***Virginias Budget $266 Million in the Red. What Does That Mean to You?***

Virginia finished its fiscal year $266 million in the red as payroll- and sales-tax receipts lagged below expectations, but that number represented a meager 1.7 percent increase in general-fund revenue. The budget was based on a projected 3.2 percent increase.

Governor McAuliffe stressed that he has taken steps to respond to lower revenue by tentatively scheduling meetings of the Joint Advisory Board of Economists and the Governor’s Advisory Council on Revenue Estimates to develop a new revenue forecast for the two-year budget cycle that began July 1.

 We will advocate for the Governor and General Assembly not to abandon the $350 million in key public investments approved by Virginia lawmakers last legislative session which includes a much-needed pay bump for Virginia teachers. Eliminating the salary increase would lower the state's per-pupil investment in education at a time when lawmakers just started to round the corner in school support after years of cuts.

It was predicted if actual state revenues for the fiscal year that ended June 30 are one percent or more below the projected forecast, then the investments that lawmakers made contingent upon hitting the revenue target will be cut. These investments include a two percent raise for teachers and school staff, a three percent pay raise for state employees, and compensation for law enforcement, court clerks, and constitutional officers. It also means that the governor is required by law to re-forecast revenues for the current budget and the upcoming budget.

Not giving the two percent pay increase for teachers and school staff would cut $134 million in much needed support for Virginia schools in 2016-2018. This decrease would significantly eat away at the progress the state started to make in restoring cuts to Virginia's schools. Schools will be left with $5,266 in state support per student in 2017 compared to the $5,305 per student they would have received in the adopted budget. That's a drop of $39 per student and the impact is even larger in 2018 with a decrease of $68 per student.

Teacher salaries in Virginia averaged $49,800 in 2014, compared to $56,600 nationwide -- 12 percent below the rest of the country. And Virginia does even worse when teacher salaries are compared to other occupations in the state. A report ranked Virginia near the bottom -- behind only Colorado and Arizona -- in the competitiveness of teacher salaries relative to the salaries of other occupations.

If the two percent pay increase for teachers is cut, Virginia will have missed yet another opportunity to make the investments that help kids thrive. And this failure will particularly sting as it will come in a budget initially celebrated for investing in education.

Thank you to our friends at the Commonwealth Institute, and Chris Duncombe in particular, for their data and analysis.

If you have any questions you can email me directly at: bewein@comcast.net

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