

The Case for Reducing Homeowners' Taxes

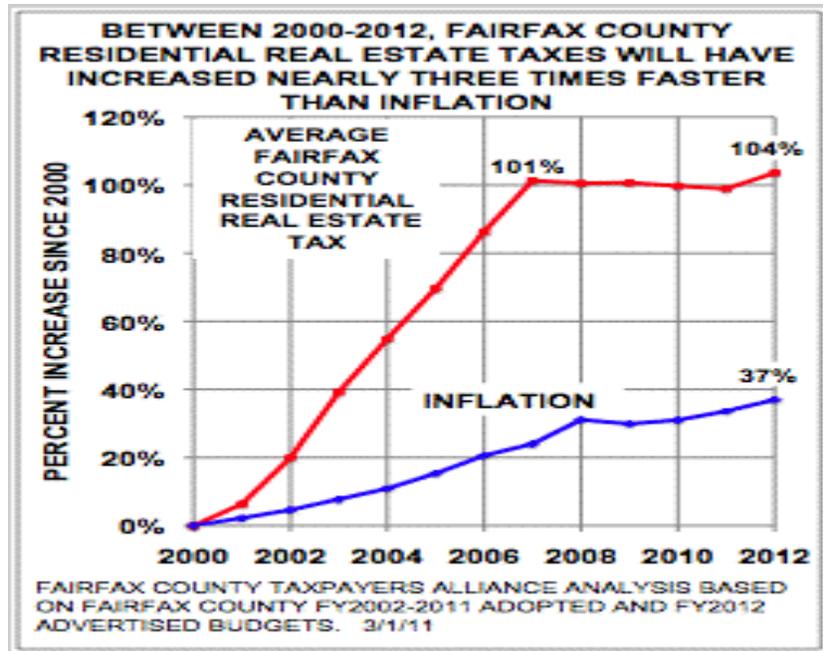
Thoughts on the FY 2012 Budget

Hunter Village Drive/Rolling Road Traffic Signal Meeting UPDATE

This Friday, the Board will hold its pre-markup Budget Committee meeting where tradition indicates Board members should share any proposed changes to the County Executive or Budget Chairman's budget. On April 12th the budget will be marked up and for all practical purposes will be final. I felt it important to share with you my thoughts and the case for reducing homeowners' taxes this year as well as get your input via a very brief survey (link below) or feedback in a reply to this email.

Homeowners' Taxes

Taxes on the average homeowner doubled from FY 2000 (\$2,400) to FY 2007 (\$4,800). Although the property tax burden has held fairly level in the past couple of years (\$4,724 in FY 2011), the Board, over my objections, has also increased dozens of county fees, including bringing back the car decal fee (without the decal!) and added a storm water tax. The County Executive's FY 2012 Proposed Budget includes a tax increase on the average homeowner at a time when we should be tightening our belts instead of spending more. The Board approved advertising a tax rate with this proposed tax increase over the objection of Supervisor Frey, Cook and me. *The time to provide Fairfax County residents with some tax relief is long overdue.* I will not support a budget that does not give our homeowners some relief.



Source: <http://www.fcta.org/>

Spending Problem

Much has been said about the millions of dollars in reductions that have been made in the budget since FY 2008. A closer look at the FY 2008 Approved Budget and the FY 2012 Proposed Budget shows a much different story. ***The FY 2012 Proposed Budget INCREASES spending by \$59M over FY 2008.*** It is clear we have a spending problem not a revenue problem. Some of the changes in specific departments are also surprising.

Description	FY2008		FY2012	
	Approved	Proposed	\$ Increase	% Increase
Human Services	\$ 350,005,025	\$ 381,765,047	\$ 31,760,022	9.07%
Public Safety	\$ 421,815,381	\$ 411,212,715	\$ (10,602,666)	-2.51%
Parks/Libraries	\$ 81,511,380	\$ 47,735,700	\$ (33,775,680)	-41.44%
Employee Benefits	\$ 204,867,365	\$ 268,109,806	\$ 63,242,441	30.87%
Personnel	\$ 696,054,817	\$ 672,933,597	\$ (23,121,220)	-3.32%
Total Non School	\$ 1,202,231,764	\$ 1,236,754,914	\$ 34,523,150	2.87%
School Transfer (FY 12 is the FCPS requested transfer)	\$ 1,586,600,722	\$ 1,652,359,885	\$ 65,759,163	4.14%
Total School Budget	\$ 2,184,797,764	\$ 2,246,101,889	\$ 61,304,125	2.81%
Total General Fund	\$ 3,317,406,413	\$ 3,376,351,675	\$ 58,945,262	1.78%

While we have decreased Public Safety (Police and Fire) by over \$10M and Parks and Libraries by almost \$34M we have used these decreases to fund large increases in Human Services of \$32M and Employee Benefits of \$63M and increase the tax burden on our homeowners. I am fairly confident that these actions do not match the desires or priorities of the majority of the citizens in Fairfax County.

It is hard to believe that in three years we have not been able to reduce total county spending by even one percent. **On Friday Supervisors Cook, Frey and I will propose that the Board make reductions in excess of the \$48M needed to eliminate the proposed tax increase and provide a modest tax decrease for our homeowners.** It is clear that we should go further but my hope is that I can get my colleagues on both sides of the aisle to agree to a modest tax reduction given the state of the economy and the stark reality that we have not reduced our budget since we came together as a Board. As a reminder, I have voted against two of the three budgets since I was first elected because they increased spending.

It is also past time for us to address the increases in benefits and pensions. At our March 23, 2010 Board Meeting, the Board unanimously approved my motion to have county staff study converting the defined benefit pension plan to a defined contribution (401(k) type) retirement plan for new county employees. I asked for this study because retirement costs are putting a great strain on the county's budget and because today's workers are more transient and less interested in pensions, making portable defined contribution plans more attractive. This study was funded in late 2010 and the results are due out this summer. This is an area of the budget that must be addressed.

Now is also the time to conduct a thorough review of our Human Services budget to guarantee that our precious resources are going to those that cannot help themselves and where possible the programs are designed to help people get back on their feet without permanently subsidizing them.

However, even in tough budget times we must take care of those that cannot take care of themselves. Accordingly I will also be proposing an increase in funding for our high school graduates with intellectual disabilities program, the Homeless Youth Initiative and a medical detoxification program but will propose these programs be funded from existing revenue.

I will also be proposing budget guidance that will direct the County Executive to prepare next year's budget (FY 2013) with no increase in taxes for the average homeowner.

Lyme Disease Funding

As a result of a Town Hall meeting I held with Supervisor Frey and Congressman Wolf on July 22, 2009, the Board approved a pilot study of deer bait stations which kill ticks on deer. The baseline studies have been conducted but the \$120,000 needed to fund the actual pilot was not available. During the review of the budget a \$3,000,000 balance was discovered in the Pest fund and, per the County Executive, funds from this balance are available to fund the pilot. **I will be asking the Board to approve use of some of the pest reserve to fund the pilot of 4 poster deer bait stations.** This small investment could have a potentially huge impact in halting the spread of this horrible disease.

County Employee Compensation

At its October 19th meeting the Board approved my motion to have the County Executive develop a proposal for the County similar to the one used last year by Governor Bob McDonnell to create a budget surplus at the state level.

The Governor asked state employees to hold down year end spending and create a surplus. If they reached this goal he promised a bonus of 3 percent to state employees who had not had a raise in three years. Not only did they reach their goal but they exceeded it, which in part led to the state having a \$403M surplus. The Governor then used some of the surplus to give state employees the promised bonus. This is an idea that has merit in Fairfax County.

Our hardworking employees are our most important asset. Our County employees have not had a raise in two years and there is no increase proposed in this budget. **I will propose we include a 2% bonus for employees if they help generate a carry forward for FY 2011 greater than \$100M and a large enough unencumbered balance.** I believe there is still enough time for our employees to contribute to a large carry over surplus in our current budget year -- FY 2011.

Our County employees are the ones who know where the "hidden" savings are in the county budget and where they can be more efficient. Incentivizing our employees to identify and implement these savings should be a win-win for the employees and the taxpayers.

Comments on the School Budget

Our schools are the number one reason individuals and businesses choose to locate in Fairfax County and they must be kept strong. Schools account for over 53 percent of the total county budget with a total FY 2012 budget request of \$1,652,359,885 - a 4.14% percent increase over 2008 despite claims they have cut over a thousand positions and millions of dollars. It is true they have had to do more with less as the student population has increased 6 percent since FY 2008.

The School Board has requested \$42M more than is in the county's Proposed Budget primarily for both cost of living and STEP increases for all school employees. The School Board and the Board of Supervisors have also both indicated that funding the remaining 37 schools without full day kindergarten is a priority.

In the budget I will recommend, I hold the school transfer to the same level that is in the County Executive's proposed budget. **I believe there is enough in a level transfer to include a modest increase (2%) in teacher compensation and to fully fund full day kindergarten.** Largely based on the work of the County's Board Auditor, it has been determined that the schools can also allocate some of their cable dollars to fund these items.

I have heard from many teachers during this year's budget dialogue. What is bothering teachers that I speak to more than having no salary increase in last two years is the increased administrative burden that they have to deal with. Administrative burden that keeps them from doing the job they need to do - teach our students. I stumbled across an interesting calculation

that I believe demonstrates the level of administrative burden. If you take the student population of 177,416 students and divide it by the number of full time equivalent teachers 13,715 (this excludes central and in school administration, bus drivers, janitors, special education teachers, etc.) you get what should be the average class size. The answer to the equation is just under 13 if all the teachers were actually teaching. Unfortunately we know our class sizes are much larger. *Just think what a teacher could do with a class size of 13.*

If the School Board and staff would focus our resources into the classroom and on the kids and teachers and reduce the administrative burden there would be funding for teachers' salaries and full day kindergarten. The Board of Supervisors does not have the ability to do line item funding of programs but I will continue to support the Board's proposed budget guidance to include a request that the School Board fully fund full day kindergarten.

I will also be proposing budget guidance that recommends the School Board establish a Board Auditor function similar to the Board of Supervisors auditor. Fairfax County's Board Auditor pays for himself several times over every year and presented \$4M in efficiencies during his last quarterly report. An auditor reporting directly to the School Board would give the School Board a desperately needed level of independence.

School Construction and Renovation

For each of the last three years I have asked the Board of Supervisors to hold the bond amount for school construction and renovation at \$155M even though the County's agreement with the school system drops this to \$130M. We face staggering school renovation and construction backlogs in Fairfax County. Under the current projection things are only going to get worse. I'm happy to report that County Executive's proposed budget holds this funding at \$155M into the future.

However I think we are missing an even bigger opportunity to accelerate school construction and renovation projects by taking advantage of historically low construction costs and interest rates. Despite our huge renovation and construction needs the school system is sitting on a \$66M construction reserve and only sold \$130M of the \$155M in bonds this year. ***Not putting this \$91M to work in a period of lower construction cost only makes our situation worse.***

Aging buildings not only strain our capital funds, they also put a burden on operating budgets because keeping these aging, inefficient buildings open is very expensive.

Your Input is Important

I have held two town halls, attended the three public hearings and held numerous meetings on the budget. I am very grateful for the feedback and comments I have received and many are incorporated here. But I am still open to your input. Please consider taking the short survey or send me an email with your thoughts and suggestions.

<https://giveusyourfeedback.wufoo.com/forms/informative-survey/>

Community Meeting Regarding Potential Traffic Signal At Rolling Road/Hunter Village Drive Intersection -- CORRECTION: APRIL 14th

In response to citizen concerns about safety, VDOT agreed to undergo a traffic signal study at the intersection of Rolling Road and Hunter Village Drive in Springfield. VDOT is wrapping up its review and has agreed to make a presentation on the results at a community meeting. Please note the change of date.

When: April 14th 7 p.m.

Where: West Springfield Government Center Community Room
6140 Rolling Road (inside the police station)
Springfield