

Fairfax Contributes Generously to Help School Children Throughout the Commonwealth

111 of 134 localities fund less than half their school budget from local taxes because of Virginia's commitment to reduce disparity.

% of total state funds for local schools that are distributed based on Local Composite Index:

FY2003	78-80% (estimate based on proposals to eliminate categorical and support programs)
FY2000	76%
FY1988	54%

Loss to Fairfax next year under State Budget: - \$21.6 million

Total loss to Fairfax for biennium under State Budget: - \$29.0 million

Half the loss is due to the change in composite index from .7171 to .7518;
half to loss of lottery and construction funds and to eliminating special programs.

Fairfax Needs to Also Help Itself

Children in trailers: 18,000

4,000 enrollment increase this school year will continue at least through 2006.

Must build a classroom-a-day.

Throughout the 1960's, Fairfax also built a classroom-a-day

These 40-year-old schools need major health, safety, and electrical renovation.

Children with Limited-English-Proficiency (11%): 17,000

More children per class at every grade level than over 3/4 of Virginia school divisions.



Catch - 22 of Composite Index

Equalization occurs through Local Composite Index (LCI). State funds are reduced to localities based on the degree the formula determines they should help themselves:

50% value of real estate for CY1999

40% adjusted gross income for CY1999

10% sales subject to sales tax for CY1999

- ✎ Even though 40% of equalization is determined by AGI of individuals, localities can only increase the real estate tax, which does not reflect the AGI of long time residents.
- ✎ Reduction of state school funding to Fairfax County for FY2003 through FY2004 due to a higher LCI is driven by high AGI reached in CY1999.
- ✎ Dollars spent in N.V. don't buy as much, but equalization doesn't reflected this. Instead the high cost-of-living drives up LCI to reduce help from the state and localities, like Fairfax, are left to spend over 12% more for same educational program supported by state funding elsewhere.

Note: "Cost to Compete" (recommended in 1988 and in 1995) does reflect actual salary differentials paid state employees in N.V. doing comparable work. Status: Funding began in 1996 but is not complete.

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"Composite Index of Local Ability-to-Pay" - An index figure computed for each locality. The composite index is the sum of 2/3 of the index of wealth per pupil in ADM (unadjusted for half-day kindergarten programs) reported for the first seven (7) months of the 1999-2000 school year and 1/3 of the index of wealth per capita (population estimates for 1999 as determined by the Center for Public Service of the University of Virginia) multiplied by the local nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true values of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 1999 - 50 percent; (2) adjusted gross income for the calendar year 1999 as reported by the State Department of Taxation - 40 percent; (3) the sales for the calendar year 1999 which are subject to the state general sales and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the state average per ADM, or per capita, for the same element. A locality whose composite index exceeds 0.8000 shall be considered as having an index of 0.8000 for purposes of distributing all payments based on the composite index of local ability-to-pay. Each constituent index element for a locality used to determine the composite index of local ability-to-pay for the current biennium shall be the latest available data for the specified official base year provided to the Department of Education by the responsible source agencies no later than December 15, 2001.