

**Resolution on the
Fairfax County Fiscal Year 2023 Advertised Budget**

Approved by the Federation Board and Membership
xx March 2022

Respectfully submitted to the Fairfax County Board of Supervisors

cc:

Fairfax County Chief Executive Bryan Hill

Fairfax County School Board

Fairfax County Public Schools Superintendent Scott Brabrand

David Edelman
Budget Committee Co-Chair

Tim Thompson
Budget Committee Co-Chair

Sridhar Ganesan
President

DRAFT

Contents

INTRODUCTION.....	4
II. FINDINGS	6
A. Revenues.....	6
B. Employee Compensation.....	6
C. Public Safety.....	6
D. Education Funding and School Transfer.....	6
III. REQUESTED ACTIONS	7
A. Revenues.....	7
B. Employee Compensation.....	8
C. Public Safety.....	8
D. Education Funding and School Transfer.....	8
IV. FURTHER REQUESTED ACTIONS.....	8

INTRODUCTION

The Fairfax County Federation of Citizens Associations (The Federation) is an over 80-year-old umbrella community organization representing tens of thousands of Fairfax County residences in all magisterial districts.

We are now beginning the third year of a pandemic not seen since early in the 20th century. Local community services are more important than ever. We need to invest in those services, especially to help those who have taken the hardest hit during the pandemic.

Due in large part to the pandemic's unique market forces which have made our cars and homes more valuable, the County's revenues will increase this year by 6.8 percent. We also have a carryover surplus of approximately \$80M. While these amounts can allow us to invest in key priorities, we must ensure that our investments are sustainable. We are concerned that the County may be approaching its revenues as a windfall to be spent, rather than basing its budget on our needs and on careful, targeted investment. What if the economic environment in future years is not as good as today's? Have we created baseline spending that is simply not viable or desirable in the long term, and which stifles our future prosperity?

We laud the idea of a County-wide Strategic Plan as adopted by the County on October 2021. We worry that the Ten Community Outcome Areas are aspirational and lack substance, particularly as they do not include enough specific vision to help the County make necessary decisions among trade-offs, or to create benchmarks that might help us understand our progress in meeting our community's shared goals. Such a plan does not help the County understand which investments to make among many possible choices, to ensure we are pursuing our shared priorities. We suggest that the County create an execution plan with accompanying measurable milestones for its Strategic Plan.

The Federation continues to support revenue diversification in order to fund schools and County services. To this end we continue to advocate in the Virginia General Assembly for broader and more diverse local taxing authority. Diversifying our revenue sources is fiscally smart, and it is essential that we start reducing the tax burden borne by homeowners.

Federation members recognize that our lifestyle comes at a cost, but continue to strongly recommend that the following critical needs and services are addressed by the budget and by the Board of Supervisors in FY2023 and in successive years:

- 1) Continued excellence of Fairfax County Public Schools (FCPS), which serve as a magnet for growth and provide the underpinning for the county's economic health. This would include helping students catch up with any slowed progress or gaps caused by the pandemic;

- 2) The need for health care services, both physical and mental, has accelerated and changed shape during the pandemic;
- 3) Public safety remains a core function of local government and should be prioritized accordingly.

DRAFT

II. FINDINGS

A. Revenues

WHEREAS, the projected increase in overall revenues is 6.8% in FY2023; and

WHEREAS, there is a 9.57% increase in residential equalization¹; and

WHEREAS, there is a 2.27% increase in nonresidential equalization, indicating a lackluster commercial real estate market; and

WHEREAS, with no changes to the Personal Property Tax rate or the methodology used to value vehicles for assessment purposes, the average vehicle levy for the taxpayer will increase by about \$181 while revenues to the County will increase by \$83M beyond the surplus already included in the Advertised Budget; and

B. Employee Compensation

WHEREAS, the Advertised Budget proposes a Market Rate Adjustment (MRA) for County Employees of 4.01%; and

WHEREAS, the Advertised Budget proposes to give all employees their Merit and Longevity increases; and

WHEREAS, the Advertised Budget proposes a new 25-year Longevity “Step” level for uniformed pay plans; and

WHEREAS, there is value in retaining skilled employees that the County has paid to recruit and train; and

C. Public Safety

WHEREAS, the FY 2023 Advertised Budget includes funding of \$1.45M and 10 FTE Positions for both the Diversion First and the Opioid Task Force relating to public safety, health, and welfare; and

WHEREAS, the FY 2023 Advertised Budget under Safety and Security includes funding of \$6.57M and 27 FTE positions for multiple important public safety and security functions; and

¹ Equalization is roughly correlated with property values.

D. Education Funding and School Transfer

WHEREAS, Fairfax County Public Schools (FCPS) have during the Coronavirus pandemic accepted multiple new or expanded responsibilities, particularly by providing and enforcing public health guidance and contact tracing for the school community, as well as an increase in resources devoted to students' mental health needs; and

WHEREAS, the burdens of these increased responsibilities in combination with challenging working conditions during the pandemic have likely exacerbated problems with the hiring and retention of school personnel;² and

WHEREAS, the County and FCPS continue to engage in a collaborative budgeting and planning process which increases efficiencies and builds trust between the two Boards; and

WHEREAS, FCPS School Board Policy 8258.2 states that "it shall be the goal of the Fairfax County School Board that school facilities be renovated on a 20- to 25-year cycle"; and

WHEREAS, FCPS utilizes more than 850 temporary or modular classrooms, and under current Capital Improvement Plan cash flow utilizing bond funding of \$180M per year as well as Infrastructure Management funds of \$13M per year, school facilities are replaced or updated every 37 years on average,

III. REQUESTED ACTIONS

NOW THEREFORE BE IT RESOLVED based on all of the foregoing that the Fairfax County Federation of Citizens Associations urges the Board of Supervisors to take the following actions in adopting the FY 2023 Fairfax County Budget:

A. Revenues

(1) The Board of Supervisors should explore diversifying its tax base as much as is reasonable so that revenues do not rely as heavily on residential real estate taxes and are more resilient to economic downturns; and

² See, for example, Wright, Aallyah, "Teachers 'Beaten Down' by Staff Shortages, COVID," *Pew Charitable Trusts*, January 31, 2022, which references a RAND Corporation report from December 2020: "Stress was cited nearly twice as often as insufficient pay as the reason for leaving the [teaching] profession. The pandemic only has made things worse."

(2) The Board of Supervisors should consider creating an execution plan for the County Strategic Plan so that we are continually ensuring our investments are strategic in nature; and

B. Employee Compensation

(3) The Board of Supervisors should fund the proposed MRA, Merit, and Longevity pay increase to the extent possible; and

C. Public Safety

(4) The Board of Supervisors should fund the FY 2023 Advertised Budget for core public safety, health and security; and

D. Education Funding and School Transfer

(5) The Board of Supervisors should accept the County Executive's recommendation to fully fund FCPS' requested transfer, to the extent possible; and

(6) The Board of Supervisors should accept the recommendations of the Joint County/Schools Capital Improvement Program (CIP) Committee, already endorsed by the Board, which include increasing bond funding for FCPS by \$25M in 2023 and another \$25M in 2025; and

(7) The County and FCPS should expand their collaborative work as the emergency situation precipitated by the Coronavirus pandemic retreats, to proactively determine whether and in what manner FCPS ought to continue performing those functions which it accepted during the pandemic, both as a matter of strategy and relevant expertise; and

(8) The Federation urges the County to consider fulfilling a more proactive role in public health guidance for FCPS, as well as a more significant role in wrap-around mental health services for families so that as a matter of course student mental health is not treated in isolation from its context.

IV. FURTHER REQUESTED ACTIONS

BE IT FURTHER RESOLVED that the Board of Supervisors should implement the recommendations of its most recent Lines of Business Review (performed in 2016) to provide savings by eliminating redundancies and/or eliminating less effective or ineffective programs, to the extent practicable; and

BE IT FURTHER RESOLVED that the Board of Supervisors should consider whether a new Lines of Business Review might be helpful in ensuring its spending continues to be properly targeted toward its strategic vision, as well as sustainable over the long term.

DRAFT