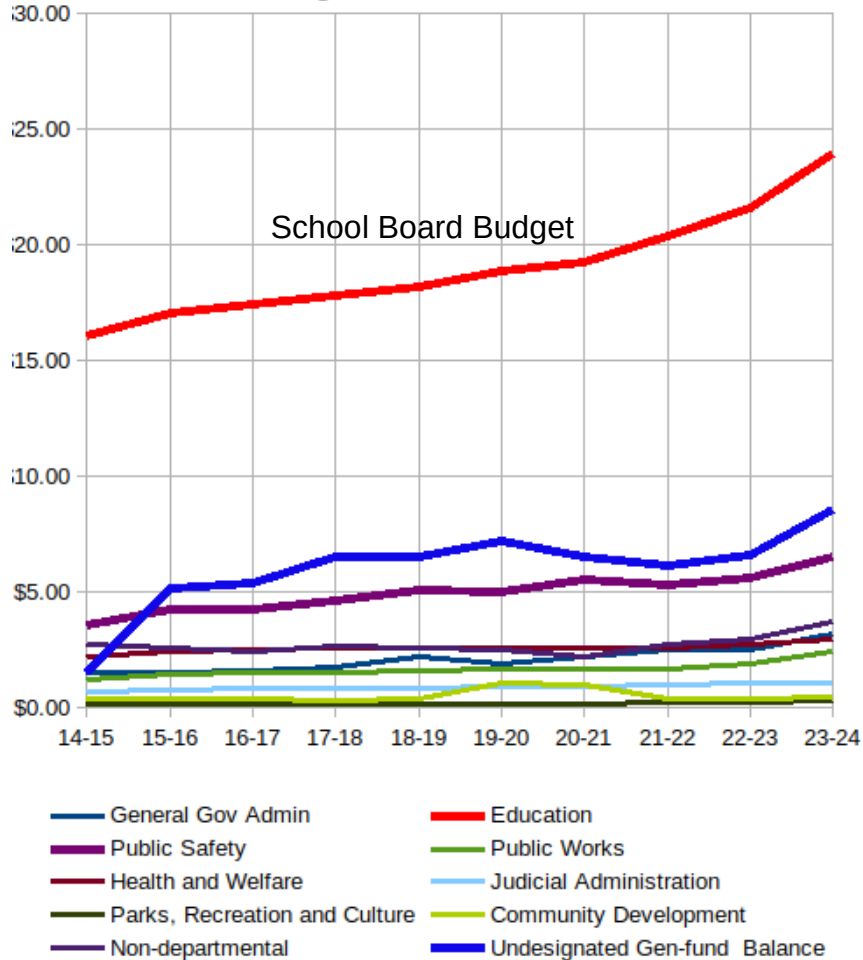


The School Board Budget Problem is a County Budget Problem.

May 7, 2024

Budget Trends since FY15



School Board budgets have escalated by an average 11.5% a year even as the number of students decrease.

The Northumberland School Board budget consumes county funds which are collected mainly in the form of Real Estate Taxes – bigger budgets mean higher taxes.

The money used by the School Board necessarily decreases the amount of money available to other county activities – Public Safety and Health for example.

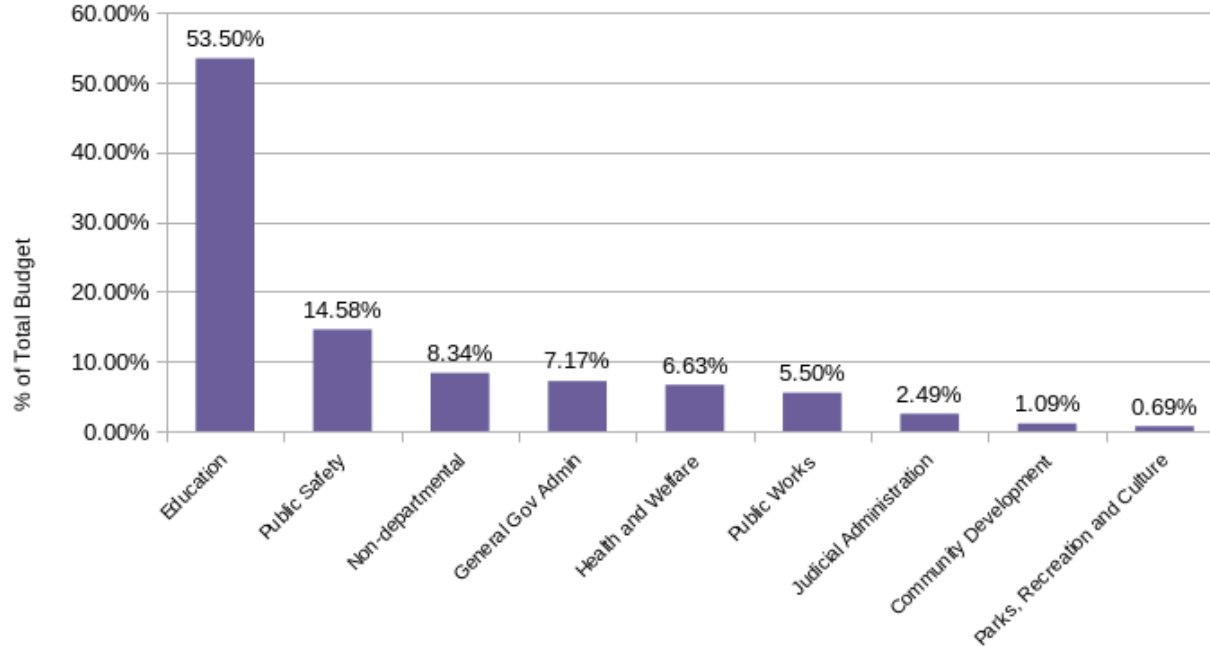
School Board budget increases are not necessarily directly related to Instruction – the largest increases are in non-instructional costs.

Looking at it in a different way:

2023-24 County Budget Expenditures - % of Total by Department

Sorted Highest to Lowest

The SB Budget consumed more than the total of all other
County Departments and Agencies combined;
53% vs 46.5%.



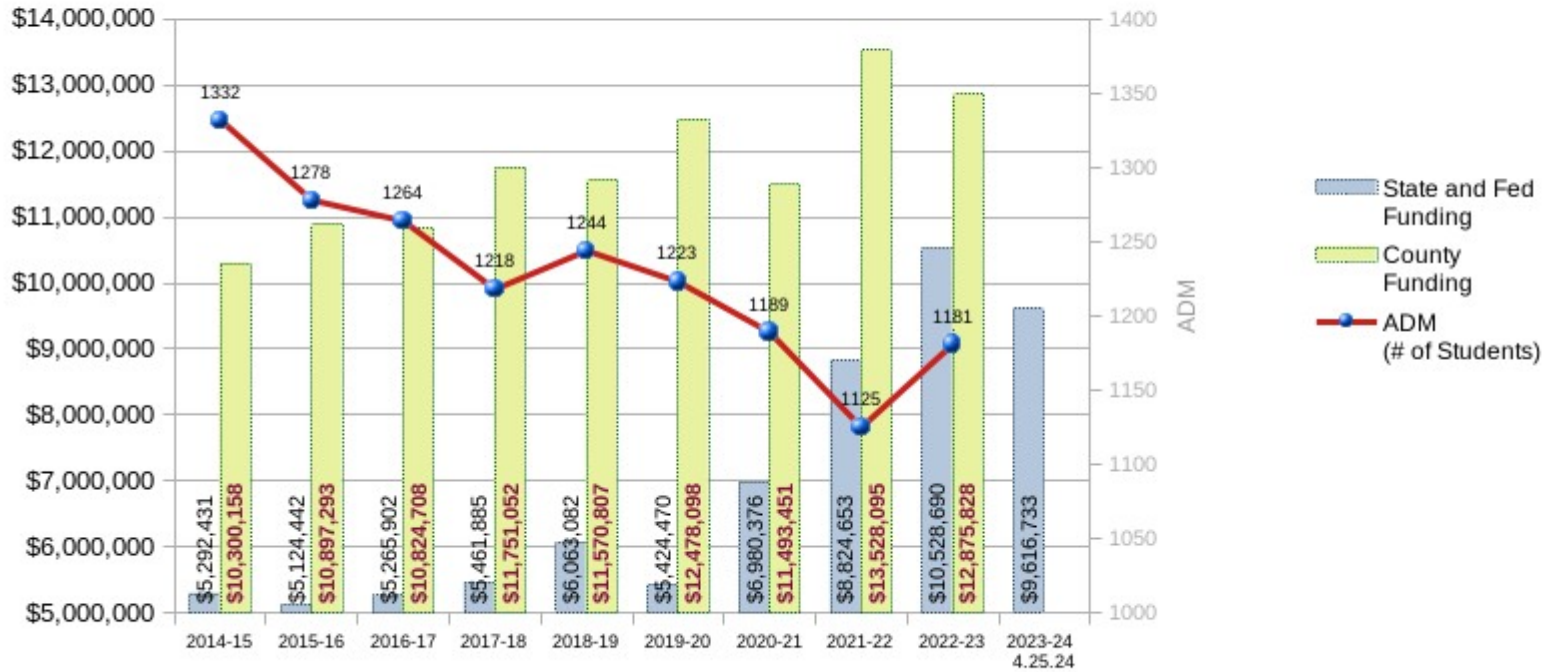
The School Board Budget Problem is a County Budget Problem

- A ten year look at School Board Revenues using auditor's reports shows that since 2014, Northumberland County has contributed a whopping **\$105,719,490 Million Dollars to the School Board Budget.**
- An additional **\$68,582,663 Million Dollars** (which included emergency Covid funds) was contributed by State and Federal Agencies.

The total funding from all sources to Northumberland County Schools
from 2014 through April of 2024 is
\$174,302,153 Million Dollars
and nearly every penny of it is paid for by YOU in the form
of Federal, State and County taxes.

10 Year, \$106 Million Dollar Northumberland Taxpayer School Board Funding and ADM

County contribution data from audit reports, Schedule 1; Audited Actual County Total is \$105,719,490
 State and Federal Funding and ADM data from VA Department of Education



Data From the Virginia DoE and County Audits
 The 2023-24 YTD Figures for State and Federal dollars are net of County Contribution

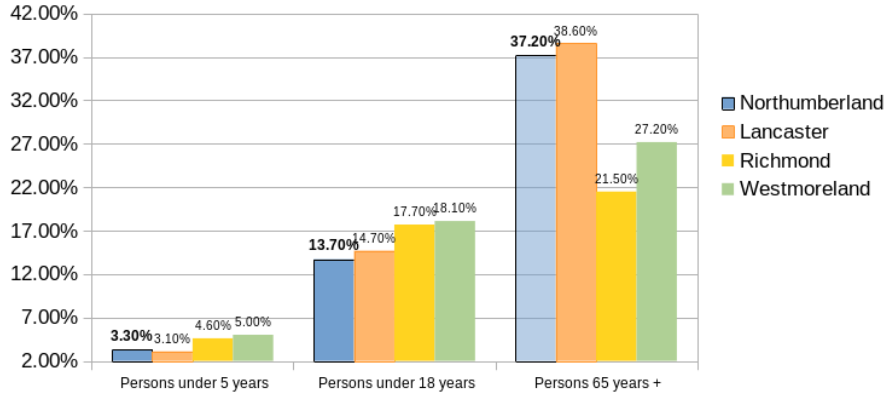
The previous chart shows a sustained decrease in the number of students. But it isn't just the school population that has dwindled in the past ten years.

According to the US 2020 Census:

- Northumberland had the lowest number of school age residents and the second largest number of residents over the age of 65.
- Northumberland has the highest home owner cost, the highest gross rent, the smallest number of employer establishments and the lowest annual payroll when compared to Westmoreland, Richmond and Lancaster counties.
- *With these kinds of statistics, expecting tax revenue to fund the County portion of escalating School Board budgets is unrealistic. Especially since the number of taxpaying aged citizens under the age of 65 continues to erode.*

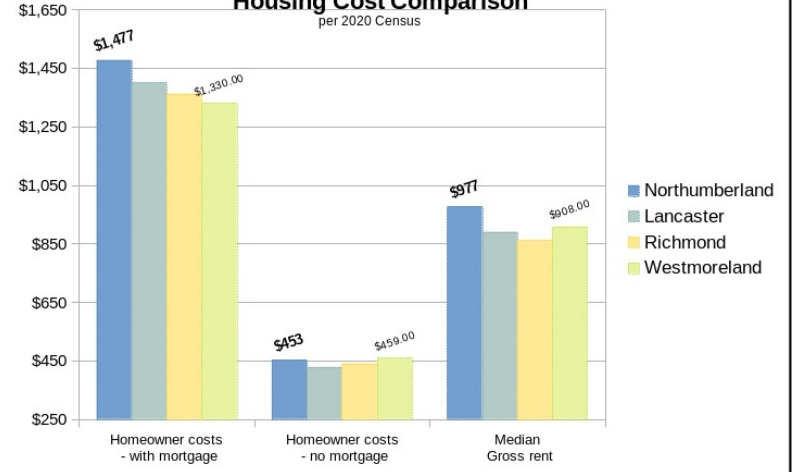
Population Comparison

per 2020 Census



Housing Cost Comparison

per 2020 Census



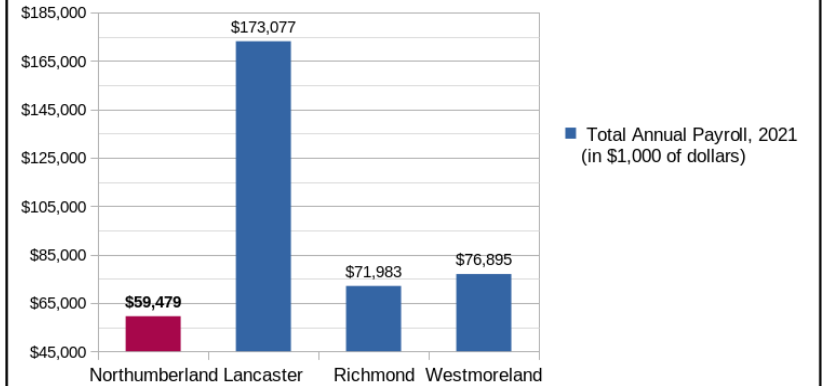
Total Employment Percent Change 2020-2021

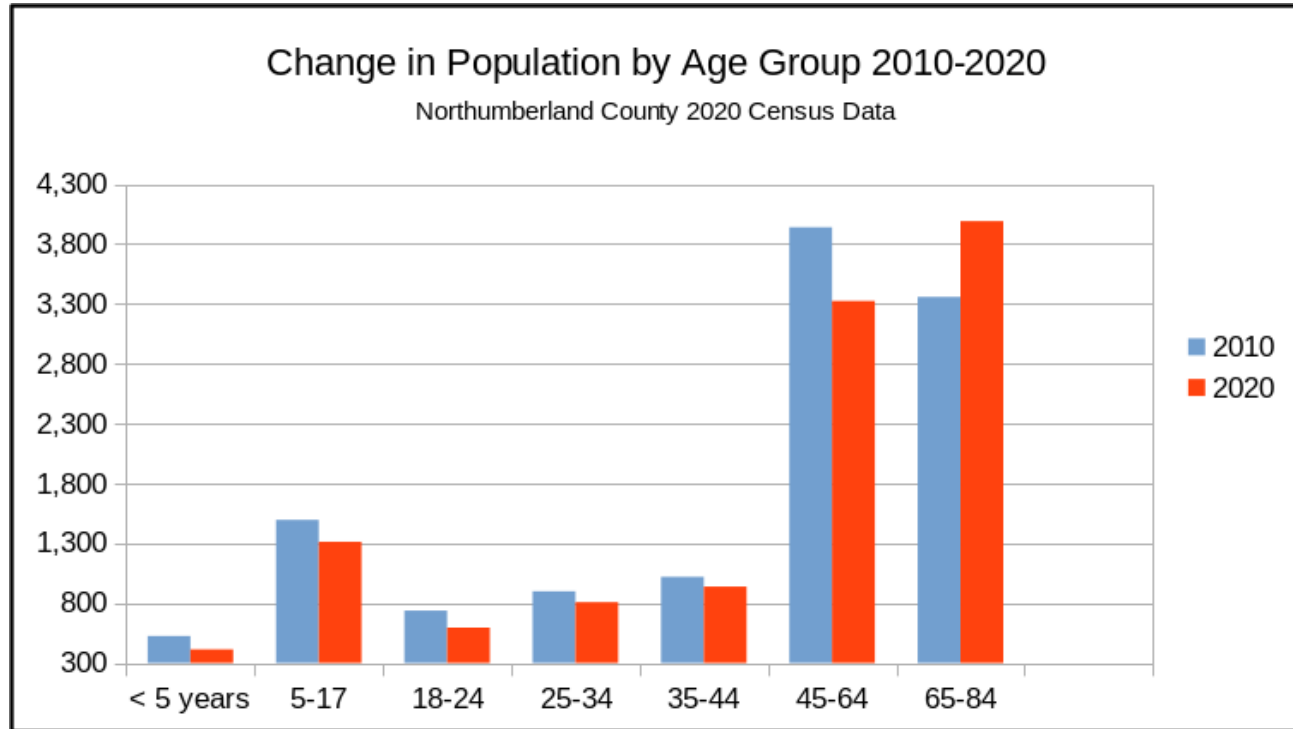
Per the US Census



Total Annual Payroll, 2021

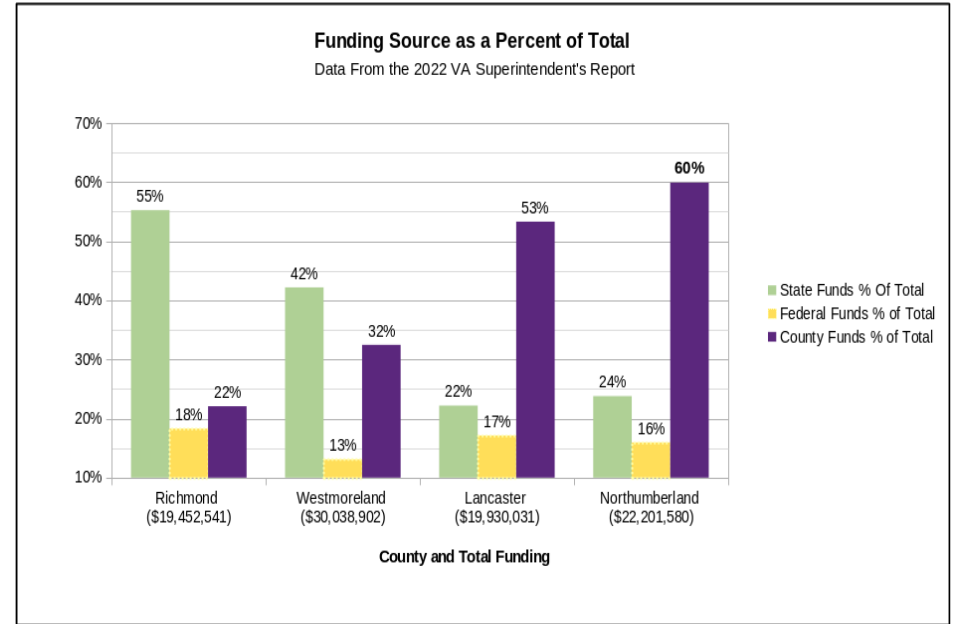
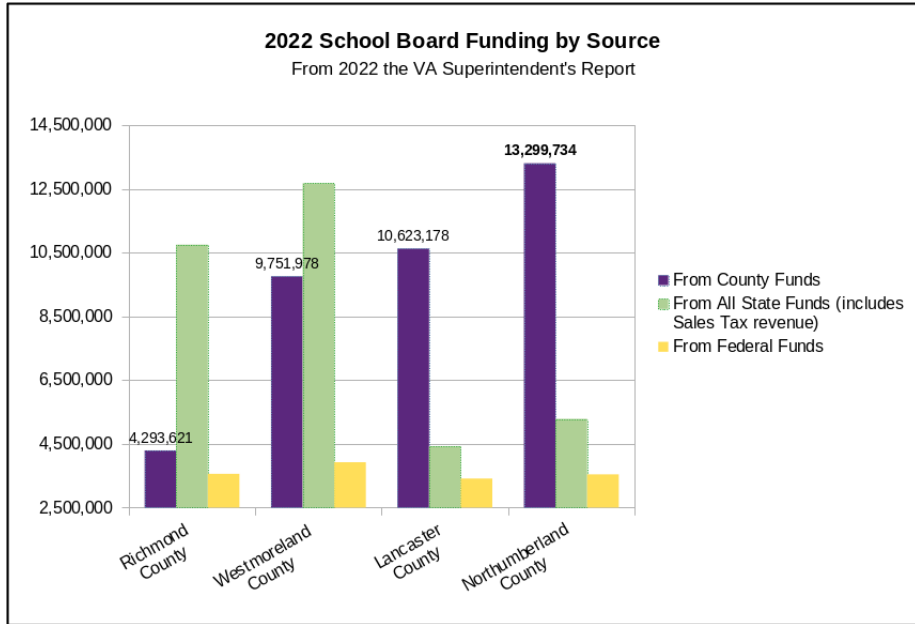
Per 2020 Census





Since 2010, Northumberland County has lost residents in every age category except those over age 65. *Working age and school age residents have both decreased while the number of retirement age residents has increased.*

And yet Northumberland is the most 'generous' county by far when it comes to funding the SB Budget



What does the data show?

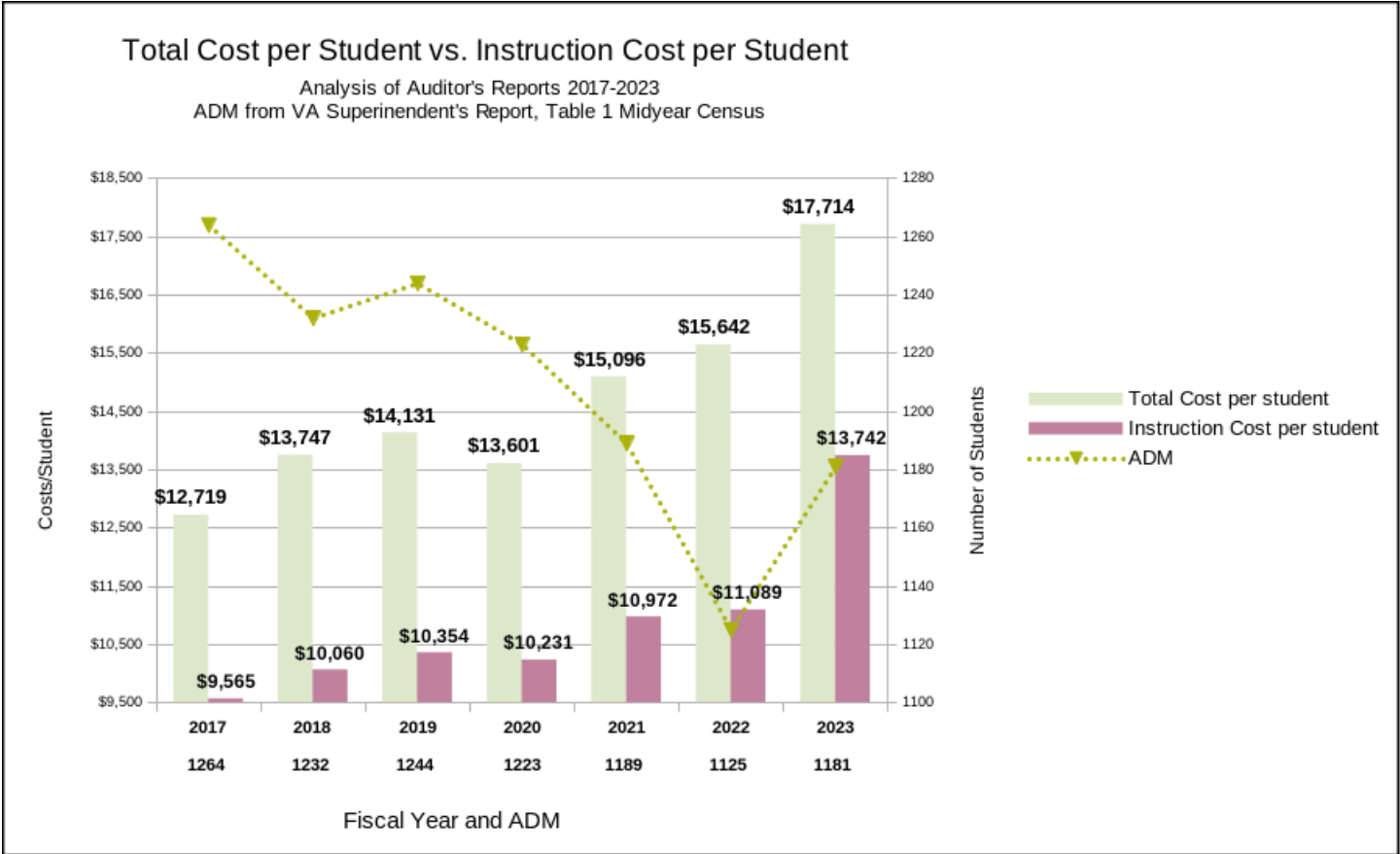
The data shows that since 2017 within the overall SB budget, a total of **\$92.9 Million dollars** has been allocated to instruction. However, actual annual Instruction expenditures have never topped \$13 Million dollars....until last year when Covid funds were available to the schools.

The data also shows that last year, Instruction was *underspent* by \$445,330 and that, as in prior years, the non-instructional cost per student keeps going up.

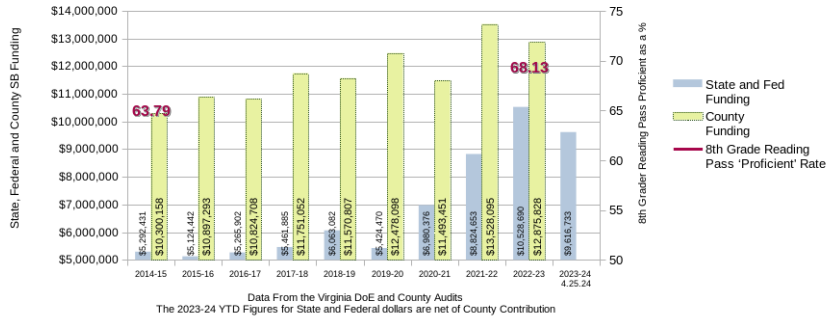
- If historic pre-Covid actual expenditures on the Instruction line never exceeded \$13 Million dollars AND
- The student population is decreasing, AND
- Instruction was underspent in 2022 and 2023,
- Then the School Board's 2024-2025 Instruction request for \$16 Million dollars for instruction is unjustifiable. And the County can't afford it.

More Money is not the answer. The five year \$92.9 Million dollar County Instruction investment has not significantly increased Northumberland County student's reading and math abilities.

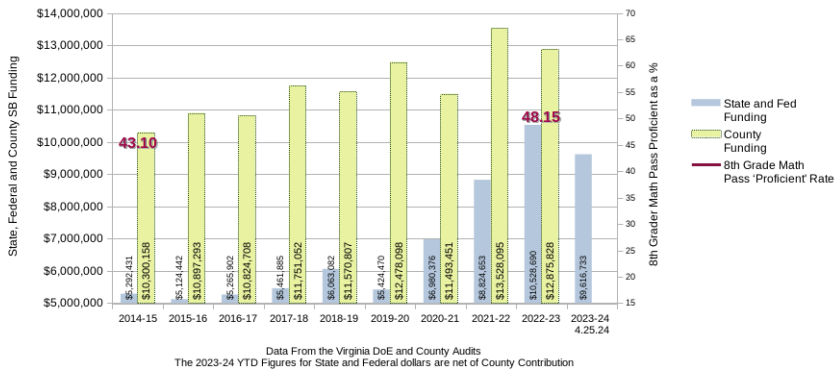
Not all funds allocated to Students are spent on Instruction.



A. 10 years
B. \$106 Million Northumberland Taxpayer Dollars
C. One Third of 8th Grade Students are not Reading Proficient

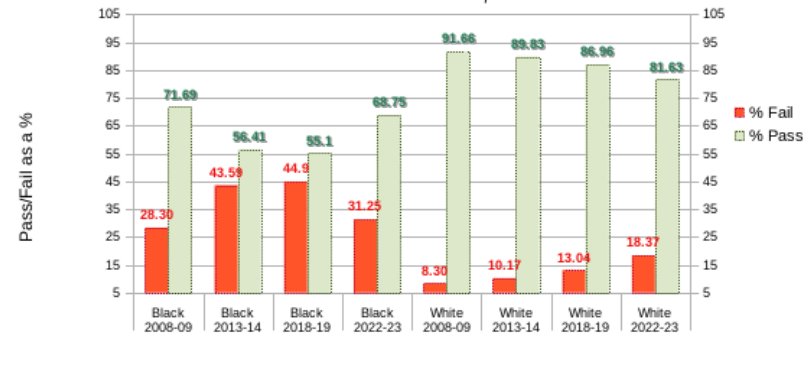


**10 Years + \$106 Million Northumberland Taxpayer Dollars =
 Half of 8th Graders are not Math Proficient**

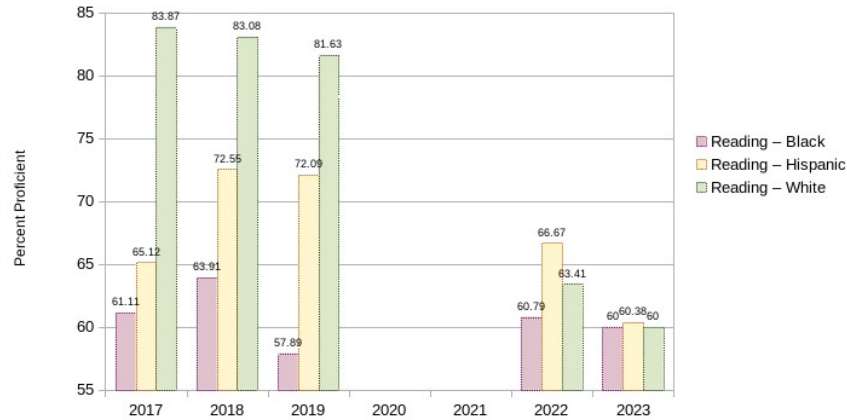


8th Grade Reading Pass/Fail Rates - 5, 10 and 15 Years Ago
Are our Students Better Off Now?

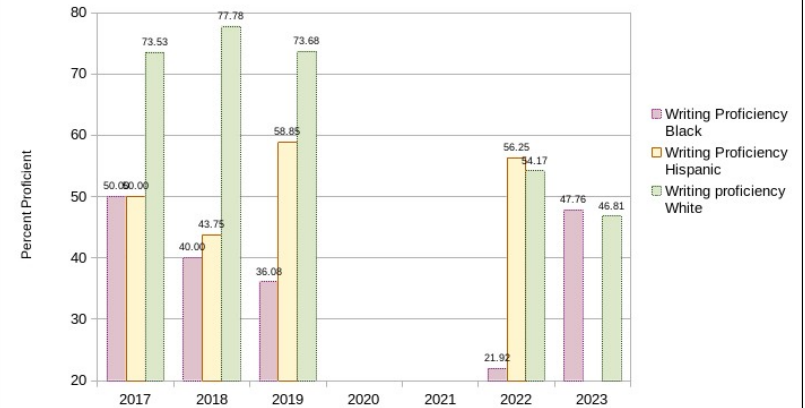
*From the Virginia Superintendent's Annual Report
 2022-23 is the most recent published*



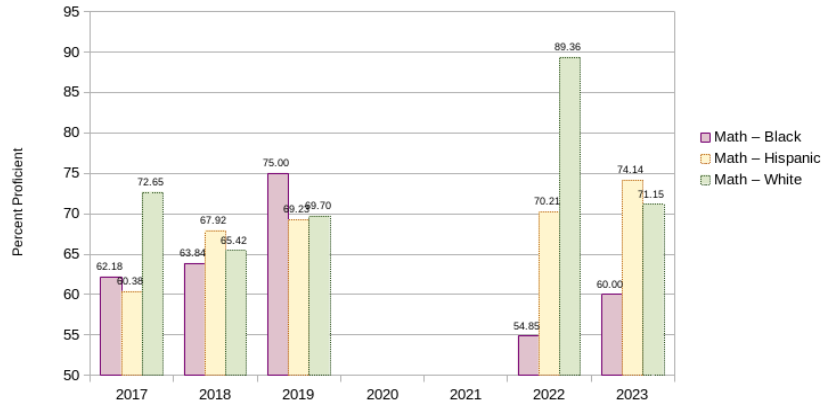
Northumberland 8th Grade Student Reading Proficiency
Per the Virginia Dept. of Ed.



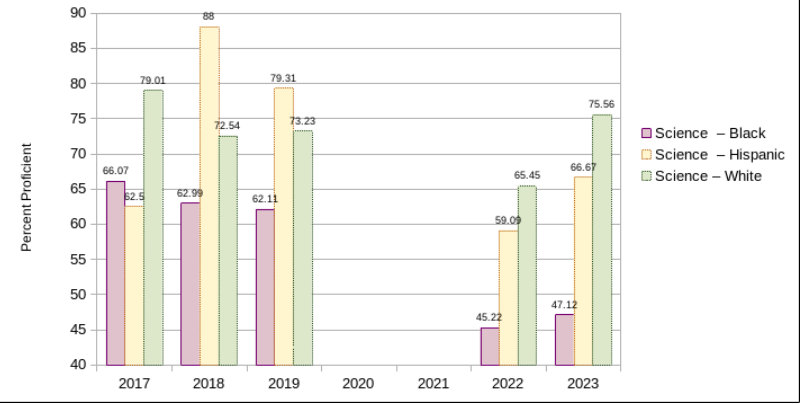
Northumberland 8th Grade Student Writing Proficiency
Per the Virginia Dept. of Ed.



Northumberland 8th Grade Student Math Proficiency
Per the Virginia Dept. of Ed.



Northumberland 8th Grade Student Science Proficiency
Per the Virginia Dept. of Ed.



In January 2024, The Virginia Department of Education published and delivered a report to the General Assembly. The Report is titled “Competitive Teacher Pay”.

- Some conclusions in the report are directly related to Northumberland’s School Board Budget requests
 - Looking at the highest and lowest average salary divisions, there is not a high correlation between average teacher salaries and reading and mathematics pass rates.
 - Looking at English and Mathematics pass rates among the divisions with the highest and lowest per pupil spends, the lower divisions average lower pass rates but in some cases these divisions still have higher scores than the highest paying divisions.
 - Salaries alone do not impact teacher retention.
 - (Source: <https://rga.lis.virginia.gov/Published/2024/RD72/PDF>)

Of course, education of our children is important.

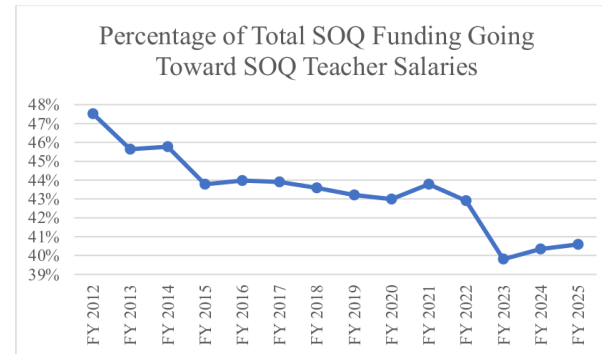
But are County tax dollars funding Teachers or administration?

This is not a situation unique to Northumberland. But it is a situation that Northumberland can and should address.

A Lower Percentage of Funding is Going to Teachers in the SOQ Formula

Non-teacher costs include state and local share of the SOQ teacher fringe benefits, utilities, transportation, positions such as library media specialists and school counselors. Total SOQ funding is made up of SOQ salary funding for SOQ positions and these non-teacher costs. Looking at FY 2012 to FY 2025 the percentage of funds going to SOQ salaries decreased from 47.5% to 40.6%, a drop of almost 20%. In FY 2023, \$4.7M went towards SOQ salary funding (40%) and \$7.1M (60%) went toward non-teacher costs. From FY 2012 to FY 2025 the “Non-teacher” funding nearly doubled, going from \$4.2M to \$8.2M. This represents a 94% increase while SOQ salary funds only grew by 47% during this period. *This trend of fewer incremental funding dollars going toward classroom instruction and more incremental funding going toward non-classroom-based expenditures including administrative costs, overhead costs, and non-classroom-based positions continued while the underlying student enrollment population has declined. This ratio needs to reverse.*

Figure 9. Percentage of Total SOQ Funding Going Toward SOQ Salaries¹²



“Next Steps” from the General Assembly Report can impact the overall Northumberland County Budget if they are implemented by the School Board.

3. School divisions should review staffing decisions to come into line with declining student Populations.

4. School divisions should ensure that funding focuses on staffing in the classroom rather than non-instructional costs.

6. Better data is needed for more transparent funding. The department needs real time access to teacher staffing and salary levels instead of a formula calculated on a two-year delay, and school divisions needs a stronger funding formula based on student numbers and individual student education needs.

7. The revised student-based funding model should accurately relate inputs to outcomes and be tied to those student outcomes so schools are incentivized to perform well.

If steps are not taken to curb spending, by 2029 the County could be looking at a School Board bill of more than \$19 Million Dollars.

If you think this is a ridiculous premise and could never happen in Northumberland County, think again.

The current SB budget County 'ask' is only \$7000 dollars less than the ENTIRE 2017 education budget which was funded with Federal, State and Local funds.

Let that sink in.

