



ORANGE COUNTY PUBLIC SCHOOLS
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TO: Orange County Public School Employees and Parents
FROM: Dr. Robert P. Grimesey, Jr., Superintendent
SUBJECT: Update on FY 2010-2011 Budget Development Process
DATE: March 9, 2010

Employees, parents and many other citizens have engaged in a remarkable level of participation in this year's school budget development process. While proposed state funding reductions threaten to diminish our capacity to serve children, we have been inspired by the outpouring of support that so many have demonstrated for public education in Virginia and in Orange County. This informational letter is intended to follow up on the many meetings that School Board members and I have conducted with employees, parents and others since the beginning of the year. I hope you find it to be helpful.

Final resolution to our FY 2011 budget process will not occur until after the scheduled conclusion of the Virginia General Assembly session on March 13 and final budget approval by the Orange County Board of Supervisors on April 13. The School Board will not act on its final budget until May 5. All employees, parents and other citizens are encouraged to remain actively engaged in the process through its conclusion. The following bullets summarize our budget development context at this time.

- The advertised budget adopted by the School Board on February 2 reduced almost \$4.1 million from our FY 2011 budget. The budget was based on Governor Kaine's introduced state budget and a request for level funding from the Board of Supervisors. The \$4.1 million shortfall resulted from a projected \$2.3 million decrease in state funding and a forecast of \$1.8 million in fixed and essential cost increases.
- The advertised budget also included a plan for further anticipated reductions from either the state or local governing bodies. The complete budget plan identified a total shortfall of \$6.5 million. The first \$4.1 million plan reduced staff by 53 positions, including 25 teachers. The complete \$6.5 million reduction plan decreased staff by a total of 81 positions, including 51 teachers.
- County Administrator Julie Jordan presented her budget to the Board of Supervisors on February 25. She proposed level funding for schools at \$17.2 million. She also asked the Supervisors to consider a 4-cent increase in the property tax rate. Ms. Jordan's budget is now under review by the Board of Supervisors. While level local funding is by no means certain, we are grateful to Ms. Jordan and the Supervisors for their careful consideration of our request. At the same time, it is important for everyone to understand that level local funding does nothing more than keep matters from becoming worse.
- As many of you know, the outgoing Governor introduces the state budget. The new Governor and each chamber of the General Assembly then propose amendments to the introduced budget. Those budget amendments were proposed during the past three weeks.
- Governor McDonnell presented his budget amendments on February 17. His changes would require Orange County Schools to cut an additional \$1 million in state revenue from our FY 2011 budget.
- The Senate has proposed budget amendments that would minimize additional cuts for public education through temporarily reducing payments to the Virginia Retirement Service (VRS)

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and through a set of increased fees. The Senate has included language that would ensure that funding reductions to public education would be temporary. The Senate's budget amendments would decrease state funding to our school division by an additional \$615,266.

- The House of Delegates has proposed budget amendments would reduce state funding to our school division by another \$806,838. The House's plan relies on reduced payments to VRS and calls for more permanent adjustments to the state funding formula for schools. It also imposes cuts to at-risk and pre-school programs at a time when schools are being held accountable to ensure the academic achievement of all students.

A conference committee of representatives from the Senate and the House currently are developing a compromise budget. We are fortunate that our own Senator Edd Houck is one of the conferees. However all of our state legislators, including Senator Houck, Delegate Rob Bell and Delegate Ed Scott will cast votes when the final budget is presented some time in the next few weeks.

Trying to maintain our current level of funding will continue to be a challenge for at least the next one to three years. Federal stimulus funds will be exhausted. Economic recovery is likely to remain sluggish. The General Assembly will need to restore local contributions to VRS. The partnership that teachers, support staff, parents and others have built in recent months will remain essential as we seek to maintain or restore state and local funding for public education. If any good emerges from these difficult early months of 2010, it will depend on our capacity to work together.

Time remains for you to exercise your right to express your position with our state legislators, with members of the Board of Supervisors and with School Board members. You also have the right to communicate directly with members of the General Assembly's Budget Conference Committee. As members of this committee, they represent all Virginians and not just those in their respective districts. You may find contact information for all of these elected officials by clicking on the links below.

[Elected Officials Contact Information](#)

[VA General Assembly Budget Conference Committee Members Contact Information](#)