

Dranesville Budget Task Force

FY 2011

Introduction

It is hard to believe that any set of circumstances could pose a tougher financial challenge than that which our County faced in Fiscal Year 2010, but when Supervisor Foust asked our Task Force to reprise our role from last year it quickly became apparent that the choices facing the County are even more daunting this year than last. While the projected deficit is marginally less than last year's, the available options for addressing it are limited and even more painful, in large part because last year County decision makers chose to address the issue by making the easier choices—taking the “low hanging fruit,” as it were. This year, there simply is less fat to be cut. The numbers may have changed but the challenge remains the same: finding ways to reduce expenditures while continuing to meet our citizens' needs and maintaining our world class quality of life in Fairfax County.

The Task Force

The majority of our membership remains unchanged, with some additions and deletions. We remain a group comprised of Dranesville residents bringing a wide range of perspectives, experience and talents to the exercise. While there are steps certain individual members of the Task Force would take which are not included here because not all Task Force Members agreed, we operated on a consensus basis, and the conclusions and comments in this Report represent the unanimous view of our Task Force.

Given the significant portion (54%) of the County budget directed at schools (FCPS), we focused more closely this year on the options facing the School Board. Consistent with our view last year that the County's fiscal issues cannot be addressed without including the school budget, and understanding that our mandate is from Supervisor Foust and that the BOS cannot dictate how the School Board chooses to spend its allocation, we nevertheless include herein some of our suggestions and reactions to the School Board's challenges.

Principles

The Task Force took a look back at the principles it applied last year, and determined that they continue to be the principles by which the Task Force believes the County's political and professional decision makers should view the budget choices facing the County. Those principles include:

1. No aspect of the County budget should be off limits to budget-cutting.
2. In allocating scarce dollars, County government should prioritize its core functions as: First, public protection (police/law enforcement, fire, etc.); second, education; and third, human services, consistent, however, with Principle One. The Task Force continues to recognize how difficult it is to prioritize those crucial functions in the context of increasingly scarce resources, when each function is so vital to the continuation of what makes Fairfax County the place that it is, and each function is intertwined with and dependent upon the other.

3. As previously mentioned, while the Task Force recognized the FCPS as perhaps the crown jewel of our community, and a major element in our County's economic and cultural ascent over the past several decades, as the recipient of such a large share of the County's expenditures FCPS will necessarily have to be a major participant in the budget cuts which will have to be imposed. This is consistent with Principle One.
4. Budget cuts should not be "across the board." That is to say, there may be some areas of the budget which cannot be prudently cut by large percentages, or even at all, while other areas may be susceptible to larger cuts or even elimination.
5. County professional and political management should seek to diversify revenue sources, and look for every reasonable opportunity to raise fees for County provided services.
6. New programs and areas of recent growth ought to be a focus of decision makers, and have been a focus of the Task Force. Under these economic circumstances, it may well be the programs the County once did without, or once funded at lower levels, are programs that we can do without or fund at lower levels again. This ongoing budget crisis may well provide an opportunity for the County to exercise fiscal restraint for the long term, and an opportunity to make tough decisions now that it might not otherwise make.
7. It is apparent that reducing or eliminating fraud, abuse, and redundancy will not solve our problem, although the effort to identify and address those issues should be of paramount importance.
8. Outsourcing should be encouraged where it will result in significant savings, and, in some instances, insourcing -- that is, taking functions back into the government -- may also be fruitful.
9. Balancing the budget must involve both increasing revenues and decreasing expenses.

Recommendations

The Task Force makes the following recommendations with regard to budget cuts and revenue enhancements:

Budget Cuts

1. Because personnel costs make up such a large percentage of the County budget, reducing those costs continues to be crucial to any deficit reduction plan. Last year, the Task Force was disappointed with the number of actual filled positions cut (as opposed to cutting vacant positions). Difficult as it will be, the Task Force believes County political and professional management will need to cut more actual positions this year, and ought to begin by eliminating any position that has remained open for more than one year. Moreover, to the extent employees are moved into open positions, those employees ought to be moved at the same pay grade and step of the open position, not the pay level of their former position, and the employee's new salary ought to take effect immediately.

2. The Task Force continues to believe the Economic Development Authority needs to tighten its belt along with every other part of the County government. While we agree with the notion that, in times like these, the role of the EDA actually takes on added importance, the point is that the EDA, which last year avoided any significant cut in its budget or personnel, can and should—like everyone else—be expected to do more with less, and to focus on creating efficiencies in its operation.
3. The Task Force concludes that County political and professional management must look harder at eliminating some transit routes, and consider raising rates for County-provided transportation.
4. The County should consider the possibility of using school buses for other transportation uses.
5. The Task Force recognizes that cuts in the public safety area will be necessary, and suggests that Police Bike Patrols may be an area appropriate for elimination or reduction.
6. While recognizing that changes to employee benefits cannot help address the current crisis, the Task Force nevertheless concludes that, for long term planning purposes, the County should look hard at the potential savings associated with transitioning its employee retirement plan (for new employees) to a defined contribution plan rather than the current defined benefit plan.
7. The Task Force recommends renewed focus on savings from better use of technology, for instance, more teleconferencing by County employees rather than intra-County travel for meetings.
8. The Task Force notes that the Libraries absorbed enormous cuts last year, and we urge that the County go slow in reducing funding further.
9. In evaluating areas to be cut, we think it is important to reiterate one of our prior recommendations, namely that special scrutiny should be given to those departments and programs which received the largest increases in funding and personnel - or recently launched new programs or initiatives - during the last five to ten fiscal years, a time period when County resources were growing. In addition, it is evident from last year's budget decisions that some department budgets were cut at a higher percentage than other departments. While that may be inevitable, to some degree reflecting important prioritizing, we also think that the disproportionate cutting of last year necessitates even more careful and deliberate decision making this year.

We are particularly concerned about human services programs, which were cut at a higher percentage last year than other areas. We are in the midst of a historic economic crisis which has resulted in significant pain for many of our neighbors – unemployment, loss of health insurance, mortgage defaults – as well as for groups that are traditionally more vulnerable – low-income working families, the disabled, and seniors. As a result, the County needs to be even more cautious now when considering further cuts to programs that serve those most in need. In acting, we do not want to compound the pain of these difficult times and create additional problems. In that regard, the Task Force is pleased that the Board of Supervisors and County

Executive adopted as one of its guiding budget principles the need to safeguard the most vulnerable in the County.

10. The Task Force recommends that County professional and political decision makers review and reconsider not only the recommendations of this Task Force which were not implemented last year, but also the proposed cuts which emerged from the LOB process last year which were not taken.

For instance, last year we urged that serious consideration be given to consolidation of certain County offices/programs, including merging Public Information Office functions across departments/agencies, merging Technology Office functions across departments/agencies, and merging the Department of Administration for Human Services and the Department of Systems Management for Human Services. We commend and endorse the County Executive's focus, as reflected in his November 23, 2009 presentation to the Board Budget Committee, on the reorganization potential in the Planning Commission, BZA, Clerk's office, Zoning Enforcement, Community and Recreation Services (CRS), Systems Management for Human Services, and the Park Authority. With regard to the Park Authority and CRS, we suggest that the County political and executive leaders take a hard look at the potential for cost savings and revenue enhancement which could be found through consolidation, given the significant overlap between the CRS and the Park Authority.

With regard to FCPS:

- The Task Force supports proposed cuts in Driver Education, Assistant Principals, the closing of Pimmit Hills High School (with its student body serviced at the other two alternative high schools), the modified school year calendar, Excel, technology support, teacher leadership, custodians, teacher stipend and tuition reimbursements, guidance, psychologists and social workers, internal audit, new bus purchases, equipment replacement funding, and preventive maintenance.
- The Task Force continues to believe that the SRO Program could be a source of savings with a more strategically targeted program.
- The Task Force urges FCPS to look harder for savings in central office and administrative costs.
- The Task Force begrudgingly acknowledges the necessity of upward pressure on class size, and concludes that, given the magnitude of the potential savings, an incremental increase in class size is, unfortunately, necessary.
- With regard to elementary school foreign language education (FLES and immersion programs), the Task Force is not eager to recommend the proposed cuts, but rather suggests that making targeted, strategic cuts (focusing particularly on low participation schools) could make these programs less costly.

- With regard to summer school the Task Force recognizes that cuts are necessary, and recommends that emphasis be placed on a more fee-based system (with a needs based waiver component) which will preserve the ability to enable students to keep from falling behind academically. Enrichment programs, if not already, should be cost-neutral.
- The Task Force urges FCPS to retain Elementary Band and Strings, retain the current level of instructional assistants in elementary schools, and retain the full day kindergarten program at its current level.
- The Task Force suggests that the proposed increase in the Community Use Fee by 20% may be too small.
- The Task Force suggests that, while technology can often be a cost-saver, FCPS should ensure that it is not using unnecessary technology merely for the sake of technology. The earlier proposed cut to Blackberry acquisition and use, for instance, apparently now abandoned by FCPS, may well be a savings that should be looked at again.
- With regard to high school sports, consistent with our focus throughout our deliberations on, where possible, raising participation or user fees, rather than cut certain sports (winter cheerleading and track, for instance), participation in certain sports should become more fee-based. Similarly, while in an environment of competing claims and painful cuts freshmen sports seems to some an attractive cut, we see value to the schools in retaining freshmen sports. In situations in which parents can pay to have their children participate, however, it should be required.
- The Task Force urges Fairfax County officials, and the County’s representatives in the General Assembly, to oppose freezing of the LCI in order not to punish Fairfax County further in allocation of state funds for schools.
- Finally, the proposed cuts in the student-teacher ratio for autistic students is troubling to us. Autistic children are among the most vulnerable, and fastest-growing, segments of the school population, and the Task Force suggests that FCPS should be particularly cautious about cuts in these ratios.

Revenue

1. To continue to meet its responsibilities, the County will need to raise additional revenue. There is no question that, in these difficult economic times, revenue is a hot button issue. There is certainly a greater appetite for raising “fees” or imposing “charges” than there is for raising “taxes.” Having said that, it is clear that no budget solution exists which does not involve adjusting the County’s principal source of revenue – the property tax – and the Task Force endorses raising the tax rate to a level (currently projected at \$1.15 per \$100 – an \$0.11 increase) that will hold an average Fairfax County homeowner’s property tax level when compared to FY 2010. We hasten to note that, for many Dranesville residents, whose assessment may have dropped less than the County average, this will result in an actual increase in property taxes paid.

The Task Force nevertheless recognizes the necessity of this move, with many Dranesville residents thus doing more than their part to address the fiscal challenge.

2. Consistent with its recommendation of last year, the Task Force supports reimposition of the County vehicle decal/registration fee, without display requirements.

3. The Task Force is supportive of the numerous proposals currently being circulated to raise fees in the schools with regard to, for instance, participation in sports and other after school activities, and test fees. The Task Force recommends that any such fee schedule include a component which takes into account ability to pay.

4. The Task Force also recognizes the importance of diversifying the County's potential revenue sources, as many other local jurisdictions already have done. In that regard, the Task Force urges County leadership to take whatever action is necessary (by referendum, or seeking action by the General Assembly) to enable the County to impose a meals tax and an increase in the lodging tax. While the calendar is such that neither of these options is likely to be available to address the FY 2011 budget deficit, having either or both of these options in the future will predictably help address similar fiscal challenges which are certain to arise again in the out years.

5. The Task Force spent a considerable amount of time discussing other, more unusual, potential revenue sources. While none of the Task Force Members relishes the thought of too much visual blight in our County, these are unusual times. The Task Force thus recommends that the Board of Supervisors accelerate its analysis of its options for raising revenue through advertisements, sponsorships, partnerships, and other means in schools or other public places in the County. This could be an opportunity for the private sector to help pull the County out of this difficult economic crisis.

January 15, 2010

Dranesville Budget Task Force

Richard C. (Rip) Sullivan, Jr., Chairman
Steven Bloom
Sue Boucher
Don Finberg
Jim Mietus
Al Rosier
Rick Sargent
Ted Smith
Tim Thompson
Jim Turner
Armand Weiss