

Summary – Board Budget Subcommittee Committee Meeting

October 4, 2016

Committee Members Present:

Sharon Bulova, Chairman
Penelope Gross, Mason District (Vice Chairman)
John Cook, Braddock District
John Foust, Dranesville District
Pat Herrity, Springfield District
Catherine Hudgins, Hunter Mill District
Jeff McKay, Lee District (Committee Chair)
Kathy Smith, Sully District
Lynda Smyth, Providence District
Dan Storck, Mount Vernon District

School Board Members Present:

Sandy Evans, Mason District (Chairman)
Jeanette Hough, At Large
Tamara Derenak Kaufax, Lee District
Ryan McElveen, At Large
Dalia Palchik, Providence District
Karen Corbett Sanders, Mount Vernon District
Elizabeth Schultz, Springfield District
Jane Strauss, Dranesville District (Vice Chairman)
Thomas Wilson, Sully District

October 4, 2016 Meeting Agenda:

<http://www.fairfaxcounty.gov/dmb/workshops/budget-committee-agenda-10-04-2016.pdf>

October 4, 2016 Meeting Materials:

<http://www.fairfaxcounty.gov/dmb/workshops/fcps-fy2018-fiscal-forecast.pdf>

<http://www.fairfaxcounty.gov/dmb/workshops/county-budget-presentation-10-04-2016.pdf>

The meeting was called to order at 3:20 P.M.

After a brief introduction by Supervisor McKay, Superintendent Karen Garza presented the Fairfax County Public Schools FY 2018 fiscal forecast, which is linked on the first page of this summary.

Board Discussion

- Discussion ensued on topics including enrollment growth, retirement assumptions, and revenue impact of changing school names. Additional discussion noted that the proposed compensation increases in the FCPS presentation are roughly equivalent to the amount of revenue that would be generated for FCPS by passage of the meals tax.
- Multiple supervisors noted the clarity of the FCPS presentation and that it was very helpful for framing the discussion going forward.
- Additional discussion ensued on the issue of salary comparisons as opposed to full compensation package comparisons and the proposal about additional funding to replace textbooks compared to what had been previously funded for that purpose.
- Additional clarification was provided on the “teacher scale implementation” proposal and the estimated multi-year cost of implementation.
- Superintendent Garza also noted that the largest unknowns pertaining to FCPS budget development are state funding and enrollment growth.

Two Budget Questions were asked of FCPS:

- **Supervisor Herrity: Please provide a breakdown of the \$75.5 million in salary growth - How much is for teachers and how much is for administrative positions.**
- **Supervisor McKay: For the Teacher Scale Implementation proposal, please provide cost estimates assuming a 5-year phase-in in addition to the 3-year figures included in the October 4, 2016 presentation.**

Following that discussion, Fairfax County Executive Ed Long presented the Fairfax County FY 2018 budget forecast which is linked above. It was noted that information is very preliminary at this stage and that more refined figures would be available at the November 22, 2016 Budget Committee meeting.

Board Discussion

- Initial discussion focused on reserves and their criticality to maintaining the County’s AAA Bond Rating as well as Bond Sale limits. County Executive Long noted that progress is being made on increasing the reserve total from 5% to a future goal of 10% of General Fund Disbursements. This is being accomplished with payments at year end and through savings generated through refundings. It was noted that the current total is approaching 7%.
- Further discussion ensued on retirement-related issues, with discussion about information the BOS received earlier this morning during the Personnel Committee meeting. The Board is going to take a wholesale look at this and it was noted that this is something that FCPS and the County could look at jointly.

- Discussion also ensued on revenue growth and whether online shopping was impacting that, whether the impacts of sequestration could be quantified, and about vacancy rates (both retail and commercial office).
- There was discussion on having the two Boards partner on lobbying the state on the VRS issue. A letter has been drafted by FCPS and will be shared with the BOS.

One Budget Questions was asked of the County:

- **Supervisor McKay: Please recirculate information previously written on the County's bond sale limits and capacity.**

Before adjourning, Chairman Bulova circulated a statement on the meals tax referendum from her and the School Board Chairman, Sandy Evans. She indicated that the main point of the statement was to make it clear that the meals tax is intended to supplement and not supplant support for school and county services. A few edits were proposed for the statement including noting that this is an attempt at revenue diversification and adding language that a portion of the funds would be used to support infrastructure needs. Chairman Evans noted that she felt it was important for FCPS to state clearly what they will use the funds on. Discussion on both sides of the meals tax issue ensued.

The meeting adjourned at 5:15 P.M.