



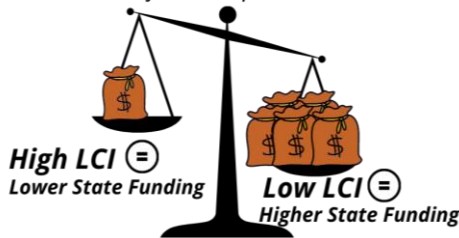
## Panther Team 1: Local Composite Index Study Team

Focus on understanding the current financial realities facing both RCPS and Rappahannock County while researching opportunities to influence that portfolio.

### Local Composite Index (LCI)

is intended to measure each county's ability to locally fund public education.

The state allocates more money to counties that have a low LCI for their public education.

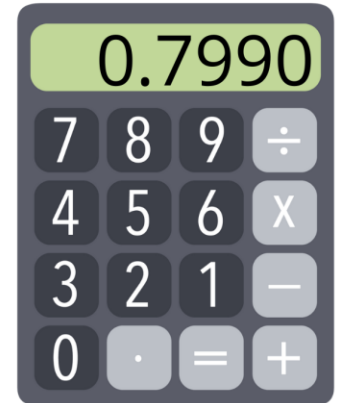


\*LCI ranges from 0.2 (low) to 0.8 (high)

### Rapp's LCI for 2020-2022

New benchmarking has put us at the **maximum of 0.8000** for the next 2 years.

That means that Rapp is expected to cover **80%** of necessary funds to meet state-mandated Standards of Quality (SOQ) requirements for its students.

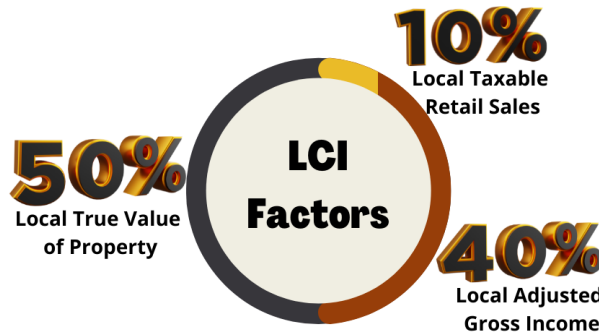


## Why is our LCI at the top of the index?

**True Value of Property** values property in land use at its theoretical full market value (even though it is assessed and taxed at a much lower amount).

Less than  
**15**  
percent

Amount of taxable land in Rappahannock County that is taxed at fair-market value. However, the LCI does not consider this factor in the calculations.



**The Adjusted Gross Income Factor** is calculated in terms of mean income rather than by median income. This means a few very wealthy neighbors tip the scales and the county has no ability to tax income.



Example- Consider a typical restaurant where 50 patrons are dining who each have a salary of \$50K. This group of patrons would have a mean and median salary of \$50K. If a billionaire walked in and sat down, the 51 patrons would still have a median salary of \$50K, but their mean salary would balloon to over \$19 million.

## Key Findings & Recommendations

### Key Findings

- No expectation that the LCI formula will change in the foreseeable future
- Significant changes to the county's land use vision is not anticipated. Therefore, the county's LCI will remain close to 0.8000.
- Average Daily Membership (ADM) is declining. Local economics makes it difficult for families with children. Plus, number of homeschool and attending private schools is increasing.

### Recommendations

- Explore alternative for supplemental state aid in lieu of LCI-based funding (refer to Team 2).
- Explore alternatives to increasing ADM to account for homeschooled and private school children who could be included in public school ADM as partial credit.





## Panther Team 2: State Budget Review Team

Examine the state budget tool to find opportunities for creative partnership agreements between districts where supplemental basic aid may be linked.



# \$531,000 - \$553,000

Current estimated **loss of state revenue** to RCPS based on state calculation due to land use.

### Key Findings:

- **At-Risk Add-on Formula** would provide additional equity to schools with high poverty while increasing revenue to all districts. This would result in a more proportionate formula for addressing at-risk student needs.
- **Cost of Competiveness Adjustment (COCA)** funds may be able to assist with instructional compensation adjustments if it can be altered to target small school districts.

### Further Discussion:

- Given the estimated loss of state revenue due to land use, exploring the feasibility of securing a line in the state budget to address the loss of state aid would be valuable. Collaborating with districts in similar situations is essential.
- Work in coalition with other small districts to extend COCA funding.
- Work to remove cap restricting actual amount of supplemental basic aid. If removed, explore possibility of working with contiguous counties other than Madison (Madison Agreement) who also have a low LCI.



## Panther Team 3: Philanthropic Opportunities Team

Explore unrealized philanthropic opportunities for financial support of RCPS in addition to county's support.

### RCPS's size compared to larger districts provide pros and cons.

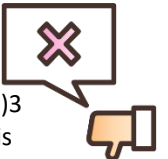
#### Pros

- Smaller class sizes
- Relationship-based culture where everyone knows each other
- More nimble capacity to quickly implement changes as challenges and opportunities arise
- Creativity and innovation flourish in part to small size and support from administration

#### Cons

- Declining population potentially threatens ability to compete for highly qualified teachers and staff

Considered pros and cons of establishing a new 501(c)3 private charitable endowment fund. Team agreed this route was unlikely to provide immediate support.



## Recommendations



Discussed immediate ways to solicit funds for priority programs dependent on inadequate or vulnerable sources of public funding. Ex. additional funds for recruiting and retaining excellent teachers and staff, funding newly established academies

**Possibility of promoting annual "mini-campaigns" for specific programs.** This may appeal to tax-payers who benefit from paying reduced taxes as a result of current conservation and land use tax abatement provisions.

Donated funds could be administered by an existing 501(c)3 charitable organization and bundled in "Rappahannock Futures Fund" with annual campaign to solicit funds.



*NOTE: Philanthropic financial support to be viewed as "over and above" support. Funds should NOT reduce public support or pay for budget lines more appropriately paid for with tax dollars.*

## Challenges

County's declining school population and other factors affecting the LCI potentially threaten RCPS's ability to compete in the market for highly qualified teachers and staff, as well as constraining further development of programs and activities that distinguish RCPS as among the best in the state. **Additional funding is essential if RCPS is to remain in the forefront of innovative and highly effective rural school districts in VA.**