



THE THOMAS JEFFERSON INSTITUTE FOR PUBLIC POLICY

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A Fairfax County Budget Analysis

Better Prioritization and Management Is Needed

Second Edition

By:

Michael W. Thompson

Foreword by:

James J. Hogan
Former Auditor for Fairfax County

April 2001

Thomas Jefferson Institute for Public Policy

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Executive Summary

This analysis of the Fairfax County budget shows the large sums of money that could have been earmarked for school construction by limiting the growth of county government over the past four years. Using three base years to show how much money could have been spent on schools, the Thomas Jefferson Institute found that many of the K-12 needs in Fairfax County could have been met over the past four years had the Supervisors used a more strict budget management process.

Large numbers are generated by limiting the growth of the Fairfax County government to the rate of inflation and population growth. Population on the county side of the budget refers to county residents and population for the schools refers to students. The costs of all new teachers, the school special education program and the English as a Second Language program are impacted by this analysis. Some highlights include:

- 1) The former Fairfax County Auditor, James Hogan, wrote the Foreword to this study and endorses the approach as an important step in getting a handle on the spending in the largest county in Virginia.
- 2) Using 1998 as the base year (four year period), over \$600 million could have been available for school construction, teacher pay and transportation infrastructure.
- 3) Using 1999 as the base year, over \$500 million could have been available. These numbers would have been generated in only three years.
- 4) Using 2000 as the base year, more than \$185 million could have been available. These numbers would have been available in only two years (the current budget year and next year).
- 5) Fairfax County hired 21.4% additional teachers since 1998, while the student population has increased by 11.5%.
- 6) Special education students have increased by 22% since 1998 while the overall student population has increased by 11.5%.
- 7) English as a Second Language (ESL) students have increased by 60.2% since 1998 while the overall student population increased by 11.5%.
- 8) A great deal of the current "education spending crisis" might have been avoided by using better budget management and prioritization.
- 9) By looking at the recent past (the last four years), the reader can see what amount of funds might be available in the near future if Fairfax County budgeted toward this education crisis through the formula outlined in this study.

With the numbers shown in this analysis, the school infrastructure needs could be easily handled without asking the citizens for more bond indebtedness or additional taxes. And if our elected leaders feel compelled to proceed with the bond referenda as currently planned, then the money can be available, within the current county income, to build the additional school infrastructure not covered in the proposed bond issues, to pay our teachers more and to put substantial funds into relieving traffic congestion.

The numbers in the chart below paint a dramatic picture.

Total "Overspending" by Fairfax County

	Combined Overspending	School "extras" (subtract)	Total Overspending
<i>Analysis A</i>			
Base Year			
1998	\$668,180,608	\$61,167,962	\$607,012,646
1999	\$561,921,546	\$43,024,870	\$518,896,676
2000	\$211,114,770	\$25,542,474	\$185,572,296
<i>Analysis B</i>			
Base Year			
1998	\$686,645,176	\$61,167,962	\$625,477,214
1999	\$596,629,985	\$43,024,870	\$553,605,115
2000	\$214,114,600	\$25,542,474	\$188,572,126

And if these numbers generated in this analysis are reduced by 20% or 30% to take into account some unavoidable expenses such as federal or state mandates, then the remaining numbers are still "eye-popping high."

Fairfax County is faced with an infrastructure crisis in education. Our teachers should be paid more. We need to put more money into transportation. With these needs facing us, and with the analysis of the county budget numbers detailed in this analysis, our elected officials could consider earmarking substantially more money toward relieving our education and transportation needs.

Table of Contents

Foreword.....	Pages 1-2
A Fairfax County Budget Analysis	Pages 3-6
“Analysis A” Overspending Charts	Pages 7-14
“Analysis B” Overspending Charts	Pages 15-22
Appendix 1 – Fiscal Year 2000 Budget Overview	Pages 23-26
Appendix 2 – Superintendent’s 2002 Budget	Pages 27-31
Appendix 3 – Fiscal Year 2001 Budget Overview	Pages 32-35
Appendix 4 – Fiscal Year 2002 Budget Overview	Pages 36-39
Appendix 5 – Inflation Calculation	Pages 40-43
Appendix 6 – Cost of Additional Teachers	Pages 44-45
Appendix 7 – Cost of Additional Special Education Students	Pages 46-51
Appendix 8 – Cost of Additional ESL Students	Pages 52-55

Foreword

By: James J. Hogan
Former Auditor to the Board of Supervisors

Reasonable people would agree that Fairfax County needs new schools and needs to renovate school buildings on an ongoing basis. Bond issues will probably be put on the ballot over the next few years to address many of these costs. The citizens of Fairfax County will most likely approve these bonds because education is a high priority for "our" citizens. As a Fairfax County resident for the past twenty-five years, I too will pay 11% more in property tax because of the recent increased assessments on real estate without a corresponding decrease in the rate of tax.

The projected school infrastructure needs, added to the transportation problems we face daily, have generated a recent effort by some of our elected officials to call for a sales tax referendum in Northern Virginia. It was hoped that taxpayers would approve a referendum for additional funds to be raised through a 22% increase in the current 4.5% sales tax.

In addition, the County is changing in nature from a place where there is intensive construction to meet housing growth needs to a County where most construction is now to fill in land that was by-passed for more suitable locations for growth. We will not realize the continuous growth in the property tax base we have enjoyed in the past as a result of new construction.

Taking a macro look at the Fairfax County Budget as presented in the brief study prepared by the Thomas Jefferson Institute for Public Policy, raises some very interesting questions about how much analysis goes into the development of the budget. Without singling out specific programs or criticizing any of the services currently offered by the County, one must wonder what justifies the seemingly excessive growth of the overall budget. This is an issue worth discussing and analyzing to come to a better understanding of how the budget is developed and to do some strategic planning for the future of the County.

The question raised by this analysis is whether we are faced with a crisis in funding or whether there is a need for better applications of the available tax monies. The study used 1998 as the base year and predicted what the budget of the County and the School System should be if the 1998 expenditures were to be increased by the rate of inflation and the population growth. This was done in an attempt to determine how much funding would be available to put towards the infrastructure problems if the levels of spending were held constant at the current services level.

Two approaches to analyzing the budget were taken to satisfy those who might look at the budget a little differently. One analysis (referred to as "Analysis A") did not include debt service for the schools or the county nor did it include two school special

funds-- Grants and Self Supporting Fund and the Adult and Community Education Fund. The second analysis (referred to as "Analysis B") included debt service and the two education special funds excluded from the first analysis. Fairfax County official budget numbers were used and inflation figures were from the Bureau of Labor Statistics for 1999 and 2000. The County's projected inflation figures for 2001 and 2002 were used since no actual figures are available. (See Appendix 5.)

The attached charts are somewhat self explanatory using three different base years and producing levels of funding to support the programs for each year based on projected population growth and inflation. After the basic analysis was completed, the figures were reduced to account for the increase in the numbers of teachers (Appendix 6), the increase in the cost of special education (Appendix 7), and the increase in ESL students (Appendix 8).

The resulting numbers characterized as "overspending" need to be explained in some manner in order to justify the dramatic growth in the spending beyond inflation and population growth, especially when the infrastructure needs in our county are so great. Looking at this analysis, it seems difficult to believe there is a funding crisis.

It would seem that substantial infrastructure improvements could be achieved if the County had planned over the past few years to hold programs constant. This brief analysis should be something that could lead to more discussion about budget planning and the vision for the future allocation of funding of services in the County.

This analysis using 1998 as a base year shows that over \$600 million would have been available for our schools just in this short four-year period. Using 1999 as the base year, there would have been more than \$500 million and for 2000, over \$185 million.

These numbers deserve to be part of a serious evaluation of the current budgeting process.

A Fairfax County Budget Analysis

Better Prioritization and Management Is Needed

By: Michael W. Thompson

Fairfax County is a wonderful place to live. That is why it continues to grow and why our property values are increasing. My wife and I have lived here since 1971, our two children graduated from the public schools, I served as PTA President for two terms, my wife volunteered for many years to help first grade students to learn to read, and my son and his growing family live here as well.

Today, most everyone agrees that Fairfax County needs new schools and needs to renew a large number of older school buildings. The cost of this school construction is huge—estimated at \$1 billion. It will cost some \$500 million *in addition* to the bond issues that will be put on the ballot over the next couple of years. And this amount is just for the needs over the next few years. Additional school infrastructure needs will face us in the years ahead and should be part of the current discussion as well.

It was this school infrastructure need, added to the transportation congestion mess we face every day, that generated the call by many of our elected officials and business leaders for a sales tax increase referendum in Northern Virginia. Half of the proposed sales tax increase would have gone for school infrastructure and half toward our transportation needs. The legislation failed and now we need to look for other ways to handle our school and transportation needs.

This analysis of the Fairfax County budget was conducted following the defeat by the General Assembly of the proposed referendum in Northern Virginia for an increase in the sales tax of one cent for each dollar spent – an increase of 22% over the current 4.5% level. This analysis is not a critique one way or the other of the need for a sales tax increase or the “right” of the people to vote on such an issue. This analysis is presented for discussion purposes only and highlights an important way to look at the current budgeting process. This is not an analysis of the many programs funded by our county. It is not a criticism of any particular programs. This analysis does not pass judgment on any particular program whatsoever.

However, the numbers generated in this analysis are dramatic and need to be discussed, further analyzed and brought into focus for long-term strategic planning purposes in this county. The “Second Edition” of this study reflects some re-figuring of all the numbers and a few changes did take place in this process. I tried to take into account in this “Second Edition” those reasonable comments from the Fairfax County school system and others. A few errors were found in the calculations from the original but the overall impact was not affected.

These numbers certainly indicate that if our county is faced with a school infrastructure “crisis,” and if we need to pay our teachers more in order to remain competitive within our region, then those resources may well be available within the

current income enjoyed by this county. Faced with a dramatic school infrastructure need, our elected leaders might better budget for that need and develop a long-term strategic plan to keep our schools from deteriorating and to build new schools as needed.

There is an implicit agreement between taxpayers and government: government takes our money in the form of taxes and we expect government to appropriately prioritize its spending and to run government in the most efficient manner possible. But analyzing the county budget is something that needs to be brought to the public in a better way so that our citizens can better understand what is happening to the tax dollars we send to local government. How sad it is that neither the county government nor the school system has a performance based budget. Such a system would help each of us, including our elected leaders, to better understand how our government is managing the money we send.

This budget analysis was undertaken to determine this: *what would have been the result – how much “extra” money would there have been -- since 1998 had the overall budget for the county and the school system only increased at the rate of inflation and population growth? And what would have been the outcome if a similar analysis were done beginning in 1999 and 2000?* The results are fascinating.

The base Fiscal Year of 1998 was selected as the starting point for this budget analysis. The county's current budget year (FY 2001) is only three years from this starting point and the proposed budget being considered today (FY 2002) is only four years. This time period gives us an idea of just how much money our county could have dedicated toward school infrastructure over a very short period of time

I had no idea where the numbers in this analysis would lead. What this analysis wanted to find out was if Fairfax County *could* “fix” the education infrastructure needs using its current income sources. This analysis was selected because it is similar to the one incorporated in State Senator Warren Barry's proposed “Virginia Investment Act.” His concept, on the state level, could “free up” billions of dollars in a few short years. It was this interesting approach that I wanted to use for the Fairfax County budget.

Two approaches to analyzing the Fairfax County budget were taken to satisfy those who might look at the budget a little differently. One analysis (referred as “Analysis A” in this study) did not include debt service for the schools or the county nor did it include two school special funds -- Grants and Self Supporting Fund and the Adult and Community Education Fund. The second analysis (referred to as “Analysis B”) included debt service as well as the two education special funds excluded from the first analysis. Fairfax County official budget numbers were used (Appendix 1, 2,3 and 4) and inflation figures were determined from the figures at the Bureau of Labor Statistics for 1999 and 2000 rather than the five year average inflation figure available in the current *FY 2002 Advertised Budget* publication. The county's projected inflation figures for 2001 and 2002 were used since the actual numbers are not available from the federal government (Appendix 5).

Each of the two analyses used three different “base years” so that those reading this analysis would see the impact of analyzing this budget using the base years of 1998, 1999 and 2000. *By looking at the numbers that would have been created in the immediate past, we can better project the numbers that could be generated in the near future.*

After the basic analyses were completed (“Analysis A” and “Analysis B”), then the projected “extra” costs for the increase in the number of new teachers in our county (see Appendix 6), the “extra” costs of special education (see Appendix 7), and the “extra” costs of English as a Second Language classes (See Appendix 8) were subtracted. These additional costs were determined to be appropriate at the increased funding levels for the purpose of this analysis.

The resulting “overspending” numbers are dramatic and need to become part of the discussion in determining a better vision for our county in the year’s ahead. The “overspending” numbers for the non-school budget (the county’s budget) and the school budget (the School Board’s budget) indicate that a great deal of money has been spent while the “crisis” in education and transportation deepened to the point that the General Assembly was asked to give Fairfax County and Northern Virginia additional tax sources.

With the numbers shown in this analysis, the school infrastructure needs could be easily handled without asking the citizens for more bond indebtedness or additional taxes. And if our elected leaders feel compelled to proceed with the bond referenda as currently planned, then the money can be available, within the current county income, to build the additional school infrastructure not covered in the proposed bond issues, and also to pay our teachers more and to put substantial funds into relieving traffic congestion.

The numbers in the chart below paint a dramatic picture.

Total “Overspending” by Fairfax County

	Combined Overspending	School “extras”	Total Overspending
<i>Analysis A</i>			
Base Year			
1998	\$668,180,608	\$61,167,962	\$607,012,646
1999	\$561,921,546	\$43,024,870	\$518,896,676
2000	\$211,114,770	\$25,542,474	\$185,572,296

Analysis B

Base Year

1998	\$686,645,176	\$61,167,962	\$625,477,214
1999	\$596,629,985	\$43,024,870	\$553,605,115
2000	\$214,114,600	\$25,542,474	\$188,572,126

If the county's overall spending had grown only at the rate of inflation and population since the 1998 base budget -- and including all new teachers, all special education costs and all ESL costs -- over \$600 million would have been available for our schools in a short four year period. Using 1999 as the base year, there would have been over \$500 million and if 2000 were the base year, then about \$185 million would have been available.

These numbers include all the new teachers hired by Fairfax County since 1998, the entire costs for special education and the ESL program. But they do not include extra costs for items such as salary increases over and beyond the rate of inflation and other costs such as health care insurance that have likely exceeded the rate of inflation. In business when health insurance costs increase, other budget items may well need to be brought down to pay for these insurance increases. I certainly did that in my 23-year career of owning and operating my own businesses. This could be done in the county and in the school system.

And if these numbers generated in this analysis are reduced by 20% or 30% to take into account some unavoidable expenses such as federal or state mandates, increases in benefits, etc., then the remaining numbers are still "eye-popping high."

The numbers in the pages ahead are fascinating and disturbing. They should to be part of a serious and responsible discussion on the future budgeting process in our county. re-evaluation of the current county budget process.

Fairfax County is faced with an infrastructure crisis in education. Our teachers should be paid more. We need to put more money into transportation. With these needs facing us, and with the analysis of the county budget numbers herein, our elected officials could consider earmarking substantially more money toward relieving our education and transportation needs.

The charts and explanations for this analysis are found in the following pages.

This analysis does not necessarily reflect the views of the Board of Directors of the Thomas Jefferson Institute, even though the author serves as its chairman and president. Individual Board Members may well have different views on the Fairfax County budget. This analysis will hopefully add to the-going discussion about the future of Fairfax County and bring issues to the table for debate and consideration. This analysis is not meant to influence any legislation whatsoever.

"Analysis A" Overspending Chart

County figures do not include debt service for schools and county. Schools figures do not include two fund categories: the Grants and Self Supporting Fund and the Adult and Community Education Fund.

Fairfax County Budget – Overall Spending Beyond Rate of Inflation and Population Growth

Analysis #4: County figures do not include debt service for schools and county. School figures do not include Grants and Self Supporting Fund and Adult and Community Education Fund

(1998 Base Year)

Fiscal Year	Non-School Spending Beyond Growth of Inflation & Population	K-12 School Spending Beyond Growth of Inflation & Population
1998 (Base Year)		
1999 (actual)	\$ 24,587,712	\$ 93,620
2000 (actual)	\$ 82,369,686	\$ 54,684,000
2001 (revised)	\$ 125,558,590	\$ 126,847,070
2002 (advertised))	\$ 128,153,180	\$ 125,886,750
Total “Overspending”	\$ 360,669,168	\$ 307,511.440

Combined Overspending using 1998 as Base Year \$ 668,180,608

(1999 Base Year)

1999 (Base Year)		
2000 (actual)	\$ 56,478,206	\$ 54,583,250
2001 (revised)	\$ 98,526,090	\$ 126,579,810
2002 (advertised)	\$ 99,979,640	\$ 125,774,550
Total Overspending	\$ 254,983,936	\$ 306,937,610

Combined Overspending using 1999 as Base Year \$561,921,546

(2000 Base Year)

2000 (Base Year)		
2001 (revised)	\$39,565,750	\$68,408,900
2002 (proposed)	\$38,562,720	\$64,607,400
Total Overspending	\$78,128,470	\$133,016,300

Combined Overspending using 2000 as Base Year \$211,114,770

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth

(1998 Base Year – Does not include county and school debt service)

Non School Budget – '98 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
1998 (base year)	\$ 765	931.5	\$ 821.26	N/A	N/A
1999 (actual)	\$ 820	948.6	\$ 864.43	(2.1%) \$ 838.51	\$ 25.92
2000 (actual)	\$ 920	966.1	\$ 952.28	(3.4%) \$ 867.02	\$ 85.26
2001 (revised)	\$1,000	983.0	\$1,017.29	(2.6%) \$ 889.56	\$127.73
2002 (advertised)	\$1,039	998.0	\$1,041.10	(2.6%) \$ 912.69	\$128.41

"Overspending" in Non School Budget – '98 as Base Year

1998 Base Year	
1999 (actual)	\$ 25.92/person "overspent" x 948,600 population = \$ 24,587,712
2000 (actual)	\$ 85.26/person "overspent" x 966,100 population = \$ 82,369,686
2001 (revised)	\$127.73/person "overspent" x 983,000 population = \$125,558,590
2002 (advertised)	\$128.41/person "overspent" x 998,000 population = \$128,153,180

"Overspent" in four years: \$360,669,168 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and minus County Debt Service and School Debt Service – all figures on page 180 in the "Fiscal 2000 Adopted Budget Plan Budget Review." See Appendix 1, page 26.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth

(1998 Base Year – Does not include Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – '98 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Student	Inflation Adjusted cost/student	"Overspent" per/student
1998 (base year)	\$ 1,101	148	\$ 7,439.18	N/A	N/A
1999 (actual)	\$ 1,147	151	\$ 7,596.03	(2.1%) \$ 7,595.41	\$ 0.62
2000 (actual)	\$ 1,272	155	\$ 8,206.45	(3.4%) \$ 7,853.65	\$ 352.80
2001 (revised)	\$1,424	161	\$ 8,844.72	(2.6%) \$ 8,057.85	\$ 787.87
2002 (proposed)	\$1,490	165	\$9,030.30	(2.6%) \$8,267.35	\$ 762.95
<u>"Overspending" in K-12 School Budget – '98 as Base Year</u>					
1998 Base Year					
1999 (actual)			\$ 0.62/student "overspent" x 151,000 students =	\$	93,620
2000 (actual)			\$352.80/student "overspent" x 155,000 students =	\$	54,684,000
2001 (revised)			\$787.87/student "overspent" x 161,000 students =	\$	126,847,070
2002 (proposed)			\$762.95/student "overspent" x 165,000 students =	\$	125,886,750

"Overspent" in four years \$307,511,440 in the K-12 school budget

* Actual Budget= Total Disbursements from page 66 of the "Superintendent's FY 2002 Proposed Budget." See Appendix 2, page 29.

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth

(1999 Base Year – Does not include county and school debt service)

Non School Budget – '99 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
1999 (base year)	\$ 820	948.6	\$ 864.43	N/A	N/A
2000 (actual)	\$ 920	966.1	\$ 952.28	(3.4%) \$ 893.82	\$ 58.46
2001 (revised)	\$1,000	983.0	\$1,017.29	(2.6%) \$ 917.06	\$100.23
2002 (advertised)	\$1,039	998.0	\$1,041.08	(2.6%) \$ 940.90	\$100.18

"Overspending" in Non School Budget – '99 as Base Year

1999 Base Year	
2000 (actual)	\$ 58.46/person "overspent" x 966,100 population = \$ 56,478,206
2001 (revised)	\$100.23/person "overspent" x 983,000 population = \$ 98,526,090
2002 (advertised)	\$100.18/person "overspent" x 998,000 population = \$ 99,979,640

"Overspent" in three years: \$254,983,936 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and minus County Debt Service and School Debt Service – all figures on page 195 in the "Fiscal 2001 Adopted Budget Plan Budget Overview." See Appendix 3, page 35.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth

(1999 Base Year – Does not include Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – '99 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	“Overspent” per/student
1999 (base year)	\$1,147	151	\$ 7,596.03	N/A	N/A
2000 (actual)	\$1,272	155	\$ 8,206.45	(3.4%)	\$ 352.15
2001 (revised)	\$1,424	161	\$ 8,844.72	(2.6%)	\$ 786.21
2002 (advertised)	\$1,490	165	\$ 9,030.30	(2.6%)	\$ 762.27

“Overspending” in K-12 School Budget – '99 as Base Year

1999 Base Year	
2000 (actual)	$\$352.15/\text{student “overspent”} \times 155,000 \text{ students} = \$ 54,583,250$
2001 (revised)	$\$786.21/\text{student “overspent”} \times 161,000 \text{ students} = \$ 126,579,810$
2002 (proposed)	$\$762.27/\text{student “overspent”} \times 165,000 \text{ students} = \$ 125,774,550$

“Overspent” in three years: \$306,937,610 in the K-12 school budget

*Actual Budget = Total Disbursements from page 66 of the “Superintendent’s FY 2002 Proposed Budget.” See Appendix 2, page 29.

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth

(2000 Base Year – Does not include county and school debt service)

Non School Budget – '00 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
2000 (base year)	\$ 920	966.1	\$ 952.28	N/A	N/A
2001 (revised)	\$1,000	983.0	\$1,017.29	(2.6%) \$ 977.04	\$ 40.25
2002 (advertised)	\$1,039	998.0	\$1,041.08	(2.6%) \$1,002.44	\$ 38.64

"Overspending" in Non School Budget – '00 as Base Year

2000 Base Year	
2001 (revised)	\$40.25/person "overspent" x 983,000 population = \$ 39,565,750
2002 (advertised)	\$38.64/person "overspent" x 998,000 population = \$ 38,562,720

"Overspent" in two years: \$ 78,128,470 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and minus County Debt Service and School Debt Service – all figures on page 183 in the "Fiscal Year 2002 Advertised Budget Plan." See Appendix 4, page 39.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth
 (2000 Base Year – Does not include Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – '00 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	"Overspent" per/student
2000 Base Year	\$1,272	155	\$ 8,206.45	N/A	N/A
2001 (revised)	\$1,424	161	\$ 8,844.72	(2.6%) \$ 8,419.82	\$ 424.90
2002 (advertised)	\$1,490	165	\$9,030.30	(2.6%) \$ 8,638.74	\$ 391.56

"Overspending" in K-12 School Budget – '00 as Base Year

2000 Base Year	
2001 (revised)	\$424.90/student "overspent" x 161,000 students = \$ 68,408,900
2002 (advertised)	\$391.56/student "overspent" x 165,000 students = \$ 64,607,400

"Overspent" in two years: \$133,016,300 in the K-12 school budget

* Actual Budget = Total Disbursements from page 66 of the "Superintendent's FY 2002 Proposed Budget." See Appendix 2, page 29.

"Analysis B" Overspending Chart

County figures include debt service for schools and county. Schools figures include two fund categories: the Grants and Self Supporting Fund and the Adult and Community Education Fund.

Fairfax County Budget – Overall Spending Beyond Rate of Inflation and Population Growth

Analysis #B—County figures include debt service for schools and county. School figures include Grants and Self Supporting Fund & Adult and Community Education Fund)

(1998 Base Year)

Fiscal Year	Non-School Spending Beyond Growth of Inflation & Population	K-12 School Spending Beyond Growth of Inflation & Population
1998 (Base Year)		
1999	\$ 22,766,400	\$ - 1,783,310
2000	\$ 77,056,136	\$ 55,465,200
2001	\$118,972,490	\$ 150,942,330
2002 (proposed)	\$126,356,780	\$ 138,274,950
Total “Overspending”	\$345,151,806	\$ 341,493,370

Combined Overspending using 1998 as Base Year \$ 686,645,176

(1999 Base Year)

1999 (Base Year)		
2000	\$ 53,087,195	\$ 57,357,750
2001	\$ 93,945,310	\$ 152,959,660
2002 (proposed)	\$100,289,020	\$ 138,991,050
Total Overspending	\$247,321,525	\$ 349,308,460

Combined Overspending using 1999 as Base Year \$596,629,985

(2000 Base Year)

2000 (Base Year)		
2001	\$38,533,600	\$91,832,790
2002 (proposed)	\$42,564,700	\$74,715,300
Total Overspending	\$81,098,300	\$166,548,090

Combined Overspending using 2000 as Base Year \$214,114,600

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth

(1998 Base Year – Includes county and school debt service)

Non School Budget – '98 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
1998 (base year)	\$ 937	931.5	\$1,005.90	N/A	N/A
1999 (actual)	\$ 997	948.6	\$1,051.02	(2.1%) \$1,027.02	\$ 24.00
2000 (actual)	\$1,103	966.1	\$1,141.70	(3.4%) \$1,061.94	\$ 79.76
2001 (revised)	\$1,190	983.0	\$1,210.58	(2.6%) \$1,089.55	\$121.03
2002 (advertised)	\$1,242	998.0	\$1,244.49	(2.6%) \$1,117.88	\$126.61
<u>"Overspending" in Non School Budget – '98 as Base Year</u>					
1998 Base Year					
1999 (actual)	\$24.00/person "overspent" x 948,600 population		= \$ 22,766,400		
2000 (actual)	\$79.76/person "overspent" x 966,100 population		= \$ 77,056,136		
2001 (revised)	\$121.03/person "overspent" x 983,000 population		= \$118,972,490		
2002 (advertised)	\$126.61/person "overspent" x 998,000 population		= \$126,356,780		

"Overspent" in four years: \$345,151,806 in the non-school budget

*Actual Budget = Total Disbursements minus Public School Operating Transfer – both figures on page 180 in the "Fiscal 2000 Adopted Budget Plan Budget Review." See Appendix 1, page 26.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth

(1998 Base Year – Includes Grants and Self Supporting Fund & Adult Fund and Community Education Fund)

K-12 School Budget – '98 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Student	Inflation Adjusted cost/student	“Overspent” per/student
1998 (base year)	\$ 1,122	148	\$ 7,581.08	N/A	N/A
1999 (actual)	\$ 1,167	151	\$ 7,728.47	(2.1%) \$ 7,740.28	-\$11.81
2000 (actual)	\$1,296	155	\$ 8,361.29	(3.4%) \$ 8,003.45	\$ 357.84
2001 (revised)	\$1,473	161	\$ 9,149.07	(2.6%) \$ 8,211.54	\$ 937.53
2002 (proposed)	\$1,527	165	\$ 9,254.55	(2.6%) \$ 8,425.04	\$ 829.51

“Overspending” in K-12 School Budget – '98 as Base Year

1998 Base Year	
1999 (actual)	-\$11.81/student “overspent” x 151,000 students = - \$ 1,783,310
2000 (actual)	\$357.84/student “overspent” x 155,000 students = \$ 55,465,200
2001 (revised)	\$937.53/student “overspent” x 161,000 students = \$ 150,942,330
2002 (proposed)	\$829.51/student “overspent” x 165,000 students = \$ 136,869,150

“Overspent” in four years \$341,493,370 in the K-12 school budget

* Actual Budget = Total Disbursements from page 66 of the “Superintendent’s FY 2002 Proposed Budget” plus Grants and Self Supporting Fund Expenditures on page 68 minus Transfers Out in this category on page 66, plus Expenditures from Adult and Community Education Fund on page 69, minus Transfers Out in this category on page 66. These two fund categories are logical to some to include in a budget analysis such as this. They are part of the “operations” of the school system. See Appendix 2, pages 29, 30, and 31.

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth

(1999 Base Year – Includes County and School Debt Service)

Non School Budget – '99 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
1999 (base year)	\$ 997	948.6	\$1,051.02	N/A	N/A
2000 (actual)	\$1,103	966.1	\$1,141.70	(3.4%) \$ 1,086.75	\$ 54.95
2001 (revised)	\$1,190	983.0	\$1,210.58	(2.6%) \$ 1,115.01	\$ 95.57
2002 (advertised)	\$1,142	998	\$1,244.49	(2.6%) \$1,144.00	\$100.49

"Overspending" in Non School Budget – '99 as Base Year

1999 Base Year	
2000 (actual)	\$ 54.95/person "overspent" x 966,100 population = \$ 53,087,195
2001 (revised)	\$ 95.57/person "overspent" x 983,000 population = \$ 93,945,310
2002 (advertised)	\$100.49/person "overspent" x 998,000 population = \$100,289,020

"Overspent" in three years: \$247,321,525 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer – both figures on page 195 in the "Fiscal 2001 Adopted Budget Plan Budget Overview." See Appendix 3, page 35.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth

(1999 Base Year – Includes Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – '99 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	“Overspent” per/student
1999 (base year)	\$1,167	151	\$ 7,728.47	N/A	N/A
2000 (actual)	\$1,296	155	\$ 8,361.29	(3.4%)	\$ 370.05
2001 (revised)	\$1,473	161	\$ 9,149.07	(2.6%)	\$ 950.06
2002 (advertised)	\$1,527	165	\$ 9,254.55	(2.6%)	\$ 842.37

“Overspending” in K-12 School Budget – '99 as Base Year

1999 Base Year	
2000 (actual)	\$370.05/student “overspent” x 155,000 students = \$ 57,357,750
2001 (revised)	\$950.06/student “overspent” x 161,000 students = \$ 152,959,660
2002 (proposed)	\$842.37/student “overspent” x 165,000 students = \$ 138,991,050

“Overspent” in three years: \$349,308,460 in the K-12 school budget

* Actual Budget = Total Disbursements from page 66 of the “Superintendent’s FY 2002 Proposed Budget” plus Grants and Self Supporting Fund Expenditures on page 68 minus Transfers Out in this category on page 66, plus Expenditures from Adult and Community Education Fund on page 69, minus Transfers Out in this category on page 66. These two fund categories are logical to some to include in a budget analysis such as this. They are part of the “operations” of the school system. See Appendix 2, pages 29, 30, and 31.

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth

(2000 Base Year – Includes county and school debt service)

Non School Budget – '00 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
2000 (base year)	\$1,103	966.1	\$1,141.70	N/A	N/A
2001 (revised)	\$1,190	983.0	\$1,210.58	(2.6%) \$1,171.38	\$ 39.20
2002 (advertised)	\$1,242	998	\$1,244.49	(2.6%) \$1,201.84	\$ 42.65

"Overspending" in Non School Budget – '00 as Base Year

2000 Base Year	
2001 (revised)	\$39.20/person "overspent" x 983,000 population = \$ 38,533,600
2002 (advertised)	\$42.65/person "overspent" x 998,000 population = \$ 42,564,700

"Overspent" in two years: \$ 81,098,300 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer – both figures on page 183 in the "Fiscal Year 2002 Advertised Budget Plan." See Appendix 4, page 39.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth

(2000 Base Year – Includes Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – '00 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	“Overspent” per/student
2000 Base Year	\$1,296	155	\$ 8,361.29	N/A	N/A
2001 (revised)	\$1,473	161	\$ 9,149.07	(2.6%) \$ 8,578.68	\$ 570.39
2002 (advertised)	\$1,527	165	\$9,254.55	(2.6%) \$ 8,801.73	\$ 452.82

“Overspending” in K-12 School Budget – '00 as Base Year

2000 Base Year	
2001 (revised)	\$570.39/student “overspent” x 161,000 students = \$ 91,832,790
2002 (advertised)	\$452.82/student “overspent” x 165,000 students = \$ 74,715,300

“Overspent” in two years: \$166,548,090 in the K-12 school budget

* Actual Budget = Total Disbursements from page 66 of the “Superintendent’s FY 2002 Proposed Budget” plus Grants and Self Supporting Fund Expenditures on page 68 minus Transfers Out in this category on page 66, plus Expenditures from Adult and Community Education Fund on page 69, minus Transfers Out in this category on page 66. These two fund categories are logical to some to include in a budget analysis such as this. They are part of the “operations” of the school system. See Appendix 2, pages 29, 30, and 31.

Appendix 1

Fiscal 2000 Adopted Budget Plan Budget Overview

**FISCAL 2000
ADOPTED BUDGET PLAN
BUDGET OVERVIEW**

BOARD OF SUPERVISORS

Katherine K. Hanley, *Chairman*

Gerry Hyland, *Vice Chairman*

Sharon Bulova

Gerald E. Connolly

Robert B. Dix, Jr.

Michael R. Frey

Penelope A. Gross

Dana Kauffman

Elaine N. McConnell

Stuart Mendelsohn

Mount Vernon District

Braddock District

Providence District

Hunter Mill District

Sully District

Mason District

Lee District

Springfield District

Dranesville District

**Robert J. O'Neill, Jr.
*County Executive***

**Anthony H. Griffin
*Deputy County Executive***

**Verdia L. Haywood
*Deputy County Executive***

**David J. Molchany
*Chief Information Officer
Director, Department of Information Technology***

**Edward L. Long, Jr.
*Chief Financial Officer
Director, Department of Management and Budget***

**FY 2000 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND**

	FY 1998 Actual	FY 1999 Adopted Budget Plan	FY 1998 Carryover	FY 1999 Third Quarter	Other Actions July - June	FY 1999 Revised Budget Plan	FY 2000 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Beginning Balance	\$87,687,972	\$52,321,215	\$31,513,464	\$0	\$577,350	\$84,412,029	\$52,122,830	(\$32,289,399)	-38.25%
Revenue									
Real Property Taxes	\$902,209,074	\$836,730,209	\$0	\$3,281,640	\$0	\$841,991,849	\$896,712,840	\$54,720,991	6.51%
Personal Property Taxes	340,186,201	363,162,862	(2,120,100)	2,608,887	5,068,620	368,721,269	391,352,200	22,630,931	6.14%
General Other Local Taxes	295,705,311	307,267,091	0	(2,956,896)	5,563,200	309,873,395	328,692,376	18,818,983	6.07%
Permit, Fees & Regulatory Licenses	30,090,916	28,612,231	0	1,282,090	1,231,486	32,125,809	31,419,336	(706,473)	-2.20%
Fines & Forfeitures	7,411,845	7,907,559	0	(121,400)	(268,859)	7,516,301	8,095,598	579,297	7.67%
Revenue from Use of Money & Property	47,135,359	44,033,482	0	1,197,637	130,344	45,361,463	42,428,437	(2,933,026)	-6.47%
Charges for Services	28,029,439	28,724,140	0	286,778	484,335	29,495,253	30,398,785	901,532	3.06%
Revenue from the Commonwealth	68,151,351	77,041,745	(3,428,568)	324,891	(631,075)	73,307,093	81,637,316	8,330,223	11.36%
Revenue from the Federal Government	28,118,781	31,050,293	0	(921,650)	140,947	30,268,590	30,863,116	594,526	1.96%
Recovered Costs/Other Revenue	5,233,906	4,947,239	30,624	0	(103,335)	4,874,528	5,081,181	206,653	4.24%
Total Revenue	\$1,752,272,193	\$1,832,476,851	(\$5,518,044)	\$4,963,077	\$11,614,666	\$1,843,536,550	\$1,948,667,187	\$105,130,637	5.59%
Transfers In									
101 Department of Community Action	\$232,004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-
105 Cable Communications	1,200,000	1,300,000	0	176,000	0	1,476,000	1,520,280	44,280	3.00%
503 Department of Vehicle Services	0	2,200,000	0	0	0	2,200,000	0	(2,200,000)	-100.00%
504 Document Services	0	529,764	0	0	0	529,764	0	(529,764)	-100.00%
Total Transfers In	\$1,432,004	\$4,029,764	\$0	\$176,000	\$0	\$4,205,764	\$1,520,280	(\$2,685,484)	-63.85%
Total Available	\$1,841,402,189	\$1,886,827,830	\$25,995,420	\$5,139,077	\$12,192,016	\$1,932,184,343	\$2,000,310,087	\$68,125,744	3.53%
Direct Expenditures									
Personnel Services	\$364,102,373	\$391,733,920	\$586,842	(\$3,068,160)	\$224,467	\$388,477,069	\$421,162,410	\$31,685,341	8.14%
Operating Expenses	229,140,232	251,699,454	12,178,672	2,847,417	(179,724)	266,543,819	259,928,000	(6,615,819)	-2.48%
Recovered Costs	(27,020,888)	(27,766,242)	0	(382,088)	0	(28,148,330)	(28,833,462)	(765,132)	-2.78%
Capital Equipment	6,602,146	4,746,423	3,168,171	1,226,076	181,985	9,332,655	6,037,554	(1,295,101)	-13.68%
Fringe Benefits	86,350,691	87,428,750	15,968	(58,306)	(100,000)	87,266,412	94,784,582	7,498,170	8.59%
Total Direct Expenditures	\$659,174,554	\$707,842,305	\$15,947,553	\$564,939	\$139,728	\$724,481,825	\$754,977,084	\$30,495,459	4.21%

FY 2000 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND

Transfers Out	FY 1999	FY 1999	FY 1999	FY 1999	FY 1999	FY 1999	FY 2000	Increase	
	Actual	Adopted	Carryover	Third Quarter	Other Actions	Revised	Adopted	(Decrease)	%
		Budget Plan			July - June	Budget Plan	Budget Plan	Over Revised	(Decrease)
090 Public School Operating	\$619,668,940	\$652,127,830	\$0	\$0	\$0	\$652,127,830	\$697,412,605	\$45,284,775	5.31%
100 County Transit System	16,495,168	14,657,533	6,058,745	0	0	20,917,278	18,776,920	(2,140,358)	-10.23%
103 Aging Grants & Programs	576,752	831,101	0	0	0	831,101	1,010,061	178,960	21.53%
104 Information Technology	17,956,857	16,081,878	0	0	0	16,081,878	15,337,435	(744,443)	-4.63%
108 Community Services Board	48,285,402	52,480,698	0	0	0	52,480,698	57,684,038	5,193,340	9.89%
118 Community-Based Agency Funding Pool	4,271,553	4,887,260	0	0	0	4,887,260	5,146,285	259,025	5.30%
141 Housing Programs for the Elderly	1,283,871	1,263,871	0	0	0	1,263,871	1,332,125	68,254	5.40%
200 County Debt Service	82,620,161	84,672,914	0	0	0	84,672,914	95,812,350	11,139,436	1.20%
201 School Debt Service	78,884,073	82,975,729	0	0	0	82,975,729	88,259,814	5,284,185	6.37%
303 County Construction	8,872,160	8,105,936	75,000	0	0	8,180,936	10,243,438	2,062,502	25.21%
308 No VA Regional Park Authority	1,300,000	0	0	0	0	0	0	0	-
307 Sidewalk Construction	1,000,000	1,000,000	1,000,000	0	0	2,000,000	1,000,000	(1,000,000)	-50.00%
308 Public Works Construction	1,461,260	2,449,232	1,250,000	0	0	3,699,232	2,463,000	(1,236,232)	-33.42%
309 Metro Operations and Construction	1,959,305	9,845,980	0	1,305,076	0	11,151,056	7,045,830	(4,105,226)	-36.81%
311 County Bond Construction	0	0	0	0	0	0	3,200,000	3,200,000	-
313 Trail Construction	207,500	50,000	285,000	72,000	0	407,000	50,000	(357,000)	-87.71%
340 Housing Assistance Program	253,425	200,000	0	120,000	0	320,000	500,000	180,000	56.25%
500 Retiree Health	510,750	759,690	0	0	0	759,690	837,245	77,555	10.21%
503 Department of Vehicle Services	2,348,388	0	0	2,000,000	0	2,000,000	0	(2,000,000)	-
505 Technology Infrastructure Services	0	0	0	973,615	0	973,615	0	(973,615)	-
Total Transfers Out	\$1,087,815,588	\$1,142,599,652	\$8,668,746	\$4,470,881	\$0	\$1,155,740,086	\$1,206,111,246	\$50,371,158	4.36%
Total Disbursements	\$1,756,980,140	\$1,850,441,957	\$24,817,398	\$5,035,630	\$136,728	\$1,880,231,713	\$1,961,086,330	\$80,856,617	4.30%
Total Ending Balance	\$84,412,029	\$38,385,873	\$1,378,022	\$103,447	\$12,055,288	\$51,922,630	\$39,221,767	(\$12,700,863)	-24.46%
Less:									
Managed Reserves	\$35,726,314	\$37,008,839	\$492,346	\$103,447	\$0	\$37,604,634	\$39,221,767	\$1,617,132	4.30%
Set Aside Reserves	14,594,901	1,377,034	885,674	0	12,055,288	14,317,996	(0)	(14,317,996)	-100.00%
Total Available	\$34,090,814	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-

* FY 2000 Beginning Balance reflects \$200,000 anticipated to be available as the FY 1999 Carryover. Review from the Belle Haven Marina contribution. This reflects the Board of Supervisors decision to offset the decreased Personal Property Tax on boats with this contribution.

Appendix 2

Superintendent's FY 2002 Proposed Budget

SCHOOL BOARD

Robert E. Frye, Sr., Chair
Jane K. Strauss, Vice Chair
Cathy Belter, Springfield District
Christian N. Braunlich, Lee District
Mychele B. Brickner, At-Large Member
Iris Castro, Mount Vernon District
Stuart D. Gibson, Hunter Mill District
Ernesine C. Heaslie, Providence District
Kaye Kory, Mason District
Gary A. Reese, Sully District
Jane K. Strauss, Dranesville District
Rita Thompson, At-Large Member
Tessie Wilson, Braddock District
Christopher Giovarelli, Student Representative

ADMINISTRATION

Daniel A. Domenech
Superintendent

Alan E. Leis
Deputy Superintendent

Charles Woodruff
Chief Financial Officer

Delindra McLaughlin
Director, Budget Services



Department of Financial Services
10700 Page Avenue
Fairfax, Virginia 22030

Volume

Superintendent's FY 2002 Proposed Budget

School Operating Fund Statement

	FY 1996 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Proposed
BEGINNING BALANCE, July 1	\$ 69,710,177	\$ 63,567,276	\$ 88,407,394	\$ 56,768,845	\$ 10,000,000
KEY ITEMS:					
Sales Tax	84,425,304	94,730,534	98,937,749	106,568,274	112,718,800
State Aid	149,058,783	179,730,817	191,825,213	213,107,587	215,846,165
Federal Aid	13,959,703	16,822,653	20,470,473	27,417,019	23,277,574
City of Fairfax Tuition	18,418,707	21,693,688	22,196,803	23,903,048	25,800,000
Tuition, Fees, and Other	7,574,115	8,407,296	8,098,836	7,847,483	7,812,283
Total Receipts	273,486,612	317,886,988	342,627,064	378,843,441	385,454,822
TRANSFERS IN:					
Continued County General Fund	818,047,576	850,506,466	895,791,241	986,379,544	1,093,083,642
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
Food & Nutrition Services Fund	1,473,000	1,973,000	-	-	-
Total Transfers In	821,141,940	854,100,830	897,412,605	988,000,908	1,094,705,006
Total Receipts & Transfers	1,094,578,552	1,171,987,818	1,240,039,669	1,366,844,349	1,480,159,828
Total Funds Available	1,164,288,729	1,235,555,094	1,328,447,063	1,423,613,194	1,590,159,828
EXPENDITURES					
School Board Reserve	1,081,175,703	1,129,133,756	1,248,657,362	1,391,495,977	1,461,991,456
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
TRANSFERS OUT:					
School Construction Fund	13,634,066	9,644,561	7,323,826	9,179,856	14,106,550
Grants & Self-Supporting Fund	3,439,357	3,425,235	9,131,171	8,913,428	11,071,821
Adult & Community Education Fund	643,747	705,531	1,012,897	3,083,218	1,100,131
School Debt Service Fund	-	-	3,710,000	961,250	-
Health and Flexible Benefits Fund	307,216	2,617,253	221,508	256,101	268,546
Total Transfers Out	17,924,386	16,392,580	21,399,492	22,495,853	26,547,406
Total Expenditures	1,100,721,453	1,147,147,700	1,271,678,218	1,423,613,194	1,490,159,828
ENDING BALANCE, June 30	\$ 63,567,276	\$ 88,407,394	\$ 56,768,845	\$ -	\$ -

* Reflects an additional \$10.0 million in projected FY 2001 ending balance to be carried over to balance the FY 2002 budget.

Grants and Self-Supporting Fund Statement

	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Proposed
BEGINNING BALANCE, July 1	\$ -	\$ 572,705	\$ 2,415,563	\$ 5,332,245	\$ 1,500,000 "
RECEIPTS:					
State Aid	6,151,733	1,486,260	5,388,733	10,726,128	9,510,984
Federal Aid	7,440,620	9,301,626	9,942,125	17,137,425	12,415,476
Tuition	2,237,473	2,068,081	2,424,045	2,627,115	2,516,291
Industry, Foundation, and Other	629,772	836,971	979,152	982,196	968,531
Total Receipts	16,459,598	13,692,938	18,734,055	31,473,064	25,411,282
TRANSFERS IN:					
School Operating Fund (Grants)	342,504			16,757	
School Operating Fund (Summer School)	3,096,853	3,425,235	9,131,171	8,896,671	11,071,821
Cable Communication Fund	231,896	1,693,834	1,693,834	1,793,500	1,767,718
Total Transfers In	3,671,253	5,119,069	10,825,005	10,706,928	12,839,539
Total Receipts & Transfers	20,130,851	18,812,007	29,559,060	42,179,992	38,250,821
Total Funds Available	20,130,851	19,384,712	31,974,623	47,512,237	39,750,821
EXPENDITURES	19,558,146	16,969,149	26,642,378	47,512,237	39,750,821
ENDING BALANCE, June 30	\$ 572,705	\$ 2,415,563	\$ 5,332,245	\$ -	\$ -

" Reflects an additional \$1.5 million in projected FY 2001 summer school ending balance to be carried over to balance the FY 2002 budget.



Adult and Community Education Fund Statement

	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Proposed
BEGINNING BALANCE, July 1	\$ -	\$ 390,902	\$ 1,432,915	\$ 1,703,109	\$ -
RECEIPTS:					
State Aid	1,123,789	1,004,424	1,244,478	1,195,247	1,241,125
Federal Aid	419,498	326,601	292,540	351,162	284,000
Tuition	3,965,579	5,771,824	5,614,021	7,189,360	6,948,785
Industry, Foundation, and Other	50,996	62,945	154,983	-	-
Total Receipts	5,559,862	7,165,794	7,306,022	8,735,769	8,473,910
TRANSFERS IN:					
School Operating Fund	643,747	705,531	1,012,897	3,183,218	1,100,131
Total Transfers In	643,747	705,531	1,012,897	3,183,218	1,100,131
Total Receipts & Transfers	6,203,609	7,871,325	8,318,919	11,918,987	9,574,041
Total Funds Available	6,203,609	8,262,227	9,751,834	13,622,096	9,574,041
EXPENDITURES	5,812,707	6,829,312	8,048,725	13,622,096	9,574,041
ENDING BALANCE, June 30	\$ 390,902	\$ 1,432,915	\$ 1,703,109	\$ -	\$ -

Appendix 3

Fiscal 2001 Adopted Budget Plan Budget Overview

**FISCAL 2001
ADOPTED BUDGET PLAN
BUDGET OVERVIEW**

BOARD OF SUPERVISORS

Katherine K. Hanley, *Chairman*

Gerry Hyland, *Vice Chairman*

Sharon Bulova

Gerald E. Connolly

Michael R. Frey

Penelope A. Gross

Catherine M. Hudgins

Dana Kauffman

Elaine N. McConnell

Stuart Mendelsohn

Mount Vernon District

Braddock District

Providence District

Sully District

Mason District

Hunter Mill District

Lee District

Springfield District

Dranesville District

Anthony H. Griffin

County Executive

Verdia L. Haywood

Deputy County Executive

Edward L. Long, Jr.

Chief Financial Officer

David J. Molchany

Chief Information Officer

**Table Of
Contents**

**How To Read
The Budget**

**County Organization/
Budget Process**

**Chairman's
Letter**

**Executive
Summary**

**FY 2001 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND**

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 1999 Carryover	FY 2000 Third Quarter	Other Actions July - June	FY 2000 Revised Budget Plan	FY 2001 Adopted Budget Plan	FY 2001 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Beginning Balance	\$64,412,629	\$62,122,630	\$42,178,762	\$0	\$647,317	\$65,145,739	\$40,106,059	\$65,773,939	(\$29,371,901)	-41.38%
Revenue										
Real Property Taxes	\$843,374,446	\$896,712,840	\$0	\$930,944	\$980,405	\$998,624,189	\$1,084,001,493	\$1,082,151,493	\$63,527,304	8.36%
Personal Property Taxes ¹	367,914,632	391,352,200	0	0	(60,132,493)	331,219,707	293,271,337	293,271,337	(37,948,370)	-11.46%
General Other Local Taxes	317,892,659	328,692,378	0	3,539,021	10,536,867	342,768,266	360,943,366	356,920,431	14,152,185	4.13%
Permit, Fees & Regulatory Licenses	32,873,866	31,419,336	0	1,448,894	699,821	33,468,051	33,076,597	34,124,718	656,867	1.96%
Fines & Forfeitures	7,139,633	8,085,698	0	2,220,034	(2,600,040)	(58,136)	10,669,251	11,243,340	3,595,884	47.02%
Revenue from Use of Money & Property	46,008,060	42,426,437	387,321	0	8,102,055	50,915,813	55,660,663	63,208,651	12,292,838	24.14%
Charges for Services	30,792,411	30,386,785	0	(217,445)	390,399	30,569,539	31,888,318	32,150,968	1,581,429	5.17%
Revenue from the Commonwealth ¹	72,247,261	81,637,316	(158,851)	3,788,928	63,306,689	148,584,082	205,391,208	210,753,094	62,169,012	41.84%
Revenue from the Federal Government	31,201,261	30,893,118	461,261	2,427,480	(23,911)	33,727,946	31,407,745	39,968,110	8,228,184	18.47%
Recovered Capital/Other Revenue	4,671,091	6,061,181	116,367	(314,116)	298,467	6,180,890	6,849,640	11,585,244	8,404,354	123.61%
Total Revenue	\$1,856,116,139	\$1,946,067,187	\$3,025,112	\$9,013,477	\$24,000,163	\$1,982,705,939	\$2,111,949,618	\$2,135,365,366	\$162,659,447	7.70%
Transfers In										
105 Cable Communications	\$1,476,000	\$1,520,280	\$0	\$0	\$0	\$1,520,280	\$1,683,800	\$1,683,800	\$163,520	10.76%
503 Department of Vehicle Services	2,200,000	0	0	0	0	0	0	0	0	-
504 Document Services	529,764	0	0	0	0	0	0	0	0	-
Total Transfers In	\$4,205,764	\$1,520,280	\$0	\$0	\$0	\$1,520,280	\$1,683,800	\$1,683,800	\$163,520	10.76%
Total Available	\$1,844,732,823	\$2,000,310,097	\$45,200,904	\$9,013,477	\$24,847,480	\$2,079,371,858	\$2,153,741,417	\$2,192,623,124	\$113,451,166	5.46%
Direct Expenditures										
Personnel Services	\$363,968,340	\$421,182,410	\$819,940	(\$2,955,029)	(\$25,317)	\$419,002,004	\$457,886,561	\$457,918,182	\$38,916,176	8.29%
Operating Expenses	245,791,003	259,926,000	20,652,673	10,069,656	(82,756)	290,585,575	273,480,876	290,942,592	356,957	0.12%
Recovered Costs	(27,681,074)	(28,933,462)	(88,951)	(712,518)	0	(29,734,931)	(31,401,545)	(43,335,651)	(13,600,720)	45.74%
Capital Equipment	6,218,874	8,037,554	3,158,382	462,146	425,333	12,083,415	6,138,769	6,862,754	(5,220,661)	-43.21%
Fringe Benefits	85,549,953	94,784,562	(323,263)	(1,300,000)	(317,260)	92,844,059	101,485,347	107,064,793	14,220,734	15.32%
Total Direct Expenditures	\$693,847,096	\$754,977,084	\$24,218,781	\$5,584,257	\$0	\$764,780,122	\$807,590,128	\$818,452,610	\$34,672,488	4.42%

**FY 2001 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND**

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 1999 Carryover	FY 2000 Third Quarter	Other Actions July - June	FY 2000 Revised Budget Plan	FY 2001 Adopted Budget Plan	FY 2001 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Transfers Out										
002 Revenue Stabilization	\$0	\$0	\$7,830,899	\$10,132,785	\$0	\$17,963,694	\$0	\$0	(\$17,963,694)	-100.00%
090 Public School Operating	852,127,330	897,412,605	0	0	0	897,412,605	960,231,488	985,231,488	87,818,883	9.79%
100 County Transit System	20,917,276	18,776,920	0	0	0	18,776,920	15,652,018	15,902,018	(2,874,902)	-15.31%
103 Aging Grants & Programs	831,101	1,010,061	0	0	0	1,010,061	1,737,647	1,259,288	249,225	24.67%
104 Information Technology	16,081,878	15,337,435	500,808	0	0	15,838,243	18,393,266	18,393,266	2,555,023	16.13%
108 Community Services Board	52,490,989	67,684,038	404,544	591,036	0	58,679,618	65,125,476	65,768,003	7,088,385	12.08%
110 Refuse Disposal	0	0	0	1,500,000	0	1,500,000	0	0	(1,500,000)	-100.00%
118 Community-Based Agency Funding Pool	4,887,260	5,146,285	0	0	0	5,146,285	5,269,796	5,820,176	673,891	13.09%
119 Contributory Fund	0	0	0	0	0	0	5,492,620	6,021,696	6,021,696	-
120 E-911	0	0	0	0	0	0	0	1,912,445	1,912,445	-
141 Housing Programs for the Elderly	1,263,671	1,332,125	0	0	0	1,332,125	1,359,404	1,359,404	1,912,445	2.05%
144 Housing Trust Fund	0	0	0	0	0	0	0	1,359,404	1,359,404	-
200 County Debt Service	94,672,914	95,612,350	0	(1,200,000)	0	94,612,350	96,428,219	94,667,437	94,667,437	0.06%
201 School Debt Service	82,975,729	88,259,914	0	1,200,000	0	89,469,914	95,250,667	95,250,667	5,790,773	6.47%
300 Countywide Roadway Improvement	0	0	2,300,000	0	0	2,300,000	0	0	(2,300,000)	-100.00%
302 Library Construction	0	0	0	0	0	0	240,000	240,000	240,000	-
303 County Construction	8,180,936	10,243,438	950,000	0	0	11,193,438	14,646,319	14,646,319	3,452,881	30.85%
304 Primary & Secondary Rd Bond Constr	0	0	1,187,400	0	0	1,187,400	0	0	(1,187,400)	-100.00%
307 Sidewalk Construction	2,000,000	1,000,000	100,000	0	0	1,100,000	0	300,000	300,000	-72.73%
308 Public Works Construction	3,699,232	2,463,000	500,000	0	0	2,963,000	903,724	903,724	(2,059,276)	-68.50%
309 Metro Operations and Construction	11,151,056	7,045,630	0	0	0	7,045,630	12,673,283	12,673,283	5,627,653	79.87%
311 County Bond Construction	0	3,200,000	500,000	387,000	0	4,087,000	1,130,000	1,130,000	(2,957,000)	-72.35%
313 Trail Construction	407,000	50,000	0	0	0	50,000	150,000	150,000	100,000	200.00%
340 Housing Assistance Program	320,000	500,000	0	0	0	500,000	1,500,000	2,048,750	1,548,750	309.75%
500 Retiree Health	759,890	837,245	642,180	0	0	1,479,425	1,896,000	1,896,000	416,575	28.16%
503 Department of Vehicle Services	2,000,000	0	5,200,000	0	0	5,200,000	0	0	(5,200,000)	-100.00%
504 Document Services Division	0	0	0	0	0	0	2,900,000	2,900,000	2,900,000	-
505 Technology Infrastructure Services	973,815	0	0	0	0	0	0	0	0	-
Total Transfers Out	\$1,155,740,088	\$1,206,114,246	\$20,085,831	\$12,610,821	\$0	\$1,238,817,898	\$1,300,979,947	\$1,330,373,992	\$62,162,049	5.02%
Total Disbursements	\$1,849,587,184	\$1,961,088,330	\$44,314,612	\$18,195,078	\$0	\$2,023,589,020	\$2,109,570,075	\$2,149,826,592	\$84,972,055	4.20%
Total Ending Balance	\$95,145,739	\$39,221,767	\$889,292	(\$9,191,601)	\$24,847,480	\$55,773,938	\$45,171,402	\$42,986,532	(\$10,602,536)	-19.01%
Less:										
Managed Reserve	\$37,604,634	\$39,221,767	\$889,292	\$363,901	\$0	\$40,471,960	\$42,171,402	\$42,996,532	\$2,524,572	6.24%
Set Aside Reserve	14,317,996	0	0	0	0	0	0	0	0	-
Reserve pending State allocation for Foster Care/CSA/CCAP	0	0	0	0	0	0	3,000,000	0	0	-
Total Available	\$43,223,109	\$0	\$0	(\$9,545,502)	\$24,847,480	\$15,301,978	\$0	\$0	(\$15,301,978)	-100.00%

Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

Appendix 4

Fiscal Year 2002 Advertised Budget Plan Overview

Fairfax County, Virginia

Fiscal Year 2002 Advertised Budget Plan

Overview



1742

Prepared by the
Fairfax County Department of Management and Budget
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035

<http://www.co.fairfax.va.us/dmb/>

FY 2002 ADVERTISED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2000 Carryover	Other Actions July - January	FY 2001 Revised Budget Plan ^{1,2}	FY 2002 Advertised Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Beginning Balance ¹	\$95,145,739	\$95,773,938	\$27,153,427	\$5,597,526	\$98,494,891	\$43,556,194	(\$44,928,697)	-50.76%
Revenue ²								
Real Property Taxes	\$1,000,802,816	\$1,082,151,493	\$0	\$645,634	\$1,082,797,127	\$1,226,142,926	\$143,345,799	13.24%
Personal Property Taxes ³	335,925,075	293,271,337	0	20,714,837	313,986,174	245,279,451	(68,706,723)	-21.88%
General Other Local Taxes	343,196,780	356,920,431	0	(1,424,363)	355,496,068	372,204,163	16,708,095	4.70%
Permit, Fees & Regulatory Licenses	33,654,184	34,124,718	0	(230,111)	33,894,607	33,882,369	(12,238)	-0.01%
Fines & Forfeitures	7,579,871	11,243,340	0	(2,206,395)	9,036,955	11,595,781	2,558,826	28.32%
Revenue from Use of Money & Property	49,580,588	63,208,651	0	17,395	63,226,036	55,388,720	(7,837,316)	-12.40%
Charges for Services	28,572,596	32,150,969	239,946	(983,576)	31,407,338	33,000,331	1,592,993	5.07%
Revenue from the Commonwealth ⁴	146,751,560	210,753,094	3,154,722	(4,270,529)	209,637,287	283,613,410	73,976,123	35.29%
Revenue from the Federal Government	34,214,150	39,856,110	0	114,465	40,070,575	38,765,556	(1,305,019)	-3.26%
Recovered Costs/Other Revenue	11,081,962	11,585,244	(2,005,322)	(3,952,829)	5,627,093	5,054,588	(572,505)	-10.17%
Total Revenue	\$1,992,359,682	\$2,135,365,366	\$1,389,346	\$8,424,526	\$2,145,179,260	\$2,304,937,295	\$159,758,035	7.45%
Transfers In								
105 Cable Communications	\$1,520,280	\$1,683,800	\$0	\$0	\$1,683,800	\$1,614,594	(\$69,206)	-4.11%
Total Transfers In	\$1,520,280	\$1,683,800	\$0	\$0	\$1,683,800	\$1,614,594	(\$69,206)	-4.11%
Total Available	\$2,089,025,701	\$2,192,823,124	\$28,542,773	\$13,982,054	\$2,235,347,951	\$2,350,108,083	\$114,760,132	5.13%
Direct Expenditures								
Personnel Services	\$418,024,883	\$457,918,182	(\$5,628,437)	\$0	\$452,289,745	\$485,340,765	\$33,051,020	7.31%
Operating Expenses	269,152,984	290,942,532	8,023,064	(31,672)	298,933,924	311,446,212	12,512,288	4.19%
Recovered Costs	(28,180,913)	(43,335,651)	11,656,803	0	(31,678,848)	(32,162,911)	(484,063)	-1.53%
Capital Equipment	7,555,249	6,862,754	4,946,312	31,672	11,840,738	4,260,095	(7,580,643)	-64.02%
Fringe Benefits	95,170,709	107,084,793	173,005	0	107,237,798	111,065,554	3,827,756	3.57%
Total Direct Expenditures	\$761,722,912	\$819,452,610	\$19,170,747	\$0	\$838,623,357	\$879,949,715	\$41,326,358	4.93%

FY 2002 ADVERTISED GENERAL FUND STATEMENT **FUND 001, GENERAL FUND**

	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2000 Carryover	Other Actions July - January	FY 2001 Revised Budget Plan 1-2	FY 2002 Advertised Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Transfers Out								
002 Revenue Stabilization	\$17,963,684	\$0	\$3,692,561	\$0	\$3,692,561	\$0	(\$3,692,561)	-100.00%
080 Public School Operating *	687,412,605	985,231,488	2,769,420	0	988,000,908	1,061,606,976	73,606,068	7.45%
100 County Transit System	18,776,920	15,802,018	0	0	15,902,018	16,063,083	161,065	1.01%
103 Aging Grants & Programs	1,010,061	1,258,286	43,358	0	1,302,644	1,592,226	289,582	22.23%
104 Information Technology	15,836,243	18,393,266	0	0	18,393,266	14,495,000	(3,898,266)	-21.19%
108 Community Services Board	58,679,618	65,768,003	147,415	0	65,915,418	75,375,013	9,459,595	14.35%
110 Refuse Disposal	1,500,000	0	0	0	0	5,500,000	5,500,000	
118 Community-Based Agency Funding Pool	5,146,285	5,820,176	0	0	5,820,176	5,923,150	102,974	1.77%
119 Contributory Fund	0	6,021,686	176,679	0	6,198,375	6,832,638	634,263	10.23%
120 E-911	0	1,912,445	0	0	1,912,445	3,786,353	1,883,908	98.51%
141 Housing Programs for the Elderly	1,332,125	1,359,404	0	0	1,359,404	1,253,327	(106,077)	-7.80%
144 Housing Trust Fund	0	1,800,000	0	0	1,900,000	0	(1,900,000)	-100.00%
200 County Debt Service	84,812,350	84,667,437	0	0	84,667,437	88,009,886	3,342,449	3.93%
201 School Debt Service	89,458,914	85,250,867	0	0	85,250,867	104,837,673	19,586,806	22.85%
300 Countywide Roadway Improvement	2,300,000	0	0	0	0	0	0	0.00%
302 Library Construction	0	240,000	0	0	240,000	0	(240,000)	-100.00%
303 County Construction	11,193,438	14,646,319	225,000	0	14,871,319	9,742,957	(5,128,362)	-34.49%
304 Primary & Secondary Rd Bond Const	1,167,400	0	423,277	0	423,277	150,000	(273,277)	-64.56%
307 Sidewalk Construction	1,100,000	300,000	500,000	0	800,000	0	(800,000)	-100.00%
308 Public Works Construction	2,963,000	903,724	0	0	903,724	580,776	(322,948)	-35.74%
309 Metro Operations and Construction	7,045,830	12,673,283	0	0	12,673,283	11,450,844	(1,222,439)	-9.65%
311 County Bond Construction	4,087,000	1,130,000	0	0	1,130,000	200,000	(930,000)	-82.30%
313 Trail Construction	50,000	150,000	0	0	150,000	2,883,404	2,733,404	1821.60%
340 Housing Assistance Program	500,000	2,048,750	834,654	0	2,883,404	1,850,000	(1,033,404)	-35.84%
500 Refuse Health	1,479,425	1,896,000	0	0	1,896,000	1,917,915	21,915	1.16%
503 Department of Vehicle Services	5,200,000	0	0	0	0	2,900,000	(2,900,000)	-100.00%
504 Document Services Division	0	2,900,000	0	0	2,900,000	0	(2,900,000)	-100.00%
Total Transfers Out	\$1,238,817,898	\$1,330,373,982	\$8,812,364	\$0	\$1,339,186,348	\$1,424,077,817	\$84,891,471	6.34%
Total Disbursements	\$2,000,640,810	\$2,149,826,592	\$27,983,111	\$0	\$2,177,809,703	\$2,304,027,532	\$126,217,829	5.80%
Total Ending Balance	\$88,484,891	\$42,996,532	\$559,662	\$13,982,054	\$57,538,248	\$46,080,551	(\$11,457,697)	-19.91%
Less:								
Managed Reserve	\$40,471,960	\$42,996,532	\$559,662	(\$363,901)	\$43,556,194	\$46,080,551	\$2,524,357	5.80%
Set Aside Reserve	0	0	0	0	0	0	0	0.00%
Reserve for Third Quarter Adjustments *	0	0	0	0	13,982,054	0	(13,982,054)	-100.00%
Total Available *	\$48,012,931	\$0	\$0	\$14,345,955	\$0	\$0	\$0	0.00%

Appendix 5

Inflation Calculation

Inflation Calculation

Fairfax County's advertised budget only has an average inflation rate for 1996-2000. This was not considered appropriate for this study. The chart below is from the Bureau of Labor Statistics and can be found at the following website:
<http://146.142.4.24/labjava/outside.jsp?survey=cw>

To calculate the inflation rate for 2000, divide annual inflation rate for 2000, by the annual inflation rate for 1999 and multiply by 100. The percentage change is the inflation rate. Do the same for 1999. This provides the following inflation rates:

1999: 2.1%%

2000: 3.4%%

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWUJRA311SA0,CWUSA311SA0															
Not Seasonally Adjusted															
Area: Washington-Baltimore, DC-MD-VA-WV															
Item: All items															
Base Period: NOVEMBER 1996=100															
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann Avg	Half1	Half2
1996											100.0				
1997	100.4		100.8		100.5		101.1		101.4		100.4		100.8	100.6	100.9
1998	100.8		101.3		101.3		102.5		102.7		102.2		101.9	101.3	102.5
1999	102.7		102.8		103.4		104.3		105.3		104.9		104.0	103.1	104.9
2000	105.3		106.9		106.7		108.2		108.7		108.4		107.5	106.5	108.5
2001	108.6														

Inflation rates are not available from the Bureau of Labor Statistics for 2001 and 2002. For those years, the county estimates inflation rates of 2.6% for each year as can be found in the advertised budget for FY 2002 on the first page of the *Trends* section. See attached.

Trends

This section includes:

- ▶ ***Household Tax Analyses***
(Page 274)
- ▶ ***Demographic Trends***
(Page 279)

TRENDS

HOUSEHOLD TAX ANALYSES

The following analyses illustrate the impact of selected County taxes on the "typical" household from FY 1996 to FY 2002. This period provides five years of actual data, estimates for FY 2001 based on year-to-date experience, and projections for FY 2002. Historical dollar amounts are converted to FY 2002 dollar equivalents for comparison purposes using the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Baltimore area. The Washington metropolitan area has experienced average annual inflation of 2.3 percent from FY 1996 to FY 2000. Projections for inflation in FY 2001 and FY 2002 are based on the consensus forecast of 2.6 percent in the Blue Chip Economic Indicators, which is consistent with recent experience in the area.

HOUSEHOLD TAXATION TRENDS: SELECTED CATEGORIES FY 1996 - FY 2002

The charts on the following pages show the trends in selected taxes (Real Estate Taxes, Personal Property Taxes, Sales Taxes, and Consumer Utility Taxes) paid by the "typical" household in Fairfax County. It is important to note that the following data are not intended to depict a comprehensive picture of a household's total tax burden in Fairfax County.

The "typical" household in Fairfax County is projected to pay \$3,618.51 in selected County taxes in FY 2002, \$56.26 more than FY 2001 after adjusting for inflation. From FY 1996 to FY 2002, the inflation adjusted increase in selected County taxes for the "typical" household is only \$2.89, or less than 0.01 percent. Without adjusting for inflation, the "typical" Fairfax County household's tax payment has increased an average of 2.4 percent per year since FY 1996, resulting in an increase of \$470.18 over the period. Please note that taxes paid in FY 1999 through FY 2002 reflect the Personal Property Tax Relief Act of 1998 (PPTRA) as originally approved, which reduced an individual's Personal Property Tax liability by 12.5 percent in FY 1999, 27.5 percent in FY 2000, 47.5 percent in FY 2001, and 70.0 percent in FY 2002. However, the Virginia General Assembly has indicated that the level of tax relief in FY 2002 may change. This analysis, though, assumes a 70.0 percent reduction in FY 2002 as originally approved. The PPTRA applies to vehicles valued up to \$20,000 owned by individuals.

Summary of Major Taxes Per "Typical" Household

	Number of Households	Real Estate Tax in FY 2002 Dollars	Personal Property Tax in FY 2002 Dollars ¹	Sales Tax in FY 2002 Dollars	Consumer Utility Tax in FY 2002 Dollars	Total Taxes in FY 2002 Dollars ¹
FY 1996	323,329	\$2,535.94	\$593.67	\$331.31	\$154.70	\$3,615.62
FY 1997	328,131	\$2,652.93	\$632.20	\$338.80	\$158.40	\$3,782.33
FY 1998	338,045	\$2,609.80	\$629.68	\$345.90	\$159.45	\$3,744.83
FY 1999	344,563	\$2,585.26	\$561.95	\$366.41	\$159.82	\$3,673.44
FY 2000	353,356	\$2,534.08	\$485.37	\$383.67	\$159.53	\$3,562.65
FY 2001 ²	359,460	\$2,626.51	\$382.46	\$391.49	\$161.79	\$3,562.25
FY 2002 ²	365,670	\$2,848.20	\$211.49	\$397.59	\$161.22	\$3,618.51

¹ FY 1999 reflects a refund of 12.5 percent paid to citizens by the Commonwealth, FY 2000 incorporates a 27.5 percent reduction, FY 2001 incorporates a 47.5 percent reduction, and FY 2002 incorporates a 70.0 percent reduction in Personal Property Tax bills sent to citizens. The difference in revenue will be paid to the County by the Commonwealth.

² Estimated.

Appendix 6

Cost of Additional Teachers

Cost of Additional Teachers

According to the county school system, the number of school based teachers including positions from state and federal projects and excluding librarians, guidance counselors and audiologists are listed below.

	Classroom Teachers	Student Population	Student Percent Increase
1998	10,184	148,000	
1999	10,653	151,000	2.0%
2000	11,229	155,000	2.6%
2001	11,801	161,000	3.7%
2002	12,364	165,000	2.5%

What these numbers show is that Fairfax County has hired an additional 2180 school based teachers since 1998. This is an increase of 21.4% while the student population increased 11.5%.

In order to figure the approximate cost of the "extra" teachers hired each year the following chart was created. The percentage increase in student population was used to determine the equal percentage increase in teachers needed to keep the teacher-pupil ratio approximately the same. Then the difference between this number and the actual number of teachers in the system in a particular year was the number of "extra" teachers. Then these "extra" teachers were multiplied by \$40,000 which was the arbitrary salary and benefits package cost assigned to each "new" teacher.

	Teachers Needed to Match Student % Increase-	"Extra" Teachers	Cost of Extra Teachers
1998 (base year)			
1999	10,388	265	\$10,600,000
2000	10,930	299	\$11,960,000
2001	11,645	156	\$ 6,240,000
2002	12,096	268	\$10,720,000

The total cost of the "extra" teachers in the system depending upon the base year used in the analysis are as follows. It is these numbers that were used, with the extra costs of special education, to subtract from the basic numbers in Budget Analysis #1 and Budget Analysis #2 to come to a final "overpayment" number.

Cost of Additional Teachers Through 2002

1998 Base Year:	\$39,520,000
1999 Base Year:	\$28,920,000
2000 Base Year	\$16,960,000

Appendix 7

Cost of Additional Special Education Students

Cost of Additional Special Ed Students

Special education requirements for Fairfax County are an increasing cost. The additional costs associated with each special education student and the "extra" costs for the additional students enrolled in this program (additional students being those beyond the normal increase in the overall student body) are outlined below.

	Special Ed Students*	Total Students	Percent of Total
1998	19,179	148,000	12.9%
1999	20,423	151,000	13.5%
2000	21,302	155,000	13.7%
2001	22,317	161,000	13.9%
2002	23,397	165,000	14.2%

*see page 178 of the Superintendent's Proposed 2002 Budget.

What these numbers show is that Fairfax County has seen an increase in the number of students classified as needing "special education" of 4,218 since 1998. This is an increase of 22% while the total student population has increased by 11.5%.

According to the school staff's answer to School Board Member Christian Braunlich (see Question #91), the total cost for each special education student in the budgets since 1998 are outlined. To determine the extra costs, this total cost needs to have subtracted from it the average cost per student for each year. The number of "extra" students enrolled in special ed courses was determined based upon the percentage increase in total students and what the increase in special ed students would have been had the ratio between the total student population and the special ed population remained the same.

	Extra Cost/enrollee**	"Extra" Special Ed Students	Cost of the "Extra" Students
1998	\$7,713		
1999	\$7,521	860	\$ 6,468,060
2000	\$7,673	348	\$ 2,670,204
2001	\$8,006	184	\$ 1,473,104
2002	\$8,499	522	\$ 4,436,478

**From school budget. See page 49 of this report.

The total cost of the "extra" special ed students depending upon the base year used in the analysis are as follows. It is these numbers that were used, along with the cost of the "extra" teachers in the system and the "extra" cost of students enrolled in English as a Second Language (ESL) courses, to subtract from the basic numbers in Budget Analysis #A and Budget Analysis #B to come to the final "overpayment" number used in this report under the heading, "Total Overspending by Fairfax County."

Cost of Additional Special Ed Students Through 2002

1998 Base Year: \$15,047,846
1999 Base Year: \$ 8,579,786
2000 Base Year: \$ 5,909,582

FY 2002

BUDGET INFORMATION FORM**School Board Member Requesting Information:** Christian Braunlich**Answer Prepared By:** Charles Woodruff**Date Prepared:** March 23, 2001**Question:**

What is the cost for each special education student per year in each of these years (1998, 1999, 2000, 2001, and projected in 2002)?

Response:

The chart below list the average special education cost per pupil for the self-contained, resource, and preschool programs.

**Average Cost Per Pupil
Special Education
FY 1998 to FY 2002**

Year	Student enrolled in Special Education		
	Receive Services		Preschool
	More than 50% of the day	Less than 50% of the day	
1998	\$14,530	\$10,641	\$13,081
1999	\$15,196	\$10,133	\$13,173
2000	\$15,465	\$10,579	\$13,936
2001	\$15,899	\$10,889	\$13,821
2002	\$16,258	\$11,680	\$14,988

* Includes the average general education cost per pupil and the average resource cost per service.

Special Education Per-Service Costs
FY 2002 Proposal

	FY 1997 ¹ Approved	FY 1998 ¹ Approved	FY 1999 ² Approved	FY 2000 Approved	FY 2001 Approved	FY 2002 Proposed	Change in FY 2002 Compared to FY 2001 Amount Percent
Self-Contained Level of Service							
Autism							
Emotionally Disabled	\$16,807	\$16,312	\$19,679	\$20,251	\$20,477	\$21,018	\$542 2.6%
Hearing-Impaired	\$20,816	\$23,852	\$19,530	\$19,779	\$21,616	\$22,233	\$616 2.9%
Learning Disabled	\$18,981	\$20,275	\$17,307	\$18,648	\$19,941	\$21,932	\$1,991 10.0%
Mild Retardation	\$10,630	\$10,763	\$12,659	\$12,665	\$12,813	\$12,896	\$83 0.6%
Markedly Retarded/Severely Disabled	\$12,842	\$13,570	\$12,986	\$12,949	\$13,772	\$14,474	\$701 5.1%
Multisensory	\$22,170	\$22,617	\$24,510	\$25,597	\$26,449	\$27,199	\$749 2.8%
Physically Disabled	\$12,714	\$14,044	\$14,443	\$15,163	\$15,252	\$16,326	\$1,074 7.0%
Average Cost Per Service Self-Contained	\$18,126	\$19,698	\$23,589	\$25,513	\$30,338	\$31,740	\$1,402 4.6%
	\$13,991	\$14,530	\$15,196	\$15,465	\$15,899	\$16,258	\$359 2.3%
Preschool							
Home Resource	NA	NA	\$7,255	\$7,643	\$7,103	\$8,328	\$1,225 17.2%
Classroom-Based	NA	NA	\$17,565	\$18,706	\$19,268	\$20,397	\$1,129 5.9%
Average Cost Per Service Preschool	\$12,058	\$13,081	\$13,173	\$13,936	\$13,821	\$14,968	\$1,167 8.4%
Resource Level of Service							
Autism	NA	NA	\$5,566	\$5,197	\$5,403	\$4,985	(\$418) -7.7%
Emotionally Disabled	\$5,098	\$4,960	\$7,352	\$6,806	\$6,831	\$7,206	\$375 5.5%
Hearing-Impaired	\$17,571	\$18,813	\$14,854	\$15,304	\$16,109	\$18,402	\$2,293 14.2%
Learning Disabled	\$5,051	\$6,352	\$4,020	\$4,138	\$4,169	\$4,534	\$365 8.8%
Mild Retardation	NA	NA	\$3,311	\$2,334	\$3,763	\$4,417	\$653 17.4%
Physically Disabled	\$8,205	\$7,389	\$8,304	\$9,135	\$9,386	\$9,989	\$603 6.4%
Speech-Impaired	\$1,576	\$1,776	\$1,852	\$1,841	\$1,948	\$2,311	\$364 18.7%
Visually-Impaired	\$8,975	\$10,125	\$8,855	\$8,714	\$9,207	\$9,476	\$270 2.9%
Average Cost Per Service Resource	\$3,371	\$4,030	\$3,341	\$3,413	\$3,523	\$3,930	\$407 11.6%
Total Special Education Average Cost-Per Service	\$6,827	\$7,713	\$7,521	\$7,673	\$8,006	\$8,499	\$494 6.2%

¹ Data for these years are not comparable to data for FY 1999 and beyond.

² Data revised from those previously published to make series comparable.



Special Education Services Chart A

Number of Students Receiving Self-Contained Level of Services: ^{1/}										Change FY 2001 App to FY 2002 Prop		Avg. Annual Change 1997 to 2002
School-Based Services										Amount	Percent	
Autistic												
Emotionally Disabled	198	233	269	327	480	548	68	14.2%	35.4%			
Hearing-Impaired	95	113	145	250	521	633	112	21.5%	113.3%			
Learning Disabled	61	71	81	51	98	104	6	6.1%	14.1%			
Mild Retardation	4,244	4,743	5,001	5,547	6,242	6,690	448	7.2%	11.5%			
Moderately Retarded/Severely Disabled	643	652	673	624	823	888	65	7.9%	7.6%			
Noncategorical	273	287	263	296	350	386	36	10.3%	8.3%			
Physically Disabled	219	271	307	294	455	527	72	15.8%	28.1%			
Vision-Impaired	75	71	78	79	99	127	28	28.3%	13.9%			
	6	4	7	9	15	17	2	13.3%	36.7%			
Subtotal School-Based Services	5,814	6,445	6,824	7,477	9,083	9,920	837	9.2%	14.1%			
Center-Based Services												
Autistic	2	0	3	3	9	9	0	0.0%	70.0%			
Emotionally Disabled	917	996	1,045	930	1,147	1,171	24	2.1%	5.5%			
Hearing-Impaired	98	102	107	109	128	128	0	0.0%	6.1%			
Learning Disabled	12	12	15	5	5	20	15	300.0%	13.3%			
Mild Retardation	36	41	53	48	43	43	0	0.0%	3.9%			
Moderately Retarded/Severely Disabled	213	186	208	212	213	213	0	0.0%	0.0%			
Physically Disabled	90	93	101	84	91	61	(30)	-33.0%	-6.4%			
Subtotal Center-Based Services	1,368	1,430	1,532	1,391	1,636	1,645	9	0.6%	4.0%			
Preschool Services												
School-Based	739	782	746	714	1,001	1,072	71	7.1%	9.0%			
Center-Based	33	41	41	6	46	46	0	0.0%	7.9%			
Home resource	547	646	625	694	849	908	59	6.9%	13.2%			
Subtotal Preschool Services	1,319	1,469	1,412	1,414	1,896	2,026	130	6.9%	10.9%			
TOTAL SELF-CONTAINED MEMBERSHIP^{2/}	8,501	9,344	9,768	10,282	12,615	13,591	976	7.7%	12.0%			

^{1/} Students with this designation have IEPs reflecting 50 percent or more special education services within their educational program

^{2/} Excludes students placed in residential and non-residential programs because there are no appropriate programs for these students in Fairfax County Public Schools.

Special Education Services Chart B

Resource Services Provided by Program ^{1/3}	Change FY 2001 App. to FY 2002 Prop.										Avg. Annual Change 1997 to 2002	
	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Approved	FY 2002 Proposed	Amount	Percent	Amount	Percent		
Autistic	170	193	254	339	335	387	52	15.5%	25.5%			
Emotionally Disabled	743	905	1,216	1,463	1,386	1,599	213	15.4%	23.0%			
Hearing-Impaired	206	228	237	309	282	287	5	1.8%	7.9%			
Learning Disabled	6,197	6,088	6,876	7,047	7,149	7,656	507	7.1%	4.7%			
Mild Retardation	25	54	68	76	55	44	(11)	-20.0%	15.2%			
Noncategorical				14	14	18	4	28.6%	NA			
Physically Disabled	450	500	516	514	555	557	2	0.4%	4.8%			
Speech and Language Impaired	9,111	9,497	9,987	10,436	11,381	11,796	415	3.6%	5.9%			
Vision-Impaired	179	190	196	216	225	231	6	2.7%	5.8%			
Subtotal Resource Services	17,081	17,655	19,350	20,414	21,382	22,575	1,193	5.6%	6.4%			
Related Services												
Adaptive Physical Education	273	339	363	432	489	544	55	11.2%	19.9%			
Career and Transition Services	3,704	4,021	4,327	4,354	5,244	5,420	176	3.4%	9.3%			
Instructional Technology	778	927	1,222	1,350	1,405	1,475	70	5.0%	17.9%			
Therapy Services	2,357	2,476	2,542	2,301	2,928	3,000	72	2.5%	5.5%			
Subtotal, Related Services	7,112	7,763	8,454	8,437	10,066	10,439	373	3.7%	9.4%			
TOTAL, ALL SPECIAL EDUCATION SERVICES	32,694	34,762	37,572	39,133	44,063	46,605	2,542	5.8%	8.5%			
UNDUPLICATED MEMBERSHIP COUNT ^{1/4}	18,476	19,179	20,423	21,302	22,317	23,397	1,080	4.8%	5.3%			
SERVICES PER STUDENT	1.77	1.81	1.84	1.87	1.97	1.99						

- ^{1/3} The resource numbers include students who receive less than 50 percent special education services within their educational environment and/or related resource services to their primary area of disability.
- ^{1/4} Total number of students receiving special education services, including self-contained, center, and general education students receiving resources services.

Appendix 8

Cost of Additional ESL Students

Cost of Additional ESL Students

The number of English as a Second Language (ESL) students in Fairfax County are increasing. The costs associated with these ESL students are analyzed and those costs beyond the rate of overall student population growth are determined below.

	ESL Students*	Total Students	Percent of Total
1998	10,419	148,000	7.0%
1999	11,259	151,000	7.5%
2000	13,467	155,000	8.7%
2001	15,635	161,000	9.7%
2002	16,691	165,000	10.1%

*see attached answer to Question #93 to the school staff by Board Member Christian Braunlich

What these numbers show is that the Fairfax County has seen an increase in the number of students in ESL classes by 6,272 since 1998. This is an increase of 60.2% while the total student population has increased by 11.5%.

According to the school staff's answer to School Board Member Christian Braunlich, the cost for each ESL student in the proposed budget is outlined in Question #90. The calculation to determine the extra cost was this: the total cost of each ESL student had subtracted from it the cost per student in "Analysis A." The number of "extra" students enrolled in ESL courses was determined based upon the percentage increase in total students and what the increase in ESL students would have been had the ratio between the total student population and the ESL population remained the same.

	Extra Cost/enrollee	"Extra" ESL Students	Cost of the "Extra" ESL Students
1998	\$ 1,504		
1999	\$ 1,701	632	\$ 1,075,032
2000	\$ 1,498	1,904	\$ 2,852,192
2001	\$ 1,044	1,643	\$ 1,715,292
2002	\$ 1,440	665	\$ 957,600

The total cost of the "extra" ESL students depending upon the base year used in the analysis are as follows. It is these numbers that were used, along with the cost of the "extra" teachers in the system and the "extra" cost of students enrolled in the Special Education program, to subtract from the basic numbers in Budget Analysis #A and Budget Analysis #B to come to the final "overpayment" number used in this report under the heading, "Total Overspending by Fairfax County."

Cost of Additional ESL Students Through 2002

1998 Base Year: \$ 6,600,116
1999 Base Year: \$ 5,525,084
2000 Base Year: \$ 2,672,892

FY 2002

BUDGET INFORMATION FORM**School Board Member Requesting Information:** Christian Braunlich**Answer Prepared By:** Charles Woodruff**Date Prepared:** March 27, 2001**Question:**

How many ESL students are there in the system today and how many in 1998, 1999, 2000, 2001, and projected in 2002?

Response:**English as a Second Language****Enrollment 1998 - 2002**

Year	Students*
1998	10,419
1999	11,259
2000	13,467
2001	15,635
2002 (Projected)	16,691

*all levels and special education

FY 2002

BUDGET INFORMATION FORM**School Board Member Requesting Information:** Christian Braunlich**Answer Prepared By:** Charles Woodruff**Date Prepared:** March 20, 2001**Question:**

What is the cost for each ESL student in each of these years (1998, 1999, 2000, 2001, and projected in 2002)?

Response:

The chart below lists the average cost per pupil for the English as a second language program.

**English as a Second Language
Cost-Per-Pupil Expenditures**

Year	Cost*
1998	\$8,943
1999	\$9,297
2000	\$9,704
2001	\$9,889
2002	\$10,470

*Includes the average general education costs and the ESL costs

About the Authors

James J. Hogan spent most of his 25 years in the Government at the FBI with assignments as Controller of the Drug Enforcement Agency and Executive Associate Commissioner of the Immigration and Naturalization Service. His final FBI assignment was as Special Assistant to the Director. He has worked on a contract basis as an Investigator for the Surveys and Investigations Staff of the House Appropriations Committee in addition to two years as Auditor to the Board of Supervisors of Fairfax County. For the past three years Mr. Hogan has served as Vice President for Administration for the Legal Services Corporation. He is a retired CPA with an inactive license. He lives in Fairfax County with his family.

Michael W. Thompson: Mr. Thompson and his family have lived in Fairfax County, Virginia for thirty years. He has been active in the community serving as a PTA President for two terms, on several boards and commissions, as President of the Springfield District Council for three years, on the Board of the Fairfax Federation of Citizens Associations for three years, and as a leader in various political campaigns on the local, state and national level. His two children graduated from the public schools in Fairfax County and his son continues to live here with his wife and daughter.

Mr. Thompson founded a successful direct marketing agency in Springfield and served as its president for 23 years before selling it to his employees. He was also president of a chain of furniture stores in Georgia during this same time period. Mr. Thompson is an active member of the National Federation of Independent Business (NFIB) and serves on its state Board of Directors. He served as President of the Virginia NFIB for two years. Governor James Gilmore recently reappointed Mr. Thompson to a second term on the Small Business Environmental Compliance Advisory Board.

Mr. Thompson serves as Vice Chairman of the Fund for American Studies, an award winning foundation that sponsors six various summer institutes for college leaders here in the United States and overseas. He founded and serves as Chairman and President of the Thomas Jefferson Institute for Public Policy, a non-partisan foundation offering creative alternatives to current government programs and policies on the state and local level here in Virginia. Leading Democrats and Republicans serve on its Board of Directors.

Thomas Jefferson Institute for Public Policy

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Robert W. Woltz, Jr.: President and CEO of Verizon-Virginia



*“... a wise and frugal government, which shall
restrain men from injuring one another, shall leave
them otherwise free to regulate their own pursuits of
industry and improvement, and shall not take from
the mouth of labor the bread it has earned. This is the
sum of good government, and this is necessary to close
the circle of our felicities.”*

Thomas Jefferson

1801