



FY 2020

County and Schools Budget

Joint Meeting of the Board of Supervisors and School Board

February 26, 2019



County Advertised Budget Context

- Focus on Board priorities
- Budget includes reorganizations and efficiencies
- County and School cooperation and collaboration is key
- One Fairfax lens used in decision-making process
- Multi-year strategic planning effort underway



FCPS Strategic Focus



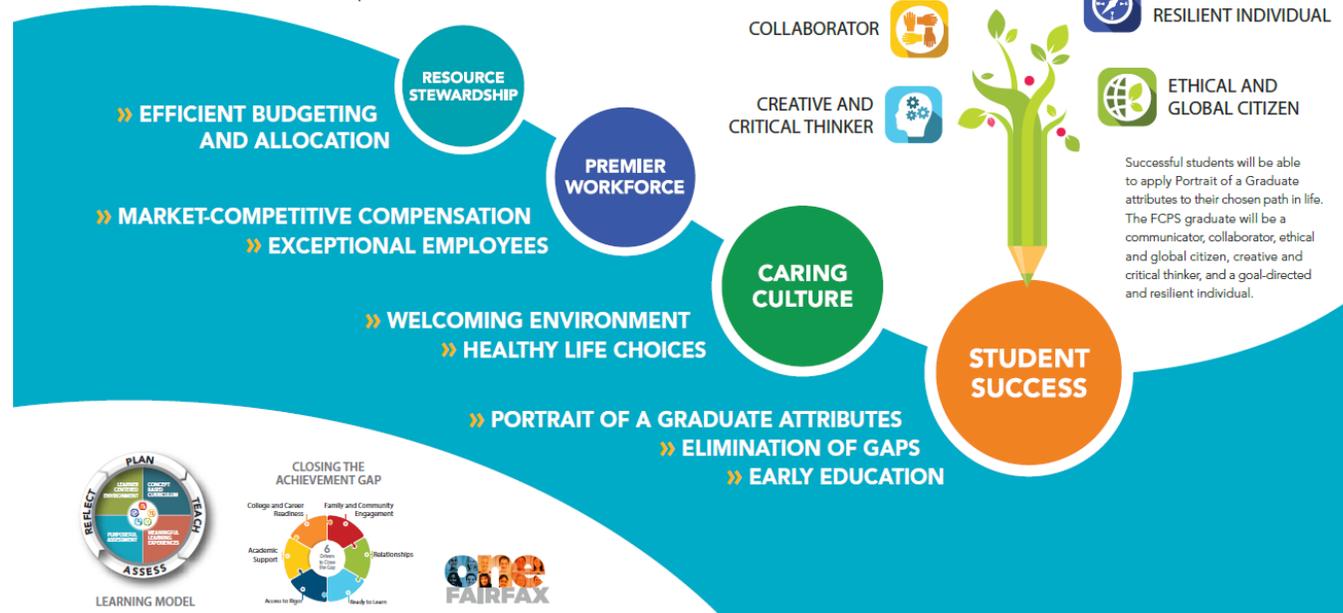
STRATEGIC FOCUS SCHOOL YEARS 2018-20

Over the next two years, FCPS will focus school and department efforts in eight areas to make progress on our strategic goals of Student Success, Caring Culture, Premier Workforce, and Resource Stewardship. Together the eight focus areas will support our students' development of Portrait of a Graduate attributes.

PORTRAIT OF A GRADUATE



Successful students will be able to apply Portrait of a Graduate attributes to their chosen path in life. The FCPS graduate will be a communicator, collaborator, ethical and global citizen, creative and critical thinker, and a goal-directed and resilient individual.



FY 2020 Revenue Overview

<u>County</u>	Change from FY 2019 Adopted \$ in millions
Real Estate Property Taxes	\$100.2
Investment Interest	\$33.0
Personal Property	\$14.5
BPOL	\$7.1
Local Sales Tax	\$5.7
Other Revenue	<u>\$2.3</u>
Total	\$162.8

<u>Schools</u>	Change from FY 2019 Approved \$ in millions
Beginning Balance	\$0.4
County Transfer Request	\$84.4
State Revenue*	\$36.4
Federal Aid	\$1.2
Other Revenue	\$3.5
Textbook Reserve	<u>(\$8.4)</u>
Total	\$117.4

**State revenue estimates are based on the Governor's Introduced budget. The House of Delegates and Senate proposed amendments result in a reduction to FCPS State revenue of \$4.5 million and \$3.7 million, respectively.*

Real Estate Tax Base

- The projected value of 1 Penny on the Real Estate tax rate equals \$25.5 million in revenue in FY 2020
- The Commercial/Industrial percentage of the total real estate assessment base increases from 19.43% in FY 2019 to 19.66% in FY 2020

	2008	2009	2010	2011	2012	2013	2014
Equalization	2.47%	(1.02)%	(10.52)%	(8.98)%	2.67%	2.53%	2.63%
- Residential	(0.33)	(3.38)	(12.55)	(5.56)	2.34	0.71	3.50
- Nonresidential	13.57	7.00	(4.51)	(18.29)	3.73	8.21	0.14
Growth	1.68	1.53	0.57	(0.22)	0.60	0.74	0.77
TOTAL	4.15%	0.51%	(9.95)%	(9.20)%	3.27%	3.27%	3.40%

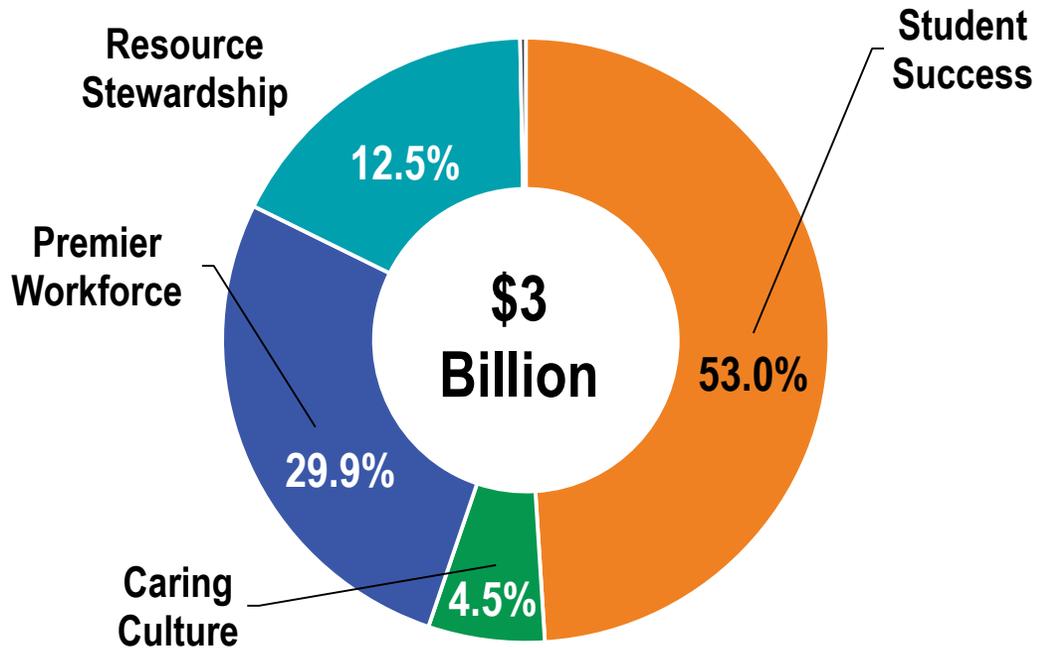
	2015	2016	2017	2018	2019	2020	2021 Prelim
Equalization	4.84%	2.40%	1.94%	0.97%	2.58%	2.45%	1.30%
- Residential	6.54	3.39	1.64	0.68	2.17	2.36	1.00
- Nonresidential	(0.10)	(0.60)	2.87	1.85	3.79	2.71	2.00
Growth	0.93	1.06	1.04	0.92	1.01	1.15	0.95
TOTAL	5.77%	3.46%	2.98%	1.89%	3.59%	3.60%	2.25%

County FY 2020 Advertised Budget Highlights

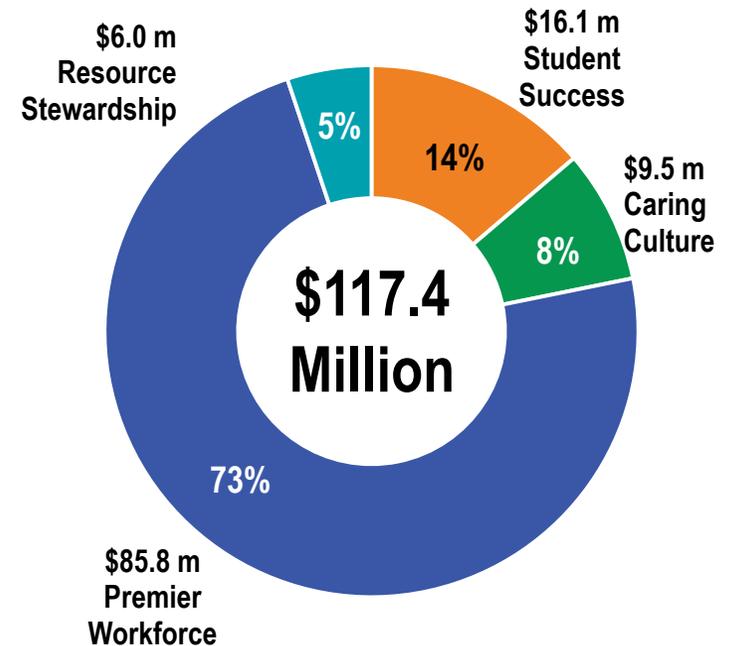
- Maintains Real Estate Tax rate of \$1.15 per \$100 of assessed value
 - Based on equalization, results in an increase in the average tax bill of approximately \$149
- Includes overall increase for County and Schools of 3.82%
 - Fully funds School Board's requested operating transfer
- Funds compensation for County employees, including performance/merit/longevity increases and a 1.00% market rate adjustment
- Funds Board priorities such as Diversion First, Gang and Opioid Prevention Efforts, Early Childhood Initiatives, South County Police Positions, and Special Education Graduates
- Net position increase of 109 County positions

FY 2020 Budget Aligned to the Strategic Plan Goals

FY 2020 Total Budget Aligned By Programs to the Strategic Plan Goal



FY 2020 Budget Increase Aligned to Individual Goals in the Strategic Plan



Overall 53% of the programs in the FY20 Proposed Budget have been identified as supporting *Student Success*.

FCPS FY 2020 Overview of Budget Increases by Goal

	Change from FY 2019 Approved \$ in millions		Change from FY 2019 Approved \$ in millions
<u>Goal 1: Student Success</u>		<u>Goal 4: Resource Stewardship</u>	
Instructional Programs	\$12.0	Contractual Services/Utilities	\$6.3
Staffing Initiatives	\$10.3	School Construction Fund	<u>(\$0.3)</u>
Projected Enrollment & Demographics	(\$6.3)	Total Operating Fund	\$117.4
<u>Goal 2: Caring Culture</u>			
Mental Health, Safety & Healthcare	\$9.2		
Equity and Positive Student Behavior Support	\$0.2		
Successful Children Youth and Policy Team (SCYPT)	\$0.1		
<u>Goal 3: Premier Workforce</u>			
Employee Compensation	\$80.1		
Employer Retirement Contributions	\$5.1		
Equity and Employee Relations Support	\$0.7		

FY 2020 Budget Summary

- Net County revenues total \$162.83 million, with \$86.46 million transferred to support Schools
- In the County's General Fund, Schools support and County requirements are both increased 3.82% over FY 2019
- In the School Operating Fund, disbursements are increased 4.09% over FY 2019
- Revenue Stabilization and Managed Reserve requirements are based on Board policy guidelines

	COUNTY	SCHOOLS
Net County Revenue	\$76.37	\$86.46
Net Schools Revenue*	-	\$33.00
Transfer In Adjustment	(\$1.09)	
Total Resources	\$75.28	\$119.46
Combined Resources	\$194.74 million	
Employee Pay	\$38.17	\$80.17
Employee Benefits	(\$0.12)	\$5.10
Debt Service and Capital	(\$15.91)	\$2.10
Public Safety	\$7.67	-
Human Services	\$19.69	-
Community Development	\$31.45	-
County Operations and Facilities	(\$0.39)	-
Operational Efficiencies	(\$3.54)	-
Enrollment and Other Requirements	-	\$32.09
Total Uses	\$77.02	\$119.46
Combined Uses	\$196.48 million	
Revenue Stabilization**	(\$6.53)	
Managed Reserve**	\$4.79	
Combined Reserves	(\$1.74) million	
Available Balance	\$0.00 million	

*Includes increase to Textbook Reserve of \$2.83 million, which nets down revenue

**Calculated on all County disbursements, including transfers for Schools support; however, funding is netted against County revenues.

County and Schools Employee Pay



	COUNTY		SCHOOLS	
	General County	Uniformed Public Safety*	Teachers	Non-Teachers
Market Rate/Scale Adjustment	1.00%	1.00%	3.65%	1.00%
Steps/Longevities	--	2.25%	2.58%	2.76%
Performance/Longevities	2.00%	--		--
Average Increase (Range of Increases)	3.00% (1.00%-5.00%)	3.25% (1.00%-6.00%)	6.23% (0% to 8.90%)	3.76% (1.00% to 5.25%)

*Uniformed Public Safety pay increases do not include the impact of pay scale leveling for uniformed Fire and Rescue employees (which vary by job class) or the 3% across-the-board increase to the Sheriff pay scales implemented in January 2019

Looking Forward

- Collaboration between County and Schools key in addressing joint priorities
- Moderate revenue growth anticipated for foreseeable future
 - Expenditure needs will continue to outpace resources – fiscal constraint will be required
 - Will monitor progress on State budget
- Focus on Schools strategic priorities
- Strategic Planning effort continues for County

FY 2020 Joint Budget Timeline



COUNTY DATES		SCHOOLS DATES
February 26, 2019	Joint Board of Supervisors and School Board Meeting	February 26, 2019
March 5, 2019	Board of Supervisors advertises FY 2020 tax rates	
March 26, 2019	Joint Board of Supervisors and School Board Meeting	March 26, 2019
April 9-11, 2019	Board of Supervisors holds public hearings on FY 2020 Budget	
April 30, 2019	Board of Supervisors marks up FY 2020 Budget	
May 7, 2019	Board of Supervisors adopts FY 2020 Adopted Budget	
	School Board FY 2020 Approved Budget presented for New Business	May 9, 2019
	School Board holds public hearings on budget	May 14-15, 2019
	School Board adopts FY 2020 Approved Budget	May 23, 2019
July 1, 2019	FY 2020 Budget Year begins	July 1, 2019