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Fairfax County Budget Policy Joint School Board Committee, Tuesday, February 25, 2025

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[00:00:03] going to go ahead and get started. I apologize for starting a few minutes late, but this is our joint budget committee meeting of February 25, 2025, and this is a joint meeting of the Fairfax County Board of Supervisors and our school board. This meeting has been slated and advertised for 3 to 5 p.m., so we have a little bit of extra time than we would normally have at a committee meeting for conversation. As you can see, everyone should have a copy of the agenda. And there is only, of course, one item on the agenda, which is the FY2026 County and Schools Advertised Budget. And before we turn it over to staff to walk us through the

[00:00:42] presentation, I'll just reiterate, everyone's going to have a chance to ask any questions, make any comments that you need to make after the presentations. We want to get through those presentations before we start our dialogue, just so that staff can get those out. And again, appreciate such good attendance from our school board partners. I know that we have a couple folks who are joining us virtually, so I am going to turn to the chair of our school board, Mr. Frisch, to make a motion. Thank you, Mr. Chairman.

[00:01:13] Ms. Anderson has submitted a written request to attend the meeting virtually due to medical reasons. She's located in Fairfax Station, Virginia. All those in favor from the school board of approving Ms. Anderson's request. Ms. Lady, Dr. Anderson, Mr. McElveen, Ms. St. John Cunning, Mr. Moon, Ms.

Dixit, Ms. Seismore-Hyser, Mr. McDaniel, anybody on that side? And myself, that is unanimous for board members present.

[00:01:37] Ms. Anderson, can you test your microphone? I'm here. Thank you. Ms. Marin has submitted, the motion passes. Ms. Marin has submitted a written request to attend this meeting virtually due to medical reasons, and she is located in Reston, Virginia. All those in favor of approving Ms. Marin's request, Ms. Lady, Dr. Anderson, Mr. McElveen, Ms. St. John Cunning, Mr. Moon, Ms. Dixit, Ms. Sizemore-Heiser, Mr. McDaniel and myself. That is unanimous for board members present. Ms. Marin, will you test your microphone?

[00:02:05] Hi, good afternoon. Thanks. We are all set. The motion carries. Okay. Thank you very much. And we have all 10 members of our Board of Supervisors here as well. And just to kick things off, we are going to go to the presentations.

[00:02:21] But before we do that, I do want to thank everybody for their attendance. And again, I apologize for starting late. I wanted to give my colleague on the school board, Chair Frisch, if he wanted to have any opening comments. Otherwise, we can go right into the presentations. I'll just say welcome to everybody, and I'll pick up with my initial comments once we start the participation.

[00:02:43] Excellent. Thank you, Mr. Frisch. And with that, I am going to begin by introducing Christina Jackson, our Chief Financial Officer in Fairfax County, to walk us through the beginning of the presentation. Welcome. Thank you very much. I'm joined by Lee Burden. Fairfax County Public Schools Chief Financial Officer, as well as Phil Hagen, the county's budget director. And so you'll see that the presentation that we've prepared today is really high level. It's pretty short. I know that all of you are familiar with the budgets that were released from both the county and the schools. So really this presentation is just intended to provide kind of an introduction to the conversation that you guys will have for the remainder of the

[00:03:18] meeting. So this first slide provides some highlights of the county budget. It really kind of hits on some of the key takeaways. You can see that our real estate tax base is increasing by 5.34%. We have a little bit more information about real estate in a few slides, but really this 5.34% was driven by residential real estate. We did see commercial equalization drop for the second year in a row. This budget does share available revenue proportionally with the schools. So you'll see that both are the transfers to the schools plus county disbursements are both growing at about 4.5%. The county's budget does include funding for our compensation program. That includes fully

[00:03:58] funding our collective bargaining agreements for our public safety employees. Those average increases are between 5.5% to 6.5%, as well as including performance, merit, and longevity increases in a 2% cost of living adjustment for our non-represented employees, and those average just over 4%. We have included the addition of another quarter penny on the real estate tax rate for affordable housing. This is in line with budget guidance directing staff to attempt to dedicate two pennies to affordable housing by 2027. This gets us to a total of one and a quarter

[00:04:34] pennies. In order really to fund what we've already talked about, compensation commensurate growth with schools, that did require us to include a proposed 1.5 cent increase in the real state tax rate to $1.14 per $100 of assessed value. That would generate about $51 million.

[00:04:53] We've also proposed an increase to the county's transient occupancy tax, moving from 4% to 6% of that 2% increase. 1% would be able to be used for general purposes, and the remaining 1% would be held pending discussion, but would need to be used for tourism purposes. On the county budget side, all other county priorities, including contract rate adjustments, IT investments, lease escalations, et cetera, are all more than offset by just under $60 million in reductions.

[00:05:26] We went through another extensive reduction exercise as part of this budget, and our budget includes the elimination of 208 positions. So again, that's just a really high-level overview of what's included in the county's budget. Moving on to the revenue picture, I'll go over the chart on the left, and then I'll turn to Lee to go over to the chart on the right to cover the schools.

[00:05:45] But on the county side, you can see that really what's generating a majority of our revenue as part of this proposal is real estate. That $222 million increase does assume the 1.5 cent increase in the real estate tax rate. I did want to draw your attention to two other categories, and those are the ones that we're projecting to be negative for FY26. One is personal property. You can see that's about a $5 million loss over last year's adopted budget. Although we expect the volume of vehicles to increase a little bit for next year, the value of those cars this past January compared to last January was down. And so we see a slight reduction in that category. And then for investment

[00:06:25] interest, I know we've talked about this revenue category a lot over the last few years. Generally, it's been a positive change for us based on interest rates. But as the feds have taken action to reduce the rates three times, even though they held it flat this last meeting, we are projecting a slight reduction in investment interest of about $14 million. So just those two categories that are declining, personal property and investment interest, are about a half cent on the real estate tax rate. And now I'll turn it over to Lee, and she can go over the school's

[00:06:56] revenue. Good afternoon. Yeah, the county transfer request is $268.26, and that compares to last year, which I believe it was $254 million. The sales tax and state aid is, of course, based on the governor's introduced budget. It includes a 3% compensation increase. And just a reminder, we only get 20% of our funding for salary increases from the state, so it costs us about $30 million. $6 million of that comes from the state, and $24 million has to be covered by

[00:07:31] local sources. And the federal change of minus 1 million is just a normal fluctuation of the awards that support the school operating fund, which is IDEA and Carl Perkins. All the other grants are in the grant fund. So this reduction isn't associated with anything that's going on with the federal government. That's just the regular fluctuations. And then we have a slight increase in beginning balance and other revenue of about $6.7 million, and that is increases in students participating at Thomas Jefferson, as well as an increase in the Fairfax City

[00:08:09] contract with FCPS. Our next slide, we have a little bit more information on changes in our real estate tax base. And if you look at the far right column, that's our 2026 numbers, You can see residential equalization is up 6.17 percent. Again, as I mentioned earlier, commercial is down for the second year in a row. So residential continues to grow in terms of a percentage of a real estate tax base. Right now, residential is about 78 percent of our overall real estate base, which really does then put a disproportional burden on our taxpayers.

[00:08:48] Really, if you look at that non-residential equalization number, that negative 0.38%, that was really driven by office elevator properties. Those were down about 7.2% this year. That was the fifth year in

a row that office elevator properties have declined in value. But you do see overall that non-residential is positive when you look at that 1.29% on the growth side.

[00:09:09] So, you know, some of the new developments that we're seeing happening in the county, it is actually having a positive impact on real estate overall. But our overall real estate base is projected to grow 5.34% for this next year. That means on the left, you can see that one penny on the real estate tax rate is just shy of $34 million for FY2026, and that our proposed tax rate of $1.14 would result in an average increase in tax bill of about $638.

[00:09:39] This next slide is our summary chart where we've pulled in not only what we've included on the county side, but then also I know Lee will touch on some of the categories on the school sites. We'll try to touch on these briefly. You can see how we've allocated the revenue at the top. We have about $12.14 million that's unallocated that really consists of that 1% on the transient occupancy tax, which we're holding in reserve pending the decision on how we would utilize that for tourism purposes. And there is a $5.6 million balance for the board's consideration. When we go down the FY2026 requirements on the county side, you can see

[00:10:17] majority is due to compensation. That's about $123.6 million. We do have a chart on the following page, which shows the average pay increases for each of the different employee types for both county and schools. You can see for both county and schools, we've included funding for debt service requirements of 8.6 on the county side and 6.7 on the school side. That does reflect the $400 million bond sale that we had just this past January, which based on our AAAA bond rating, we were able to achieve an interest rate of 3.57 percent. I would note that was higher than the interest rate we achieved last year and certainly higher than the one we got back in 2021, which was

[00:10:57] 1.23 percent. And just kind of an informational point, if we were able to achieve that same 1.23 percent interest rate that we received in 2021, that would have been a savings of about nine and a half million dollars combined between county and schools. So certainly the interest rate environment does have a fairly substantial impact on our budget. Going down the county list, other priorities, really this consists of contract rate adjustments, lease escalations. We do have some IT investments included in there. We have some grant funding that has expired as well as some state mandates. But then that's offset again, as I noted, by almost a 60 million dollars in

[00:11:36] reductions. We had gone forth with a pretty extensive reduction exercise with our agencies this year. Our agencies were asked to come up with reductions totaling about 10% of their general fund support. This just under $60 million reflects about 3.4% of that 10%. As I noted earlier, it does include about 208 positions, about just less than half of those we anticipate are filled right now based on our current data. And we do believe that we're going to be able to place those employees in another county opportunity throughout the

[00:12:11] county, but we are going to be undertaking a reduction in force exercise as part of this budget. I would say the $60 million, when we combine it with the reductions we've taken in the last two years, we're at about $100 million in cuts in the past three years on the county side. And now I'll let Lee walk through that schools column.

[00:12:31] Yeah, on the projected revenue, again, the additional school's revenue is based on the governor's introduced budget. It doesn't include the actions that the General Assembly have taken. Still early days. So we'll know more about that, you know, once the governor gets a chance to amend or veto

those kinds of things. As far as our expenditures go, the compensation is largely due to the results of the collective bargaining. You may or may not know that the opening request from the union was 12.5 percent, and we negotiated that down to 7 percent. It also includes a few

[00:13:10] contract changes for our bus drivers and our food services employee and health care increases that we're experiencing with Cigna and Kaiser in the next year, as well as retirement changes to ERFC and FCERS. VRS rates remain the same in this upcoming year. Debt service, you all know, schools don't have the authority to issue debt, we get this number from the county.

[00:13:37] School enrollment is largely flat, with the exception of special education, which is seeing an increase of about 5% or 1,500 students, and the $20 million you see here is largely represented by special education staffing. And just so you know, we take the enrollment projections every year and zero-base the school staffing and recalculate from zero every year based on the enrollment projection. So it's not just an add-on of additional staff based on the projections. We rerun all the numbers, all the staffing formulas against the projected enrollment. As far as other priorities go,

[00:14:15] there are baseline adjustments, which are items with recurring costs that have been funded with one-time money that we need to get into the baseline. That's things like sub-incentives, stipends, legal fees, workers' comp, liability insurance, those kinds of things, routine transfers to major maintenance, contractual increases for like inflation, leases, maintenance agreements, those kinds of things. And then we have about 18 million of multi-year initiatives that were approved by previous school boards and are within their phasing, as well as two identified

[00:14:54] initiatives for safety and security and micro-conditioning for our teachers. As far as reductions go, it's early days. We don't show reductions because it's too early. You may be aware that we have a code requirement that the superintendent, with the school board's approval, propose a needs-based budget or a budget that is based on the school system's needs for the upcoming year.

[00:15:21] We always end up cutting our budget. In fact, we've cut over $800 million over the last 10 years, but we do that normally once all of the funding is finalized, once the state finishes its process, and once you all appropriate, that is when we look at our budget to see what we could reduce.

[00:15:48] This next slide is the chart that I alluded to earlier that includes the pay adjustments that have been implemented over the last number of years, plus those that are proposed in each of the respective budgets. I don't know that either Lee nor I were planning on going over this slide in detail. I think it's provided just for informational purposes.

[00:16:05] On the next slide, I wanted to talk a little bit about the fact that, if you recall, back in September at our budget committee then, we did have a discussion about revenue diversification options. As we all know, the state does not provide a lot of flexibility in that area.

[00:16:21] We really only have a few places where we can actually consider implementing new taxes in order to diversify our revenue. One of those is the food and beverage tax, and although we have not included any revenue from a food and beverage tax as part of this budget, it's not utilized to balance the budget, we have proposed and recommended that the Board consider authorizing advertisement of a food and beverage tax as part of this budget cycle in order to allow the community to have a conversation.

[00:16:51] If one was approved, it could not be implemented until January 2026. we would have to allow the restaurant's time to modify their systems in order to implement this tax. So any revenue that would be

generated this year would be half year. I would note that each percent on a food and beverage tax is estimated to be about $35 million. So each percent would generate about half of that for this first year. And then we just listed a couple of scenarios on this slide. Certainly, proceeds from a food and beverage tax could be utilized for new investments, to restore reductions. It could also be used to reduce the proposed increase to

[00:17:29] the real estate tax rate. And what we're showing here is a 3% tax would generate a net revenue increase of just over $48 million and could actually eliminate the need to increase the real estate tax rate in FY26. And a 4% tax would generate just over $65 million, and we would actually, it would allow us to reduce the tax rate from our current rate by about a half a cent.

[00:17:52] And I would note that what we generally see in this area, although I think Alexandria has a 5% food and beverage tax, I think the average is about 4%. Again, another informational slide, our budget timeline on slide eight. I think the important date that's coming up is March 18th, which we also talk about on the next slide, because March 18th is the date where the board would have to advertise their maximum real estate tax rate. We have a couple of extra weeks this year because of some changes in terms of advertisement of the effective tax rate I had

[00:18:28] this year. So again, the board has until March 18th to make that decision. We would also recommend that the increase in the transient occupancy tax go for authorization to advertise that day as well as also the possibility of the food and beverage tax that I mentioned earlier. And then you can see in that first bullet, we do have two upcoming Board of Supervisors Budget Committee meetings two weeks from today on March 11th and two weeks after that on March 25th to discuss other budget issues in detail. So we try to keep it short to make sure that we allow time for conversation, but certainly we're able to entertain any questions. Thank you very much

[00:19:07] for that presentation. And I just want to reiterate one point. I think it's clear to all of us, but I just want to make sure it's perfectly clear, is none of these budget presentations reflect any type of estimate of what the federal impacts are of the devastating work that's being done to our constituents, our federal workforce, and our huge private contract workforce that is losing jobs left and right in an unsophisticated, unorganized way.

[00:19:37] But none of those numbers, which we've seen from various sources, could be very large. None of those were forecasted. none of those are captured anywhere in any of these presentations. No, I mean really this budget was put together well before the new administration even came into office, so we did not anticipate some of these draconian measures. Okay, and so I mention that because I think those of us who were on the board remember all too well when COVID hit and the county executive, I think, and the team smartly said we're freezing everything because we have no idea what is going to happen tomorrow,

[00:20:15] And I would just say I'm not suggesting we do that in this budget, but I will suggest, as I've said before, that the impacts of what's happening here in a very localized way scare me way more than what happened during COVID. Because in COVID, the entire world was affected and the federal government came through with money for both schools and county to help us through a devastating incident, a health emergency that affected our economy and affected our revenues.

[00:20:45] This go-around, we are going to feel the pain of this more than anywhere else in the country, and there is no federal money coming in. In fact, the exact opposite is happening. And so I just enter that into the record as a cautionary measure because we literally have no idea what's going to happen

tomorrow, but we do know that we are disproportionately here in particular going to be affected by it because of the huge amount of public and private sector workers whose lives are being upended, sadly, even as we sit here today.

[00:21:17] And so I just wanted to make sure none of that was incorporated into what we're looking at here today. And I do think the effects of that are over a multi-year period. They're not going to all hit us at once. Certainly, people losing their jobs is going to have an economic effect on the county.

[00:21:34] But in terms of some of the other longer-term effects with an already challenged office market and some of the other components that go with that are going to be coming in and affecting the county over multiple years, I think that's fairly what everyone has predicted. And so that's the backdrop under which we work on a very difficult budget.

[00:21:54] And I know when the beginning works on this budget were started, nobody could have predicted what we're seeing right now sadly play out each day. And so with that, I am going to turn to my colleague from the school board for a few comments, and then we will start receiving comments from the rest of the members who are here today.

[00:22:15] Mr. Frisch. Thank you, Chairman McKay. First, I want to thank the chairman and the Board of Supervisors, county leadership, and staff for the continued support of our students and educators and school staff. I think our partnership has really ensured that FCPS can remain a leader in public education and a draw for our community.

[00:22:36] And I also want to underscore how important it is that our collective bargaining agreement is fully funded to ensure that compensation for our educators and staff is competitive and attracts the best and brightest to our school division. We began our budgeting process with assumptions about cuts that are taking place.

[00:22:57] And I know that others from the board and are prepared to talk in further detail about some of the cuts that have been made over the years, including this year, to our budget as an example of our fiscal responsibility. And I think any conversation about the budget must include a renewed request of our partners in the General Assembly to fully fund JLARC's recommendations on school funding, which would result in an extra $568 million every year for Fairfax County Public Schools.

[00:23:27] It is not chump change. That is a lot of money that could do a lot of good in our schools. I think there's an interest among some school board members of looking to the future how we work on the budget together and that we collaborate even more robustly than we currently do on a process that helps improve efficiency and strategic planning from coordinating on our public meeting calendars so that we can each be at each other's meetings as needed um to especially when it comes to the budget um to exploring ways that we can meet regularly

[00:24:03] perhaps as smaller groups or task forces to work on various items of mutual interest um i think that's especially true when we talk about aligning the public investments that the board of supervisors and the school division make um you know how can we align our budgets to more effectively maximize efficiencies are there areas of overlap like hr facilities uh child care programs um technology that we can coordinate on uh capital projects uh to leverage economies of scale uh what steps can we take to generate revenue for school facilities which are

[00:24:39] uh still struggling um and how do we ensure that the county processes particularly around planning and zoning help facilitate uh fcps projects rather than us taking county money to give back to the county, you know, through because of perhaps unnecessary delays. So we are certainly appreciative of Chairman McKay and the Board of Supervisors who have always expressed a desire to collaborate more closely on these shared areas of concern. And I reaffirm our openness to deepening that collaboration and working together proactively to meet future challenges,

[00:25:17] some of which Chairman McKay just articulated. And, you know, today's discussion is not just about the budget work ahead, but I think also about how we can refine this process going forward to reach mutually desired outcomes. When open discussions begin, Mr. McDaniel, our budget chair, will begin by providing our insights into the current budget outlook based on discussions collected during our budget committee meeting last week. So again, thank you everyone who is here in observing this meeting and those watching at home, and I look forward to the conversation.

[00:25:57] Thank you. Thank you very much, Mr. Frisch, for that, and we will always look for opportunities to continue to work closely with schools as a partner, and we've had a lot of success in that area, especially a lot of success in the small committee front. Having participated in some of those and looking at some of my colleagues who did, I think we have a model where we can drill down further on some of those issues, And certainly on the facility side, it's in our joint interest to continue that conversation as we're looking at tackling our CIP, environmental sustainability, even down to simple things

[00:26:32] like several of us, Mr. Moon, Ms. Smith, others have been engaged in a robust conversation even about simple things like adequate and fair gymnasium and community use space for some of our youth leagues.

[00:26:47] And so a lot of things to talk about on that front, and certainly happy to work with Mr. Frisch on a structure where we can continue those conversations. With that being said, I want to turn, as was indicated, to Mr. McDaniel for some starting comments.

[00:27:05] Thank you, Chair Frisch, Chair McKay, and all board members for being here today. I'm not going to get too heavy into the weeds on numbers, although as a budget geek, that kind of is a fun pastime for me. But I did want to highlight a couple of items. I think there's a recognition under the school board and certainly on the Board of Supervisors side of the challenging fiscal environment in which we all find ourselves through, mostly through, by and large, for no fault of our own.

[00:27:31] I'll get into the federal impact here in a couple of seconds, but we have been dealing with rising costs of inflation. We've been dealing with an ever-increasing student population with ever-increasing needs and different types of needs, and the pressure put on the school system to deliver different services better, cheaper, and faster has been great.

[00:27:48] the last several fiscal years, so I applaud the superintendent and her staff have done a great job trying to deal with that, and we'll get into that a little bit later, but a quick overview of kind of where we're sitting right now. Unfortunately, the state came to the table with nothing that closed the $121 million gap that we would need to see to, you know, fully fund the collective bargaining agreement that's out there, which is a 7% pay raise. They did bring some money to the table for one-time funding, which as everybody knows, we don't actually see all of that money.

[00:28:20] I think about 20% we receive from the state. The rest is locally funded. So that aside, it really had no impact on the baseline of our budget. We would need right now $121 million to close this gap. And if that funding is not realized, there are options on the table of things that we could do to bring that number down. But the bigger number that I'm really worried about, and Chairman McKay kind of alluded to it, is the federal impact. And those are the numbers I want to go into. Right now, FCPS depends on about $170 million of federal funding, $170 million.

[00:28:58] And unfortunately, as we've seen since earlier in January, we could wake up tomorrow and realize that money is gone. Even as happened in New York, the money was pulled out of bank accounts after being transferred to the local government there and let me tell you that money funds 60 million dollars feeds hungry kids and that's not an exaggeration 58 million dollars and some change feeds hungry kids it's our food nutritional services program 50 million dollars goes towards special education and about 50 million dollars more goes towards title of students that need to

[00:29:33] learn english language learners so this is real dollars that have real impact on some of those vulnerable kids in our communities and their families, and that number is also what kind of keeps me up at night as we're thinking about the budget. As was mentioned a little earlier, I want to do a little show-and-tell here, and I asked staff to generate this slide.

[00:29:55] Over the last 10 fiscal years, the school system, through reductions, cost avoidances, and fee enhancements, has managed to avoid nearly a billion dollars, $850 million, in local tax dollars being spent. And that number doesn't get shared a lot, but I think it's really important as we continue these conversations.

[00:30:14] And the interesting thing on this slide, of that $850 million, over half a billion was in the last three fiscal years. So the school system continually goes through measures to look at business processes, look at service delivery, look at efficiencies, to figure out how can we make sure every penny is spent on the kids in the classroom.

[00:30:33] And that has not changed. In fact, we're going through right now the Baldrige Award process, which I know we've mentioned a couple of times. It's an outside efficiency review of how we can spend money in the classrooms better. So we continue to find ways to save taxpayer dollars. As an example of that, we have the lowest central administrative ratio of all the WABY jurisdictions at 1.1%.

[00:30:53] 1.1% across all WABY jurisdictions. The second lowest is twice that at 2.2%. So as we continue to go through these challenging fiscal years coming forward, And the superintendent and her team is doing everything they can to make sure that teachers and those in the school buildings who are supporting teachers are getting the lion's share of the funding.

[00:31:16] And lastly, I'll say this, and then I'll wrap up. I know that everybody sitting in this room understands how important public education is, not only to our neighborhoods and across our county, but to our economy, which drives Virginia's economy. And the trickle-down effect of a public school system that is not supported and promoted and protected and respected, especially in this environment, will have ramifications across not only our county but across Virginia.

[00:31:42] So I want to underscore the value of what I kind of like to phrase as the Fairfax County brand. I know we all believe that Fairfax County is a great place to live, work, and raise a family. Otherwise, we wouldn't be here serving our community. and as we continue to go through this budget process i know

that's going to be on the front of my mind and it's probably going to be on the front of everybody's mind sitting around this room so thank you for all you do to support your public schools and i'm looking forward to the conversation thank you very much uh mr mcdaniel and i think uh what we want to do is open it up uh for questions comments uh from all the members who are here at the table and i think uh what we'll do to try to

[00:32:21] manage this is we'll alternate between a school board member and a county board member And so I'm going to start, I'm just going to recognize folks as they ask to be recognized, and Carl will recognize school board folks in between those. And I'm going to start with the first hand I saw, which was Supervisor Walkinshaw.

[00:32:39] Thank you, Mr. Chairman. A couple questions. I just wanted to start with the teacher vacancy rate. And last year we heard a lot of concern from you all that we were at the risk of a vacancy rate that would be going through the roof, skyrocketing.

[00:32:57] The good news is I think the vacancy rate is down, and it's 1.4%, almost down 100% from last year. So incredible progress. I'm interested in getting that in kind of historical context.

[00:33:14] What has the vacancy rate historically been? When was the last time the vacancy rate was 1.4%? What was the lowest vacancy rate that we have had for teachers? Unfortunately, it's probably never been 0%. Well, I think there were years probably, Supervisor Walkinshaw, that it was probably in the 0%, particularly in Fairfax, right?

[00:33:34] This is a destination division where people want to work and be a part of the work here for all the reasons Mr. McDaniel shared earlier and all the reasons I think everyone in the room shares. I will say that since the pandemic, this is the lowest vacancy rate we've had.

[00:33:51] And I think in large part due to the support that our staff receive from the county and also, you know, we've reconfigured some support structures, not added new positions, but reassigned positions for support for staff so that we can retain staff because we know there's a huge expense when we have a turnover of staff.

[00:34:14] So right now, to your point, we've got the highest educator retention rate we've had since COVID. And we have over 90% of our return forms turned in with over 90% of our staff indicating they'd like to stay.

[00:34:30] But as you know, this is the recruitment season, both in Fairfax and our surrounding division. So there's not a final, that's a straw poll. And the final decisions will come in over the next couple months. and I think people will be weighing the benefits to staying here versus the other regions.

[00:34:49] But to your point, we've made tremendous progress on that. I thank you for noting. Okay. Yeah, I think we just should celebrate that, and congratulations to you all. It sounds like we can get to zero, so we want to keep working to get to zero, but that's incredible success given where we were last year and the fears that we had last year.

[00:35:06] Ms. Burden, I appreciate the prudent decision not to include any potential money coming out of the General Assembly's budget process. That said, the General Assembly budget does include the elimination of the cap on support funding, the support cap, which I think the estimate is that would be

somewhere in the range of $20 million in additional new funding for FCPS in FY26 if the governor were to sign that.

[00:35:40] Am I correct in understanding that? Yes. If the governor does not make any changes and the budget passes as is, we would get about $28 million more. The bulk of it is the support cap. And the support cap is unrestricted in a sense.

[00:35:59] That new money could go to fill the gap that Mr. – help to fill the gap that Mr. McDaniel – And Mr. McDaniel referenced that. The gap is $150 million based on advertised budget to advertised budget. But if you include the $28 million, then the gap drops to $121.

[00:36:17] Got it. So the support cap money is in a different category than the 3% pay raise or potential bonuses in terms of the flexibility. Okay. You know, I appreciate Mr. Frisch's comments about Richmond's role here.

[00:36:33] And I think now that we are in the collective bargaining era, we have to be even more clear about that. The Constitution of Virginia is explicit that funding of public education is the General Assembly's responsibility primarily with local government support and partnership.

[00:36:55] No other local government service is mentioned in the Constitution of Virginia. Local governments are primarily responsible for fire, police, parks, other services. Education in the Constitution is explicitly the General Assembly's responsibility.

[00:37:12] Now, obviously, here in Fairfax County, because they haven't met it, that responsibility, we have met that responsibility, and we will continue to do that. But when we talk about fully funding a collective bargaining agreement, the General Assembly's got to do that, too. And they're talking about a 3% pay raise, only funding about 20% of it.

[00:37:31] So in terms of conversations moving forward, we've got to be more explicit with our delegation. If there's a collective bargaining agreement for a 7% pay raise, the General Assembly's got to consider a 7% pay raise. And I'll end on this point. I saw a presentation recently. In 2009, in the state budget, 36% of the total state general fund went to K-12 education. Today, it's 29%. The Commonwealth of Virginia has systematically disinvested from public education in this Commonwealth over the last 15 years. And some people get tired of hearing us talk about that, but we have got to

[00:38:11] talk about that. It has been systematic. It has been across multiple administrations. And while there's marginal progress perhaps that will be made this year, it does not make a dent in that systematic disinvestment that we've seen. Thank you. Ms. Sizemore-Heiser. Thank you. And I appreciate the chance. I appreciate the collaboration from the Board of Supervisors. I've really appreciated from my first term to now the strong partnership and support you all have shown for public education. It means a lot. I know it's one of the bedrocks of our economy here in Fairfax

[00:38:46] County, but your support does not go unnoticed, and I appreciate it. And same with Chairman McKay, I appreciate the strong support and the conversations we've had. And I agree with my counterpart, and thank you for your partnership in conversations, that the state does have to step up and do its part. You know, we in Virginia rely on Fairfax County's economy for Virginia's strong economy, and that means we have to have strong schools here, because that's one of the reasons why businesses and people move here. And what we're seeing at the uncertainty in the federal government, what I take away from that,

along with what you've already shared, is that one thing we need to do is give people a reason outside the federal government to want to come to Fairfax

[00:39:26] County, because that uncertainty is there. And we don't know if that federal job is what's going to be driving people here anymore. I'm hoping that will change, but we don't know. And so one of the things to look at, and I know you all are looking at making Fairfax County an amazing place to live, it already is, and with the parks and the services and the entertainment, but the schools are part of that. And so I think it shows even more the importance of funding the schools and keeping the schools strong and what people expect. So I'm grateful for your partnership. I'm grateful for your continued support. And the state does need to step up because what happens to our schools

[00:40:01] impacts our economy that impacts Virginia's economy. We are trying very hard to do our part. We recognize the taxpayer fatigue and the need to be fiscally responsible. We understand that we cannot keep going back to our taxpayers, especially on the real estate taxes. So we are trying to use the least amount of resources necessary for us to do our job, but still do it well and be that excellent school system. As my colleague budget chair McDaniel shared, we've had a reduction of $852.8 million. We are continuing to undergo efficiency reviews. Dr. Reed is working really

[00:40:38] hard to redeploy some of our internal staff to better support teacher retention. That's one of the main reasons you've seen that number change is we've put in a program specifically to support novice teachers and retain novice teachers. So we're looking very hard at what do we have and can we redeploy what we have. We have a compensation-heavy budget proposal with the collective bargaining agreement and a $121 million gap where the state doesn't seem to be coming close or trying to fix it. And that is a real problem. We can't keep providing excellence to our taxpayers and to our community without paying our teachers, and the state must do its part.

[00:41:13] One of the things that has been a challenge is that schools have been expected to do more than they ever have, from providing meals to addressing root causes of absenteeism, engaging families, and acting as community centers, keeping students safe from the epidemic of gun violence. Our teachers and principals, while maintaining very high professional standards,

[00:41:38] We're also expected, much like our public safety personnel that are, I know, have a shortage as well, to service social workers, as counselors, as technology specialists, and security personnel, while engaging families at a much higher rate than we've ever expected.

[00:41:53] The mental health crisis for students, which started long before COVID, has required more of our teachers. With all of that, we are focused on the classroom. 92.5% of our employees are school-based.

[00:42:11] And yet our class sizes are fifth out of eighth for the region. Our ratio of central management staff to school-based staff is 1.1%, half of the next in the Wavy district. We really are trying to focus on that in-classroom support. But at this point, and I think this is the message for the state, because I think you all are strong partners in this, we are really at this inflection point with our schools.

[00:42:37] Do we want in Fairfax County, and I think the answer at this room is yes, to continue the excellence for which we are known? And that requires resources, especially in the changing needs of students and the changing demands on schools. And it's a good thing.

[00:42:54] We recognize now students can't learn if they're hungry. Students can't learn if mentally they're not well and able to engage. Family engagement improves student outcomes. So what I'm hoping, as my

colleagues have brought up, and I don't want to reiterate their points, but I'm really hoping as we are in these uncertain times with the federal government, as we are partnering and need to continue to partner to look to the state and together raise our voices and say, hey, do your fair share. I'm hoping that we can recognize that together we have

[00:43:28] a lot more power. And if we can find ways to collaborate, to do these task forces, maybe to find efficiencies in providing joint support, that we can save our schools, protect our schools, and keep our economy strong while ensuring that the services at Fairfax County is also known for and are strong and our taxpayers are not overly burdened. And I think if we can find more ways to work together, especially in these tough financial times and the uncertainty of our federal workforce, finding efficiencies and partnerships and centralized services,

[00:44:04] creating funding solutions, now's the time we've got to get creative together. And I look forward to finding ways to collaborate to do that so our schools can stay strong, our counties can stay strong. We can be fiscally responsible to our taxpayers and maybe look to the state to say, hey, step up. We need you. So I thank you for your partnership. I thank you for recognizing the schools are truly the foundation, not just of our community and not just because of the uncertainty in the federal government, but the uncertainty of what our future as a country and democracy will look like. I truly still believe the best way to address that is to teach our next

[00:44:41] generation how to think critically and communicate and work together. So thank you for being partners Thank you very much. And when we say federal workforce, we're meaning federal workforce, federal contractors, private sector subcontractors, small business owners who rely on spending from those contractors and federal contractors and the hits on office space and all the other things that we're talking about.

[00:45:09] And I just want to make that perfectly clear because we hear a lot about the federal worker space, which is being decimated. I don't think people have any idea of order of magnitude of what the private sector effects on this are going to be. I mean, we as a state get more federal contracts than any other state in the United States, and most of them are in northern Virginia.

[00:45:31] So it's not hard to do the math to figure out what we're actually talking about here in terms of the potential financial impacts to our shared constituents. And so I just want to make sure the totality of that is contemplated. Supervisor Alcorn. Thank you, Mr. Chairman.

[00:45:47] Just a couple of questions and then a comment. So I believe this is probably for Ms. Burden. So for every percent of compensation change, roughly how much is that? I was doing back the hour, it's like $35 million, $34 million, or what is the number on the school side?

[00:46:08] $30 million for each one percent, of which if the state has a compensation, they kick in six, but that puts 24 on us. Okay, thank you for that number. And Supervisor Reed, when we had the last budget meeting, I was describing the county's process and county executive will forgive me, but I described it as rather crude.

[00:46:28] But we did go through that process, which was described of asking each department to come back with up to 10 percent reductions. And we're using that information now in our budget process. And you had said that there would be – there are efficiencies that you're working on and that some of them would be noted in the budget.

[00:46:48] And I did find a couple in the school's budget. There's one that actually came up at our last committee meeting, which relates to energy efficiency improvements. And we heard from one of your folks that came up and talked about the $100 million, I believe, that's been saved since FY 2014.

[00:47:09] Besides that, I saw there was a change in the pre-K and early Head Start programs where there was a decrease per pupil of $635 primarily by changing the services model, going to – using money from USDA.

[00:47:29] Here's the federal government again, by the way. But apparently that was also an efficiency. I couldn't find anything else. Were there other things that you can highlight that could be helpful? Absolutely. We've actually appreciated, and I'll turn to Ms. Burden for the numbers, but we have actually, due to cost avoidance, fee enhancements, and not filling positions, appreciated about $51 million for the upcoming budget this year.

[00:48:01] Ms. Burden, I think it's $31 million moving forward for FY26. Yes, in base savings. In base savings. So we've worked really hard not to fill a number of positions. We certainly did not put any kind of what's traditionally we put out a sort of a VITA for new program solicitations.

[00:48:23] We didn't do that because we're not starting new things. So it was a series of efficiencies around not filling vacant positions, And in some cases, positions that become vacant, no new programs or initiatives, and really working hard to retain the staff we have to minimize the professional development requirements to continue to train new staff.

[00:48:48] So we've seen a significant savings in those areas. So we're working very hard to be efficient so that we could dedicate the bulk of this budget to improving salaries for our educators because our surrounding divisions have done the same. And we just we want to keep our folks here.

[00:49:05] Okay. No, thank you. And I would hope and think that efficiency would be a priority of you, you know, as the chief administrator, but also the school board, because obviously resources are scarce.

[00:49:21] And I did want to just close with thanking you, Chair Frisch, and Roshan as well. You know, there should be some process for finding efficiencies across FCPS and the schools.

[00:49:41] But there's – I don't think there is one right now. I'm not sure what that would look like and I'm not sure exactly how it would work. But I think that's a good thing for us to explore because I think there – and I have to say I know over the years we haven't seen a lot of success in discussions trying to find efficiencies across schools and the county.

[00:50:08] It's very difficult to do because just the structures are completely different and independent. But we may be at a point in time when we need to do the hard part of finding some of those efficiencies and slogging through that.

[00:50:29] So anyway, I, for one, would certainly be supportive of that kind of a process. Thank you. Thank you very much. And I think you're not alone in that. I will say there is tremendous, many times undocumented collaboration that happens between schools and county.

[00:50:47] and some of that collaboration, if done independently, would absolutely cost us a lot more money. So any of those chances for collaboration has historically yielded a savings, but that's based in, baked already into the existing budgets.

[00:51:02] And so the more of that we can do, the better. And I don't know if Dr. Reed or our county executive, Mr. Hill, wanted to respond at all to that, but I know that's an ongoing thing and certainly something that, you know, our boards can focus more in on. And I know that, as I mentioned in the beginning comments, the subcommittees that we've been able to set up in the past have come forward with some real good policy solutions that increase collaboration. And in all of those instances, there is an inherent savings in doing that as opposed to doing that work independently. I will say one of, and I

[00:51:40] really appreciate the county executive. Brian Hill is extraordinarily collaborative, and I think we work really well together, and we've mitigated a number of circumstances, so I appreciate his support and collaboration. I'll also say just a finite example is our weather issues this winter, right? We've really worked hard with the county, with the Department of Transportation to align bus routes with their plowing routes and being able to turn around snow and ice locations much more quickly than in prior years and really appreciate that.

[00:52:16] I think that's better service for our community and gets our kids back into schools and our activities, fewer of them were canceled, I think, than in previous years because we worked really collaboratively. Chairman McKay, thank you for your comments and Superintendent Reed, thank you for your comments.

[00:52:36] superintendent and i talk a lot about how we could collaborate better in the sense of reducing costs i think going into fiscal 27 that will be one of the things that we're going to have to deal with more so than we can right now obviously because we're doing 26 right now so as we work towards fiscal year 2027 i think that's going to be something that we might have to put into the board directives and our budget directives to allow us to really let down our hair.

[00:53:12] Some of us have more hair than me, but let our hair down and actually look at the things that we can cross-collaborate and then see how we can make them a little bit smaller and even more efficient. So I just know that working with the superintendent, we can get there, but there are going to be hard choices in that collaboration as well.

[00:53:33] Yeah, I appreciate that. And I do know there are some areas where we ventured out to do this and got stopped dead in our tracks for various reasons. One of them was in IT support. And so there are some main infrastructure pieces, realizing that schools and county government had two very different objectives.

[00:53:50] But there are some higher level structures, systems that are in place that shouldn't be so specialized that we can't find increased collaboration on some of those things. And so the school board chair and I will be talking about ways that our two boards can be involved in the already ongoing conversations that the superintendent and county executive are having.

[00:54:14] So with that, I'm going to turn to Carl. Mr. Moon. Thank you, Mr. Chairman. I'm slightly under the weather, so my voice probably sounds harsher than usual. Please forgive me. Thank you, Supervisor Aikon, about your comment on finding efficiency.

[00:54:34] I'm all in favor of finding more efficiency on both county and school side. And as far as the school side is concerned, so that we could provide, put in more resources into classrooms. Because what's the most important thing is what happens in the classroom.

[00:54:49] And having said that, we all know that education is a labor-intensive business enterprise where 90% of our budget goes into paying for people. So, you know, finding savings is not as easy as one might think.

[00:55:10] That doesn't mean we should continue trying to do it. And I'm hoping that superintendent and county executive will come back to us with some recommendations to how to go about. But over the last three decades, three decades, I have seen some tough financial times.

[00:55:29] Some years were even tougher than today, this year. But we have survived, and we've been able to maintain high-quality education in Fairfax County, among other reasons, because our county supervisors, they knew, they wanted to support our schools, our students, our teachers.

[00:55:52] And even though we are faced with another tough fear, I hope that I am sure that we can find a way to continue providing the best education for our students.

[00:56:04] You know, growing up in Korea, you know, I came here when I was 17, 17, growing up in Korea, long ago, more than half a century ago now, that I grew up with a mantra that when times are hard, you may eat less, you may clothe less, but you never educate less.

[00:56:34] I think we can all agree on that. We'll never educate our future generations less. With that said, I have a question that I want to ask our superintendent. How is a dual accountability measures, a fiscally impacting school system?

[00:56:54] You might want to start with what dual accountability measures are for, you know, supervisors and those in the audience. Thank you, Mr. Moon. The new accountability measures or the new accountability framework from the Commonwealth actually raise cut scores and create their new indicators for schools being fully accredited.

[00:57:18] And those indicators are going to require actually more effort on the part of our students and our staff. And in fact, in some ways, different ways of doing the work we've been doing as we continue to come out of COVID, right? And it's interesting that I think as we come out of the COVID and we've worked really hard to catch our students up academically, the funds that we were able to access, of course, continue to diminish as the ESSER dollars have been fully expended.

[00:57:49] So now, at this point, we have new SOL standards and new accountability levels that are required at the same time, as Supervisor Walkinshaw indicated, gradually the state has lowered and lowered the amount of support.

[00:58:06] And I liken that to not taking our car in for maintenance regularly, right? And eventually, you're going to need to pay more if you need to look at the product we're providing. And when you look at the recent math scores nationally, and the Commonwealth is faring, I believe, 50th out of 50 states.

[00:58:24] And if this is the amount of input financially and support that's being provided to schools, I can see why that could be. For us to achieve something, significant results academically at this point, let's take math itself. It's going to require credentialing more teachers that are able to teach more advanced math at younger ages.

[00:58:43] that's a financial outlay to micro-credential our educators. It's a financial outlay to get back to textbooks for mathematics K-12. And we need to do that if we're going to see different data. We can't

continue to work in the way we have in the last decade. So this is really such a time in history that's going to require more effort from our educators and from our students and families as well.

[00:59:09] And I think given that, the level of support has to meet the level of expectation. So I appreciate you asking the question. Our staff are working really hard. And as I said, this is a mission-driven division. And I want to clarify that 90% of our intent-to-return forms have been turned in for this year, and 96% of staff completing them say they want to stay. That's huge. That's a commitment to the work in this division that's unparalleled across this country. And that's something that I'm grateful for.

[00:59:39] Thank you, Dr. Reed. That's all I have, Mr. Chairman. Yeah, thank you, Mr. Moon. And Dr. Reed, you said Virginia is 50th in math? Out of 50. Out of 50 states. And so does the Commonwealth of Virginia have a plan and funding? I mean, we can control what happens in our school system, but I would think Virginia would be embarrassed by that number. And I'm just wondering if there's a plan to address that.

[01:00:04] I'm not aware of a plan at the Commonwealth level, but I know our board expects a plan from this superintendent and our staff, and our plan is to expect algebra trig as a graduation requirement, which is expected in 40 other states and not Virginia, and four years of mathematics to graduate, as well as making sure we have access to higher-level math for students at younger ages, because we know math limits 84% of our career choices.

[01:00:31] But that's not going to happen without support. All right. Okay. Thank you for that. Who did I have next? Supervisor Palczyk. Sure. Thank you, Mr. Chairman. Thank you so much, Dr. Reed and Ms. Burden and the school board.

[01:00:47] First of all, I just want to weigh in my support, having sat on that side and now on this side of we know that there are always ways to try to work collaboratively. And as an urbanizing area that has changed so much since Mr. Moon and many of us first moved here. I think that I appreciate hearing from you and from County Executive Hill that we do need to look at that again very seriously. I know that IT, I wasn't here for that. I know there were many hiccups with that. But what I'm hearing and what in a very difficult time makes me hopeful

[01:01:27] is that whether it's areas we're already looking at, like early childhood, or areas that I do think that we have to look at, like facilities, like managing our assets jointly, whether it's office space, school space, community space, the areas where we already have to collaborate. I think we absolutely, and I hope we continue to look at, and whether we use existing frameworks like the joint CIP committees or new ones, but really ensuring that our staff, and it's good to hear from the leadership, because that's where it has to start, from Dr. Reed, from Mr. Hill,

[01:02:05] from the chairmen, that that is a commitment. I know this is a very difficult budget, and we have to get through this year the best we can, but it seems that we are absolutely at that tipping point where these are all of our kids, whether they're newborns, seniors, graduates, students 18 to 22, we have no other choice. We can't keep doing business as usual in areas where we know we're not necessarily getting and maybe seeing additional cuts in state and federal funding that we don't control. So I just

[01:02:43] want to reiterate my support and my hope, and I think many of us are sitting here thinking that that we have to do that. To that, I also want to thank you, Dr. Reed, and your staff. I know I have had some concerns about not seeing some of those studies of the salaries. I don't know if you've done one, but I do

see that there's at least some information here in comparison, I think, just with the WABE guides and the master's level for employees, because I think that, as you know, that's critical. And I appreciate, I think it was 2014 when we did that. It's been a little while.

[01:03:21] But to be able to target limited funds as we need them. I know it's challenging now that we're going into collective bargaining, but I do think we need to try to do that and excellent work on the 96% wanting to stay. That's fabulous. And then finally, you know, as we look at the work and where we're looking at cuts that I have questions and concerns about and will be sending to staff. It is around areas of joint work, our health and human services programs, our Department of Neighborhood and Community Services. Those are areas, in addition to the ones I mentioned,

[01:03:56] where we already, these are our communities, our families that are impacted. And so while I have specific questions about what's being proposed to our team, I think that there are some opportunities there because I know for many schools are the first area of social work and support and wraparound services so I think that's another one where I hope that I hear at the top levels that are county executives and deputies that we need to figure out how to collaborate more do that work better

[01:04:29] and better meet the needs of all of our families with the challenging budgets that we have so those I don't have anything specific, but as I look through these lists that kept me up last night, those are areas where I hope we can try to find some innovation moving forward.

[01:04:52] Dr. Anderson. Mr. Frisch never fails to call on somebody when they're drinking or eating. It's just par for the course. Thank you. One of the things that I do want to underscore is the opportunity for collaboration with the things that impact the entire county.

[01:05:15] We serve the same groups. So the facilities piece, if we can have a work group on that, I think we would benefit exponentially, also as well as child care. I know SAC, as a parent who benefited from that, it's a continued area of concern for our families.

[01:05:31] So if we can get some heads together on the board side in the county, I think that would be very helpful. And so I hope that we can get this sooner rather than later. One of the concerns, as we talk about being a team and kind of working together, one of the other components right now that is a huge pain point is the, I guess, the proposal on the after-school programs.

[01:05:52] That has been a piece that has come across to us loud and clear, and our own programs dovetail into that initiative, so I'm really hoping there's some opportunity here for a review of that because it will be a huge detriment to our community, and given the budget landscape that we've outlined, we won't have the bandwidth in order to shore that gap.

[01:06:19] One of the things that I'm hoping Ms. Burden can kind of help to illustrate, because the conversation that's happening at the General Assembly is a $1,000 bonus to employees, which sounds fantastic. But if you wouldn't mind to illustrate what the impact would be to Fairfax County if we were to take advantage of that.

[01:06:37] Well, based on the recent General Assembly action, that has been shifted to fiscal 25. The amount of funding is about $20 million for 1,000 bonuses, but the $20 million is for only SOQ positions, and so, you know, every 132 divisions in the Commonwealth exceed what the SOQ is, so you can't really say, okay, the staffing standard, and I'm making this up, the staffing standard calls for one per thousand reading specialists. So we need 180,

[01:07:13] but we have 200. So you can't give a thousand bonus to 180 people. What are you going to do with those 20? You've really got to provide it for them as well, even though they aren't funded by the state because they don't, they're not required by the SOQ. So having said that, in fiscal 23, the last time they did a bonus, we provided a thousand dollars to each employee and then $500 for those that are hourly and then $250 for those that are less than 10 hours hourly. And the cost of that was $36 million. So if we did the same thing for this new bonus that

[01:07:53] apparently is supposed to happen by June 1st, then we would need another $16 million of one-time money if we did it the same way that we did it in 23. Thank you very much. And I ask you to share this because in accordance to what Supervisor Welkins has shared, and I really appreciate what you articulated, we are inextricably linked to the LCI, which limits the funding that we get here as a county. And unless that changes, we will probably continue to be in the same position that you've just outlined. And so the landscape is dark, but we do rely, obviously, way too heavily

[01:08:31] on the county to help support this work. So I wanted to make sure that I highlighted that, But I'm really hoping for a review and a rethink of the after-school programming for our middle schools because it's a crucial service to our community. Thank you, Dr. Anderson.

[01:08:47] And I would join you in saying that I've received many emails about the middle school after-school programs from constituents who are worried about those being cut, in addition to the high school crossing guards, especially in my community where we lost a few students to vehicle accidents in recent years.

[01:09:05] Thank you, Mr. Frisch. we're all nodding in agreement because we're hearing from those same folks. I did want to follow up on one thing just because we don't want to create a redundant opportunity. But on the SAC and pre-K elements that Ms. Anderson brought up, and I know from all my years of work on the skipped committee that that was one of the major focuses of the skipped committee. And so is the collaboration pieces that were mentioned appropriate to be ramped up in that committee TO LOOK FOR POTENTIALLY SOME EFFICIENCIES.

[01:09:40] THE AFTERSCHOOL PROGRAMMING, I THINK, IS OBVIOUSLY DIFFERENT AND SOMETHING THAT WE NEED TO ADDRESS DIFFERENTLY, BUT AT LEAST ON THE PRE-K AND SAC, I KNOW THAT'S A LARGE PART OF THE SKIP COMMITTEE'S CHARGE, AMONG MANY OTHER THINGS, AND I'M JUST WONDERING IF THAT EFFORT CAN BE WRAPPED UP WITHIN THAT COMMITTEE.

[01:09:57] IF I MAY, I BELIEVE SO. IT WILL PROBABLY TAKE SOME TARGETED, I THINK IT'S -- AND HAVING THE RIGHT SENIOR STAFF WORKING TOGETHER as well so that we're all in the same room, but it takes a while to get through issues there. But I think it's a good place to put that.

[01:10:13] Yeah, excellent. So I think on that piece, we really should ramp that up with the SCIPT and maybe raise that up to a higher agenda item. I know a lot of the creativity with the expansion of SAC space years ago came out of the work of the SCIPT.

[01:10:30] And so hopefully that those types of conversations continue. Supervisor Lusk. Thank you, Mr. Chairman. I'll start by saying I really appreciate the words around this table around collaboration because I think it's going to be required.

[01:10:49] It's so unfortunate the situation that we're in as it relates to the underfunding by the Commonwealth. And to some degree, we've got to get that fixed. It's not this problem continues to be a

problem if we do not fix at the root where it is, and it's at the Commonwealth.

[01:11:10] This discussion is one that I feel pretty strongly about. For those who might not know, I worked in the county. I retired after 30 years. I worked in economic development for 21 years, and all 21 years I promoted our public school system to employers across the United States.

[01:11:32] And we won companies to Fairfax County because of our public school system and because of the opportunity to create a workforce for those companies. And that's going to be important for our future.

[01:11:49] It's going to be important for our future. I also acknowledge I have a daughter at home who's a product of Fairfax County Public Schools, and she is a teacher in the high school that she graduated from. And most recently, she asked me, what are you going to do about our funding?

[01:12:10] And I had a very tough conversation with her and explained to her the difficulty with us being able to do everything that's currently on the table. And it's really derived back to the point I made earlier.

[01:12:28] It's the underfunding at the Commonwealth that makes it harder for us to be able to do all the things that need to be done. This is not a reflection. This is not a reflection on the work that's being done by our teachers. It's not a reflection around the work that's being done by all the folks around this table.

[01:12:46] We have a challenge. We have a difficult place that we're in. And when I expressed to her how much of the funding comes from the Commonwealth, and when I expressed to her how much we have to pay, she paused.

[01:13:02] My daughter paused and understood that challenge as well. So I just want everyone here, you know, our hearts, my heart, and every one of my collective members here on this board are in support of education.

[01:13:18] There's no question, no question at all about that point. But the difficulty is around funding. The point that was started at the very beginning of this is around the funding. So we've got to look at ways to work more collaboratively, and I'm very, very encouraged by the comments that were made by others here.

[01:13:41] I'm very encouraged that we have opportunities to look for efficiencies and to find ways to work more effectively. And I look forward to being a part of those discussions as well. And with that, Mr. Chairman, I'll conclude my remarks.

[01:13:56] Thank you very much. Ms. Dixon. Thank you, Chairman McKay. This was a really interesting conversation. I am one of the small business owners who probably will be impacted by the federal funding and government contracting.

[01:14:14] So there are lots of us in Fairfax County and are very concerned at this moment. I also wanted to say from what Supervisor Russ said about the school, the funding. The economy of Fairfax County is, and bringing the companies here, is a lot to do with our schools too, like you said.

[01:14:36] And myself, I'll say hundreds of my other friends or business owners, they've chose to stay in Fairfax County because of the school. They basically say, once our kids are older, go to college, we can think of moving. Guess what? They don't move. Because by the time you made this your home, and a lot of generational, when they have next generation coming, they're going to FCPS too.

[01:15:01] They're sometime going to the same schools. So I know how we all love Fairfax County. We are one Fairfax. We have one vision. And it's all our kids. It's all our employees. I do want to say that a little bit of the cuts on the high school, sorry, middle school program was a bit of a sad point for me because my sons were in middle schools, enjoyed those programs.

[01:15:29] And that's a reason they pick up all those interesting courses in high school because they take these extra math and science and robotics and other courses in those middle schools. I just want to also echo, as you said, your daughter is a teacher.

[01:15:48] Our teachers, a lot of our teachers cannot afford to live in Fairfax County right now. They commute from an hour, hour and a half from other counties, and they love Fairfax County. That is why they teach here. We have an obligation to support our teachers, not that because they're least paid, I should say, in the industry.

[01:16:11] and compared to other industry, the teachers in general. And many of you, you know, have been in the teaching profession, I believe Kathy Smith, one of them. So I really want to support their request. And as a part of collective bargaining, but as one of the county residents, I know how much the teachers meant for my own children and myself, and I hope we can do better for them.

[01:16:38] Thank you. Thank you very much. And Supervisor Herity. To start, we did at one point in time have a joint school board, board of supervisors budget review thing, and maybe that can get started.

[01:16:54] It was two each. It ended up providing it not a lot of collaborative savings, but at least an understanding of process, which ended up being, I think, a very, very good thing. And I think there's a closer working relationship as a result of it. But I think that would be something worth looking at again.

[01:17:13] I was waiting until the end because I thought Supervisor Bierman might comment on this because he had comments when it was first released. And, of course, the elephant in the room is the 7% across the board as a result of the collective bargaining agreement.

[01:17:31] And I was just curious, I mean, it's across the board, which doesn't make a whole lot of sense to me. Did the school board give any guidance to the negotiators when they went in, or was that entirely up to the negotiator?

[01:17:51] I mean, I don't know what kind of experience level the negotiator had, but I'm just curious if there was any guidance given on the front end before we let somebody negotiate a 7% from either the school board or staff.

[01:18:12] I don't know. Maybe you can speak to the experience of our negotiator. Sure. Our negotiators actually were very experienced. We utilized the services of a gentleman who I believe helped the county negotiate their collective bargaining agreements.

[01:18:27] We as the same lead negotiator. How about guidance? Did we give them any guidance? Yes, we did and monitored that throughout the process. And obviously the guidance is in the resolution that the board passed related to collective bargaining.

[01:18:44] So the guidance is quite public as well. But in essence, it was interest-based bargaining, which means that both sides worked collaboratively to try to craft an agreement that would result in a common best interest.

[01:19:01] And in this case, it was a three-year contract, and I'm proud of the work of the teams in that work and believe it's a fair contract. And next year, is that locked in? What are the percents? Yes, sir, it is. The years two and three are locked in, 3%.

[01:19:18] Was it 3% and a step in year two and 3% and a step in year three? All right. I think to follow up on that, what might be helpful for us to see is if we look at, and this is for county and schools, if we look at slide six, it would be helpful for us at the top where you have the different titles, general county, fire and rescue, trade, What percent of our employees are in the collective bargaining agreements for those?

[01:19:49] Because I know there's a lot of misinformation on the county side. You know, our first responders are in a collective bargaining agreement, but our general county employees, which is the lion's share of our employees, are not. And so people ask me why the price is so different on the two collective bargaining agreements.

[01:20:05] And in fairness, the schools have a majority of their employees in the collective bargaining unit. And so I think just for transparency, if we could put the percentages in that bar of employees that fall into each of those categories, I think it would help us understand a little bit the numbers, the dollar amounts behind the collective bargaining agreements.

[01:20:25] Carl? Ms. St. John-Cunning. Thank you. I really appreciate everybody being here and the collaborative nature of this meeting. my prepared remarks because I get nervous sometimes, but I do want to say before my prepared remarks that every single one of us here can probably remember and speak to a teacher that had a great impact in our lives, if not just an impact changed the trajectory of our lives.

[01:20:58] And I actually know in Fairfax County that some of them have actually saved lives. So when we talk about teacher pay, we're talking about work that is invaluable, that is really priceless. And I realize that we can talk dollars and cents all we want, but during this climate, the issue of free and inclusive public education becomes a moral imperative that addresses the very foundation of our democracy. If the federal government won't do their part, it is our responsibility to take up the mantle and to work together and engage the

[01:21:37] Commonwealth to protect public education in Fairfax County. As someone who has spent 26 years in our schools, the one thing I know is that regardless of what happens, we have staff in our schools that are committed and dedicated. They love what they do. They love our kids. They love their families. They will show up every day to do the best for each and every one of our students.

[01:22:04] With or without resources, they make it work, and our children are getting what they need. Whether it's walking into a clean building that they are proud of, being transported safely to and from school, being fed, sometimes the only meals in their day, being taught reading, writing, and arithmetic, not to mention STEAM, music, and art, as well as the opportunity to participate in countless enrichment and sports programs.

[01:22:34] Our students also have access to work to social workers, counselors, and family liaisons that help students and families access dental health and mental health services, as well as addressing housing, clothing, and food insecurity. This work happens every day in our schools.

[01:22:54] These people are incredibly committed, incredibly dedicated. So I really am looking forward to building a robust partnership with our board of supervisors and working collaboratively and with creative solutions so that we can maintain the caliber of our Fairfax County public schools.

[01:23:14] I know that everyone on this table knows that an investment in education is an investment in our children and it is a promise and a hope for a better future. It is an investment in our community and demonstrates that we value the importance education plays as the cornerstone of our democracy and the cornerstone of Fairfax County. Thank you very much. Supervisor Behrman.

[01:23:44] Thank you, Mr. Chairman. I have a couple questions and then a couple comments. So what is the total cost of funding the collective bargaining agreement with respect to the bargaining unit itself and not extending anything beyond the bargaining unit? Okay, about 88% of the funds that are budgeted for the 7%, which is about $210 million. It's about $30 million for each 1%. So it's $210 million.

[01:24:18] And 88% of that is for FEU members only. So about $184 million of the $210 million is FEU employees. Okay, so then I have a question because on page 18, sorry, wrong one.

[01:24:41] That's the old one. I think that at least on your budget, I've got a bunch of documents here. It said that the increased compensation increase total was $240 million, correct? Yes, that's correct.

[01:25:00] So, and about $180 million of that is, you said $184 million is directly tied to the collective bargaining. $184 million of $210 million. The number you're quoting, the $240 million, includes increases in ERFC rates, FCERS, health care, and it's also got base savings of $32.6 million, which is a deduct off of the $240 million.

[01:25:24] Okay. I mean, I'll be very candid on why I asked the question, because right after our last budget meeting, there was a Fairfax Now article that quoted the price for the collective bargaining unit as about $150 million. Maybe that was a misquote because it sounds like it was $184 million.

[01:25:43] Yeah, media is often wrong. Well, I mean, it quoted someone sitting in this room and saying that, but that person will remain nameless. But I just wanted to, that's why I asked the question. That's why I asked questions. Good.

[01:25:59] Great. My general comment, and I hadn't brought it up, Supervisor Herity, because I thought that we were having a pretty good, positive discussion, and I wanted to stay on the positive point. But I will say, as a general comment, what I think is really positive is that I keep hearing around the room a commitment to additional collaboration next year and to getting together earlier in the process. Before the meeting started, if I had to say the one thing that maybe kind of bothered me was that I looked back over the expenditure projections that came before

[01:26:39] us in November, and the school's expenditure projection was $305 million. And then I looked out back at the expenditure projections that came before us today, and it was $297 million. So not a whole lot changed, even though at our meeting back in November, it was pretty clear that we weren't going to be able to go up quite as much as we wanted to.

[01:27:03] I believe that actually it's on a – again, it's in a different presentation, but I want to confirm with Ms. Jackson, our increase in total is about $260 million total this year, correct? Okay. It's on page nine of your county executive's presentation. Actually, I found it. It's 260.53 million. Does that sound right? Yeah, because on the county side, it's about 118. On the school

[01:27:33] side, it's about 125. Right. And it's a shared sacrifice. I will tell you that, you know, we did have a reduction exercise, 59 million in proposed reductions. Yeah, I've heard about middle school aftercare

too. I've also heard about a lot of the other reductions. Yeah. I mean, we've been hearing about reductions across the board. Pimmitt Hills Senior Center, folks call me. Fire and Rescue,

[01:28:04] folks calling. Lots of different tough choices that are made. And so I'm encouraged by the fact that next year we want to get together earlier in the process. Because I think that in truth, The way to do this is to find shared opportunities. That's what this budget does. Do I wish we had more money from the state? You bet. Do I wish we had more money from commercial real estate

[01:28:36] taxpayers? You bet. Do I wish that our revenue situation was better? You bet. But I think it's really important, especially in these times, to understand that the people that we're talking about all across this county. The teachers who are in your, Ms. Sizemore-Heiser was absolutely right, who are sometimes acting like social workers. And the social workers who are actually acting as social workers on the county side. That we have firefighters who work 56-hour weeks.

[01:29:13] That we have folks who work in our transportation planning who have stacks of projects this high. We have folks who work for neighborhood and community services who are handling caseloads that are too big. We have administrators. We have school counselors who have too many kids with problems. I can go back and forth, though. I could do one from this side of the county, one from that side of the county. And we can disagree. Maybe you don't think necessarily that one position is quite as sympathetic as the other. But I can guarantee

[01:29:52] you that people across this county are working really hard. And I can guarantee you that the 208 positions that we have reduced on our county side, including many people who might lose the job that they always wanted because of restructuring, I can guarantee you that's going to be felt by a lot of people. So I personally, I don't know. This is the start of the process. I don't know whether or not we're going to find a way to save middle school aftercare. I don't know whether or

[01:30:27] not what's going to change here, what's going to change there. We will be working on it. But I can assure you that the people on this side of the table are going to do our best, as I know the people on that side of the table are going to do. And I can also say that I really, really hope that next year we get together earlier and that we come up with something earlier so that the public doesn't hear, well, you didn't fund the schools when $268 million increase is more than we have

[01:31:04] across the entire county. I really hope we get together earlier. And that's what I would like to see. So I'll yield the floor. Thank you. Thank you, Supervisor Bierman. And I would point out the fiscal forecast meeting that we had that you referenced back in November was not very well attended, but we did lay out for everybody the hand of cards that we had and the difficulties that we faced ahead, and I think staff's been working on, you know, trying to deal with that issue, and I think, you know, a good chunk of that was captured in the county executive's budget, but I do want to be really clear on one point because we're talking a lot here

[01:31:44] about the financial needs, and the budget that was presented, the reductions that many people have referenced here were already taken in the budget that was presented. In the budget that was presented is a 1.5 cent increase on the tax rate for real estate taxpayers, which equates to, and this number has not been put on the table, in real dollars, an average of $638 per household.

[01:32:09] That's a lot of money on a regressive tax at a time where people are fighting to keep their homes as the federal attack on the bread and butter of our economy is occurring. And so we have to be

cognizant as well that these are challenges, that there's a lot of people out there suffering, and they're counting on us to do the best we can.

[01:32:32] The reason I bring that up is nobody likes any of the reductions that are in here. But I can tell you the reductions that aren't in here that we are able to sustain this year are going to be right back here again next year and the year after because the forecast for the next couple of years is bad.

[01:32:50] And I bring that up. I don't want to be Debbie Downer here, but when you look at the number for the $638 per average household tax increase is what generates the $125 million on the school side of the revenue share equation.

[01:33:07] So if we were to go fully fund the schools, and we had this number in the budget presentation, just as a hypothetical, I want to put it out there. What was the tax rate that we would need and the estimated increase per household in Fairfax County if we were to do that?

[01:33:26] On top of the penny and a half, it would be another four and a half cents. And the impact on the average homeowner would be just under $1,000. So I just want to make sure people understand the numbers that we're talking about here. And so we're all trying to work together on this and be sympathetic. But, you know, the impact on affordable housing, the impact on people who are losing their jobs, the impact that we're going to experience next year on a downturn further, likely in commercial valuation because of the subcontractors who are letting their people go.

[01:33:57] These are all very real things that are on the horizon, and those are all the things that we're trying to balance here together in a really difficult situation. So I just wanted to make sure the comprehensive picture was out there. It's not like we're coming to the table and the county executive has proposed a budget that reduces the tax rate, and that's why we have all this problem.

[01:34:16] In fact, the county executive's budget dramatically increases the tax rate, and the reason for that 638 increase drives back to the huge increase in residential assessments on people. And so that's who's paying that tax bill. It's our constituents.

[01:34:32] It's not business interests. It's not other entities. It's our constituents. And I think that it's helpful for us all together to be thinking about that as we tackle the challenges that we have ahead. Carl. Ms. Lady. Thank you.

[01:34:47] And thank you for that conversation. I want to thank our board and your board. And I do am excited by the idea of collaborating more. And I want to just bring up a few things just as for the public, really.

[01:35:03] I know you all understand them. But I think what frustrates me most is the negativity around what a lot of folks I feel like think is a greedy school board budget. And it's a needs-based budget, right? I mean, we can't emphasize enough that our demographics continue to change.

[01:35:20] It costs us a lot more to educate multi-language learners, special education students, and free and reduced lunch students. And, you know, those demographics change every year. And that's where it's hitting the pocketbook.

[01:35:36] I also want to point out that I, while I understand folks thinking 7% across the board seems like an aggressive ask, you know, when I was reviewing the county budget, you know, I'm seeing lots of places, a 2% COLA, then I'm seeing a step, then I'm seeing merit.

[01:35:52] There's no merit pay in education, folks. You don't want me as a teacher competing against my next door neighbor. You want me collaborating with my next door neighbor. So if I break those down each and they're 2%, 2%, 2%, hypothetically, you're at 6%, which is almost 7%.

[01:36:07] And I just need to point that out because we haven't had steps in a while. I think the top of the scale in Prince William County is like 50,000 more than the top of our teacher scale. And that's what happens when we do across the boards and not steps. So I just want to make that as a point of emphasis.

[01:36:26] And also, I know there's been dialogue. I happen to live in the town of Herndon. Prior to that, I lived in the town of Vienna. Guess what I've done my whole life? I paid a meals tax, okay? Paid a meals tax. And I'm going to bring it up because the last time this came up, you know, it had to go to the to the voters and it was voted down.

[01:36:45] And I find it fascinating that certain restaurants who it costs the same thing to buy a hamburger at Great American Restaurant in the city of Fairfax as it does to buy one in Fairfax County. Their menus are identical. So the burden is not going to break the backs of restaurants.

[01:37:02] But the point is, before, the cut was going to be 70% of that was going to go to schools and 30% was going to go to the county. I've seen it referenced, but I don't see any indication of how there would be a split on that. And I also, I certainly understand, I guess my next point is, if it were to be implemented, it cannot be replacement money like the Virginia Lottery did to us, okay?

[01:37:30] Virginia Lottery was, it's going to education, it's going to education. So the more the lottery made, the more the state took away from us. They just replaced the funding. And if we put a meals tax in, we can't do or replace the funding, in my opinion, because our constituency and our clientele for students is going to continue to change.

[01:37:47] And I understand the both sides of all these conversations. I also want to make sure the public understands, and I get frustrated when I get certain newsletters from delegates and senators that indicate how well the state has funded education. And I'm like, how dare you make that statement in Fairfax County Public Schools?

[01:38:05] You know, when you claim you're going to give a 3% raise to teachers, you just cost us, can I do a quick math, $73 million because you only gave me $18 million. Did I do that right, Lee? Something close.

[01:38:20] I mean, it's, and then the $1,000 of the SOQs. People don't understand. $1,000 bonus to teachers. Well, that seems easy. The state's giving it to us. No, they're not. That's, you know, and again, our SOQs are so big. quite frankly, they make no sense. You can't do effective work at the state SOQs. You have to go below that. So these are some things that I wanted to emphasize. And the other thing is teachers, administrators, there is no overtime in that industry. There is overtime in some of

[01:38:57] these other union industries. And so for those folks, when their day ends, they're going home and they're, I mean, I've, you know, I've only lived with teachers, my partner of many years and my wife, you know, we get home, you eat and you're back doing the work again. You know, it's the weekend and you're back doing the work again. And I know folks know that. I just need to point it out because I don't think our public fully grasps that. And the idea that, you know, they, well, they get the summers off. Well, we've really, because of the calendar, it's down to maybe six weeks and you can't get a high paying job in six weeks. There's just not enough opportunity within

[01:39:37] that structure. So I just really want to, and I know, I know you all agreed on the board of supersiders side is uplift all the people who do the work in education, just like I want to uplift all the work that's done on the county side of the house. It's very important work. Um, and all of our, our, our staff, we find essential. Um, and this is really hard work, but, uh, I am excited about doing a better collaboration starting earlier in future years. Thank you. Thank you, Miss Lady. And I do want to comment on one thing about the General Assembly newsletters, because it's one thing that that angers us, because we know teacher pay increase means giant invoice coming to us when we hear that at the state. We instinctively know that. It's surprising how many

[01:40:16] of our constituents don't. But it is particularly egregious when that is set at a time when the state is sitting on a gigantic surplus that was generated here on the income taxes of people in Northern Virginia based on largely federal spending. And so when we're talking about what we're talking about, it's particularly egregious when all the house money that's being used in Richmond this year not only was generated by Northern Virginia, but was largely generated in the industry that is right now under attack. And who's talking about it? We all are, but there's a lot of people who aren't at a time we need it most. The only other thing I want to mention is

[01:40:55] on page six, because you mentioned the salary increase math on the county employees, just to be clear, what's in the proposed budget is a range between 4.19% and at the highest 6.58% for county employees. The lion's share of employees are in the 4.19% general county employees.

[01:41:17] So most of our employees in the proposed budget get a 4.19% pay increase. So I just want to make sure that's perfectly clear on the chart. And that's one of the reasons why I want us to put the percent in our workforce in each of those categories at the top so that we can see what percent of county employees are actually just getting 4.19%.

[01:41:36] You wouldn't know from looking at this chart, but that's most of our staff. Anyone left? We have five minutes. Anyone left from the Board of Supervisors? Yes, Vice Chair Smith. Just briefly, I'm going to send in some questions because I am curious about what percentage of your teachers now have master's degrees because I know that's changed over time and you talk about it in master's.

[01:42:01] I'm just curious how they're coming in first year teachers and overall. But, you know, listening to the conversation and being a school board member for 14 years and we all value education, this discussion isn't just about we value people and their hard work.

[01:42:19] It's about our community and how much we can raise taxes and what we can do there. And there creates the difficulty for all of us because we do want to support our schools. We do want to support our teachers. And I think we just need to keep that in mind and explain that to the community, that we're going to have our budget meetings coming up and we're going to hear from the community and have those discussions.

[01:42:46] But we have to have that balance because we just can't keep reaching. Thank you. Okay. With that, I think everyone that wanted to speak has had an opportunity to thank all of you for being here today. Just as a reminder, and I know the schedule was in here at the very back, is we have two upcoming Board of Supervisors Committee meetings, March 11th and March 25th, on the budget.

[01:43:16] it. And as a reminder, the board adoption is May 13th. But most importantly, I think before we exit is the Board of Supervisors advertises the tax rate, votes to advertise the tax rate on March 18th. And

there's two things that will happen that day. One is we set the ceiling on the tax rate, which means the rate we advertise, we cannot go above that. We can go below that.

[01:43:41] And the second thing that will happen on March 18th is the decision from the Board of Supervisors to whether or not to advertise a meals tax. And, again, if we authorize the advertisement of that on March 18th, that becomes part of our overall budget conversation as we move forward.

[01:43:59] So that is an important day, March 18th. It's an important day any year when we advertise the ceiling of the tax rate, but it's particularly important this year because that's when we will decide whether or not to advertise for community dialogue and discussion the recommendation in the county executive's proposed budget, which is that we advertise that.

[01:44:20] So that will happen on March 18th. So stay tuned for that part of the conversation. But again, thank you all for attending today.