



## COUNTY OF PRINCE WILLIAM

### Gainesville District Supervisor

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Pete Candland  
Gainesville District  
Supervisor

March 24, 2013

Ms. Melissa S. Peacor  
County Executive  
Ms. Michelle A. Casciato  
Director, Office of Management and Budget  
1 County Complex Court  
Prince William, VA 22192

### SENT VIA EMAIL

Dear Ms. Peacor and Ms. Casciato:

Over the past few months, we have been discussing the challenges of properly funding our schools and the best way of doing so while keeping the tax burden on citizens to a minimum. It has become apparent in recent months that this is an issue that the Board of Supervisors is concerned about and committed to addressing.

In my FY2014 "Putting Prince William Families First" budget proposal, I provided a way to increase funding to our schools through the Education Challenge Grant. This program would match dollar for dollar all new funding, over the FY2013 budget that targets classroom size reduction initiatives and in-classroom teacher pay increases, up to almost \$25 million. Although I believe this method would allow us to specifically target the areas that need to be addressed, I understand that there are other methods to consider.

As a part of my preparations for the budget meetings in April, I am seeking some information from you on the proposed recommendations for spending reductions you would make in your adjusted FY 2014 budget for the following budget scenario:

**Commencing with the FY 2014 budget, the Revenue Sharing Agreement (RSA) between the Prince William Board of County Supervisors and the School Board would be adjusted upward from the current percentage of 56.75% to a 62% share of the county's general revenue.**

It is my strong belief that we are facing extraordinary times that require us to take bold action when it comes to increasing funding to our Prince William County classrooms. I want to make it clear that while I personally have serious concerns with some of the funding priorities for the schools in Superintendent Walts' current FY 2014 budget, I do

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know that the quality of education of our children will not improve until we are able to increase funding from the county.

Ultimately, I believe the best public policy decision would be to investigate the effectiveness of the RSA and the opportunity for the Board to exercise more oversight over the proposed budget, to the extent allowed under current Virginia statutes. It is my understanding that Prince William County is one of very few local jurisdictions in the Commonwealth that currently provides funding under a fixed percentage arrangement with a local School Board.

With our current RSA, Prince William County now has the largest classroom sizes in the Commonwealth, with teachers who struggle to receive a competitive salary. Although I believe we need to re-examine this agreement in order to increase funding to our schools and do it in a manner that addresses our in-classroom issues, I recognize that the majority of my colleagues on the Board have not yet embraced this change in policy.

I also recognize that increasing funding through a larger percentage to the schools in the RSA will require a significant reordering of the spending priorities by the Board. It will require the Board to exercise substantial discipline and sacrifice to make the very tough choices between funding lower priority programs that offer significant services to county residents, against the priority of educating our children by reducing classroom sizes and paying our teachers more.

In the presentation provided in the March 12, 2013 Budget Update<sup>1</sup>, Ms. Casciato presented projections in response to a request from Supervisor Caddigan to analyze the revenue increase to the school budget if the RSA percentage was increased to 60% from the present 56.75%. It appears that each percent increase in the RSA yields approximately \$8.5 million in additional revenue to the schools, and a 62% RSA formula would add approximately \$42.1 million for the schools under the approved 3.6% assessment rate cap.

Under my scenario of increasing the RSA share to 62%, the increase to the Schools would be proportionately adjusted at each of the tax rates that have been discussed, with the baseline for the assessment rate cap of 3.6% on down, including either of the Flat Tax Bill proposals by Chairman Stewart or myself.

Could you please provide a set of recommendations on what spending reductions would have to be taken to account for the increase in the RSA from 56.75% to 62% similar to the analysis<sup>2</sup> that Ms. Casciato presented to the Board on February 12, 2013.

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<sup>1</sup> March 12 PWC Budget Update, presented by Ms. Casciato to the BOCS, page 5.

<sup>2</sup> Recommended Reductions to Achieve 3%, 2% & 1% Average Residential Tax Bill Increases, Office of Management and Budget, February 12, 2013.

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I would ask that you observe the following criteria in the development of your recommendations:

- Identify budget reductions solely from program funding in the operating budget, and not from capital projects;
- Exempt the following Agencies/Programs from funding reductions:
  - Fire and Rescue
  - Police (including the proposed School Resource Officers)
  - Public Safety Communications
  - Libraries
  - Public Parks used for recreation for families and sports leagues
  - Middle School Fields Proposal

To the extent it is possible, I would ask that you adhere to the risk matrix that was presented to the Board to provide a metric for the risk to the community if a program was discontinued.

In addition, by copy of this letter to County Attorney Angela Horan, I would like to inquire as to the strongest permissible language that could be attached to a motion that increases the RSA from the current 56.75% share to the new 62% which would inform the School Board of our expectation that these additional funds would be used to target to class size reduction programs and increasing classroom teacher compensation. I understand the current limitations on the BOCS in reviewing the school budget under the existing RSA, but my question is directed to what guidance is permissible within an amended RSA.

Thank you for all your work during this budget season and please feel free to contact me with any questions or for any clarification.

Sincerely,



Pete Candland, Supervisor  
Gainesville Magisterial District

cc: Angela Horan, County Attorney  
Members of the BOCS  
Members of the PWC School Board  
Superintendent Steven L. Walts  
Gainesville Magisterial District Constituents