



THE THOMAS JEFFERSON INSTITUTE FOR PUBLIC POLICY

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Second Annual Fairfax County Budget Analysis

Better Prioritization and Management Still Needed

By:

Michael W. Thompson

May 2002

Thomas Jefferson Institute for Public Policy

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Fairfax County Budget Analysis**

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**Second Annual
Fairfax County Budget Analysis**

Better Prioritization and Management Still Needed

By: Michael W. Thompson

Last year, the Thomas Jefferson Institute initiated a yearly analysis of the Fairfax County annual budget. This analysis was started in an effort to bring to the attention of our leaders in the public and private sector, along with the taxpayers of the area, the huge amount of money that is annually spent in this county and that a reasonable restraint on spending and better prioritization of the spending could have a significant impact on the public schools needs we face. New schools and renewed schools are a top priority and the need to pay our teachers better is a critical priority.

In the Foreword to last year's Fairfax County Budget Analysis, former County Auditor James Hogan stated,

"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."

Mr. Hogan went on say in his Foreword to last year's analysis,

"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 year's budget analysis was undertaken to determine the answer to this question: *what would have been the result – how much "extra" money would there have been -- since 1999, had the overall budget for the county and the school system only increased at the rate of inflation and population growth and if the school system's numbers included all the costs for Special Education, English for Speakers of Other Languages, and every new classroom teacher hired over this four year period? And what would have been the outcome if a similar analysis were done beginning in 2000 and 2001?* The results are fascinating.

This year's Budget Analysis again shows that the funds to meet our infrastructure and teacher pay needs could be available under current county income if our elected leaders budgeted with these two critical issues as their top priorities without cutting current programs.

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 about \$600 million *in addition* to the bond issue that was approved last fall to meet the needs that were discussed in that campaign. And this amount is just for the needs over the next several years. Additional school infrastructure needs will face us in the years ahead and should be part of the current discussion as well.

This year's 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 or our schools. It is not a criticism of any particular programs. This analysis does not pass judgment on any particular program whatsoever.

However, the author urges the county School Board, and the Board of Supervisors that supplies the funds for the School Board, to review two very important school items. First, the recent study by the Fairfax County Federation of Teachers that shows that by using phonics in the remedial reading and Special Education reading classes, as many as 500 classrooms could be "freed up" for our students. This is the equivalent of over 20 elementary schools!

Second, the state's new law that makes it easier to approve public-private partnerships in building public schools needs to take a major role in the infrastructure plans here in Fairfax County. This new law, a direct result of creative thinking by a number of legislators including State Senator Walter Stosch of Richmond, Delegate David Albo of Springfield and former Delegate Jack Rust of Fairfax City and the work of the Thomas Jefferson Institute for Public Policy (see the Jefferson Institute study from October 2001 entitled, "*Innovative and Workable Ideas for Building Schools*"). The new South County high school will hopefully be built under this concept and it could create a savings of as much as 40% -- \$32 million -- and that savings will pay for more than one new elementary schools or about one new middle school. And this new high school could be built in about one-half the time compared to using the normal "bond and build" process

The numbers generated in this year's budget analysis are once again dramatic and need to be discussed, further analyzed and brought into focus for long-term strategic planning purposes in this county. They indicate, as did last year's analysis, 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.

The potential savings that reasonable spending restraint and re-prioritization can produce, along with new state and national legislation that encourages public-private partnerships in building public schools, indicates that most of the school infrastructure needs in our county might well be financed without additional taxes.

The base Fiscal Year of 1999 was selected as the starting point for this year's budget analysis. This four-year time period gives the reader an idea of just how much money our county could have dedicated toward school infrastructure and teacher pay increases over a very short period of time.

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 and

inflation figures were determined from the figures at the Bureau of Labor Statistics for 2000 and 2001 rather than the five-year average inflation figure available in the current *FY 203 Advertised Budget* publication. The county's projected inflation figures for 2002 and 2003 were used since the actual numbers are not available from the federal government.

Each of the two analyses used three different "base years" so that those reading this report would see the impact of analyzing this budget using the base years of 1999, 2000 and 2001. *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 4), the "extra" costs of special education (see Appendix 5), and the "extra" costs of English as a Second Language classes (See Appendix 6) were subtracted (giving back these dollars to the school system so they would not be included in the "net overspending" figures). 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 "net 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 has given Fairfax County and Northern Virginia the option of raising its sales tax rate by 11% to pay for transportation needs.

The numbers shown in this analysis indicate the school infrastructure needs could be significantly handled without asking the citizens for more bond indebtedness or additional taxes. With proper planning, prioritization and creativity the county could also use these "extra funds" toward relieving the transportation congestion mess that we face here in Fairfax County.

The numbers in the chart below paint a dramatic picture.

Total "Overspending" by Fairfax County

	Combined Overspending	School "extras" credited	Net Overspending
<i>Analysis A</i>			
Base Year			
1999	\$646,317,676	\$131,025,519	\$515,292,157
2000	\$172,592,400	\$107,985,519	\$ 64,606,881
2001	\$108,844,610	\$ 85,105,519	\$ 23,739,091
<i>Analysis B</i>			
Base Year			
1999	\$886,780,205	\$131,025,519	\$755,754,686
2000	\$398,397,630	\$107,985,519	\$290,412,111
2001	\$190,690,840	\$ 85,105,519	\$105,585,321

If the county's overall spending had grown only at the rate of inflation and population since the 1999 base budget -- including all new teachers, all special education costs and all ESOL costs -- almost \$515 million would have been available for our schools in a short four year period using Analysis A and \$755 million using Analysis B.

These numbers include all the new teachers hired by Fairfax County since 1999, the entire costs for special education and the ESOL 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 24-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, health insurance costs, etc. then the remaining numbers still show the need for improved cost savings and budget management.

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

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 the school system 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

(1999 Base Year)

Fiscal Year	Non-School Spending Beyond Growth of Inflation & Population	K-12 School Spending Beyond Growth of Inflation & Population
1999 (base year)		
2000 (actual)	\$ 56,478,206	\$ 54,583,250
2001 (actual)	\$ 76,388,930	\$ 59,995,760
2002 (revised)	\$122,544,420	\$ 99,436,820
2003 (advertised/proposed)	\$ 73,634,970	\$103,255,320
Total “Overspending”	\$329,046,526	\$317,271,150

Combined Overspending using 1999 as Base Year \$ 646,317,676

(2000 Base Year)

2000 (base year)		
2001 (actual)	\$ 17,451,990	\$ 2,965,660
2002 (revised)	\$ 61,436,880	\$ 39,937,660
2003 (advertised/proposed)	\$ 28,232,310	\$ 40,558,780
Total Overspending	\$ 89,130,300	\$ 83,462,100

Combined Overspending using 2000 as Base Year \$172,592,400

(2001 Base Year)

2001 (base year)		
2002 (revised)	\$43,283,260	\$36,848,070
2003 (advertised/proposed)	(\$ 8,590,240)	\$37,303,520
Total Overspending	\$34,693,020	\$74,151,590

Combined Overspending using 2001 as Base Year \$108,844,610

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	(2.1%) \$ N/A	\$ N/A
2000 (actual)	\$ 920	966.1	\$ 952.28	(3.4%) \$ 893.82	\$ 58.46
2001 (actual)	\$ 975	981.0	\$ 993.88	(2.5%) \$ 916.17	\$ 77.71
2002 (revised)	\$1,057	998.0	\$ 1,059.12	(2.2%) \$ 936.33	\$122.79
2003 (advertised & amended)	\$1,043	1,013.0	\$ 1,029.62	(2.2%) \$ 956.93	\$ 72.69
<u>"Overspending" in Non School Budget – '99 as Base Year</u>					
1999 (base year)					
2000 (actual)	\$58.46/person "overspent" x 966,100 population =			\$ 56,478,206	
2001 (actual)	\$ 77.71/person "overspent" x 983,000 population =			\$ 76,388,930	
2002 (revised)	\$122.79/person "overspent" x 998,000 population =			\$122,544,420	
2003 (advertised)	\$72.69/person "overspent" x 1,013,000 population =			\$ 73,634,970	

"Overspent" in four years: \$329,046,526 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and minus County Debt Service and School Debt Service - See Appendix I.

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 – '99 as Base Year

Fiscal Year	Actual Budget in millions*	Population 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%) \$ 7,854.30	\$ 352.15
2001 (actual)	\$1,332	158	\$ 8,430.38	(2.5%) \$ 8,050.66	\$ 379.72
2002 (revised)	\$1,424	161**	\$ 8,844.72	(2.2%) \$8,227.10	\$ 617.62
2003 (proposed)	\$1,499	166	\$ 9,030.12	(2.2%) \$8,408.10	\$ 622.02

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

1999 (base year)	
2000 (actual)	\$352.15/student "overspent" x 155,000 students = \$ 54,583,250
2001 (actual)	\$379.72/student "overspent" x 158,000 students = \$ 59,995,760
2002 (revised)	\$617.62/student "overspent" x 161,000 students = \$ 99,436,820
2003 (proposed)	\$622.02/student "overspent" x 166,000 students = \$103,255,320

"Overspent" in four years \$317,271,150 in the K-12 school budget

* Actual Budget= Total Disbursements from the "Superintendent's 1999-2003 budgets. See Appendix 2.

** Actual enrollment numbers for 2002 from the Fairfax County Public Schools website. This is 2,000 less than the FY 03 Proposed Budget states.

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 – 2000 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 (actual)	\$ 975	981.0	\$ 993.88	(2.5%) \$ 976.09	\$ 17.79
2002 (revised)	\$1,057	998.0	\$1,059.12	(2.2%) \$ 997.56	\$ 61.56
2003 (advertised & amended)	\$1,043	1,013.0	\$1,029.62	(2.2%) \$ 1,019.51	\$ 10.11

“Overspending” in Non School Budget – 2000 as Base Year

2000 (base year)	
2001 (actual)	\$ 17.79/person “overspent” x 981,000 population = \$ 17,451,990
2002 (revised)	\$61.56/person “overspent” x 998,000 population = \$ 61,436,880
2003 (advertised)	\$10.11/person “overspent” x 1,013,000 population = \$10,241,430

“Overspent” in three years: \$89,130,300 in the non-school budget

Actual Budget = Total Disbursements minus Public School Operating Transfer and minus County Debt Service and School Debt Service. See Appendix 1.

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 – 2000 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 (actual)	\$1,332	158	\$ 8,430.38	(2.5%) \$ 8,411.61	\$ 18.77
2002 (revised)	\$1,424	161**	\$ 8,844.72	(2.2%) \$ 8,596.66	\$ 248.06
2003 (proposed)	\$1,499	166	\$ 9,030.12	(2.2%) \$ 8,785.79	\$ 244.33

“Overspending” in K-12 School Budget – 2000 as Base Year

2000 (base year)	
2001 (actual)	\$ 18.77/student “overspent” x 158,000 students = \$ 2,965,660
2002 (revised)	\$248.06/student “overspent” x 161,000 students = \$ 39,937,660
2003 (proposed)	\$244.33/student “overspent” x 166,000 students = \$ 40,558,780

“Overspent” in three years: \$83,462,100 in the K-12 school budget

* Actual Budget = Total Disbursements from the “Superintendent’s 1999-2003 budgets See Appendix 2.

** Actual enrollment numbers for 2002 from the Fairfax County Public Schools website. This is 2,000 less than the FY 03 Proposed Budget states.

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

(2001 Base Year – Does not include county and school debt service)

Non School Budget – 2001 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/capita
2001 (base year)	\$ 975	981.0	\$ 993.88	N/A	N/A
2002 (revised)	\$1,057	998.0	\$1,059.12	(2.2%) \$1,015.75	\$ 43.37
2003 (advertised & amended)	\$1,043	1,013.0	\$1,029.62	(2.2%) \$1,038.10	(\$ 8.48)

“Overspending” in Non School Budget – 2001 as Base Year

2001 (base year)	
2002 (revised)	\$43.37/person “overspent” x 998,000 population = \$ 43,283,260
2003 (advertised)	(\$ 8.48)/person “overspent” x 1,013,000 population = (\$ 8,590,240)

“Overspent” in two years: \$ 34,693,020 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and minus County Debt Service and School Debt Service . See Appendix I.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth
 (2001 Base Year – Does not include Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – 2001 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	“Overspent” per/student
2001 (base year)	\$1,332	158	\$ 8,430.38	N/A	N/A
2002 (revised)	\$1,424	161 **	\$ 8,844.72	(2.2%) \$ 8,615.85	\$ 228.87
2003 (proposed)	\$1,449	166	\$ 9,030.12	(2.2%) \$ 8,805.40	\$ 224.72

“Overspending” in K-12 School Budget – 2001 as Base Year

2001 (base year)	
2002 (revised)	\$228.87/student “overspent” x 161,000 students = \$ 36,848,070
2003 (proposed)	\$244.72/student “overspent” x 166,000 students = \$ 37,303,520

“Overspent” in two years: \$74,151,590 in the K-12 school budget

* Actual Budget = Total Disbursements from the Superintendent’s 1999-2003 budgets. See Appendix 2.

** Actual enrollment numbers for 2002 from the Fairfax County Public Schools website. This is 2,000 less than the FY 03 Proposed Budget states.

“Analysis B” Overspending Chart

County figures include debt service for the school system 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)

(1999 Base Year)

Fiscal Year	Non-School Spending Beyond Growth of Inflation & Population		K-12 School Spending Beyond Growth of Inflation & Population	
1999 (base year)				
2000 (actual)	\$ 53,087,195		\$ 57,356,200	
2001 (actual)	\$ 72,240,840		\$ 114,817,020	
2002 (revised)	\$123,851,800		\$ 214,231,430	
2003 (advertised/proposed)	\$ 80,391,680		\$ 170,804,040	
Total "Overspending"	\$329,571,515		\$ 557,208,690	

Combined Overspending using 1999 as Base Year \$ 886,780,205

(2000 Base Year)

2000 (base year)			
2001 (actual)	\$ 16,990,920		\$ 50,708,520
2002 (revised)	\$ 66,406,920		\$ 147,467,950
2003 (advertised/proposed)	\$ 16,370,080		\$ 100,453,240
Total Overspending	\$ 99,767,920		\$ 298,629,710

Combined Overspending using 2000 as Base Year \$398,397,630

(2001 Base Year)

2001 (base year)			
2002 (revised)	\$48,742,320		\$ 94,659,950
2003 (advertised/proposed)	\$ 2,481,850		\$ 44,806,720
Total Overspending	\$51,224,170		\$139,466,670

Combined Overspending using 2001 as Base Year \$190,690,840

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 (actual)	\$1,165	981.0	\$1,187.56	(2.5%) \$1,113.92	\$ 73.64
2002 (revised)	\$1,260	998.0	\$1,262.53	(2.2%) \$1,138.43	\$124.10
2003 (advertised & amended)	\$1,259	1,013.0	\$1,242.84	(2.2%) \$1,163.48	\$ 79.36
<u>"Overspending" in Non School Budget – '99 as Base Year</u>					
1999 (base year)					
2000 (actual)	\$54.95/person "overspent" x	966,100 population	=	\$ 53,087,195	
2001 (actual)	\$73.64/person "overspent" x	981,000 population	=	\$ 72,240,840	
2002 (revised)	\$124.10/person "overspent" x	998,000 population	=	\$123,851,800	
2003 (advertised)	\$ 79.36/person "overspent" x	1,013,000 population	=	\$ 80,391,680	

"Overspent" in four years: \$329,571,515 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer only. See Appendix I.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth
(1999 Base Year – Includes Grants and Self Supporting Fund & Adult Fund and Community Education Fund)

K-12 School Budget – '99 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Student	Inflation Adjusted cost/student	"Overspent" per/student
1999 (base year)	\$ 1,167	151	\$ 7,728.48	N/A	N/A
2000 (actual)	\$1,300	155	\$ 8,387.10	(3.4%) \$ 7,991.25	\$ 370.04
2001 (actual)	\$1,409	158	\$ 8,917.72	(2.5%) \$ 8,191.03	\$ 726.69
2002 (revised)	\$1,562	161**	\$9,701.86	(2.2%) \$ 8,371.23	\$ 1,330.63
2003 (proposed)	\$1,591	166	\$9,584.34	(2.2%) \$ 8,555.40	\$ 1,028.94

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

1999 (base year)	
2000 (actual)	\$ 370.04/student "overspent" x 155,000 students = \$ 57,356,200
2001 (actual)	\$ 726.69/student "overspent" x 158,000 students = \$ 114,817,020
2002 (revised)	\$1,330.63/student "overspent" x 161,000 students = \$ 214,231,430
2003 (proposed)	\$1,028.94/student "overspent" x 166,000 students = \$ 170,804,040

"Overspent" in four years \$557,208,690 in the K-12 school budget

* Actual Budget = Total Disbursements from the Superintendent's 1999-2003 budgets plus Grants and Self Supporting Fund Expenditures minus Transfers Out, plus Expenditures from Adult and Community Education Fund minus Transfers Out. 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..

** Actual enrollment numbers for 2002 from Fairfax County Public Schools website. This is 2000 less than the FY 03 Proposed Budget states.

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

(2000 Base Year – Includes County and School Debt Service)

Non School Budget – 2000 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 (actual)	\$1,165	981.0	\$1,187.56	(2.5%) \$ 1,170.24	\$ 17.32
2002 (revised)	\$1,260	998.0	\$1,262.53	(2.2%) \$ 1,195.99	\$ 66.54
2003 (advertised & amended)	\$1,259	1,013.0	\$1,242.84	(2.2%) \$ 1,222.30	\$ 16.16

“Overspending” in Non School Budget – 2000 as Base Year

2000 (base year)	
2001 (actual)	\$ 17.32/person “overspent” x 981,100 population = \$ 16,990,920
2002 (revised)	\$ 66.54/person “overspent” x 998,000 population = \$ 66,406,920
2003 (advertised)	\$ 16.16/person “overspent” x 1,013,000 population = \$ 16,370,080

“Overspent” in three years: \$99,767,920 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer only. See Appendix I.

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 – 2000 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	"Overspent" per/student
2000 (base year)	\$1,300	155	\$ 8,387.10	N/A	N/A
2001 (actual)	\$1,409	158	\$ 8,917.72	(2.5%) \$ 8,596.78	\$ 320.94
2002 (revised)	\$1,562	161 **	\$ 9,701.86	(2.2%) \$ 8,785.91	\$ 915.95
2003 (proposed)	\$1,591	166	\$ 9,584.34	(2.2%) \$ 8,979.20	\$ 605.14

"Overspending" in K-12 School Budget – 2000 as Base Year

2000 (base year)	
2001 (actual)	\$320.94/student "overspent" x 158,000 students = \$ 50,708,520
2002 (revised)	\$915.95/student "overspent" x 161,000 students = \$147,467,950
2003 (proposed)	\$605.14/student "overspent" x 166,000 students = \$100,453,240

"Overspent" in three years: \$298,629,710 in the K-12 school budget

*Actual Budget = Total Disbursements from the Superintendent's 1999-2003 budgets plus Grants and Self Supporting Fund Expenditures minus Transfers Out, plus Expenditures from Adult and Community Education Fund minus Transfers Out. These two fund categories are logical to include in a budget analysis such as this. They are part of the "operations" of the school system. See Appendix 2.

** Actual enrollment numbers for 2002 from Fairfax County Public Schools website. This is 2,000 less than the FY 03 Proposed Budget states.

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth
(2001 Base Year – Includes county and school debt service)

Non School Budget – 2001 as Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/capita
2001 (base year)	\$1,165	981	\$1,187.56	N/A	N/A
2002 (revised)	\$1,260	998	\$1,262.53	(2.2%) \$1,213.69	\$ 48.84
2003 (advertised & amended)	\$1,259	1,013	\$1,242.84	(2.2%) \$1,240.39	\$ 2.45

“Overspending” in Non School Budget – 2001 as Base Year

2001 (base year)	
2002 (revised)	\$48.84/person “overspent” x 998,000 population = \$ 48,742,320
2003 (advertised)	\$2.45/person “overspent” x 1,013,000 population = \$ 2,481,850

“Overspent” in two years: \$ 51,224,170 in the non-school budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer only. See Appendix I.

Fairfax County K-12 Budget – Spending Beyond the Rate of Inflation and Population Growth
(2001 Base Year – Includes Grants and Self Supporting Fund & Adult and Community Education Fund)

K-12 School Budget – 2001 as Base Year

Fiscal Year	Actual Budget in millions*	Students in thousands	Cost/Student	Inflation Adjusted cost/student	“Overspent” per/student
2001 (base year)	\$1,409	158	\$ 8,917.72	N/A	N/A
2002 (revised)	\$1,562	161**	\$ 9,701.86	(2.2%) \$9,113.91	\$587.95
2003 (proposed)	\$1,591	166	\$9,584.34	(2.2%) \$9,314.42	\$ 269.92

“Overspending” in K-12 School Budget – 2001 as Base Year

2001 (base year)	
2002 (revised)	\$587.95/student “overspent” x 161,000 students = \$ 94,659,950
2003 (proposed)	\$269.92/student “overspent” x 166,000 students = \$ 44,806,720

“Overspent” in two years: \$139,466,670 in the K-12 school budget

* Actual Budget = Total Disbursements from the Superintendent’s 1999-2003 plus Grants and Self Supporting Fund Expenditures minus Transfers Out, plus Expenditures from Adult and Community Education Fund Transfers Out. These two fund categories are logical to include in a budget analysis such as this. They are part of the “operations” of the school system. See Appendix 2.

** Actual enrollment numbers for 2002 from Fairfax County Public Schools website. This is 2,000 less than the FY 03 Proposed Budget states.

Appendix 1

Fiscal 2001, 2002, and 2003 Budgets
Fairfax County

**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

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The Budget**

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**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	\$84,412,629	\$82,422,630	\$42,176,792	\$0	\$847,317	\$86,146,739	\$40,168,058	\$55,773,898	(\$39,371,801)	-41.38%
Revenue										
Real Property Taxes	\$843,374,446	\$886,712,840	\$0	\$830,844	\$980,405	\$998,624,189	\$1,084,001,493	\$1,082,161,493	\$83,527,304	8.36%
Personal Property Taxes ¹	367,914,532	391,352,200	0	0	(60,132,493)	331,219,707	283,271,337	283,271,337	(37,948,370)	-11.46%
General Other Local Taxes	317,882,558	326,882,378	0	3,539,021	10,536,867	342,768,286	360,943,366	358,920,431	14,162,185	4.13%
Permit, Fees & Regulatory Licenses	32,873,858	31,419,336	0	1,448,894	599,821	33,468,051	33,076,587	34,124,718	656,567	1.98%
Fines & Forfeitures	7,138,633	6,085,588	0	2,220,034	(2,800,040)	(58,136)	7,647,456	11,243,340	3,595,884	47.02%
Revenue from Use of Money & Property	48,008,060	42,428,437	0	0	8,102,056	50,915,813	55,660,663	63,208,651	12,292,838	24.14%
Charges for Services	30,782,411	30,386,785	0	(217,945)	390,389	30,569,539	31,868,318	32,160,968	1,581,429	5.17%
Revenue from the Commonwealth ¹	72,247,281	81,637,316	(158,851)	3,788,828	83,306,889	146,564,082	205,391,208	210,763,094	82,189,012	41.84%
Revenue from the Federal Government	31,201,261	30,883,118	461,261	2,427,480	(23,911)	33,727,846	31,407,745	39,959,110	8,226,184	18.47%
Recovered Costs/Other Revenue	4,871,091	5,081,181	116,357	(314,115)	288,487	5,180,880	6,849,840	11,585,244	6,404,364	123.81%
Total Revenue	\$1,856,118,138	\$1,948,987,187	\$3,028,112	\$9,013,477	\$24,000,163	\$1,982,705,939	\$2,111,849,818	\$2,135,365,388	\$162,889,447	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%
603 Department of Vehicle Services	2,200,000	0	0	0	0	0	0	0	0	-
194 504 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	\$2,000,310,087	\$45,280,804	\$9,013,477	\$24,847,480	\$2,079,371,868	\$2,153,741,477	\$2,192,823,124	\$113,481,166	5.46%
Direct Expenditures										
Personnel Services	\$383,968,340	\$421,162,410	\$819,940	(\$2,955,029)	(\$25,317)	\$419,002,004	\$467,866,561	\$457,918,182	\$38,916,178	8.29%
Operating Expenses	246,781,003	258,926,000	20,652,673	10,088,856	(82,756)	289,585,575	273,480,876	290,942,532	356,967	0.12%
Recovered Costs	(27,881,074)	(28,833,462)	(88,951)	(712,518)	0	(28,734,931)	(31,401,545)	(43,335,651)	(13,600,720)	-45.74%
Capital Equipment	6,216,874	8,037,554	3,158,382	462,146	425,333	12,083,415	6,136,769	6,882,754	(5,220,881)	-43.21%
Fringe Benefits	85,548,853	94,764,582	(323,283)	(1,300,000)	(317,260)	92,844,059	101,485,347	107,064,783	14,220,734	15.32%
Total Direct Expenditures	\$803,847,098	\$754,877,084	\$24,218,781	\$5,584,257	\$0	\$784,780,122	\$887,690,128	\$818,452,810	\$34,812,488	4.42%

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

	FY 1998	FY 2000	FY 1998	FY 2000	Other Actions	FY 2000	FY 2001	FY 2001	Increase	%
	Actual	Budget Plan	Carryover	Third Quarter	July - June	Budget Plan	Budget Plan	Budget Plan	(Decrease)	(Decrease)
Transfers Out										
002 Revenue Stabilization	\$0	\$0	\$7,830,898	\$10,132,785	\$0	\$17,963,684	\$0	\$0	(\$17,963,684)	-100.00%
080 Public School Operating	852,127,830	887,412,605	0	0	0	887,412,605	980,231,488	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)	-16.31%
103 Aging Grants & Programs	831,101	1,010,061	0	0	0	1,010,061	1,737,847	1,258,286	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%
106 Community Services Board	62,480,898	67,884,038	404,544	591,036	0	68,679,618	65,126,476	65,768,003	7,088,385	12.08%
110 Refuse Disposal	4,887,260	5,146,285	0	1,500,000	0	1,500,000	6,268,796	6,820,176	(1,550,000)	-100.00%
118 Community-Based Agency Funding Pool	120,000	0	0	0	0	6,146,285	5,492,620	6,021,698	873,681	13.08%
119 Contributory Fund	120,000	0	0	0	0	0	5,492,620	6,021,698	873,681	13.08%
120 E-911	1,283,871	1,332,125	0	0	0	1,332,125	1,358,404	1,812,445	1,912,445	191.24%
141 Housing Programs for the Elderly	1,283,871	1,332,125	0	0	0	1,332,125	1,358,404	1,358,404	27,279	2.05%
144 Housing Trust Fund	1,283,871	1,332,125	0	0	0	1,332,125	1,358,404	1,358,404	27,279	2.05%
200 County Debt Service	94,672,974	95,812,350	0	(1,200,000)	0	94,612,350	96,428,219	94,687,437	55,087	0.06%
201 School Debt Service	82,975,728	88,269,914	0	1,200,000	0	89,469,914	95,250,887	85,250,687	5,780,773	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	100.00%
303 County Construction	8,180,936	10,243,438	950,000	0	0	11,193,438	14,846,319	14,846,319	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	0	(1,100,000)	-100.00%
308 Public Works Construction	3,689,232	2,463,000	600,000	0	0	2,963,000	803,724	803,724	(2,059,276)	-68.50%
309 Metro Operations and Construction	11,161,056	7,045,830	0	0	0	7,045,830	12,673,283	12,673,283	5,627,453	79.87%
311 County Bond Construction	0	3,200,000	600,000	387,000	0	4,087,000	1,130,000	1,130,000	(2,957,000)	-72.35%
313 Trail Construction	407,600	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 Refuse Health	759,680	637,245	642,180	0	0	1,479,425	1,886,000	1,886,000	416,575	28.18%
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	100.00%
505 Technology Infrastructure Services	873,816	0	0	0	0	0	0	0	0	0.00%
Total Transfers Out	\$1,185,740,088	\$1,206,111,246	\$20,085,831	\$12,610,821	\$0	\$1,238,817,896	\$1,300,679,947	\$1,330,373,982	\$82,162,046	6.62%
Total Disbursements	\$1,849,587,184	\$1,987,088,330	\$44,314,612	\$18,193,078	\$0	\$2,022,598,020	\$2,109,570,075	\$2,149,826,592	\$84,972,055	4.20%
Total Ending Balance	\$95,145,739	\$39,221,767	\$988,282	(\$8,191,601)	\$24,847,480	\$55,773,936	\$45,171,402	\$42,988,832	(\$10,602,639)	-19.01%
Less:										
Managed Reserve	\$37,504,634	\$39,221,767	\$888,282	\$363,901	\$0	\$40,471,960	\$42,171,402	\$42,896,532	\$2,524,572	6.24%
Set Aside Reserve	14,317,996	0	0	0	0	0	0	0	0	0.00%
Reserve pending State allocation for Foster Care/CSACAP	0	0	0	0	0	0	3,000,000	0	0	0.00%
Total Available	\$43,223,109	\$0	\$0	(\$9,545,502)	\$24,847,480	\$15,301,976	\$0	\$0	(\$15,301,976)	-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.

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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	\$55,773,938	\$27,153,427	\$5,957,526	\$89,424,891	\$43,556,194	(\$44,928,697)	-50.78%
Revenue ²								
Real Property Taxes	\$1,000,802,816	\$1,082,151,483	\$0	\$645,634	\$1,082,797,127	\$1,226,142,928	\$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	343,199,780	356,820,431	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	(2,206,385)	9,036,955	11,595,781	2,558,826	28.32%
Revenue from Use of Money & Property	49,580,898	63,208,651	0	17,385	63,226,036	55,388,720	(7,837,316)	-12.40%
Charges for Services	29,572,596	32,150,968	239,948	(983,576)	31,407,338	33,000,331	1,592,993	5.07%
Revenue from the Commonwealth ⁴	146,751,550	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	39,958,110	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	\$2,135,365,386	\$1,389,346	\$9,424,528	\$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	\$2,225,347,951	\$2,350,109,083	\$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	289,152,984	280,942,532	8,023,064	(31,672)	288,933,824	311,448,212	12,512,288	4.18%
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	107,237,786	111,065,554	3,827,766	3.57%
Total Direct Expenditures	\$761,722,912	\$819,462,610	\$19,170,747	\$0	\$838,623,367	\$878,949,715	\$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	\$17,983,684	\$0	\$3,692,581	\$0	\$3,692,561	\$0	(\$3,692,561)	-100.00%
090 Public School Operating 4	897,412,605	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	15,902,018	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	14,485,000	(3,898,266)	-21.19%
106 Community Services Board	58,679,618	65,768,003	147,415	0	65,915,418	75,375,013	8,459,595	14.35%
110 Refuse Disposal	1,500,000	0	0	0	0	5,500,000	5,500,000	-
116 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	6,021,898	176,679	0	6,198,375	6,832,638	634,263	10.23%
120 E-911	0	1,812,445	0	0	1,912,445	3,798,353	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	1,900,000	0	0	1,900,000	0	(1,900,000)	-100.00%
200 County Debt Service	94,812,350	94,667,437	0	0	94,667,437	98,009,886	3,342,449	3.53%
201 School Debt Service	89,459,814	85,250,687	0	0	85,250,687	104,937,673	19,686,986	22.97%
300 Countywide Roadway Improvement	2,300,000	0	0	0	0	0	0	-
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)	-34.48%
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	580,776	(219,224)	-27.40%
308 Public Works Construction	2,963,000	903,724	0	0	903,724	0	(903,724)	-100.00%
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	0	(1,130,000)	-100.00%
313 Trail Construction	50,000	150,000	0	0	150,000	200,000	50,000	33.33%
340 Housing Assistance Program	500,000	2,048,750	834,654	0	2,883,404	1,850,000	(1,033,404)	-35.84%
500 Retiree 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	0	0	-
504 Document Services Division	0	2,900,000	0	0	2,900,000	2,900,000	0	0.00%
Total Transfers Out	\$1,238,817,898	\$1,330,373,982	\$8,812,364	\$0	\$1,339,186,346	\$1,424,077,817	\$84,891,471	6.34%
Total Disbursements	\$2,000,540,810	\$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	\$57,539,248	\$46,080,551	(\$11,458,697)	-19.91%
Less:								
Managed Reserve	\$40,471,960	\$42,996,532	\$559,662	(\$363,901)	\$43,556,184	\$46,080,551	\$2,524,357	5.80%
Set Aside Reserve	0	0	0	0	0	0	0	-
Reserve for Third Quarter Adjustments 5	0	0	0	0	13,982,054	0	(13,982,054)	-100.00%
Total Available 6	\$48,012,931	\$0	\$0	\$14,345,955	\$0	\$0	\$0	-

Fairfax County, Virginia

Fiscal Year 2003 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.fairfaxcounty.gov/dmb>

FY 2003 ADVERTISED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2001 Actual ¹	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan ^{1, 2}	FY 2003 Advertised Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Beginning Balance ¹	\$68,484,891	\$45,064,591	\$78,562,916	\$46,803,208	(\$31,759,708)	-40.43%
Revenue ²						
Real Property Taxes	\$1,085,995,525	\$1,226,142,926	\$1,228,741,132	\$1,408,041,365	\$179,300,233	14.59%
Personal Property Taxes ³	317,487,645	248,359,099	267,702,218	267,675,592	(26,626)	-0.01%
General Other Local Taxes	360,365,264	372,204,163	361,055,120	351,719,305	(9,335,815)	-2.59%
Permits, Fees & Regulatory Licenses	31,908,008	33,892,369	29,577,912	29,354,826	(223,086)	-0.75%
Fines & Forfeitures	9,116,533	11,595,781	10,128,862	10,243,510	114,648	1.13%
Revenue from Use of Money & Property	58,939,714	44,674,492	26,105,350	26,148,239	42,889	0.16%
Charges for Services	32,751,935	33,000,331	33,901,792	34,906,731	1,004,939	2.96%
Revenue from the Commonwealth ³	202,488,873	291,247,980	291,312,770	282,452,258	(8,860,512)	-3.04%
Revenue from the Federal Government	36,885,800	38,765,556	38,773,302	38,820,556	47,254	0.12%
Recovered Costs/Other Revenue	5,434,555	5,778,390	5,582,309	5,677,428	95,119	1.70%
Total Revenue	\$2,141,373,852	\$2,305,661,097	\$2,292,880,767	\$2,455,039,810	\$162,159,043	7.07%
Transfers In						
105 Cable Communications	\$1,683,800	\$1,614,594	\$1,614,594	\$1,465,732	(\$148,862)	-9.22%
503 Department of Vehicle Services	0	1,300,000	1,300,000	1,700,000	400,000	30.77%
Total Transfers In	\$1,683,800	\$2,914,594	\$2,914,594	\$3,165,732	\$251,138	8.62%
Total Available	\$2,231,542,543	\$2,353,640,282	\$2,374,358,277	\$2,505,008,750	\$130,650,473	5.50%
Direct Expenditures						
Personnel Services	\$450,909,274	\$483,005,920	\$483,708,398	\$518,471,671	\$34,763,273	7.19%
Operating Expenses	273,465,600	306,935,045	325,962,385	319,624,512	(6,337,873)	-1.94%
Recovered Costs	(30,474,872)	(32,357,228)	(32,357,228)	(31,348,082)	1,009,146	-3.12%
Capital Equipment	7,073,181	3,946,353	7,062,149	4,094,769	(2,967,380)	-42.02%
Fringe Benefits	108,577,744	111,515,658	112,012,168	121,533,953	9,521,785	8.50%
Total Direct Expenditures	\$809,550,927	\$873,045,748	\$896,387,872	\$932,376,823	\$35,988,951	4.01%

FY 2003 ADVERTISED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2001 Actual ¹	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan ^{1, 2}	FY 2003 Advertised Budget Plan	Increase (Decrease) Over Revised	% Increase (Decrease)
Transfers Out						
002 Revenue Stabilization	\$4,644,655	\$0	\$2,511,050	\$0	(\$2,511,050)	-100.00%
090 Public School Operating ⁴	988,000,908	1,078,090,014	1,079,911,756	1,156,261,517	76,349,761	7.07%
100 County Transit System	15,902,018	16,063,083	16,063,083	17,138,953	1,075,870	6.70%
103 Aging Grants & Programs	1,302,644	1,592,226	1,657,552	1,746,333	88,781	5.36%
104 Information Technology	18,393,266	13,395,000	13,395,000	9,031,626	(4,363,374)	-32.57%
106 Community Services Board	67,936,678	74,368,148	76,118,148	81,645,533	5,527,385	7.26%
110 Refuse Disposal	0	5,500,000	5,500,000	3,620,306	(1,879,694)	-34.18%
118 Consolidated Community Funding Pool	5,820,176	5,923,150	5,923,150	6,278,539	355,389	6.00%
119 Contributory Fund	6,198,375	6,682,638	6,697,638	6,613,984	(83,654)	-1.25%
120 E-911	2,587,445	3,796,353	3,796,353	4,911,678	1,115,325	29.38%
141 Housing Programs for the Elderly	1,359,404	1,253,327	1,253,327	1,302,604	49,277	3.93%
144 Housing Trust Fund	1,900,000	0	300,000	0	(300,000)	-100.00%
200 County Debt Service	94,667,437	98,009,886	98,009,886	100,089,491	2,079,605	2.12%
201 School Debt Service	95,250,687	105,528,408	105,528,408	110,306,798	4,778,390	4.53%
302 Library Construction	240,000	0	0	0	0	-
303 County Construction	15,465,319	5,192,957	7,416,632	6,315,541	(1,101,091)	-14.85%
304 Primary & Secondary Road Bond Constr	423,277	150,000	350,000	0	(350,000)	-100.00%
307 Sidewalk Construction	800,000	0	0	0	0	-
308 Public Works Construction	903,724	580,776	1,021,776	0	(1,021,776)	-100.00%
309 Metro Operations and Construction	12,673,283	11,450,844	11,450,844	12,272,714	821,870	7.18%
311 County Bond Construction	1,130,000	0	0	0	0	-
313 Trail Construction	150,000	200,000	200,000	0	(200,000)	-100.00%
340 Housing Assistance Program	2,883,404	1,850,000	1,850,000	1,850,000	0	0.00%
500 Retiree Health	1,896,000	1,917,915	1,917,915	2,228,491	310,576	16.19%
504 Document Services Division	2,900,000	2,900,000	2,900,000	1,900,000	(1,000,000)	-34.48%
Total Transfers Out	\$1,343,428,700	\$1,434,444,725	\$1,443,772,518	\$1,523,514,108	\$79,741,590	5.52%
Total Disbursements	\$2,152,979,627	\$2,307,490,473	\$2,340,160,390	\$2,455,890,931	\$115,730,541	4.95%
Total Ending Balance	\$78,562,916	\$46,149,809	\$34,197,867	\$49,117,819	\$14,919,932	43.63%
Less:						
Managed Reserve	\$43,655,492	\$46,149,809	\$46,803,208	\$49,117,819	\$2,314,611	4.95%
County Executive reductions to be identified at the FY 2002 Third Quarter Review ⁵	0	0	(12,605,321)	0	12,605,321	-100.00%
Total Available	\$34,907,424	\$0	\$0	\$0	\$0	-

Appendix 2

Superintendent's FY 2002 and 2003 Budgets
Fairfax County Public Schools

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
Ernestine C. Heuslie, 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

Deirdra McLaughlin
Director, Budget Services



Department of Financial Services
10700 Page Avenue
Fairfax, Virginia 22030

Volume

Superintendent's FY 2002 Proposed Budget

for school year 2001-2002

School Operating Fund Statement

	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Budget	FY 2002 Proposed
REVENUE BALANCE, July 1	\$ 69,710,177	\$ 63,567,276	\$ 68,407,394	\$ 56,768,845	\$ 10,000,000
REVENUES:					
Sales Tax	84,425,304	90,730,534	98,937,749	116,568,374	112,718,000
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	30,470,473	27,417,049	23,277,574
City of Fairfax Tuition	18,418,707	21,693,688	22,396,803	23,903,048	25,800,000
Tuition, Fees, and Other	7,574,115	8,407,296	8,498,836	7,847,481	7,812,383
Total Receipts	273,486,612	317,884,968	342,627,064	378,644,441	385,454,122
TRANSFERS IN:					
Confined County General Fund	818,047,576	850,506,466	895,791,241	986,379,544	1,033,083,612
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	1,034,705,006
Total Receipts & Transfers	1,094,578,552	1,171,987,818	1,240,039,669	1,366,644,349	1,409,159,128
Total Funds Available	1,164,288,729	1,235,555,094	1,328,447,063	1,423,613,194	1,490,159,128
EXPENDITURES:					
School Board Reserve	1,081,175,703	1,129,133,756	1,248,657,362	1,391,895,977	1,461,991,056
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
TRANSFERS OUT:					
School Construction Fund	13,634,166	9,644,561	7,321,826	9,179,856	14,106,550
Grants & Self-Supporting Fund	3,439,357	3,423,235	9,131,171	8,913,428	11,071,821
Adult & Community Education Fund	643,747	705,531	1,012,897	3,183,218	1,100,131
School Lunch Service Fund			3,710,000	961,250	
Health and Flexible Benefits Fund	307,216	2,617,253	221,508	256,101	268,500
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	1,494,159,828
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	10,726,328	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	816,971	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	36,250,821
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	\$ -	\$ -

Superintendent's FY 2003 Proposed Budget

SCHOOL BOARD

Jane K. Strauss, Chair
Ernestine C. Heastie, Vice Chair
Catherine A. Belter, Springfield District
Christian N. Braunlich, Lee District
Mychele B. Brickner, At-Large Member
Isis M. Castro, Mount Vernon District
Robert E. Frye, Sr., At-Large Member
Stuart D. Gibson, Hunter Mill District
Kaye Kory, Mason District
Tessie Wilson, Braddock District
Vacant, Sully District
Matthew Wansley, Student Representative

ADMINISTRATION

Daniel A. Domenech
Superintendent

Alan E. Leis
Deputy Superintendent

Charles Woodruff
Chief Financial Officer

Deirdra McLaughlin
Director, Budget Services



for school year 2002-2003



Department of Financial Services
10700 Page Avenue
Fairfax, Virginia 22030

FY 2003 PROPOSED BUDGET

Operating Fund Overview

School Operating Fund Statement

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Proposed
BEGINNING BALANCE, July 1	\$ 56,768,845	\$ 50,201,190	\$ 10,000,000 ^{1/}
RECEIPTS:			
Sales Tax	103,934,411	104,051,679	107,173,229
State Aid	213,020,263	213,745,418	205,584,896
Federal Aid	28,201,017	34,273,103	31,025,538
City of Fairfax Tuition	23,903,048	25,950,550	27,350,000
Tuition, Fees, and Other	12,680,991	9,385,987	8,724,876
Total Receipts	381,739,730	387,406,737	379,858,539
TRANSFERS IN:			
Combined County General Fund	986,379,544	1,078,290,392	1,215,760,577
Teacher Liability Payment	1,621,364	1,621,364	1,621,364
School Insurance Fund	-	1,516,947	-
Total Transfers In	988,000,908	1,081,428,703	1,217,381,941
Total Receipts & Transfers	1,369,740,638	1,468,835,440	1,597,240,480
Total Funds Available	1,426,509,483	1,519,036,630	1,607,240,480
EXPENDITURES	1,352,322,379	1,482,839,106	1,567,455,349
School Board Reserve	-	8,000,000	-
Teacher Liability Payment	1,621,364	1,621,364	1,621,364
TRANSFERS OUT:			
School Construction Fund	9,179,857	13,824,667	14,540,709
Grants & Self-Supporting Fund	8,413,428	11,382,456	16,529,685
Adult & Community Education Fund	3,683,218	1,100,131	1,100,131
School Debt Service Fund	833,926	-	5,700,000
Health and Flexible Benefits Fund	254,121	268,906	293,242
Total Transfers Out	22,364,550	26,576,160	38,163,767
Total Disbursements	1,376,308,293	1,519,036,630	1,607,240,480
ENDING BALANCE, June 30	\$ 50,201,190	\$ -	\$ -

¹ Reflects an additional \$10.0 million in projected FY 2002 ending balance to be carried over to balance the FY 2003 budget.

Grants & Self-Supporting Programs Fund

Grants and Self-Supporting Programs Fund Statement

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Proposed
BEGINNING BALANCE, July 1	\$ 4,828,878	\$ 3,751,539	\$ -
RECEIPTS:			
State Aid	8,908,394	10,412,413	9,552,800
Federal Aid	10,756,651	18,395,125	14,705,752
Tuition	2,610,530	2,824,803	2,747,907
Industry, Foundation, Other	516,579	907,088	300,000
Total Receipts	22,792,154	32,539,429	27,306,459
TRANSFERS IN:			
School Operating Fund (Grants)	-	-	-
School Operating Fund (Summer School)	8,413,430	11,382,456	16,529,685
Cable Communication Fund	1,793,500	1,640,935	1,624,576
Total Transfers In	10,206,930	13,023,391	18,154,261
Total Receipts & Transfers	32,999,084	45,562,820	45,460,720
Total Funds Available	37,827,962	49,314,359	45,460,720
EXPENDITURES	34,076,423	49,314,359	45,460,720
ENDING BALANCE, June 30	\$ 3,751,539	\$ -	\$ -

Adult & Community Education Fund

Accounting Basis

The Adult and Community Education Fund is a special revenue fund and follows the modified accrual basis of accounting. Under this method revenues are recognized when they become measurable and available and expenditures are generally recognized when the liability is incurred.

Adult & Community Education Fund (\$ in millions)		
	Amount	Positions
FY 2003	\$ 9.5	91.9
FY 2002	13.7	87.4
Change	\$ (4.2)	4.5

Adult and Community Education Fund Statement

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Proposed
BEGINNING BALANCE, July 1	\$ 1,703,109	\$ 3,782,283	\$ -
RECEIPTS:			
State Aid	1,290,301	1,432,650	1,293,579
Federal Aid	210,039	299,640	222,275
Tuition	6,118,382	7,041,799	6,855,430
Industry, Foundation, Other	203,833	-	-
Total Receipts	7,822,555	8,774,089	8,371,284
TRANSFERS IN:			
School Operating Fund	3,683,218	1,100,131	1,100,131
Total Transfers In	3,683,218	1,100,131	1,100,131
Total Receipts & Transfers	11,505,773	9,874,220	9,471,415
Total Funds Available	13,208,882	13,656,503	9,471,415
EXPENDITURES	9,426,599	13,656,503	9,471,415
ENDING BALANCE, June 30	\$ 3,782,283	\$ -	\$ -

SCHOOL OPERATING FUND STATEMENT

	<u>FY 2003 Advertised</u>	<u>FY 2003 Approved</u>	<u>Variance</u>
BEGINNING BALANCE, July 1:	\$10,000,000	\$18,800,000	\$8,800,000
RECEIPTS:			
Sales Tax	\$107,173,229	\$107,173,229	\$0
State Aid	205,584,896	191,203,799	(14,381,097)
Federal Aid	31,025,538	32,307,253	1,281,715
City of Fairfax Tuition	27,350,000	27,350,000	0
Tuition, Fees, and Other	8,724,876	9,608,901	884,025
Total Receipts	\$379,858,539	\$367,643,182	(\$12,215,357)
TRANSFERS IN:			
Combined County General Fund	\$1,216,298,300	\$1,166,240,153	(\$50,058,147)
Teacher Liability Payment	1,621,364	1,621,364	\$0
School Insurance Fund	0	0	\$0
Total Transfers In	\$1,217,919,664	\$1,167,861,517	(\$50,058,147)
Total Receipts & Transfers	\$1,597,778,203	\$1,535,504,699	(\$62,273,504)
Total Funds Available	\$1,607,778,203	\$1,554,304,699	(\$53,473,504)
EXPENDITURES:			
School Board Reserve	\$1,567,993,072	\$1,523,219,568	(\$44,773,504)
Teacher Liability Payment	0	0	0
Teacher Liability Payment	1,621,364	1,621,364	0
Total Expenditures	\$1,569,614,436	\$1,524,840,932	(\$44,773,504)
TRANSFERS OUT:			
School Construction Fund	\$14,540,709	\$11,540,709	(\$3,000,000)
Grants & Self-Supporting Fund	16,529,685	16,529,685	0
Adult & Community Education Fund	1,100,131	1,100,131	0
School Debt Service Fund	5,700,000	0	(5,700,000)
Health and Flexible Benefits Fund	293,242	293,242	0
Total Transfers Out	\$38,163,767	\$29,463,767	(\$8,700,000)
Total Disbursements	\$1,607,778,203	\$1,554,304,699	(\$53,473,504)
ENDING BALANCE, June 30	\$0	\$0	\$0

Appendix 3

Inflation Calculation

Inflation Calculation

Fairfax County's advertised budget only has an average inflation rate for 1997-2001. 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, divide annual inflation 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%%

2001: 2.5%

Bureau of Labor Statistics Data

Bureau of Labor Statistics
U.S. Department of Labor



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Consumer Price Index - Urban Wage Earners and Clerical Workers

Original Data Value

Series Id: CWURA311SA0,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	Annual	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		109.4		109.9		110.6		111.6		110.7		110.2	109.5	111.0
2002	110.5		111.4												

Inflation rates are not available from the Bureau of Labor Statistics for 2002 and 2003. For those years, the county estimates inflation rates of 2.2% for each year as can be found in the advertised budget for FY 2003 on the first page of the *Trends* section. See attached.

Trends

This section includes:

- ▶ ***Household Tax Analyses***
(Page 126)
- ▶ ***Demographic Trends***
(Page 131)

TRENDS

HOUSEHOLD TAX ANALYSES

The following analyses illustrate the impact of selected County taxes on the "typical" household from FY 1997 to FY 2003. This period provides five years of actual data, estimates for FY 2002 based on year-to-date experience, and projections for FY 2003. Historical dollar amounts are converted to FY 2003 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 1997 to FY 2001. Projections for inflation in FY 2002 and FY 2003 are based on the consensus forecast of 2.2 percent in the Blue Chip Economic Indicators, which is consistent with recent experience in the area.

HOUSEHOLD TAXATION TRENDS: SELECTED CATEGORIES FY 1997 - FY 2003

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 \$4,084.81 in selected County taxes in FY 2003, \$336.46 more than FY 2002 after adjusting for inflation. From FY 1997 to FY 2003, the inflation adjusted increase in selected County taxes for the "typical" household is \$210.00 or 5.4 percent. Please note that taxes paid in FY 1999 through FY 2002 reflect the Personal Property Tax Relief Act of 1998 (PPTRA), 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 and FY 2003. 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 2003 Dollars	Personal Property Tax in FY 2003 Dollars ¹	Sales Tax in FY 2003 Dollars	Consumer Utility Tax in FY 2003 Dollars	Total Taxes in FY 2003 Dollars ¹
FY 1997	328,131	\$2,717.79	\$647.66	\$347.09	\$162.27	\$3,874.81
FY 1998	338,045	\$2,673.61	\$645.08	\$354.35	\$163.35	\$3,836.39
FY 1999	344,563	\$2,648.47	\$575.69	\$375.36	\$163.73	\$3,763.25
FY 2000	353,136	\$2,596.03	\$497.55	\$393.29	\$163.53	\$3,650.40
FY 2001	358,549	\$2,700.89	\$393.68	\$392.81	\$168.26	\$3,655.64
FY 2002 ²	364,082	\$2,980.80	\$229.45	\$370.94	\$167.16	\$3,748.35
FY 2003 ²	369,701	\$3,357.20	\$221.49	\$343.25	\$162.87	\$4,084.81

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 2002-2003 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 4

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
1999	10,653	151,000	
2000	11,229	155,000	2.6%
2001	11,801	158,000	1.9%
2002	12,364	161,000	1.9%
2003	13,041	166,000	3.1%

What these numbers show is that Fairfax County has hired an additional 2388 school based teachers since 1999. This is an increase of 22.4% while the student population increased 9.9%. This has decreased the average student/teacher ratio by one student at an additional cost of more than \$95 million.

In order to figure the approximate additional cost of the new teachers hired each year the following chart was created. Each year the new teachers hired were multiplied by \$40,000, an arbitrary salary and benefits package cost assigned to each "new" teacher.

Additional Teachers x \$40,000/new teacher		Extra Cost Factored Out of "net overspending"
1999(base year)		
2000	576	\$23,040,000
2001	572	\$22,880,000
2002	563	\$22,520,000
2003	677	\$27,080,000

The total cost of the additional teachers by the base year used in this analysis is as follows. These costs of the additional teachers hired since 1999 were factored out of the numbers used in this analysis in order to reach a "net overspending" figure that would not include the costs of the new teachers hired. In this way, the cost of the new teachers would not be one of "the reasons" why the county budget on the school side has grown so rapidly.

Cost of Additional Teachers Through 2002

1999 Base Year:	\$95,520,000
2000 Base Year:	\$72,480,000
2001 Base Year	\$49,600,000

Appendix 5

Cost of Special Education

Cost of Special Education

Special education is an increasing cost in the Fairfax County school system.. This first table outlines the numbers of special education students and relates those numbers to the overall student population.

	Special Ed Students*	Total Students	Percent of Total
1999	20,423	151,000	13.5%
2000	21,302	155,000	13.7%
2001	21,871	158,000	13.8%
2002	22,317	161,000	13.9%
2003	22,257	166,000	13.4%

*These student numbers come from official budget documents Appendix.

What these numbers show is that Fairfax County has seen an increase in the number of students classified as needing "special education" of 1,843 since 1999. This is an increase of 8.9% while the total student population has increased by 9.9%. This is a dramatic slowing of the increase in special ed students since last years four-year analysis (1998-2002) that showed an increase in students of 4,218 or 22% in four years. However, the Superintendent's Proposed Budget FY 2003, page 107 shows that the additional cost of special education is \$9,510 per student, up from \$8,742 last year, an increase of 8.8% or four times the rate of inflation. Using 1999 as the base year, the cost of special education per student has increased over 26%.

	Cost/enrollee*	Cost Above Inflation Calculation	Extra Cost Factored Out Of "net overspending"
1999	\$7.521		
2000	\$7,673	no additional cost this year above inflation**	
2001	\$8,006	\$141	\$ 3,083,811
2002	\$8,742	\$560	\$12,497,520
2003	\$9,510	\$576	\$12,820,032

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

**The cost increase for special ed in 2000 was below the rate of inflation so there is no additional cost to be factored out of "net overspending."

The total cost of the special ed students are factored back into the "overspending" numbers in this analysis so that the final figures show the full costs for this program. All additional costs above the rate of inflation were factored back in by taking the difference between the inflation adjusted figure and real annual cost per student and multiplying by the total number of students in the special ed program. That chart is above.

Cost of Additional Special Ed Students Through 2002

1999 Base Year: \$28,401,363
2000 Base Year: \$28,401,363
2001 Base Year: \$25,317,552

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	\$10,841	\$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	\$11,580	\$14,968

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

**Special Education Per-Service Costs
FY 2002 Proposal**

Self-Contained Level of Service	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
Autism								
Extremely Disabled	\$16,807	\$16,312	\$19,679	\$20,251	\$20,477	\$21,018	\$542	2.6%
Hearing-Impaired	\$20,816	\$23,852	\$19,520	\$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%
Moderately Retarded/Severely Disabled	\$12,842	\$13,570	\$12,986	\$12,949	\$13,772	\$14,474	\$701	5.1%
Multisegregated	\$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	\$16,336	\$1,074	7.0%
Average Cost Per Service Self-Contained	\$18,126	\$19,698	\$23,589	\$25,513	\$26,338	\$31,740	\$1,402	4.6%
Preschool								
Home Resource	\$13,991	\$14,530	\$15,196	\$15,465	\$15,899	\$16,258	\$359	2.3%
Classroom-Based								
Average Cost Per Service Preschool	NA	NA	\$7,255	\$7,643	\$7,103	\$8,328	\$1,225	17.2%
	NA	NA	\$17,505	\$18,706	\$19,268	\$20,397	\$1,129	5.9%
	\$12,058	\$13,081	\$13,173	\$13,936	\$13,821	\$14,988	\$1,167	8.4%
Resource Level of Service								
Autism								
Extremely Disabled	NA	NA	\$5,566	\$5,197	\$5,403	\$4,985	(\$418)	-7.7%
Hearing-Impaired	\$5,098	\$4,960	\$7,352	\$6,806	\$6,831	\$7,206	\$375	5.5%
Learning Disabled	\$17,571	\$18,813	\$14,854	\$15,304	\$16,109	\$18,402	\$2,293	14.2%
Mild Retardation	\$5,051	\$6,352	\$4,020	\$4,138	\$4,169	\$4,534	\$365	8.8%
Physically Disabled	NA	NA	\$3,311	\$2,334	\$3,763	\$4,417	\$653	17.4%
Speech-Impaired	\$8,205	\$7,389	\$8,394	\$9,135	\$9,386	\$9,989	\$603	6.4%
Vision-Impaired	\$1,576	\$1,776	\$1,852	\$1,841	\$1,948	\$2,311	\$364	18.7%
Average Cost Per Service Resource	\$8,975	\$10,125	\$8,855	\$8,714	\$9,207	\$9,476	\$270	2.9%
	\$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/}

	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Approved	FY 2002 Proposed	Change FY 2001 App to FY 2002 Prop	Avg. Annual Change 1997 to 2002
School-Based Services								
Autistic	198	233	269	327	480	548	68	35.4%
Emotionally Disabled	95	113	145	250	521	633	112	21.5%
Hearing-Impaired	61	71	81	51	98	104	6	6.1%
Learning Disabled	4,244	4,743	5,001	5,547	6,242	6,690	448	7.2%
Mild Retardation	643	652	673	624	823	888	65	7.9%
Moderately Retarded/Severely Disabled	273	287	263	296	350	386	36	10.3%
Noncategorical	219	271	307	294	455	527	72	15.8%
Physically Disabled	75	71	78	79	99	127	28	28.3%
Vision-Impaired	6	4	7	9	15	17	2	13.3%
Subtotal School-Based Services	5,814	6,445	6,824	7,477	9,083	9,920	837	9.2%
Center-Based Services								
Autistic	2	0	3	3	9	9	0	70.0%
Emotionally Disabled	917	996	1,045	930	1,147	1,171	24	2.1%
Hearing-Impaired	98	102	107	109	128	128	0	0.0%
Learning Disabled	12	12	15	5	5	20	15	300.0%
Mild Retardation	36	41	53	48	43	43	0	0.0%
Moderately Retarded/Severely Disabled	213	186	208	212	213	213	0	0.0%
Physically Disabled	90	93	101	84	91	61	(30)	-33.0%
Subtotal Center-Based Services	1,368	1,430	1,532	1,391	1,636	1,645	9	0.6%
Preschool Services								
School-Based	739	782	746	714	1,001	1,072	71	7.1%
Center-Based	33	41	41	6	46	46	0	0.0%
Home resource	547	646	625	694	849	908	59	6.9%
Subtotal Preschool Services	1,319	1,469	1,412	1,414	1,896	2,026	130	6.9%
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 IEP's reflecting 50 percent or more special education services within their educational program.

^{2/} Excludes students placed in residential and non-residential facilities.

Special Education Services Chart B

Resource Services Provided by Program ^{1/3}	FY 1997						Change FY 2001 App to FY 2002 Prop.		Avg. Annual Change 1997 to 2002	
	Actual	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Amount	Percent		
Autistic	170	193	254	339	335	387	52	15.5%	25.5%	
Emotionally Disabled	743	915	1,216	1,463	1,386	1,599	213	15.4%	23.0%	
Hearing-Impaired	216	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	1.81	1.81	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 6

Cost of ESOL Education

Cost of ESOL Education

The number of English for Speakers of Other Languages (ESOL) students in Fairfax County is increasing dramatically. And, as the chart below shows, the percentage of students needing to learn English is also increasing rapidly in Fairfax County.

	ESL Students*	Total Students	Percent of Total
1999	11,259	151,000	7.5%
2000	13,467	155,000	8.7%
2001	15,635	158,000	9.9%
2002	18,008	161,000	11.20%
2003	20,259	166,000	12.2%

*see attached answer to Question #93 by Board Member Christian Braunlich in 2002 and page 104 in the *Superintendent's Proposed Budget FY 2003*.

What these numbers show is that Fairfax County has seen an increase in the number of students in ESOL classes of 9,000 since 1999. This is an increase of 79.9% while the total student population has increased by only 9.9%. The cost per ESOL student decreased dramatically in 2000 and 2001 (see the chart at the bottom of this page), and is now increasing well above the rate of inflation.

The calculation to determine the "extra cost/enrollee" was this: the total cost of each ESOL student was subtracted from the cost per student in "Analysis A;" this number was analyzed to determine if it was above or below the inflation adjusted rate; if it was above the inflation rate, the amount in excess of inflation was multiplied by the total number of students in the ESOL program to determine the amount that should be credited back to the school system before a "net overspending" figure was determined. By factoring back in these costs, the "net overspending" figures cannot be attributed to the escalating cost of this program.

	Extra Cost/enrollee*	Cost Above Inflation/student	Extra Cost Factored Out of "net overspending"
1999	\$ 1,701		
2000	\$ 1,498	no additional cost this year above inflation**	
2001	\$ 1,456	no additional cost this year above inflation**	
2002	\$ 1,734	\$246	\$4,429,968
2003	\$ 1,904	\$132	\$2,674,188

*See information in this Appendix.

**The cost increase for ESOL was below the rate of inflation so there is no additional cost to be factored out of "net overspending."

The total "extra" cost of the ESOL students are as follows. Since the inflation adjusted numbers only increased in 2002 and 2003, the total "Additional Cost" number is constant for base years 1999, 2000 and 2001.

Extra Cost for ESOL Through 2002

1999 Base Year: \$ 7,104,156
2000 Base Year: \$ 7,104,156
2001 Base Year: \$ 7,104,156

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 Author

Michael W. Thompson: Mr. Thompson and his family have lived in Fairfax County, Virginia for thirty-one years. He has been active in the community serving as a PTA President for two terms, Cub Scout Den Leader, on several boards and commissions, as President of the Springfield District Council for four terms, on the Board of the Fairfax Federation of Citizens Associations for four 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 daughters.

Mr. Thompson founded a successful direct marketing agency in Springfield and served as its president for 24 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. Mr. Thompson is serving his second term, a Governor's appointment, 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 seven 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 L. Hartwell: Vice President, Government Affairs, Berman and Company

Alan I. Kirshner: Chairman and CEO of Markel Corporation.

Joseph Ragan: Founder and President of Joe Ragan's Coffee.

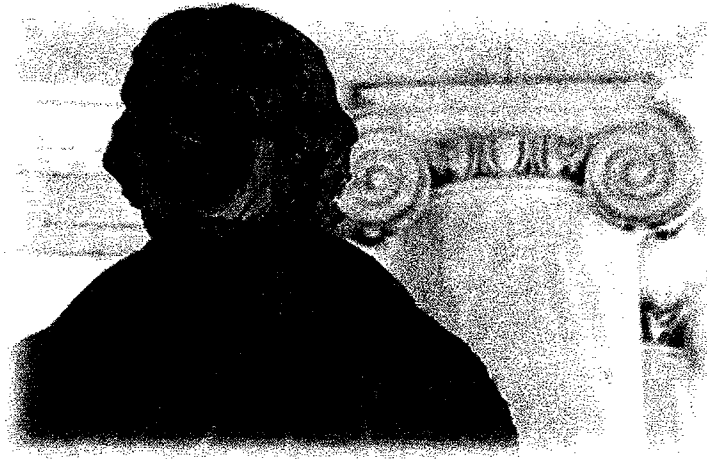
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Robert W. Shinn: Vice President of CSX Corporation.

Todd A. Stottlemeyer: President, McGuire Woods Consulting

Dr. Robert F. Turner: Law professor at the University of Virginia at Charlottesville.

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

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