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Virginia Shortchanging Students with 20-Percent Budget Cut Since 2009

Numbers mean something: Our students and some of our best school programs are at risk right now because the Commonwealth of Virginia has cut its per-pupil aid to schools by close to 20 percent in the past three years, says a new analysis by the Virginia Education Association. According to VEA's analysis, per-pupil state aid has been slashed from \$5,274 in 2009 to \$4,233 in 2012 in inflation-adjusted dollars (see attachment). That's a 19.7 percent cut. Here's another number: \$1.675 *billion*. That's how much money schools have lost in the last three years because of General Assembly changes to the state's education funding formulas, VEA says.

"Behind the numbers are children who represent the future of this Commonwealth," says VEA President Meg Gruber. "The public wants teachers to be able to provide individualized attention to students; they want students to have up-to-date materials and adequate facilities in which to learn. But localities are simply not able to make up for the lost funding from the state."

Gruber called on Governor Bob McDonnell and the General Assembly to make sure that a sizable portion of the \$339 million available above the adopted budget is used to make up for schools' funding loss. Virginia is ranked as the 9th wealthiest state but ranks 38th in the per-pupil funding coming from state sources.

Gruber added that VEA is seeking a Joint Legislative and Audit Commission (JLARC) review of the state's Standards of Quality and the funding required to achieve them.

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Virginia is Shortchanging Her Public Schools

The Commonwealth has made substantial cuts to education funding since the last thorough analysis of the Standards of Quality (SOQ) in February of 2002, when the Joint Legislative Audit and Review Commission (JLARC) conducted its “Review of Elementary and Secondary School Funding.”

The state revenue decline of the recent recession led to significant cuts to PreK-12 state funding. Those cuts were recently outlined at the Senate Finance Committee annual retreat. See below:

State Reductions

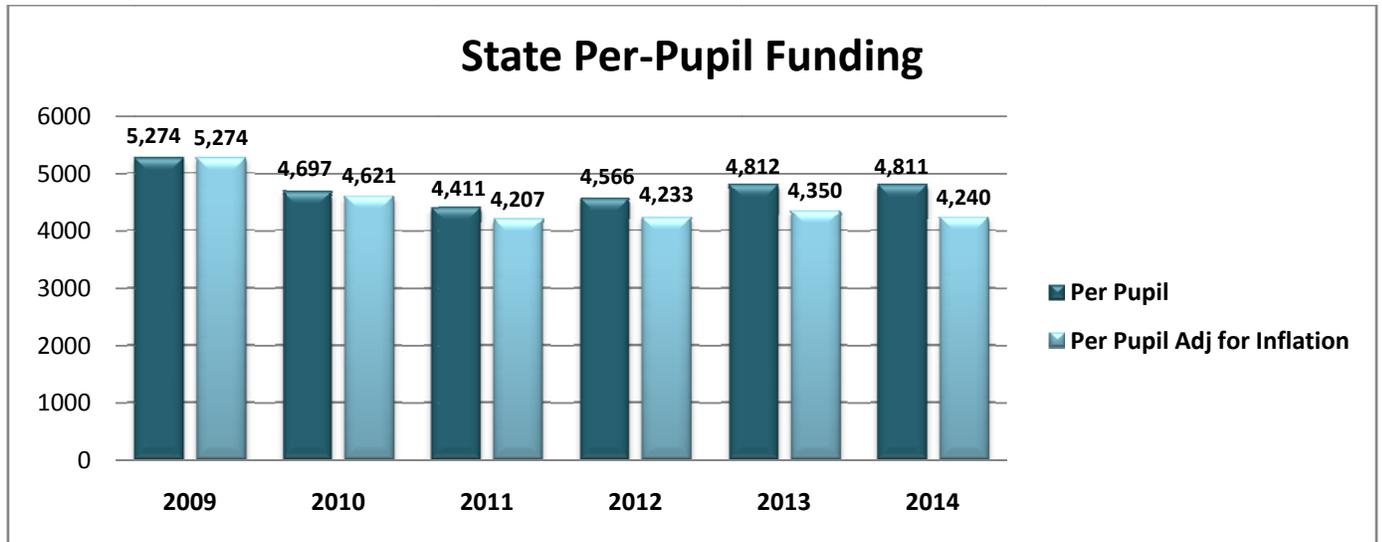
Key State Funding Policy Changes Since 2008	Session	Biennial Cut (\$ in millions)
Permanent SOQ Cuts		
Cap funding for support positions	2009	(\$754)
Adjust health care for participation rates	2010	(269)
Eliminate certain school expenditures from SOQ calculation (certain equipment, travel, misc.)	2010	(244)
Include \$0 values in Linear Weighted Average calculation	2010	(79)
Extend school bus replacement cycle from 12 to 15 years	2010	(19)
Non-Permanent SOQ Cut		
Eliminate inflation update*	2012	(109)
Permanent Non-SOQ Cuts		
Eliminate school construction grants	2009	(55)
Eliminate Lottery support for school construction	2010	(67)
Drop lowest tier from K-3 class size program	2010	(36)
Extend school bus replacement cycle from 12 to 15 years	2010	(19)
Eliminate enrollment loss assistance	2010	(16)
PreK: Use kindergarten count as proxy for 4-year-olds*	2012	(27)
	Total	(1,675)

*Partial one-time funding provided in FY 2013 and FY 2014 for inflation, PreK, and retirement costs. Inflation will be updated in 2014-16 re-benchmarking.

As the Senate Finance Committee staff noted, all but one of these policy changes are **permanent**, and no matter how robust Virginia’s recovery from the recession may be, funding levels will remain \$1.7 billion below pre-recession levels.

These cuts to public education funding were based on budgetary constraints associated with the recession, not on the true cost of providing “an educational program of high quality” (Article VIII, Section 1 of the Constitution of Virginia).

The impact of these cuts on per-pupil funding is revealed by the graph below:



Source: VDOE templates as of 10/26/12, statewide funding. CPI from BEA annual averages, 2012-2014 estimated

State support for public education declines 19.6% from 2009 to 2014 when adjusted for inflation. This is a \$31,020 cut for a classroom of 30 students. Few know and comprehend the degree to which we have cut funding for our public schools.

Virginia is the 9th wealthiest state in the nation, but our state support for public schools now ranks 38th in per pupil funding from state sources. The fiscal stress our localities now face will render them helpless to make up for what the state is not doing, as they have done in the past.

These facts call for two actions by the Governor and General Assembly. First, direct a substantial portion of the \$339 million available above the adopted budget by reinvesting in our schools. Second, conduct a Joint Legislative and Audit Review Commission Study of the Standards of Quality.

The 1972-73 Task Force on Financing the SOQ, which was created by Governor Holton, concluded that implicit in the Constitution of Virginia are three facts:

- The SOQ “must be realistic in relation to current educational practice”

- The estimate of SOQ cost “must be realistic in relation to current costs for education”
- The local share of SOQ costs “must be based on local ability to pay”

Virginia Attorneys General have twice opined (1973 and 1983) that “the General Assembly must take into account the actual cost of education rather than developing cost estimates based on arbitrary figures bearing no reasonable relationship to the actual expense of education prevailing in the Commonwealth.”

For these and other reasons, the VEA is seeking passage of a study resolution calling for a JLARC review of the standards. The Board of Education made a similar request on November 29th.

Although the Board of Education has the constitutional responsibility to prescribe the standards, the Department of Education lacks the staff resources required to conduct such a review, and JLARC has traditionally performed such reviews. JLARC conducted a study which led to the revisions to the SOQ in the mid-1980s. The February 2002 JLARC review led to policy changes in the 2004 session. It has been the historic role of JLARC to review public education funding as needed.