment		
B	Middle Schools	-37.50	(2,461,164)
1	Middle school class sizes		
	English	8.20	
	Math	6.80	
	Science	1.90	
	Social studies	1.10	
	Music	2.10	
	PE	1.40	
	Gifted and talented	1.00	
	Vacancy 20793 - Gifted and talented	1.00	
	CTE - Ag	2.00	
	Reduce addtl special ed positions due to reduce spec count	7.00	
	Title VI-B Special Education-reduce teaching staff	4.0	
2	Middle school support positions		
	MS Administrative Assistant	1.00	
3	Middle school extended contracts		
	Middle school reading specialists - from 210 to 200 days		
	Middle school CTE teachers - from 220 to 210 days		
4	Middle school sports		
5	Middle school academic supplements		
6	Middle school instructional supply allotments		
C	High Schools	-29.36	(1,575,224)
1	High school class sizes		
	English	2.70	
	Math	2.40	
	Science	1.30	
	Art	1.00	
	PE	2.60	
	CTE teachers	3.00	
	Vacancy special education teacher	1.00	
	Recaptured extra periods	6.36	
2	High school support positions		
	Secretarial - 10 month	6.00	
	Custodial services - 10 month	2.00	
	Custodial services - 12 month	1.00	
3	High school extended contracts		
	High school band directors - from 220 to 210 days		
	High school choral directors - from 220 to 210 days		
	High school reading specialist - from 210 to 200 days		
	High school guidance counselors - from 215 to 210 days		
	High school CTE teachers - certain positions reduced by 10 days		

Worksheet prepared for joint meeting of School Board and Board of Supervisors

2/17/2009

Appendix G (5)

Projected Expenditure Changes			EXPENDITURES	
			Column A Cost of Item	Column B Cost of group
	Specialist	1.00	(52,000)	
	Finance - pt acct clerk	0.62	(22,696)	
	COE position	0.40	(6,459)	
E	Human Resources			
	Human Resources-pt acct clerks	1.07	(39,151)	
F	Information Technology			
	Technology replacement purchases		(300,000)	
	Library specialist	1.00	(98,000)	
	IT part-time technical assistance	1.50	(47,790)	
	Technology resource teachers - from 205 to 200 days		(19,490)	
G	Instruction			
	Dictionaries for Reading is Fundamental program		(1,800)	
	Tuition assistance - discontinue single class reimbursement		(5,824)	
	Tuition assistance - discontinue paying stipend for coaches education program		(750)	
	Tuition assistance-reduce reimbursement for graduate degree classes by \$50/class		(22,100)	
	Student support services part-time administrator	0.50	(17,085)	
	Student Support Specialists (one by 20 & one by 10 days)		(10,770)	
	Teachers-part-time On-line Academy pay homebound tchr rate		(7,785)	
	Instructional Support Specialist to Teacher status		(12,999)	
H	Planning and Facilities			
	Parks and Recreation reduction in services		(75,000)	
I	Policy and Public Information			
	Public information mailing		(10,000)	
J	Special Services			
	G&T Coordinator	1.00	(105,000)	
K	Transportation			
	Purchase 5 replacement buses instead of 11		(600,000)	
	Reduce full-time bus driver subs (from 6 to 4)	2.00	(50,000)	
	Bus Driver vacancies	2.00	(41,096)	
	Part-time mechanic vacancy	0.66	(23,796)	
	Increase driver sub expense due to reduction ft sub staff		27,000	
	Driver supplement		(2,929)	
	COE position	0.20	(3,203)	
6 School-based instructional and other student program changes				(6,730,740)
A	Elementary Schools	-36.51	(2,302,614)	
1	Elementary school class sizes			
	KG	2.60		
	1-3	15.10		
	4-5	1.50		
	Music	1.00		
	PE	2.10		
	Reading specialists	2.10		
	Vacancy elementary reading recovery	0.5		
	Vacancy special education teacher	1.00		
	Title I Teachers - from 212 to 205 days			

Worksheet prepared for joint meeting of School Board and Board of Supervisors

2/17/2009

Appendix G (6)

Projected Expenditure Changes		EXPENDITURES	
		Column A Cost of Item	Column B Cost of group
4	High school strength conditioning supplements		
5	High school academic supplements		
6	High school instructional supply allotments		
7	SOL Algebra Readiness-State Share		
8	SOL Algebra Readiness-Local Required Match		
9	CTE Perkins Grant		
D	Dowell J Howard	-2.00	(151,158)
1	ISAEP	1.00	
2	Alternative Education	1.00	
3	DJH instructional supply allotments		
E	Limited English Proficiency (LEP)	-2.00	(94,407)
1	Part-time LEP positions	1.00	
2	LEP teacher	1.00	
3	LEP teacher - from 205 to 200		
4	Title III LEP		
F	Other Instructional Programs		(146,173)
1	Summer school (middle and high)		
2	COE positions employed by FCPS		
3	Local SOL Remediation dollars		
4	Supplements for adult education evening classes		
5	Regional Adult Education Program - change in grant expenditures		
6	Juvenile Detention Center State Supported Program		
7	Special education services-Regional Jail		
7	Changes to wage and benefit expenditures		(4,081,479)
A	Limit use of substitutes for short-term absences	(188,800)	
	Teacher aides (non-spec ed) - 50% of short-term		
	Administrators - 100%		
	Clerical Support - 100% of short term		
	Custodial staff - 90%		
	Teachers - 50% reduction in field trip and conference coverage		
	Teacher School Improvement Plan days (@ 6 days per school)		
B	Reduce budgeted overtime by 50%.	(242,480)	
C	Savings due to turnover wages and benefits	(63,801)	
	Cost to continue existing employees		
	Part-time wages		
	Normal substitute trend		
	Supplements		
	Fica		
	VRS & RHCC savings due to turnover savings		
	Group life insurance premiums		
	Workers compensation		
	Other benefits (FSA - KC30 flex dollars)		
	Bus special runs, school board paid trips, and service personnel refunds		
	Overtime		
	Payout of unused leave reduction for retirees and other		

Worksheet prepared for joint meeting of School Board and Board of Supervisors

2/17/2009

Appendix G (7)

Projected Expenditure Changes		EXPENDITURES	
		Column A Cost of Item	Column B Cost of group
D	Gov's reduction to GLE and RHCC rates	(56,620)	
E	Increase max accumulation of sick time from 120 to 150 (defers until FY2013)	(76,578)	
F	Salary reduction for all staff across the board - 3.9%	(3,853,200)	
G	Projected unemployment expense	400,000	
8	Net Reduction in Staff	-121.62	
9	Total Budget - School Operating Fund		(11,646,642)
			<u>123,387,066</u>

Appendix H (1) Public Hearing Comments

School Board Public Hearing

FY10 Budget

February 24, 2009

Points from Comments for Clarification/Discussion with School Board

1. Flag/rifle/guard--how will supervision/Instruction work? **PETE**

>See #9.

2. Mountain Vista Governors School--cost including per pupil and constraints on withdrawing per the MOU. **PETE**

3. Administrative reductions--person indicated he had heard only one (more were mentioned in my comments)--note the number and where **PETE**

>Proposed administrative reductions are in the attached table. See also, #14.

4. Class size concern for adequate space in rooms and classes currently above average **PETE**

>Elementary classrooms should be able to hold two or more additional students. Middle school core classrooms will be more crowded. Initial work with middle school principals, using reduced staffing counts, project between 26 and 29 students per classroom in the core. The additional core teaching assignment is designed to mitigate overcrowded classes. At the high school level, a minimum of twelve (12) students will be necessary to offer a class. Freshman may be provided the option to take biology as a means to reduce earth science class sizes. Pathways to higher level courses may be streamlined without denying access to advanced placement/dual enrollment classes. Both middle and high school principals have been directed to accelerate student course registration in order to identify areas of staffing concern. Students and parents will need to accept second and third choices for elective classes. *may*

5. MS sports concession stand at ABMS giving fund raising options to students-- (I'm not really sure what I can do with this one.) **PETE**

6. Land purchase--need to explain again the use of bond funds for CIP projects that may not be used for operating expenses **PETE**

7. Funding for public education by localities--Loudoun 70%, Fairfax 76%, Fauquier ?, Frederick 45%. This is a research issue for sure. No idea yet where these numbers originated or what they actually represent. We have access to various data bases, so finance department will look at this. **PETE**

8. Lottery funds--could more come to schools? (Not really our question to answer, but we may have some perspective to offer you.) **PETE**

Appendix H (2)

9. Color guard assertion that 9 high school positions included guard positions. I believe the 9 positions are support staff--3 custodial and 6 clerical. **PETE**

>The coach for color guard is a stipend position. They are not included in the support staff reductions but are in the stipend reductions. Principals recommended the reduction after reviewing student load for the band directors.

Without adding a teaching assignment, one (1) high school director could be eliminated. *Allows band assignments to be one fte, fte's must have a*

licensed prof. teacher providing instruction

10. How much tax increase to make up \$11.6M. At last week's finance committee/BOS work session, Gary Dove asked how much tax increase would be needed to make up the \$11.6M for schools and \$4M for government--the ball park answer was 20+cents. This isn't ours to answer--but we can ask and share with you. **PETE**

11. Some staff are being reduced multiple times by losing 3.9% salary, extra days on an extended contract (in some cases 20 days reduction), loss of stipends for extra duties. The speaker mentioned a loss to one person of \$8,000. A teacher communicated with me yesterday of losing over \$11,000 because of the many hats he has been wearing. He estimates it to be 20% pay reduction. These are the folks whose personal finances will be greatly impacted.

PETE

>We recognize that certain staff will be taking a significant salary reduction due as a result of this recommendation. Several positions have had a stipend and an extended contract for the same assignment (e.g., middle school counseling directors). Contract length reductions are recommended as position responsibilities can be fulfilled through the use of flex time over the summer months. Contract lengths need to be standardized relative to the position: several positions have multiple contract lengths. To reduce the impact of this recommendation on individuals, a plan to phase in contract length reductions over two fiscal years can be developed. *will be studied. No expectation for 10% extra*

12. MS athletic costs and revenue--one speaker suggested her analysis of the MS budget worksheets that you received at the last meeting. **PETE** will need to comment on the speaker's assertions. The speaker also suggested increasing gate receipts through raising prices. We have been dealing with parents asking us to reduce the prices so they can attend the games and take their family. We have asked schools to hold the costs down to help families. **PETE**

13. Teachers sending home notes for supplies--Pete will want to comment. This is contrary to many discussions he has had with principals this year. Someone isn't getting the message. **PETE**

>Instructional Focus meetings in October and November 2008 included an agenda topic on school supplies. Principals were asked to develop a common school supply list for each grade and to minimize supply requests of parents

Appendix H (3)

BH, REALS, LILS

especially in light of the cost per student for these supplies. Principals will be reminded again that it is inappropriate to continue to request additional supplies for class consumption. Individual needs are appropriate for specialty projects, with reasonable considerations. *Extracredit is inappropriate --*

14. Five elementary supervisors who provide no service to the schools. Starting with the error in number (three not five), we have correction to do with the multiple hats these 3 wear as they serve 11 schools and NREP. [REDACTED]

OK
Rate
> There are three elementary supervisors and five middle and secondary coordinators. A summary of school visits and meetings is attached for each position. Supervisors and coordinators are responsible for at least two content areas, classroom observations of all new to Frederick County teachers, observations of other classroom teachers, and Curriculum Content Review and Writing Committees. Additionally, supervisors and coordinators provide technical assistance to those teachers on plans for improvement, work with principals to address school and division level initiatives, and represent the division at regional and state content meetings. *in minutes of state content expectation*
responsibilities is available. Purpose is teaching & Learning - this is the core staff
ensure that curric/instruction learning occurs following established expectations

15. Elementary assistant principals--cut them or have them go between schools. *ca FCP's*
We have history with this that we can share as well as staffing information that affects these positions. [REDACTED] /PETE

hold
> Staffing standards (§22.1-253.13:2) for elementary schools provide for a full time principal at 300 students and a half-time assistant principal at 600 students. These are minimal standards. Due to the ever increasing complexity of accountability standards and student academic, social, and special needs (low incidence disabilities), Frederick County has provided for a full-time assistant principal at each elementary school for a number of years (excluding the former Gainesboro School). The superintendent's proposed budget eliminated three assistant principal positions at those schools expected to have a population of less than 500. Affected schools include Indian Hollow, Orchard View and Stonewall elementary schools. Detail on central administration and school-level administrative/supervisory position reductions is attached.

16. Channel 18--costs and value issue "communication is a luxury"

[REDACTED] PETE/[REDACTED]

> The educational access channel is provided as part of the Comcast franchise agreement. Avenues for communication to and education of the greater public have increasingly become a necessity. The media and technology office included in the Department of Information Technology employs two media production specialists, a repair technician and a COE assistant. In addition to providing videography services, staff are responsible for the purchase, installation and maintenance of school media technology. Staff develop bid specifications for new and renovation projects, install cable and set up media technology equipment.

③

Appendix H (4)

Installation, maintenance and repair projects include school auditorium and commons area sound and public address systems as well as video security apparatus. Staff also provide technical support for school and community special events. All media support services would need to be contracted out at a significant expense were it not for this office.

17. Media reporter not necessary. I recently explained the many hats that the position covers with the first being board clerk and policy management. This is not a new position. [REDACTED]

18. CPE Textbook fees should be restored--we'll address instructional fees **PETE** >§22.1-251. Free textbooks, etc., for eligible children. Each school board shall provide, free of charge, such textbooks and workbooks required for courses of instruction for each child attending public schools...An Act of the 1993 General Assembly prohibited the charging of fees (or rental) for textbooks. This law became effective in 1994. School boards do not have the option of raising revenue through textbook rental fees but may assess reasonable fees for repairs or lost textbooks. Other instructional fees may be assessed for consumable supplies provided that such fees do not exceed cost plus 7%, as noted in §22.1-253.

19. Alert Now system not needed (first use is not weather but it helps with that)

20. All those internet programs and some don't even have computers (Side note--another person wants us to buy classrooms sets of textbooks and give students CD's of their textbooks. How does this work if you don't have a computer?)

PETE

>Frederick County Public Schools has been re-configuring and re-deploying laptops for student sign-out for the past three years. All three high schools have computer sign-out programs. School libraries have extended hours for those students who do not have home internet access and students have been taking advantage of public library computers. Internet-based applications (School Center Web Page, EdLine, and ANGEL) have become essential communication and learning tools, and an expectation of the community. The General Assembly expects that school divisions shall maintain an internet presence and now requires that certain documents be maintained on division web-sites.

- Division staff have explored electronic versions of textbooks. Web-based textbooks are the preferred delivery medium. Many textbooks now include access to a web-version and these have been made available through teacher ANGEL sites. Many parents still prefer that their children have access to a traditional textbook.

Appendix H (5)

21. Parents helping with science experiments at JWMS--this is a program started years ago with one of our business partners--Hands on Science--it uses parent volunteers to help small groups of students with science experiments--it supplements the middle school science program. Not sure that all middle schools still use it. **PETE**

Program began many yrs ago - volunteer program - bus. partnership
> James Wood Middle School continues to use this program with sixth grade students and remains very successful. Frederick County Middle School discontinued this program approximately four (4) years ago. Robert E. Aylor Middle School discontinued the program two (2) years ago as a result of declining interest and costs. Admiral Richard E. Byrd Middle School holds a training for parents in advance of the Hands on Science program and holds three sessions a year for sixth graders.

22. Issue of extra credit points for bringing in paper and glue sticks--again, Pete will address this with the principal. **PETE**

> See #13.

Appendix H (6)

School Board Public Hearing
FY10 Budget
February 24, 2009
Points from Comments for Clarification/Discussion with School Board:

1. Flag/rifle/guard--how will supervision/instruction work? [REDACTED] PETE

2. Mountain Vista Governors School--cost including per pupil and constraints on withdrawing per the MOU. [REDACTED]

- Site language from agreement and outline recent changes from 18 mth to 15 mth notice
- Disclose need to decide by April 2009 for pullout July 1, 2010
- Outline options necessary to explore any potential pullout of the LFCC campus July 1, 2009
- FY2009 Original Budget for payment to Mtn Vista - \$204,256
- Transportation costs - \$31,968
- Technology costs - 1 laptop per student @\$1030 per laptop-replacement schedule 5 years
- Per Pete - need to consider cost (4/7 of per pupil) but that may be misleading - the students would come back in to AP courses which are below the average class size anyway. Also we're not losing any ADM for them leaving, so the savings should be the straight cash outlay

3. Administrative reductions--person indicated he had heard only one (more were mentioned in my comments)--note the number and where [REDACTED]

4. Class size concern for adequate space in rooms and classes currently above average [REDACTED] PETE

5. MS sports concession stand at ABMS giving fund raising options to students-- (I'm not really sure what I can do with this one.)

6. Land purchase--need to explain again the use of bond funds for CIP projects that may not be used for operating expenses [REDACTED]

The specific funds in question were funds borrowed for the purchase of the land. While those bond funds could be used for other school capital projects, they cannot be used for school operating expenses. Regardless of the type of funds used initially, local funds pay for the land. Therefore, the issue about why land was purchased in "these times" should be addressed noting the need for the facility, its length of time on the CIP, the involvement of the County, and the decline in land value - all pointing to the conclusion to proceed with the purchase - while recognizing the appearance that the money could be better used

Appendix H (7)

elsewhere. Clearly, the priority was to proceed with the land purchase over the use of the dollars elsewhere. The long-term value of this decision needs to be defended. (AND – if construction of the facility proceeds after the purchase of land and during “these times” – then this whole issue will balloon)

7. Funding for public education by localities--Loudoun 70%, Fairfax 76%, Fauquier ?, Frederick 45%. This is a research issue for sure. No idea yet where these numbers originated or what they actually represent. We have access to various data bases, so finance department will look at this. [REDACTED]

ca The % of education funding in relation to locality governing budgets cannot be compared without exploring many of the variables specific to the locality. The primary reason for variations in the % is the effect of the local composite index (LCI) formula on the local budgets. The LCI measures a locality's ability to pay for education and sets the minimum education funding level for each locality. The wealthier localities are required to fund education to a greater degree. The localities mentioned at the public hearing have a larger % of local funds going toward education than Frederick County because they are wealthier localities, and thus, are required to do so. Other variables include cost of living factors in each locality and types of programs offered by the locality.

ca 8. Lottery funds--could more come to schools? (Not really our question to answer, but we may have some perspective to offer you.) 100% of state lottery proceeds go to the designated areas of Commonwealth as approved by the Virginia citizens in referendum, which includes Virginia public schools. Lottery proceeds are allocated to Virginia school divisions on a per-pupil basis. [REDACTED]

9. Color guard assertion that 9 high school positions included guard positions. I believe the 9 positions are support staff--3 custodial and 6 clerical. [REDACTED] / PETE

ca 10. How much tax increase to make up \$11.6M. At last week's finance committee/BOS work session, [REDACTED] asked how much tax increase would be needed to make up the \$11.6M for schools and \$4M for government--the ball park answer was 20+cents. This isn't ours to answer--but we can ask and share with you. [REDACTED]

Per the county's budget workpapers, 1 cent of real estate property tax generates approximately \$750,000.

11. Some staff are being reduced multiple times by losing 3.9% salary, extra days on an extended contract (in some cases 20 days reduction), loss of stipends for extra duties. The speaker mentioned a loss to one person of \$8,000. A teacher communicated with me yesterday of losing over \$11,000 because of the many hats he has been wearing. He estimates it to be 20% pay reduction.

⑦

Appendix H (8)

These are the folks whose personal finances will be greatly impacted.

/PETE/

12. MS athletic costs and revenue--one speaker suggested her analysis of the MS budget worksheets that you received at the last meeting. **████** will need to comment on the speaker's assertions. The speaker also suggested increasing gate receipts through raising prices. We have been dealing with parents asking us to reduce the prices so they can attend the games and take their family. We have asked schools to hold the costs down to help families. **████** spoke with **████**

13. Teachers sending home notes for supplies--Pete will want to comment. This is contrary to many discussions he has had with principals this year. Someone isn't getting the message. **PETE**

14. Five elementary supervisors who provide no service to the schools. Starting with the error in number (three not five), we have correction to do with the multiple hats these 3 wear as they serve 11 schools and NREP. **PETE**

15. Elementary assistant principals--cut them or have them go between schools. We have history with this that we can share as well as staffing information that affects these positions. **████/PETE**

16. Channel 18--costs and value issue "communication is a luxury"

████/PETE/

17. Media reporter not necessary. I recently explained the many hats that the position covers with the first being board clerk and policy management. This is not a new position. **████**

18. CTE fees should be restored--we'll address instructional fees **PETE**

19. Alert Now system not needed (first use is not weather but it helps with that)

20. All those internet programs and some don't even have computers (Side note--another person wants us to buy classrooms sets of textbooks and give students CD's of their textbooks. How does this work if you don't have a computer?)

PETE

21. Parents helping with science experiments at JWMS--this is a program started years ago with one of our business partners--Hands on Science--it uses parent volunteers to help small groups of students with science experiments--

Appendix H ((9))

supplements the middle school science program. Not sure that all middle schools still use it. **PETE**

22. Issue of extra credit points for bringGing in paper and glue sticks--again, Pete will address this with the principal. **PETE**

④

Appendix H (10)

16. Channel 18--costs and value issue "communication is a luxury" [REDACTED]/PETE [REDACTED]
According to Comcast, there are approximately 11,700 Comcast Cable subscribers living in Frederick County who have access to Channel 18. FCPS doesn't pay for Channel 18, its availability is part of Frederick County's cable franchise agreement with Comcast. The only costs to FCPS for operating Channel 18 are those associated with producing the slides/programming that runs on the channel. The channel is just one of many communication tools used by the school division and individual schools to meet the Board's communications goals as outlined in the Division Comprehensive Plan. (ex-promote positive stories about students efforts and accomplishments, provide timely information to school community, increase citizen/parent participation; improve coverage of school news, events, and information; distribute budget information to the general public)

17. Media reporter not necessary. I recently explained the many hats that the position covers with the first being board clerk and policy management. This is not a new position. [REDACTED]

Although the public relations element of the Coordinator of Policy and Public Information's position is the most visible to the public, the position involves a variety of duties including School Board Clerk, Policy Coordinator, emergency planning and response, and serving as the division's Designated Records Manager.

As the School Board Clerk, the position requires preparing for all School Board regular and committee meetings, assuring the Board follows proper procedures during its meetings, preparing minutes and other Board documents, and making all meeting notifications required by law. In addition, the clerk fulfills other duties assigned by the Superintendent on behalf of the Board. (The clerk's duties are outlined in Code of Virginia 22.1-77)

The Coordinator of Policy and Public Information also coordinates revisions to the division's Policy Manual to ensure that it complies with the Code of Virginia and the school division's prevailing practices. The Virginia School Board Association provides frequent policy revisions which must be reviewed to determine if they impact FCPS policy and regulation. State code requires a current copy of the Policy Manual be available online and that all policies be reviewed every five years and revised as necessary.

The Coordinator of Policy and Public Information assists in emergency planning

and response and has extensive training in NIMS (the National Incident Management System). The coordinator also oversees the use of the AlertNow Rapid Communications System.

As the division's Designated Records Manager, the Coordinator of Policy and Public Information provides training to staff in the areas of records management, records retention and records disposition. He also works to ensure the school division complies with the Code of Virginia and the guidelines set by the Library of Virginia in the area of records management.

In addition to the duties noted above, the Coordinator of Policy and Public Information develops and executes a strategic communications plan designed to achieve the Board's communications goals outlined in the Division Comprehensive Plan.

19. Alert Now system not needed (first use is not weather but it helps with that)

AlertNow is a key part of school safety and security. Although the messages related to school delays/closings are the most apparent use of AlertNow, the system was procured to allow information to be shared rapidly in the event of an emergency at an individual school, across the division, or within the community. A review of the Virginia Tech shooting shows the value and need for such a system. Although safety and security is the primary reason for having AlertNow, the system is also used to share information on school delays/closings, bus delays, information on power outages, etc. Principals use the system to communicate with their school communities on items such as the SOL schedule and student preparations, opportunities for parent involvement at school, important dates and meetings, etc. Through January 31st, a total of 55 AlertNow messages have been sent by the school division and individual schools during the 2008-2009 school year. Although there have been a few complaints about using AlertNow to communicate delays/cancellations in the morning, overall feedback has been very positive. Parents working outside the area have been among the most vocal supporters of AlertNow. They appreciate and value being informed of situations impacting their children although they are at work in other communities. The annual cost for AlertNow for the first three years of service is \$30,315 per year or about \$2.33 per student (Based on enrollment of 13,000). This charge includes unlimited messaging via email and telephone. Text messaging is also an option. The division is not charged to include all FCPS employees on the system.

~~_____~~
~~_____~~
Frederick County Public Schools
1415 Amherst St.
Winchester, VA 22601
540-662-3888 x88235

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Appendix I (1) Approved FY2010 School Operating Budget

Frederick County Public Schools		School Operating Fund Expenditures based on final General Assembly Actions Fiscal Year 2009-2010		EXPENDITURES	
				approved 3/19/09	
Projected Expenditure Changes		Scenario B			
	FTE's	Column A Cost of Item	Column B Cost of group		
FY 2009 Original School Operating Fund Budget			135,033,708		
1 Operational Fixed Costs			93,140		
2 Alternative use of Senseny Road Elementary School			306,821		
A Utilities/addtl building expenses for Greenwood Mill net of SR/OSC savings		78,161			
B Moving expenses for Senseny Road population to move to GWES		23,317			
C Consumable, small equipment, start-up, and move in for GWES		205,343			
3 Group Health Insurance			181,274		
4 Title VI-B IDEA - Part B Economic Stimulus - 50% allocation			1,264,900		
5 Title I, Part A Economic Stimulus - 85% allocation			677,680		
6 Armel Roof Replacement			267,000		
6 Regional Education Programs - FCPS Share			(135,878)		
A Northwestern Regional Educational Program (NREP special education) - FCPS share		(109,630)			
B FCPS share of Mountain Vista Regional Governor's School		(26,248)			
7 Department budget reductions	-5.42		(1,505,727)		
A Buildings and Grounds	-0.44	(17,824)			
B Executive Administration		(7,325)			
C Federal/ State Grant Programs					
NCLB Title V -A		(13,132)			
NCLB Title IV -A Drug Free Schools		(9,093)			
Title II - D Tech Ed		(1,184)			
Title II Part A Improve Teacher		737			
Title I Part A reduction in regular federal grant		(14,483)			
D Finance					
Part-time services	-0.62	(22,696)			
E Human Resources					
F Information Technology					
Technology replacement purchases		(200,000)			
Changes in media and technology full and part-time staff	-2.00	(126,590)			
Reduction in contract length		(19,490)			
G Instruction					
Tuition assistance reduction in total funds		(27,924)			
Dictionaries for Reading is Fundamental program		(1,800)			
Student support services part-time administrator	-0.50	(17,085)			
Reduction in contract length		(23,769)			
Virtual Virginia pay restructuring		(7,785)			
H Planning and Facilities					
Parks and Recreation reduction in services		(75,000)			
I Policy and Public Information					
Public information mailing		(10,000)			
J Special Services					
Title I Part D Reading Specialist JDC		33,830			
Reduction in VI-B grant before stimulus funds		(325,101)			
K Transportation					
Purchase 5 replacement buses instead of 11		(600,000)			
Bus driver and transportation staff changes	-1.86	(24,012)			
Bus Driver vacancies	-2.00	(41,096)			
Part-time mechanic vacancy (increases position from .86 to 1.00 Fte)	0.34	23,216			
Reduce full-time bus driver subs from 6 to 4	0.00	-			
Increase driver sub expense due to reduction ft sub staff		-			
Driver supplement		(2,929)			

Appendix I (2)

Projected Expenditure Changes		Scenario B			EXPENDITURES
		FTE's	Column A Cost of Item	Column B Cost of group	
COE position:	-0.20		(3,703)		
8 School-based instructional and other student program changes					(3,789,113)
A Elementary Schools		-9.70	(878,911)		
1 Elementary school grade level and resource:	-3.90				
KG	0.00				
1-3	-5.40				
4-5	5.00				
Music	-0.60				
PE	-0.30				
Reading	-2.60				
Special education teacher	-1.00				
Reduce extended contract length					
Early Reading Intervention					
2 Elementary school support positions					
KG noon-lunch aides	-4.80				
3 Elementary instructional supplies allotment					
B Middle Schools		-17.30	(1,338,259)		
1 Middle school class sizes					
Core classes, art, music, and pe	-7.30				
English	-1.80				
Math	-3.00				
Science	0.00				
Social studies	0.00				
Music	-2.10				
PE	-0.40				
Gifted and talented	-2.00				
CTE - Ag	-2.00				
Special education	-6.00				
2 Middle school support position (administrator)	0.00				
3 Middle school extended contracts					
Middle school reading specialists - from 220 to 200 days					
Middle school CTE teachers - from 220 to 210 days					
4 Middle school sports - reduces local subsidy to \$100,000					
5 Middle school academic supplements					
6 Middle school instructional supply allotments					
C High Schools		-18.96	(1,212,788)		
1 High school core, art, & pe class sizes	-7.96				
English	0.00				
Math	0.00				
Science	0.00				
Undesignated extra periods for scheduling flexibility	-4.36				
Art	-1.00				
PE	-2.60				
CTE teachers	-3.00				
Special education	-2.00				
2 High school support positions:					
Secretarial services	-3.00				
Custodial services	-3.00				
3 High school extended contracts					
High school band directors - from 220 to 230 days					
High school choral directors - from 220 to 230 days					
High school reading specialist - from 210 to 200 days					
High school guidance counselors - from 215 to 210 days					
High school CTE teachers - certain positions reduced by 10 days					
4 High school strength conditioning supplements					

Appendix I (3)

Projected Expenditure Changes		Scenario B		EXPENDITURES
		FTE's	Column A Cost of Item	Column B Cost of group
5	High school academic supplements			
6	High school instructional supply allotments			
7	SOL Algebra Readiness-state and local share			
9	CTE Perkins Grant			
D	Dowell J Howard	-1.00	(118,575)	
1	ISAP program			
2	Alternative Education	-1.00		
3	DJH instructional supply allotments			
E	Limited English Proficiency (LEP)	-2.00	(94,407)	
1	Part-time LEP positions	-1.00		
2	LEP teacher	-1.00		
3	Reduced extended contract length			
4	Title III LEP			
F	Other Instructional Programs		(146,173)	
9	Changes to wage and benefit expenditures			(606,864)
A	Limit use of substitutes for short-term absences		(188,800)	
B	Reduce budgeted overtime by 90%		(242,480)	
C	Savings due to turnover wages and benefits		(122,386)	
D	Gov's reduction to GLI and RHCC rates		(56,620)	
E	Increase max accumulation of sick time from 120 to 150 (defers until FY2013)		(76,578)	
F	Salary proposal		-	
G	Projected unemployment expense - on approx 10 positions		80,000	
10	Flexibility in Use of Textbook Funds (local and state) for FY2010 only			(634,981)
A	Local match relieved in FY2010 only		(634,981)	
.1	Net Reduction in Staff	-54.38		(3,882,148)
12	Total Budget - School Operating Fund			<u>131,151,560</u>
13	Summary of Position Reduction			
	severance	22.00		
	vacancies/open	15.36		
	other attrition	5.00		
	reduction in force (further attrition is anticipated to help lower this #)	-12.02		
Summary of use of "temporary" state and federal dollars State textbook funds and local required match - \$1,531,065 Proposed one-time use - \$228,660 for GMEs, \$267k for Armet, & \$80k unemployment exp in FY10 Remaining \$950,405 proposed for recurring costs i.e. toward restoring salary and job losses Federal Title I stimulus funds - \$677,680 Proposed use will be recommended after ARRA guidelines have been considered and a plan developed Federal IDEA stimulus funds - \$1,264,500 Proposed use will be recommended after ARRA guidelines have been considered and a plan developed Federal Stabilization funds - \$4,029,491 Proposed use for restoration of salary and job losses				

Appendix I (4)

Frederick County Public Schools Revenue Budget for FY2010

	Revenues				Expenditures		
	Approved Budget FY2009	Proposed by BOS FY2010	Difference Over FY2009		Approved Budget FY2009	Proposed by BOS FY2010	Difference Over FY2009
School Operating Fund							
TOTAL REVENUE FROM LOCAL SOURCES	981,218	1,009,375	28,157				
TOTAL REVENUE FROM THE COMMONWEALTH	86,132,120	83,477,738	(2,654,381)				
TOTAL REVENUE FROM FEDERAL GOVERNMENT	4,448,277	10,026,778	5,578,501				
NON-REVENUE:							
Transfers-General Operating Fund	63,472,083	58,637,668	(5,834,425)	School Operating	134,598,727	131,151,660	(3,247,167)
Transfers-Carry Over Funds	0	0	0	Transfers to Textbook Fund	634,981	0	(634,981)
TOTAL NON-REVENUE	63,472,083	58,637,668	(5,834,425)		135,033,708	131,151,660	(3,882,148)
TOTAL REVENUE SCHOOL OPERATING FUND	135,033,708	131,151,660	(3,882,148)		135,033,708	131,151,660	(3,882,148)
School Capital Fund							
Carry Over Funds from Prior Year	500,000	0	(500,000)				
Transfer-General Operating Fund	0	0	0	School Capital Outlay	500,000	0	(500,000)
TOTAL SCHOOL CAPITAL FUND	500,000	0	(500,000)		500,000	0	(500,000)
School Construction Fund							
Non-Revenue Receipts							
Proceeds-Sale of Bonds	0	0	0				
Proceeds-Future Sale of Bonds	0	0	0				
Carry Over-Prior Years	0	0	0				
TOTAL CONSTRUCTION FUND	0	0	0		0	0	0
School Debt Service Fund							
Carry Over-Prior Years	2,429	2,429	0				
Revenue from the Commonwealth	2,078,082	887,033	(1,391,049)				
Transfers From General Operating Fund	12,881,726	14,626,151	2,034,425				
TOTAL REVENUE SCHOOL DEBT SERVICE FUND	14,672,237	15,315,613	643,376		14,672,237	15,315,613	643,376
School Cafeteria Fund							
Carry Forward-Prior Years Balance	750,567	681,163	(69,404)				
Revenue from Local Sources	3,262,212	3,180,730	(81,482)				
Revenue from the Commonwealth	75,722	77,622	900				
Revenue from the Federal Government	1,533,945	1,861,755	127,810				
Transfers-School Operating Fund	0	0	0				
TOTAL REVENUE SCHOOL CAFETERIA FUND	5,623,346	5,601,270	(22,076)		5,623,346	5,601,270	(22,076)
School Textbook Fund							
Carry Forward-Prior Years Balance	1,491,671	2,180,238	688,565				
Revenue from Local Sources	18,500	83,300	45,000				
Revenue from the Commonwealth	306,009	0	(306,009)				
Transfers-School Operating Fund	634,981	0	(634,981)				
Transfers-Sch Oper Fund-Local Match	0	0	0				
Transfers-Sch Oper Fund-State Textbook Pmts	0	0	0				
Transfers - Trust Funds	150	150	0				
TOTAL REVENUE SCHOOL TEXTBOOK FUND	3,051,911	2,253,888	(798,023)		3,051,911	2,253,888	(798,023)
School Insurance Reserve Fund							
Carry Forward-Prior Years Balance	0	0	0				
Interest on Bank Deposits	0	0	0				
Health Insurance Premiums	0	0	0				
Transfers-School Operating Fund	0	0	0				
Transfers-County Restricted Fund Balance	0	0	0				
TOTAL REVENUE SCHOOL INSURANCE RESERVE	0	0	0		0	0	0

Appendix I (5)

Frederick County Public Schools Revenue Budget for FY2010

Revenue Budget for FY2010	Revenues				Expenditures		
	Approved	Proposed	Difference		Approved	Proposed	Difference
	Budget	by BOS	Over		Budget	by BOS	Over
	FY2009	FY2010	FY2009		FY2009	FY2010	FY2009
Consolidated Services Fund							
Revenue from Local Sources		0	0	0			
Transfer from General Operating Fund		0	0	0			
TOTAL REVENUE CONSOLIDATED SERVICES FUND		0	0	0		0	0
NREP Operating Fund							
Revenue from Local Sources	4,987,839	4,712,312	(275,527)				
Revenue from the Commonwealth	26,000	26,000	0				
Revenue from the Federal Government	0	0	0				
Carryforward Prior Year	410,198	300,000	(110,198)	NREP Operating	5,414,036	5,038,312	(385,723)
TOTAL REVENUE NREP OPERATING FUND	5,424,036	5,038,312	(385,723)	Transfers to NREP Textbook	10,000	10,000	0
					5,424,036	5,038,312	(385,723)
NREP Textbook Fund							
Interest on Bank Deposits	0	0	0				
Carryforward Prior Year	30,000	30,000	0				
Transfers from NREP Operating Fund	10,000	10,000	0				
TOTAL REVENUE NREP TEXTBOOK FUND	30,000	30,000	0		30,000	30,000	0
Trust Funds							
Interest on Bank Deposits	1,100	1,100	0		950	950	0
			0	Transfers to Textbook Fund	150	150	0
TOTAL TRUST FUNDS	1,100	1,100	0		1,100	1,100	0
GRAND TOTAL REVENUE	164,336,337	159,391,741	(4,944,596)		164,336,337	159,391,741	(4,944,596)
Transfer Reconciliation:							
From General Operating Fund-School Operating	63,472,093	56,637,668	(6,834,425)				
From General Operating Fund-Cons. Services Fund	0	0	0				
From General Operating Fund- Debt Service Fund	12,591,726	14,628,151	2,036,425				
From School Operating Fund	634,981	0	(634,981)		634,981	0	(634,981)
From NREP Operating Fund	10,000	10,000	0		10,000	10,000	0
From Trust Fund - Textbook Fund	150	150	0		150	150	0