

January 28, 2010

The Honorable Bob McDonnell
Governor's Office
Third Floor, Patrick Henry Building
P.O. Box 1475
Richmond, Virginia 23218

Dear Governor McDonnell:

As the Mayors and Chairs of Northern Virginia, we are writing to express our strong and unified opposition to former Governor Tim Kaine's proposal to delay the biennial adjustment of the local composite index (LCI). The proposal to delay implementation is unprecedented, and impacts to a greater degree school divisions that are seeing the most intense growth in student enrollment.

The composite index of local ability to pay (LCI) is the measure used to determine the state and local shares of K-12 education costs. The LCI is based on objective data such as adjusted gross income, taxable retail sales and true value of real property. The LCI for all Northern Virginia school divisions in the D.C. suburbs that are not at the 0.80 level decreased for FY 11 and FY 12 due to the precipitous drop in Northern Virginia real estate values.

The change in the LCI is part of the routine distribution in education funding that takes place every two years, reflecting fluctuations in localities' wealth. In every biennium over the past forty years, some localities have gained funding while others have lost funding. By relying on an agreed upon formula, the divisiveness of locality versus locality is avoided. The LCI has always been fairly implemented and local governments and school divisions have depended upon it for long range financial planning. However, this proposal has injected a higher level of uncertainty into the school funding process, forcing the D.C. suburbs in Northern Virginia and 31 other localities to adjust for this massive and unprecedented last minute change. This proposal, if allowed to stand, will forever politicize the K-12 school funding formula.

All nine school divisions in Northern Virginia's eighth planning district are negatively impacted by this flawed policy decision. These nine divisions are expected to see a cumulative enrollment increase of 10,263 in FY 11 compared to FY 10, while suffering a cumulative loss of \$122.4 million from this policy proposal. In fact, 85 percent of the funding lost by the 40 school divisions comes at the expense of these Northern Virginia localities. The injustice of delaying the LCI cannot be allowed to stand, and we

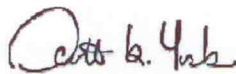
respectfully request that you oppose this unprecedented and fundamentally unfair policy proposal, by supporting several budget amendments to overturn it.

Throughout the years, local government and school divisions have depended upon the LCI to provide certainty in uncertain times. Now is not the time to replace certainty with a highly politicized process.

Sincerely,



Corey A. Stewart
Prince William County



Scott K. York
Loudoun County



Sharon Bulova
Fairfax County



Jay Fisetle
Arlington County



William D. Euille
City of Alexandria



Harry J. Parrish II
City of Manassas



Robert F. Lederer
City of Fairfax



Robin S. Gardner
City of Falls Church



Frank Jones
City of Manassas Park