



Thoughts on the School Budget and the School Budget "Debate"
March 17, 2016

My Initial Thoughts on the School Budget and the School Budget "Debate"

The debates on "fully funding" FCPS's budget requests have been happening since my days at West Springfield High School. It is a serious discussion and should be focused on honest, open dialogue about real issues based on real numbers -- not rhetoric in social media. Please see some of my thoughts on where we should take the discussion.

2nd Teen Job Fair - Chantilly High School

I will be holding my 2nd Teen Job Fair this spring on Saturday, April 23rd from 11:00 to 2:00 PM at Chantilly High School. If you know a teen looking for summer, after-school, or part-time employment and other resume building opportunities, please click [HERE](#) for further information. Last week at West Springfield we gave over 400 students the opportunity to get in front of employers. Some walked away with jobs, many more with applications, interviews and their first interactions with employers.

My Initial Thoughts on the School Budget and the School Budget "Debate"

I have received a lot of mail from residents throughout the County on both the proposed 6% increase in taxes and "fully funding" the school budget. I personally remember the spirited debates between my dad (when he was Chairman of the Fairfax County Board of Supervisors) and the various Superintendents during his tenure. Our school system continued to be the best in the country even without FCPS receiving the requested "full funding". And even today our graduation rates and other outcomes have not changed. And, yes, we had trailers back then as well.

However, there are a number of big differences between the debates of yesterday and those we are having today, which I believe merit discussion:

- Our teachers used to have the highest salaries in the region. As the cost of our pension systems and benefits have grown, we have dropped in salary, despite remaining near the top in total compensation (salary plus benefits plus pensions). This has led to a very real problem; we are not able to attract the best and brightest new teachers that are critical to a top-tier school system. Younger teachers with large student loan debt are attracted to school systems with higher paying salaries and care little about pensions.
- In 2001, the school system (following the County's lead) added a second pension plan which now costs \$76M per year and represents over 5% of total compensation. This significantly reduces the funding available for teacher salary increases. The second pension plan also encourages our experienced teachers to retire in their 50's and does little to attract the best and brightest of today's young millennial teachers.
- The debates of yesterday focused on the needs of the school system. They did so without systematically tearing down the reputation and status of our world class school system, as the current School Board's and School administration's #SAVEFCPS campaign is doing. #SAVEFCPS has made it more difficult to attract good teachers and businesses. New teachers do not want to begin their careers in a school system that is perceived to be failing. New businesses, that provide the commercial tax base to solve our fiscal problems, have no interest in moving to Fairfax County if they cannot offer their employees a top-tier school system for their families.
- FCPS's public relations staff and social media accounts are being used in attempts to boil complicated discussion down to misleading statements. For example, the statement, "we have cut the budget every year for the last nine years" is misleading because the budget has in fact grown 25% over 9 years from \$2.1 to \$2.6B and student population during the same period has grown only 13% over the same period.
- People are living and working longer but we have not adjusted our pension plans to adjust to that new reality like the private sector, the Commonwealth of Virginia, and the federal government have done. Growing pension costs are the number one driver of cost growth in the FCPS budget.
- Today, our kindergarten classes are over 35% free and reduced lunch (the vast majority free) and over 35% English as a second language. The Federal Government has failed to provide additional funding to offset the costs

associated with educating approximately 1,100 unaccompanied minors that entered the county in 2014, despite both the School Board and Board of Supervisors passing resolutions requesting assistance. The County needs to take a closer look at how we have contributed to this demographic shift.

Our school system has some serious issues to address and maintaining its status as one of the best school systems in the country is absolutely critical to the future success of the County. However, the solution is not as simple as throwing more taxpayer money at the problem. That approach will continue to chase our taxpaying citizens and businesses out of the county and hurt low income families and those on fixed incomes the most.

Instead, we needed ten months of honest, open discussions about our priorities, as we had in 2014, when the County funded over 99% of the School Board request. Unfortunately, the Board of Supervisors, on a 7-3 party line vote, chose not to work on budget issues over the summer and refused to reinstate the Board of Supervisors/School Board Joint Budget Development Committee last April despite the requests of several Board of Supervisors and School Board members. We need to start discussing issues openly again as soon as possible. Below are ideas I believe we can use to steer this dialogue.

School Budget Areas for Review and Discussion

Salary vs. Total Compensation - I have always said that in order to have the best school system in the country you need to attract and retain the best teachers. To do this, you need to be sure they are among the best paid in the region. You also need a properly balanced compensation system. Today our teachers' salaries are on the lower end of the region but among the top when it comes to total compensation. This is largely due to the second pension that only Fairfax County has.

Most companies' fringe benefits (retirement, medical insurance, holiday and leave, FICA, etc.) costs them about 25 to 30 cents for every dollar. For teachers, that cost is about 53 cents for every dollar and that excludes leave and holiday costs. The difference is largely pension cost and for Fairfax County it is also the cost of the second pension that was added in 2001. It is paid on top of the pension paid to other teachers in Virginia and unfortunately, it was added because the County had a similar benefit (something I will address in my next newsletter). The second pension is paid on top of the normal teacher pension and approximates a social security benefit, with a guaranteed 3% increase, that is paid from the time of the teacher's retirement until their social security benefit kicks in.

Our workforce is changing and pension costs, especially the second pension, do nothing to attract the best and brightest of today's millennial worker that is concerned far more about salary and the next few months to a year than retirement. Worse yet, the second pension encourages our experienced teachers to retire in their early 50s because if they do not retire they lose the benefit. Many retire and come back to the county as substitute teachers or consultants or go to work for neighboring school systems while collecting two pensions from Fairfax County. I will be asking the school system to provide more information on the number of retired teachers currently employees employed as substitutes or consultants.

If life were simple, we could increase teachers' salaries 15%, give them market benefits and save the taxpayers 5%, and be able to attract and keep the best and brightest teachers in the country. Unfortunately, life is not that simple. We have made commitments to our current teachers that we cannot and should not break. As a result, the discussion of rebalancing the compensation mix to one that attracts and retains the best teachers will be a complicated one but it is critical to the future of the school system. It cannot be as simple as throwing more tax payer money at salary. It is critical we address this imbalance as soon as possible as the problem gets bigger every day we do not.

Get Our Teachers Back In the Classroom/Reduce Class Sizes

The growth of administrative positions (including school based administrative positions) has resulted in new additional "programs" and administrative requirements for teachers. Also, we now have a large number of employees classified as teachers, but only doing administrative work, not teaching in the classroom. If you take the total number of students in FCPS and divide it by the number of full time employees classified as teachers, you should get the FCPS average class size. Using that calculation, FCPS should have an average class size of 13, yet our average class size is actually twice that number. What are all these teachers doing? Administration. We need to get them back in the classroom and let them teach.

Act with Some Urgency in Addressing Fiscal Matters Like Facilities

Over the last year or two, several Supervisors, School Board members, a State Senator and I met on separate occasions with school leadership to discuss creative ways to fund school renovations and construction. One of the examples this group shared was the renovation of a high school in Winchester done very tastefully, funding the renovations by selling naming rights. The FCPS response: our policies do not allow it - we are looking at changes. How did they handle an issue like the transgender policy in 5 weeks and hire a consultant on a noncompetitive sole source basis to implement that policy and not address a fiscal opportunity like this one in over a year? This program alone could significantly reduce the cost of new school

construction and renovation. We missed a great opportunity with the renovation of our premiere school Thomas Jefferson High School.

The school system also recently signed a new administrative office lease. School staff proclaimed that they were happy that the lease was the same cost as the existing lease. Unfortunately, we are not turning to best practices used in the private sector. Industry is cutting facility size and cost for administrative space by 30 to 50% by looking at new ideas like competitive lease rates, hoteling and more creative use of space. FCPS should do this as well. I have asked for square footage per employee information on the new and existing administrative space and other lease information, but have not received it yet.

Ask the Auditor to the School Board to Identify Areas of Savings/Efficiencies

The Board of Supervisors asked our Auditor several years ago to identify areas of savings and efficiencies. We were presented with a number of options to close the shortfall in our budget and we saved money. The Auditor to the School Board could be a valuable asset to the School Board in looking at the efficiency of programs but has yet to be asked.

Other Areas that May Merit Review

There are several areas that could reduce cost without impacting programs. They include:

Creative ways to reduce transportation cost: Far too often, full sized busses are used to transport a few students' great distances for a number of reasons. Busses are a major cost to the school system.

Reduce the number of personnel in the Schools PR department: I still have not received an adequate response on the cost of the #SAVEFCPS program (see the response I received [here](#) and you be the judge). If this type of program were conducted using public money by a federal, state or county department, it would not be tolerated and might even be considered illegal. The FCPS Office of Communications and Community Outreach budget is over \$1M and can clearly be reduced.

Reduce travel costs: FCPS teachers and administrators regularly travel to programs across the United States, with many employees going to the same seminar. Please see the [attached list](#) of travel provided by a constituent. I have asked for an updated list from last year. A certain amount of travel is expected, but the attached list seems a little much in my opinion - you make the call. This is another area the Auditor to the School Board could review.

Prepare a list of programs not required by federal or state regulations: This list was requested by the Superintendent's Budget Task Force, but is not available. The Task Force only reviewed cost reduction options put in front of it by the school system.

Many ideas, like outsourcing and reviewing benefits and pensions, were taken off the table. Like many members of the Superintendent's Budget Task Force, I believe a list would be good place to start viewing what we should and should not be doing. Clearly the best school system in the country should be doing much more than the basic requirements, but we should at least know what the minimum requirements are.

Pay cafeteria worker raises from the Nutritional Services Fund: The School Board recently voted to use operating fund dollars to pay higher salaries to school cafeteria workers, which ordinarily would be paid from the Food and Nutrition Services fund. This raise - worth about \$1 million - can be covered by the reserves in the Food and Nutrition Services fund and should be moved by the School Board before other program cuts are even considered.

Look for Opportunities to Outsource Basic Services: In part, because of the high benefit cost, FCPS should look to outsource services that can be more cost effectively performed by the private sector.

How do we move forward?

I believe it starts with open, honest dialogue. I believe we had that in 2014 with the Joint Budget Development Committee which is why I asked for it to be continued over the last 10 months. It also starts with what we can agree on - the need to address the teachers' salary discrepancy, the need to reduce class size, and the fact we have a great school system that faces new challenges (ESOL/FRM), and that #SAVE FCPS is bad for the school system and the county.

Our discussion also needs to include respect for taxpayers' wallets. The School Board's refusal to reduce the budget request by \$4.3M (\$3.3M in expected state funding increases that turned out to be closer to \$13M and \$1M that could be moved to the federally-funded nutritional fund) has reinforced its position as advocates for as much funding as they can get for the school system. This puts both Boards in a bad starting spot.

When we are around the table discussing the need to address the second pension, there is agreement among the Superintendent, the School Board, and the Board of Supervisors. That need is absent in the rhetoric, and there appears to be no urgency for discussion. We need to cut the rhetoric and begin having more open, honest discussions on the issues and the impact on our taxpayers. We need to continue to have discussion over the next year and not wait for the two months between when the budget is proposed and when the budget is approved to try to address them.

Conclusion

I look forward to hearing from you on these issues I have discussed above either by email or at my budget town hall on March 23 from 7:00 -9:00 PM at my office in West Springfield. I also encourage you to contact your School Board member and ask them to address the very important issues discussed above before they implement any of the "Washington Monument" cuts put on the table during the Budget Task Force

meetings this summer. The Board of Supervisors cannot make these decisions - decisions to cut programs can only be made by the School Board. Please see the list of School Board members [here](#).
In my next newsletter I will look at the county side of the budget where many of the same issues and cost drivers exist.

Teen Job Fair:

Last weekend, I hosted a Teen Job Fair co-sponsored by the Greater Springfield Chamber of Commerce and the West Springfield High School SGA. The job fair focused on students and younger job-seekers looking for all types of employment opportunities; full time, after-school, seasonal positions, internship opportunities, or volunteer positions. Over 400 students attended and over 30 employers met with prospective job seekers.

In April, I am holding a second Teen Job Fair on the western end of the district. I will be teaming up with the Dulles Regional and Reston Chambers of Commerce, the Chantilly Academy, and Chantilly Student Government Association to host the Western Fairfax Teen Employment Fair and Resume Building Workshop. The fair will take place on Saturday, April 23 from 11:00 - 2:00 PM in the cafeteria of Chantilly High School. It is open to all teens in Fairfax County looking for employment and is a great opportunity in a low pressure environment for your teen to speak with employers, build their resume, and seek and hopefully find a job.