



2010-12 Budget: Alliance for Virginia's Students' Analysis and Reaction

We knew that the General Assembly would cut education funding in the 2010-12 biennium. We do not celebrate a state budget that reduces funding to schools, but we are glad that the cuts initially proposed by the House of Delegates were reduced significantly.

- **The “Win” Column:** Among the items in the PreK-12 education budget that we can put in the “win” column are: (1) The House budget’s \$685 million in proposed General Fund cuts to PreK-12 education (cuts above and beyond the introduced budget cuts of \$426 million) were minimized to \$253 million; (2) Lottery-funded programs for students at risk of educational failure were not block-granted; (3) At-risk program dollars will continue to be allocated based on a school division’s free lunch student population, not based on enrollment, maintaining the targeted nature of these programs and funds; (4) The state investment in the Virginia Preschool Initiative was maintained, except for a non-participation adjustment. The budget preserves all current VPI slots so that the program can continue to serve its current enrollment of 15,700.
- **The “Loss” Column:** The funding cuts adopted amount to approximately \$700 million less in state support for education for the biennium compared to the 2010 base budget.¹ However, last year (the 2010 base budget year), federal recovery act dollars hid the extent of state level cuts. Therefore, the more appropriate comparison to this biennial budget is the prior biennial budget (2008-10).
 - When compared to the 2008-10 budget, the 2010-12 budget cuts direct aid to localities for education by a staggering \$1.3 billion.
 - Compared to 2008-09 direct aid to localities, the budget cuts state spending per pupil by 13.8% in 2010-11, and by 14.33% in 2011-12. In other words, state funding drops from \$5,277 per pupil in 2008-09, to \$4,549 in 2010-11, to \$4,521 in 2011-12. (Data analysis provided by the Virginia Education Association.)
- Some examples of the harmful cuts include:
 - Slashing state funding for school support staff—including attendance staff, clerical staff, school psychologists, custodians, and other vital staff—by imposing an arbitrary, across-the-board cap on state funding for these positions that was not adopted by the Board of Education. This maneuver eliminates state funding for some 13,000 support staff positions.
 - ❖ The Senate budget designated the arbitrary, across-the-board cap on state funding for school support positions temporary, and required the Virginia Department of Education to include the cost of eliminating the support position funding ratio in the 2012-2014 rebenchmarking.
 - ❖ The final compromise budget eliminates this language entirely.

¹ Summary of the 2010-2012 Budget for K-12 Public Education Adopted by the 2010 General Assembly, Presented to the Board of Education, Kent C. Dickey, Assistant Superintendent for Finance, March 18, 2010.

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- Funding for K-3 class size reduction—a proven way to increase graduation rates, especially among minority and low income students—is significantly reduced, and the remaining funds provided only to divisions with free lunch eligibility of higher than 30 percent.
- The budget includes a number of formula changes that permanently reduce state support for public education.
 - ❖ The state will no longer pay a share of non-building capital expenditures such as for furniture, computer servers, vehicles, and other capital costs faced by schools.
 - ❖ The state changes how it calculates averages so that it will recognize an even smaller share of salaries and other costs in school divisions.
 - ❖ The state lowered what it recognizes as its share of costs for utilities, insurance, communications, and transportation.
 - ❖ These changes mean that state support for education will be even more out of line with the actual costs faced by Virginia's schools.
- The \$1.3 billion in cuts to education were not inevitable. The 2010 General Assembly passed up multiple opportunities to maintain our investment in students – including both the Keep Our Promise Act (Senator Locke) which would have closed corporate tax loopholes, modernized the state's income tax structure, eliminated costly tax benefits that the state can no longer afford, and increased state revenue directed at public education, and the \$1.9 billion revenue proposal introduced by Governor Kaine in his introduced budget.
- Failure to act to fix the structural imbalance of Virginia's budget led to a cuts-only approach to balancing the budget, increasing the harm to Virginia's students.

At the heart of these devastating budget decisions are the students we all care about, and the ability of Virginia to eliminate the achievement gap. When the state reduces its investment in students, inequalities increase, and greater responsibility is placed upon local taxpayers to pay for our schools. Many of Virginia's lowest income localities do not have the local tax base to fill the hole left by the state for funding the schools in their communities. Therefore, these state level cuts to education will increase inequities from school division to school division, making the quality of education available to children far too dependent on their zip codes.

In order to right this ship and encourage the Commonwealth's leaders to recommit Virginia to investing in students, each of us – parents, grandparents, caregivers, students, teachers, school support staff, community members, law enforcement, business leaders, and more – will need to work tirelessly in the weeks and months to come. As the Alliance for Virginia's Students develops its advocacy strategy, we ask that you stay engaged and stay in touch. Thank you for all you have done leading up to and during the 2010 legislative session.