

---

**Re: 22Oct24 Superintendent's Budget Roundtable**

---

**Daniel Hornick** <dhornick@ocss-va.org>

Mon, Oct 28, 2024 at 7:37 AM

To: Gary MacFadden &lt;gary.macfadden@gmail.com&gt;

Cc: Melissa Anderson &lt;manderson@ocss-va.org&gt;, Darlene Dawson &lt;ddawson@ocss-va.org&gt;, Chelsea Quintern &lt;cquintern@ocss-va.org&gt;, Jack Rickett &lt;jrickett@ocss-va.org&gt;, Sandy Harrington &lt;sharrington@ocss-va.org&gt;, "lfradylawhorn@ocss-va.org" &lt;lfradylawhorn@ocss-va.org&gt;

Good Morning,

Thank you very much for the email and information. I really appreciate your attendance and participation at the event! I am glad you found is productive!

V/R,

- Dan Hornick

On Thu, Oct 24, 2024 at 10:44 AM Gary MacFadden &lt;gary.macfadden@gmail.com&gt; wrote:

Dr. Hornick,

The attached letter (pdf) expresses my appreciation for the subject event and offers suggestions on next steps for your evaluation.

Respectfully,

Gary MacFadden

--

Daniel P. Hornick, Ed.D.  
Superintendent  
Orange County Public Schools  
200 Dailey Drive  
Orange, VA 22960  
540-661-4550  
[www.ocss-va.org](http://www.ocss-va.org)



Orange County Public Schools  
**Empowering Students**  
Achieving Dreams

via email October 24, 2024

To: Dr. Dan Hornick  
Cc: Melissa Anderson, Chair  
Darlene Dawson, Vice Chair  
Chelsea Quintern  
Jack Rickett  
Sandy Harrington  
Lisa Frady, CFO

The purpose of this letter is 1) to thank you for hosting the Superintendent's Budget Round Table, 2) to highlight my personal significant takeaways from the event, and 3) to offer OCPS suggestions on next steps. It is intended to augment and support the comments which I have already made in response to the OCPS budget feedback survey identified at [bit.ly/OCPSFY26](https://bit.ly/OCPSFY26).

**Thank you.** Your effort and that of your staff to help educate the public in the complexities of budget development was commendable. The evident careful preparation, the highly informative presentations (both with respect to content and to delivery), and the practical factors exercise involving the allocation of one million dollars, offered participants a much greater appreciation of the budget development process. Thank you for giving the public the opportunity to appreciate how complex and difficult it is to fund so many items on a very deep 'needs' list. The reality that OCPS never gets to the bottom of the 'needs' list, and because of this, seldom if ever gets to the items on the 'wants' list, was made abundantly clear.

**Takeaways.** The task of funding the needs of students and staff is beholden to many items over which OCPS has no control. Virginia's use of staff-based versus student-based funding is at the top of the list. As a result, because no Virginia school division can operate on Standards of Quality (SOQ) alone, this causes all public schools to start out in-the-hole with respect to funding of teacher staffs. Further exacerbating this problem are the Local Composite Index (LCI) and the Cost of Competing Adjustment (COCA) metrics. It is difficult to understand why Orange County has a higher LCI (and thus receives a lower percentage of state funding) than neighboring counties which have higher values in true real property, higher values of adjusted gross income, and higher total retail sales. This inequity is then further heightened when the state gives counties which are financially more robust an added COCA funding. ***I intend to decry these budget handicaps through written appeals to our various state legislative and executive branch officials.***

**Suggestions.** The roundtable event exercise was enlightening. It vividly demonstrated that in addition to there being no single optimal solution to meeting OCPS budgeting demands, people of good faith will disagree on the priorities and funding amounts which should be allocated to competing demands. OCPS's commitment to this aspect of providing budget transparency is not in question. The following represent some suggestions which I believe will enhance OCPS's goal to offer taxpayers and parents greater budget transparency.

- As was done last year, please continue to identify funding priorities for significant planned expenditures. In addition to just naming these planning expenditures at a school board meeting, just as attendees at the budget roundtable event were forced to do, explicitly identify them in descending priority order, and then identify the rationale for, and considerations inhering to each significant new request. Then memorialize them in writing as part of the budget package submitted for public review.
- During the course of the roundtable exercise, we focused only on developing budgeting plans exclusively related to the demands for new spending requirements. The total budget includes both new and old cost line items. Good budget development practice also requires a thorough review of the continued need and merit of past, carried over cost line items (expenses). Any reduction or elimination of older expense demands represents savings that can be applied to fund support for new 'needs' further down in the list of priorities. There are also situations where unanticipated revenues (income) become available. I offer two cases in point from last year's budget process that support why past spending processes should be re-evaluated in terms of their current need.
  - On the expense side in the FY 2024-25 OCPS budget, a \$90,000 vehicle and maintenance supplies expense line item was identified for the upgrade of software enabling parents and students to use GPS to track school bus locations in real time. I respectfully question how this could be considered an essential need for student transportation? Alternatively, that \$90K could have been used to fund two new teachers!
  - On the income side of the FY 2024-25 OCPS budget there is another example. A special school board meeting was held on 12Mar24 to discuss and vote on the proposed budget. At this meeting, OCPS announced that the State of Virginia would fund an additional \$700K in revenue to OCPS. Imagine what a significant impact this \$700K boost in revenue could have made had it been applied to teachers, or students. Instead, it went toward increasing OCPS administration

overhead. The \$700K revenue windfall from the state was in part dedicated to fund the last-minute addition of \$376K in expenses for a new administrative director, a new coordinator, and a new analyst in the OCPS Finance department.

- The public was never given constructive knowledge of these three new personnel additions until they were first broached at the school board meeting on 12 March (contemporaneous to the same meeting wherein the board would vote in their support). I do not believe that this process demonstrated cost restraint on behalf of the public, nor was the public given a chance to provide meaningful input as a result of the manner in which the timing of events unfolded.
- The points that I am trying to make are dual.
  - First, in the above cited two examples, rather than supporting strictly 'needs', the 'wants' were supported instead.
  - Second, unlike in the roundtable exercise, the financial burdens to support increased 'needs' can be mitigated through savings associated with decreased spending in other areas; in the cited example through decreasing OCPS administrative overhead funding requirements.
- On several occasions in the past, I have offered additional suggestions (click [past correspondence here](#) to view). Instead of merely acknowledging that my letters were received and thanking me for my interest, I would implore OCPS to offer a substantive response to the non-partisan suggestions which I most recently made in August 2024 via letter [here](#).

The 22Oct24 Superintendent's Budget Roundtable effectively met the objective of providing the public much better transparency into the complexities of the OCPS budget **process**. I think a good next step would be to implement the inexpensive, one-time suggestions offered to aid the public in the task of **reviewing and understanding the content embedded within a roughly 2300 cost line-item budget**. In the future, please know my interest in continuing to volunteer to support the budget transparency interests of OCPS and the tax paying public in any way which you may wish.

Respectfully,  
Gary MacFadden

via email August 2, 2024

To: Sandy Harrington  
Cc: Melissa Anderson, Chair  
Darlene Dawson, Vice Chair  
Chelsea Quintern  
Jack Rickett  
Dr. Dan Hornick

My purpose in reaching out to you again is to ask for your express commitment to support five (5) ways in which OCPS can provide better budget transparency. This is my third letter on the topic.

1. The expense line items in the OCPS budget are well known prior to the revenue line items. Expense and revenue items are also disjoint and independent. In order to avoid the situation earlier this year in which the public and the Board had less than five calendar days to review and analyze projected expenditures, I suggest that the expense line items spreadsheet be made available to the public as soon as possible.
2. This past year the OCPS School Board accepted all OCPS requests for increased spending. OCPS should implement a methodology to prioritize spending increases. Clearly some spending needs are more essential than others (e.g., list-items 4a and 4b below). Just as members of the public must deal with the reality that they cannot afford to meet every one of their spending desires, the same should also apply to OCPS. Without prioritization, everything defaults to becoming a priority which is simply not the case.
3. OCPS should explain the hierarchical inter-relationships between cost centers, project numbers, department numbers, organization numbers and object codes (by the way there are some object codes with the same number but differing names). The development of a data dictionary defining the approximately 105 chart of accounts object codes used for expenses would require a one-time effort and would vastly increase the public's understanding of what is included in a particular line item.
4. Because "Contracted Services" represent another one of the larger aspects of many budgets, after setting a reasonable total price value threshold, OCPS should identify all new and carried-over contract services which are price valued over the set threshold by name, purpose, contract type and method of acquisition.
  - a. I cite the example where \$90,000 was bundled within a proposed \$415,000 expense line item located under cost center 66009 (Vehicle and Equipment Supplies), Department 663400 (Vehicle Maintenance Services). According to school officials, the \$90K was allocated for GPS software used to enable the public to discern the location of school buses. Save for school officials pointing this out at a school board meeting, how would anyone know a) what the proposed \$90K increase was for, and b) if such spending was indeed a necessity in the face of other more worthy funding concerns?
  - b. \$90K could fund the starting salary of two new teachers – which some would consider a better use of taxpayer dollars than the ability to track the instant location of school buses.
5. Lastly, I suggest that OCPS create a combined school and public task force whose sole purpose is not to interfere in OCPS's development of the budget, but rather is limited to understanding how OCPS develops and presents a budget.

I have made these appeals to OCPS before in writing and in public comments, albeit without any substantive response back from OCPS. All the above suggestions are non-partisan and fully align with the precepts of transparency for which all board members campaigned. **Please let me know if you will support these suggestions.** I truly value knowing your thoughts and positions on the fiscal matters affecting OCPS. None of these suggestions are unreasonable, and they are simple requests for OCPS to act upon.

Respectfully,  
Gary MacFadden