

Joint Meeting of the Board of Supervisors and School Board



FY 2024 COUNTY AND SCHOOLS ADVERTISED BUDGETS

February 28, 2023

FY 2024 ADVERTISED BUDGET CONTEXT

- **Budget focuses on stabilizing our “core” – our employees and our existing programs**
- **As with last year, with recruitment and retention challenges continuing, proposal prioritizes compensation for County and Schools employees**
- **Outsized impact of inflation**
- **Growth in residential real estate and increased investment earnings drive overall revenue growth**

FY 2024 COUNTY ADVERTISED BUDGET HIGHLIGHTS

- **Revenue projections based on existing Real Estate Tax rate of \$1.11 per \$100 of assessed value**
 - Based on equalization, results in an increase in the average tax bill of just over \$520
- **Provides funding to support recurring requests in the School Board's Advertised Budget**
 - Recommendation does not account for \$12.7 million funding error by State
- **Includes funding for the County's compensation program**
 - 2.00% Market Rate Adjustment
 - Performance, Merit and Longevity Increases
 - Adjustments associated with Market Studies
- **Supports inflationary and contract rate adjustments and provides for limited, targeted investments for new facilities and other priorities**
 - Includes no net new positions
- **Includes balance of \$90 million for the Board's consideration**

FY 2024 REVENUE OVERVIEW

COUNTY REVENUE

Revenue Category	Change from FY 2023 ¹ (\$ in millions)
Real Estate – Current ²	\$219.50
Personal Property – Current ³	\$0.00
Local Sales Tax	\$23.62
BPOL – Current	\$10.91
Investment Interest	\$93.17
Other Revenue	\$18.11
Total FY 2024 Projected Revenue Increase	\$365.31

¹ Revenue change is shown compared to the FY 2023 Adopted Budget Plan.

² Based on current Real Estate Tax rate of \$1.11 per \$100 of assessed value.

³ Assumes a vehicle assessment ratio of approximately 90%.

SCHOOLS REVENUE

Revenue Category	Change from FY 2023 (\$ in millions)
County Transfer Request ⁴	\$159.6
Sales Tax and State Aid	\$84.1
Federal	\$1.6
Beginning Balance and Other Revenue	\$4.2
Total FY 2024 Projected Revenue Increase	\$249.6

⁴ Reflects the operating transfer increase requested by the Schools in its FY 2024 Advertised Budget. The County's FY 2024 Advertised Budget Plan proposes an operating transfer increase of \$144.1 million.

REAL ESTATE TAX BASE

The projected value of 1 Penny on the Real Estate tax rate equals \$31.36 million in revenue in FY 2024

	2012	2013	2014	2015	2016	2017	2018
Equalization	2.67%	2.53%	2.63%	4.84%	2.40%	1.94%	0.97%
- Residential	2.34	0.71	3.50	6.54	3.39	1.64	0.68
- Nonresidential	3.73	8.21	0.14	(0.10)	(0.60)	2.87	1.85
Growth	0.60	0.74	0.77	0.93	1.06	1.04	0.92
TOTAL	3.27%	3.27%	3.40%	5.77%	3.46%	2.98%	1.89%

The Commercial/Industrial percentage of the total real estate assessment base decreased from 17.00% in FY 2023 to 16.16% in FY 2024

	2019	2020	2021	2022	2023	2024	2025 Prelim
Equalization	2.58%	2.45%	2.71%	2.02%	7.72%	5.68%	0.25%
- Residential	2.17	2.36	2.65	4.25	9.57	6.97	0.00
- Nonresidential	3.79	2.71	2.87	(4.05)	2.27	1.65	1.00
Growth	1.01	1.15	1.05	0.86	0.85	0.91	0.40
TOTAL	3.59%	3.60%	3.76%	2.88%	8.57%	6.59%	0.65%

**ADJUSTMENTS
INCLUDED IN
THE FY 2024
COUNTY AND
SCHOOLS
ADVERTISED
BUDGETS**

Amounts shown are in millions, net change over FY 2023 Adopted Budget Plans

	County	Schools	Unallocated
Projected Revenue Increase			
Revenue Increase at Current Real Estate Tax Rate	\$129.98	\$144.26	\$90.22
Enhanced Tax Relief for Seniors and Disabled	(\$2.70)	--	--
EMS Transport Billing Increase	\$1.99	--	--
Revenues associated with Expenditure Adjustments	\$1.56	--	--
Net Impact of Transfers In	\$0.15	--	--
Additional Schools Revenue	--	\$90.00	--
Total Available	\$130.98	\$234.26	\$90.22
FY 2024 Requirements			
Compensation (Pay and Benefits)	\$92.73	\$128.30	--
Debt Service/Capital Requirements	\$9.85	\$0.16	--
Inflationary/Contract Rate Adjustments	\$18.05	--	--
New Facilities	\$5.31	--	--
Enrollment Growth	--	\$65.20	--
Other Priorities	\$8.57	\$56.10	--
Subtotal	\$134.51	\$249.76	--
Reserve Adjustments	(\$3.53)	--	--
Total Uses	\$130.98	\$249.76	--
Available Balance	\$0.00	(\$15.50)¹	\$90.22²

¹ Net local cost of the 1% one-time bonus for Schools employees

² Balance identified for Board of Supervisors consideration in the FY 2024 Advertised Budget Plan

PROPOSED PAY ADJUSTMENTS

	General County	Uniformed Public Safety	Schools
Market Rate/Scale Adjustment	2.00%	2.00%	3.00%
Step/Longevity	-	2.39%	2.22%
Performance/Longevity	2.06%	-	-
Average Increase (Range of Increases)	4.06% (2.00% - 6.00%)	4.39% (2.00% - 7.00%)	5.22% (3.00% - 7.60%)

PAY ADJUSTMENT COMPARISONS

	COUNTY					SCHOOLS				
	General County (FCERS)	Fire & Rescue Uniformed (FCURS)	Police Uniformed (FCPORS)	Sheriff Uniformed (FCURS)	DPSC Uniformed (FCURS)	Teachers (VRS/ERFC)	Non-Teachers (VRS/ERFC)	Classroom Instructional Support (VRS/ERFC)	Trades/Custodial (FCERS)	Transportation Personnel (FCERS)
FY 2024 Advertised	4.06%	4.39%	4.39%	4.39%	4.39%	5.22%	5.22%	5.22%	5.22%	5.22%
FY 2023	6.16%	9.31%	9.31%	9.31%	18.11%	6.68%	6.68%	6.68%	6.68%	8.68%
FY 2022	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%	2.00%	4.24%	2.00%	5.70%
FY 2021	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.32%	0.00%	0.00%
FY 2020	4.10%	4.35%	5.85%	4.35%	4.35%	6.36%	3.76%	6.24%	3.76%	3.76%
TOTAL	15.32%	19.05%	20.55%	19.05%	27.85%	20.26%	17.66%	24.70%	17.66%	23.36%
Average	3.06%	3.81%	4.11%	3.81%	5.57%	4.05%	3.53%	4.94%	3.53%	4.67%

FY 2024 BUDGET TIMELINE

	COUNTY DATES	SCHOOLS DATES	STATE DATES
Joint County/Schools Budget Committee Meeting	February 28, 2023	February 28, 2023	
Board of Supervisors advertises FY 2024 tax rates	March 7, 2023		
Last Day for Governor’s action on legislation by midnight			March 27, 2023
Board of Supervisors holds public hearings on FY 2024 Budget	April 11-13, 2023		
Board of Supervisors marks up FY 2024 Budget	May 2, 2023		
Board of Supervisors adopts FY 2024 Adopted Budget	May 9, 2023		
School Board FY 2024 Approved Budget presented for new business		May 11, 2023	
School Board holds public hearings on budget		May 16, 2023	
School Board conducts budget work session		May 18, 2023	
School Board adopts FY 2024 Approved Budget		May 25, 2023	
FY 2024 Budget Year begins	July 1, 2023	July 1, 2023	July 1, 2023

LOOKING FORWARD

- **Staff will continue to monitor revenues and General Assembly actions and will return to the Board with additional recommendations as part of the Add-On package in April**
- **Three upcoming Budget Committee meetings (February 28, March 14, March 28) to discuss budget issues in more detail**
- **Looking ahead to FY 2025....**
 - Trajectory of interest rates and inflation could have multiple impacts on budget
 - Elevated mortgage rates expected to further soften residential real estate market
 - Focus will continue to be on attracting and retaining employees
 - First budget developed following collective bargaining agreements