

Analysis of the state budget proposals' effects on public schools
By Kathy Burcher, representing the PTA
Virginia Education Coalition
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On behalf of Virginia's public school students and the Virginia Education Coalition, I thank the members of the capitol news media for giving us your time this morning.

I will issue a brief statement on behalf of the Virginia Education Coalition and then will entertain questions. We are fortunate to have several resource people in the room who can deal with any technical questions that you might have.

It is not our coalition's purpose or desire to choose sides between the House and the Senate...or the Governor. Instead we are reacting to our review of the separate spending plans based on the following criteria:

1. Are the cuts in education funding temporary in nature, or will they harm public schools well after the recession is over?
2. Are Programs for At-Risk students protected?
3. Are recommendations for tax policies reasonable?
4. What are the differences in per-pupil spending in the two budgets?

Our first question for evaluating the budget proposals is, are the cuts in education funding temporary in nature, or will they harm public schools well after the recession is over?

- The House budget includes permanent cuts by accepting the support staff ratio as proposed by the governor. Future budgets would be built off of this reduced base.
- The manner in which the Senate reduces K-12 funding is not permanent and does not change the funding formula for future years. The Senate preserves the long-standing funding methodology for K-12 education in Virginia.

Our second question is, are programs for At-Risk students protected?

- The House proposal jeopardizes programs for at-risk children by allowing localities to reduce their local funding.
- By maintaining the required local effort, the Senate version protects these crucial programs for at-risk students.
- Examples of the programs are...

- Pre-Kindergarten Program
- K-3 Classroom Reduction, and
- Early Reading Initiative

Our third question is, what are the differences in per-pupil spending in the two budgets for 2009-10, compared to the Governor’s budget?

- The House proposal provides 4,908 dollars in per-pupil support, compared to 4,881 dollars provided by the Senate. Both of these are lower than the Governor’s proposed 4,921 dollars in per-pupil state support.
- The total K-12 spending proposed by the House is nearly 16 million dollars lower than that proposed by the Governor, while the Senate proposal is nearly 48 million dollars lower than the Governor’s proposal. The Senate amount reflects reduced or deferred textbook funding.

Governor’s proposal:	\$4,921	total	\$5,922,528,464
House Proposal:	\$4,908		\$5,906,538,339
Senate Proposal:	\$4,881		\$5,874,711,334

And, our final question is, are recommendations for tax policies reasonable, and do the tax decisions provide needed reforms that bring in new revenue during this time of fiscal challenge?

- The House is commended for capping the dealer discount for collecting sales tax and for reforming the sales tax payment schedule for large retailers. These two actions bring in an estimated 112 million dollars in combined new revenue.
- The Senate did not follow suit. It did include an accelerated sales tax schedule that results in a one-time shift in tax revenue to enhance the budget, but without providing an ongoing revenue increase.
- Regrettably, the cigarette tax increase and restructuring of the estate tax have been rejected by both houses, forgoing 155 million dollars in revenue from the cigarette tax and 102 million dollars from restructuring the estate tax.
- The House could have enhanced spending by 257 million dollars and the Senate could have added 369 million dollars if they had made different taxing decisions.

Beyond the analysis, it is important to note that the House has included a tuition voucher measure in the budget that has been repeatedly rejected by the Assembly and that will take funds away from public schools.

We stand united in opposition to any proposal—tuition vouchers or tax credits—that will divert funds from public schools. The House, through a back-door process, has included a voucher bill in the budget, without allowing the proposal to stand or fall on its own merit.

When teachers and staff are being laid off and education programs for children are being slashed, it is no time to create a new entitlement for private schools.

Today, as we offer this analysis based upon the budget policy decisions proposed by the Governor and the two houses of the General Assembly, we deeply appreciate the approach taken by the Senate, taking the long view with full intention of restoring the cuts when the recession is over. Their refusal to alter existing funding methodology to the long-term detriment of K-12 funding is most appreciated.

However, make no mistake. These cuts will have a devastating effect on our schools and on the children they serve. Teachers will be laid off, programs will be eliminated, class sizes will increase, and schools will be less safe than they are today.

In our collective memories, we do not recall cuts to K-12 education of this magnitude. A few of us remember the cuts during the Godwin and Wilder administrations when, like today, we faced recessions. But never have we seen cuts to K-12 of as these proposals represent. We know that when updated revenue projections are released on the 16th these cuts will deepen.

Before we entered this recession, Virginia's state support for schools sadly ranked 37th in the nation—down from 32nd just last year—and we ranked only 30th in teacher salary, while Virginia is the 10th wealthiest state in the nation.

Virginians must face up to the fact that our tax structure is inadequate to support core state services. And, Virginians must decide if, in the years ahead, they will disinvest in the education of the next generation.