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Virginia Association of Counties

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**Michael L. Edwards on behalf of VML and VACo  
Testimony before the Senate Finance Subcommittee on Education  
January 23, 2008**

Mr. Chairman and distinguished members:

Few if any state funding priorities are more important to localities than re-benchmarking direct aid costs. The budgets of the 95 counties, 39 cities, and two towns with schools systems are directly affected by re-benchmarking. The economic health and vitality of many communities depends upon a strong education system that is sufficiently funded.

Localities are grateful for state aid. We particularly appreciate the leadership that the Senate Finance Committee has shown in supporting funding for K-12 programs.

Even with your support, local governments have to spend considerably more on K-12 than required by the Standards of Quality. The standards represent minimum requirements. And given the choice, would any among us send our kids to a minimum standard school?

Key points:

1. On average, localities will spend 74 percent above the mandated level to meet the state requirements in FY 2008. In other words, every locality is "over spending." (Please see the slide regarding Required Local Effort (RLE) for the SOQ.)
2. Local dollars outpace state dollars as "Sources of financial support for education operating expenditures" (DOE):

In FY 2006, local dollars accounted for more than 50 percent of total operating costs, while state dollars accounted for more than 42 percent of total operating costs. (Federal dollars accounted for less than eight percent.) (Contrast the above with the state goal to pay 55 percent of the share of total costs for direct aid.)

3. As you know, one-third of the state general fund budget goes to public education. You may not know that localities with school divisions dedicate between 40 and upwards of 60 percent of all local revenues to public education.

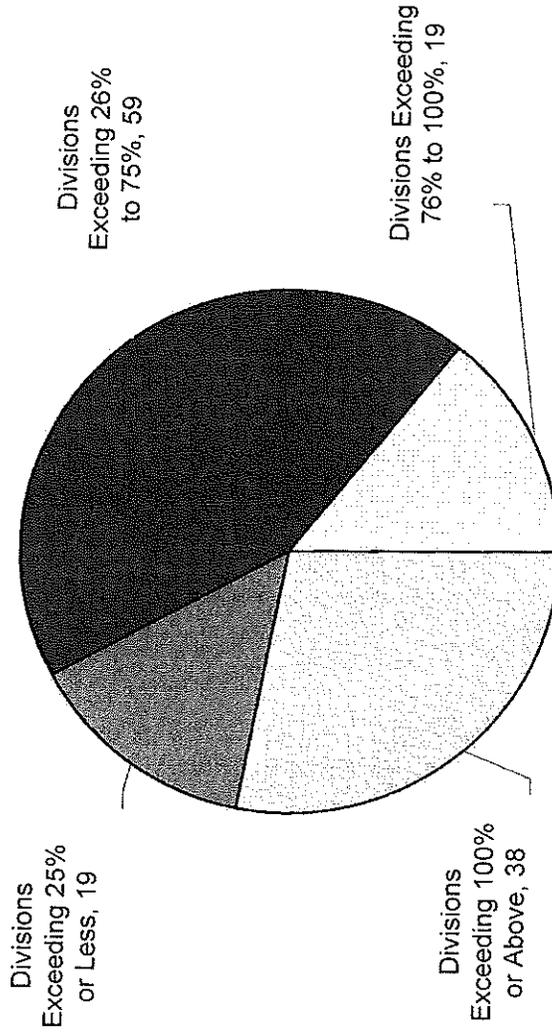
4. There are some who suggest that localities spend too much. They often point to teacher salary increases that exceed those funded in the state budget. However, teacher salaries are a function of the marketplace, and are not driven by whether or not the state provides regular increases. Salaries are probably the most important component of making sure that highly qualified teachers are in the classroom.

5. There are some who suggest cutting or eliminating the incentive programs and those categorical programs that are not required by the federal government. Many of these programs are aimed at closing the learning gap for at-risk students. The at-risk add-on has come under particular attack in some quarters. Superintendent Cannaday has presented to you a lengthy report that shows sustainable results from our collective investments for at-risk students. We urge you to continue to support these very important programs.

Thank you very much for allowing us the opportunity to address one of the most important functions that state and local governments perform.

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# Distribution - Percent of FY08 Budgeted Local Expenditures for Operations Above RLE



Source: Jan. 9, 2008, correspondence from Dr. Cannaday, Jr., to the Money Committees. Page 9.

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