

THE THOMAS JEFFERSON INSTITUTE FOR PUBLIC POLICY

Th Jefferson

Seventh Annual

Fairfax County Budget Analysis **Spending Slows as Elections Approach**

By:

Michael W. Thompson

September 2007

Thomas Jefferson Institute for Public Policy

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Seventh Annual

Fairfax County Budget Analysis

Spending Slows as Elections Approach

By: Michael W. Thompson

This is the seventh consecutive year that the Thomas Jefferson Institute for Public Policy has produced an annual analysis of the government's General Fund Budget and public school's overall budget in Fairfax County. These numbers do not include those "off budget" government operations of independent agencies such as the Water Authority.

This year's Fairfax County Budget Analysis cover the full four year term of the current Board of Supervisors and School Board, both of which are up for election this fall.

Fairfax County budget documents are used as the basis for this study and are reproduced in the Appendices.

The purpose of these annual studies is to determine if an outside analysis should be undertaken in order to find whether the taxpayers' money is being well spent, well-prioritized and if efficiencies can be found. This outside budget review should be undertaken on a regular basis even if spending was not growing as rapidly as this analysis shows. But when spending grows rapidly, the need for an in-depth, outside budget review is even more important. This Thomas Jefferson Institute analysis is only the first step in a better-management process but the results are quite interesting.

This analysis compares actual spending over the past four years with what would have been spent had increases been limited to the growth of the Consumer Price Index (CPI) and population. Calculations also show this comparison for the past three years and the past two years. This CPI-population formula is used since keeping government spending at this level would keep the burden of government the same on the taxpayers in inflation-adjusted dollars. And it would keep the price of providing public education the same on a per student basis in inflation-adjusted dollars as well.

Any significant spending beyond this formula should be a warning sign for our Board of Supervisors, School Board, business leaders, and our civic activists that there needs to be a serious and thorough independent and outside analysis of spending. And such an analysis should become part of the normal course of doing business by our county government and the School Board. This should be a programmatic audit and include a prioritization of spending needs.

Although the property tax rate in Fairfax County has been significantly reduced over the past four years, these total taxes paid by the homeowners and county spending

has risen dramatically. This spending increase was made possible through the dramatic spike in property values over the past several years allowing the Board of Supervisors to reduce the tax rate while still significantly increasing the property taxes.

This year's Budget Analysis shows these interesting facts:

- 1) Over the past four years, the combined "overspending" (beyond the CPI and population formula) of the county and school budgets is \$1,082,891,506 – that's over \$1 billion in four years.
- 2) Over the past three years, this "overspending" totals \$686,449,286.
- 3) Over the past two years, this "overspending" is a negative \$187,791,714. This shows that over the past two years the Board of Supervisors and the School Board have been constrained in spending by the slowing of property values. Indeed, property tax bills in Fairfax County this year were basically unchanged over the entire county, although they have doubled in the past seven years.

And as this study has shown over the past several years, the bulk of "overspending" takes place by the School Board and not by the Board of Supervisors. This continues to be the case in this year's "*Fairfax County Budget Analysis*."

The county's budget documents show some interesting facts that have not been highlighted by the Supervisors, the School Board members or the media for that matter.

First, on the School budget: in each of the base years of this study – 2004, 2005 and 2006 – the School Board lists in its Proposed Budget the "estimated" spending for the past year and then the actual spending is shown for two years back. This makes sense since actual spending numbers aren't going to be available when budgets are drawn up for the next year since spending for the current fiscal year is still occurring. However, what is interesting from a management point of view is that in each of these years, the "estimated" spending shown in the proposed budget documents ends up being substantially more than what is shown the following year under "actual" numbers. In fact these "estimated" spending numbers have averaged \$103,597,000 more than the actual spending for that year as reported in the subsequent year budget documents.

Why can't the school system better project its yearly spending especially when this seems to be an annual over-projection? Is there a reason for this continued inability to project more realistic numbers?

And each of these annual budget documents also show the actual spending by the schools in Fiscal Year 2004, '05 and '06 average \$32,958,000 less than the approved budgets for that particular year. So the school system doesn't seem to be spending all that is appropriated by the Board of Supervisors.

If over several years, actual spending by the School Board is less than the approved budget for that year, then the annual “we need more than you are giving us” argument does not seem to stand up to the facts.

Here are the numbers from the school’s budget documents. Each year’s analysis requires numbers from three years of budget documents.

2004:	A) Approved budget	\$ 1,668,306,862	
	B) Estimated spending	\$ 1,741,810,340	
	C) Actual spending	\$ 1,630,084,447	
	A – C =	\$ 38,222,415 less than approved budget	
2005:	A) Approved spending	\$ 1,805,536,495	
	B) Estimated spending	\$ 1,853,909,667	
	C) Actual spending	\$ 1,767,440,448	
	A – C =	\$ 38,096,047 less than approved budget	
2006:	A) Approved spending	\$ 1,931,367,218	
	B) Estimated spending	\$ 1,992,177,528	
	C) Actual spending	\$ 1,908,812,456	
	A – C =	\$ 22,554,762 less than approved budget	
2007:	A) Approved spending	\$ 2,085,242,967	
	B) Estimated spending	\$ 2,114,230,232	
	A – C =	\$ 28,987,265 more than proposed budget; “actual spending” in next year’s budget.	

Three year (FY 04.05, 06) spending below the adopted budget: \$ 98,873,224.

So over the most recent three year period with complete numbers available the school system spent \$99 million less than the adopted budget. This shows that the School Board is good at staying below the adopted budgets. It also clearly shows that the “estimated budgets” are continually way off the mark. However, the school system is spending a huge amount of money over and beyond the CPI-population formula and that indicates serious review of spending is needed.

This annual study by the Jefferson Institute shows school spending is not only much higher than the inflation-population formula, there seems to be a built-in over-estimation of spending that is presented to the Board of Supervisors and to the public each year as the next year’s budget is requested. Then, the next year these numbers reflect actual spending and they are continually much less than estimated one year earlier. The inability to more properly estimate spending each and every year is something that our elected officials need to figure out and remedy. Such miscalculations by the school system only makes the budget decision-making process more difficult.

Second, on the government side of the county budget, the Board of Supervisors over the three years– 2004, 2005 and 2006 – regularly spent much more than the adopted budgets in May allowed. We won't know the actual numbers for 2007 until next year. However, the “revised” numbers for 2007 show significant overspending once again. Why can't the county government spend within its budget?

The “revised” number in the county government budget listed below is comparable to the “estimated spending” in the school budget. But unlike school spending, the government side continues spending significantly more than was budgeted.

Here is what the Fairfax County government's budget documents show:

2004:	A) Adopted	\$ 2,559,804,213	
	B) Revised	\$ 2,654,215,588	
	C) Actual	\$ 2,599,861,782	
	C – A =	\$ 40,057,569	more spending than adopted budget.
2005:	A) Adopted	\$ 2,733,221,469	
	B) Revised	\$ 2,858,442,563	
	C) Actual	\$ 2,809,880,067	
	C – A =	\$ 76,658,598	more spending than adopted budget
2006:	A) Adopted	\$ 3,021,130,406	
	B) Revised	\$ 3,173,773,289	
	C) Actual	\$ 3,113,897,426	
	C – A =	\$ 92,767,202	more spending than adopted budget
2007:	A) Adopted	\$ 3,213,678,996	
	B) Revised	\$ 3,288,997,359	
	C) Actual	not yet reported	
	B – A	\$ 75,318,363	more spending than adopted budget

Three year spending above adopted budgets: \$ 209,483,369

Four year spending above adopted budgets: \$ 284,801,732*

* only “revised” and not “actual” spending available for 2007

Clearly, the Board of Supervisors cannot seem to spend within its own approved budgets in the spring. Had it done so, then the government side of the spending equation in Fairfax County would have been much closer to the CPI-population formula. But, the Board spends every “extra” dollar that comes into the county coffers.

It is clear from this analysis the School Board continues to spend well beyond the CPI-student population formula even when spending less than budgeted. In the past four

years, school “overspending” as determined by this study totals \$696,831,206 (see chart below). And, with the student population remaining basically constant at approximately 165,000 (the annual numbers are rounded to the nearest 1,000 while the annual student population varies only by a few hundred) this additional spending – far beyond the rate of CPI and student enrollment growth – should be a significant caution sign for our elected School Board Members. ***The projected ‘extra’ costs for the increase in the number of new teachers, Special Education, and ESOL instruction were subtracted out of the school system’s overspending numbers so they would not be included as part of this analysis on spending.***

The Fairfax County Board of Supervisors should not feel good over the fact that in the past four years its “overspending” has only totaled \$386,060,300. County government could have increased each and every program by the rate of inflation and kept pace with our increasing population while spending \$386 million less. This fact points toward the need for a solid and transparent outside management analysis. ***And had the Board of Supervisors limited its spending to its adopted budgets, it would have saved the taxpayers \$285 million over the past four years. That is a huge amount of spending over-and-beyond the annual adopted budgets.***

This is a four year analysis which gives the reader an idea of just how much money our county could have dedicated toward transportation improvements, new and renewed school buildings or even further tax reductions had the growth of government and school programs remained constant to the CPI and population growth. And as these numbers show, the county government could have come much closer in meeting the inflation-population formula had it merely kept spending in line with its approved budgets in the spring.

The “overspending” numbers in this budget analysis do not include debt service for the county or for the school system. These are obligations based on bond issues passed by the voters. What these numbers do reflect is the “working budget” and something that can be changed should our elected officials decide to do so.

This analysis finds these “net overspending” figures (see table below) for the county and school systems. The school system numbers have subtracted from them the costs beyond the CPI-population growth formula for additional teachers, special education and English for Speakers of Other Languages courses. The author did not want to have these important programs used as an excuse for the large “overspending” figures.

Net Overspending in Fairfax County

Base Year	County Overspending	School Overspending	Total Overspending
2004	\$386,060,300	\$696,831,206	\$1,082,891,506
2005	\$204,162,680	\$482,286,606	\$ 686,449,286
2006	(\$159,524,448)	(\$ 28,267,266)	(\$ 187,791,714)

What these numbers show is that in the past two years, the spending in Fairfax County has indeed been below the inflation/CPI-population formula. This is an encouraging sign if this trend continues once this year's elections are over.

If these "overspending" figures are reduced by 10% to allow for such extraordinary increases as health insurance costs, the remaining numbers are still very high over the past four years. So again, our elected leaders cannot point to the rise in health insurance costs as an excuse for such large "overspending" numbers.

This brief analysis of the Fairfax County budget is not a substitute for a careful management review for each and every program in government and in the school system. This budget analysis is not a detailed critique of the many programs funded by our county or by our schools. But these "overspending" numbers do give the reader an idea of how much more is being spent in Fairfax County than if the general burden of government and the average cost per student in our schools had simply kept pace with Consumer Price Index and population growth.

This analysis shows that serious budget management needs to be instituted in Fairfax County by the government and the school system. Best business practices need to be implemented. Prioritization of spending needs to take place. And contracting out of government services and programs need to be researched and implemented where possible as other governments throughout the country have accomplished.

Here are a few budget management ideas that should be considered by our Board of Supervisors and by the School Board that will be elected this fall:

- 1) The School Board should create a serious two-year citizens panel to study the budget without restraints on the panel's work. When the School Board last had a citizen's panel look at its budget in 2003, the School Board Chair ordered the panel not to look at the cost of instructional programs. Yet, almost 85% of the school budget is instructional programs. For 85% of the budget to be off-the-table in a budget analysis makes the whole process practically worthless.
- 2) The Board of Supervisors should appoint a panel of business leaders and government budget experts to review the budget with an eye on finding waste, prioritizing spending and finding those services to be put out for bid to see if the private sector can provide them at a less expensive price.
- 3) Years ago each Supervisor had their own Citizens Budget Oversight Committee that helped them get a better handle on the county budget. Those oversight committees disappeared over ten years ago. They should be re-established.
- 4) Study after study has shown that teaching students to read through a phonics-based program is significantly better than other reading programs. And many studies show that a phonics-based reading program can reduce the number of students in special education classes. Indeed, recent studies show that the reading

scores of African American students in Richmond exceed those of African American students in Fairfax County. One difference is that Richmond has a phonics-based reading program. The School Board should make a phonics-based reading program the basic reading program in Fairfax County. This could reduce the cost of Special Education significantly and help students at the same time.

- 5) Public private partnerships in building all government construction projects – county projects, new school construction and improvements to current schools – should be the first option in all cases if the price and product are better. Governments and school systems all over the state and throughout the country are finding significant savings using public private partnerships. Indeed, the new South County high school was built at a savings of almost 30% by using this management tool.
- 6) The Gibson Consulting Group study of the school system a few years ago needs to be taken off the shelf, dusted off and its recommendations reviewed and publicly determined to be followed or to tell the taxpayers why they are not. This type of programmatic study/review should be completed on a regular basis.
- 7) The state of Virginia has recently contracted out its information technology needs to the private sector and expects to save hundreds of millions of dollars over a few years. The county and school system should issue a Request for Proposal for its IT services to be handled by the private sector.
- 8) The Board of Supervisors and School Board should eliminate all possible duplication of services between the County and School Board, consolidating those services to the government unit that achieves the best result at the best price for taxpayers. Among the services that might be consolidated are payroll processing, media and audio-visual, maintenance, warehousing, public works design and construction, and non-supervisory Human Services.
- 9) And the General Assembly should pass legislation allowing staggered terms for the members of the Board of Supervisors and the School Board so that half of each governing board faces the voters every two years. This simple change would bring a continual review by the public of the county government and school systems and this would create better government overall and more citizen involvement in the process.

In this election year, this budget analysis should be seriously reviewed by those who currently hold office and those who are running for the Board of Supervisors and School Board. These numbers clearly show that a serious outside management audit needs to be a normal part of the budgeting process for both the county government and the School Board.

Overspending Analysis Tables

These analysis tables of the Fairfax County budgets do not include debt service for the school system and the county since these payments are “locked in” through voter approved bond issues.

The tables review the budgets going back four years including the budget that began on July 1, 2007 of this year – the FY 2008 budget cycle. The following are three sets of tables for the county government budgets and three sets for the school systems budgets.

Comparisons are between what was spent and would have been spent had these budgets only increased at the rate of inflation and population growth. This formula was chosen since it would have allowed these government budgets to increase at a rate that would have remained constant with inflation factored in. This also means that had the budgets increase at the formula limits, the burden of government on our taxpayers would have remained constant as well.

This comparison does not get involved in special program analysis but is meant as an initial management tool. That is, if the budgets over a four year period are “way out of line” then that is a signal that further review is needed by the Supervisors and School Board Members to try to find ways to slow the growth of government spending. Of course, good management requires constant review of all programs and policies to make sure that the taxpayers’ dollars are being well spent.

For the county government budget, population is the number of people living in Fairfax County. For the school budget, population is the number of students enrolled in the public school system.

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

These figures do not include debt service for schools or the county

(2004 Base Year)

Fiscal Year	Gov't Non-School Spending Beyond Growth of Inflation & Population	K-12 School Spending Beyond Growth of Inflation & Population
2004 (base year)		
2005 (actual)	\$ 41,265,240	\$ 53,870,720
2006 (actual)	\$ 160,332,600	\$ 123,918,400
2007 (approved)	\$ 133,871,100	\$ 275,365,840
2008 (approved)	\$ 50,591,360	\$ 279,658,500
Total "Overspending"	\$ 386,060,300	\$ 732,813,460

Combined Four Year Overspending Using 2003 as Base Year: \$1,118,873,760

(2005 Base Year)

2005 (base year)		
2006 (actual)	\$ 116,246,430	\$ 67,786,120
2007 (approved)	\$ 87,700,110	\$ 217,549,280
2008 (approved)	\$ 2,192,000	\$ 219,745,350
Total "Overspending"	\$ 204,162,680	\$ 505,080,750

Combined Three Year Overspending Using 2005 as Base Year: \$ 721,154,640

(2006 Base Year)

2006 (base year)		
2007 (approved)	(\$ 33,506,760)	(\$ 147,729,560)
2008 (approved)	(\$ 123,273,420)	\$ 147,392,850
Total "Overspending"	(4 156,780,180)	(\$ 336,710)

Combined Two Year Overspending Using 2006 as Base Year: (\$ 159,861,150)*

* Over two years, county spending increased less than the rate of inflation and population growth

Fairfax County Budget – Spending Beyond the Rate of Inflation and Population Growth
(Does not include county and school debt service)

Gov't/Non-School Budget – '04 Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	"Overspent" per/capita
2004 (base year)	\$ 1,140	1,022	\$ 1,115.46	N/A	N/A
2005 (actual)	\$ 1,262	1,041	\$ 1,212.12	(5.1%) \$ 1,172.35	\$ 39.64
2006 (actual)	\$ 1,454	1,059	\$ 1,372.99	(4.2%) \$1,221.59	\$151.40
2007 (approved)	\$ 1,489	1,077	\$ 1,382.54	(3.0%) \$1,258.24	\$124.30
2008 (approved)	\$ 1,471	1,096	\$ 1,342.15	(3.0%) \$1,295.99	\$ 46.16

"Overspending" in Non School Budget – '04 as Base Year

2004 Base Year					
2005 (actual)	\$ 39.64/person "overspent"	x 1,041,000 population		\$ 41,265,240	
2006 (actual)	\$151.40/person "overspent"	x 1,059,000 population		\$ 160,332,600	
2007 (approved)	\$124.30/person "overspent"	x 1,077,000 population		\$ 133,871,100	
2008 (approved)	\$ 46.16/person "overspent"	x 1,096,000 population		\$ 50,591,360	

"Overspent" in Four Years: \$386,060,300 in the County (non-school) Budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and County Debt Service and School Debt Service – all figures from Fairfax County's advertised budget documents – See Appendix I.

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

K-12 School Budget – '04 as Base Year

Fiscal Year	Actual Budget in millions	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/student
2004 (base year)	\$ 1,630	164	\$ 9,939.02	N/A	N/A
2005 (actual)	\$ 1,767	164	\$10,774.39	(5.1%) \$10,445.91	\$ 328.48
2006 (approved)	\$ 1,909	164	\$11,640.24	(4.2%) \$10,884.64	\$ 755.60
2007 (approved)	\$ 2,114	164	\$12,890.24	(3.0%) \$11,211.18	\$ 1,679.06
2008 (approved)	\$ 2,185	165	\$13,242.42	(3.0%) \$11,547.52	\$ 1,694.90

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“Overspending” in K-12 School Budget – '04 as Base Year

2004 Base Year	
2005 (actual)	\$ 328.48/student “overspent” x 164,000 population \$ 53,870,720
2006 (actual)	\$ 755.60/student “overspent” x 164,000 population \$ 123,918,400
2007 (approved)	\$1,679.06/student “overspent” x 164,000 population \$ 275,365,840
2008 (approved)	\$1,694.90/student “overspent” x 165,000 population \$ 279,658,500

“Overspent” in Four Years \$732,813,460 in the K-12 School Budget

* Actual Budget = Total Disbursements from Superintendent’s budgets. See Appendix 2

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

(Does not include county and school debt service)

Gov't/Non-School Budget – '05 Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/capita
2005 (base year)	\$ 1,262	1,041	\$ 1,212.30	N/A	N/A
2006 (actual)	\$ 1,454	1,059	\$ 1,372.99	(4.2%) \$1,263.22	\$ 109.77
2007 (approved)	\$ 1,489	1,077	\$ 1,382.54	(3.0%) \$1,301.11	\$ 81.43
2008 (approved)	\$ 1,471	1,096	\$1,342.15	(3.0%) \$1,340.15	\$ 2.00

“Overspending” in Non School Budget – '05 as Base Year

2005 (base year)				
2006 (revised)	\$ 109.77/person “overspent”	x 1,059,000 population	\$ 116,246,430	
2007 (approved)	\$ 81.43/person “overspent”	x 1,077,000 population	\$ 87,700,110	
2008 (approved)	\$ 2.00/person “overspent”	x 1,096,000 population	\$ 2,192,000	

“Overspent” in Three Years: \$204,162,680 in the County (non-school) Budget

* Actual Budget = Total Disbursements minus Public School Operating Transfer and County Debt Service and School Debt Service – all figures from Fairfax County’s advertised budget documents – See Appendix I.

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

K-12 School Budget – ’05 as Base Year

Fiscal Year	Actual Budget in millions	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/student
2005 (base year)	\$ 1,767	164	\$10,774.39	N/A	N/A
2006 (actual)	\$ 1,901	164	\$11,640.24	(4.2%) \$11,226.91	\$ 413.33
2007 (approved)	\$ 2,114	164	\$12,890.24	(3.0%) \$11,563.72	\$ 1,326.52
2008 (approved)	\$ 2,185	165	\$13,242.42	(3.0%) \$11,910.63	\$ 1,331.79

“Overspending” in K-12 School Budget – ’05 as Base Year

2005 (base year)	
2006 (actual)	\$ 413.33 /student “overspent” x 164,000 population \$ 67,786,120
2007 (approved)	\$1,326.52/student “overspent” x 164,000 population \$ 217,549,280
2008 (approved)	\$1,331.79/student “overspent” x 165,000 population \$ 219,745,350

“Overspent” in Three Years \$505,080,750 in the K-12 School Budget

* Actual Budget = Total Disbursements from Superintendent’s budgets. See Appendix 2

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

(Does not include county and school debt service)

Gov't/Non-School Budget – '06 Base Year

Fiscal Year	Actual Budget in millions*	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/capita
2006 (base year)	\$ 1,454	1,059	\$ 1,372.99	N/A	N/A
2007 (approved)	\$ 1,489	1,077	\$ 1,382.54	(3.0%) \$1,414.18	(\$ 31.64)
2008 (approved)	\$ 1,471	1,096	\$ 1,342.15	(3.0%) \$1,456.61	(\$ 114.46)

“Overspending” in Non School Budget – '06 as Base Year

2006 Base Year				
2007 (approved)	(\$ 31.64) /person “overspent”	x 1,077,000 population	(\$ 34,076,280	
2008 (approved)	(\$ 114.46) /person “overspent”	x 1,096,000 population	(\$ 125,448,160)	

“Overspent” in Two Years: (\$159,524,440)** in the County (non-school) Budget

- * Actual Budget = Total Disbursements minus Public School Operating Transfer and County Debt Service and School Debt Service – all figures from Fairfax County’s advertised budget documents – See Appendix I.
- ** Fairfax County Government spent under the rate of inflation and population growth over the past two years.

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

K-12 School Budget – '06 as Base Year

Fiscal Year	Actual Budget in millions	Population in thousands	Cost/Capita	Inflation Adjusted cost/capita	“Overspent” per/student
2006 (base year)	\$ 1,901	164	\$11,640.24	N/A	N/A
2007 (approved)	\$ 2,114	164	\$12,890.24	(3.0%) \$11,989.45	(\$ 900.79)
2008 (approved)	\$ 2,185	165	\$13,242.42	(3.0%) \$12,349.13	\$ 893.29

“Overspending” in K-12 School Budget – '06 as Base Year

2006 (base year)	
2007 (approved)	(\$ 900.79)/student “overspent” x 164,000 population (\$ 147,729,560)
2008 (approved)	\$ 893.29/student “overspent” x 165,000 population \$ 147,392,850

“Overspent” in Two Years (\$ 336,710) in the K-12 School Budget

* Actual Budget = Total Disbursements from Superintendent's budgets. See Appendix 2

Appendix I

Fiscal 2004, 2005, 2006, 2007, and 2008 Adopted Budgets for Fairfax County

Specific numbers used in this study are highlighted.

**FY 2004 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND**

	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advised Budget Plan	FY 2004 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Beginning Balance ¹	\$84,169,489	\$46,457,565	\$94,569,059	\$49,504,644	\$50,671,950	(\$43,897,109)	-46.42%
Revenue							
Real Property Taxes	\$1,233,203,875	\$1,384,758,240	\$1,392,128,078	\$1,528,949,445	\$1,494,186,763	\$102,058,685	7.33%
Personal Property Taxes ²	282,889,998	267,236,545	269,934,808	272,808,779	272,514,079	2,579,271	0.96%
General Other Local Taxes	360,262,632	355,199,911	361,149,347	362,443,906	372,943,906	11,794,559	3.27%
Permits, Fees & Regulatory Licenses	28,609,183	29,354,826	26,468,562	28,371,322	26,851,322	382,760	1.45%
Fines & Forfeitures	10,318,703	10,997,380	9,705,364	12,006,933	12,044,433	2,339,069	24.10%
Revenue from Use of Money & Property	28,233,572	32,737,042	16,305,124	16,372,803	16,372,803	67,679	0.42%
Charges for Services	35,241,909	34,906,731	37,301,691	38,771,557	38,148,727	847,036	2.27%
Revenue from the Commonwealth ²	277,978,231	281,948,245	277,562,221	280,459,841	280,564,841	3,002,620	1.08%
Revenue from the Federal Government	37,674,830	38,820,556	47,065,729	39,909,475	39,909,475	(7,156,254)	-15.20%
Recovered Costs/Other Revenue	5,899,819	5,677,428	5,304,162	5,395,848	5,395,848	91,686	1.73%
Total Revenue	\$2,300,312,752	\$2,441,636,904	\$2,442,925,086	\$2,585,489,909	\$2,558,932,197	\$116,007,111	4.75%
Transfers In							
105 Cable Communications	\$1,614,594	\$1,465,732	\$1,465,732	\$1,396,150	\$1,396,150	(\$69,582)	-4.75%
312 Public Safety Construction	0	0	760,000	0	0	(760,000)	-100.00%
503 Department of Vehicle Services	3,000,000	1,700,000	1,700,000	0	0	(1,700,000)	-100.00%
Total Transfers In	\$4,614,594	\$3,165,732	\$3,925,732	\$1,396,150	\$1,396,150	(\$2,529,582)	-64.44%
Total Available	\$2,389,096,835	\$2,491,260,201	\$2,541,419,877	\$2,636,390,703	\$2,611,000,297	\$69,580,420	2.74%
Direct Expenditures							
Personnel Services	\$477,708,903	\$513,704,866	\$517,473,928	\$545,136,717	\$539,466,967	\$21,993,039	4.25%
Operating Expenses	291,792,138	309,005,021	335,450,559	309,682,089	305,714,818	(29,735,741)	-8.86%
Recovered Costs	(29,440,398)	(31,795,876)	(33,081,373)	(38,245,224)	(38,113,738)	(5,032,365)	15.21%
Capital Equipment	4,460,980	3,782,456	6,577,495	3,930,087	3,877,015	(2,700,480)	-41.06%
Fringe Benefits	110,429,460	120,670,575	128,516,572	133,620,826	134,616,655	6,100,083	4.75%
Total Direct Expenditures	\$854,951,083	\$915,367,042	\$954,937,181	\$954,124,495	\$945,561,717	(\$9,375,464)	-0.98%

**FY 2004 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND**

	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Transfers Out							
002 Revenue Stabilization	\$2,511,050	\$0	\$1,389,191	\$0	\$0	(\$1,389,191)	-100.00%
090 Public School Operating	1,079,911,756	1,167,861,517	1,168,875,267	1,238,475,201	1,238,475,201	69,599,934	5.95%
100 County Transit System	16,063,083	16,738,953	17,938,844	20,275,993	20,275,993	2,337,149	13.03%
103 Aging Grants & Programs	1,636,511	1,735,999	1,735,999	1,848,836	1,835,826	99,827	5.75%
104 Information Technology	12,788,178	5,921,626	5,921,626	9,449,844	9,449,844	3,528,218	59.58%
106 Community Services Board	74,594,347	78,401,580	78,401,580	80,329,739	80,629,965	2,228,385	2.84%
109 Refuse Collection and Recycling Operations	0	0	9,622	0	0	(9,622)	-100.00%
110 Refuse Disposal	5,500,000	3,439,291	3,439,291	2,000,000	1,800,000	(1,639,291)	-47.66%
118 Consolidated Community Funding Pool	5,923,150	6,278,539	6,278,539	6,278,539	6,458,709	180,170	2.87%
119 Contributory Fund	6,697,638	6,456,429	6,507,747	7,141,779	7,048,423	540,676	8.31%
120 E-911 Fund	5,291,176	4,666,094	6,974,098	7,374,917	5,421,174	(1,552,924)	-22.27%
141 Elderly Housing Programs	1,190,661	1,237,474	1,237,474	1,175,599	1,215,433	(22,041)	-1.78%
144 Housing Trust Fund	300,000	0	0	0	0	0	-
200 County Debt Service	98,009,886	100,089,491	100,089,491	99,096,864	98,445,696	(1,643,795)	-1.64%
201 School Debt Service	105,528,408	113,604,781	113,604,781	120,896,733	120,896,733	7,291,952	6.42%
302 Library Construction	0	0	550,000	0	0	(550,000)	-100.00%
303 County Construction	4,256,813	2,611,941	4,855,991	4,793,041	3,093,041	(1,762,950)	-36.30%
304 Primary & Secondary Road Bond Construction	350,000	0	0	0	0	0	-
308 Public Works Construction	850,277	0	0	0	0	0	-
309 Metro Operations and Construction	11,450,844	12,272,714	12,272,714	16,446,575	12,272,714	0	0.00%
313 Trail Construction	200,000	0	0	0	0	0	-
340 Housing Assistance Program	1,850,000	1,600,000	1,600,000	1,600,000	935,000	(665,000)	-41.56%
500 Retiree Health Benefits	1,917,915	2,228,491	2,228,491	3,089,226	3,088,744	860,253	38.60%
504 Document Services Division	2,755,000	1,900,000	1,900,000	2,900,000	2,900,000	1,000,000	52.63%
Total Transfers Out	\$1,439,576,693	\$1,527,044,920	\$1,535,810,746	\$1,623,172,886	\$1,614,242,496	\$78,431,750	5.11%
Total Disbursements	\$2,294,527,776	\$2,442,411,962	\$2,490,747,927	\$2,577,297,381	\$2,559,804,213	\$69,056,286	2.77%
Total Ending Balance	\$94,569,059	\$48,848,239	\$50,671,950	\$59,093,322	\$51,196,084	\$524,134	1.03%
Less:							
Managed Reserve	\$46,457,565	\$48,848,239	\$49,814,959	\$51,545,948	\$51,196,084	\$1,381,126	2.77%
Reserve for economic fluctuations & revenue adjustments				7,547,374			
Total Available	\$48,111,494	\$0	\$856,991	\$0	\$0	(\$856,991)	-100.00%

¹ The FY 2003 Revised Beginning Balance reflects audit adjustments for revenue and expenditures and a FY 2002 Beginning Balance adjustment for compensated absences as included in the FY 2002 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2003 Revised beginning balance has been increased by \$5,606,573 for balance adjustments associated with compensated absences, \$321,236 for revenues and \$36,589 based on expenditure reductions for a net increase of \$5,964,398.

² 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.

**FY 2005 ADOPTED GENERAL FUND STATEMENT
FUND 001, GENERAL FUND**

	FY 2003 Actual	FY 2004 Adopted Budget Plan	FY 2004 Revised Budget Plan	FY 2005 Advertised Budget Plan	FY 2005 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Beginning Balance ¹	\$94,569,059	\$50,671,950	\$118,894,312	\$52,346,805	\$63,110,133	(\$55,784,179)	-46.92%
Revenue							
Real Property Taxes	\$1,396,533,630	\$1,494,186,763	\$1,498,835,203	\$1,664,326,733	\$1,623,843,927	\$125,008,724	8.34%
Personal Property Taxes ²	271,061,149	272,514,079	266,967,741	263,558,616	262,893,350	(4,074,391)	-1.53%
General Other Local Taxes	373,594,301	372,943,906	390,144,560	382,953,488	402,006,774	11,862,214	3.04%
Permits, Fees & Regulatory Licenses	27,743,163	26,851,322	26,902,515	26,935,856	26,943,956	41,441	0.15%
Fines & Forfeitures	11,046,988	12,044,433	12,778,263	12,380,594	12,380,594	(397,669)	-3.11%
Revenue from Use of Money & Property	20,742,288	16,372,803	18,233,375	21,105,450	21,105,450	2,872,075	15.75%
Charges for Services	40,549,148	38,148,727	41,941,708	40,524,336	42,533,320	591,612	1.41%
Revenue from the Commonwealth ²	275,111,331	280,564,841	283,764,513	283,135,652	282,677,838	(1,086,675)	-0.38%
Revenue from the Federal Government	46,997,511	39,909,475	51,415,242	39,760,070	42,497,898	(8,917,344)	-17.34%
Recovered Costs/Other Revenue	5,424,424	5,395,848	6,052,139	5,969,254	6,226,214	174,075	2.88%
Total Revenue	\$2,468,803,933	\$2,558,932,197	\$2,597,035,259	\$2,740,650,049	\$2,723,109,321	\$126,074,062	4.85%
Transfers In							
105 Cable Communications	\$1,465,732	\$1,396,150	\$1,396,150	\$1,666,444	\$1,666,444	\$270,294	19.36%
312 Public Safety Construction	760,000	0	0	0	0	0	-
503 Department of Vehicle Services	1,700,000	0	0	0	0	0	-
Total Transfers In	\$3,925,732	\$1,396,150	\$1,396,150	\$1,666,444	\$1,666,444	\$270,294	19.36%
Total Available	\$2,567,298,724	\$2,611,000,297	\$2,717,325,721	\$2,794,663,298	\$2,787,885,898	\$70,560,177	2.60%
Direct Expenditures							
Personnel Services	\$505,754,051	\$539,466,967	\$538,591,551	\$568,772,632	\$568,321,388	\$29,729,837	5.52%
Operating Expenses	307,638,698	305,714,818	344,072,070	312,210,207	311,796,241	(32,275,829)	-9.38%
Recovered Costs	(32,295,006)	(38,113,738)	(38,064,716)	(39,189,376)	(39,259,618)	(1,194,902)	3.14%
Capital Equipment	3,529,905	3,877,015	5,700,581	2,036,888	2,336,888	(3,363,693)	-59.01%
Fringe Benefits	127,966,018	134,616,655	137,521,539	160,378,737	160,629,722	23,108,183	16.80%
Total Direct Expenditures	\$912,593,666	\$945,561,717	\$987,821,025	\$1,004,209,088	\$1,003,824,621	\$16,003,596	1.62%

FY 2005 ADOPTED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2003 Actual	FY 2004 Adopted Budget Plan	FY 2004 Revised Budget Plan	FY 2005 Advertised Budget Plan	FY 2005 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Transfers Out							
002 Revenue Stabilization	\$1,389,191	\$0	\$5,248,624	\$0	\$0	(\$5,248,624)	-100.00%
090 Public School Operating	1,168,875,267	1,238,475,201	1,240,850,321	1,322,374,187	1,322,374,187	81,523,866	6.57%
100 County Transit System	17,938,844	20,275,993	19,645,993	21,210,147	21,210,147	1,564,154	7.96%
103 Aging Grants & Programs	1,735,999	1,835,826	1,835,826	2,024,425	2,049,425	213,599	11.64%
104 Information Technology	5,921,626	9,449,844	11,329,411	11,632,573	10,224,823	(1,104,588)	-9.75%
106 Community Services Board	78,401,580	80,629,965	80,599,965	82,893,897	81,803,507	1,203,542	1.49%
109 Refuse Collection and Recycling Operations	9,622	0	0	0	0	0	-
110 Refuse Disposal	3,439,291	1,800,000	1,800,000	2,500,000	2,500,000	700,000	38.89%
112 Energy Resource Recovery Facility	0	0	1,763,704	0	0	(1,763,704)	-100.00%
118 Consolidated Community Funding Pool	6,278,539	6,458,709	6,458,709	6,781,644	6,781,644	322,935	5.00%
119 Contributory Fund	6,507,747	7,048,423	7,048,423	7,349,477	9,862,624	2,814,201	39.93%
120 E-911 Fund	6,974,098	5,421,174	6,323,943	9,755,869	9,755,869	3,431,926	54.27%
141 Elderly Housing Programs	1,237,474	1,215,433	1,215,433	1,387,844	1,387,844	172,411	14.19%
144 Housing Trust Fund	0	0	1,500,000	0	0	(1,500,000)	-100.00%
200 County Debt Service	100,089,491	98,445,696	98,445,696	100,015,157	98,715,157	269,461	0.27%
201 School Debt Service	113,604,781	120,896,733	120,896,733	126,528,053	126,528,053	5,631,320	4.66%
302 Library Construction	550,000	0	0	0	0	0	-
303 County Construction	4,855,991	3,093,041	10,414,279	8,550,187	8,550,187	(1,864,092)	-17.90%
304 Primary & Secondary Road Bond Construction	0	0	0	1,000,000	1,000,000	1,000,000	-
308 Public Works Construction	0	0	175,000	0	250,000	75,000	42.86%
309 Metro Operations and Construction	12,272,714	12,272,714	12,272,714	18,144,820	18,144,820	5,872,106	47.85%
312 Public Safety Construction	0	0	29,646,045	0	260,000	(29,386,045)	-99.12%
340 Housing Assistance Program	1,600,000	935,000	935,000	935,000	935,000	0	0.00%
500 Retiree Health Benefits	2,228,491	3,088,744	3,088,744	3,308,246	3,699,721	610,977	19.78%
503 Department of Vehicle Services	0	0	2,000,000	0	0	(2,000,000)	-100.00%
504 Document Services Division	1,900,000	2,900,000	2,900,000	2,900,000	2,900,000	0	0.00%
505 Technology Infrastructure Services	0	0	0	944,600	463,840	463,840	-
Total Transfers Out	\$1,535,810,746	\$1,614,242,496	\$1,666,394,563	\$1,730,236,126	\$1,729,396,848	\$63,002,285	3.78%
Total Disbursements	\$2,448,404,412	\$2,559,804,213	\$2,654,215,588	\$2,734,445,214	\$2,733,221,469	\$79,005,881	2.98%
Total Ending Balance	\$118,894,312	\$51,196,084	\$63,110,133	\$60,218,084	\$54,664,429	(\$8,445,704)	-13.38%
Less:							
Managed Reserve	\$49,814,959	\$51,196,084	\$53,084,312	\$54,688,904	\$54,664,429	\$1,580,118	2.98%
Reserve for changing economic conditions	0	0	0	5,529,180	0	0	-
Total Available	\$69,079,353	\$0	\$10,025,821	\$0	\$0	(\$10,025,821)	-100.00%

¹ The FY 2004 Revised Beginning Balance reflects audit adjustments for revenue and expenditures as included in the FY 2003 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2004 Revised beginning balance reflects a net reduction in available balance of \$86,350, based on an increase of \$1,002,084 for expenditure requirements offset by an increase in revenues of \$915,734.

² 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.

FY 2006 ADOPTED GENERAL FUND STATEMENT

FUND 001, GENERAL FUND

	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advised Budget Plan	FY 2006 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Beginning Balance ¹	\$118,894,312	\$63,110,133	\$152,344,354	\$79,399,524	\$92,692,144	(\$59,652,210)	(39.16%)
Revenue							
Real Property Taxes	\$1,500,730,717	\$1,623,843,927	\$1,634,408,508	\$1,829,158,341	\$1,776,082,251	\$141,673,743	8.67%
Personal Property Taxes ²	274,709,246	262,893,350	275,648,456	274,267,853	279,834,310	4,185,854	1.52%
General Other Local Taxes	408,231,887	402,006,774	449,797,295	457,219,946	461,103,072	11,305,777	2.51%
Permits, Fees & Regulatory Licenses	28,675,370	26,943,956	27,578,867	32,543,251	32,543,251	4,964,384	18.00%
Fines & Forfeitures	13,272,803	12,380,594	12,891,542	13,101,324	12,276,152	(615,390)	(4.77%)
Revenue from Use of Money & Property	17,917,632	21,105,450	29,197,173	36,317,943	41,615,533	12,418,360	42.53%
Charges for Services	42,529,744	42,333,320	44,730,140	48,757,342	49,458,631	4,728,491	10.57%
Revenue from the Commonwealth ²	282,721,787	282,677,838	273,102,224	278,659,822	283,562,948	10,460,724	3.83%
Revenue from the Federal Government	56,634,187	42,497,898	43,178,356	41,938,356	43,189,067	10,711	0.02%
Recovered Costs/Other Revenue	6,492,301	6,226,214	6,591,348	6,591,348	6,591,348	0	0.00%
Total Revenue	\$2,631,915,674	\$2,723,109,321	\$2,797,123,909	\$3,018,555,526	\$2,986,256,563	\$189,132,654	6.76%
Transfers In							
105 Cable Communications	\$1,396,150	\$1,666,444	\$1,666,444	\$2,104,307	\$2,104,307	\$437,863	26.28%
503 Department of Vehicle Services	0	0	0	0	500,000	500,000	-
Total Transfers In	\$1,396,150	\$1,666,444	\$1,666,444	\$2,104,307	\$2,604,307	\$937,863	56.28%
Total Available	\$2,752,206,136	\$2,787,885,898	\$2,951,134,707	\$3,100,059,357	\$3,081,553,014	\$130,418,307	4.42%
Direct Expenditures							
Personnel Services	\$525,894,535	\$568,321,388	\$567,369,826	\$620,039,430	\$624,269,098	\$56,899,272	10.03%
Operating Expenses	308,168,058	311,796,241	360,572,476	318,068,695	321,406,786	(39,165,690)	(10.86%)
Recovered Costs	(36,780,624)	(39,259,618)	(42,251,686)	(40,865,494)	(40,894,463)	1,357,223	(3.21%)
Capital Equipment	3,372,204	2,336,888	6,570,124	2,882,305	2,708,937	(3,861,187)	(58.77%)
Fringe Benefits	132,813,046	160,629,722	161,718,715	176,749,788	176,476,517	14,757,802	9.13%
Total Direct Expenditures	\$933,467,219	\$1,003,824,621	\$1,053,979,455	\$1,076,874,724	\$1,083,966,875	\$29,987,420	2.85%

FY 2006 ADOPTED GENERAL FUND STATEMENT

FUND 001, GENERAL FUND

	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan	FY 2006 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Transfers Out							
002 Revenue Stabilization	\$5,248,624	\$0	\$11,616,144	\$0	\$0	(\$11,616,144)	(100.00%)
090 Public School Operating	1,240,850,321	1,322,374,187	1,322,374,187	1,431,337,820	1,431,337,820	108,963,633	8.24%
100 County Transit System	19,645,993	21,210,147	21,360,147	24,145,192	24,145,192	2,785,045	13.04%
102 Federal/State Grant Fund	0	0	0	6,321,507	5,321,507	5,321,507	-
103 Aging Grants & Programs	1,835,826	2,049,425	2,049,425	2,558,613	2,558,613	509,188	24.85%
104 Information Technology	11,329,411	10,224,823	11,424,823	17,046,574	13,406,574	1,981,751	17.35%
106 Community Services Board	80,599,965	81,803,507	82,067,279	90,847,221	90,977,221	8,909,942	10.86%
109 Refuse Collection and Recycling Operations	0	0	210,000	0	0	(210,000)	(100.00%)
110 Refuse Disposal	1,800,000	2,500,000	2,500,000	2,500,000	2,500,000	0	0.00%
112 Energy Resource Recovery Facility	1,763,704	0	2,014,489	0	0	(2,014,489)	(100.00%)
118 Consolidated Community Funding Pool	6,458,709	6,781,644	6,781,644	7,093,617	7,470,111	688,467	10.15%
119 Contributory Fund	7,048,423	9,862,624	9,872,624	10,478,301	10,528,301	655,677	6.64%
120 E-911 Fund	6,323,943	9,755,869	9,755,869	13,495,258	13,745,258	3,989,389	40.89%
141 Elderly Housing Programs	1,215,433	1,387,844	1,387,844	1,389,421	1,389,421	1,577	0.11%
144 Housing Trust Fund	1,500,000	0	4,020,000	0	0	(4,020,000)	(100.00%)
192 School Grants & Self-Supporting Fund	0	0	5,000,000	0	0	(5,000,000)	(100.00%)
200 County Debt Service	98,445,696	98,715,157	98,715,157	98,715,157	98,715,157	0	0.00%
201 School Debt Service	120,896,733	126,528,053	126,528,053	130,281,443	130,281,443	3,753,390	2.97%
302 Library Construction	0	0	885,000	683,882	683,882	(201,118)	(22.73%)
303 County Construction	10,414,279	8,550,187	20,579,332	11,027,330	10,819,271	(9,760,061)	(47.43%)
304 Primary & Secondary Road Bond Construction	0	1,000,000	1,000,000	1,000,000	1,000,000	0	0.00%
307 Sidewalk Construction	0	0	375,000	0	0	(375,000)	(100.00%)
308 Public Works Construction	175,000	250,000	1,711,500	17,900,000	0	(1,711,500)	(100.00%)
309 Metro Operations and Construction	12,272,714	18,144,820	18,144,820	22,316,309	21,316,309	3,171,489	17.48%
312 Public Safety Construction	29,646,045	260,000	33,089,210	15,000,000	15,000,000	(18,089,210)	(54.67%)
317 Capital Renewal Construction	0	0	0	2,682,000	650,059	650,059	-
318 Stormwater Management Program ³	0	0	0	0	17,900,000	17,900,000	-
319 Housing Flexibility Fund ⁴	0	0	0	0	17,900,000	17,900,000	-
340 Housing Assistance Program	935,000	935,000	2,935,000	2,935,000	935,000	(2,000,000)	(68.14%)
371 Park Capital Improvement Fund	0	0	465,000	0	0	(465,000)	(100.00%)
500 Retiree Health Benefits	3,088,744	3,699,721	3,699,721	3,818,110	3,818,110	118,389	3.20%
501 County Insurance	0	0	0	10,497,991	11,547,991	11,547,991	-
503 Department of Vehicle Services	2,000,000	0	0	0	0	0	-
504 Document Services Division	2,900,000	2,900,000	3,437,000	2,900,000	2,900,000	(537,000)	(15.62%)
505 Technology Infrastructure Services	0	463,840	463,840	316,291	316,291	(147,549)	(31.81%)
Total Transfers Out	\$1,666,394,563	\$1,729,396,848	\$1,804,463,108	\$1,927,287,037	\$1,937,163,531	\$132,700,423	7.35%
Total Disbursements	\$2,599,861,782	\$2,733,221,469	\$2,858,442,563	\$3,004,161,761	\$3,021,130,406	\$162,687,843	5.69%

SUBTRACT FROM
TOTAL DISBURSEMENTS

FY 2007 ADOPTED GENERAL FUND STATEMENT

FUND 001, GENERAL FUND

	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase/ (Decrease) over Revised
Beginning Balance	\$152,344,354	\$92,692,144	\$177,532,148	\$61,950,854	\$63,475,466	(\$114,056,682)	(64.25%)
Revenue							
Real Property Taxes	\$1,637,904,220	\$1,776,082,251	\$1,770,769,093	\$1,978,876,398	\$1,892,239,118	\$121,470,025	6.86%
Personal Property Taxes ¹	279,896,351	279,834,310	295,455,540	308,905,683	304,353,880	8,898,340	3.01%
General Other Local Taxes	463,173,399	461,103,072	490,131,510	506,185,209	488,866,064	(1,265,446)	(0.26%)
Permit, Fees & Regulatory Licenses	27,961,574	32,543,251	32,108,389	33,546,014	33,546,014	1,437,625	4.48%
Fines & Forfeitures	15,523,328	12,276,152	14,972,768	15,241,666	15,241,666	268,898	1.80%
Revenue from Use of Money & Property	30,198,542	41,615,533	65,080,993	70,687,031	74,366,689	9,285,696	14.27%
Charges for Services	47,537,672	49,458,631	53,588,886	55,566,690	55,878,477	2,289,591	4.27%
Revenue from the Commonwealth ¹	277,943,784	283,562,948	280,980,797	299,180,332	296,317,164	15,336,367	5.46%
Revenue from the Federal Government	46,015,530	43,189,067	46,276,646	44,050,780	44,050,780	(2,225,866)	(4.81%)
Recovered Costs/Other Revenue	7,247,017	6,591,348	7,747,678	7,209,208	7,209,208	(538,470)	(6.95%)
Total Revenue	\$2,833,401,417	\$2,986,256,563	\$3,057,112,300	\$3,319,449,011	\$3,212,069,060	\$154,956,760	5.07%
Transfers In							
105 Cable Communications	\$1,666,444	\$2,104,307	\$2,104,307	\$2,408,050	\$2,408,050	\$303,743	14.43%
503 Department of Vehicle Services	0	500,000	500,000	0	0	(500,000)	(100.00%)
Total Transfers In	\$1,666,444	\$2,604,307	\$2,604,307	\$2,408,050	\$2,408,050	(\$196,257)	(7.54%)
Total Available	\$2,987,412,215	\$3,081,553,014	\$3,237,248,755	\$3,383,807,915	\$3,277,952,576	\$40,703,821	1.26%
Direct Expenditures							
Personnel Services	\$552,870,544	\$624,269,098	\$620,049,043	\$670,707,009	\$671,697,823	\$51,648,780	8.33%
Operating Expenses	334,701,481	321,406,786	374,830,253	344,434,587	346,007,774	(28,822,479)	(7.69%)
Recovered Costs	(40,728,584)	(40,894,463)	(45,732,823)	(42,653,284)	(42,653,284)	3,079,539	(6.73%)
Capital Equipment	5,591,389	2,708,937	4,266,496	3,077,761	3,102,761	(1,163,735)	(27.28%)
Fringe Benefits	152,982,129	176,476,517	173,595,855	190,986,019	191,123,315	17,527,460	10.10%
Total Direct Expenditures	\$1,005,416,959	\$1,083,966,875	\$1,127,008,824	\$1,166,552,092	\$1,169,278,389	\$42,269,565	3.75%

FY 2007 ADOPTED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase/ (Decrease) over Revised
Transfers Out							
002 Revenue Stabilization Fund	\$11,616,144	\$0	\$44,805,842	\$0	\$0	(\$44,805,842)	(100.00%)
090 Public School Operating	1,322,374,187	1,431,337,820	1,431,337,820	1,517,218,089	1,525,218,089	93,880,269	6.56%
100 County Transit Systems	21,360,147	24,145,192	26,387,571	30,695,510	30,695,510	4,307,939	16.33%
102 Federal/State Grant Fund	0	5,321,507	9,491,657	5,476,204	5,476,204	(4,015,453)	(42.31%)
103 Aging Grants & Programs	2,049,425	2,558,613	2,692,414	3,537,163	3,537,163	844,749	31.38%
104 Information Technology	11,424,823	13,406,574	19,160,911	16,039,576	12,539,576	(6,621,335)	(34.56%)
106 Fairfax-Falls Church Community Services Board	82,067,279	90,977,221	90,977,221	96,307,302	97,480,840	6,503,619	7.15%
109 Refuse Collection and Recycling Operations	210,000	0	210,000	0	0	(210,000)	(100.00%)
110 Refuse Disposal	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	0	0.00%
112 Energy Resource Recovery (ERR) Facility	2,014,489	0	1,578,057	0	0	(1,578,057)	(100.00%)
118 Consolidated Community Funding Pool	6,781,644	7,470,111	7,470,111	8,217,122	8,324,073	853,962	11.43%
119 Contributory Fund	9,872,624	10,528,301	12,103,301	11,015,429	11,585,429	(517,872)	(4.28%)
120 E-911 Fund	9,755,869	13,745,258	13,745,258	8,892,287	8,892,287	(4,852,971)	(35.31%)
141 Elderly Housing Programs	1,387,844	1,389,421	1,389,421	1,450,052	1,450,052	60,631	4.36%
144 Housing Trust Fund	4,020,000	0	0	0	0	0	-
192 School Grants & Self Supporting Fund	5,000,000	0	1,482,598	0	0	(1,482,598)	(100.00%)
200 County Debt Service	98,715,157	98,715,157	98,715,157	112,807,737	110,691,161	(11,976,004)	12.13%
201 School Debt Service	126,528,053	130,281,443	130,281,443	142,690,898	142,269,368	(11,987,925)	9.20%
302 Library Construction	885,000	683,882	3,568,882	0	0	(3,568,882)	(100.00%)
303 County Construction	20,579,332	10,819,271	28,417,771	10,460,418	18,560,418	(9,857,353)	(34.69%)
304 Primary and Secondary Road Bond Construction	1,000,000	1,000,000	1,000,000	0	0	(1,000,000)	(100.00%)
307 Sidewalk Construction	375,000	0	0	0	0	0	-
308 Public Works Construction	1,711,500	0	330,844	0	2,585,000	2,254,156	681.34%
309 Metro Operations & Construction	18,144,820	21,316,309	21,316,309	21,316,309	20,316,309	(1,000,000)	(4.69%)
312 Public Safety Construction	33,089,210	15,000,000	19,445,000	4,755,150	5,855,150	(13,589,850)	(69.89%)
317 Capital Renewal Construction	0	650,059	11,394,059	0	5,641,000	(5,753,059)	(50.49%)
318 Stormwater Management Program ²	0	17,900,000	17,900,000	0	0	(17,900,000)	(100.00%)
319 The Penny for Affordable Housing Fund ²	0	17,900,000	17,900,000	0	0	(17,900,000)	(100.00%)
340 Housing Assistance Program	2,935,000	935,000	935,000	935,000	935,000	0	0.00%
371 Park Capital Improvement Fund	465,000	0	0	0	0	0	-
500 Retiree Health Benefits Fund	3,699,721	3,818,110	3,818,110	4,070,579	4,070,579	252,469	6.61%
501 County Insurance Fund	0	11,547,991	18,243,417	12,861,108	12,861,108	(5,382,309)	(29.50%)
504 Document Services Division	3,437,000	2,900,000	3,150,000	2,900,000	2,900,000	(250,000)	(7.94%)
505 Technology Infrastructure Services	463,840	316,291	5,016,291	1,816,291	1,816,291	(3,200,000)	(63.79%)
506 Health Benefits Trust Fund	0	0	0	0	8,200,000	8,200,000	-
Total Transfers Out	\$1,804,463,108	\$1,937,163,531	\$2,046,764,465	\$2,015,962,224	\$2,044,400,607	(\$2,363,858)	(0.12%)
Total Disbursements	\$2,809,880,067	\$3,021,130,406	\$3,173,773,289	\$3,182,514,316	\$3,213,678,996	\$39,905,707	1.26%



FY 2008 ADOPTED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2006 Actual	FY 2007 Adopted Budget Plan	FY 2007 Revised Budget Plan	FY 2008 Adopted Budget Plan	FY 2008 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase/ (Decrease) over Revised
Beginning Balance	\$177,532,148	\$63,475,466	\$168,890,407	\$93,414,642	\$94,122,140	(\$74,768,267)	(44.27%)
Revenue							
Real Property Taxes	\$1,783,844,578	\$1,892,239,118	\$1,896,564,376	\$1,968,062,309	\$1,968,062,309	\$71,497,933	3.77%
Personal Property Taxes ¹	289,713,506	304,353,880	299,441,968	302,154,885	302,154,885	2,712,917	0.91%
General Other Local Taxes	498,105,451	488,866,064	471,744,350	483,128,815	483,128,815	11,384,465	2.41%
Permit, Fees & Regulatory Licenses	31,621,985	33,546,014	32,157,680	33,530,341	33,530,341	1,372,661	4.27%
Fines & Forfeitures	15,077,117	15,241,666	14,295,939	14,321,557	14,321,557	25,618	0.18%
Revenue from Use of Money & Property	73,226,569	74,366,689	99,122,444	92,018,072	92,018,072	(7,104,372)	(7.17%)
Charges for Services	57,537,996	55,878,477	56,140,459	57,326,303	57,326,303	1,185,844	2.11%
Revenue from the Commonwealth ¹	297,739,216	296,317,164	299,594,970	300,681,980	300,770,518	1,175,548	0.39%
Revenue from the Federal Government	48,017,612	44,050,780	35,259,380	30,646,187	28,176,462	(7,082,918)	(20.09%)
Recovered Costs/Other Revenue	7,767,348	7,209,208	7,499,476	7,612,840	7,612,840	113,364	1.51%
Total Revenue	\$3,102,651,378	\$3,212,069,060	\$3,211,821,042	\$3,289,483,289	\$3,287,102,102	\$75,281,060	2.34%
Transfers In							
105 Cable Communications	\$2,104,307	\$2,408,050	\$2,408,050	\$2,530,299	\$2,530,299	\$122,249	5.08%
503 Department of Vehicle Services	500,000	0	0	0	0	0	-
Total Transfers In	\$2,604,307	\$2,408,050	\$2,408,050	\$2,530,299	\$2,530,299	\$122,249	5.08%
Total Available	\$3,282,787,833	\$3,277,952,576	\$3,383,119,499	\$3,385,428,230	\$3,383,754,541	\$635,042	0.02%
Direct Expenditures							
Personnel Services	\$599,381,725	\$671,697,823	\$670,045,732	\$695,844,817	\$696,054,817	\$26,009,085	3.88%
Operating Expenses	343,308,918	346,007,774	386,451,836	350,475,549	347,884,362	(38,567,474)	(9.98%)
Recovered Costs	(43,625,753)	(42,653,284)	(42,998,330)	(43,417,066)	(43,417,066)	(418,736)	0.97%
Capital Equipment	2,833,717	3,102,761	5,436,634	1,390,738	1,390,738	(4,045,896)	(74.42%)
Fringe Benefits	165,234,354	191,123,315	191,270,000	199,578,597	200,318,913	9,048,913	4.73%
Total Direct Expenditures	\$1,067,132,961	\$1,169,278,389	\$1,210,205,872	\$1,203,872,635	\$1,202,231,764	(\$7,974,108)	(0.66%)

FY 2008 ADOPTED GENERAL FUND STATEMENT FUND 001, GENERAL FUND

	FY 2006 Actual	FY 2007 Adopted Budget Plan	FY 2007 Revised Budget Plan	FY 2008 Advertised Budget Plan	FY 2008 Adopted Budget Plan	Increase (Decrease) Over Revised	% Increase/ (Decrease) over Revised
Transfers Out							
002 Revenue Stabilization Fund	\$44,805,842	\$0	\$0	\$0	\$0	\$0	-
090 Public School Operating	1,431,337,820	1,525,218,089	1,533,218,089	1,586,600,722	1,586,600,722	53,382,633	3.48%
100 County Transit Systems	26,387,571	30,695,510	30,995,510	34,667,083	34,667,083	3,671,573	11.85%
102 Federal/State Grant Fund	9,491,657	5,476,204	4,476,204	4,293,491	4,293,491	(182,713)	(4.08%)
103 Aging Grants & Programs	2,692,414	3,537,163	3,537,163	3,783,440	3,783,440	246,277	6.96%
104 Information Technology	19,160,911	12,539,576	13,499,576	12,360,015	12,360,015	(1,139,561)	(8.44%)
106 Fairfax-Falls Church Community Services Board	90,977,221	97,480,840	97,935,840	101,091,229	101,091,229	3,155,389	3.22%
109 Refuse Collection and Recycling Operations	210,000	0	90,000	0	0	(90,000)	(100.00%)
110 Refuse Disposal	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	0	0.00%
112 Energy Resource Recovery (ERR) Facility	1,578,057	0	1,365,637	0	0	(1,365,637)	(100.00%)
118 Consolidated Community Funding Pool	7,470,111	8,324,073	8,324,073	8,720,769	8,720,769	396,696	4.77%
119 Contributory Fund	12,103,301	11,585,429	12,226,230	13,037,140	13,037,140	810,910	6.63%
120 E-911 Fund	13,745,258	8,892,287	8,892,287	9,181,598	9,181,598	289,311	3.25%
141 Elderly Housing Programs	1,389,421	1,450,052	1,695,052	1,536,659	1,536,659	(158,393)	(9.34%)
192 School Grants & Self Supporting Fund	1,482,598	0	0	0	0	0	-
200 County Debt Service	98,715,157	110,691,161	110,691,161	113,374,133	113,374,133	2,682,972	2.42%
201 School Debt Service	130,281,443	142,269,368	142,269,368	147,858,704	147,858,704	5,589,336	3.93%
302 Library Construction	3,568,882	0	0	0	0	0	-
303 County Construction	28,417,771	18,560,418	30,102,427	18,555,230	18,555,230	(11,547,197)	(38.36%)
304 Transportation Improvements	1,000,000	0	1,000,000	0	0	(1,000,000)	(100.00%)
307 Pedestrian Walkway Improvements	0	0	505,000	0	0	(505,000)	(100.00%)
308 Public Works Construction	330,844	2,585,000	0	0	0	0	-
309 Metro Operations & Construction	21,316,309	20,316,309	20,316,309	20,316,309	20,316,309	0	0.00%
311 County Bond Construction	0	0	3,400,000	0	0	(3,400,000)	(100.00%)
312 Public Safety Construction	19,445,000	5,855,150	7,605,150	4,820,972	4,820,972	(2,784,178)	(36.61%)
317 Capital Renewal Construction	11,394,059	5,641,000	5,641,000	868,321	868,321	(4,772,679)	(84.61%)
318 Stormwater Management Program	17,900,000	0	0	0	0	0	-
319 The Penny for Affordable Housing Fund	17,900,000	0	0	0	0	0	-
340 Housing Assistance Program	935,000	935,000	1,285,000	935,000	935,000	(350,000)	(27.24%)
500 Retiree Health Benefits Fund	3,818,110	4,070,579	4,070,579	4,610,988	4,610,988	540,409	13.28%
501 County Insurance Fund	18,243,417	12,861,108	20,233,541	13,148,743	13,148,743	(7,084,798)	(35.02%)
504 Document Services Division	3,150,000	2,900,000	2,900,000	2,900,000	2,900,000	0	0.00%
505 Technology Infrastructure Services	5,016,291	1,816,291	1,816,291	1,814,103	1,814,103	(2,188)	(0.12%)
506 Health Benefits Trust Fund	0	8,200,000	8,200,000	8,200,000	8,200,000	0	0.00%
Total Transfers Out	\$2,046,764,465	\$2,044,400,607	\$2,078,791,487	\$2,115,174,649	\$2,115,174,649	\$36,383,162	1.75%
Total Disbursements	\$3,113,897,426	\$3,213,678,996	\$3,288,997,359	\$3,319,047,284	\$3,317,406,413	\$28,409,054	0.86%



Appendix II

Fiscal Year 2004, 2005, 2006, 2007 and 2008 Approved Budgets for the Fairfax County
Public Schools.

Specific numbers used in this report are highlighted.

2004

Fund Statements

School Operating Fund Statement					
	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Approved
BEGINNING BALANCE, July 1	\$ 88,407,394	\$ 56,768,845	\$ 52,746,527 ^{1/}	\$ 77,622,846	\$ 44,997,280 ^{2/}
RECEIPTS:					
Sales Tax	98,937,749	103,934,411	104,422,309	108,629,742	114,472,024
State Aid	191,825,213	213,020,263	215,098,818	192,491,161	196,031,790
Federal Aid	20,470,473	28,201,017	31,486,890	36,843,620	35,785,766
City of Fairfax Tuition	22,396,803	23,903,048	25,950,550	26,927,421	29,085,000
Tuition, Fees, and Other	8,996,826	12,680,991	10,975,181	9,670,123	9,459,801
Total Receipts	342,627,064	381,739,730	387,933,748	374,562,067	384,834,381
TRANSFERS IN:					
Combined County General Fund	895,791,241	986,379,544	1,078,290,392	1,166,420,889	1,236,853,837
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
School Insurance Fund	-	-	1,516,947	-	-
Total Transfers In	897,412,605	988,000,908	1,081,428,703	1,168,042,253	1,238,475,201
Total Receipts & Transfers	1,240,039,669	1,369,740,638	1,469,362,451	1,542,604,320	1,623,309,582
Total Funds Available	1,328,447,063	1,426,509,483	1,522,108,978	1,620,227,166	1,668,306,862
EXPENDITURES:	1,248,657,362	1,352,322,379	1,416,762,924	1,539,788,036	1,640,175,090
School Board Reserve	-	-	-	5,500,000	-
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
TRANSFERS OUT:					
School Construction Fund	7,323,826	9,179,855	13,350,351	13,172,173	10,725,243
Grants & Self-Supporting Fund	9,131,171	8,413,430	11,382,456	13,687,954	14,344,873
Adult & Community Education Fund	1,012,897	3,683,218	1,100,131	2,000,131	1,100,131
School Debt Service Fund	3,710,000	833,926	-	-	-
Health and Flexible Benefits Fund	221,598	254,121	268,906	293,242	340,161
Total Transfers Out	21,399,492	22,364,550	26,101,844	29,153,500	26,510,408
Total Disbursements	1,271,678,218	1,376,308,293	1,444,486,132	1,576,062,900	1,668,306,862
ENDING BALANCE, June 30	\$ 56,768,845	\$ 50,201,190	\$ 77,622,846	\$ 44,164,266	\$ -

^{1/} As a result of an accounting change per the GASB Statement Number 34, a one-time adjustment of \$2.5 million was made in the annual leave liability, resulting in an increase in the FY 2002 beginning balance.

^{2/} Reflects an additional \$0.8 million in school funds identified at the county's FY 2003 Third-Quarter Budget Review. The overall decline in the fund balance is due to a large nonrecurring balance being carried forward.

2005

Fund Statements

School Operating Fund Statement					
	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
BEGINNING BALANCE, July 1	\$ 56,768,845	\$ 52,746,527 ^{1/}	\$ 77,622,846	\$ 110,747,182	\$ 41,895,437 ^{2/}
RECEIPTS:					
Sales Tax	103,934,411	104,422,309	108,484,574	118,338,192	140,671,621
State Aid	213,020,263	215,098,818	189,940,199	195,537,656	224,915,919
Federal Aid	28,201,017	31,486,890	34,643,996	39,802,809	37,475,166
City of Fairfax Tuition	23,903,048	25,950,550	26,927,421	27,069,379	29,138,289
Tuition, Fees, and Other	12,680,991	10,975,181	11,762,296	9,464,801	9,065,876
Total Receipts	381,739,730	387,933,748	371,758,486	390,212,837	441,266,871
TRANSFERS IN:					
Combined County General Fund	986,379,544	1,078,290,392	1,167,253,903	1,239,228,957	1,320,752,823
Teacher Liability Payment	1,621,364	1,621,364	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	1,168,875,267	1,240,850,321	1,322,374,187
Total Receipts & Transfers	1,369,740,638	1,469,362,451	1,540,633,753	1,631,063,158	1,763,641,058
Total Funds Available	1,426,509,483	1,522,108,978	1,618,256,599	1,741,810,340	1,805,536,495
EXPENDITURES:	1,352,322,379	1,416,762,924	1,476,734,553	1,700,424,766	1,773,749,157
School Board Reserve	-	-	-	8,000,000	-
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
TRANSFERS OUT:					
School Construction Fund	9,179,855	13,350,351	13,172,173	11,152,388	12,858,000
Grants & Self-Supporting Fund	8,413,430	11,382,456	13,687,954	19,071,530	15,741,598
Adult & Community Education Fund	3,683,218	1,100,131	2,000,131	1,200,131	1,200,131
School Debt Service Fund	833,926	-	-	-	-
Health and Flexible Benefits Fund	254,121	268,906	293,242	340,161	366,245
Total Transfers Out	22,364,550	26,101,844	29,153,500	31,764,210	30,165,974
Total Disbursements	1,376,308,293	1,444,486,132	1,507,509,417	1,741,810,340	1,805,536,495
ENDING BALANCE, June 30	\$ 50,201,190	\$ 77,622,846	\$ 110,747,182	\$ -	\$ -
^{1/} As a result of an accounting change per the GASB Statement Number 34, a one-time adjustment of \$2.5 million was made in the annual leave liability, resulting in an increase in the FY 2002 beginning balance.					
^{2/} Reflects an additional \$41.9 million in projected FY 2004 ending balance to be carried over to fund the FY 2005 budget.					

2006

Fund Statements

School Operating Fund Statement


	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
BEGINNING BALANCE, July 1	\$ 52,746,527	\$ 77,622,846	\$ 110,747,182	\$ 113,382,753	\$ 30,000,000 ^{1/}
RECEIPTS:					
Sales Tax	104,422,309	108,484,574	120,800,001	141,483,579	154,162,657
State Aid	215,098,818	189,940,199	194,278,028	223,658,255	232,166,827
Federal Aid	31,486,890	34,643,996	36,872,769	45,400,588	42,235,577
City of Fairfax Tuition	25,950,550	26,927,421	27,069,379	28,544,499	31,104,363
Tuition, Fees, and Other	10,975,181	11,762,296	12,849,520	9,065,806	10,359,974
Total Receipts	387,933,748	371,758,486	391,869,697	448,152,727	470,029,398
TRANSFERS IN:					
Combined County General Fund	1,078,290,392	1,167,253,903	1,239,228,957	1,320,752,823	1,429,716,456
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
School Insurance Fund	1,516,947	-	-	-	-
Total Transfers In	1,081,428,703	1,168,875,267	1,240,850,321	1,322,374,187	1,431,337,820
Total Receipts & Transfers	1,469,362,451	1,540,633,753	1,632,720,018	1,770,526,914	1,901,367,218
Total Funds Available	1,522,108,978	1,618,256,599	1,743,467,200	1,883,909,667	1,931,367,218
EXPENDITURES:	1,416,762,924	1,476,734,553	1,596,698,873	1,813,510,555	1,894,598,736
School Board Reserve	-	-	-	8,000,000	-
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	1,621,364
TRANSFERS OUT:					
School Construction Fund	13,350,351	13,172,173	11,152,388	13,412,549	10,791,022
Grants & Self-Supporting Fund	11,382,456	13,687,954	19,071,530	15,798,823	20,791,585
Adult & Community Education Fund	1,100,131	2,000,131	1,200,131	1,200,131	1,200,131
Consolidated County & Schools Debt Fund	-	-	-	-	1,958,711
Health and Flexible Benefits Fund	268,906	293,242	340,161	366,245	405,669
Total Transfers Out	26,101,844	29,153,500	31,764,210	30,777,748	35,147,118
Total Disbursements	1,444,486,132	1,507,509,417	1,630,084,447	1,853,909,667	1,931,367,218
ENDING BALANCE, June 30	\$ 77,622,846	\$ 110,747,182	\$ 113,382,753	\$ 30,000,000	\$ -

^{1/} Reflects \$30.0 million from the FY 2005 ending balance to be carried over to fund the FY 2006 budget.

FINANCIAL

2007 Fund Statements

School Operating Fund Statement

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
BEGINNING BALANCE, July 1	\$ 77,622,846	\$ 110,747,182	\$ 113,382,753	\$ 116,619,331	\$ 35,000,000 ^{1/}
REVENUE:					
Sales Tax	\$ 108,484,574	\$ 120,800,001	\$ 141,588,156	\$ 156,687,882	\$ 171,342,281
State Aid	189,940,199	194,278,028	224,002,995	230,550,460	270,236,608
Federal Aid	34,643,996	36,872,769	41,480,526	45,224,053	39,977,429
City of Fairfax Tuition	26,927,421	27,069,379	28,544,499	31,376,708	32,931,512
Tuition, Fees, and Other	11,762,296	12,849,520	12,686,663	10,381,274	10,537,048
Total Revenue	\$ 371,758,486	\$ 391,869,697	\$ 448,302,839	\$ 474,220,377	\$ 525,024,878
TRANSFERS IN:					
Combined County General Fund	\$ 1,167,253,903	\$ 1,239,228,957	\$ 1,320,752,823	\$ 1,429,716,456	\$ 1,525,218,089
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	-
Total Transfers In	\$ 1,168,875,267	\$ 1,240,850,321	\$ 1,322,374,187	\$ 1,431,337,820	\$ 1,525,218,089
Total Revenue and Transfers	\$ 1,540,633,753	\$ 1,632,720,018	\$ 1,770,677,026	\$ 1,905,558,197	\$ 2,050,242,967
Total Funds Available	\$ 1,618,256,599	\$ 1,743,467,200	\$ 1,884,059,779	\$ 2,022,177,528	\$ 2,085,242,967
EXPENDITURES:					
School Board Reserve	-	-	-	8,000,000	-
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	1,621,364	-
TRANSFERS OUT:					
Construction Fund	\$ 13,172,173	\$ 11,152,388	\$ 13,412,549	\$ 15,154,197	\$ 13,195,057
Grants and Self-Supporting Fund	13,687,954	19,071,530	15,798,823	22,137,706	29,589,072
Adult and Community Education Fund	2,000,131	1,200,131	1,200,131	1,700,131	1,674,217
Consolidated Debt Service Fund	-	-	-	1,958,711	3,773,823
Health and Flexible Benefits Fund	293,242	340,161	366,245	-	-
Total Transfers Out	\$ 29,153,500	\$ 31,764,210	\$ 30,777,748	\$ 40,950,745	\$ 48,232,169
 Total Disbursements	\$ 1,507,509,417	\$ 1,630,084,447	\$ 1,767,440,448	\$ 1,992,177,528	\$ 2,085,242,967
ENDING BALANCE, June 30	\$ 110,747,182	\$ 113,382,753	\$ 116,619,331	\$ 30,000,000	\$ -

^{1/} Reflects an additional \$5.0 million in projected FY 2006 ending balance to be carried over to fund the FY 2007 budget.

2008

Fund Statements

School Operating Fund Statement					
	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
BEGINNING BALANCE, July 1	\$ 110,747,182	\$ 113,382,753	\$ 116,619,331	\$ 103,795,137	\$ 76,651,183 ¹
REVENUE:					
Sales Tax	\$ 120,800,001	\$ 141,588,156	\$ 150,848,905	\$ 171,707,570	\$ 162,647,944
State Aid	194,278,028	224,002,995	230,010,482	268,619,358	282,298,251
Federal Aid	36,872,769	41,480,527	36,465,506	47,759,466	39,288,171
City of Fairfax Tuition	27,069,379	28,544,499	31,376,708	33,387,897	36,254,445
Tuition, Fees, and Other	12,849,520	12,686,663	15,948,841	10,537,048	11,057,048
Total Revenue	\$ 391,869,697	\$ 448,302,840	\$ 464,650,442	\$ 532,011,339	\$ 531,545,859
TRANSFERS IN:					
Combined County General Fund	\$ 1,239,228,957	\$ 1,320,752,823	\$ 1,429,716,456	\$ 1,533,218,089	\$ 1,586,600,722
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	-	-
Total Transfers In	\$ 1,240,850,321	\$ 1,322,374,187	\$ 1,431,337,820	\$ 1,533,218,089	\$ 1,586,600,722
Total Revenue and Transfers	\$ 1,632,720,018	\$ 1,770,677,027	\$ 1,895,988,262	\$ 2,065,229,428	\$ 2,118,146,581
Total Funds Available	\$ 1,743,467,200	\$ 1,884,059,780	\$ 2,012,607,593	\$ 2,169,024,565	\$ 2,194,797,764
EXPENDITURES:					
School Board Reserve	\$ 1,596,698,873	\$ 1,735,041,337	\$ 1,866,240,347	\$ 2,058,649,558	\$ 2,130,914,578
Teacher Liability Payment	-	-	-	8,000,000	-
Teacher Liability Payment	1,621,364	1,621,364	1,621,364	-	-
Total Expenditures	\$ 1,598,320,237	\$ 1,736,662,701	\$ 1,867,861,711	\$ 2,066,649,558	\$ 2,130,914,578
TRANSFERS OUT:					
Construction Fund	\$ 11,152,388	\$ 13,412,549	\$ 15,154,197	\$ 14,335,558	\$ 12,880,000
Grants and Self-Supporting Fund	19,071,530	15,798,823	22,137,706	27,797,076	27,532,146
Adult and Community Education Fund	1,200,131	1,200,131	1,700,131	1,674,217	1,695,667
Consolidated Debt Service Fund	-	-	1,958,711	3,773,823	3,775,373
Health and Flexible Benefits Fund	340,161	366,245	-	-	8,000,000
Total Transfers Out	\$ 31,764,210	\$ 30,777,748	\$ 40,950,745	\$ 47,580,674	\$ 53,883,186
Total Disbursements	\$ 1,630,084,447	\$ 1,767,440,449	\$ 1,908,812,456	\$ 2,114,230,232	\$ 2,184,797,764
ENDING BALANCE, June 30	\$ 113,382,753	\$ 116,619,331	\$ 103,795,137	\$ 54,794,333	\$ 10,000,000

¹ Reflects \$10.0 million from the FY 2008 ending balance to be carried over to fund the FY 2009 budget.

Appendix III

Inflation Calculator

The next page shows how inflation numbers in this study were calculated using government numbers from the Labor Department for 2005 and 2006.

The Fairfax County Advertised Budget, under Trends and Demographics, states that the projected inflation for the 2007 and 2008 is pegged at 3% and that number is used in this study.

Inflation Calculator

Fairfax County's Advertised Budget only has an average inflation listed for fiscal year 2002 to 2006. This was not considered appropriate for this study, so we used the actual annual inflation calculated by the Bureau of Labor Statistics.

To calculate the inflation rate for 2005, the reader should subtract the annual rate for 2004 (119.0) from the rate for 2005 (124.1). Do the same for 2006, and you find:

Inflation rate for 2005 = 5.1%

Inflation rate for 2006 = 4.2%

Consumer Price Index

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
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		112.4		113.1		113.7		113.5		112.6	111.6	113.5
2003	114.1		115.5		115.1		116.2		116.9		116.1		115.7	115.1	116.4
2004	116.5		117.6		118.4		119.7		120.4		120.4		119.0	117.8	120.2
2005	120.7		122.3		123.2		124.5		127.2		125.2		124.1	122.4	125.8
2006	126.1		126.4		128.2		129.8		129.9		128.7		128.3	127.2	129.4
2007	128.978		131.234		132.330		133.766							131.245	

Inflation rates are not available from the Bureau of Labor Statistics for 2007 and 2008. For those years, the county estimates inflation rates of 3.0% for each year as can be found in the Advertised Budget for FY 08. See the next page.

Trends and Demographics

HOUSEHOLD TAX ANALYSES

The following analyses illustrate the impact of selected County taxes on the "typical" household from FY 2002 to FY 2008. This period provides five years of actual data, estimates for FY 2007 based on year-to-date experience, and projections for FY 2008. Historical dollar amounts are converted to FY 2008 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 3.4 percent from FY 2002 to FY 2006. Preliminary projections for inflation in FY 2007 and FY 2008 are based on a forecast of 3.0 percent using the January 2007 issue of the Blue Chip Economic Indicators, and adjusting for the relatively higher rate of inflation that has occurred in the Washington area, compared nationally.

HOUSEHOLD TAXATION TRENDS: SELECTED CATEGORIES FY 2002 - FY 2008

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 \$5,577.20 in selected County taxes in FY 2008, \$182.22 less than FY 2007 after adjusting for inflation. From FY 2002 to FY 2008, the inflation adjusted increase in selected County taxes for the "typical" household is \$1,280.51, or an average annual increase of 4.4 percent. Note that taxes paid in FY 2002 through FY 2007 reflect the Personal Property Tax Relief Act of 1998 (PPTRA), which reduced an individual's Personal Property Tax liability by 47.5 percent in FY 2001, and 70.0 percent in FY 2002 through FY 2006. For FY 2007, PPTRA will reduce an individual's Personal Property Tax liability by 66.67 percent due to the state capping its PPTRA reimbursement to localities. Based on a preliminary County staff analysis, the estimated effective state reimbursement percentage will be 66.67 percent for FY 2008. The FY 2008 effective state reimbursement percentage for PPTRA is subject to change. 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 2007 Dollars	Personal Property Tax in FY 2008 Dollars ¹	Sales Tax in FY 2008 Dollars	Consumer Utility Tax in FY 2008 Dollars	Total Taxes in FY 2008 Dollars ¹
FY 2002	363,677	\$3,530.58	\$275.76	\$422.21	\$68.14	\$4,296.69
FY 2003	366,585	\$3,978.20	\$277.58	\$410.58	\$68.69	\$4,735.05
FY 2004	370,322	\$4,298.63	\$280.99	\$436.33	\$66.76	\$5,082.71
FY 2005	377,600	\$4,529.26	\$262.28	\$434.14	\$63.35	\$5,289.03
FY 2006	384,149	\$4,758.04	\$265.97	\$421.09	\$59.98	\$5,505.08
FY 2007²	390,811	\$4,991.81	\$291.25	\$417.97	\$58.39	\$5,759.42
FY 2008²	397,589	\$4,830.42	\$277.34	\$412.84	\$56.60	\$5,577.20

¹ Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the State's Personal Property Tax Relief program. FY 2002 through FY 2006 include a 70.0 percent reduction. The FY 2007 and preliminary FY 2008 reduction is 66.67 percent due to the Commonwealth capping the Personal Property Tax Relief program's reimbursement to localities. The difference in revenue will be paid to the County by the Commonwealth.

² Estimated

Appendix IV

Cost of Additional Teachers

These costs for “additional teachers” are calculated and the total costs have been subtracted out of the “overspending” numbers so that none of these costs are part of the final numbers in this study designated as “overspent” (see page 5).

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 % Increase	Pupil/Teacher Ratio
2004 (base yr)	12,534	164,000		13.08
2005	12,737	164,000	zero	12.88
2006	12,780	164,000	zero	12.83
2007	12,803	164,000	zero	12.81
2008	12,891	165,000	0.6%	12.80

What these numbers show is that Fairfax County has hired an additional 357 school based teachers since 2004. This is an increase of 2.8% while student population remained basically constant in actual numbers (above numbers are rounded to closest 1,000). This decreased the average student/teacher ratio by a little over one-quarter of a student at an additional annual cost of \$21,410,000. See calculation below.

In order to figure the approximate additional cost of new teachers hired each year, the following chart was created. Each year the new teachers hired were multiplied by \$60,000, the approximate average salary and benefits for each “new” teacher hired.

	Additional Teachers above % student increase	x	\$60,000	Extra Cost Factored out of net “overspending”
2004 (base yr)				
2005	203			\$ 12,180,000
2006	43			\$ 2,580,000
2007	23			\$ 1,380,000
2008	88			\$ 5,280,000

The total cost of additional teachers hired since 2004 were factored out of the “overspending” numbers used in this year’s budget analysis in order to reach the “net overspending” figure. So the cost of “new” teachers hired is not the cause of the “overspending” figures in this study (see page 5).

Cost of Additional Teachers Factored Out of “Overspending”

2004 base year	\$ 21,420,000
2005 base year	\$ 9,261,420
2006 base year	\$ 6,660,000

Authorized Positions

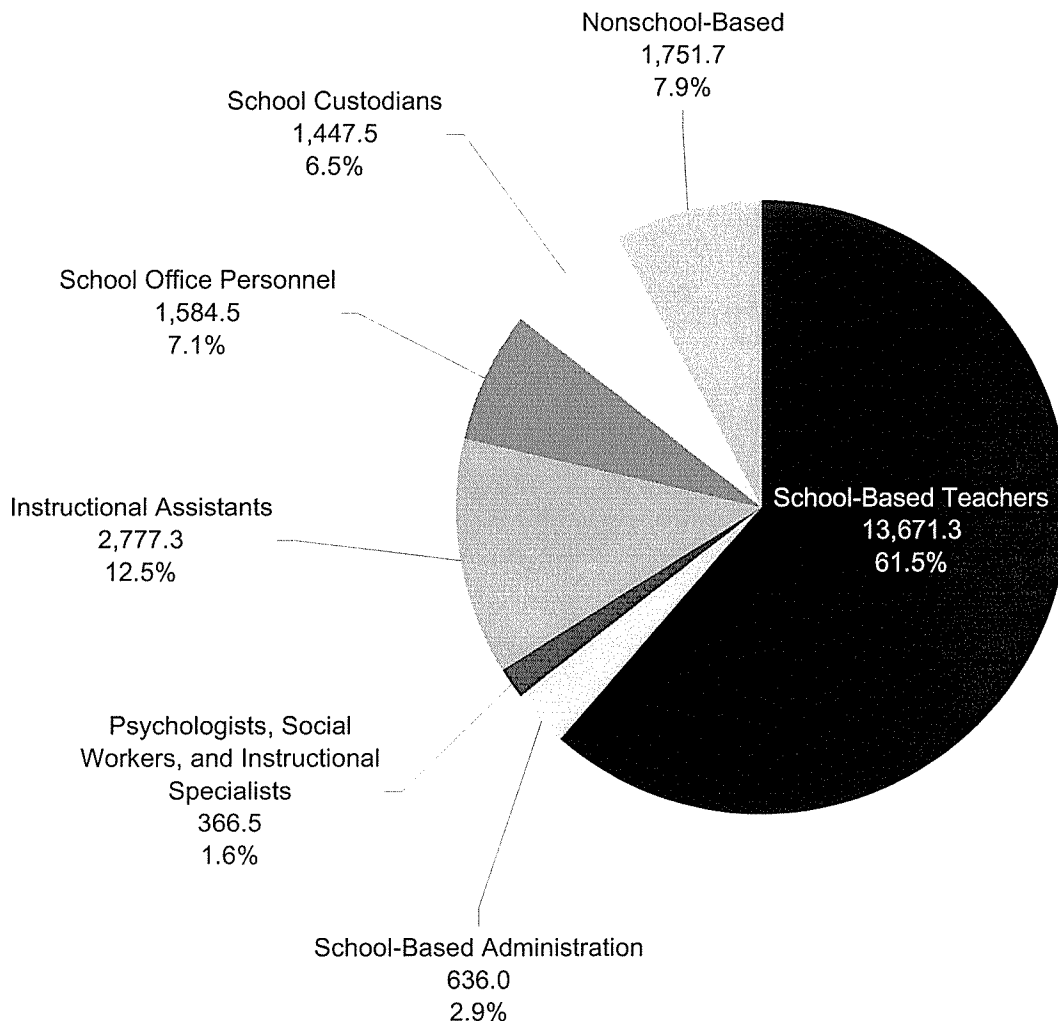
More than ninety-two percent of all positions are school-based.

FY 2008 Approved Full-Time Positions

In FY 2008, FCPS expects to employ 22,234.8 full-time equivalent (FTE) positions. Of these, 454.0 full-time positions support state and/or federal programs. As indicated in the position growth chart on the following page, 92.1 percent of operating positions, or 20,483.1, are in classrooms and school buildings directly serving the needs of our students. The remaining 1,751.7 positions are nonschool-based and represent 7.9 percent of operating positions.

Five-year detail charts showing authorized positions by type and school-based vs. nonschool-based positions can be found in the Appendix.

FY 2008 Authorized Positions



Position Detail

School-Based vs. Nonschool-Based (continued)					
	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved
Teacher-GT Resource	62.0	62.0	64.0	66.0	68.0
Teacher-Instrumental Music	147.2	145.7	145.7	145.7	151.7
Teacher-Planetarium	4.5	4.5	4.5	4.5	4.5
Teacher-Professional Technical	317.7	326.0	327.4	322.5	321.6
Teacher-Work Experience Program	10.0	10.0	9.0	9.0	9.0
Teacher-Instructional Support	158.0	217.9	261.9	269.4	291.4
Guidance Counselor-Middle/High	338.0	337.0	338.0	335.0	338.0
Guidance Counselor-Elementary School	199.5	196.0	194.0	193.0	194.0
Librarian	232.5	234.5	233.5	232.5	233.5
Audiologist	15.5	15.5	15.5	15.5	15.5
Teacher-Staffing Reserve	31.2	106.3	146.9	150.0	159.5
Physical/Occupational Therapist	95.0	96.0	96.0	98.0	98.0
Teacher-Professional Technical Academy	55.2	55.2	56.7	62.7	64.0
Teacher-Alternative Education	217.2	220.1	212.3	222.7	222.4
Teacher-ESOL	430.0	74.0	75.0	73.5	78.0
Teacher-Professional Technical Projects	6.2	6.5	6.5	6.5	6.5
Teacher-Lab	15.0	15.0	15.0	16.0	16.0
Teachers Total	13,319.2	13,519.8	13,561.1	13,578.6	13,671.3
Instructional Assistant-Kindergarten	347.0	373.0	378.5	394.5	429.5
Instructional Assistant-General	350.6	353.5	354.8	348.0	345.8
Instructional Assistant-Special Education	1,106.0	1,233.0	1,251.0	1,268.0	1,319.0
Instructional Assistant-Alternative Education	0.0	0.0	0.0	6.0	12.0
Instructional Assistant-Specialized Program	38.0	38.0	38.0	38.0	38.0
Instructional Assistant-Staffing Reserve	10.3	33.0	31.0	31.0	32.0
Instructional Assistants Total	1,851.9	2,030.5	2,053.3	2,085.5	2,176.3
Public Health Training Assistant	255.0	256.0	264.0	268.0	275.5
Special Education Attendant	118.0	110.0	127.0	125.0	138.0
Specialized Assistants Total	373.0	366.0	391.0	393.0	413.5
Office Assistant-Elementary School	651.5	652.0	673.5	690.0	692.5
Office Assistant-Middle School	111.0	112.0	113.5	113.0	113.0
Office Assistant-Secondary	272.0	276.5	283.5	285.0	285.5
Office Assistant-Special Education	47.0	46.0	46.0	41.0	39.5
Office Assistant-Department	19.3	20.3	21.1	19.0	19.0
Technical Assistant-Department	0.0	0.0	0.0	3.0	3.0
Office Assistant Personnel Total	1,100.8	1,106.8	1,137.6	1,151.0	1,152.5
Tradesperson	36.0	37.0	37.0	37.0	37.0
Custodian	1,346.5	1,364.5	1,384.0	1,396.5	1,410.5
School-Based Total	19,409.4	19,853.8	20,144.2	20,264.1	20,483.1

Subtracted from
Teachers Total

Appendix V

Cost of Special Education

The cost of providing special education classes to the students of Fairfax County's public schools are calculated in the following pages. These costs are subtracted out of the calculations of "overspending" so that they are not part of the "net overspending" numbers shown in this study (page 5).

Cost of Special Education

Special education is a cost that this study factors out of the final numbers of “net overspending” so that this part of the education budget cannot be credited for the burgeoning spending in our public education system. This first table outlines the numbers of special education students.

Special Ed Students*	Total Students	Percent of Total
2004 (base yr) 23,472		
2005 23,702	164,000	14.5%
2006 23,685	164,000	14.4%
2007 23,847	164,000	14.5%
2008 23,978	165,000	14.5%

*These numbers come from official budget documents. See the next pages

Fairfax County has seen an increase in the number of students classified as needing “special education” by 506 since 2004. This is an increase of 2.2% while the total student population has remained basically the same. The Superintendent’s Proposed Budget for FY 2008 shows the additional cost of special education is \$8,955 per student, while last year’s cost was \$8,476 an increase of \$126 or 1.5%. Using 2004 as the base year, the cost of special education per student has increased by 30.9%.

Extra Cost/Enrollee*	Cost Above inflation calculation	Extra Cost Factored Out of “net overspending”
2004 (base yr) \$6,570		
2005 \$6,987	(5.1%) \$ 82	\$ 1,943,564
2006 \$7,538	(4.2%) \$258	\$ 6,110,730
2007 \$8,476	(3.0%) \$712	\$ 16,979,064
2008 \$8,602	(3.0%) (\$128)	(\$ 1,101,056)

*These numbers from school budget documents. See the following pages

The total cost of the special education classes are subtracted out of the “overspending” numbers in this budget analysis so that the school system is not penalized for increasing costs in this category of spending. The table below shows the numbers subtracted out of the overspending figures in this study.

Additional Cost of Special Education by Base Year

2004 Base Year: \$ 23,932,302
 2005 Base Year: \$ 21,988,738
 2006 Base Year: \$ 15,878,008

Cost Per Pupil

The FY 2008 average cost per pupil for all instructional programs is \$13,407.

Detailed Cost Per Pupil

The cost-per-pupil figures are computed by identifying all School Operating Fund costs directly associated with an instructional program, such as elementary general education. Transportation expenses are distributed to each program according to the actual costs of providing services.

The table below shows average cost-per-pupil data for three years. Calculating costs separately for kindergarten and elementary shows more clearly the relationship between elementary, middle, and high school cost per pupil.

The cost per pupil for special education students is higher than for other programs, due primarily to lower pupil-teacher ratios and higher transportation costs.

A net special education cost per pupil is calculated because a student not enrolled in special education would be enrolled in the general education program. For FY 2008, the additional net cost per pupil for special education is \$8,602.

Cost Per Pupil Summary					
	FY 2006 Approved	FY 2007 Approved	FY 2008 Approved	Change FY 2007 - FY 2008	
				Amount	Percent
General Education					
FECEP/Head Start	\$12,682	\$14,078	\$15,420	\$1,342	9.5%
Kindergarten Half-Day	\$4,808	\$5,231	\$5,500	\$269	5.1%
Elementary School Program	\$9,616	\$10,463	\$11,000	\$537	5.1%
Middle School Program	\$10,145	\$10,995	\$11,449	\$454	4.1%
High School Program	\$10,749	\$11,526	\$12,021	\$495	4.3%
Average for General Education	\$10,063	\$10,890	\$11,400	\$510	4.7%
Average for Special Education	\$17,601	\$19,366	\$20,002	\$636	3.3%
Average for All Instructional Programs	\$11,915	\$12,853	\$13,407	\$554	4.3%

Special Education Services

	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	Change FY 2007 Act-FY 2008 App	
				Amount	Percent
Category A Services					
Level 1 ¹					
Emotionally Disabled	1,432	1,225	1,075	(150)	-12.2%
Learning Disabled	6,819	6,275	5,962	(313)	-5.0%
Level 2 ²					
Emotionally Disabled	1,120	1,083	1,071	(12)	-1.1%
Learning Disabled	6,924	7,269	7,092	(177)	-2.4%
Subtotal Category A Services	16,295	15,852	15,200	(652)	-4.1%
Category B Services					
Level 1 ¹					
Autism	403	385	387	2	0.5%
Davis and Pulley Center Services	18	15	15	0	0.0%
Mild Retardation	115	85	70	(15)	-17.6%
Moderate Retardation/Severely Disabled	23	20	19	(1)	-5.0%
Physically Disabled	97	70	57	(13)	-18.6%
Noncategorical	194	154	182	28	18.2%
Level 2 ²					
Autism	785	922	1,059	137	14.9%
Davis and Pulley Center Services	156	191	203	12	6.3%
Mild Retardation	511	516	544	28	5.4%
Moderate Retardation/Severely Disabled	427	443	435	(8)	-1.8%
Physically Disabled	117	148	156	8	5.4%
Noncategorical	718	735	731	(4)	-0.5%
Subtotal Category B Services	3,564	3,684	3,858	174	4.7%
Other Services					
Level 1 ¹					
Preschool Resource	844	851	880	29	3.4%
Deaf/Hard-of-Hearing	316	327	315	(12)	-3.7%
Vision-Impaired	236	268	260	(8)	-3.0%
Speech and Language Impaired	10,605	10,654	10,648	(6)	-0.1%
Level 2 ²					
Preschool	798	835	836	1	0.1%
Preschool Autism	134	149	173	24	16.1%
Deaf/Hard-of-Hearing	122	114	126	12	10.5%
Vision-Impaired	9	9	8	(1)	-11.1%
Subtotal Other Services	13,064	13,207	13,246	39	0.3%
Related Services					
Adaptive Physical Education	1,130	1,199	1,148	(51)	-4.3%
Audiology Services	61	217	236	19	8.8%
Career and Transition Services	1,950	2,865	2,715	(150)	-5.2%
Instructional Technology Services	2,599	2,944	2,858	(86)	-2.9%
Therapy Services	3,079	3,147	3,135	(12)	-0.4%
Subtotal Related Services	8,819	10,372	10,092	(280)	-2.7%
Total Services	41,742	43,115	42,396	(719)	-1.7%
Unduplicated Special Education Membership					
Students Enrolled in FCPS	23,059	23,222	23,331	109	0.5%
Contract Services Students	284	307	322	15	4.9%
Private School Students	290	293	301	8	2.7%
Other	52	25	24	(1)	-4.0%
Unduplicated Membership Count³	23,685	23,847	23,978	131	0.5%

1 Level 1 services are those provided for less than 50 percent of the instructional day.

2 Level 2 services are those provided for 50 percent or more of the instructional day.

3 Total number of students receiving one or more special education services for whom FCPS is responsible.

Appendix VI

Cost of ESOL Education

English for Speakers of Other Languages is a necessary “addition” to the cost of public education in Fairfax County. The numbers in this Appendix show the “extra” cost for this service and those numbers are subtracted out of the “overspending” numbers in order to calculate the “net overspending” numbers in this study (page 5).

In some years the cost for ESOL increased less than the rate of inflation and population growth. This indicates that the school system is managing these programs carefully from a cost basis. The ESOL costs were deducted from the overall “overspending” numbers so that the cost of ESOL programs would not be part of the analysis. This takes the arguments off the table that any overspending was due in part to this program.

Cost of ESOL Education

The number of English for Speakers of Other Languages (ESOL) students in Fairfax County is increasing quite rapidly. The chart below shows the percentage of students in ESOL programs is also increasing.

	ESOL Students*	Total Students	Percent of Total
2004 (base)	20,104	164,000	12.26
2005	20,825	164,000	12.70%
2006	21,044	164,000	12.83%
2007	21,267	164,000	12.97%
2008	21,771	165,000	13.19%

* Numbers from budget documents. See the next pages of this Appendix

Fairfax County has seen an increase in the number of students in ESOL classes of 1667 since 2004. This is an increase of 8.3% while the total student population has remained basically the same – an increase of only 6/10 of one percent.

The calculation (see chart below) to determine the “extra cost/enrollee” shows that in three of the four years, this “extra cost” was a “net decrease” using the inflation and population formula. These numbers were subtracted from the “net overspending” figures so that ESOL costs are not part of the part of the “Net Overspending” numbers on page 2 of this report.

	Extra Cost/Enrollee*	Cost Above Inflation-student increase	Extra Cost overall
2004	\$2,964		
2005	\$3,071	(5.1%) (\$ 44)	(\$ 940,104)
2006	\$3,092	(4.2%) (\$108)	(\$ 2,272,752)
2007	\$3,371	(3.0%) \$186	\$ 4,057,218
2008	\$3,538	(3.0%) \$ 66	\$ 1,436,886

* These number from school budget documents. See the following pages

The total “extra” costs for the ESOL is in this three-base-year analysis actually shows that this program did not increased as rapidly as the increase in inflation and population in three out of four years. This program seems to be managed well over this four year period from a numbers viewpoint.


Extra Cost for ESOL

2004 Base Year:	\$ 2,179,692
2005 Base Year:	\$ 3,119,796
2006 Base Year:	\$ 5,392,548

Cost Per Service/Special Education Services

Cost Per Service

Cost-per-service calculations show the cost of providing a specific type of educational services to a student. The table below shows the cost per service for the various alternative school programs, ESOL, and special education for each of its major service delivery modes.

Cost Per Service Summary					
	FY 2006	FY 2007	FY 2008	Change	
	Approved	Approved	Approved	FY 2007 - FY 2008	
				Amount	Percent
Alternative Programs					
Summit Program	\$17,403	\$19,235	\$20,037	\$802	4.2%
Alternative HS Programs	\$16,062	\$18,303	\$19,138	\$835	4.6%
Department of Special Services Alternative Programs	\$21,078	\$19,952	\$23,811	\$3,859	19.3%
 English for Speakers of Other Languages					
Average for ESOL	\$3,092	\$3,371	\$3,538	\$167	5.0%
Special Education					
Preschool	\$17,212	\$18,917	\$19,671	\$754	4.0%
Level 1 Services	\$4,932	\$5,406	\$5,364	(\$42)	-0.8%
Level 2 Services	\$22,406	\$24,629	\$25,097	\$468	1.9%
Related Services	\$3,396	\$5,172	\$5,352	\$180	3.5%
Average for Special Education	\$8,671	\$10,820	\$11,313	\$493	4.6%

Special Education Services and Membership

In FY 2008, 42,396 special education services will be provided to 23,978 students, an average of 1.8 services per student. Special education service(s) are determined by each student's Individualized Education Program (IEP), which is developed by a team including school staff, parents, and at the secondary level, the student. Staffing for the provision of these services is based on ratios established by the Fairfax County School Board (see Staffing Standards in the Appendix section for details). The provision of special education services is mandated by the Individuals with Disabilities Education Act (IDEA). Specific regulations governing FCPS' special education program are established by the Commonwealth of Virginia.

About the Author

Michael Thompson is currently the Chairman and President of the Thomas Jefferson Institute for Public Policy, a non-partisan Virginia focused foundation dealing with the issues of economic development (including transportation and urban growth issues), education, government reform, and environmental stewardship. This foundation has gained broad based respect from political and business leaders throughout Virginia.

Prior to working for the Thomas Jefferson Institute, Mr. Thompson was for 24 years the owner and president of the Thompson Creative Marketing Group, a nationally recognized marketing and public affairs company in Springfield, Virginia. He was also the president of the Mather Furniture Company, a family owned business in Georgia. He is the past President of the Virginia Leadership Council, the state's Board of Directors for the National Federation of Independent Business (NFIB), the nation's largest small business organization with over 6,000 members in our state.

Mr. Thompson has been an active leader in the Virginia Republican Party and served in many leadership capacities at the state and local level. He is active in his community and has served three terms as President of the Springfield District Council, an organization representing over 200 homeowner associations. He helped found and remains on the Board of Directors of the Occoquan Watershed Coalition in Fairfax County. He was the Governor's appointee to the Small Business Assistance Compliance Advisory Board for the Department of Environmental Quality and has served on several Fairfax County commissions and task forces. He also serves as Vice Chairman of a national award winning foundation working with college and university student leaders around the world, the Fund for American Studies.

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“...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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