

Resolution EDUC 2013-1

Meaningful Citizen Input to Fairfax County's FY2014 Budget Process

- (1) WHEREAS Fairfax County's Fiscal Year 2014 Advertised Budget Plan ("FY2014 Advertised Budget") will be released by the County Executive on or about February 26, 2013; and**
- (2) WHEREAS the FY2014 Advertised Budget will include a variety of expectations, presumptions and recommendations with respect to revenue sources including but not limited to residential and commercial real property taxes ("Revenue"), funding levels for County services ("Funding Levels"), and the proposed amount of support to be provided to Fairfax County Public Schools ("School Transfer"); and**
- (3) WHEREAS, on March 5, 2013, the Board of Supervisors ("BOS") will advertise the maximum residential and commercial real property tax rate ("Maximum Rate") which the BOS may legally and actually adopt on April 30, 2013, for application in FY2014 ("Actual Rate"); and**
- (4) WHEREAS Fairfax County relies heavily on real property tax revenue to support its budget so that the Maximum Rate and the Actual Rate are integral to evaluating and determining Funding Levels and the School Transfer; and**
- (5) WHEREAS The County Executive, in his presentation to the BOS on November 27, 2012, preliminarily suggested that (1) County employee compensation increases, other expenses, replenishment of reserve funds and a School Transfer increase of 5% would (at revenue projected on the FY2013 tax rate) result in a FY2014 shortfall of about \$169Million ("County General Fund Shortfall"), and (2) that each penny of residential real property tax rate will generate about \$20.4Million in revenue in FY2014; and**
- (6) WHEREAS on January 10, 2013, the Superintendent of Fairfax County Public Schools released a proposed budget (" FY2014 Proposed School Budget") which, if adopted by the School Board, would require for full funding an increase in School Transfer of 5.5% or \$92.4 Million which approximates the assumptions made by the County Executive in November 2012 ("School Shortfall"); and**
- (7) WHEREAS the entire County General Fund Shortfall as projected by the County Executive could be addressed by an residential property tax rate increase of approximately 8 pennies to an Actual Rate of \$1.15 per \$100, avoiding further reductions in County services and preserving 5% increase in School Transfer after several years of flat budgets and funding reductions; and**
- (8) WHEREAS the School Shortfall alone could be addressed by a residential real property tax increase of 4.5 pennies to \$1.12 per \$100 avoiding further reductions in school services and addressing significant enrollment increases experienced during several years of flat transfers;**
- (9) WHEREAS the County Executive in his November 27, 2012 report also discussed that, while County economic indicators are improving, significant**

uncertainty exists due to continued fiscal issues at both federal and state levels and the potential impact of federal cuts on state and local revenue; and

- (10) WHEREAS the Actual Rate, Funding Levels, School Transfer and related matters in the FY2014 County Budget will be the subject of citizen comment and testimony at hearings currently scheduled for April 9-11, 2013 ("Public Hearings"); and
- (11) WHEREAS meaningful citizen input and testimony at the Public Hearings may be unnecessarily chilled and circumscribed by the arbitrary ceiling of the Maximum Rate, which will be set without any public hearing; and
- (12) WHEREAS meaningful citizen input on addressing the County General Fund Shortfall, on the proper balance between services and the Actual Rate, as well as on appropriate Funding Levels and School Transfer, requires that the Maximum Rate be advertised at a level which allows positive discussion and meaningful public participation and provides flexibility for the County to address fiscal issues and uncertainties as they appear while preserving essential services; and

A. NOW THEREFORE BE IT RESOLVED that the Mount Vernon Council of Citizens' Associations, in order to (1) permit meaningful citizen input to the FY2014 County Budget,(2) improve and enhance public discourse on budgetary priorities and the appropriate balance between County services and tax burden, and (3) provide flexibility to address fiscal issues as they arise and preserve essential services, respectfully requests the Fairfax County Board of Supervisors to advertise a maximum residential real property tax rate applicable to FY2014 of no less than \$1.15; and

B. BE IT FURTHER RESOLVED that the Mount Vernon Council of Citizens' Associations expresses no opinion at this time as to Actual Tax Rate, Funding levels or School Transfer appropriate for implementation in FY2014.

Reviewed and passed by the MVCCA's General Council Membership at our meeting of 27 Feb 2013.