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Fairfax County Joint School Board Budget Committee, Tuesday, February 28, 2023

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[00:00:00] we're going to go ahead and get started uh welcome everybody to our february 28 2023 joint budget committee meeting with our friends from the fairfax county school board and we are starting about 10 minutes late so we're going to make that up by skipping over uh the county executive and superintendent for introductory remarks and uh go right uh to the people who have all the technical information. But before we do that, before I turn to Christina Jackson, I'm going to turn to the

[00:00:39] school board chair to make a motion to allow some remote participation. Thank you. I would like to make a motion. Ms. Tolan has submitted a request to participate virtually due to personal reasons. I'd like to take a vote of my school board members here to approve that. If you approve, please raise your hand. That is unanimous with several board members away from the table. Ms.

[00:01:06] Tolan, can we do a mic check, please, to make sure your mic works? Oh, she just disconnected? If she reconnects, we'll do a mic check. No, I'm here. Oh, great. You're here. Perfect. Thank you very much. Thank you, Chairman McKay. Excellent. Thank you very much.

[00:01:21] And with that, I'm going to turn over to Christina Jackson. Welcome. Hi. Good afternoon, everybody. Christina Jackson, the Chief Financial Officer for the county. And I'm Jomade Lee Burden with the schools. And we're going to be tag-teaming this presentation, as we've done now for a number of years. So, and we're going to try to make it quick because we understand that really the important part of this

meeting is a discussion and an opportunity to ask questions and not necessarily for us to go over this information, which a number of you have already heard.

[00:01:49] So, just starting out with some of the context behind the county executive's advertised budget. We're talking about this budget as really stabilizing our core, meaning that we've tried to devote any resources that we have into compensation for our employees, as well as putting investments in place for inflationary adjustments, contract rate increases associated with some of our contracts.

[00:02:10] As we know, some of our vendors and our nonprofit partners are also battling with the effects of a tight labor market and inflation. You'll see that where we're really seeing the impact of revenue increases and what's driving our revenue increases are really two categories, both residential real estate, not that dissimilar from last year, particularly residential equalization.

[00:02:32] But then this year, it's also increased investment earnings. As the feds have increased interest rates, we've seen our portfolio and the yield that we've been able to achieve on our cash portfolio increase quite significantly. And so you'll see that in a couple of slides as well. Some of the highlights of the county executive's advertised budget, the revenues that you'll see as part of this presentation are based on the current tax rate of $1.11, although I know there's been a lot of interest from the board already.

[00:02:58] The board members have expressed interest in lowering that tax rate. Right now, based on the $1.11, the impact to the average homeowner would be about $520. Every penny on the real estate tax rate is a little over $31 million to the county and about $72 to the taxpayer.

[00:03:15] We have provided funding to support the recurring requests in the school board's advertised budget, and Lee will go into a little bit more detail about the school's budget in a few slides. Neither of our recommendations really address the state funding error, the $12.7 million, But my understanding is that the state is addressing that or has addressed that perhaps in the skinny budget that they were taking action on.

[00:03:38] We do have a couple of slides later on showing the recommended compensation adjustments or the compensation adjustments that are included in both of our proposals. On the county side, that includes a 2% market rate adjustment, performance merit, longevity increases, and some adjustments associated with some of our market studies.

[00:03:55] I noted that the budget has a number of inflationary adjustments, contract rate increases. We do have some funding for some new facilities. And then otherwise, the investments that we're making are fairly limited and targeted in just a few areas. We do have some recommendations for new positions in the county budget.

[00:04:12] However, all of those are offset by position reductions elsewhere. So we have no net new positions. And at the end of the day, we've left a balance for the board's consideration of just over $90 million. Now, Lee and I are going to go over the revenue, both from the county perspective and the schools.

[00:04:30] And I'm going to start in the chart on the left. Again, for real estate, that's a big driver for our revenue projections as part of this budget. You can see that's just under $220 million, and we have some additional information on the following slide. I wanted to talk a little bit about personal property.

[00:04:46] The boards may recall that last year we dealt with really unprecedented increases in vehicle values as a result of supply chain issues resulting from the pandemic. And so the board took action to put into place an 85% assessment ratio for purposes of personal property tax calculations last year.

[00:05:06] What we're seeing this year is actually vehicle values are coming down a little bit. However, they're still elevated from where they were pre-pandemic. And so the preliminary information that we have is that probably about a 90% assessment ratio would be appropriate for this year. We're going to make a formal recommendation to the board probably next month. But as a result, we've held personal property tax projections flat over last year. You can see there's an increase associated with sales tax.

[00:05:34] Certainly, we're keeping an eye on how interest rate increases are impacting consumer spending and how that might impact that category. BPOL, you can see a slight increase here over the adopted. It's actually flat over our 23 revised budget. But then really the story here is you can see that investment interest line, $93 million increase over this year's adopted budget.

[00:05:55] Just two years ago, I believe, that category was providing revenues in the teens, and right now over $100 million, again, because we've been able to achieve higher yields in our cash portfolio. And we're doing our best with the understanding that interest rates aren't going to remain this high forever. Maybe they go up a little bit more. Maybe they're held flat, but eventually they're going to come back down. So we're trying to take advantage of this environment where we can.

[00:06:17] And then you can see there's some small increases associated with our other revenue categories. I wanted to note two adjustments that are embedded in that $18.11 million, one being a reduction of about $2.7 million as a result of enhanced tax relief. That was approved by the Board last year.

[00:06:34] The enhancements for this fiscal year include a new 75% tax relief category as well as a new tax deferral program. And then there's also just under $2 million in new revenue. We are recommending increasing our EMS transport billing fees.

[00:06:49] We haven't increased those since 2014. We're trying to align those fees with what we're seeing in other jurisdictions as well. It's also keeping up with Medicare reimbursement rates. And about 97% of that revenue comes from insurance companies. We do not anticipate that it's going to impact our residents negatively.

[00:07:05] So at the end of the day, on the county side, you can see their net revenue is about $365 million. Good afternoon. The school's revenue is based on the governor's introduced budget as far as the sales tax and state aid goes.

[00:07:25] The federal funding is a couple of grants that we have that support the school operating fund, Carl Perkins and IDEA, and then the beginning balance and other revenue is a small increase that is due to increases in Fairfax City and Thomas Jefferson tuition because we're accepting more students.

[00:07:45] The governor's introduced budget, and I know Christina just said that the sales tax has been taken care of, but that is not my understanding as of about 10 minutes ago. My understanding is that they are assuming for fiscal 24 that sales tax is going to come up, and so therefore we won't need the $12.7 million that was a result of the calculation error. So whether that will come to fruition. I don't know. But our budget, the school board advertised budget is based on the

[00:08:22] governor's introduced. So the next slide, we have a little bit more information about our real estate tax base. And really, I wanted to draw your attention to the two last columns on the bottom showing the 2024 numbers and the 2025 numbers. You can see again in 2024, really what's driving that overall increase in the tax base of 6.6 percent is residential equalization. That's 6.97 percent growth. I don't think that we anticipated that residential equalization was going to be this high at the end of last year. And certainly, if you look back over

[00:08:59] the housing market last year, the beginning of the year, interest rates were rising, but they were still relatively low, and so the market was still fairly robust. And then as mortgage rates increased, you saw a softening in the market. Despite that, though, we ended residential equalization significantly elevated over last year and again you can see looking forward to 2025 right now we're projecting no increase in residential equalization so certainly keeping an eye on mortgage rates we anticipate that they're going to remain elevated and that's going to continue to mitigate any assessment increases for residential real estate similar to last year where we saw the largest increases for residential or for single family

[00:09:37] homes where we saw some of the smaller increases were for some of our more affordable homes such as condos which grew right around four percent over the past couple of years and then on the non-residential side you can see overall non-residential equalization was about 1.65 percent again the category is really varied in terms of what was driving that hotels for example went up over 14 percent again they dropped quite a bit after the pandemic because travel was impacted I think what's really pulling down that 1.65% number is office elevator properties, which makes up the largest portion of our non-residential base as we continue to see companies really kind of rethink their office footprint

[00:10:17] as they see more of their employees turning to telework. So again, this year 6.6%. Next year we see that our residential and non-res total real estate base only growing about 0.65%. And then we're going to spend a little bit of time on this next slide, which is the chart that we try to pull together to show both the overall county and schools budget pictures.

[00:10:43] And so I'm going to go through the county column, and I'm going to turn it over to Lee to go through the schools column. In the first line at the top, what we've really done is taken that county projected revenue and spread it across county schools. And then you see that last column, that unallocated $90.22 million, which we've left in reserve for the board.

[00:11:02] I've talked going down the county column with the revenue about a number of those categories already, but you can see the net total available in the county column is just under $131 million. Then in terms of how we've allocated those dollars, you can see a majority of that has gone towards compensation, which includes both pay and benefits.

[00:11:21] We're going to go over some of the details of pay in just a couple of slides, but I did want to note there are some benefit changes as well. The required employer contribution rates for all of our retirement systems are increased or projected to increase as part of the 24 budget based on liability losses and also the investment returns in FY2022.

[00:11:41] However, we do have some savings for benefits. We budget for benefits in an aggregate manner, and based on our vacancy rate, even assuming an increase in our vacancy rate, we've assumed some savings and benefits. We also have some savings associated with our other post-employment benefits plan, our OPEB plan, which in essence is fully funded, and so we've been able to take down the

contribution rate for OPEB and generated some savings there as well. For the next line, debt and capital, and I can talk about both the county and the schools piece here. These numbers are reflective of the additional $25 million for both entities as part of this past January's bond sale.

[00:12:17] The county went up from $120 to $145 million. The schools went up from $180 to $205 million, and so that did result in an increase on both sides. I'll say we benefited on the school side that net increase of only about $160,000 primarily because we paid off the debt for South County High School.

[00:12:35] So there was an increase associated with the additional $25 million and then a decrease associated with paying off that debt for South County High School. So that explains why that school's number is a little bit smaller compared to the county number. You can see about $18 million for inflationary and contract rate adjustments. I think just under $9 million of that is associated with contract rate adjustments for our human services agencies.

[00:12:55] We also have some funding in there to address inflation for some of our IT contracts, as well as utility increases. About $5.31 million for new facilities. The majority of that is for our new South County Animal Shelter. But we have also included some funding for the Springfield Center Without Walls with Walls, as well as Patriot Park North, the WISH Center at the Hyba Valley Community Center.

[00:13:21] And I think there's one more that I'm missing. You know, I have all the stuff in my head, and then I always forget one thing. Patrick Henry Family Shelter. So note that there was another one in there. And then the other priorities, that $8.57 million, really spread out across a number of investments that, again, that are relatively limited in nature, the largest being $3 million for the Tyson's Community Alliance, which is consistent with an adjustment that the board approved as part of carryover.

[00:13:52] We do have some additional positions for Office of Elections, our police department, our department of DEI, yes, and also our Office of Environmental and Energy Coordination.

[00:14:09] So, again, you know, $8.57 million is not a very big number relative to our entire budget, but kind of looking ahead to FY 2025 and looking at where revenues might be projected for next year, we really did limit some of those additional investments. I'll note for reserves, the $3.5 million decrease, we were able to take advantage of the fact that we essentially pre-funded our reserves at carryovers.

[00:14:31] We were able to take down the reserve component here as part of this proposal, and so then net at the end of the day for the county, excluding the $90.22 million that's unallocated, we have a balance of zero. In the school board advertised budget, we assumed for compensation a 3% MSA and an average step increase of 2.22% for a total of 5.22%. We also included a 1% retention bonus, but in the county executive's budget, that has been not included because it is non-recurring funds, and I don't

[00:15:09] think the House or the Senate included it anyway, so who knows if it will even survive. In addition to that, of course, our retirement and health care increases, our VRS rate stayed the same, our ERFC rate went down, and our FCERS rate went up, and all of those combined actually net to a little bit of a savings there, and we also included a step extension for the top of the scale for all of our salary scales, and this compensation package, of course, is offset by position turnover.

[00:15:45] The debt service, Christina, went over. The next big number is enrollment growth at 65 million. We're predicting 179,952 kids, which is up 2,382 students over the fiscal 23 projection.

[00:16:04] But the general ed piece of that 65 million is only about 16 million because we're seeing significant increases in our ESOL population, which are staffed based on those numbers and the level that those students have in their English proficiency. The special ed numbers are also going up largely due to increases in preschool special education programs, as well as 1,400 additional special education students and then we budget classroom teachers based on needs so the free

[00:16:41] and reduced numbers have are the ones that have increased dramatically and that's primarily it's a three-year catch-up kind of because the federal government ceased us reporting back in October of 2019. So the reporting of FRM this year is, you know, catching up from the three years that we did not report that. And so the total of the enrollment growth for all those categories is 65.2 million. The other priorities are a lot of different things are required adjustments like

[00:17:17] contractual increases that we have, multi-year investments for programs that we've already started funding, but we couldn't fund it in one year, like the JET initiative, the advanced academics initiative, HR technology, infrastructure replacement, those kinds of things. And then we have a few identified investments for science of reading through language arts, basal resources, achievement gap closing strategies, cybersecurity, and preschool, as well as elementary safety and

[00:17:53] security officers, middle school athletics, and employee background checks, and school-based tech projects. So we've included a couple of slides on pay, because we know that's always a question from both of the boards when we come out with our proposed budgets.

[00:18:14] And so there's two columns that you can see here for county adjustments. Again, these are proposed pay increases, including the advertised. You can see that market rate adjustment, the 2% for both general county and uniform public safety. as we discussed back as part of the November forecast that MRA is a calculation and it was calculated at 5.44 percent which would have required almost 90 million dollars I believe to fully fund what we've included as part of this proposal is 2 percent and then you can see for uniform public safety the average step in longevity is 2.39 percent and the average performance and longevity increase for General County is 2.06 percent. Just a reminder General

[00:18:52] county employees are on kind of a band with a minimum and a maximum. If you're at the beginning of the pay scale, you're an entry-level employee, your performance increases 3%, and as you move up the pay scale, the percentage declines. But we do have longevity as a 4% at both 20 and 25 years, and then public safety is on a step-in-grade system with 5% steps. I believe you get 5% for the first nine years, and then we have three longevity steps at 15, 20, and then we added a 25-year longevity just last year. So then the average increase for general county employees is 4.06 percent. Again, the minimum is 2 percent for those that are at the top of the range just getting

[00:19:32] the MRA, and 6 percent for those getting the MRA and a 4 percent longevity, and then for uniform public safety, men of two and the max of seven for those that are getting steps. Miss Jackson, if I could interrupt you for one second, because I want to make it really clear to everyone what you just said, because there's a lot of confusion out here. The MRA is an automatic calculation.

[00:19:54] It's a formula, and that formula spit out a 5.44% increase for all county employees. On this chart, you see 2%, because that's what the county executive included in his proposed budget. So I just want to make sure people understand the difference between the two, because obviously, for many county employees they're looking at that saying where is the other 3.44 percent and so obviously that's a decision

that our board has to make as we go through a budget deliberation but the two percent was what the county executive included the formula said 5.44 percent and I

[00:20:28] just wanted to make sure people understood that that nuance. Thank you. Yeah and again we assumed a 3% market rate scale adjustment, and the average step increase is 2.22% for an average increase of 5.22%. As you all probably know, the governor's proposed budget included a 5% increase, so we wanted to get at least at 5% or right above that in order to take advantage of the state funding that would come with that. And then we don't need to spend a lot of time on this, but we've also included just some historical information in terms of some of the pay increases

[00:21:08] that we provided the past five years this includes the proposed increases that we just discussed for fy 2024 but you can see for the county side for example the average increase ranges from 3.06 percent for general county to 5.57 percent for our department of public safety communications that was primarily driven by the fact that those job classes fell out of market last year removed up two grades which impacted that overall average for the county and then the school's averages and And I don't know if Lee wants to elaborate, but they range anywhere from three and a half to just under five as well.

[00:21:41] Yes, and the transportation and the classroom instructional support, both of those were initiatives where we made enhancements to those scales. So that's why their percentages are a little higher. Next, we have our combined budget timeline.

[00:21:59] Just walking through the county dates a week from today. It's hard to believe that next Tuesday is March 7th. But a week from today, the board will authorize advertisement of the tax rate, including the maximum real estate tax rate. Then we'll have public hearings starting April 11th.

[00:22:16] The board will mark up the budget on May 2nd, and we will adopt the budget formally on May the 9th. Yes, for the schools, the next thing that comes up for us is our approved budget after you all make the final funding decisions on May 11th.

[00:22:41] Then we also will hold another public hearing and conduct a budget work session and the budget goes for approval on May 25th. And I think we're awaiting information in terms of when the General Assembly might reconvene to work out some of those budget amendments, which might be sometime in mid-April or in the veto session.

[00:23:02] And then our last slide, just looking forward, certainly, you know, we're going to continue to monitor revenues on the county side. We typically come forward to the board with what we call our add-on package right around the beginning of public hearings where we'll take additional information that we have in terms of some of our revenue trends for this fiscal year.

[00:23:19] Sometimes we make recommendations for adjustments to the county executives advertised. Again, that'll be in April. In addition to today's meeting, we do have two additional budget committee meetings on March 14th and March 28th. And then just looking ahead to 2025, again, we've talked about this a little bit, but But just kind of keeping an eye on interest rates and inflation, seeing how that might impact our budget.

[00:23:38] Again, we anticipate that residential real estate market is going to continue to kind of stay on the trajectory that we've seen for the past six months or so. Certainly, we're going to continue to try to work to retain our employees and try to recruit employees, try to improve our vacancy rates across the county.

[00:23:55] And then also for the county, the 2025 budget will be the first budget developed with collective bargaining agreements. We have started negotiating already with the International Association of Firefighters for our fire and emergency medical service group, and we are working out our ground rules with the Southern States Police Benevolent Association, and we think that we're going to start bargaining with them actually in March, so with the hope of coming to an agreement with both of those groups prior to the board making the decision, taking action in December, a couple months before the county executive would release his advertised budget for 2025.

[00:24:30] That is all for us today. Try to go quickly. Very good. Excellent, concise presentation. And before I say a few words, I'm going to, well, actually, let me just share a couple things, and then I'm going to turn to Ms. Toland, who's the budget chair for FCPS, and then Ms. Sizemore-Heiser, who is the chair of the school board, and then we'll open it up for Q&A.

[00:24:54] But I just, you know, there's just a few points I wanted to emphasize. I apologize for interrupting, but I think there's a lot of confusion about the MRA and what was included and not included. So I want to make sure I clarify that. I also want to thank DTA. I don't know how many school board members have had their DTA tax assessment briefing yet.

[00:25:14] Hopefully many of you have had it. And, you know, just to clarify, because I'm already starting to get asked questions by people about whether we voted on the assessments yet or not, I'm reminding people, I've been in office now, 15 budget cycles. I've never once voted on an assessment that those are calculated.

[00:25:32] They're based on market sales. The county doesn't control those. They're free market-based, and obviously we control the tax rate, which determines what the tax bill is. And, of course, that's the principal thing that we do every year as a part of the budget process. But as you highlighted, real estate is up 5.68%, still very high.

[00:25:52] Last year it was 7.72%, so not quite as high as last year, but historically very high. And, of course, as you pointed out in the budget, very little additional help from commercial, which I don't think is a surprise to many people if anyone's been paying attention to what's been happening nationwide.

[00:26:11] And so I think that's something we have to keep in mind as we approach this budget season. It's not entirely different from the situation that we had last year. The other thing I want to mention is there's a lot of question marks at the state level, and I know our friends on the school board know this all too well.

[00:26:27] You know, the state level, a very large surplus of revenue that we're watching very closely to see if the state will get serious about funding public education. And just as a reminder to our constituents, because I get asked this question a lot in terms of state funding or how our per-pupil funding sources look, there's not a chart in here, But last year, per pupil was $18,772 in Fairfax County, of which $4,975 was paid for by the state, and $12,784 per pupil was funded locally.

[00:27:04] And so when people ask why the real estate tax rates are where they are, we are proud to support our public schools, but we support them locally 68% of the budget. And so there's plenty of room for improvement at the state level on that.

[00:27:22] So we're going to be watching what happens with the state budget very carefully to see if we get some increased revenue for public education this year. I think we're all hopeful about that, but we're

certainly not changing any projections or anything else at this point. But that's something real-time we'll be watching as we lead up to budget adoption.

[00:27:42] And so with that, we certainly want to hear questions, comments from school board and county board members. But before we do that, I'm going to ask Ms. Tolan, chair, budget chair for FCPS or for the Fairfax County School Board, if she'd like to share a few thoughts. Thank you very much, Chairman McKay.

[00:28:00] Thank you for having us today. I'm happy to be here to discuss our joint FY24 advertised budgets. I do want to thank our budget staff led by Marty Smith and Lee Burden for working so closely with Dr. Reed and Brian Hill to get us to this point today. I certainly appreciate the fact that the county advertised budget has funding for all of the recurring expenditures that we requested.

[00:28:26] Thank you very much for working with SCPS to fund so many of our priorities. Also a quick thank you to Stella Pakarski, our budget vice chair, for working with me on the budget this year. the fy24 advertised budget aims to continue attracting and retaining exceptional employees the backbone of our education system and we do this by offering market competitive compensation packages as miss bourbon mentioned our budget includes the market scale adjustment of three percent for all employees a step increase for eligible employees and a step extension for

[00:29:03] all salary scales to retain our most experienced educators. We would love to offer the 1% retention bonus based on the state program previously discussed at the state level, but understand that this is nonrecurring funds and with current uncertainties with the state budget, the retention bonus is currently not included in the county executive's advertised budgets. As we all know, and we've already talked about, the General Assembly adjourned its session in Richmond this past weekend without setting a budget for the state so we do not know what funds we will be

[00:29:38] getting from the state in fy 24. the draft senate and house budgets from mid-february results in a net negative impact to fcps ranging from 30 million to 39 million dollars we appreciate the support of all of you in this room your support and assistance to continue working with our senators and delegates to hopefully see funding for education across the commonwealth.

[00:30:06] I also want to thank Karen Corbett Sanders and Michael Malloy and our staff for keeping our budget team abreast of the state budgeting processes as we can continue to move through this work. One thing that we haven't talked about yet that should be noted is the House and Senate both included in their initial budgets a seven percent increase in salaries for K-12 employees, which is 2% more than we have included in our FY24 school board advertised budgets.

[00:30:37] We have proposed approximately 5%, which is what the governor had proposed, but we'll see what happens as the House and Senate finalize their budgets. It's important to note that an additional two percent salary increase would cost FCPS 53.9 million dollars of which the state would provide only 10.6 million dollars leaving us with a local share need of 43.3 million and that is currently not included in this budget beyond the efforts to bolster our workforce as we've talked our budget

[00:31:16] contains funds to promote academic success with investments in literacy education advanced academics and increased access to pre-k programs we are increasing supports to students and families with the continued addition of family liaisons and more support for special needs and low-income families we are including funds for special education compensation after covid in addition to these

academic areas we are also supporting increased measures in cyber security employee background checks and additional security officers since i'm virtual today because i'm attending the

[00:31:54] National Green School Conference. I also have to mention that we do have included funding to help us meet our joint environmental task force goals. Also happy to see some innovative ideas brought to us by Dr. Reed with funding put toward middle school sports and a Lighthouse Schools project that would provide training for our school-based technology specialists and access to a community of innovators for technology education. Our budget work is long-term and ongoing and we are doing our best as we move through our school district strategic plan process which we have underway

[00:32:32] right now and thank you to many of you that have participated in that. We will remain as nimble as possible with our budget process as strategic priorities come up. Not mentioned here but I do want to just say that we are being very careful in our spending of our ESSER funds and analyzing those expenditures very closely to make sure that we are doing the best that we can to alleviate post-pandemic learning difficulties. Again, thanks to Dr. Reed and her team for continuing efforts to look into priorities that we have been hearing about from board members and from the community,

[00:33:12] things like athletic trainers, stipends for fine arts teachers, salary increases for some of our more senior principals and directors. We'll be hearing more about that over the next couple of of months as we work through this budget process. As we know, this is just the beginning. Now that we have our advertised budgets, we'll be looking forward to working with the Board of Supervisors to go out to the community and gather even more input on our joint budget processes. And we all look forward to collaborating with you as we move through this over the next several months. Thanks again for having us today. Thank you very much, Ms. Tolan. And with that, I'm going to turn to

[00:33:50] School Board Chair Ms. Sizer Heiser. Thank you, Chairman McKay. And thank you to everybody here Today, I want to especially thank our staff for working so hard, and especially Brian Hill, County Executive Brian Hill, and Superintendent Michelle Reed. I know you've had close collaborations and conversations.

[00:34:05] I really appreciate your support and your work with our superintendent in her first budget year with us. And thank you, also, Chairman McKay, for your collaboration and conversations as we've worked through trying to get to a budget. I would be remiss to say I want to thank all of the Board of Supervisors for your strong support of public education.

[00:34:21] It speaks volumes with all the challenges that you have as well in our county, that you continue to fully fund our recurring costs and really show that strong support for public education. So thank you for doing that. I know you know this, that public education really is the bedrock of our community.

[00:34:38] It's a bedrock of our economy. And it's one of the many things that makes Fairfax County this amazing place to live and work. So thank you for your support. It means a lot. And Ms. Tolan lifted up a lot of the great things we're doing in the budget, and I won't repeat what she has to say. I wanted to address one question I get asked quite often, which is, you know, with our enrollment changes, you know, how are our budget needs similar?

[00:34:59] And one of the things I wanted to lift up is that we have, I think, about 2,300 more students than we did the previous year. However, the needs of our students have significantly changed, and it's not just the needs based on COVID and learning loss for all of our students.

[00:35:15] Those are there, and we're, as Ms. Toland said, strategically using our COVID-related funds to address many of those. But we have an increase in the number of students who qualify for free and reduced price meals, a 13.3% increase in our free and reduced price meal students from 2019, a 3.5% increase in our English language learners since 2019, and a 4.2% increase in our special education students. And we take very seriously in public education our mission to educate every child to the best of their ability. But there are additional costs and needs for our

[00:35:49] students, due to our staffing formulas, that these changes means that 679.2 additional staff members are needed. So just somewhat of an idea of why some of our costs and our needs are different based on our population. So something to put out there. I'm really excited about some of the work we're doing towards equitable access to literacy, because as we know, literacy is the bedrock and foundation for success for our students, and we're also continuing to focus on safety and security with our budget especially with a fully funding a safe route to schools coordinator which I know several of you have talked to me about on the Board of Supervisors and we've heard on the needs across the county on making

[00:36:29] sure our students are safe as they're walking to schools or riding to schools so that's something we're focusing on as well and then really looking at that sense of engagement and belonging and connection with increasing our family liaisons to make sure every title one school has a full-time family liaison ensuring that we have middle school sports because we know how important that connection for our students is towards their mental health and really their success in schools so there's a few things I wanted to lift up and I'm really excited about some of the innovative ideas that dr. Reed is bringing as well to make sure that we are continuing to be that lighthouse district and we have some money set aside for some of those really innovative

[00:37:05] ideas not just on learning loss but on learning enrichment including year two of your three of our advanced academics program which is expanding access to advanced academics for all students across the county so I will pause here because I know many of you may have questions or comments but again I really want to thank the collaboration between our superintendent and county executive with chairman McKay and the support of our board of supervisors and last but certainly not least our budget team Lee and Marty and our budget chair Ms. Toll and our budget vice chair Ms. Bukarski and Ms. Corbett Sanders with the close collaboration as our state legislative liaison because as the state is in flux as to what

[00:37:45] it's doing it's been really important to work closely so thank you very much to everybody in the room for supporting our schools. Thank you very much Rachna and with that we're going to open it up to Q&A and we're going to do this a little bit differently this year to see if people are paying attention. We're going to go down this way like we normally do but in between each board member I'm going to call on a school board member so that we're getting back and forth going as we go. But everyone will have a chance to ask a question or raise a concern. The good news is we've left plenty of time here for conversation between our two boards. And that's the main reason why we're assembled here at this point. And so I'm going to start with Supervisor Herity.

[00:38:25] We did kind of vote on assessments once. And that was the assessment of the cars, because we picked the level that we wanted to reduce. Never on real estate. Not quite a real estate assessment but we did vote on assessments kind of once um and we could have gone lower um the um i guess the only question that i would have the real estate burden on our residents 50 percent in 10 years it's it's significant and and a lot of that is you know i've been talking i've been talking about for years is the commercial tax base you get to 25 percent you can have high

[00:39:01] quality services to our residents at a at a reasonable real estate tax rate but that's at 16 percent now so we've got an additional burden coming in um but you know and i've been trying to get this underway with our board but does the school board have any i know you're doing your strategic planning process now but have you got any formal process at either the board level or at the the management level to look at cost reductions or efficiencies in terms of what programs are working which ones aren't what can be eliminated what can't be if i think we need to

[00:39:37] start looking at what we're doing and seeing what we can do without because 50 percent in 10 years is too much so that's kind of a question for schools and i apologize for asking you i've already asked our board for that we haven't got there yet so maybe we will well thank you supervisor herity and at the management level we do i think the strategic plan is going to enable us to formalize a needs-based resource allocation model but in the interim we're looking at what we call the ROI, right, the return on investment in terms of program evaluation of those staff we've deployed and programs we're implementing, and those that aren't providing the benefit

[00:40:17] that we need, we can't continue, right, because if we're going to start something, I think the team, we've discussed that quite a little bit, we can't do everything we've always done and then more, so we have to stop doing some things if we're going to start doing others. Anything in this budget that was in the last budget that's not in this budget yet, or is that looking forward because you've only not fair to ask you that since you've been here what eight months eight months okay i'm gonna i'm gonna be really ready to answer that next year at this time thank you and you know i should add uh there's an opportunity to submit anything here for budget

[00:40:53] q a that all of our boards can see and supervisor harry reminded me of the first question i want to make sure everybody can see which is we got our dta briefings and we saw where their commercial growth in the county is by magisterial district, so a lot of us are working really hard on this.

[00:41:09] So if we could recirculate by magisterial district where the commercial growth is in the county so that we can actually see who's putting a lot of work into growing our commercial tax base. Ms. Corbett Sanders. Thank you, and thank you all for having us here today. I was glad that our chair spoke about the changing student body. For many of you, you know that when they ask how long I've been in Fairfax, I said over 60 years. It's because it's my birthplace and I've grown up

[00:41:43] here. And there is a new study out by the Council of Governments on housing trends and affordable housing. And it talks about the changes that have occurred in Fairfax County and each of the neighboring jurisdictions over the past 30 years. You can't hear me? Yeah. Oh, I apologize. Is this better? Oh, much better. I apologize. And so the Council of Government's housing report is actually a bellwether for what is happening in our schools. And you see a very different makeup of each

[00:42:21] individual classroom across the county. And there's concentrations of needs in specific areas of the county as well. And we all know that there are really three areas that have that concentration more than others of direct need. And so when we put together this budget or when the superintendent put together her proposal, I know that one of the things that she focused on was the unique and increasing needs of those students, and so there is a higher cost for the

[00:42:58] change in enrollment, but I also want to assure those around the table that this board previously worked with the prior superintendent and continue to work with this superintendent at looking at other areas, areas where there may have been significant cost and growth, but drops in enrollment. And

so she does have a team looking at all of our alternative schools and things like that to look at how we best, what are the best practices and what we should be doing. But we know that the most important best practice is an investment in our children at an early age.

[00:43:37] Used to be success by eight. I think Dan would remember that. And so one of the investments in this budget that is so important is the pre-K piece. But that's a piece that we cannot do alone. I really think that the two boards need to work very closely beyond the skip in focusing on how we can have innovation in serving the needs of our pre-K kids. Because one of the things we saw with COVID is that a number of the private providers closed shop and seats returned, but they didn't necessarily return in the highest needs areas, and so you will see in this budget

[00:44:17] that there are new seats returning under the FCPS umbrella, but I welcome continued work between the Board of Supervisors and the school board in this very important area. Thank you. Thank you very much. Supervisor Smith. So you mentioned the increase in free and reduced. Back when I got on the school board in 2002 we were at 20% what's your level now of free and reduced in the schools I will say while Lee arms burdens looking that up we just

[00:44:56] met actually for the last four weeks on how to reallocate our title one dollars to title one schools and our title one school numbers continue to increase which would be obviously an indicator that our reduced lunch rates are rising and they do differ to miss Corbett Sanders this point across the county but Lee would have our current number. 35%. Okay. And so there is an impact on how you staff and how you meet needs for kids across the schools. So thank you. The other thing, I have my budget meeting on

[00:45:31] Thursday with Stella Pekarski, so we'll be getting conversations. I hope the public will tune in to that 6 p.m. Thank you. Thank you very much. Ms. Keyes-Gamara. Thank you. Is this mic okay? Yes, Okay. It's really a pleasure to be here. And I always am grateful for the ability to hear both sides of how we're trying to figure out this whole one Fairfax thing. I agree with the comments of my colleagues thus far. There have been significant changes over the time just that I've been on the board since 2017 and, you know, all the things that have been mentioned. I want to say, first of

[00:46:10] all, we all have to focus on our employees. And so I'm grateful to see the investment there. and we have the same focus. But what my concern is now is, in addition to all the other changes that have been mentioned, I did have the pleasure of participating in a meeting where we were discussing substance abuse problems across the county. And it is, as you know, quite a crisis.

[00:46:35] And I heard from county officials, I heard from FCPS officials, but what I didn't really hear was how we were working together to try to address concerns, not just in, it looks like we're operating kind of in silos to some extent. I think the effort is to try to cross those, but in my work I tend to see where perhaps we may not be addressing that. So I'm looking forward to discussions on how we can really collaborate in a One Fairfax way to try to address some of those

[00:47:08] concerns of note that they mentioned there, particularly was preventative work involving, and we're doing some of this in FCPS, you know, the emotional supports, the afterschool activities, et cetera. So I look forward to those discussions. I appreciate everything that has been done thus far, and I just wanted to mention that particular focus because I think it's of great concern to many parents. Thank you. Okay. Mr. Alcorn. Thank you. Yeah, just to

[00:47:40] Build on that, we actually just had a meeting about opioid abuse and certainly some of the collaboration between the systems. To that point, Supervisor Alcorn, because our committee meetings, like school boards, are live streamed, people can go back and watch at any point in time the meeting that we just had to that point.

[00:48:02] Yeah. Yeah. So just a quick question, Christina. Actually, you mentioned how much is a penny on the average taxpayer? What was that number? $72. 72. 72. Okay. And it's $31.36 million on the other side. Yeah. Okay. Yeah. I also appreciate what Ms. Keyes-Gumar said on compensation, I think that's one of the things I'm going to be looking at and going into my town

[00:48:34] halls, as well as what more we might be able to do on compensation of our county employees. So thank you very much. Ms. O'Mash? Yeah, thank you. It's a pleasure to be with all of you guys, and I'm looking forward to where we've landed here. I think we're in a great place, and I'm grateful to you all for funding our requests. A couple of things. I did definitely want to address the ROI Y piece. I know that's something we constantly are in conversation about. I certainly make sure to

[00:49:09] raise it every budget cycle. But just looking back, there are some areas that we've changed programming to be more efficient. You know, some examples are even in trying to be proactive in advance of what are going to be costs down the line. So, for example, with our facilities and being more environmentally conscious, obviously that's savings down the line and those decisions are made specifically with that in mind. We made some significant HVAC replacements that are going to save us money with efficiency, but also in our practices. So we've moved towards things like

[00:49:46] restorative justice, MTSS opportunities, etc., all of which have alleviated the load on our hearings office and on more discipline-oriented measures. So those have all been with the idea of savings in mind and changing practices over years and comparing where that leads us so that we can continue to do that. I think most notably, after an audit of our legal work, we've decided how we're going to proceed moving forward, whether or not we're going to work with certain firms, and we're starting to taper off our relation, or I should say our contracting with certain firms

[00:50:24] that overprice. So these are things that are definitely constantly in our minds and are part of the ongoing conversations, even with things like removing barriers in TJ admissions and taking away costs that the testing had imposed both on us and on families. So again, just listing off examples, but something that I think we can all continue to improve on, but are definitely conversations we're having. Which brings me actually to pieces that I see building off of some of what Ms. Kees-Gamara was sharing in terms of silos and whatnot. I think I know that we talked

[00:51:02] the last time we were here together discussing the budget, pre-K was on the unfunded needs of both the school division and the county. I think that perhaps thinking long, long term, now that we're in a, I should say, satisfactory place this year, especially with prioritizing our staff, Because it is obvious that that's going to be, at least for the school system, a determining factor of what our reputation and legacy will be moving forward.

[00:51:28] And I'm deeply concerned about that for our schools. But thinking longer term, perhaps putting the seeds, whether that's, again, joint workforces. I know Skip has talked about this before. Other ones that have come up are the ACE programs, the adult community education piece that we're having to invest significant monies increasingly with every year from the school system.

[00:51:52] But really, those are resources that we can partner on, and many of the county's departments are doing already. So why not try to bridge that overlap? That's another area of potential joint work to lead to savings, efficiency, thinking, you know, in new ways. And then finally, just a joint needs assessment.

[00:52:09] I know this was something we discussed on the Joint CIP Committee, but that could be a way of moving us forward and being more efficient as well, whether it's capacity or otherwise, as we plan budgeting. So I'm thinking a little bit longer term, but for this year, I'm pleased that we're prioritizing our employees and looking forward to reinstating perhaps the joint retreat that happened before COVID so that we can really imagine together and plan longer term.

[00:52:38] Thank you so much. Thank you very much. Mr. Stork. Thank you, Mr. Chairman. Are the student-teacher ratios in this budget similar to previous years? Are there any significant change in what you expect there? Yes. The student-teacher ratios, staffing ratios for whether it's elementary or middle or high school, I mean, there's ratios that you use for kindergarten and then obviously you have some for your special needs, et cetera. Are they basically the same? Yes. Is there any significant change in current year's ratio and what's being proposed for this one?

[00:53:16] No, we did not make any changes to the staffing standards, which again are the formulas that we use that determines the number of classroom teachers at elementary, middle, and high. I will add to that, Supervisor Stark, that while we didn't make changes to the formulas, the students we project to be part of our student body in the coming year, the projection is that we're going to have higher support costs, needs, and may need to, the ratios are going to look different because we're expecting more students that require some special supports or language support.

[00:53:52] So you have the added for those, it's part of the, and I understand that formula goes back to really to my time on the board, so yeah, and I understand that makes sense, and I think it's the right way to fund. You fund it per child versus per school, so. 92% I think was roughly the people part of the budget.

[00:54:11] Is that still the number? Is 88 or 92%? I couldn't remember, but this is stuff we talked about all the time when I was on the board, so maybe it's not as current. Salaries and benefits, it's near 90%. Near 90%. And this current year, I know you started off the challenges every school district has and a number of openings, but they seem to be far less here than in other parts of even the state.

[00:54:36] How are we doing right now with staffing vacancies and school, particularly in school supports? So we're still looking at about 150 vacancies for this year. It's a revolving door.

[00:54:51] The more teachers we bring in, we see that there are teachers who are leaving the profession every day. And so we're working to try to retain those teachers as much as we possibly can. As you can see, we've recommended the additional step at the end of the scale so that we can retain those teachers. Those are the vacancy rates that we're looking at.

[00:55:08] We're also actively engaged at the beginning of the hiring process for next year. So we currently have close to 150 teachers in the pool hired for next year already and have close to 1,000 applicants, applicant candidates, within our pool for principals to choose from.

[00:55:25] And just because I have an opportunity, we do have a hiring fair this Saturday at Oakton High School. All right, that's great. And so we certainly want anyone who is interested in joining Fairfax County as a teacher to come to Oakland High School and register for that hiring fair. And hopefully you have things in place to retain the existing teachers that you have and counselors, et cetera.

[00:55:47] I think that's a key part of it. And this year, the budget you're proposing, you think, will essentially be able to do the same thing for this coming school year? Is that adequate to ensure you're at least in about the same place you are this year? We're hoping to improve our situation.

[00:56:03] We'd like to be fully staffed for next year. And last but not least, I hear the most common refrain I hear when I talk to teachers and others in school is what we've heard for decades. It's not new, but the paperwork efficiency levels, how do we make that burden, if the non-student part of that burden, easier?

[00:56:21] And I just would urge you to take a look at that and look for ways to make sure that that's less of a reason somebody doesn't want to be a teacher or in the classroom. So, thank you. Okay. Thank you, Dan.

[00:56:37] Ms. Bikarski. Good afternoon, everyone. happy to be with all of you today I appreciate the conversation around the changing needs of our students in FCPS and to piggyback off of the conversation about our staff taking that into account I think it's it's more important than ever that we look at teacher compensation and retention and I am glad that we have been able to prioritize that in this budget and I appreciate the

[00:57:12] County executive in his, you know, proposal to fully fund those expenditures. I hope we'll be able to look at doing something with that retention bonus at some point with perhaps different funds. But as Chairman McKay, you know, as your comments on how much we spend in Fairfax County. I think it's important to lift that up. I don't know that people know that. I hope that we continue to advocate to the state to help with that because our needs are changing. We do see

[00:57:49] increased mental health issues. We do see increased substance abuse issues that we are dealing with in the schools, and that does play a role in retention and recruitment of teachers. It is difficult to be a teacher and an educator right now. And I think we need to acknowledge that and continue to converse and find ways to collectively lighten that load, but also ensure that we are adequately investing in our staff because we want to keep the great people we have here and we'd

[00:58:22] like to be fully staffed next year. So I appreciate Dr. Reed's willingness to kind of start that process earlier in the year, which is different for us. So I'm looking forward to being in a better position. Thank you. Thank you very much. Mr. Walkinshaw. Thank you, Mr. Chairman. Supervisor Stork answered part of my question about the percent of the school's budget that goes to personnel. I thought it was in the 80s, but now I know. The high end of the 80s.

[00:58:56] On the county budget, it's less, but what is it? What percent of the operating budget goes? I think when we looked at it, it was around 80. Okay. All right. So not much less, actually. No. Yeah. So I think that's important, and I'll submit that as a budget Q&A so we can get that in writing, the exact figures.

[00:59:13] I think that's really important this year because we're dealing with this challenge of retaining those people, the 80% and 90% who are dealing with inflation and increasing costs of living, and we have to provide compensation increases to deal with that.

[00:59:29] But you can't do that. The math doesn't work if revenue doesn't also increase, somewhere close to the rate of inflation. And, you know, I'll just note, because we hear, I've heard from a lot of folks already who say, I'm on a fixed income, and I got my assessment, and we need to figure out how to address that.

[00:59:50] The Social Security COLA that went into effect in January of 2023 is 8.7%. um so that you know that's happening with social security most pensions not all most pensions operate on a similar cola uh formula and we had to think about that when we look at the compensation increases for for our employees as well everything's going up in that range six seven eight percent and if our revenues don't go up in that range the math doesn't work for us to come close to matching

[01:00:24] that. Good point, Mr. Walkinshaw, and I think there's also a thought that somehow the county and schools are immune from the same inflationary effects that are affecting our households, and as their costs have gone up, so too have all of ours. There's no government immunity in that area.

[01:00:41] Ms. Cohen? I wish there was a Fairfax County raid on the cost of eggs right now. I so appreciate, and I just wanted to also just mention that Supervisor Walkinshaw came to the Braddock district strategic plan community meeting Supervisor Herity came to the Springfield strategic plan community meeting I'm sure many of you have been to others those are the two that I went to but it it does mean a lot to see you guys come in and be a part of that process and get to look at the real-time data around you know what we're looking at I think it's always

[01:01:18] slightly painful to you know open your drawers and show the world you know how roll your t-shirts but I think you know that you guys getting to see that full process and and getting to be part of really seeing firsthand like what what the money that we're putting in what are we getting from it and how can we improve that and how can we return we improve the return on investment as several of my colleagues mentioned but it means a lot for us for you guys to be actively engaged in that process, so thank you. My questions were a couple things. One, I know that

[01:01:56] we were granted the authority right as the pandemic struck about doing an occupancy tax that we had all kind of talked about, like what a great source of revenue that it could potentially be, and then everybody stopped going to hotels and using convention centers and all of that, so I wondered, you know like are you all starting to have some of those conversations by not putting a burden on those business owners certainly we don't want to reduce traffic here but we sure have seen the uptick of folks coming into the county again for recreational or business reasons so i i just

[01:02:32] wondered where that was and let me look to i don't know miss jackson if you want to answer that here or do a budget q a either way yeah we can do a budget q a we do have some wiggle room with a transient occupancy tax i was looking back to the presentation that we made a couple of years ago let me put together a budget q a just to outline that but you're right even though you know we do have that wiggle room just because that industry is still recovering from the pandemic i think that we've been hesitant to recommend something there and if you could include in that budget q a to the revenue amounts associated with that just because i you know they're they're sizable but not significant in terms of the overall budget but i think we should include those those numbers as

[01:03:11] well if we can. Thank you. Vice Chair Gross. Thank you, Mr. Chairman. Question and a couple of comments. I believe you said that some of your, this is for the schools, some of your revenue would increase because of TJ expansion that you were bringing more students. Did I hear that correctly? Yeah, the other category of our revenue is increasing a little bit, and it's largely due

[01:03:46] to increases in enrollment at Fairfax City, who pays us tuition, as well as TJ, where other divisions. Other divisions are paying tuition. Yes. Okay. But it's small comparatively to everything else. Yes. Okay. All right. Thank you. I thought so, but I wanted to make sure I heard that correctly. You know, our

budgets have always focused on our employees on both sides of the budget. That's how the work and the services get done. The buildings don't provide the services, the buildings provide a location for the services but the buildings don't provide the services it's the staff that provides the services so that has always

[01:04:25] been a challenge for us but something I think that the taxpayers don't necessarily understand that it is people and we're paying people that's how much of that and so I very definitely nobody's really talked about this yet today but I do think we we need and we will be having those discussions on reducing the burden on the residential real estate taxpayer. That's going to have to be part of our discussions. There was a comment made about the amount of what it costs per student.

[01:05:02] It's $18,000 or something to educate a student. When my children were in school, and I put three children through Fairfax County Public Schools, I think I was paying probably about $2,500 a year in real estate taxes. This was a long time ago. Ever since I got on the board of supervisors, the values have been going up. But I know, I know, I know. And I think we need to make this

[01:05:35] point to people who complain to us perhaps about taxes. I know that somebody else paid for my children to go to Fairfax County Public Schools. I could not have educated three children all those years for $2,500 a year.

[01:05:51] So somebody else is paying for my kids to go to school. I'm paying for somebody else's kids to go to school, and that's perfectly all right with me. Thank you. Thank you, Penny. Ms. McLaughlin. Great, thank you.

[01:06:09] After what's going to go on 12 years, this will be my last time doing this, my last budget, serving this county on the school board. So I'm going to try and use my words as meaningfully and wisely as possible.

[01:06:25] First of all, I want to say that I think everything is about relativity and context. So to things that Mr. Walkinshaw and Ms. Gross have said, without question, we do need to understand not only the impact that our taxes have on our residents, but also to help lead the conversation about why they look like they do.

[01:06:48] So whether this is being done, but it's not here today, I would recommend for both boards to receive a comparator of what it looks like in the D.C. metro area for our largest jurisdictions. Arlington, Loudoun, Prince William, and across the river, Montgomery County, and Howard, where we look at counties that are known for high quality of living and what are their tax rate burdens. When you look at the average home value for those jurisdictions I just mentioned,

[01:07:24] what is the average tax bill? And helping people understand that and maybe looking at some of the other well-known areas in the country that people consider equally desirable. I know from family who've lived in the New York metro area, also Boston, Massachusetts, very, very high tax bills.

[01:07:45] I'm also thinking Wake County in Raleigh, North Carolina, would probably be a good county to look at. The point being that we can only compete with the DC metro. So cost of living here is why I think those benchmarks would be important. To what Mr. Harrity said, I mean, my husband and I've now lived here for over 25 years we've certainly seen what our tax bills look like and Ms. Gross to you I'm also grateful that while my three boys came through the public school system we have a county that values our public schools but I am I am worried about the increased growth because

[01:08:25] our taxpayers may not be getting these cost of living increases and that's why I often talk about what is the region doing? What is the federal government doing? It is important. What is Social Security doing for raising it? But the bottom line is asking people to pay more in taxes so we can address the inflationary impact on our employees is vital. But we also have to realize that if our own residents aren't getting that, it's kind of painful to pay that.

[01:08:56] And then finally, another thing I'll point to is looking at this push-pull of, and Mr. Alcorn, thank you for raising this. So $72 more on the average homeowner is going to yield over $31 million to fund whatever the needs are we have in this great county. On the other hand alone, this particular budget may indicate that the average homeowner is going to see another $500 already on their bill. So it isn't easy at all. And then in closing, because I've said it every

[01:09:33] year and no one seems to really have heard me say it very well, in terms of compensation, I'm not here to advocate for county governor employees, but I've always been a perfect middle child. And when I look at that incredible chart that shows what have been the raises across our different category of employees from county to schools. I am going to be advocating for our county government employees. I think we need to make sure that when we look at that five-year

[01:10:05] average that's at the bottom, I think we need some tighter similarities there. And that's just me as the resident sharing that. Thank you. All right. I appreciate that, Megan, and we have heard you on that, and you are a perfect middle child. I am not. I am a middle child, but not perfect. I would say, though, there is one point I do want to make on affordability, because I make this everywhere I go. I think people are shocked to hear this. The EDA publishes the vacant job

[01:10:42] listings in the DMV area. And the latest milestone that was reached is there are 130,000 vacant jobs in the DMV area now. And the number one reason they cite and others and economists cite is there's not enough affordable housing in this region to fill those jobs. And so we have to think about that in two ways. One, the robust work our board is doing on affordable housing, and I know the school board supports that strongly. And the second piece of that is always understanding

[01:11:17] affordability of homeownership, and not just homeownership, but rental as well. One of the things we didn't talk about in here when we look at commercial growth, one of the biggest commercial growth areas was apartment buildings. If you don't believe that for a moment those apartment owners don't pass that increased valuation and tax bill onto their tenants, you've never rented an apartment before. That's exactly what happens. And so in some cases, those are our most market affordable units are going up in value at a tremendous amount. That cost is passed on to the renters in those units too. I bring all of this up because the points you were making, it's a delegate

[01:11:55] balance here about producing housing to meet the job growth needs here. If we want to retain our FCPS students that we've made huge investments in and prevent them from moving to other parts of the country, we've got to have affordability and housing to support them, or they will leave.

[01:12:12] And so part of that goes down to what the real estate taxes are. Part of that is the ability for us to approve enough housing to support our economy. Part of that is making sure we support market rate and subsidized affordable housing in all parts of the county. And I just say that because those are just the balancing pieces that we have to do. But it's pretty stunning if you think about 130,000 jobs vacant, so many of our talented FCPS graduates that can fill a lot of those jobs, but for affordability. And that is certainly on my mind as we approach this budget

[01:12:47] as well. Supervisor Lusk. Thank you, Mr. Chairman. I think you've read part of my thinking here. So I'll start by saying I fully fund the school's request because I think it's a great investment, pure and simple. And the reason for that is they're training the workforce of the future, going to the point you just made. And then second, for our companies, it gives them the confidence that this is a place that values education so they can grow their businesses and be successful.

[01:13:19] And then second, it helps us attract new companies who are thinking about communities that invest in education and that want to support the growth of their workforce. So pure and simple, you're a great investment. Second point I wanted to make is I recently had the opportunity to spend an afternoon with Dr. Reed at a symposium talking about mental health, and the Surgeon General was there.

[01:13:46] And I got to say, I have never heard him speak before, but if you have not, I would say take the time to listen. He is so insightful, so empathetic, and just so thoughtful in the words that he uses. He talked about mental health, and there are a couple things he said that are resonating with me.

[01:14:06] He said that our kids are lonely and feel loneliness because, one, they don't feel that they're being seen, and second, they don't feel that people get them. So my question to the schools, and you can provide me an answer to this later, is in our current budget, what are we doing to make sure our kids are being seen and that they feel that they're being gotten?

[01:14:34] The second point, that 35% number on the Title I schools, that was a surprise to me. I did not expect that, way higher than I thought you were going to say. And I'll say this, I was a Title I student.

[01:14:51] I was on free lunch through elementary, middle, and high. And I hope that we are thinking about how we can help these families in these schools, because I think food access is going to be an issue. So I'll ask my second question.

[01:15:08] What are we going to do at the schools that are growing their Title I base? And how are we addressing maybe some of the food access issues that we know are going to be an issue for many of them? And then I think Dr. Reed and I have an idea that we're working on, so I'll leave that between the two of us for now.

[01:15:27] But I'll say that's really important. And then the last point I'll make is on the opportunity youth. So I had the opportunity to work on SCIPT and talking with Dr. Sloan Presidio and really learning more about this very large number of students who are just kind of out.

[01:15:48] They don't have jobs, they're not in training, they're not in school. We've got to find an answer and a solution to try to address that number. There's 9,200-plus students in that category. I know we don't have any budget allocated right now for this, But I do want to maybe challenge the schools to figure out how we can support financially addressing this issue.

[01:16:14] And I think SKIPT has some proposals that will be coming forward. And I'd like to continue to be engaged in this conversation with Dr. Presidio because I think there's some things that might be able to be worked on kind of public and private-wise. So I'll be continuing to share my thoughts with him.

[01:16:31] But I hope that we can attack this problem because I think it's only going to get larger if we allow it to continue. So with that, I'll say thank you for all you're doing. My oldest daughter graduated from the public school system in 2019.

[01:16:50] She will be graduating from college in May. So thank you as well for that. Thank you, Rodney. Supervisor Faust. Thank you, Mr. Chairman. Yeah, two major focuses as we go through the next two months for me are compensation and the tax rate.

[01:17:14] Of course, they're competing against each other. I'm so glad that the chairman mentioned affordable housing. That's another thing I will be looking at. But, of course, we've been able to make most of the progress we've made via the one-time funding, and hopefully we'll be able to continue in that regard.

[01:17:33] But we need to stay focused on that issue for all the reasons that the chairman gave. I think the one message, the reason I wanted to bring up affordable housing was to repeat the message I have sent many times now and will continue to send.

[01:17:55] We need the investment in the schools, the CIP in the areas. if you want to see the county continue to grow and be able to afford the educational system that we have, we have to invest in the areas that are growing because we get pushback. And at some point it will be, you know, the community will not accept the continuing growth. So you must look at, continue to look at areas like Tyson's and Reston and areas where it's, and I know you've got other problems across the county. I'm not belittling them. I just want you to know that

[01:18:34] those areas are critical if we're going to continue this. The other thing I want to mention is that I'm more than happy, more happy this year than ever, perhaps, to invest in the public schools because of what, you know, as head of the, or chairman of the Economic Advisory Commission, we have used you for years to sell this county. And the, there's people out there who should know better who do know better who have abused you for political gain and we need to get start you know

[01:19:13] we need to build back and we need to make clear that uh you know Fairfax County hasn't gone backwards we're going forward with our public schools and if you want to live in a community where there's jobs and great educations Fairfax County is the place to do it so anyway that's all I got. It's, uh, I, I, yeah, that, that may be all, but that's good for a video. So we got that all on tape. We'll be replaying that. That was good. That's right. Well, well said, uh, supervisor Faust, supervisor Palchik. I was going to say supervisor Faust says as he retires, uh, where's

[01:19:52] the mic? Um, no, uh, a lot has been said. Um, and I think for me, when we talk about one Fairfax, It starts here at this table, at this round table of all of us, all of our staff, and all of our boards. And I appreciate that we went back and forth, because it's not an us versus them, them versus us, or you.

[01:20:13] We really are doing this together, and we serve one community. To that, the question of who's seeing our kids, it's those teachers in those classrooms. You are the only participant. Oh, no. Really not. Don't worry. We're all still here.

[01:20:29] I'll be quick. My mommy brain is seeing things. It's those 25,000 employees, especially those teachers, those instructional assistants, those family parent liaisons, and the community. And so we know on the county side and school side, I think the majority of our boards agree that we need to continue to make that investment in our employees, especially when we're competing with those Fortune 500s that are coming to our region, and we need to ensure that we continue to have the best staff.

[01:21:02] So to that, you know, compensation, and as we talk about the tax rate, I can't believe it's almost March 7th, and I do hope that we keep that flexibility we have now within the advertised budget to be able

to try to minimize the impact on homeowners while ensuring that we continue to serve the community.

[01:21:21] I wish we had better news from the state today, which would make this conversation a little bit easier. So I think a couple questions were brought up, and I think this is a budget question because this continues to be brought up is those joint initiatives that we have I appreciate that the schools put some of theirs early childhood and I love that you have the two million dollars in there and I know that we do some and we need to all continue to do more so understanding our current and our projected investments in early childhood on the schools in the county side dollars as well as seats and different programs because they're not all the one size fits all program we do have a whole variety and I think we need

[01:22:01] to continue to invest there. Workforce development at every single one of Advisory Economic Commission meetings, thanks to Chairman Faust. We do know, I do know that ACE and our DEI and all of our community, our community colleges, Mason, our workforce suppliers are working together. So what workforce initiatives are we doing? And are we projected to do that maybe aren't showing up in this budget? But we know it's happening. Joint environmental task force i know we wish we could be doing more but we know the impact of that what we are doing is important and then finally and it came up today in our previous meeting i'm sorry

[01:22:40] some of you were able to see the tail end of it we're all concerned and mental health absolutely was an issue before the pandemic it's been an issue for years luckily the stigma is going down a little bit on mental health there's still stigma there but we know that the investment needs to happen I think more and more it's this board and trying to get the state on board so if we could get how much the county and the schools invested are investing in a mental health support whether it be the millions of dollars through the CSB or through our schools support services and at the local level

[01:23:17] versus at the state level I would really appreciate that because I think that has to be very clear of the investment we're making and the huge need that still remains. And then finally, I know we're having a lot of conversations about the tax rates and taxing authority and availability. Just for all of us, once again, and for the community, if we could also just put it as a Q&A, what current taxing authority do we have here at the local level, and how is that being used? Because I think we cannot -- this is not sustainable.

[01:23:51] We know that and we need to continue to advocate at the state and the federal level. So I will end there. Thank you so much to everyone in this room and online, Ms. Tolan, for our continued work through this and through the recovery. Thank you, Supervisor Palczyk.

[01:24:07] And I want to also thank our two organizations who, you know, haven't been around for a while. Several of us have been. I don't think there's -- I know there's never been a time where there's been more collaboration. And if you don't believe me, just go back and watch the meeting that just happened in this room before this where we were talking about substance use disorders and some of the other challenges.

[01:24:28] And, you know, I would pair your mental health comments with substance use disorders, too, because I think, you know, the two are interlinked, as we know. But in hearing from my own high school kid at home, the amount of substances that some of these kids are using and using in parts of the building that are disrupting learning.

[01:24:49] And then obviously that's happening in the community afterwards too is something that, you know, it weighs on me. I know it weighs on all of us. Wish there was a magic, you know, snap your fingers

and it would be gone. But the mental health and substance use disorder challenges that so many are facing, including our young people, I think we all could watch the opioid task force presentation that was in here.

[01:25:12] I appreciate the school's involvement in that task force, But we all have a lot of work to do jointly in that area, as well as mental health. And then I want to just throw a couple questions out there just for us to get back to us on. And I want to make sure there's some context, because there might be some people who are concerned about a few things that were raised.

[01:25:33] One of them at a micro level is I know we talked about middle school sports, and I know that there's $600,000, not a lot of money that's in there. But I think everybody in this room knows that we have a very, an outstanding, robust community youth sports organizations everywhere in the county.

[01:25:53] And I think we want to make sure we explain to them that this is not something that's competitive with that in any way. And so maybe making sure we understand the scope of that before we leave here. And that question can probably be answered right now.

[01:26:10] a follow-up related to that, but maybe that question can be answered now. Well, the middle school sports initiative is a pilot, and so it's very limited. And we're just starting out with cross-country in the fall and then track in the spring. And that's the only two sports that we're talking about right now. Okay. I think that's helpful for the community to know, because one of the budget Q&As I do want to ask is, in our last budget, we increased the amount of funding for sports scholarships for kids to join youth leagues who couldn't afford otherwise to join our youth leagues, which helps the youth leagues, it helps our kids, it helps with One Fairfax equity

[01:26:49] and mental health and all the things we talked about. So if we could get budget Q&A to go to both of our boards with how much we're putting into that, and if there are any recommendations to expand that, given some of the numbers that we've heard here, just the free and reduced price meal increase means many of our families are struggling. And I would like to have that recalibrated look at if we're in the right place again. And then related to that, and I'm not advocating for this at this point because I want to see what the number is, but knowing how much our free and reduced price meal number has gone up and knowing that during the pandemic, we were

[01:27:25] not charging for meals at school for any student. And, you know, that helped in a lot of ways with accounting and stigmas and registrations and all these things, I would like to at least know what the cost would be if we went back to that model for our young people and offered free meals for all of our FCPS students.

[01:27:46] And I know we got a lot of federal support to support that. Not saying today, sitting here today, that I think that's the answer, but I would like to know what the number is. And backed out of that, some of the administrative savings that may or may not come with that, I think would be a good budget Q&A for us to see as we're both assessing, you know, the needs of our entire community as we move forward.

[01:28:09] So I'll just request that as a budget Q&A. And then, I'm sorry. Oh, Dr. Reed, did you want to weigh in? Sure. Thank you. I think you really were thoughtful in illustrating the free lunch participation went up when there was no stigma and so forth.

[01:28:27] And having been part of a system before that had scholarships, for example, for elementary music, when we took the scholarship option away and just said, we're paying for it, we're going to fund it,

we doubled the size of our elementary music participation. So I think even though we have scholarship options available, there are a lot of young people and families that won't choose to ask or don't know how.

[01:28:49] Do you know what I'm saying? So I just think that as we, whoever organizes middle school sports, it has to be so open, I think, because I think it's actually a lot less expensive and maybe a healthier way to approach mental health and opioid concerns.

[01:29:04] We pay up front now, or we pay for the consequences of the lack of being seen and connected later. So thank you for bringing that up. I appreciate it. Yeah, definitely. And, you know, we want to look at that number. I shared with Supervisor Powcek a personal story of mine, how I kind of learned on the ground, even at the elementary school level, some of the challenges with school lunches that even I hadn't thought of. And leave it to an 11-year-old to open your mind. But the last thing that I wanted to mention, and it also is quasi-related to the middle school sports, is, you know, I am hearing

[01:29:41] challenges within our high schools and being able to support the sports and arts programs that they already have. And so I, you know, I know it's $600,000, but I know people are going to come up to me and ask, why would we start, you know, investing in middle school sports when we can't adequately fund some of the high school sports activities that are out there? And I will keep beating this dead horse. I know there's no easy answer to it, but the significant inequities that exist from one school to the next in this county in terms of opportunities for athletics and for

[01:30:16] arts concerns me greatly and you know i i would love us to get to a point of some minimal level of effort or some support um outside of you know just the some of the fundraising stress that's on you know some of these schools where some schools it's very easy other schools it's almost impossible and i see it as i go around to the schools i see it and what's being offered at those schools and I know there's no easy answer to it but I would love to know you know what thought what work is being put into making sure that our high schools in particular across the county

[01:30:54] that your opportunities to participate in a sport or arts activity is not limited solely to the school that you're at and I know that's hard I know there's a lot of historic reasons why we got to where we're getting where we have gotten and I also support that there are magnet opportunities in some schools or we transport kids from one school to another to take advantage of those and i think they're wonderful i'm not i don't think we should stop that at all um but i do think we should just make sure that the offerings are equitable at these schools and it most certainly will come up as a question again as we're looking at uh piloting a middle school sports program

[01:31:31] which i think is the right thing to do but it certainly will raise some other some other questions so i just want to get that on the table and maybe we can get some data uh coming back coming back to us through budget Q&A. With that, I recognize that we're pretty much out of time, but if anybody had something that didn't come up that they thought of that they want to make sure we get on the table, this is the last call for that. Ms. McLaughlin. Yeah, I just, I do want to tag on, Chairman McKay, what you said about middle school athletics and mental health impact, but as one board member's

[01:32:08] been fighting for this for a long time if we don't address middle school start times then the kids having the physical and mental ability to even do after school sports we're trying to get them to be able to focus and learn and be in a in a healthy space in place for that so um i i just wanted to make the supervisors aware of it because when we got healthy high school start times it did a great thing for our kids both academically and socially emotionally and I'm a little nervous that I'm not

[01:32:43] hearing enough urgency from the schools on this one so I'd actually like to invite the supervisors to be engaging with the community on this as well because I think it's it needs both boards saying we want healthy start times for our middle schools as well. Thank you for that. I'm not seeing or hearing anyone else so thank you all for attending today



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