

**Resolution on the
Fairfax County Fiscal Year 2025 Advertised Budget**

Approved by the Federation Board and Membership
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Respectfully submitted to the Fairfax County Board of Supervisors

cc:
Fairfax County Chief Executive Bryan Hill
Fairfax County School Board
Fairfax County Public Schools Superintendent Dr. Michelle Reid

Sridhar Ganesan
President

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I. INTRODUCTION

The Fairfax County Federation of Citizens' Associations (The Federation) is an 84-year-old umbrella organization for the communities within Fairfax County, representing tens of thousands of Fairfax County homeowners in all nine magisterial districts. Our main focus is to ensure a prosperous long-term future for all Fairfax County residents.

We continue to face economic challenges in Fairfax County, the Commonwealth, and nationally. We are adapting to a post-pandemic economy. We have modest growth in revenues, but a tight labor market. It is possible that commercial real estate will never return to its pre-pandemic levels, as more people continue to work remotely at their jobs. Meanwhile, shifting demographics in the County have multiplied the costs of maintaining our schools, our quality of life, and our infrastructure. Therefore, we are tasked to change with the current times.

We continue to be concerned that the County's existing strategic plan lacks measurable goals that are correlated with lines of business. It is hard to move with the times when our blueprint for our future does not include any measurable goals and objectives.

Fairfax County continues to receive only 23 cents from each dollar of tax revenue our residents send to Richmond. The 2023 Commonwealth of Virginia's Joint Legislative Audit and Review Commission (JLARC) study on Virginia's K-12 funding formula describes the Commonwealth's long-standing failure to properly fund education all over the Commonwealth, including Fairfax County. We support the Board of Supervisors in imploring the Commonwealth for a more equitable share of our tax dollars.

Yet we see little value in emphasizing the Commonwealth's underfunding of our needs in FY2025 when the political reality will not allow for change in the near term. The general fund remains more than 66 percent dependent on real property taxes (primarily residential), while the Board has yet to take full advantage of a more diversified portfolio of tax revenues already within its power to enact.

The Federation was pleased to support the County in obtaining city-county revenue equalization in 2020. The County received greater authority to levy taxes on lodging, cigarettes, admissions, BPOL, and meals. While the County has taken advantage of some of these fiscal tools, they remain meek about implementing a meals tax, which would have a greater impact on the general fund than any other single measure. If fully implemented at the maximum 4

percent, a meals tax could create up to \$120M annually in tax revenue. This could equal about 3.75 cents on the real estate rate, and could be utilized to reduce the tax burden on homeowners.

Our taxpayers remain committed to supporting strong County services and public schools, but we do not accept the Board's continued over-reliance on property taxes to fund these activities. The 2009 recession was caused by a housing bubble that created enormous problems for municipalities like ours, which are overly reliant on real estate taxes. Tax diversification is smart economics, but it is also equitable policy, since it ensures that all sectors and groups of people remain invested in our public good.

We therefore urge the County to adopt a meals tax.

We commend the County Executive for having identified \$36M in net savings, in part from the elimination of 84 County positions which, he says, will not negatively affect County operations. We are concerned, however, about the overall size of the FY 2025 Advertised Budget, which proposes that Fairfax County attain the highest residential tax rate in the region. The trajectory of tax increases on homeowners is unsustainable. We urge the Board of Supervisors and County Executive not only to rethink their funding sources but also to reexamine which spending is truly essential, and reflects our shared priorities.

II. FINDINGS & RESOLUTIONS

A. REVENUES

WHEREAS, the projected increase in overall County revenues is modest, at the two to three percent range in FY2025; and

WHEREAS, the Advertised FY2025 Budget projects an increase in the average tax bill of \$534 if the real estate tax rate is raised four cents; and

WHEREAS, the Fairfax County general fund primarily relies on residential real estate taxes to fund County services placing significant burdens on homeowners; and

WHEREAS, the unemployment rate in Fairfax County remains historically low, reflecting a competitive labor market for staffing positions; and

WHEREAS, the FY2025 Advertised Budget reduces 84 positions while adding 42 positions, with a net decrease of 42 positions; and

WHEREAS, the FY2025 Advertised Budget does not fully fund the proposed six percent salary increase proposed for FCPS staff nor does it fully fund the general County employees' 4.10% Market Rate Adjustment (MRA), and

NOW THEREFORE BE IT RESOLVED:

(1) The Board of Supervisors should explore implementing a meals tax as soon as feasibly possible to reduce the tax burden on residential real estate owners and to diversify the tax base; and

(2) The Board of Supervisors should review the 42 new positions added to the budget to ensure that they are essential and are aligned with the County Strategic Plan; and

B. EMPLOYEE COMPENSATION

WHEREAS, the Advertised FY2025 Budget proposes a Market Rate Adjustment (MRA) for County Employees of 2.0%, as well as performance, merit, and longevity increases; and

WHEREAS, the FCPS Advertised Budget proposes a 6.0% Market Scale Adjustment; and

WHEREAS, there is societal, educational, and economic value in recruiting and retaining skilled employees; and

WHEREAS, successful organizations must incentivize their best employees to stay and low-performing employees to leave,

NOW THEREFORE BE IT RESOLVED:

(3) The Federation recommends the implementation of a performance-based pay system so that pay increases are tied to productivity; and

(4) The Federation recommends a more analytical, targeted, and multi-year approach to improving the compensation of general County and public safety employees.

C. PUBLIC SAFETY

WHEREAS, the collective bargaining agreements with International Association of Fire Fighters (IAFF) for increased funding of \$21.80M and Southern States Professional Benevolent Association (SSPBA) for increased funding of \$29.65M, at a total cost to FY2025 budget of \$51.45M; and

WHEREAS, Fairfax County ranked seventh in the country with an 8.7% year-over-year increase in violent crimes which is a larger increase than nearby Prince George's County and a larger increase than Montgomery County, Maryland, according to a Major Cities Chiefs Association (MCCA) report;⁴ and

WHEREAS, FCPD has more officers per citizen and/or more officers per square mile than surrounding jurisdictions; and

WHEREAS, Animal Protection Police Officers (APPO) are dually sworn-in law enforcement officers with the accompanying training and responsibilities; and

WHEREAS, APPO have wide support in the community and are highly respected by those whom they serve,

¹ Minock, Nick. "New 2023 crime data shows rise in violent crime rate in Fairfax County, Virginia," *WJLA News*. <https://wjla.com/news/local/new-2023-crime-data-shows-rise-in-violent-crime-in-fairfax-county-virginia-homicide-rape-robbery-aggravated-assault-police-auto-theft-shoplifting-public-safety>

NOW THEREFORE BE IT RESOLVED:

(5) The Federation recommends in the process of negotiating the collective bargaining agreements with public safety units that the parties consider performance-based metrics for salary increases; and

(6) The Federation does not support the transfer of the Fairfax County Police Department position of APPO to the Department of Animal Sheltering.

D. EDUCATION FUNDING AND SCHOOL TRANSFER

WHEREAS, FCPS' FY 2025 Advertised Budget includes a six percent raise in compensation for all employees, estimated to cost \$170.7M; and

WHEREAS, FCPS' FY 2025 Advertised Budget adds 498.8 staff estimated to cost \$46.6M, 83% of which is driven by an increase in the percentage of higher-needs students; and

WHEREAS, FCPS continues to face challenges shared throughout the educational sector in both attracting and retaining in-school personnel; and

WHEREAS, FCPS has not recently engaged in a root cause analysis regarding low teacher retention² and/or to enumerate and quantify the most successful hiring strategies, nor has FCPS proposed or adopted changes to its policies and/or regulations aimed at significantly improving workforce satisfaction; and

WHEREAS, FCPS' staffs its schools more generously than its peer divisions;³ and

WHEREAS, the different timing requirements between the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) and the Virginia Retirement System (VRS) have created an incentive for some of FCPS' most experienced employees to leave FCPS during the later stages of their career and continue working elsewhere in the Commonwealth; and

WHEREAS, extracurricular activities provide a range of proven social and

² The FCPS Office of Research and Strategic Improvement last reviewed teacher turnover in FCPS in 2019. <https://www.fcps.edu/sites/default/files/media/pdf/retention-data-analysis-02-2019.pdf>

³ See Education Resource Strategics, Inc. "FCPS Staffing Standards Analysis," February 8, 2022.

emotional benefits to students⁴, including the development of resilience, cooperation and teamwork, problem-solving, and the expansion of students' sense of community and belonging; and

WHEREAS, studies show that investments in early childhood education promote healthy development and can help children avoid more expensive and difficult educational interventions later in their lives,

NOW THEREFORE BE IT RESOLVED:

(7) The Federation advises a more analytical, targeted, and multi-year approach to improving the salaries and workforce satisfaction of FCPS staff; and

(8) The Federation supports strong staffing standards while also advising an efficiency and/or effectiveness analysis of those standards; and

(9) The Federation supports FCPS' proposal to establish an ERFC Legacy Deferred Retirement Option Program (DROP) to encourage experienced employees to remain at FCPS, though we caution that this program should target critical, hard-to-fill positions (e.g. teachers of special education, math, science, etc.); and

(10) The Federation supports FCPS' multi-year investments in fine and performing arts stipends, athletic expansion at the high school level, and additional certified athletic trainers; and

(11) The Federation supports FCPS' continued expansion of early childhood education and urges the County's cooperation for greater collaboration in this area, particularly where County facilities might be utilized.

E. HEALTH AND HUMAN SERVICES

WHEREAS, the FY 2025 Advertised Budget states that one of the Department of Neighborhood and Community Services' core principles is to "expand access to and awareness of resources"; and

⁴ See, for example, Jaime La Charite MD, MPH et. al., "Extracurricular Activities, Child and Caregiver Mental Health, and Parental Aggravation—A National Cross-Sectional Study," *Academic Pediatrics*, Vol. 23, Issue 7, September-October 2023, pp. 1394-1402.

WHEREAS, the Fairfax County Strategic Plan calls for connected communities and the end of individual social isolation within the County; and

WHEREAS, despite these goals, there remains a significant and damaging knowledge gap within Fairfax County, with many residents remaining unaware of Fairfax County human service programs and other assistance available to address their needs and personal challenges; and

WHEREAS, neighborhood and residential organizations are currently an underutilized resource, and hold a key position to eliminate this knowledge gap by providing personalized outreach to their neighbors and community residences; and

WHEREAS, such organizations likewise possess the ability, if mobilized and properly supported, to assist in connecting their residences to services as well as providing where appropriate personalized service delivery and effectiveness assessment systems; and

WHEREAS, such organizations could be enlisted in achieving County strategic goals similar to non-profit human service organizations and the faith-based community; and

WHEREAS, there is a housing crisis in Fairfax County for affordable housing,

NOW THEREFORE BE IT RESOLVED:

(12) We recommend a sum be allocated to develop websites, videos, in-person outreach, and Artificial Intelligence (AI) tools that could expand social services outreach efforts; and

(13) In developing a neighborhood communities of care initiative, the Federation recommends the County partner with Fairfax County citizens' associations, County advisory committees, and commissions; and

(14) We support the Board of Supervisors' efforts to alleviate the low supply of affordable housing.