



McLean Citizens Association Resolution Fairfax County Advertised FY 2023 Budget Plan April 6, 2022

Whereas, the Fairfax County FY 2023 Advertised Budget recommends total revenues for all County funds of \$9.5 billion and total expenditures of \$9.1 billion;¹ and

Whereas, total revenues and expenditures for the County's FY 2023 Advertised Budget are divided among many County funds, the largest of which is the County's General Fund²; and

Whereas, inflation is increasing rapidly,³ and the war in Ukraine will continue to put pressure on energy, food and other prices⁴; and

County General Fund

Whereas, the County's FY 2023 Advertised Budget recommends a 7% increase in General Fund expenditures from FY 2022 to FY 2023, with General Fund disbursements of \$4.8 billion; and

Whereas, the FY 2023 Advertised Budget recommends General Fund expenditures be split 52.4% for operating costs, debt service and capital costs associated with Fairfax County Public Schools (FCPS) and 47.6% for all other County General Fund expenditures, which include:

- Public Safety (12.1%),
- Health and Welfare (11.5%),
- Fringe Benefits (9.1%),
- Community Development & Transportation (3.4%),
- County Debt (2.8%),
- Central Services such as information technology and tax administration (2.7%),
- Public Works, including facilities management (1.7%),
- Parks and Libraries (1.3% combined);⁵ and

¹ FY 2023 Advertised Budget Plan (Overview), p. 36.

² Volume 2 of the FY 2023 Advertised Budget Plan contains information about other County funds.

³ See, e.g., Carpenter, "Americans are Having an Inflation 'Aha' Moment," Wall Street Journal, March 18, 2022; Horsley, "Inflation hits another 40-year High: the war in the Ukraine could make it worse," NPR (March 10, 2022).

⁴ Kammer et al, "How War in Ukraine is Reverberating Across World's Regions," IMF (March 15, 2022).

⁵ FY 2023 Advertised Budget Plan (Overview), p. 42.

Whereas, the County’s FY 2023 Advertised Budget recommends:

- “Fully funding” the FCPS operating budget request, which includes raises for FCPS employees as well as additional positions and program expansions,
- Market scale adjustments of 4.01% for all County employees, plus performance, merit and longevity increases that average 2.15% for non-uniformed merit employees and 3.85% for uniformed merit employees, and
- Allocating about \$128 million of additional net resources to “County priorities”; and

County and FCPS Pension Plans

Whereas, the three pension plans run by the County all reduced their discount rates to 6.75% in 2022 from 7.25% in 2021, and according to the County’s Chief Financial Officer, intend to continue reducing their discount rates in the future, to minimize economic risks⁶; and

Whereas, the FCPS Educational Employees’ Supplementary Retirement System (ERFC) is still using a 7.25% discount rate to estimate its pension liabilities, which results in lower stated pension liabilities than if ERFC used a 6.75% discount rate like the County’s pension plans; and

Whereas, the County’s three pension plans and ERFC all file Annual Comprehensive Financial Reports (ACFRs) for fiscal years that end on June 30, and the net investment returns as of June 30, 2021 for each pension plan were disclosed in such pension plan’s FY 2021 ACFR; and

Whereas, although ERFC’s annual Actuarial Valuations are done as of December 31 each year, ERFC’s Trustees receive monthly reports on ERFC’s investment returns, and could have voted to reduce ERFC’s discount rate during 2021, effective as of January 1, 2022.

Now, therefore, be it resolved that the McLean Citizens Association commends the County’s three pension plans for reducing their discount rates to 6.75%, and thus taking action to reduce the risk of significantly higher future County employer contributions; and

Be it further resolved that the McLean Citizens Association urges ERFC’s trustees to reduce ERFC’s discount rate to no more than 6.75% from its current discount rate of 7.25%, to reduce the risk of significantly higher future FCPS employer contributions.

Public Safety – Fairfax County Police Department (FCPD)

Whereas, the FCPD has 1848 authorized full-time equivalent positions and its position vacancy factor increased from 5.8% in 2019 to an estimated 12.9% in 2023;⁷ and

⁶ Statement by County CFO Christina Jackson during Dranesville Budget Town Hall (February 28, 2022).

⁷ FY 2023 Advertised Budget (Vol. 1), p. 187.

Whereas, the FY 2023 Advertised Budget recommends spending \$495,890 (excluding benefits) to provide 25-year longevity increases to uniformed police, but does not provide for any salary scale changes to less experienced police officers⁸; and

Whereas, the number of applicants to join the FCPD as officers declined from 3,000 in 2019 to 1,120 in 2022, while the number of vacancies filled declined from 100 in 2019 to 72 in 2021; and

Whereas, “applicant pools are shrinking and when coupled with high failure rates in the academy, [public safety] agencies are not able to keep up with attrition rates”;⁹ and

Whereas, providing officers up to second lieutenants with an additional 6% salary increase (above the 4.01% market scale adjustment) would cost approximately \$7 million, excluding benefits, if the roughly 200 vacant positions for those grade levels were filled,¹⁰ and

Now, therefore, be it resolved that the McLean Citizens Association urges the Board of Supervisors to refrain from implementing a 25-year longevity increase, and, instead, to increase salaries by an additional 6% (above the 4.01% market scale adjustment) for police up to second lieutenants, to address the decline in applications and in vacancies filled.

Fairfax County Park Authority (FCPA)

Whereas, during the COVID-19 pandemic, Fairfax County park use increased by 60 percent¹¹ and is not expected to decline significantly from these increased levels of use; and

Whereas, FCPA natural resource management efforts are funded from the FCPA General Fund, and park bond proceeds rarely are used for natural resource management¹²; and

Whereas, the Environmental and Quality Advisory Council (EQAC), in its 2021 Annual Report, recommended that the County increase FCPA funding to “address long-term natural resource management needs”;¹³ and

Whereas, the County’s FY 2023 Advertised Budget recommended that the Board of Supervisors fund \$50,000 out of the \$751,954 in the FCPA’s FY 2023 General Fund Budget Request for additional Natural Resources Sustainability funding, which the FCPA listed as one of its four highest priorities,¹⁴ and

Whereas, Supervisor Foust submitted a FY 2023 Budget Consideration Item on March 28, 2022, asking other Supervisors to consider fully funding the requested \$751,954.

⁸ FY 2023 Advertised Budget Plan (Vol. 1), p. 183.

⁹County FY 2023 Budget Questions, #C-23, p. 39.

¹⁰ Supervisor Herrity, Budget Consideration Item to Increase Police Compensation (March 8, 2022).

¹¹ FCPA Executive Director Jai Cole video presentation to the Federation of Friends (March 22, 2022).

¹² See, e.g., FCPA Planning & Development Division, FY 2018 – 22 CIP through FY 2024 (approved May 24, 2017).

¹³ Environmental Quality Advisory Council, 2021 Annual Report on the Environment (Dec. 2021), p. 57.

¹⁴ FCPA Board Agenda Item (Sept. 22, 2021), p. 3.

Now, therefore, be it resolved that the McLean Citizens Association recommends that the Board of Supervisors increases FCPA’s Natural Resource Sustainability funding for FY 2023 by the full \$751,954 requested by the FCPA.

Urgent Capital Expenditures

Whereas, the County FY 2023-FY 2027 Advertised CIP includes a summary of projected future capital expenditures for the County, FCPS,¹⁵ the FCPA,¹⁶ and other entities for which the County expects to fund current and future capital expenditures; and

Whereas, the County has some projects classified as “urgent/safety related, or endangering life and/or property” or as “critical systems beyond their useful life or in danger of possible failure” that “may not be remediated for several years” due to lack of funds;¹⁷ and

Whereas, the FCPS backlog of deferred maintenance is currently \$128.3 million and is projected to reach \$205 million by FY 2027, and lack of FCPS funding for facilities maintenance is “allowing systems to run past the useful life cycle, is inefficient, and introduces a myriad of other risks and higher maintenance costs”;¹⁸ and

Whereas, the County’s principles of Sound Capital Improvement Planning state that the “County shall allocate an appropriate amount of its general operating, special revenue, enterprise and other funds to finance ongoing infrastructure maintenance, renewal and replacement of facilities”;¹⁹ and

Whereas, the County has initiated efforts to use a small percentage of General Fund resources for Infrastructure Replacement and Upgrades, but the County’s FY 2023 Advertised Budget funded other priorities instead of allocating 1 cent of real estate tax proceeds, as recommended by the Joint CIP Committee, to critical capital projects;²⁰ and

Whereas, the County Executive is recommending a delay in future bond referenda, due to a backlog of unissued bonds caused by factors such as limits on bond sales, changes in project scopes after voter approval, higher Metro contribution requirements, project delays associated with co-location projects, supply chain issues, and COVID;²¹ and

Whereas, County General Fund expenditures in past years have been used to pay for only a small amount of critical maintenance, renewal and replacements.

¹⁵ FY 2023 – FY 2027 Advertised CIP, pp. 82 – 89.

¹⁶ FY 2023 – FY 2027 Advertised CIP, pp. 92 – 105.

¹⁷ FY 2023 – FY 2027 Advertised CIP, p. 63. See also FY 2023 Budget Questions, p. 22.

¹⁸ FY 2023 – FY 2027 Advertised CIP, p. 67.

¹⁹ FY 2023 – FY 2027 Advertised CIP, p. 4.

²⁰ See, e.g., FY 2023 Budget Questions, p. 22.

²¹ FY 2023 – FY 2027 Advertised CIP, p. iii.

Now, therefore, be it resolved that the McLean Citizens Association urges the County, FCPS and related public entities to use a larger percentage of their operating budgets to pay for critical maintenance, renewal and replacements, and to fund critical maintenance, renewal and repairs using all reasonable available options, including a reduction in the percentage of their operating budgets allocated to create new programs, pay for new positions, or expand existing programs (except as otherwise specified in this resolution).

Fairfax County Public Schools

Whereas, total FCPS enrollment (including pre-school students) was 185,490 in September 2015, 186,844 in September 2016, 189,029 in September 2017, 188,049 in September 2018, 189,010 in September 2019, 180,151 in September 2020, and 178,595 in September 2021;²² and

Whereas, FCPS projects that total enrollment will decline from 178,595 in School Year 2021-22 to 176,700 in School Year 2026-27, with almost all the decline occurring at elementary school grade levels²³; and

Whereas, it is evident from the data that the decline in FCPS student enrollment is a longer-term trend that is not caused exclusively by the COVID-19 pandemic, and that FCPS enrollment is unlikely to increase when COVID-19 is less widespread and/or less problematic; and

Whereas, FCPS has multiple “funds” that are used to pay FCPS employee compensation and other expenses, and FCPS annually transfers money among FCPS funds;²⁴

Whereas, notwithstanding the decline in student enrollment since FY 2018, FCPS has added hundreds of new administrative positions and is proposing to add more administrative positions in FY 2023, which are paid from all FCPS funds (not just the Operating Fund):

- Assistant Principal positions increased by 11.4%, to 507 in FY 2023 from 455 in FY 2018,
- Supervisor positions increased by 16.9%, to 202 positions in FY 2023 from 173 positions in FY 2018, including the following increases just in the FCPS Operating Fund:
 - Executive Principals (who supervise principals) increased to 13 positions from 7 positions,
 - Coordinators (who supervise specialists) increased to 120 positions from 107 positions,
- Specialist positions increased by 23%, to 1847 positions in FY 2023 from 1502 positions in FY 2018, including the following increases in just the FCPS Operating Fund:
 - “Functional Supervisors” increased to 101 from 86 positions,
 - Staff attorneys increased to 7 from 3 positions,
 - Psychologists increased to 184.5 from 160 positions,
 - Social workers increased to 185.5 from 151 positions,

²² See FCPS School Profiles.

²³ FCPS Proposed CIP FY 2023 – 27, p. 34. This projected decrease in student enrollment also was included in the County’s Advertised FY 2023-27 CIP, on page 82.

²⁴ See, e.g., FCPS FY 2022 Adopted Budget.

- “Instructional specialists” increased to 167 from 122 positions,²⁵ and

Whereas, during that same time period, the number of teacher positions increased by 1.4%, to 15,544 in FY 2023 from 15,451 positions in FY 2018; and

Whereas, class sizes in greater McLean area schools sometimes equal or exceed class size ratios allowed under state law²⁶ and average class sizes in greater McLean area elementary, middle and high schools generally exceed average class sizes at other FCPS schools;²⁷ and

Whereas, the FCPS FY 2023 Advertised Budget includes two new Planner II positions to analyze existing economic, demographic and urban development trends, assist in school boundary studies and the development of a long-range school facilities plan, and advise school principals on space planning to maximize capacity utilization;²⁸ and

Whereas, from FY 2018 through FY 2023 Proposed, aggregated salaries by job category for FCPS employees paid from the Operating Fund increased by different percentages:²⁹

- 1st through 6th grade teacher aggregated salaries increased by 1.1%,
- Middle school teacher aggregated salaries increased by 5.2%,
- High school teacher aggregated salaries increased by 9.8%,
- Specialist aggregated salaries increased by 36.7%,
- Supervisor aggregated salaries increased by 29.3%,
- Assistant principal aggregated salaries increased by 20.7%, and
- Leadership Team aggregated salaries increased by 23.9%; and

Whereas, in FY 2021, FCPS attrition rates were substantially lower for specialists (7.3%), principals (5%) and assistant principals (4.3%) than for teachers (10.5%) and instructional assistants (15.6%);³⁰ and

²⁵ Raw data on the number of positions every year paid from each FCPS fund were extracted from the Appendices of the FCPS Proposed and FCPS Adopted Budgets. The total number of positions in each FY Budget was calculated by totaling the number of positions of each type in each FCPS fund.

²⁶ See VA Code Title 22.1, Chapter 13.2, Standard 2 (instructional, administrative and support personnel).

²⁷ See, e.g., FCPS Elementary Class Size Averages and FCPS Secondary Class Size Averages.

²⁸ FCPS FY 2023 Proposed Budget, p. 42.

²⁹ Total salary expenditures for a job category (e.g., “Supervisors”) are affected by changes in the total number of positions in that job category, changes in applicable salary scales for that job category, and the extent to which higher-paid experienced employees in a category leave and are replaced by lower-paid, less experienced employees. Data was extracted from the appendices of the FY 2020 Approved Budget and FY 2023 Proposed Budget.

³⁰ Attrition rates were computed using quarterly separation reports to the School Board by occupational level (e.g., specialist), divided by the total number of employees in the same occupational level as reported in the appendix to the FCPS FY 2023 Proposed Budget. After the February 28, 2022 Dranesville District Budget Town Hall, Superintendent Brabrand also provided School Board members with attrition data by job category from FY 2018 through FY 2021, plus the first two quarters of FY 2022. Superintendent Brabrand’s table, which was posted on the School Board docs web site, showed a dramatic decline in the number of assistant principals leaving their jobs, from 40 in FY 2018 to 20 in FY 2021.

Whereas, the FCPS FY 2023 Advertised Budget adds 52 assistant principal positions (\$8.4 million) and gives high school assistant principals an additional 8% raise (on top of their 4% Market Scale Adjustment and standard step increases) by paying them for 12 instead of 11 months (\$900,000); and

Whereas, a consultant hired by FCPS in 2021 to analyze staffing for most school-based positions concluded that “relative to peer divisions, FCPS staffs more Assistant Principals and school-based clerical positions”;³¹ and

Whereas, the FCPS FY 2023 Advertised Budget adds 3 professional development days (\$32 million), but FCPS has not explained in public documents who would be trained, the topics of the training, and/or the people or entities that would conduct such training; and

Whereas, the FCPS FY 2023 Advertised Budget adds 62.5 positions (\$17.8 million), describes such positions as “required adjustments” in the FCPS FY 2023 Budget Highlights, but neither the FY 2023 Proposed Budget nor related FCPS documents explain why or how these positions are legally or contractually “required.”

Now therefore, be it resolved that the McLean Citizens Association commends FCPS for:

- increasing the number of psychologists and social worker positions and
- proposing to add two Planner 2 positions; and

Be it further resolved that the McLean Citizens Association urges the School Board and FCPS staff to avoid any changes in staffing or other School Board policies or FCPS regulations and policies that would further increase class sizes in schools serving the greater McLean area; and

Be it further resolved that the McLean Citizens Association urges the School Board to substantially reduce the number of non-classroom positions added or proposed since FY 2018 (other than positions for psychologists, social workers and the two Planner 2 positions), given the decline in student enrollment from FY 2018 to FY 2022, plus the projected further decline in student enrollment through FY 2027.

Allocation of County General Fund Between FCPS and County Functions

Whereas, the Fairfax County population increased from 1.08 million people in 2010 to 1.15 million people in 2020, and is projected to increase by an additional 59,500 residents between 2020 and 2025, to 1.21 million people;³² and

Whereas, the percentage of the total County population under age 20 decreased from 32.4% in 1980 to 25.7% in 2020, and is projected to further decrease to 24.8% in 2025;³³ and

³¹ Education Resource Strategies, FCPS Staffing Standards Analysis (Feb. 2022), p. 4.

³² FY 2023 Advertised Budget Plan (Overview), p. 178. The enrollment data in the FCPS Profiles for every October differs slightly from the enrollment data in the Draft FCPS FY 2023 – FY 2027 Capital Improvement Program.

³³ FY 2023 Advertised Budget Plan (Overview), p. 180.

Whereas, as of February 2022, FCPS had roughly 12,000 first grade students, 13,000 sixth grade students, and 15,000 high school seniors,³⁴ which provides additional support for FCPS and County CIP projections that FCPS enrollment will continue declining through FY 2027; and

Whereas, FCPS consistently overestimated the following year's student enrollment in its Adopted Budgets since at least School Year 2012-13,³⁵ which resulted in larger transfers to FCPS than would be warranted based on actual FCPS enrollment; and

Whereas, "the age distribution of Fairfax County's population greatly impacts the demand, and, therefore, the costs of providing many local government services" and the decline in the number of children living should affect the "number, location and size of school facilities";³⁶ and

Whereas, the aggregate cash transfer from the County's General Fund to the school system (including the transfer to the FCPS Operating Fund, debt service on school bonds, and funds for capital costs) has fluctuated around 52.5% of the County General Fund since FY 2012.

Now, therefore, be it resolved that the McLean Citizens Association urges the Board of Supervisors to look closely at the stated justifications for all the added and additional proposed FCPS positions since FY 2018, in light of declining FCPS student enrollment, FCPS and County projections of further decreases in FCPS enrollment through FY 2027, and projections of continued growth in the number of County residents over age 20; and

Be it further resolved that the McLean Citizens Association urges the Board of Supervisors to reduce the percentage of the County General Fund that is transferred to FCPS based on demographic trends within Fairfax County; and

County Property Tax Rate

Whereas, real estate taxes generate about 68% of the County's General Fund revenues, and an owner's property tax equals the assessed value of the property multiplied by the tax rate; and

Whereas, assessed values of all residential properties - single family homes, townhomes and condominiums - rose by an average of 9.6% from 2021 to 2022, and assessments for single family homes increased by an average of 11% and by as much as 25%;³⁷ and

Whereas, the Board of Supervisors voted on March 8, 2022 to cap the real estate tax rate at \$1.14 per \$100 of assessed value for FY 2023, consistent with the \$1.14 tax rate recommended in the County Executive's FY 2023 Advertised Budget; and

Whereas, a 1 cent decrease in the real estate tax rate reduces revenues by \$29.4 million; and

³⁴ See FCPS School Profiles.

³⁵ See FCPS CIP FY 2023-27, p. 35.

³⁶ FY 2023 Advertised Budget Plan (Overview), p. 180.

³⁷ County Executive's Presentation on the FY 2023 Advertised Budget, Feb. 22, 2022, p. 10.

Whereas, the County’s FY 2023 Advertised Budget reserves \$79.3 million as an “available balance for board consideration,” which was not allocated to expenditures; and

Whereas, the FY 2023 Advertised Budget projected revenue did not include over \$83 million in unexpected extra personal property tax revenues due to increases in average used car values between November 2021 (15.5% increase over FY 2022) and January 2022 (33% increase over FY 2022);³⁸ and

Whereas, the McLean Citizens Association recommends increased spending on general maintenance, police compensation and Park Authority Natural Resource maintenance, which would be funded in large part through cuts in other operating expenditures, including a reduction in the County General Fund transfer to the FCPS Operating Fund.

Now therefore, be it resolved that in light of significant increases in real and personal property assessed values and unusually high inflation, that the McLean Citizens Association urges the Board of Supervisors to set the real estate tax rate in FY 2023 at no more than \$1.11 per \$100 of assessed value.

*Submitted for Approved by the MCA Board of Directors
April 6, 2022*

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Fairfax County School Board

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³⁸ See County Executive’s Presentation on the FY 2023 Advertised Budget, p. 13. On March 15, 2022, County staff recommended that the Supervisors assume an 85% assessment ratio instead of the normal 100% assessment ratio, to eliminate the additional extra \$83 million in person property taxes.