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# ‘No loss is no help to Rappahannock’

## How Virginia’s No Loss Funding formula impacts RCPS

BY RACHEL NEEDHAM

*Rappahannock News Staff*

There are only 22 school districts in Virginia that don’t qualify for No Loss Funding in any of the state’s budget options being considered by the General Assembly. Rappahannock County Public Schools is one of them.

Out of the 133 public school divisions in Virginia, 111 have seen significant declines in attendance over the

course of the COVID-19 pandemic. Statewide, public school enrollment — measured in a unit school administrators call “average daily membership,” or ADM — has declined more than 3.5%, with some school districts losing as much as 10% of their student populations since March.

This is a big deal because the state government uses ADM to determine

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# NO LOSS

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how much basic aid to send to each school district — the more students in a district, the more funding the district needs to educate them. Losing students means losing money from the state.

In September 2020, when school administrators across the commonwealth first started noticing that their enrollments were lower than they had anticipated, superintendents sounded the alarm, worried their districts could lose millions of dollars in state funding that they had been relying on to balance their budgets.

So in order to protect school divisions from unanticipated budget cuts in the midst of the pandemic due to enrollment decreases experts believed would be temporary, Governor Ralph Northam proposed a budget amendment in December with a provision to hold school districts harmless for enrollment losses. Simply put, under the “hold harmless” provision, school district budgets wouldn’t be financially penalized for enrollment losses during the pandemic. This became a line item in the state’s K-12 budget now known as “No Loss Funding.”

But the formula legislators are using to determine which divisions even qualify for No Loss Funding is at best confusing and at worst



FILE PHOTO BY LUKE CHRISTOPHER

**RCPS is the only school division in the state that lost enrollment and yet is ineligible for No Loss Funding under the state’s formula.**

opaque — and what’s more, advocates for small and rural schools say it is inequitable.

According to RCPS Superintendent Shannon Grimsley, who spoke with a budget analyst at the Virginia Department of Education, legislators determine a school district’s eligibility for No Loss Funding by comparing a recent estimate

of district’s state aid — based on ADM from September 2020 — to a budget devised during the January 2020 special session called Chapter 56. In other words, they weigh a pre-pandemic budget projection to a mid-pandemic budget estimate.

If that’s not confusing enough, there’s a catch: the items in Chapter 56 are considered government working papers and aren’t available to the public. (Portions of Chapter 56 have been included in the recent proposed budgets, but not all of it.)

A school district is only eligible for No Loss Funding if the amount of aid in the recent estimate is smaller than the amount that the legislature budgeted for in Chapter 56. If there is no difference, or if the estimated aid is greater than the amount in Chapter 56, then a school district doesn’t qualify.

Keith Perrigan, president of the Coalition for Small and Rural Schools, sent an op-ed to his fellow Virginia superintendents and to the Richmond Times-Dispatch excoriating the No Loss Funding calculation. “The very name of the No Loss funding stream sends a message of equity, but in practice it may be the most inequitable portion of the entire budget,” he wrote.

“If you assume that No Loss funding ensures that divisions don’t lose money due to lost enrollment associ-

ated with the pandemic, you would be assuming incorrectly.

Perrigan continues: “To further exacerbate this issue of inequity, enrollment projections that are used for building the state education budget demonstrate significantly more error for high poverty and rural divisions than for other divisions. Enrollment projections for high poverty and rural divisions can be almost four times less accurate than projections for affluent and non-rural divisions.

“In 2018, rural enrollment projections were off by 4.4% while non-rural estimates were off by only 1.2%, and enrollment projections for divisions with the highest poverty were off by 6.6% while estimates for divisions with the least poverty were only off by 1.8%. These subtle inaccuracies contribute to significant inequities for calculating No Loss funding during a pandemic.”

Ostensibly, the state formula determined that the 22 ineligible school divisions simply didn’t lose enough enrollment to qualify for funding using budgets based on projections. Projections which showed that in fact, 21 of the 22 divisions actually gained enrollment over the course of the pandemic.

The one exception? Rappahannock County Public Schools.

RCPS is the only school division where the state acknowledges enrollment losses and yet has disqualified Rappahannock schools from receiving No Loss Funding.

When asked about the anomaly, Delegate Luke Toria, Chair of the House Appropriations Committee, said that Rappahannock’s estimated state aid “did not decrease from the amount in the Special Session 2020 budget,” so there was no need for No Loss Funding.

“Most of the no-loss funding was driven by the actual September 30 enrollment counts coming in lower than projected,” Torian said. “In Rappahannock, the actual fall enrollment was 728, only 5 students lower than the 733 students that were projected, or only 0.62% lower than projected.”

Other experts have merely called Rappahannock an anomaly.

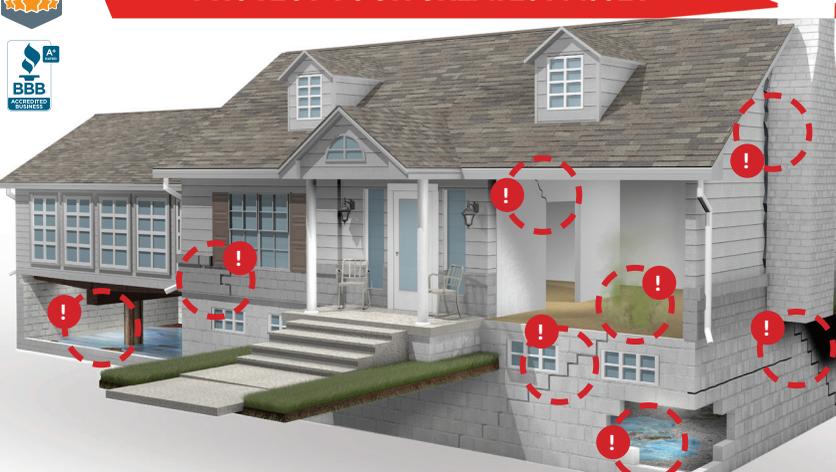
“No loss is no help for Rappahannock,” RCPS Superintendent Shannon Grimsley lamented to the Rappahannock News on Tuesday.

*Stay tuned for more on the Virginia budget and state funding for Rappahannock County Public Schools in next week’s issue.*



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### HOME/LAND TRANSFERS

The following home and land transfers were recorded at the Rappahannock County Circuit Court Clerk’s office Feb. 6-12

#### Hampton

Joan Culmer Platt to Joan C. Platt, trustee or her successors(s) of the Joan C. Platt Revocable Living Trust, parcel of land, deed bargain sale, general warranty, tax map 20A-1-35A

#### Jackson

Marisusan Fryand and David Fryant, wife and husband, to Michael Daniel

Bilharz and Elise Rebecca Bilharz, husband and wife, 8.1671 acres, \$550,000, deed bargain sale, general warranty, tax map 32-2-3

#### Stonewall

Michael A. Pivarnik also known as Michael Alan Pivarnik and Carole C. Pivarnik also known as Carole Colleen Pivarnik, husband and wife, to Michael Alan Pivarnik and Carole C. Pivarnik, trustees of the Pivarnik family trust, 2 tracts, deed of gift, general warranty, tax map 50-27D

# Rappahannock's wealth drives down state funding for public schools

If current trends continue, in five years it could be more economically viable for children to be educated outside the county

BY RACHEL NEEDHAM  
Rappahannock News Staff

By state mandate, Rappahannock County is responsible for providing 79.996% of the funding for its public education budget. Only eight school divisions in the commonwealth pay a greater percentage; Arlington, Alexandria, Bath, Fairfax City, Falls Church, Goochland, Highland and Surry counties all pay an even 80% of their education expenses.

That's because on paper, Rappahannock ranks among the top 10 wealthiest school divisions in Virginia, according to the Department of Education. That ranking is derived from a formula called the "Composite Index of Local Ability to Pay," more commonly known as the Local Composite Index, or LCI.

Gary Aichele, Chair of the Headwaters Foundation, explained that while a high LCI score in some districts (like Fairfax and Arlington) does indeed correspond with a high ability to pay, Rappahannock's high score has a "devastating" effect on its schools.

"There are unique circumstances in Rappahannock and at least two other counties where it results in enormous inequities," Aichele said.

## Unique circumstances?

A school division's LCI is calculated using three indicators to determine the locality's wealth: taxable retail sales, adjusted gross income and the true value of real property.

"What the formula is doing here is identifying the taxable base generally speaking," said Edward Lanza, budget director for the Virginia Department of Education.

"If you've got high real estate values, you have a higher capacity to collect real estate taxes. If you've got higher income, you've got a greater capacity to generate taxes from your income. And then with the taxable sales obviously that's your ability to generate sales tax revenue. So technically and conceptually it's very basic because it's looking at some of the major sources," Lanza said.

Rappahannock's LCI is .7996, .0004 points away from the state maximum. The high LCI is mainly driven by two factors: the value of real property in the county, which has only increased during the pandemic, and adjusted gross income.

The value of real property is the most important indicator because it is weighted to account for 50% of the LCI score. In Rappahannock County, the "true value" of real estate is close to \$2.2 billion,



FILE PHOTO BY LUKE CHRISTOPHER

**Back to school 2020: College advisor Lee Bernstein checks in students.**

but the value of *taxable* real estate in the county is more like \$1.6 billion. It's worth noting that close to a third of the county is taxed at a lower rate because it is under conservation easement or in a land-use program, and another portion of the county is administered by the Shenandoah National Park and is therefore exempt from county taxation.

Put simply, the state formula overestimates the county's ability to collect revenue from real estate tax.

The other major piece of the puzzle is adjusted gross income, weighted to account for 40% of the LCI score. In 2017 (the "look-back" tax year that the DOE is using to calculate the LCI for the upcoming fiscal year) Rappahannock residents generated a gross income of \$265,100,920.

But much of that wealth is concentrated in the pockets of a few dozen county residents. According to the most recent data available from the Economic Policy Institute, Rappahannock County ranks in the 17th percentile for income inequality when compared with all U.S. counties. That means the difference between what the top 1% of county residents earn and what the bottom 99% earn is among the highest in the country. And what's more, Rappahannock County Public Schools estimates that 13-16% of Rappahannock families live below the federal poverty line.

Labor economist Mark Price, coauthor of the EPI study, said that he and his colleagues estimated that there were roughly 4,453 families in Rappahannock in 2015. That means 45 county residents earning at least ten times the

county's median household income held 15.7% of the county's wealth between them. Perhaps even more starkly, the top 5% of earners hold more than a third of the county's wealth.

When asked whether the General Assembly has considered changing the indicators for calculating each school division's LCI, Lanza said that the idea comes up every biennium and every biennium it is snuffed out.

"The way the composite index works is if somebody gains, everybody else loses," Lanza said. From the state's perspective, he explained, the LCI is merely a calculation of how to divide the state's finite money. If Rappahannock's LCI goes down and the state has to pick up more of the county's education expenses, the consequence is that there would be less state funding available for other school districts who depend on it.

"One of the bills I see every other year is an adjustment to the true value of property so it is a land-use calculation. That does come up every other year and is defeated every other year [because] imagine that you're a division that can't take advantage of a land-use program. If that's the case and that variable were to change, you stand to be significantly worse off in the calculation because of the relationship change," Lanza said.

"Because the index works in a way of winners and losers, a radical change in a factor like that would be a huge advantage to the school divisions that could take advantage of it and a huge detriment to the schools that cannot take advantage of it." →

### RCPS K-12 ENROLLMENT

928

2016-2017

765

2020-2021

## And what about enrollment?

➔ At the beginning of the month, when the Rappahannock County Board of Supervisors met with the School Board to begin budget negotiations for the next fiscal year, Hampton District Supervisor Keir Whitson asked a question he called “the elephant in the room.”

“I know it’s never an easy answer but it’s a question that I constantly hear from constituents,” Whitson said. “How is it that student enrollment continues to decline yet our funding of the school system continues to increase?”

“Costs go up,” said RCPS Superintendent Shannon Grimsley.

County Administrator Gary Curry added, “When the state doesn’t step up, there’s only one other place for the money to come from and that’s the local [government].”

Enrollment has indeed declined steadily over the past five years. During the 2016-2017 school year, RCPS had 928 K-12 students. By 2021, that number has decreased to roughly 765, according to the superintendent. And with fewer students, RCPS receives less money from the state. This year, RCPS is facing a potential loss of \$117,063 in state funding.

But a decline in enrollment doesn’t translate into an equivalent decrease in costs. “The buses still have to roll, the lights have to be on, the heat has to be running, the facilities still have to operate. ... And if you took 100 students away, it’s not like you can get rid of a second grade teacher — the math doesn’t work out that way,” said School Board Chair Wes Mills.

“Every time [enrollment] drops, it exacerbates the LCI problem and then you’re left with state mandated services that there just isn’t money to provide,” Aichele said.

“It’s like you’re watching the water level rising in your cellar and once it hits the fuse box, you’re done. The water has been rising because each year it’s harder to find ways to be creative, to stretch a dollar more.”

### SUPERVISOR KEIR WHITSON

*“I know it’s never an easy answer but it’s a question that I constantly hear from constituents: How is it that student enrollment continues to decline yet our funding of the school system continues to increase?”*

And RCPS already does find creative ways to stretch a dollar by doing things like hiring teachers who are certified to teach multiple disciplines and reaching out to local nonprofits for grants. Plus, Rappahannock County Public Schools spend \$1,472 less per pupil than the state average and still offer unique and successful programs.

Nevertheless, receiving only 20% of the school division’s budget from the state means that Rappahannock Public Schools can’t keep up with the rest of the state when it comes to big expenditures like staff raises.

The General Assembly’s 2022 K-12 education budget includes a provision for 2-5% raises for all school staff across the commonwealth. According to Dr. Grimsley, giving all staff at Rappahannock County Public Schools a 1% raise would cost about \$150,000 per year. But because of its high LCI, Rappahannock County would only see 20% of the funding required to give all of its staff raises — the county would have to cover the rest.

“Teachers certainly deserve it, but the cost to adjust to that level [is] very high with very little state aid,” Grimsley wrote in an email to the News.

“This makes remaining competitive such a challenge since other districts who have low LCIs receive much more funding to make this happen. Rappahannock County could opt out and not receive the funding, however, we lose ground with surrounding districts, and therefore continue having a recruitment/retention debacle.”

## So what?

“We are talking about the arc of change,” Aichele said on Monday. “Overall population is declining. If you break the population decline into pieces, it’s not declining equally. ... We know the decline in the younger population is greater than the decline in the elder population. We know the overall population is declining.

“So if you continue those lines, it is not inconceivable in 10 years that Rappahannock might [have a population of] 6,000 or 5,500 and of those, a disproportionate share will be above 45.”

If current trends continue, Aichele estimates that within five years it could become more economically viable for Rappahannock’s children to go to schools outside the county. And solving the school funding problem will not be easy.

“It’s a complicated mix of issues,” Aichele said. “Public schools function on students. Students need to live somewhere. Students need to have a family that can afford housing and have a job ... without a public school system in your county, that is the last straw ... you have just hollowed out demographically the center of the county.”

# LFCC responds to disapproving letter from supervisors regarding name change

Rappahannock ‘is the only board that we know of that has taken action so far’

BY RACHEL NEEDHAM  
Rappahannock News Staff

The Rappahannock County Board of Supervisors last week became the first and only county governing body to denounce the regional college board’s decision to “abandon” the name of Lord Fairfax.

“On behalf of the Rappahannock County Board of Supervisors, I write to inform you that we voted unanimously on March 1, 2021 to express to you and the State Board that we do not support this decision or the vote of our local representative to the LFCC advisory board,” wrote Chair Debbie Donehey in a letter addressed to Glenn DuBois,

chancellor of the Virginia Community College System.

Chris Coutts, vice president of communications and planning for Lord Fairfax Community College, said that to his knowledge Rappahannock “is the only board that we know of that has taken action so far.”

“We certainly take it seriously and want to look at it,” he said, “but we’ve also received tremendous support from folks in Rappahannock County who have written [that they] support what we’re doing ... it’s an important debate.”

Yet, Coutts said he didn’t think “there’s a whole lot we can respond to necessarily” when it comes to the supervisors’ letter.

Last July, the Virginia Community College System instructed all community colleges in the state “to review the appropriateness of the names of our colleges, campuses and facilities.”

In the wake of nationwide protests



VIRGINIA COMMUNITY COLLEGE SYSTEM

**A letter from the Board of Supervisors to Glenn DuBois, chancellor of the Virginia Community College System, said, “we do not support this decision” to “abandon” the Lord Fairfax name.**

against anti-Black racism and police brutality throughout the summer of 2020, Chancellor DuBois stated that “institutions far and wide are examining, and in many cases exorcising, symbols of systemic racism that have existed in plain sight for years. I believe we must join this conversation and focus a high level of scrutiny on the names that adorn our facilities.”

After months of research, the college’s board voted 9-3 to remove Lord Fairfax from the name because, in the words of Lt. Gen. Benjamin Freakley of Shenandoah County, “Lord Fairfax doesn’t represent anything we are about.”

Thomas, the 6th Lord of Fairfax, is best known for being a friend and mentor to George Washington as well as remaining loyal to the British crown during the Revolutionary War. Lord Fairfax also owned vast landholdings and enslaved people in Virginia.

Critics of the name change in Rappahannock County, some of whom were present at last week’s regular Board of Supervisors meeting, say this move is another example of “cancel culture.”

“It’s called history. Our history. The history of humanity. To try to dial it back here, or dial it back there, to perch on high as inquisitors ... is an obnoxious and futile attempt,” said Ron Maxwell in a speech before the county’s supervisors last week. “The fact of the matter is that we ... are the embodiment of all who came before us. They are all our ancestors. It’s who we are.”

Coutts insisted that “this is not a political decision.”

He continued: “We have no interest in erasing history or canceling history ... the question for us as an organization, as a school, is, does that name belong to us going forward? ... The question for us is, does that name help us in our mission bringing new students? And the answer to that, from a brand marketing perspective is no. It actually harms that.”

Not only does the name fail to resonate with students, Coutts said, but it is also geographically confusing.

**LFCC VP: “We were asked [by the state board] to consider, does the name reflect what we do? And no one says yes.”**

In fact, according to the state board’s meeting minutes from 1969, when the local college’s board first proposed to adopt Lord Fairfax as its name, the proposal was rejected by the state not once, but twice. The state board repeatedly “requested the Local Board consider other possible names for the college, since the name might lead to confusion with Fairfax County.”

In the discussions that followed that same year, the college board for “Region 15” (as LFCC was known at the time) made the argument that since the local planning district commission had just assumed the name “Lord Fairfax Planning District Commission,” the name would offer some regional consistency. (Notably, the commission changed its name to the Northern Shenandoah Regional Commission in May of 2001, explaining that “most people do not understand the term [Lord Fairfax].”)

“We were asked [by the state board] to consider, does the name reflect what we do? And no one says yes,” Coutts said.

“The name is confusing. ... There’s that geographical confusion that’s real and there are a lot of prospective students — we are a business, they’re our clients — who say that the name is old fashioned, it doesn’t excite them, it doesn’t invite them, it doesn’t reflect anything about what the college is or does. And every organization looks at its name and its brand every so often.”

Along with LFCC, John Tyler Community College in Chester and Thomas Nelson Community College in Hampton have also decided that their names do not reflect their missions and will move forward with the renaming process.

## NOTICE TO POTOMAC EDISON CUSTOMERS WITH RIGHTS-OF-WAY ACROSS THEIR PROPERTY

Potomac Edison has contracted for Transmission Vegetation Maintenance of its electric transmission line rights-of-way located in Rappahannock County. This work is necessary to ensure safe and reliable electric service to its customers. Prior to any work being performed, several attempts were made to personally contact each property owner affected. The following property owners were not able to be contacted:

### Rappahannock County

William & Charlotte Duchesne: Property is located off Welsh Hollow Ln in Sperryville, VA. The property is located on Map 26, Section 37, Parcel # 211.

Work on these properties will be performed by qualified Vegetation Management contractors, on or after two weeks from the date of this publication during the current calendar year. Work may include, but is not limited to, the removal or control, (mechanical or through the use of EPA-registered herbicides) of trees and brush within the transmission corridor, side trimming of trees along the corridor, and removal of selected trees outside the corridor that pose an immediate threat to Potomac Edison facilities.

For additional information concerning work on the listed properties, please contact Jack Barnes – (304) 208-5169

