

**Fairfax County School Board Testimony to the  
Regional Public Hearings on the Governor's proposed 2008-2010  
Biennial State Budget and Amendments to the 2006-2008 State Budget  
House Appropriations and Senate Finance Committees**

Thursday, January 3, 2008  
George Mason University, Johnson Center

Good afternoon. I am Dan Storck, Chairman of the Fairfax County School Board. Thank you very much for the opportunity to speak to you.

This year, Fairfax County Public Schools faces a triple whammy of a local budget challenge. First, as you know, we are entering the third year of a downturn in the local housing market. Second, we are by law overly dependent on property taxes to raise revenue for schools. And third, the Federal government continues to pass the buck to localities to pay for their expensive mandates for special education, Title I, and Impact Aid. As a result, we face a \$100 million shortfall in FY 2009.

We've already cut our central office budgets by 5%. We have also imposed smaller cuts in funding for schools, trying not to harm academic programs. But these cuts cover less than half of the shortfall. In a system that spends nearly 90% of its budget in schools, Fairfax County cannot make additional cuts without affecting core academic programs.

Our situation highlights the importance of state aid for public education. We appreciate the Governor's decision to include full re-benchmarking in his proposed budget. But beyond funds tied to the biennial re-benchmark, there isn't much else in the proposed budget that will help to narrow the local budget shortfall here in Fairfax. And we remain concerned that some in Richmond may try to pare back the Governor's education budget.

As you contemplate re-benchmarking, please bear in mind that this task simply updates state formulas to cover increased costs we have already incurred, and that the Standards of Quality mandate a very low floor for spending, a floor that every locality in Virginia exceeds with local funds. Re-benchmarking does not address shortcomings in the formula and does not address shortcomings in the Standards themselves. It only funds the status quo.

The practical impact of 2-year-old data can be seen in Fairfax's recently updated Local Composite Index, which measures a locality's "ability to pay" for public education. Because the LCI change reflects data that measures our economic vitality as of one or two years ago, Fairfax's LCI has increased, resulting in approximately \$23.5 million less in state aid than had our LCI remained the same. To put this reduction in context, the Governor's proposed FY 2009 education budget, based only on the re-benchmark, represents just \$15 million in total new state funding for Fairfax. This represents less than 1 cent on the real estate tax, and less than the cost of a 1% raise for our employees.

We ask you to consider making changes to education funding formulas and the Local Composite Index to mitigate the impact of old data. We would also support changing the LCI to reflect the true measure of a locality's ability to raise revenue, not just its ability to pay. At the very least, localities need more flexibility over their mix of local taxes, to avoid having to rely too heavily on local property taxes. We hope you will also change the Standards of Quality themselves to more accurately reflect the true costs of local best practices.

Beyond the formulas, some of our other budget priorities this year include additional state funding for at-risk programs, particularly for teaching and assessing students who are learning English; updating the state's reimbursement rates for the cost of competing factor which recognizes the higher cost of living in Northern Virginia; and removing the state's enrollment cap on Governor's School funding reimbursements. Any of these budget changes would help to drive additional state funds back to Fairfax, narrow our local budget deficit, and help us to continue to provide the students of Fairfax with a world-class education.

Thank you again for the opportunity to speak to you this afternoon, and we look forward to working with you to make this a productive General Assembly Session.