

Summary – Board Budget Subcommittee Committee Meeting

November 22, 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
Pat Hynes, Hunter Mill District
Tamara Derenak Kaufax, Lee District
Megan McLaughlin, Braddock District
Ilryong Moon, At Large
Dalia Palchik, Providence District
Karen Corbett Sanders, Mount Vernon District
Jane Strauss, Dranesville District (Vice Chairman)

November 22, 2016 Meeting Agenda:

<http://www.fairfaxcounty.gov/dmb/workshops/board-budget-workshop-11-22-2016.htm>.

November 22, 2016 Meeting Materials:

<http://www.fairfaxcounty.gov/dmb/workshops/county-fy2018-budget-forecast-11-22-2016.pdf>
<http://www.fairfaxcounty.gov/dmb/workshops/fcps-fy2018-updated-fiscal-forecast-11-22-2016.pdf>

The meeting was called to order at 3:10 P.M.

After a brief introduction by Supervisor McKay, County Executive Edward Long presented the *Updated FY 2018 County Budget Forecast*, which is linked above.

Board Discussion

- Revenue projections were discussed, including the small increase in real estate assessments and the potential impact of the state and federal budgets.
- Employee compensation increases were discussed, including a more detailed description of the County compensation increases than was provided in the presentation. Approximately half of public safety employees would be eligible to receive step increases based on years of service. General employees are on an open range scale, and would receive increases that vary based on their position on the scale but average approximately 2 percent. In addition, the formula-based market rate adjustment (MRA) was calculated at 1.65% for FY 2018. Under the employee compensation plan agreed to with employees, if sufficient funds are not available to fully fund the compensation plan then the MRA is the first component of the plan to be omitted. The committee also discussed collaboration between the County and FCPS to provide equitable compensation increases between the two organizations.
- The committee discussed the state's decision to accelerate VRS funding based on the improving economy at the time. Returning to the original schedule would result in savings to both the state and FCPS in a difficult budget year, but will require that the County and FCPS, as well as other localities and organizations, lobby the governor and members of the General Assembly.
- Additional topics of discussion included the Children's Services Act (CSA), the level of annual bond sales for Schools, and Metro funding requirements.

Two Budget Questions were asked of the County:

- **School Board Member Jane Strauss asked: How does the County calculate savings from position turnover?**
- **Supervisor Foust asked: Please provide a list of all commercial properties that have sold in the past 2 years, including the sales price and the assessment at the time of sale.**

Following that discussion, Superintendent Karen Garza and Interim Superintendent Steven Lockard presented the Updated FY 2018 Fairfax County Public Schools (FCPS) Budget Forecast which is linked on the previous page.

Board Discussion

- FCPS employee compensation increases were discussed, including the 3-year phased-in implementation of the teacher salary scale. Pay increases were also discussed relative to total compensation, including pay and benefits. FCPS has completed a comprehensive compensation study, and found that benefits were comparable to other jurisdictions with ERFC, the FCPS supplementary retirement system, being a differentiator from other jurisdictions. A separate study was completed on ERFC, and the School Board is now looking at what changes can be made to it. A review of the County retirement systems was completed by consultant a few years ago, which resulted in several changes to the systems.

- State mandates were discussed, including the possibility that FCPS may be required to hire additional social workers and psychologists.
- The committee discussed the need to close the preschool readiness gap. The Successful Children and Youth Policy Team (SCYPT), which is a collaboration between the County and FCPS, is working on a comprehensive plan.
- The committee discussed advocating for school funding and other issues with state legislators. FCPS will have a briefing with the local General Assembly delegation on December 12th at 6pm, while the County will meet with the delegation on December 13th at 3pm.
- The committee discussed the County's ability to generate revenue in categories other than the real estate tax. Increased taxing authority continues to be part of the County's legislative agenda.

Before adjourning, Supervisor McKay noted that this is the second time that the Board of Supervisors and the School Board have had a joint meeting on the budget forecast this year, providing an additional opportunity for discussion and engagement. Supervisor McKay clarified that the budget forecast is not the budget, but is an update on projections for revenues and disbursements. The Board of Supervisors extended its thanks to Dr. Garza for her time serving as the superintendent of FCPS, and welcomed Dr. Lockard as interim superintendent.

The meeting adjourned at 5:05 P.M.