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Fairfax County Budget Policy Committee Joint Meeting with School Board, Tuesday, December 2, 2025

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- Official meeting video (Fairfax County): <https://video.fairfaxcounty.gov/player/clip/3979>
- Official Board of Supervisors page (Fairfax County): <https://www.fairfaxcounty.gov/boardofsupervisors/>

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[00:00:03] We're going to call our meeting to order. Welcome to our partners in the school board, staff, and our school board members who have joined us here. For those watching at home, this is a joint budget meeting of the Fairfax County Board of Supervisors and the Fairfax County School Board of December 2, 2025.

[00:00:22] We normally have an hour and a half committee meetings, but this committee meeting is scheduled from 3 to 5 so that we have an opportunity to make sure people can ask the questions that they need to ask. If we end before 5, that is fine, but we don't want to go past that since that's what we've advertised the meeting to be.

[00:00:39] With that being said, we are going to do our normal presentations, which is going to be a joint county and schools fiscal year 2027 fiscal forecast. And I'm going to emphasize forecast again because I do this every year, and then I have people walking out of here talking about deficits.

[00:00:57] There is no deficit. Fairfax County, we passed a balanced budget. We are not allowed to have a deficit. So stop saying deficit. This is also a fiscal forecast. This is not a budget presentation. This is a snapshot in time of where we are financially projected out to next year so that we can see the types of decisions that we have to make as joint boards.

[00:01:20] So this is not a budget proposal. This is not a deficit. This is a fiscal forecast. And as board members might recall, we used to have this meeting right before the Thanksgiving break. We moved it to this week so that we could have broader participation and want to take advantage of that and hear everyone's voices here today who have questions over the most important thing we do as joint boards, which is adopt balanced budgets every year.

[00:01:45] And so before I turn this over to our presenters who are here today, I want to give my partner, School Board Chair Anderson, an opportunity to say a few words. I just wanted to say good afternoon to everybody really fast. I want to begin by saying how much we truly appreciate the opportunity to come together today.

[00:02:03] I think everyone around the table knows how important it is to preserve Fairfax County's long legacy as a community where all of our children can grow and thrive and learn together. So I am looking forward to the conversation, and I look forward to the comments that we get from everybody.

[00:02:20] So thank you. And we will also share a few comments when we wrap up. What we're going to do is try to get through all the presentations. So if you can hold your questions or write them down, and then we will go through kind of in a normal order to have people be able to ask their questions so that we can make sure everybody gets an opportunity to ask any questions that they want.

[00:02:40] And so if you could just bear with us through the presentations, then we'll open it up for questions from board members. And with that being said, I'm first going to – oh, I'm not going to turn this over to our county executive, Brian Hill. I'm going to turn this over to Christina Jackson, our chief financial officer. Welcome.

[00:02:56] Good afternoon, everybody. Good to see everybody again. Again, my name is Christina Jackson. I'm the county CFO. I'm joined once again, and we've been doing this now for a number of years, by my counterpart at schools, Lee Burden, and I'm also joined by our county budget director, Phil Hagen, and the school's budget director, Alice Wickington.

[00:03:13] So we will jump right in. So I think this slide is going to be fairly familiar. We'll talk through some of the economic uncertainty. I feel like that's kind of been the theme of these presentations now for a few years, but certainly I think that's appropriate given the unpredictable nature of this federal administration.

[00:03:33] You know, as the chairman mentioned, this forecast is really early estimates of our revenue. None of the revenue estimates that we'll be talking about as part of this presentation are guaranteed. It's still pretty early. The projections are based on existing tax rates. We haven't assumed any changes in tax rates.

[00:03:49] And again, the budget that will ultimately be adopted will be balanced. I think that we are in alignment this year, a little bit more symmetry between what we've included on both the county side and the school side in terms of our projected disbursements, really trying to focus on the largest disbursement requirements, particularly pay, and some of the non-discretionary categories.

[00:04:11] And certainly this is early on, you know, we're still working through our respective proposed budgets with the superintendent's budget scheduled to be released on January 22nd, followed by the county executive's budget on February 17th. So talking about the uncertainty, and I think this is a good conversation.

[00:04:30] I know the board had a really good discussion this morning as part of legislative committee about some of the impacts of the federal policies, impacts on the state and localities. I would encourage if folks weren't able to catch that this morning, once it's available to go back, we had a good presentation from our federal lobbyist as well as someone from NACO.

[00:04:48] And so certainly we're seeing impacts at the local level from some of the federal policies. We know that we're heavily reliant here on federal procurement. About two-thirds of the federal procurement dollars that are spent in the state of Virginia are focused in northern Virginia. Fairfax County specifically is about 40 percent of those federal procurement dollars.

[00:05:06] The good news is that a lot of our federal procurement contracts are in the area of defense. And so that has been an area that's been perhaps a little bit more insulated than others. And so I think that's been a positive for us. Certainly we've seen the impact of the DOGE actions on federal employment.

[00:05:22] We have a slide a little bit later that talks a little bit more about that. But we know that more than 20,000 employees have either been laid off or been furloughed as a result of those actions. We also know that the recent federal government shutdown is going to have impacted our local economy.

[00:05:38] Certainly the data that we get is delayed, and so we won't see sales tax data, for example, from the month of October until later this month. But I don't think it's a question of whether or not there was an impact, but how much of an impact the federal shutdown had. And then certainly we also have to keep in mind that there's the possibility of another federal shutdown at the end of January, So that when we do get that data, particularly as it relates to sales tax, we're going to have to make a determination as to how behavior may have changed.

[00:06:06] You know, some of those federal workers, yes, maybe they're back at work. Yes, maybe they got back pay. But do their habits change if they anticipate that there might be another federal shutdown in early 2026? We also talked this morning about some of the impacts of the One Big Beautiful Bill.

[00:06:22] I will say there may be some positives in that bill. Again, as it relates to defense spending, we anticipate there's going to be additional spending for defense. Again, since a lot of our contracts are defense-related, that could be a positive for us. But we know that there are going to be some negatives coming down the line, particularly in terms of the impact on SNAP and Medicaid as the federal government moves to shift more of those administrative costs to both the state and the localities.

[00:06:49] And certainly, we know that there's an impact of the tariffs on inflation. and so we're mindful of that as well. Consumer confidence is down, and we know ultimately when consumer confidence is down, it ends up impacting areas such as sales tax or the meals tax, which we're on the verge of implementing here in the county.

[00:07:08] On the state side, the chairman mentioned this morning that the state did have a surplus in FY25. On the revenue side, it exceeded \$570 million. That was primarily generated through non-withholding income tax, capital gains, self-employment, for example.

[00:07:26] And what they're seeing so far in FY2026 is they anticipate another healthy year, and they anticipate that they're going to finish the year with revenues above what they had initially forecast. You can see for FY2027 and FY2028, they're anticipating projected revenue growth from about 3.1% to 3.6%.

[00:07:46] However, they've noted in some of the state presentations that they do have downside risk. They have concerns, again, about especially some of the impacts of the federal government as it pertains to, again, that shift in administrative expenses for SNAP, especially in FY 2027.

[00:08:02] That's also going to continue and perhaps worsen in FY 2028. And they also have concerns about Medicaid spending. Even though their Medicaid enrollment is down overall in the state, they're actually seeing higher utilization, and they're anticipating some pretty significant cost increases as it relates to Medicaid at the state level.

[00:08:19] So when you combine those pressures with re-benchmarking through K-12, they don't anticipate having enough resources, even though they anticipate positive revenues, enough resources to cover some of those expenditures. And, in fact, they're recommending taking some of the one-time balances that they have left over and using those one-time balances to help balance some of those out-year budgets.

[00:08:39] We know that's not a best practice from a budgeting perspective, using one-time monies to help balance the budget. but that's something that the state has noted that they're looking to do to try to smooth out some of the impact of those actions. We have a couple of slides here just showing some data points. This particular slide is focused on unemployment. Certainly, we know that the labor market has been weakening nationally, but you can see here some of the Fairfax County-specific data.

[00:09:06] In August, our unemployment rate was 3.7 percent. You'll note that it's actually above the Virginia rate of 3.6% at the same month. That's actually the first time in about four years that we've been above the state overall unemployment rate. And it's not really surprising given the concentration of federal jobs that we have here in Northern Virginia. And then you can see in the chart on the right, these are Northern Virginia jobs and not necessarily Fairfax specific. But if you can see the blue line there in the chart on the right shows overall changes in jobs in the Northern Virginia area. This is year-over-year data on the monthly basis. So if you go all the way to the right of the blue line, you can see it's right at 0%. So essentially job growth has been flat

[00:09:46] in Northern Virginia over this past year, down about 300 jobs roughly. But you can see what's contributing to some of that. You can see declines in the professional business services job sector down about 2.2% year-over-year or a little over 10,000 jobs, and then a 7% drop in federal government jobs or about 6,600. That's that red line where you see the really big drop. Now there are positives that have offset those negatives, which contribute to the overall, you know, flat trend. But where we're seeing growth in such as education or health services, those tend to be

[00:10:22] more mid-range income jobs and where we're seeing the losses are in the higher wage positions like those federal government jobs and the professional business services jobs. Two other data points that we're keeping an eye on, this chart on the left shows unemployment insurance claims, continuous claims. You can see that green line was last year in 2024, pretty stable in terms of the continued claims and uninsurance, but you can see how they've increased, particularly in the first half of 2025.

[00:10:53] They have kind of leveled off over the past number of weeks, so we'll certainly be taking a look at that and seeing if that trend continues. But certainly this is an area where we can determine what the true impact of some of those federal job losses are and where we're seeing families that actually need some assistance. And then the chart on the right is just, you know, a chart tracking inflation over the

course of the past number of years. Certainly the pandemic contributed to high levels of inflation that's come down. But you can see in the past couple of months, inflation has started to tick back up primarily as a result of the tariffs. So certainly that's something that we

[00:11:28] have to keep an eye on as well. Now we're going to get kind of more into the county-specific numbers. This is the chart that shows our annual change in general fund revenue. And you can see for FY27 that right now we're projecting a revenue increase of 3%. Again, that's at the current real estate tax rate of \$1.12 and a quarter. That will result in additional revenue of about \$225 million over the 26 adopted. And certainly that's primarily driven by changes in real estate.

[00:12:00] Real estate is about two-thirds of our overall general fund revenues. And so certainly as real estate goes, so does our general fund revenue base. So our total real estate base in 2027 right now is estimated to increase by about 2.9%. Once again, that's driven primarily by residential equalization.

[00:12:19] Right now, Department of Tax Administration is anticipating that residential home values will be up about 3.2% overall. They are expecting currently that non-residential equalization will be down for the third year in a row. This is just the chart that we normally include, just kind of showing the patterns in residential equalization.

[00:12:41] You can see we hit that high of 9.57% back in FY 2023, as we saw a lot of folks maybe moving to bigger homes, maybe adjusting to a work-from-home environment, and we've fallen off from there. And again, 3.2% currently estimated for 2027.

[00:12:59] Here are some statistics related to the housing market. Again, nationwide, we're seeing that kind of the housing market is cooling with decelerating growth. And that continues to be the story here in Fairfax as well. Through October, home prices are up about 2.9%. You can see that the number of home sales is up slightly over a year ago.

[00:13:18] Where we are seeing some differences is the number of active listings. Those are up over 40 percent from where they were a year ago, which is certainly an area that we need to keep an eye on, you know, or these folks that maybe have lost their job and are looking to move out of the area. I will say when we put the statistic in context, it's still relatively modest.

[00:13:37] The number of active listings when we look at, say, post-Great Recession or following sequestration, still the number of active listings is relatively low when we compare to those periods. But certainly when we just look at the trend over the past year, it's something that we want to make sure that we keep an eye on.

[00:13:56] This next chart is just our annual changes in non-residentialization, where you can see that we have many more fluctuations from year to year. But for the past three years, or the past two years, we've been negative. And again, that we're projecting that we'll be negative once again in 2027. And not unlike last year, that's primarily driven by changes in office elevator market.

[00:14:17] We're, again, anticipating the office elevator properties are going to be down between 5% to 8%. The vacancy rate is up. Cap rates also have increased. And generally, there's an inverse relationship with cap rates and value. So generally, as cap rates increase, the values of these properties tend to go down.

[00:14:34] We do see some positives in some areas of non-residential multifamily property values are expected to go up. So our retail properties and hotels are expected to go up about 2.4%. But again, with Office Elevator, it's about 24% of our overall non-residential base because it's a fairly sizable part of our base and because it's projected to go down so much, that ends up dragging down the full non-residential category.

[00:15:02] When we look outside of real estate and we look at some of our other revenue categories for personal property taxes, that's a sizable category for the county. We do anticipate that both car values and volume in the county are going to increase, which will contribute to additional revenues. and we'd also anticipate that we're going to have significant growth for business personal property primarily as it relates to some new data centers that are opening up. The other category that I wanted to make sure that I mentioned here is the food and beverage tax. We haven't implemented it yet. It's coming up next month in January. We won't be receiving the first of those dollars probably until mid-February or so in the county and it's probably going to take a couple of months

[00:15:41] for us to really even have an understanding of what those monthly revenues are going to be. So for purposes of this forecast, we've actually held that revenue category flat. We want to make sure that we actually have some experience for meals tax before we anticipate an increase there. And certainly, again, given consumer confidence being down, given the potential for another federal shutdown, we just want to make sure that we're conservative with that category.

[00:16:06] On the right-hand side, investment interest, this has been a revenue category that we've talked about a lot over the last couple of years because there's been so many fluctuations here. We do anticipate that the Fed's going to continue to reduce interest rates, and so this is a category that we think is going to continue to decline.

[00:16:22] I do like to give credit where credit is due at this presentation and just give a shout-out to our Department of Finance. They do a fantastic job of trying to maximize the yield that we get on our cash portfolio, and they also try to push out that yield as far as they can to make sure, even though we know we anticipate a decline in interest rates, it helps us to kind of smooth the impact on our revenues for that particular category.

[00:16:43] And then on the bottom right-hand part of the slide, I just wanted to note, and it ties back to one of the earlier slides, that we do anticipate an FY27 impact in SNAP revenue as the federal government is shifting more of those administrative costs from the federal government to states and localities.

[00:16:59] We're already anticipating a loss of revenue in SNAP of about \$6.7 million. And I'll note this was what we put together just in the past couple of weeks. We're already hearing that that number might be a little bit higher. So it's certainly something to keep in mind. And we know there are going to be additional impacts related to the error rates potentially hitting us in FY2028.

[00:17:18] So it's just something to pay attention to. And now I'm going to stop for a brief second and turn it over to Lee for schools revenue projections. Yeah. At this stage of the fiscal forecast, it's very early for us. We don't have a lot of information on revenue.

[00:17:35] And as always, for the county transfer, we assume to be decided for that, although it has ranged from 4.6% to 6.8% over the last four years. State revenue, we did build in the impact of a sales tax increase

and a projected LCI change offset by projected enrollment declines, so that's why that number is smaller than we may have had in the past.

[00:18:02] This is the first year of the biennium, so we do often see more funds in the first year of the biennium, but we won't know that until December 17th when the governor introduces and of course then you know the governor-elect and the general assembly may do something different but we won't know about that until much later in the budget process. Federal revenue we have assumed no change. Only the IDEA grant for special education staffing and Carl Perkins are included in the operating fund. All of our other federal grants are in the grant fund. We've assumed that's flat as well. There's still a great deal of uncertainty with federal funds. For this year,

[00:18:41] the reimbursements are flowing to us, although they are being subjected to greater scrutiny. So it's coming to us a little slower than we normally would see. But all of our reimbursements are up to date. But information about the future or fiscal 27, the information coming out of the federal government is broad and sweeping with very little details to be able to predict what might happen in a future year. So I guess we stay tuned on that. So at this point in time, our projected

[00:19:16] revenue increases \$13.2 million. So our next slide, we have this chart included in this presentation in two different parts. So this is really just a preview of what Lee and I are going to be going over in a few minutes. But this shows the projected schools revenue that Lee just mentioned of 13.2 million there in the schools column. She and I are going to be going through our respective disbursement assumptions that we've included as part of this forecast. And those are the assumptions that feed into the numbers that you see here, where once we include the \$225.5 million that currently we're estimating in county revenue, there's a combined net projected budgetary

[00:19:55] shortfall of \$131.5 million. Again, that's just kind of for context setting. When we release the budget, it will be balanced. So before we jump into FY27 specifically, we wanted to talk a little bit about some of the actions that we took in FY2026. And I know that Lee has a similar slide for schools coming up. But we just wanted to note that in order to balance the FY2026 budget, we did include reductions of about \$51 million on the county side and 189 positions. Those were reductions and not cost avoidance. It was the third year in a row that we've actually included

[00:20:32] reductions in order to balance the budget. We had reductions of about 6.3 in 24 and 34.3 in FY 2025. We also set aside funding in a reserve for economic uncertainty. When the board adopted last year's budget, there was a little bit of a balance of about 2.55 million. The board decided to set aside these funds. We were able to add to those funds as part of our quarterly review.

[00:20:56] So right now the balance is a little over \$22 million. And this really mirrors the actions that we took following the pandemic. When we put some money aside in our pandemic reserve, it helped us be prepared in case we had any unexpected revenue losses or to be prepared to help the community if we had any expenditure requirements. So we didn't have to dip into our 10% reserves where we know we have some pretty strict policies in terms of how we're able to tap into those. And so this is just an area where we have a little bit of flexibility to be responsive, again, kind of given the uncertainty, especially what's happening at the federal level.

[00:21:31] When we look at what goes into this particular forecast, again, we focus really on the basics. So compensation, including our collective bargaining agreements, our benefit changes, debt service requirements, as well as some of our contract rate requirements.

[00:21:48] We do have some limited investments included on the county side. We have some new facilities that have been in the works for a number of years. so we've included some assumptions regarding the operating and maintenance of those facilities. And then the board had directed the expansion of the zero waste program for parks as part of the budget guidance for 27, and so we have assumed that in our numbers as well.

[00:22:08] We'll talk about it a little bit more in a couple of slides, but we have directed our agencies to provide reduction options totaling 5% of their general fund support this year. So we're going through yet another reduction exercise. And I'll just note that, you know, there are a lot of unknowns still. It's very early in the process.

[00:22:24] One of those areas that is unknown is transportation funding. You'll see that we've included \$24 million for transportation funding, but there's still many things in the works regarding transportation. I'll talk a little bit more about that in a few slides, but I'll try to point out as we go through the slides where the numbers are pretty solid and then maybe areas where we have a little bit more flexibility or it's more unknown.

[00:22:48] So I'm going to spend a couple slides talking about our collective bargaining agreements. So FY27 will be the third year of our collective bargaining agreement with IFF, which is Fire Emergency Services, and SSPBA, which is our police bargaining unit. So we'll actually begin new negotiations for new contracts with those two bargaining units actually coming up in just a few months in the spring.

[00:23:09] We have finalized our negotiation with SEIU for our general government bargaining unit. That's another three-year agreement. It's actually going to go to the board a week from today for the board's approval to approve their intent to appropriate funds for that agreement.

[00:23:25] And that contract would begin on July 1st, 2026. And we have some details regarding that contract on this next slide. Most of the changes were related to pay. You can see we've included a 2 percent cost of living adjustment that is consistent with the COLA that we've included in the third year of both the IFF and SSPBA contracts.

[00:23:47] We did make some modest changes to performance increases for these employees, and you can see it's in the chart on the top right. So the way that the county performance pay system works is that if you're on the lower end of the pay scale or maybe you're at the minimum, you end up getting higher increases.

[00:24:05] and as you progress those increases get a little bit smaller so if you're at the bottom end of the pay scale previously you would have been eligible for a three percent increase that goes up to three and a half percent and you can see the changes for any of the employees above 60 percent of the pay scale we did not make any changes we also increased the longevities that employees can receive those were previously four percent at 20 and 25 years now they're five percent at 20 and 25 years. And just a reminder that the longevities are instead of performance increases.

[00:24:36] So you don't get the performance increase in the chart in a longevity. It's either or. We don't have it noted here, but I just want to make sure that I did note that including the contract is also an increase in the county's living wage. And so that living wage will go up to \$20 by the third year of the contract. We've also included two additional floating holidays for these employees. We've increased the language stipend and we increased shift differential rate. So you can see the total general fund cost is \$51.6

million. That includes \$42.1 million for the bargaining unit members themselves, as well as additional funds for the

[00:25:12] impacts on non-bargaining unit members. We made the decision early on. The board might recall that whenever we negotiated the two public safety contracts that we changed the Christmas Eve holiday from half a day to a full day, and we provided that to all of our employees so that we had consistent holidays. Similarly, we've recommended that these two floating holidays, for example, be provided to all employees as well so that we're consistent regarding holidays. So there's some costs associated with that. So now when we move into each of the line items in terms of what we've included in the forecast, this first slide is focused on county salary and benefit. So

[00:25:51] it ties into those previous two slides. The first line, you can see that \$42.1 million associated with the new tentative agreement with the General Government Bargaining Unit, or SEIU, I would note that the average pay increase for those employees in FY27 would be about 4.27% as part of that contract.

[00:26:12] For the Police Bargaining Unit, we've included about \$16 million. That would be an average increase for those employees of about 5.63%. And then for our Fire and Emergency Services Bargaining Unit, we've included 13.2 million, and that would be an average increase of 4.58%. The non-represented employees, that 14.9, that includes positions such as sheriff. It includes all of our management appointed positions. It includes some of our state positions as well as confidential positions.

[00:26:41] That also includes the impact, again, of some of those aspects of the SEIU contract, which we apply to all employees, such as those two floating holidays, for example. And then for employee benefits we've included just over 15 million dollars this is primarily related to the full year impact of health insurance premium increases that we put into effect for January for both of our plans we do have some increases also in here associated with anticipated changes in our retirement rates fortunately for schools it's not anticipated to impact the employee's retirement system but we are anticipating a small increase for both our police officers and our uniformed

[00:27:18] retirement system. Oh, and one more note, I think it's a positive thing. We've gotten some preliminary information back on our OPEB valuation, our other post-employment benefits, and the early indication is that we are overfunded in OPEB, so we anticipate that we're going to be able to have some savings, be able to take down our contribution for OPEB. The next slide goes over essentially everything else that we've included in the forecast. You can see that we have \$8.3 million for county debt service. That includes the bonds that we anticipate selling next month in January. We've also included a little over \$20 million for contract rate

[00:27:53] adjustments and fuel. A lot of these contract rate adjustments are in our human services agencies to assist some of our non-profits so that they can make sure that they're paying their personnel appropriately. We've included \$8.6 million for new facilities and anticipated lease escalations.

[00:28:10] The new facilities include some of the operating and maintenance expenses at both Tyson's in the commons. We've included \$12.5 million for information technology. Some of this relates to the ongoing licensing cost of projects that we've put into place over the past number of years.

[00:28:27] We've also included funding here for the replacement of our public safety radios. The board might remember as part of Carriover, we'd put in some one-time funding for the replacement of public safety radios. That is a pretty big ask. I want to say it's around \$30 million or so is a total cost. We're putting

some funding in the baseline because we need to build up some of those funds in order to replace those. Again, we've put that \$24 million in for transportation funding. It's about half and half, about \$12 million of it being connected to contract rate adjustments for connector. The other 12 is a very preliminary estimate for metro. Certainly, we don't know yet what the metro budget is going to look like. And we know, again, that there are a

[00:29:07] lot of conversations at the state level in terms of what assistance the state may be able to be able to provide or give us the ability to raise additional revenue to support transportation specifically in Metro. We have \$8.3 million included for the impacts of state and federal action.

[00:29:25] This includes the anticipated loss of some grants, including some UASI grants, the Urban Area Security Initiative grants. We've included the cost of some of the mandated positions from the state for the Office of the Commonwealth's Attorney, some additional rental and food assistance funds to kind of mirror some of the funding that we set aside at carryover, as well as the ongoing cost of some of the positions that we added in family services to help with some of the workload associated with some of the managing the eligibility requirements for those public assistance programs.

[00:29:56] And then the last category is \$10.3 million for other requirements. This includes the investment that I noted earlier for zero waste for Park Authority specifically. It also includes funding for capital renewal. And I think that this is going to be a theme that you're going to see when we release the advertised budget is really a need to maybe refocus a little bit.

[00:30:15] Some of our resources on trying to maintain some of our existing facilities, not only on the county side, but on the park side as well, where we're seeing some additional costs related to HVAC replacement, roof replacement, for example, and trying to make sure that we shore up some of those facilities.

[00:30:32] So in total, this category is about \$92.4 million. I already talked a little bit about agency reductions, just a little bit more. This slide, again, we did ask agencies for reductions totaling about 5% of their budgets.

[00:30:49] If we took the full 5%, I think that would be, you know, \$85-ish million or so. What we do have included in this forecast is taking about \$30 million or about 1.8%. Again, because we've taken reductions now for three years in a row, coming up with reductions is getting harder and harder.

[00:31:08] Certainly, I think the easy cuts have now been taken, and so we're trying to be mindful as we work through some of those reduction opportunities to see what might be possible given this climate. We did, as directed by the board, implement the Employee Ideas Portal.

[00:31:26] This was an opportunity for our employees to directly provide reduction options to the Department of Management and Budget. They could do it anonymously if they wanted to. You can see that we've received more than 850 suggestions. The Department of Management and Budget staff has the pleasure of going through each of those 850 suggestions to determine, you know, what's feasible.

[00:31:46] They might have some clarifying questions of the employee, but we anticipate including some of those ideas as part of the advertised budget. And now I think I'm shifting back to Lee. So as you all know, fiscal 26 required difficult decisions, and we reduced our budget by \$121.3 million to balance the budget.

[00:32:13] Those reductions included reducing employee compensation, staffing formula adjustments, including an increase in class size of one student, social studies textbooks, and central office took a 3% cut in every department, as well as we cut non-local travel by 50%.

[00:32:32] And again, all of that was about the ones that are position-related. In total, it was a reduction to the budget of about 400 positions, and again, \$121.3 million. You should also know that given the economic uncertainty, no new resources were considered in this fiscal forecast.

[00:32:53] Departments were encouraged to review their budgets and repurpose existing resources to fund their programmatic needs. School-based budgeting is essentially zero-based in that we take the projections and apply the staffing formulas to that.

[00:33:09] So we start over every year based on what the projections are for each and every school. But recognizing the current economic environment, this fiscal forecast only reflects the base requirements of the school division. And by that, I mean compensation adjustments to meet the collective bargaining agreement, enrollment and student needs, benefit rate changes, health care, retirement contribution rates, and then contractual rate increases for inflationary increases, leases, utilities, those kinds of things.

[00:33:39] At the time of the fiscal forecast, negotiations for the other union, FCF PSA, which I call PSA because it's just easier, and that means principals, supervisors, and administrators. that tentative agreement is expected to go to the school board in December or January in time for the superintendent's proposed, but it has not gone yet. The forecast doesn't include other priorities that we have. Again, it is the base level of requirement, and I'm going to go ahead

[00:34:12] and mention now that this fiscal forecast projection for the schools is nearly \$90 million less than the fiscal forecast that we presented last year at this time, so it truly does just represent our bare bones needs for fiscal 27.

[00:34:38] And so if you look at the chart, you can see what has been included, and that is compensation components based on the collective bargaining agreement, which is step increases, market scale adjustment of 3% to all salary scales to keep pace with rising costs.

[00:34:58] Again, the PSA collective bargaining is not yet completed, but I should say that I'm not too worried about that because even though there may be slight increases to some of the assumptions we've made in the fiscal forecast, 95% of the employees are eligible to be in the FEU, which is fully included in the fiscal forecast.

[00:35:24] Only 1,400 or 5% of our staff are considered PSA, principal, supervisors, or administrators. So even if the collective bargaining agreement with that group ends up being a little more than we've assumed here, it won't have a huge impact because it's only about 5% of our total employees.

[00:35:41] We do have some benefit rate changes for health care and some retirement rate changes for ERFC. VRS rates will be revealed in the governor's introduced budget on December 17th. And enrollment is actually going down.

[00:35:58] You may have heard that we have had some enrollment losses. And so that is actually pulling our budget down by about \$42 million at this point in time. But at the time that we presented this to the school board, we had just received the enrollment projections.

[00:36:15] So enrollment projections for special populations, special education, multilingual learners, those kinds of things have not yet been included in the fiscal forecast. So that will change some. Then, of course, the contractual, which is the escalations for leases, renewals, contracts, utilities, those kinds of things.

[00:36:34] So, again, the total required expenditures are expected to be \$193.8 million in this fiscal forecast. So again quickly when you pull it all together with all the information that Lee and I have gone over related to both revenue And then our projected disbursement requirements you see laid out in the county and schools columns on this slide With our revenues overall county revenues estimated about 225 million There would be a combined net projected budgetary shortfall of a hundred and thirty one point five million And then we just finish up with a budget timeline

[00:37:12] Lee already mentioned that the governor will introduce the state budget on December 17th. So that's our next Date that's coming up followed by the superintendent's release of the proposed budget on January 22nd followed by the county executive Presenting his proposed budget on February 17th And then we'll meet back here in this room with both boards on February 24th to discuss both of those proposed budgets Okay Thank you very much, I think, for that presentation.

[00:37:52] It's kind of like how we started our morning today. But we appreciate having the numbers in front of us. And again, I don't want to be a broken record here, but I can't emphasize enough what they said in terms of this being early and this being a projection. And, you know, as we approach budget adoption, obviously these numbers will tighten up.

[00:38:12] We hope they go in the direction that we want them to go in, but we always plan conservatively to try to prevent surprises downstream. And so this is, in my mind, these are my words, not staff's, but I kind of look at this as a worst-case scenario that we're starting with, although I will temper that by asking my first question, which is if you look at the slide 26, which obviously is the most important slide in this entire presentation, You have down there the county revenues estimate increase at \$225.5 million.

[00:38:47] I want to emphasize again that that is based on all of today's tax rate in terms of residential or in terms of real estate in general, which is two-thirds of the budget. And so my question is, you had a projection in there of potential residential assessment increase on one of the slides in and around 3%.

[00:39:06] do we do we have a dollar figure attached to that what that would be for the average homeowner you know i don't have it written down but i'm pretty certain that someone from county staff will send me a little note here in a second and i'll be able to provide it yeah because it's always it's an important number for us to start with because we know no one's average but at least you can try to understand uh the difficult times we're living in with the unemployment rates and the federal cuts to understand a little bit that that 225.5 million number uh is not without some pain for people. And the pain threshold is what that average real estate tax assessment increase would

[00:39:44] be. And I think it's important for us to know that before presuming that the \$225.5 million is free, it's available, it's ready to go without pain. And so I just want to make sure we get that number out before we leave here today, just to give people a relative idea of what that means.

[00:40:01] And I have a number of other questions, but I'm going to stop because I want to make sure we can get around and have an opportunity for everyone to ask their questions and before I do that I'm going to turn to our school board chair Sandy Anderson. I just want to give the same kind of the same pep talk

that I gave last year a little bit. We all know that education is the county's largest and most consequential investment and as I said in my comments last year I recognize and deeply appreciate the way our county has consistently stepped in when the state has failed to meet its responsibility to fund education adequately across our commonwealth.

[00:40:39] Like every sector, our division is not immune to the rising costs everyone seems to be feeling today. Even in light of the momentary decline in our enrollment, the budget shortfall that we've outlined here is the barest essentials of what FCPS is going to need to continue to provide the world-class education we have all come to expect as county leaders. But I understand that that burden should not only be our counties. And that's why this moment matters. With a change in state leadership, we have an opportunity and truly an obligation to work together to pursue every

[00:41:17] possible avenue for additional funding and increased local authority. Whether it's modernizing outdated state formulas, seeking flexibility and revenue options, or advocating for the Commonwealth to finally address the documented underfunding of public education, we have a window to make meaningful progress if we move in alignment. And so today, I hope that we can use our time to begin planning for that opportunity to define where our interests are aligned, where we can jointly advocate, and how we can approach this budget season not as two separate bodies, but as partners working together for the same families. So I'm going to end here because I know my colleagues

[00:41:55] are also interested in saying lots of things, but I want to thank the Board of Supervisors for your collaboration and your leadership throughout the county. So, and I appreciate your continued dedication to our schools. Thank you very much, Sandy, and feeling is mutual.

[00:42:11] We appreciate all the hard work that you do. And what this tells us is we have a lot of hard work to do over the next couple of months. But again, the point of having this forecast now is so that we don't spend the next couple of months doing nothing, but we spend the next couple of months trying to forge solutions to the challenges we have ahead.

[00:42:29] With that, I'm going to go around. Everyone has an opportunity to ask a question. If you don't want to ask a question, that's perfectly fine, too. But I want to make sure I get to everyone. I'm just going to go around in the order that we're seated, just so that it's easy for us to remember. Rajna. Thank you.

[00:42:46] And I want to echo what Chair Anderson said here, too. First, thank you all for this joint meeting. I think it's really valuable to be able to sit down together early in the budget process. I know we on the school side have been very committed to earlier talking about our budget needs. And I want to reassure that we have heard you, we've heard the county, we've heard our taxpayers.

[00:43:04] We understand the challenging fiscal times that we are in right now, especially considering the uncertainty at the federal government level. So, you know, this budget that we have here really is focused on meeting our obligations. The rising health care and benefit costs is an obligation that are non-negotiable, looking at our changing enrollment needs, and then meeting our obligations under the collective bargaining agreement.

[00:43:26] And those are the three things that we focus on in this budget. we've added new initiatives. And we're also really focused on creative ways to educate our students in the ways that our FCPS community has expected. We're exploring industry partnerships. I know Dr. Rita's worked quite a bit on different industry partnerships to do some innovation in education without adding to the budget. So there's

multiple things that we're doing to try to maintain the quality of our school system while also understanding the fiscal pressures. But the reality is that we are all in tough fiscal times, and together I think we can work to keep our county as strong as our taxpayers expect it to be, to keep our schools strong because we know they're part of

[00:44:06] the economic engine of our county. And I think we have an opportunity, as Chair Anderson said, to advocate together at the state level with specific solutions, right? Looking at the LCI formula, looking at diversifying our tax base, looking at asking them, not just in re-benchmarking, but in looking at is the LCI a fair way of encapsulating what our costs are, what our ability to pay actually is, because I think there's some questions in that LCI formula as to whether it adequately captures our ability to pay.

[00:44:38] That's just one example, but I think we can break down some of those and advocate together at the state level, and we have a unique opportunity with this new leadership to do that. So I want to just share a couple things that we really are focused on in Fairfax County, which is setting our students up for success in this rapidly changing world.

[00:44:57] And we're committed to doing that without increasing the burden on taxpayers, but also without compromising the quality for which our schools are known. And I know that's a goal that you all share with us, and so we're here in partnership with you this year to figure out how we can move forward together. So thank you for the time. Thank you for the partnership.

[00:45:13] Thank you. Kathy? Slide 14. It says that your beginning balance for the schools this year is \$4.1 million less and the FY26 approved. What was the beginning of balance in FY26?

[00:45:30] About \$25 million. Thank you. Pat? A couple of questions. First, thank you, Mr. Chairman, for asking. One of my first questions always. Do we have the answer? I do.

[00:45:47] I was waiting for an opportunity. So it's about \$285, the 3.2%. So if nothing else, this is just a forecast. And each penny is about \$82. In terms of the impact on the homeowner and in terms of revenue, it's about \$34.85.

[00:46:05] So just shy of \$35 million to the count. So it's \$34 million a penny. \$35 million. \$35 million. Yeah, \$35 million. \$35 million. Okay. Slide 19, base pay is 2%. Do we have a percent for the average for performance and longevity that is included in there?

[00:46:27] It's about 2.27% for the general government bargaining group. So two and a quarter. Yeah, their 27 average is about 4.27. That's 2% COLA and 2.27 for the performance and longevity. So in total, it's a 4.27%. Yeah. Average, yeah.

[00:46:43] Okay. And then I think I might have missed this because I think you hit it. The employee benefits, what's driving the 15.2, the biggest driver? So the biggest piece is the full-year impact of the premium increases that we put into effect for January.

[00:46:58] Because for our Cigna plans, I believe it was around 15%. And for our fully insured plan, it was about 8.4%. So it's health insurance. Most of it's health insurance. I figured that. There's a little bit that's retirement. I think like \$2 million to \$3 million is retirement, but a majority of it's health insurance. I'm going to ask an unfair question, I think.

[00:47:19] I put out my newsletter in April 2025 for employees to submit comments. I didn't get near \$850 million. So congratulations. County Executive has got bigger reach than I do. He likes that. He's shaking

his head.

[00:47:34] Are there any themes there, just out of curiosity, that you can share? And if you don't want to share, if you haven't finished yet, I'm just curious. Because when I went into a company, the employees know where stuff has gone wrong.

[00:47:51] So that's my first question, if you've got any general. Yeah. I mean, we're still sorting through, and there's a number of them that are specific to individual departments. I think some of the broader themes that we've seen are certainly pushing for, honestly, some of the things that the board is already pushing on, like solar on buildings.

[00:48:08] We know that's already in play, looking to save energy there, increased telework, and taking a look at some of the take-home vehicles and other IT to see what we can do there. So there's a number of things in there, but like I said, there are some that are very, very specific to individual departments.

[00:48:26] Okay. And I would just throw that out to the school system as something maybe to consider because, again, I know you had to do reductions last year as we have, but I didn't see any reductions kind of built into this budget. And I think that's something we probably worth looking at. On the slide 25, the \$40 million enrollment increase, do we have an approximate number of students that is?

[00:48:54] That's a decrease, not an increase? A decrease, I'm sorry. Well, our projection has been leveled down so that it is about 500 kids less than what we actually received in the current year on September 30.

[00:49:13] So the fiscal 27 projections are slightly less than that. Okay. All right. And I didn't see a category. Maybe it's not big enough to be separately, but we're opening this new high school. There's a new set of administration that needs to go around that.

[00:49:29] That's included in the budget or not included in the budget for the Western High School, the new administrators, et cetera, et cetera? We're still developing the plan for Western High School, and that will be included in the superintendent's proposed budget. Okay, so that's not in here yet.

[00:49:46] Okay. My biggest questions and concerns are around something that's not in here, and that's the CIP and what that has done. Is there a timeline for coming up with the revised impact on the CIP?

[00:50:02] Because of Western High School? We probably need you to submit that as a budget question to the budget office, and they'll send it to us. Okay. And just so the other school board members know, because I know a couple of the ones I talked to didn't know, and this has been a frustration of mine, and I've been working with Supervisor Smith for two years, Centerville's out of compliance with our zoning ordinance and has been since 2018.

[00:50:34] We've been trying to work a solution for the last two-plus years. That school's not going to get renovated until that zoning violation's rectified. So I needed to be transparent with my citizens and let them know that.

[00:50:50] But I hope the school board develops a plan to get back into compliance with their zoning ordinance. I know the county executive, the park authority director is here ready to sit down and work with you to get back in compliance. And we're going to try to get together on the 8th and move it forward again.

[00:51:07] but thought it was something you needed to be aware of. And with that, I'm going to turn it over to Supervisor O'Reilly. I'm sorry. I'm going to not ask any more questions. I'll let the chair turn it to

Walter. Thank you, Mr. Chairman. Yeah, I just have, I guess, one question.

[00:51:25] We talked, and this is thinking about state funding. We talked this morning, we had our legislative committee meeting. I guess my question is, do we have a plan for doing that? And, you know, how are we going to work together?

[00:51:42] How are we going to get allies? You know, what is our plan? And I don't think we really have a plan at this point to try to do this. I know we've all been trying to do it. I know the School Boards Association, the VACO, I know there have been a lot of different entities that are working on it.

[00:52:03] But I guess I would just ask if maybe the legislative staff could talk about that and maybe work out a plan. Yeah, this hits close to home for me because we spent a lot of hours on this before. I will give credit to our Office of Public Affairs because during and leading up to the last session, obviously, when the JLARC study came out, there was a lot of communication that went out to the public.

[00:52:28] I know schools took some of that and shared that with the public as well. And so we need to build off of that. Obviously, I think most of us were waiting to see what happened in November's election because that clearly has an impact on education funding moving forward, and so we need to revamp our communication strategy but also be cognizant of the new General Assembly and what that means.

[00:52:51] For the school board's benefit, and we did this intentionally, we also last week received, and if you haven't seen this yet, I would request actually that our staff send it to the superintendent to be distributed to all the school board members, but we got the Weldon Cooper Center analysis that Supervisor Stork and I had asked for.

[00:53:12] And that analysis shows, again, what the return on investment is from northern Virginia, taxpayers that pay into the state what we get back in Fairfax County. And it had been many, many years since we had looked at that analysis again. And that, paired with the JLARC study, tells us exactly what everybody in this room already knows, which is we're getting hosed.

[00:53:34] And so we need to use these numbers, though, to make our case, because right now, the beginning of this presentation and this morning, the presentation on some of the impacts of the federal government chaos that's happening plays a direct role in the revenue that's available in Northern Virginia and a direct role in the income taxes that the Commonwealth of Virginia is going to collect from Northern Virginia that historically they have relied upon to fund the rest of the state.

[00:53:59] So if our ATM is broken or hurting, the state has a huge projected long-term budget problem on their hands. And the reliance on Northern Virginia at the amount that we've been relied upon to help the state, there has to be a breakthrough that recognizes right now Northern Virginia needs a little bit of help.

[00:54:19] We're not usually the ones that need help, but for the longest time we've been the helper. Now we need a little bit of help. And what that study shows is disproportionately getting back 50% of every income tax dollar that's paid comes back to Northern Virginia.

[00:54:35] And that's in direct and indirect revenues. If you look only at direct money coming back to Northern Virginia, to Fairfax County, we're getting back 22 cents on every dollar that we pay. So somewhere between \$0.22 and \$0.50, depending on how you want to look at that, is what we get returned on every dollar that our residents pay into the Commonwealth of Virginia through income taxes.

[00:54:59] And there are only three, was it three or four jurisdictions that end up with a smaller rate of return than Fairfax County. I think there were four. Arlington, Alexandria, Goochland. Falls Church. And so those are, you know, compared to Prince William County, gets back 110%.

[00:55:22] And so if you want to look at where revenue is going, look at that study, show how we're doing. And as I've talked to our General Assembly members, this is another piece of analytics not created in Fairfax County, but created by third-party independent Weldon Cooper Center, just the straight-up facts and numbers in the same way JLARC did their education analysis.

[00:55:43] And so paired with those two things, we know that we're putting our legislative package together based on that. We're meeting with our delegation here in a couple of weeks. I know you have a delegation meeting. That's why I want to make sure the Weldon Cooper Center data gets to the school board because it might be part of what you want to use to inform your legislative package as well.

[00:56:09] But these are things we have to be communicating. Our comms people are already working on how to socialize the Weldon Cooper Center analytics in a way that people can understand. And the more we can grab each other's messaging on JLARC, on Weldon Cooper, on the things that we're facing, the better off we're all going to be.

[00:56:28] And so there is not a formal plan, but there's a lot of people working in the background on some metrics and things that we can use to communicate out at least what our strategy is. And then lastly, for all those other groups that we're on, taking this data to them. I know VACO is all in on working on this with us and waiting for the data.

[00:56:47] But I think it's important that for the schools, in addition, the groups that you work with, to make sure they're engaged with these numbers as well, because we're not going to move the needle alone. It's going to be with all of us working on this issue. Dan. Thank you, Mr. Chairman.

[00:57:05] And just on that point, I'm obviously all in. But I want to ask, particularly our staff, because we've talked about it before, and I know you've responded before in budget notes, but just to put this in perspective, if we got just a couple percentage more, in other words, we went from 50% to 51 or 2 or 3% of money back from the state, approximately what would that mean?

[00:57:32] And if you want to hold that, I have a couple other points I'll make, and you can answer that, or you can answer it now. I'll leave it up to you. Yeah, I don't know that number off the top of my head. I'm sorry. It's a budget item, but I just wanted to call people's attention to it as well because it's – Actually, \$58 million for every percentage point.

[00:57:52] \$58 million. So even if we got to – just we got 10 points off, that would be \$580 million, which is about what we think we should be getting from the state for our schools, right? If they were to pay it at the same – if they would pay it at the same level as West Virginia.

[00:58:07] No, that's the average of the – I think it's the average of the country. So the point I'm making is that's real money in people's pocket, because if you think about a penny on the tax rate is \$35 million, and this is even more, 1% is worth even more than that, we could make a real difference in what people would have to pay in income tax and or provide far more resources for our schools and all the other public services that people come to rely on and are committed to, especially our mental health services.

[00:58:36] The question that I have, if you could add it to your information, I always work better with trends because I know things go up and down, but I like to see how the trend lines are moving. So part of that is I need to see and want to see percentages, particularly FY25, FY26, and then what you're projecting for FY27.

[00:58:57] You could do the revenue side and then do the expense side, if that could be for both schools and county. And then the other piece that I always lased in on when I was on the school board and still do is an important number to me is the cost per student, what that equates to.

[00:59:15] I know that, for example, we know that some jurisdictions around here spend more than we do. We also know that others spend less than we do, but to have some sense of that, whether or not that's \$17,000, \$18,000, \$19,000, I know it's somewhere in that range, but I'd like to know what that is and have that.

[00:59:32] And also would urge you all to take a look at that and look to see if you can keep those costs per student in line because that's a function of enrollment as well as the overall budget. And sometimes administrative overhead gets taken over when enrollments go down or it sometimes looks better as enrollment goes up.

[00:59:51] And it's a good way to assess where we are in relation to the dollars that we're spending per pupil. Appreciate that. Thanks. Seema? So, first of all, I want to say thank you for this opportunity.

[01:00:06] And I think we are, as a country, in a crisis right now. And I'm a federal contractor, so I totally know what's happened. Most of the federal contractors in this area have 40% less revenue than last year.

[01:00:24] And the DOGE actions have affected everyone. So we are hurting badly. So hopefully things will change. We're hoping some of those jobs will come back next year and contracts are starting to come. What I liked in this presentation is, and again, the page 26, that I like this unified approach that the county and schools are saying it together, that this is a combined net shortfall of 131.

[01:00:54] It's not county's shortfall or school's shortfall. It's just together. It's our combined problem we have to address. And getting that extra money from states is definitely going to help. But at the same time, we just, you know, I want to highlight all the students and teachers and all the families who are depending on our schools and the meals we provide in the schools.

[01:01:20] And we really hope we can make this work. But I know it's a tough, tough time, so we'll all have to kind of work together on this. Thank you. Thank you. Marcia? So I'd like to echo thank you to everyone. I really appreciate that we're here and we're starting to work earlier together.

[01:01:38] I do want to ask one question. You said that last year Fairfax County had a reduction in the number of employees. How many did, how many, you gave us a number, but not how many employees were cut. So we were able to, I don't know exactly how many were vacant and filled.

[01:01:57] I do know that there were less than five that were not able to be placed in another position. So I think there were three employees that ultimately ended up losing their employment with the county even though i think one of them may have been able to have retired but of the employees it was 189 positions those positions that were filled we were able to place all but a handful lee you said that we cut for 400 positions how much did that translate into bodies well we too were able to handle most of it through vacancies um there were a handful that

[01:02:33] we were able to place somewhere else in the division but i do not believe that um we streeted anybody. Okay. Thank you. I just wanted to get that numbered. I know we talk about the reduction of enrollment, but I think that what is important to realize is just because we have less students doesn't mean that we don't reflect, and I've asked the superintendent to reflect, the number of students that need to receive extra services that cost more than a general ed student. So just

[01:03:07] because you have a net loss in enrollment doesn't mean that each pupil the cost per pupil is the same for each one yeah I know you do because but I just wanted to make that as a general statement because the public needs to understand that because you have less students it doesn't mean that you're necessarily spending less money when you have higher needs for certain students particularly when the federal government is cutting some of that funding and particularly when they're cutting funding for very basic needs, such as food, that we are going to have to pick up. So I just think that's an important distinction to make. And yes, I agree that we are

[01:03:45] in tough times. We do have to work together. And, you know, I just wanted to start with this for all of everyone here that's in this room and everyone that's listening. Like I did last year, think back to that one teacher, that one coach, that one staff member that believed in you, that made a difference in your life. That may be the reason why you're sitting here. I know that none of us, none of us sitting at this table doesn't have at least one, if not many, that we can talk to.

[01:04:18] And I know from working in Fairfax County Public Schools that many of our students have not just one, but many of those people. Many of us that are sitting here, or not me, but many that are sitting here and are not only products of Fairfax County Public Schools, but have children that are attending Fairfax County Public Schools or have family members that once were employed by Fairfax County Public Schools or are now employed by Fairfax County Public Schools. So that talks to the breadth of how we touch people in our community. These are people that are living in

[01:04:54] our community, that are working in our community, that are paying back taxes to the community. And I realize that the importance of education is not lost in anyone sitting at this table, and I really appreciate that we're working in partnership to ensure that we continue to provide and have the best schools in the country. We've all talked a lot about all the unknowns and you know we don't want to sound depressing but the and about all the chaos but we've got to remember we are the adults in the room. Our children are depending on us. We cannot be the chaos in the room. We have to be the consistency in the room. The one non-negotiable

[01:05:31] when we talk about unknowns is that our children deserve to receive a quality public school education. They deserve to be in a building that is safe and secure, in which they are seen, valued, regardless of where they come from, who they are, what was their fair language.

[01:05:50] And they deserve to be in a building where every adult is qualified and is being fairly compensated. We need to keep our fairly compensated adults in our system. We all know this. And yes, we have to go to the state. We have to be creative. I'm willing to work with all of you. I know I've worked with some of you very closely, and we're very aligned in this. We invest in our people because we believe our children deserve the best. We invest in public education because we believe it's the cornerstone of democracy. And let me say that again, public

[01:06:26] education, where everyone gets to go to school, where it's not a pay-to-play to go to the best school. And we have the best schools, and you don't have to pay to play. And we've got to maintain that.

And we invest in the education of our children because at the end, they are the future of our county and the future of our country. And I look forward to working with all of you so that we can get this funding and that we can continue to provide the quality education that our children deserve and so that we can be the consistency and not the chaos. Thank you very

[01:07:00] much. Rodney? I appreciate the comments that were made by Marcia. Thank you. I'll start by saying that we have a collective call to action here, and it is really helpful to see that as we're listening to each person go around this table, we all value and we are all committed to ensuring that we have the best education system here in Fairfax County. We have some challenges, and clearly the Weldon Cooper analysis shows that there are other reports that

[01:07:37] we've gotten even as early as today and I know that we're gonna have to work collectively to overcome those challenges but if we are unified and I appreciate the comment from Supervisor Alcorn as well is that we have to have a kind of a plan to go out and approach and advocate for the needs of both the county and the schools. And this is so, so important. And I'll say that, you know, we have some of these challenges as they relate to our office valuations. And it's a little disconcerting

[01:08:16] that we are seeing a reduction in value over the last three years in particular. And I might even ask if we could have a budget question Q&A on this is to maybe go back five years and really look at the non-residential equalization and kind of see, you know, what's happened and what that loss has meant in terms of revenues to the county, lost revenues to the county, and then what we are projecting to do to address that particular issue. How do we shore that up? How

[01:08:51] do we shore up our non-residential values? And then I'll say, you know, thinking about, You know, our commitment to our students and making sure they know, you know, that we are aligned here as a board and as a school board to support their specific needs and then to act on that in a way that they can see.

[01:09:20] So we can use words, but actions are so much more declarative and so much more affirmative in terms of where we actually are. So this is something I hope we can continue as we go forward.

[01:09:36] And I'll just say appreciate what I've heard so far and appreciate having the opportunity to work with all of you as we move into the next phases of this budget deliberation and discussion. So thank you. Andres? Thank you, Mr. Chairman.

[01:09:52] As mentioned, this morning we had our legislative committee and we went over quite a lot. But I guess my question to the school board is, what are your intentions? How do you plan on interacting and advocating with the General Assembly this year to be more successful than years past?

[01:10:13] Danny, why don't you share? Yeah, I can start off by just saying I recently just did a presentation at the SBA last week that outlined all of the components of JLARC. Because one of the things that we have noticed is that this is the second year.

[01:10:29] Ms. Marin did it the previous year. And what we've noticed is that other areas of the state don't understand the impact. And so what we're trying to do is create an advocacy network across the state as a way to actually get people moving and understand what could come to their division.

[01:10:47] The other thing that I think is important is that, yes, there are aspects of JLARC that are going to be more beneficial for us. but there are also aspects that are going to be more beneficial for smaller

divisions that have a more significant overhead than we do. And so there are ways that we can actually work together.

[01:11:03] And I think that the advocacy that we outlined, many of us were at the presentation that I gave, and one of the things that we said is that we want to do everything we can to work together to rise, the rising tide raises all ships. And so that's the idea, is that we are trying to get more.

[01:11:19] The other thing is that I've been talking to lots of legislators through different networks that I'm in. And one of the things is that they cautioned us to pay attention to other aspects of the budget that they're working on. So as we were talking about transportation, you know, if there's impacts there that could ease some of the pressure on localities, I think that that's someplace that it does have a benefit that comes back to the schools eventually or could.

[01:11:49] Let me go around first. First, Andres, did you want to comment back on that? No, I just want to say thank you. Yeah, I think, you know, like we addressed earlier, I mean, this is something we're going to have to work on together, messaging and getting the right messaging.

[01:12:04] I will just say I was reminded by somebody the other day that the places in Virginia that vocally oppose taxes the loudest, when the redistribution happens, they are the ones that get the most. And, you know, at some point the state's got to recognize if you reward that behavior, you're not going to generate economic growth.

[01:12:25] And if you keep redistributing out of areas that are facing the struggles that we're facing, you're going to hurt our school system too. And we have no choice but to either stand up and defend and fight for our school system within reason to maintain our own AAA bond rating or do what other states do and just don't fund education and just expect the state or other jurisdictions do, just don't fund education. I expect the state somehow to start sending us money in the goodness of their heart. And so we got to be realistic about this. I mean, the pendulum has to change here because we're in a different environment now. We're in a different economic environment. The

[01:13:00] facts are different in Virginia now. And there's a long systemic trend of rewarding people who underfund public education in Virginia. And at some point, you know, if we're going to have a good public education system statewide and we're going to value some level of equality among educational opportunities across the state we can't continue to let that happen and when I say we mean the state and so this is part of the conversation that we've got to be having with our legislators we've got to recognize this moment in time where we might have people aligned to actually try to fix this and to to what was said earlier about transportation we have a

[01:13:37] a we have a proposal right now on the table to look at long-term funding transit in a different way and that's important for all of us to embrace because every dollar that doesn't have to come out of our general fund to pay for transit is a dollar that gets freed up for other priorities and so we got to be thinking about this holistically um jimmy well darn sandy and jeff took all my points no i'm as that's a half joke but uh sandy well done i mean i think my hand shot up earlier with respect to the plan, because admittedly, this is a secondhand story, but I think it's

[01:14:15] indicative of somebody downstate saying to somebody in this room, oh, you guys are always complaining up in Fairfax County, but you're doing so well, you know, it all falls on deaf ears. Now, where that person is located, I'm not going to out them, but they're about 50 miles from the West Virginia border

where they do a better job of funding their schools. So if we fund our schools better in that location, and if you go back to 2023 in the JLARC study, we were about 1,800 per pupil behind, then that's going to work. 1,800 per pupil more in that location is going to work

[01:14:55] just as well as 1,800 per pupil more in this location. So I think our strategy has to be multifaceted, multi-pronged. You know, the new governor ran on a platform of lower costs, stronger schools, safer communities. The second thing was stronger schools. I think she wants to expand the total pie of education funding. And I think that offers us a really great opportunity.

[01:15:20] And of course, Jeff took the other thing I was going to say, because, you know, I was talking to Christina earlier, we have this \$24 million placeholder in for extra transit funding. I mean, just so everybody in this room knows, last year we spent \$65 million on Metro and \$46 million on Connector and other transit. There have been major problems with Metro, and we need to make sure that Metro is still sustainable and doesn't hit a fiscal cliff with respect to its capital funding.

[01:15:55] But in trying to find those new funds, there is also a movement in Richmond to create a dedicated funding stream that would fund that. And if that overshoots, which I think it will, that will cut into, for instance, that \$24 million increase or even potentially into that \$65 or that \$46, which will go towards other things.

[01:16:17] In our legislative package, there are obviously a lot of overarching funding priorities and a joint position with K-12 funding, but there's also, you know, on page five of our legislative package, we support reforming state tax structure to ensure sustainable revenue streams and provide localities with revenue diversification that reflects the 21st century economy.

[01:16:41] Due to Virginia's outdated tax structure, the shared responsibility for funding core services is strained and localities have limited options to raise revenues to fund their portion. So I think that's really important that we all emphasize that in talking to legislators as well.

[01:16:58] We also received a very sobering presentation this morning from NACO, the National Association of Counties, talking about what's happening at the federal level is pushing a lot of services down to the local level.

[01:17:14] So a lot of things that were paid for with federal government, there's decreased intergovernmental support and increased cost here because we're still going to provide services to our people. We're still going to try to take care of the most vulnerable in our community. But now we're going to be paying for more of that at the local level.

[01:17:33] And as was noted by Christina, SNAP, we are one of 10 states in the country where SNAP is handled locally, not by the state itself. And we've already seen that certain SNAP numbers are going to go up.

[01:17:49] That's on one side of the ledger. So I think we do need to work our best on those levers to the degree we can. Obviously, on the other side of the ledger, you know, we're looking, if I read this correctly, I mean, we're looking at significant potential cost savings cuts, you name it, on both sides of the house, both in counties and schools.

[01:18:13] I see. Can I ask the \$30 million placeholder? I just want to, it was on, sorry, it was on one of the slides. Is that related directly to the, sorry, slide 22. Is that related directly to the ideas portal or is that also

related to the county agency's submitted reduction options?

[01:18:38] It's primarily the agency reductions of the 5% target that they submitted. I don't think that we've put any kind of estimate on the ideas portal because they're still just trying to go through all of those. OK. And last year, that number on the county side was \$51 million, correct? Yes.

[01:18:53] Not at this time of the year, but ultimately, yes. So what I'm saying is we can expect that \$30 million in reductions to most likely, depending on what the revenue projections are, depending on other fiscal constraints, to probably be higher this year. Is that correct? I think that we were trying to be conservative. So I I don't know that it's gonna be far different from what we've included here But it might be a little bit higher understood. Um, so we hope not Okay, yeah, but I mean that's where we are We're probably looking at that number or a little bit more but we hope it's less. Okay. Okay. Well look

[01:19:30] I think that the the schools are going to need to do something similar Which I think you guys are prepared to do Robin and I were just talking about that and she'll have her second to talk about that, sorry, to steal. But, you know, we're looking at a situation where right now the projected shortfall, it's not a deficit, it's a shortfall that we will close, is going to need to be closed by shared sacrifice on both sides. I think we all know the importance of public education. We also know the importance of things done on the county side. We got a lot of

[01:20:06] work to do. And boy, I sure hope our revenue projections are overly conservative at the moment. But, you know, I'm not going to hold my breath. I think we know we all have a lot of work to do. Thank you. Thank you. Robin? Thank you. Thank you for being here. And again, thank you for being partners. Obviously, I'm a product of Fairfax County. So I appreciate the education that your predecessors provided me. And just want to touch on a few things. First of all, thanks for highlighting the Weldon Cooper report. Folks, I'll try to send that to you guys if my colleagues

[01:20:43] don't have that. It's fantastic. I wish we had had it early enough when you did your presentation at VSBA because some of that LCI and some of his other conversations did evolve. To the point around advocacy at the state level, you know, I can just say what I'm doing with my constituency and it's a dream, but I was quoted as that in the write-up of the advocacy for the PTAs, is I'm asking them, I dream of a day where every PTA, PTO, PTSA can get a bust out of Richmond.

[01:21:16] Let's just unload, right? I mean, the bottom line is we're carrying a message, and when we are going to propose our cuts, and there are going to be pain points, to Jeff's point, they're going to come out of the woodwork to fight for their one thing, fight for their two things. And, you know, I'm thinking back to my education.

[01:21:33] Granted, I am an old lady, but the bottom line is I worked in the system when we got fat. I worked in the system when, in my opinion, there was not integrity 100% in the process of sometimes what was presented as to what we needed.

[01:21:52] I 100% believe in the honesty and integrity of the budget that Dr. Reed and Lee's team put forward. And the other point I'm going to make is we didn't have a plethora of things in place now. And I got a fantastic education in 1986 when I graduated.

[01:22:09] And so to the point of cuts, we're going to have to have some difficult conversations. But those things are all going to be somebody's baby, somebody's important thing. Because we can't cut reading, writing, arithmetic. We can't cut science, right? We can't cut core. We can't cut numeracy and literacy.

[01:22:25] So what does that look like? I do have a question for Lee. I know you've been with our system for a few years. What potentially was the size of the central office on a percentage of the overall system to what it is now?

[01:22:45] The only data that I really have to answer that is the WABY Guide, and we have, as long as I've been in Fairfax, I think we have been the lowest percentage of non-school-based employees and the highest of school-based employees, and it usually is a 93%, 7% split, and that is usually the 7% is the lowest non-school-based percentage in the metropolitan area of school envisions.

[01:23:15] Right. I just want to elevate that because a lot of people, and when I was on the campaign trail, I kept hearing about all these administrators, all these administrators, all these central office folks. No, we should have a comps department that's three times the size it is. We should have a benefits department.

[01:23:31] Given the size of our company, every department should be much, much bigger. But we have fantastic people, as does your side on the county, who do great work less. But I just want to point that out. That's a small number. Seven percent is a small number.

[01:23:48] And I also, to a point that was made earlier, too, our enrollment demographics have changed. However, unfunded mandates have not changed. And most of the unfunded mandates are special populations and a requirement around what we have to provide in IDEA and other things, in other laws.

[01:24:07] Like 504 laws, completely in unfunded. Um, so I, I just want to, I just want to bring that up because we, again, and I want to elevate our teaching faculty and our school-based people. They are, I mean, working tirelessly. Um, and, and I know we all know we are providing a world-class education, but you know, the reality is eventually things have got to give. Um, and I do want to put perhaps on the table, what are potential cuts far earlier this year than we did it in the past.

[01:24:40] And I also want my colleagues around the table to understand we can't please all the people all the time. And that as a board, we have to make some tough decisions. So, and I think that, and just this will be the last thing I'll say as echo another colleague, that we are the adults in the room.

[01:24:57] And I think we, you know, we need to be very careful of our conversation. We need to make sure that we have the utmost honesty, integrity in public statements, in newsletters that we share, there's sometimes you can drop a data point and you don't finish the whole story and it leaves people with the wrong impression.

[01:25:16] But I just think we need to be careful and just, you know, our kids are our future. So I really, again, appreciate the partnership. I really appreciate, I know that the relationship I have with my counterpart, Jimmy, on the board of supervisors and appreciate the partnership and look forward to continuing to collaborate on this moving forward, knowing that we're both going to have to have some pain points to get to the finish line.

[01:25:41] Thank you. Thank you, Robin. Riccardi? Thank you. I'm very much in agreement, and I appreciate the conversation. Can you guys hear me? It feels weird. Yes. And I appreciate just the want to be collectively working on this together and so like Walter I'd like to get a better sense of what that looks like but I'm encouraged by the discussion here whether or not we can all be in a room with the decision makers in Richmond I think that will be a powerful message for you know the however many of us there are 23 of us to be in a room with them just to really go through some

[01:26:18] of those joint positions that we share together because this is the year I mean we do have to make a change. And I appreciate what you said. And I had noted that earlier, the facts of Fairfax County are different. We don't have all of that money to send because we have so many of our employees in this county who are no longer able to, they don't have jobs. They're not able to maintain their homes. So I think the facts are different. And this is the moment for us to really try to bring back some of those dollars that we have not seen, or at least some of those cents

[01:26:53] that we have not seen and thank you so much for this report. One of the things that I also want to articulate is that we have some local things that may be under our influence and by us I mean you all and I would love to hear what are some of those things that we can do here to kind of stretch a dollar. On that point I did want to ask a couple of questions. One of the questions that One of the things that you had here, and Christina, you did mention this, the food and tax beverage tax that you are holding to a very conservative estimation because it has not yet been implemented.

[01:27:34] My wondering is, when do you anticipate making adjustments? Would it be six months after implementation, three months, just to get a sense? My guess is that if we ended up making an adjustment for the FY27 budget, that it would likely come as part of perhaps our carrier review next year.

[01:27:52] you know, after we had had, you know, about half a year under our belt, maybe we'll be able to look at some of the trends to see kind of where we're falling. And it's possible that it could go up or maybe go down or again, maybe it stays flat. But I think that we would need to make sure that we had several months in order to give the businesses some time to be able to remit those revenues to us.

[01:28:13] Sure. Thank you so much for that clarification. And also, maybe this is for Mr. Hill, the ideas portal that you put together. Can you talk a little bit in terms of, this is just for employees, not for the population at large. Is that correct? That is correct. Okay. And were many of these ideas funneled into your reductions that were listed here on slide 22? The answer to that is no.

[01:28:38] And if I could, I would prefer not to talk about that at this juncture due to the fact that I'm dealing with a collective bargaining concern. All right, very good. Thank you. The 5% that you mentioned in the previous slide where all of the county agencies offered those reductions, it just made me wonder, what is your expectation of us? I mean, there's the general understanding of tightening belts, but do you have a number in mind for schools or a percentage in mind for schools as well? I've made a comment that we'd be lucky to be in the same space we were last year,

[01:29:18] But as right now, as the supervisors have stated, as well as the chairman, this is a forecast. We're forecasting out if we don't do anything, there's what we have to deal with. But I'm going to hedge my bets saying we're probably looking like we did last year.

[01:29:36] And if there's a tax increase needed, then we're probably looking less than we did last year. Okay. Thank you. I appreciate that. I mean, overall, a lot of the things that I want to share have been said. This is going to be a year where we really have to make some tough decisions.

[01:29:53] And I appreciate the opportunity for us to do this collectively rather than a finger-pointing who didn't do what. Rather, let's have the conversation here. Let's be planful together. And so we don't have the divisiveness that, frankly, we had last year.

[01:30:11] Nobody benefits from that. Couldn't agree more. Ryan. Thanks. I'm happy to defer my time to Mr. Moon. Wow, look at that. Mr. Moon doesn't get double time. Thank you. Mr. Sherman, thank you.

Thank you for 20 minutes that I get.

[01:30:31] Let me first ask a quick question about the \$30 million of potential reductions that I see on slide number 22. That does not really reflect 5% of county's budget, correct? The \$30 million.

[01:30:47] No. So the 5% is really of general fund support, and we do have some exceptions. So it's not – you can't really look at one of our schedules and do 5 percent and calculate it. So that 5 percent is roughly about \$85 million. What we've assumed here is about – the \$30 million equates to about 1.8 percent as related to this.

[01:31:06] Okay, 1.8 percent. Yes. That's why it had to be larger. What the agencies have proposed and what we're seeing is kind of the difficulty in proposing some of this. Okay, thank you. That's good to know. And just to clarify on that, I know you said in your presentation that if we were to take all 5 percent, which could not happen, but if we were, that that would be \$85 million.

[01:31:24] 85. Just to give you an idea. Thank you, Mr. Chulman. Mr. Chulman, I want to report to you a very happy personal use to share is that my first son had a second child about three weeks ago, making me a two-time grandfather. And I've been begging him to come down to Fairfax.

[01:31:50] Not just because I want to be closer to them, but he and I both know that Fairfax West County is the best place to raise a family and educate children. And as my colleague from Franconia District very well pointed out, we, 22 locally elected representatives, elected officials, put public education as a top priority. So they need to come down. But in order for that

[01:32:23] to happen, we need to adequately fund our public education. That's a request I make. Look at the numbers, I am being very encouraged. It's not, you know, compared to last year, our estimated revenue increase is 225, which is about \$100 million more than last year at this point.

[01:32:44] And productive budgetary shortfall is 131. It's not 292. With that said, however, as some of my colleagues already stated, that I do not want to see the repeat of what happened last year in terms of budgetary deliberation by the both boards, especially on our part as well.

[01:33:09] So a number of us on our board may request the superintendent not to wait until two weeks before we have to adopt our final budget to make huge budgetary adjustments. That work has to start early. Based upon my experience, Mr. Chairman, whenever school board starts looking at potential budget cuts a little too early from some people's point of view, we also get somewhat, you know, unhappy comments from some other elected officials that we are unnecessarily alarming the community.

[01:33:47] I'm hoping that as our board may be looking at potential cuts a little more earlier than last year, I hope that we get, you know, I'm hoping for more understanding from our counterpart on the County Board of Supervisors that we do not mean to alarm the community unnecessarily, but we are just trying to do our job more judiciously.

[01:34:12] Thank you. Thank you, O. Young. And I would just say when the County Executive presents his budget on, I know it's on the last sheet. February 17th. February 17th. So on February 17th, on the heels of that presentation, we will start hearing from all the people who are affected by the reductions that are in that and that's what we do that's what happens with our board and that's the county executive's recommendations on what we can do to close this

[01:34:46] hole and so that all becomes public on our end that day and we work from february 17th up to adoption on trying to sort out you know what what do we hear from the community uh what adjustments that we have to make on our budget, and I would just say that, you know, to your point, the earlier the public sees the choices that are before us, I think the better, and I know that some folks don't like to instigate, but honestly, I think it was Robin who said it, or it might have been Riccardi, I'm not sure which, but we can't please all the people all the time. What we can strive to

[01:35:22] do is please most of the people most of the time and make our decisions intelligently, fact-based, database decisions that support the county's AAA bond rating and the reputation we have in the financial world. And that work is going to be hard. And so if people are sitting at home watching this and thinking there's not going to be reductions that might affect them, there probably are. If they're not on our end, they're on the school end. And so we need to think about how we get through these lean years with the unpredictable state of our economy with what's happening right now over the next couple of years. And I am convinced with the intelligence around this room that we can do

[01:36:01] that constructively and transparently. And that is my hope. I know it is your hope. And I think the more transparent we can be with that, the earlier, the better, even though it may be painful. Kyle. Thank you. I'm encouraged by the conversation around the room, but I want to tell a quick story.

[01:36:24] I was in my kitchen last week with my daughter, and we were cooking pumpkin pie before Thanksgiving. And she was reading out ingredients on the recipe. And this is a kindergartner. And I made a comment to my wife. I said, that's an FCPS education.

[01:36:42] But no fractions yet. But then I remembered that my wife and I were in the position that we could put her in private pre-K for years. And we have a lot of people in the county that can't afford to do that or don't have access to that. However, our expectation, our mandate as a school division, is reading on grade level by third grade.

[01:37:03] It doesn't matter where the kid starts out. That's the expectation. The expectation is algebra by eighth grade. It doesn't matter where the kid starts out. Our expectation for our special needs students is not just a needs-based education, but a strengths-based education.

[01:37:21] And as we go through these challenging budget times, I know I'm going to keep that at the forefront of my mind, That our job collectively across the school division and across the county amongst two boards is to make sure that FCPS is striving to provide the absolute best educational experience that it can.

[01:37:38] That doesn't mean that there aren't going to be reductions to the chairman's point. It doesn't mean that, you know, there aren't going to be programs that potentially have to be peeled back. What that means is as long as we stay focused on our core mission and our core values as Fairfax County residents and taxpayers, you know, we're all going to be in a better place at the end of the day.

[01:37:56] And to the chairman's point, there is a lot of unpredictability and moving targets on funding, on enrollment, on needs, on requirements. But it's going to take the collective strength of all 22 of us to stay focused on what we value here as members of this community. So thank you, and I'm looking forward to a positive budget season.

[01:38:15] Thank you, Kyle. And I would just add to that and to protect our collective brand, because when people are looking at where to invest, where to bring their businesses, where to live, where to enroll

their kids, they're watching what's being said and what's being done here. And there's an expectation that people have of the level of professionalism and predictability that we have in this county is a brand worth protecting.

[01:38:38] Carl? Thank you, Mr. Chairman. Not only protecting our collective brand, but protecting our collective bargaining as well. Which is my priority and in this budget Because protecting our collective bargaining agreement Is how we are going to buttress classroom instruction rather than diminish it And so as we consider the path ahead and the difficult decisions that many have spoken to That's going to be my guiding principle is what choices can be made What difficult choices can be made that limit the detrimental impact on classroom instruction?

[01:39:17] and so I look forward to those conversations. I want to talk a little bit about advocacy because as long as I've been living in Fairfax County, we've been talking about the LCI. We're tilting at windmills. Like we're trying in one hand to tell people follow JLARC and in the other hand reform LCI. JLARC tells them to keep LCI. So I think we need to get on the same page about what is most likely to happen and push towards that rather than bifurcating our agenda.

[01:39:55] And not that that isn't something we want addressed, but what's going to happen? Are they more likely to make progress on JLARC, which tells them to not really worry too much about LCI because it's relatively fair? Or are we more likely to change the entire funding structure of public education in Virginia?

[01:40:13] I think the former is more likely to happen. So that's going to be my advocacy. It's also most persuasive with counties downstate who will benefit regardless of what is accomplished through JLARC. So I hope we can get on the same page there. One thing, you know, we were down at VSB.

[01:40:30] I spoke to many school board members from other divisions, and several of them mentioned one-off funding bills that they benefited from. You know, I'm pulling a fake school division out, but Henrico, it's a real school division, fake example, got \$2 million for this project, and Virginia Beach got \$1 million for this project.

[01:40:55] I'm wondering, because I know that over the years, the state budget has included funding projects for all sorts of specific school divisions, specific counties, even specific schools. Has the county had any experience in pursuing that legislatively?

[01:41:12] It's something that I've been encouraging as we've kind of talked about our legislative program, not necessarily something that would be in the program, but as like an offshoot, here's a menu of things that we could use money, one-time money for, that would relieve a burden on the school division, for example. I mean, to me, that would be more a question of schools than of the county.

[01:41:33] Well, I'm curious. I mean, we frankly learn a lot about best practices and whatnot from the people we partner with. And if you all have experience pursuing one-off funding. Well, we have experience pursuing one-off funding for county priorities. Many times those end up as budget amendments that have been submitted by members of our delegation.

[01:41:53] There's varying degrees of success with those, but every member of the delegation has an opportunity to offer one of those, and they are one-offs. And so we do have experience and success. It varies from year to year in getting things like that funded. I think it would probably benefit us for Andres

and Melanie to partner and for Mr. Malloy and your legislative advocates to partner as well to kind of figure out a best path for us on that front.

[01:42:23] What else? And, Carl, while you're thinking about that, I do want to go back to the first point you made very briefly because if you remember last year, our delegation suggested in the course of meetings that we had with them the elements of JLARC that were likely to happen, and we advocated specifically for those.

[01:42:42] Even though many of us wanted to advocate for the bigger ticket items. And we reap the rewards from it. What could be accomplished. And so I think now that some of those were accomplished last year by the General Assembly, a good question for our delegation when we have our meetings with them is, what elements do you think are within the realm of possible now this session, given the landscape, given the financial situation that the state is in, which elements of JLARC benefit Fairfax County the most and have the highest percent likelihood of being approved?

[01:43:11] That's what we have to get behind. Well, and to that end, and this is my big fear. I'm just going to let it all out. So we got like \$24 million in new funding last year from the state. Fantastic. With a split government. I really hope we are not looking at a budget that backfills to shore up what the federal government is walking away from with no real new money.

[01:43:33] Difficult decisions have to be made by everybody, including our state partners. And we cannot afford to skimp by because of the federal government's neglect. we need to backfill and we need to invest, period. One other legislative program idea, we're voting on it this week. I know you all are working on this as well. There's a lot that our school division staff has to work through in its activities with the State Board of Education,

[01:44:04] the State Public Superintendent's Office, that is needlessly antagonistic and forces staff to spin wheels, we're putting in this new accountability and accreditation metrics where they installed it before they'd even figured out the answers to all the normal questions.

[01:44:27] And so there is a human capital expense to that work. One of our legislative priorities this year is encouraging the legislature to bring more stability and more collaboration to the State Board of Education and, similarly, to the Boards of Visitors for our public universities so that we don't have these wild swings and to bring more collegiality, more collaboration, and to conserve resources.

[01:44:57] I'm happy to share more information about that. I know that some legislators are in the process of working out details on what that might look like, but it's essential. We need to take advantage of the more favorable environment. I mean, we have leaders in Richmond who might want to visit the inside of our schools instead of a parking lot, which I think is just great progress.

[01:45:18] Yeah, and Carl, to that point, and if it takes too much staff's time to do this with all we've got on our plate, I'm not necessarily advocating for this, but it wouldn't be nice to see what the increase in unfunded mandates over the past couple of years have cost the school system, to your point earlier.

[01:45:33] I mean, that's a number somewhere. I know it's staggering. I know it's grown dramatically over the last three or four years. And if we could get a handle on what that is, that would be helpful. Just arrange. Melanie? Okay.

[01:45:50] I will do double duty of sharing my remarks and wrapping this up for us electeds, okay? Well, at least for the ones who haven't spoken yet. Yeah, I'm going to do it. Just before you do that, I am going to reserve the last couple minutes. I'm going to do a really fast speed round if somebody's dying to say something left in the final minutes because I know Rachna had asked to be recognized again, and I want to honor that.

[01:46:10] So we'll do a very quick speed round. Melanie? Great. So I've thought about the budget a lot this year and since the spring. I have lots of ideas, but I cannot achieve any of them because I need all of you to do it. So I want to let you know that I am reliable for showing up, ready to work. I am all about the work, very tactical.

[01:46:31] I want to seek action to change what's no longer working or what we do by tradition that just can't fly anymore. I would like to experience the trust in us that we know what needs to be provided to deliver the education our community wants and the salaries that will retain our people. I'd like a tone of understanding, and if it's not understood yet, to seek understanding. I am reliable for working to hold my executive accountable, and it's our board that

[01:47:08] holds the executive accountable. And my peers are all of you others on the board of supervisors. I work with you. So I want to keep partnering. Look, we are at the mercy of changes and decisions that we don't control. And the human capital cost is real. And I would love to argue the moral imperative for public education, but I'm defaulting more to the economic imperative. But I just for a moment want to share that, you know, we are working in a historic time where it is, the systems we have relied on for decades, they're gone. And if we thought it was tough a few months ago, please

[01:47:46] understand there are no metrics. There is no trajectory. There's no patterns. So just know that we are trying to do all of that we can as much as you all are, but with a microscope on us all the time, okay, and working to educate children whose brains are not fully developed, and parents who are trying to parent those children, and parents who might have lost their jobs trying to parent those children with partially developed frontal lobes. That's where we're at, okay? I am heartened by the, well, let me just share this. So getting to my tactical nature, we need to do the work

[01:48:22] together. So what do we do? How do we meet more often? I got to be honest, I wanted to come to some of those supervisors' meetings, but they were all scheduled during our board meetings. So I'm aware that you all will be putting your calendar together for the year. Can we co-calendar so that we can be available to come to your meetings? And likewise, I would invite the Board of Supervisors come on January 22nd and see our superintendent present the budget. Please be one of the 10 people in the audience who come and hear the budget. And I would love to reciprocate and do the same if it's not during a scheduled school board session. But really, what are we going to do to work more together? The Joint Committee on Facilities has been great so far. We're doing work. The staff are

[01:49:01] working together? Do we need to do that more? It's not just a special committee, right? Like, can we make that how we do business? The legislative stuff, how about one legislative approach, right? How about one packet, one combined effort? The unified, a unified program, again, our calendar, also the advertised budgets. They are a little bit further away on the calendar this year on the schedule, but they could be further. Now, granted, I hope that none of us are surprised at what the executives present publicly. I think we all should know beforehand what each of us are going to present, but however,

perhaps even more time will allow us to do that work better. I also, what I've learned from this joint committee is we've got to understand more

[01:49:40] about the policies, the funds, the history. We, of all three agencies, that's another big learning, the county, the schools, and the parks. Spending two years working on a land use issue, that is a failure of all three of the agencies. That is not acceptable to residents. We've got to figure that stuff out, and I think it happens with us all at the table. Communication protocols. How do I get the Welding Cooper report? What could be a regular protocol that we're ensuring that the board of supervisors has meetings? I wonder, do you want to see our presentations? Do you want to

[01:50:15] see reports? How do we tactically do this stuff, knowing that no more than two of us can speak on an email? I also think we really need to get to apples to apples. I feel like a lot of times we're talking about wages, and it's very different. We're talking about our buildings. It's very different. We need to know what the useful life is of our stuff and the rate of usage, because then we can get that one Fairfax look rather than, well, this is how much a school building is, or this is how much another building is. But ultimately, and I want to learn, public-private partnership, that's just something we started dabbling in this year. And I was pretty amazed to hear that the supervisors

[01:50:53] you already do that. What I want to do, what I would love is a relationship where the supervisors are kind of like the older siblings, right? Yeah, sometimes we might, you know, make you a little bit annoyed, but you overall want us to succeed, right? We're in it together. You want to protect us. You're going to stand up for us, but you're not going to let us not do the work, okay? And so in closing, I will say that I think we have challenges that are the same and some that are different. The longer I serve, the more humbled I am at the billions of dollars that I feel

[01:51:28] responsible for. I have got to do something different, and I hope that we can all see that our residents are counting on us right now to do something different. So Mr. Chairman, I think that it's time for One Fairfax to shine. I agree with that. And let me just say that I think your comments to all of us, we're individually empowered to put in as much time and effort as we decide to put in. And it's up to us to decide what that is and how that is and where that time can be most adequately used. And I think we also have to recognize that we are running two major enterprises

[01:52:06] here. And I wish they were the same, but they're not. They never have been and they never will be. And so understanding those challenges, I think, is going to be important. But we're not going to get to an apples to apples ideal in an ideal world. Maybe that would be great. But we have an apple and an orange, and they need to work together to solve a common problem. And I think to the extent each of us is comfortable, we're going to exert the energy, time, and effort into this that this challenge deserves. I do it all day, every day, every day, full time, that I will continue to do that. And so I think each of us has to think about where we can make the biggest difference.

[01:52:44] And we're going to do a very quick speed round because we got four minutes. Rasha. Mine will take 10 seconds. I just wanted to add what Sandy said to your question about where is that point of commonality the area that i was in that presentation the area that i think all the school systems seem to agree on is the standards of quality soqs because what the state says that we are able to run a school system by is the soqs and there's not a single school division the entire commonwealth of virginia that can run its schools by the soqs so i think that's the common area across virginia that we can advocate for so that was my i just want to throw that out there

[01:53:17] thank you yeah good any other fast comments that anyone yes ricardi i forgot to share this earlier, but in terms of tightening our collective belts, there are some intersecting points. We are different organizations. We have different priorities, but we do have some things in common, some processes, some systems that maybe if we come together, we have some savings with economies of scale. Maybe it's the maintenance of buses. Maybe it's print shops. I don't know, but I think we need to explore that in order to be a little bit more efficient across the board. And \$6.6

[01:53:50] Was it a billion dollars? That's how much school divisions across Virginia spend above the SOQs. The SOQs, yeah. It's a huge number, and it is every division. And to your earlier point, the very things you just mentioned are exactly what the joint task forces are working on.

[01:54:07] And just to refresh everyone's memory on that, those were set out to do exclusively two things. One, to find efficiencies, or two, to save money and to make sure that we're collaborating on some of the things that, you know, people don't care how things get procured.

[01:54:26] They just need the materials in front of them. If there's ways to save on that, same thing with information technology. A lot of the things that we're working on, which is deliberate behind the joint task forces, one, on our youngest children, that the SCIP has been working on for years and has made numerous contributions in terms of collaboration on ways that our county agencies and schools work together.

[01:54:49] Two, the one that has now stood up on information technology. Three, the one that has stood up on facilities. And right now, at this time, in this moment, we need to make sure those recommendations come back squarely focused on where can we be more efficient, where can we collaborate better, and potentially where can we create savings to help deal with the challenge that we have before us.

[01:55:11] And I'll just close by echoing Mr. Moon's comments about, you know, this is not last year. This is a new year. It's not nearly as bad as last year, but we also know a lot of things happened last year that have changed, some for the better, some for the worse, have changed our community and our county.

[01:55:31] And we need to be thinking about the things we can do that, and I think it was Kyle who said this, the things that we can do that focus and make sure we're supporting the fundamentals that everyone in our community needs. And to me, that is the definition of One Fairfax. That is why we have that. It is not schools versus county, it is community. And how can we solve these problems together as a community? And so that being said, I directed earlier in the meeting that our staff circulate the Weldon Cooper Center to make sure every member of the school board has it. I will also say, if you want to do it quicker, it's online. All you got to do is Google it, you can find it.

[01:56:07] We also will continue, you know, sharing data as we approach various mileposts that are in this budget timeline that is at the end of your presentation, knowing that the school board superintendent is going to be releasing her budget in a little over a month.

[01:56:25] And so obviously, whether we're present with the 10 people there or not, we all have TVs and computers, so we watch that. The county executive will be presenting his budget on February 17th. And, of course, we know budget adoption is May 5th. So while we have this challenge in front of us, it's not a challenge that we need to solve this week, but I appreciate everyone's statement, almost every person at

this table mentioned that the time to start working on this is now, not two to three weeks before we adopt our budget, not just waiting for public testimony through the budget process,

[01:56:59] but to be working on these issues now to try to figure out ways that we can close this gap. When we have the benefit of time here, the question is whether we take advantage of that benefit, and I hope we can do a better job with that this year than we did last year. And that, in fact, is the point of this meeting, is to make sure we're on the same page, everybody knows what the fiscal forecast looks like, and we walk out of this room working on strategies between now and May 5th to help close the gap and do so in a way that provides as much support for our community as they need at this moment.

[01:57:35] And so with that, that's all I wanted to say to close. I'm going to ask my colleague Sandy if she has any closing comments, and after that we will adjourn. The only thing I want to say is that I appreciate the tenor of the conversation here so much more that we're not, it doesn't seem that we're at odds.

[01:57:52] It seems that we are coming forward together to come up with a solution, and it's what we've been working towards, so I'm really grateful to see it in actuality. So I hope that we can continue along that path. And before we close, I do want to thank the folks serving on the Joint Committees.

[01:58:09] They will continue to robustly meet. We know that schedule is out. We will jointly meet again as a budget committee on February 24th, 2026. And so, obviously, there will be a lot of meetings that happen before then, but by the time we meet again on February 24th, we will at least have heard the superintendent's budget presentation and the county executive's budget presentation.

[01:58:32] And with that, we're only about three minutes late. And so at this time, I will adjourn our meeting. Got to be better than lunch.



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