



FY 2021

County and Schools Advertised Budgets

Joint Meeting of the Board of Supervisors and School Board

February 28, 2020



County FY 2021 Advertised Budget Context


- Focuses on Board priorities
- Adjustments are in alignment with the Priority Outcome Areas as identified during the development of the Countywide Strategic Plan
 - Strategic Plan is released concurrent with the budget
- Equity lens applied in decision-making process consistent with One Fairfax
- Options to generate revenue to fund priorities are limited

Need for a Countywide Strategic Plan




“Chapter Headings” for the Strategic Plan

Priority Outcome Areas


Lifelong Education and Learning 

Health and Environment 

 Mobility and Transportation

 Cultural and Recreational Opportunities

Safety and Security 

Empowerment and Support for Residents
Facing Vulnerability 

 Housing and Neighborhood Livability

Economic Opportunity 

 Effective and Efficient Government

Guiding Principles

Affordability
Equity

Access
Sustainability

Innovation
Placemaking

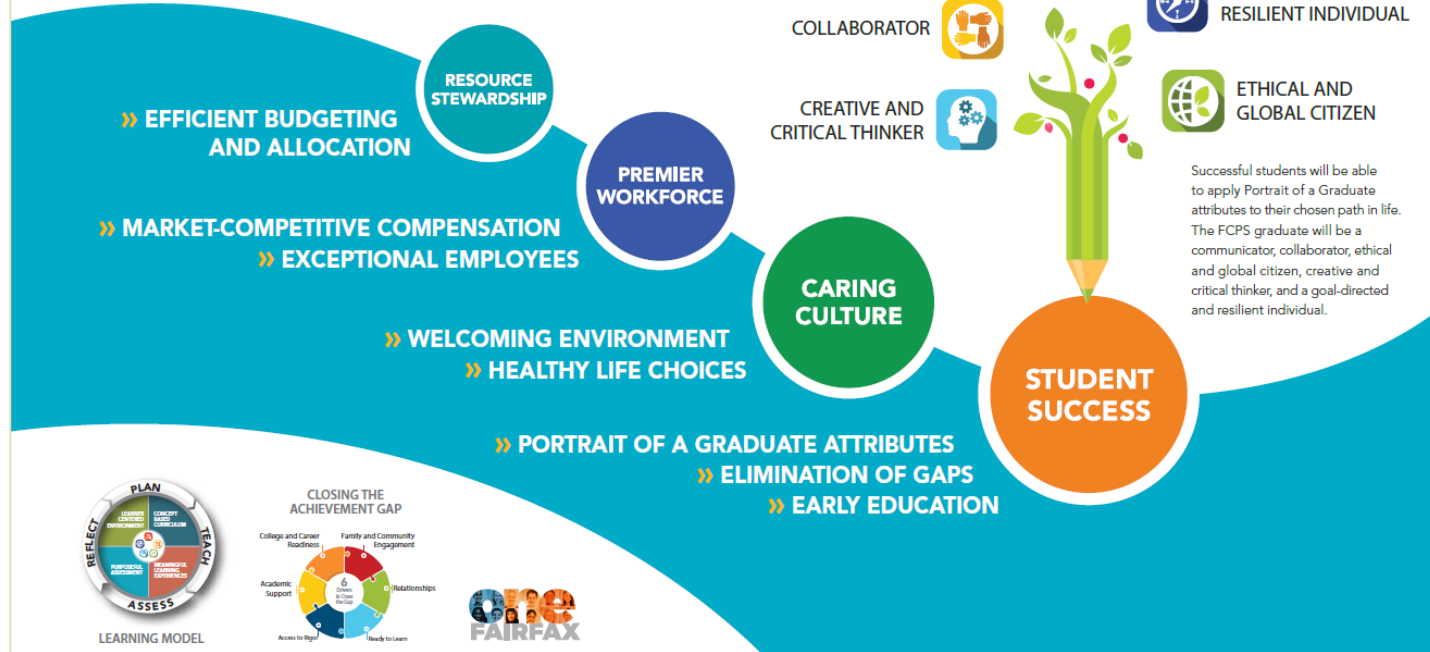
Collaboration and
Engagement

FCPS Strategic Plan



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.



Shared Themes – FCPS and FCG

- Lifelong Education and Learning
 - Access and opportunity gaps/Communities of Opportunity
 - Workforce readiness/development
 - Early childhood learning
- Effective and Efficient Government
 - Shared facilities
 - Capital improvements
 - Fiscal Stewardship
- Health and Environment
 - Coordinated services, “one story one time”
 - Health and wellness
 - Environmental stewardship
- Safety and Security
 - Public safety

FY21 Revenue Overview



County Revenue

	Change from FY 2020 (\$ in millions)
Real Estate Property Taxes	\$110.7
Additional Three Cents ¹	\$79.5
Personal Property Taxes	\$13.3
Local Sales Tax	\$9.5
Investment Interest	(\$33.9)
Other Revenue	\$6.9
Projected Revenue Increase	\$186.0

¹ One penny, or \$26.5 million, is recommended to be dedicated to affordable housing. This revenue will be deposited directly to the Affordable Housing Development and Investment Fund and will not flow through the General Fund.

Schools Revenue

	Change from FY 2020 (\$ in millions)
Beginning Balance	(\$1.1)
County Transfer Request ²	\$89.7
Sales Tax and State Aid ³	\$69.2
Federal	\$0.4
City of Fairfax	\$2.7
Other Revenue	\$1.8
Textbook Reserve (net impact)	\$9.4
Projected Revenue Increase	\$172.2

² Reflects requested transfer. A transfer increase of \$85.5 million is included in the County's Advertised Budget Plan.

³ State revenue based on the Governor's Introduced Budget conveyed on December 17, 2019. The House of Delegates amendments result in a net increase of \$9.7 million. Sufficient information is not available to provide the full impact of the proposed bonus included in the Senate amendments.

Real Estate Tax Base

- The projected value of 1 Penny on the Real Estate tax rate equals \$26.5 million in revenue in FY 2021
- The Commercial/Industrial percentage of the total real estate assessment base increases from 19.66% in FY 2020 to 19.72% in FY 2021

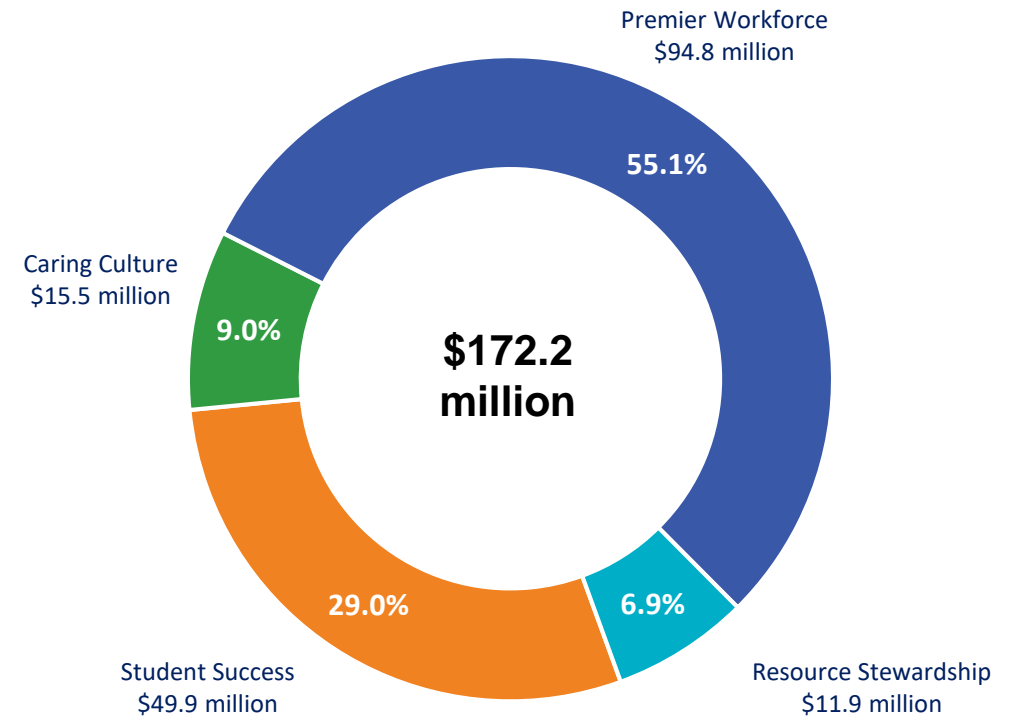
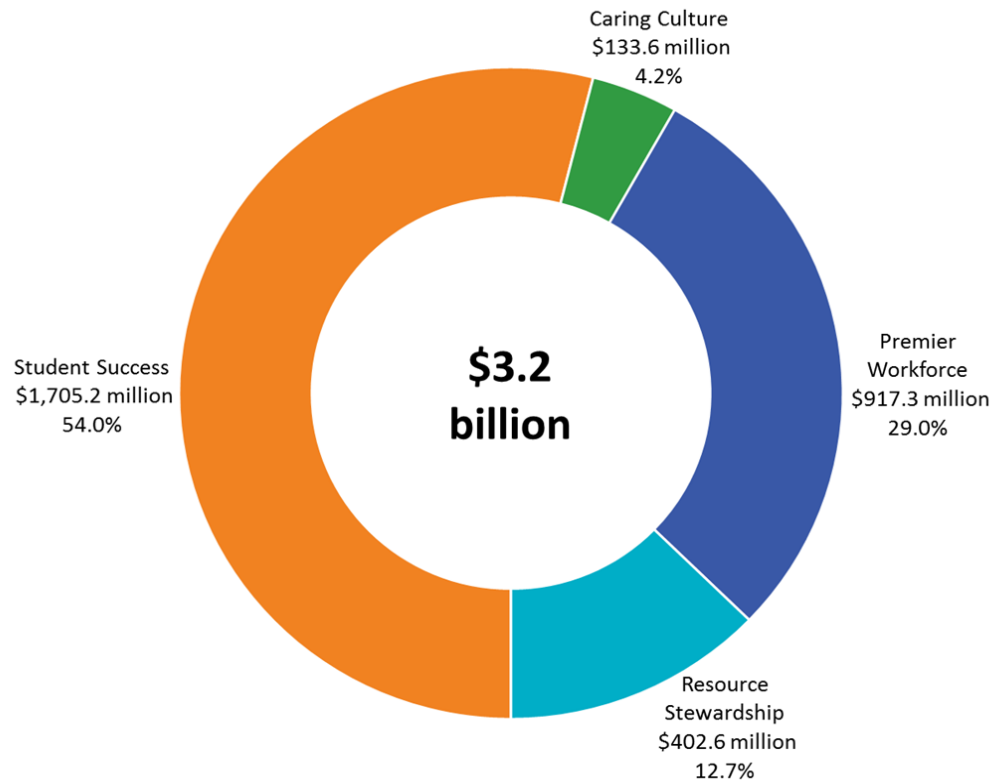
	2009	2010	2011	2012	2013	2014	2015
Equalization	(1.02%)	(10.52%)	(8.98%)	2.67%	2.53%	2.63%	4.84%
- Residential	(3.38)	(12.55)	(5.56)	2.34	0.71	3.50	6.54
- Nonresidential	7.00	(4.51)	(18.29)	3.73	8.21	0.14	(0.10)
Growth	1.53	0.57	(0.22)	0.60	0.74	0.77	0.93
TOTAL	0.51%	(9.95%)	(9.20%)	3.27%	3.27%	3.40%	5.77%

	2016	2017	2018	2019	2020	2021	2022 Prelim
Equalization	2.40%	1.94%	0.97%	2.58%	2.45%	2.71%	2.40%
- Residential	3.39	1.64	0.68	2.17	2.36	2.65	2.55
- Nonresidential	(0.60)	2.87	1.85	3.79	2.71	2.87	2.00
Growth	1.06	1.04	0.92	1.01	1.15	1.05	0.80
TOTAL	3.46%	2.98%	1.89%	3.59%	3.60%	3.76%	3.20%

County FY 2021 Advertised Budget Highlights

- Increases Real Estate Tax rate by 3 cents to \$1.18 per \$100 of assessed value
 - Of the increase, 2 cents is utilized to fund priorities in the General Fund and, per Board Budget Guidance, 1 cent is dedicated to affordable housing
 - Based on equalization, results in an increase in the average tax bill of approximately \$346
- Includes proposal to implement 4% Admissions Tax in October 2020 on the sale of movie, theater, and concert tickets
 - Revenue would be deposited into the Contributory Fund and used for arts, cultural, and tourism activities, relieving pressure on the General Fund
- Includes overall increase for County and Schools of 3.65%
 - Provides an \$85.52 million increase over FY 2020 for School Operating, shy of \$89.70 million requested by School Board
 - Anticipated that Schools will receive additional funding from the state to eliminate shortfall
- Funds compensation for County employees, including performance/merit/ longevity increases and a 2.06% market rate adjustment
- Funds other Board priorities such as Early Childhood Opportunities, Environmental Initiatives, Diversion First, Opioid Use Prevention Efforts, Body-Worn Cameras, Police and Fire positions, and Library Hours

FY 2021 FCPS Advertised Aligned By Strategic Plan Goal Area



FCPS FY 2021 Overview of Budget Increases by Goal

Change from
FY 2020 Approved
\$ in millions

Change from
FY 2020 Approved
\$ in millions

Goal 1: Student Success

Enrollment and Student Populations Requiring Differentiated Instruction	\$28.8
Instructional Programs	19.3
Contractual Services	\$1.8

Goal 2: Caring Culture

Health Insurance	\$13.3
Prevention, Intervention, and Equity	\$1.6
Contractual Services	\$0.6

Goal 3: Premier Workforce

Employee Compensation	\$75.5
Retirement and Workers Compensation	\$18.1
Recruitment and Retention	\$1.2

Goal 4: Resource Stewardship

Staffing Initiatives	\$6.0
Operational Support	\$1.0
Contractual and Utilities	\$3.6
Transfers to Other Funds	<u>\$1.3</u>

TOTAL **\$172.2**

Adjustments included in FY 2021 County and Schools Advertised Budgets

(Amounts shown are in millions, net change over FY 2020 Adopted Budget Plans)

	County	Schools	TOTAL
Available Revenue Increase			
Revenue Increase with Real Estate Tax Rate Increase of Three Cents ¹	\$100.3	\$85.7	\$186.0
Net Impact of Transfers In	(\$0.4)	--	(\$0.4)
Additional Schools Revenue	--	\$82.5	\$82.5
Total Available	\$99.9	\$168.2	\$268.1
FY 2021 Requirements			
Compensation	\$41.9	\$94.8	\$136.7
Debt Service	(\$0.7)	\$0.2	(\$0.5)
Lifelong Education and Learning	\$1.5	\$77.4	\$78.9
Housing and Neighborhood Livability ¹	\$27.2	--	\$27.2
Safety and Security	\$9.8	--	\$9.8
Health and Environment	\$8.9	--	\$8.9
Mobility and Transportation	\$4.7	--	\$4.7
Empowerment and Support for Residents Facing Vulnerability	\$3.3	--	\$3.3
Cultural and Recreational Opportunities	\$2.9	--	\$2.9
Economic Opportunity	\$2.1	--	\$2.1
Effective and Efficient Government	\$1.7	--	\$1.7
Subtotal	\$103.3	\$172.4	\$275.7
Reserve Adjustments	(\$3.4)	--	(\$3.4)
Total Uses	\$99.9	\$172.4	\$272.3
Available Balance ²	\$0.0	(\$4.2)	(\$4.2)

FY 2021 Budget Summary

- Net County revenues increase totals \$186.0 million, with \$85.7 million transferred to support Schools Operating and Debt Service requirements and \$26.5 million flowing directly to the Affordable Housing Development and Investment Fund
- Schools support and County requirements are both increased 3.65% over FY 2020
- Schools are 52.6% of General Fund Disbursements in FY 2021

¹ One penny, or \$26.5 million, is recommended to be dedicated to affordable housing. This revenue will be deposited directly to the Affordable Housing Development and Investment Fund and will not flow through the General Fund.

² Based on the differential between the Schools requested Operating Fund transfer and the amount included in the County's Advertised Budget Plan, a shortfall of \$4.2 million is reflected. It is anticipated that additional state revenue will be available to fully fund the Schools FY 2021 requirements.

County and Schools Employee Pay

	COUNTY		SCHOOLS		
	General County	Uniformed Public Safety	Teachers	Non-Teachers	Classroom Instructional Support
Market Rate/Scale Adjustment	2.06%	2.06%	1.00%	1.00%	1.00%
Step/Longevity	--	2.25%	2.48%	2.36%	5.01%
Performance/Longevity	2.00%	--	--	--	--
Average Increase (Range of Increases)	4.06% (2.06 to 6.06%)	4.31% (2.06 to 7.06%)	3.48%	3.36%	6.01%

County and Schools Employee Pay – 10-Year Comparison

	COUNTY					SCHOOLS			
	Fire and Rescue Uniformed	Sheriff Uniformed	Police Uniformed	DPSC Uniformed	General County	Teachers (VRS/ERFC)	Classroom Instructional Support (VRS/ERFC)	Trades/Custodial (FCERS)	Non-Teachers (VRS/ERFC)
FY 2021	4.31%	4.31%	4.31%	4.31%	4.06%	3.48%	6.01%	3.36%	3.36%
FY 2020	4.35%	4.35%	5.85%	4.35%	4.10%	6.36%	6.24%	3.76%	3.76%
FY 2019	4.50%	7.50%	4.50%	4.50%	4.25%	6.38%	6.06%	6.06%	6.06%
FY 2018	2.25%	2.25%	2.25%	2.25%	2.00%	4.40%	2.30%	2.30%	2.30%
FY 2017	3.83%	3.83%	3.83%	3.83%	3.33%	6.22%	3.30%	3.30%	3.30%
FY 2016	3.35%	3.35%	3.35%	3.35%	3.60%	2.92%	2.92%	2.92%	2.92%
FY 2015	6.54%	3.54%	3.54%	3.54%	2.29%	2.25%	2.25%	2.25%	2.25%
FY 2014	0.35%	0.35%	0.35%	0.35%	0.00%	1.35%	1.35%	5.00%	1.35%
FY 2013	5.48%	5.48%	5.48%	5.48%	4.68%	1.82%	1.82%	3.25%	1.82%
FY 2012	2.00%	2.00%	2.00%	2.00%	2.00%	3.30%	3.30%	3.30%	3.30%
10-year Average	3.70%	3.70%	3.55%	3.40%	3.03%	3.85%	3.56%	3.55%	3.04%

5-Year Bond Referenda Plan

- Bond Referenda Plan in the FY 2021-FY 2025 Capital Improvement Program includes:

Year	Category	Description			Total
Fall 2020	County	Human Services	\$104 mil	Crossroads, Willard Health Center, Early Childhood Facilities	\$466 mil
		Libraries	\$90 mil	Kingstowne Regional, Patrick Henry Community, Sherwood Regional, George Mason Regional	
		Parks	\$112 mil	Fairfax County Park Authority and Northern Virginia Regional Park Authority	
		WMATA	\$160 mil		
Fall 2021	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 mil
Fall 2022	County	Public Safety	\$72 mil	Welfit Performance Testing Center, Chantilly Fire Station, Fox Mill Fire Station, Oakton Fire Station, Police Facility Security Upgrades (amount to be determined)	\$97 mil
		Human Services	\$25 mil	Early Childhood Facilities	
Fall 2023	Schools	Capital Enhancement, Renovation, Infrastructure Management			\$360 mil
Fall 2024	County	Human Services	\$89 mil	Tim Harmon Campus: A New Beginning/Fairfax Detox, Cornerstones, Springfield Community Resource Center, Early Childhood Facilities	\$381 mil
		Parks	\$112 mil	Fairfax County Park Authority and Northern Virginia Regional Park Authority	
		WMATA	\$180 mil		



Schools Capital Construction Cash Flow Summary

- Total Five-Year Requirement: \$1,072,619,378
 - Funded \$499,440,755
 - Unfunded \$573,178,623

- Total Ten-Year Requirement: \$2,100,846,196
 - Funded \$520,610,103
 - Unfunded \$1,580,236,093

Looking Forward

- Potential for significant legislative changes in current General Assembly session may impact revenue options in future years
- FY 2022 will be developed based on Strategic Plan priorities as approved by the Board of Supervisors
- As moderate revenue growth is anticipated, prioritization is important to focus resources
- Collaboration with Schools key in addressing joint priorities

Joint Budget Timeline



FY 2021 BUDGET CALENDAR

COUNTY		SCHOOLS
February 28, 2020	Joint Board of Supervisors and School Board Budget meeting	February 28, 2020
March 10, 2020	Board of Supervisors authorizes advertisement of FY 2021 tax rates	
April 14-16, 2020	Board of Supervisors holds public hearings on FY 2021 Budget	
April 28, 2020	Board of Supervisors marks up FY 2021 Budget	
May 5, 2020	Board of Supervisors adopts FY 2021 Adopted Budget	
	School Board FY 2021 Approved Budget presented for new business	May 7, 2020
	School Board holds public hearings on the budget	May 12, 2020
	School Board adopts FY 2021 Approved Budget	May 21, 2020
July 1, 2020	FY 2021 Budget Year begins	July 1, 2020