Is the FCPS Proposed FY2017 Budget Fair?
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Supervisor Karen Garza has proposed a 2017 budget for the Fairfax County Public Schools of $2.7B (billion dollars)[1]. All of the 0.12B increase relative to FY2016 will be for increases in the salaries and benefits of the school-system employees. Increases in other accounts are offset by a dip in the budget for materials and supplies. Supervisor Garza asks that the FY2017 budget request not be cut. She states that $0.5B in budget cuts have already occurred since 2008. Despite these claims, the school budget continues to increase each year, except for the reduction in school expenditures when the housing bubble collapsed (Exhibit 1). Supervisor Garza's cuts are more along the lines of the difference between what the superintendent wanted and what the superintendent received – the difference between the proposed budget and the approved budget, a difference on the order of 4%. Those of us who have made budget requests know that we usually ask for more than we expect to receive. The 4% is not unusual.

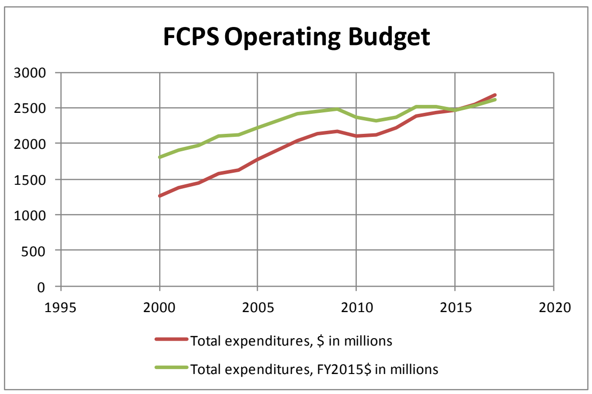

Exhibit 1: History of FCPS Operating Budget

Supervisor Garza proposes giving school employees salary increases of 3.5% on average, although teachers with more than five years of experience will get increases of approximately 4.0%. Because all school employees get approximately the same salary increase that the teachers get, the total budget increase for salaries is 4.7%; for salaries and benefits, 5.4%, Of the 4.7% increase, 9% is requested so more teachers can be hired and class sizes, reduced. These salary increases are more than twice the 1.8% salary increases in the private sector[2]. This year's increase in the county budget, including the approximately 52% transferred to the schools, is likely once again to exceed the increase in the median wages for county residents[3] (Exhibit 3). For the average person, the county is becoming less affordable.

The county is undertaking a study to determine if FCPS salaries are competitive with those of neighboring school districts. Historically, the FCPS salaries are approximately in the middle of range of salaries[4]. This mid range seems to be sufficient for the FCPS schools to be nearly the best in the area[5]. Increasing the salaries of every FCPS employee seems unnecessary and certainly not justified on the basis of a projected increase in student performance.

[1] http://www.fcps.edu/fs/budget/documents/proposed/FY17/FY17ProposedBudgetPresentation.pdf
[2] http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_5YR_S1901&prodType=table
[3] http://www.fairfaxfederation.org/committees/Budget/145IsaFY2016IncreaseintheRealEstateTaxRateAffordable.pdf
[4] http://www.fcta.org/Pubs/Reports/2015-01b-fac.html
[5] http://www.fcta.org/Pubs/Reports/2014-04b-fac.html

The cost per student, in 2015$ (i.e. as adjusted for inflation), has increased at a rate of approximately 2% per year[6] (Exhibit 2). Accounting for the increase in the number of students categorized as ESOL, FRM, and SpEd[7] – categories that require more teachers, the cost per equivalent regular student increased 0.7% per year during the

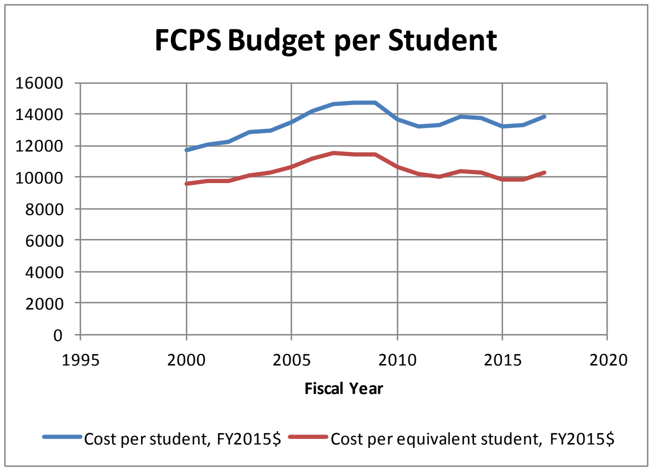

Exhibit 2: History of the Cost per Student, in 2015$

housing bubble but has increased only 0.2% per year since the housing bubble. The 0.2%, as compared to the 2%, is due to the increase in the number of students in each of the three categories (ESOL, FRM, and SpEd). There surely must be a temptation to put students into these three categories, because the more of the students in these three categories, the more money the schools get. There is no pressure to keep students from falling into these categories or pressure to remove students from these categories. For example, if a Spanish language is spoken at home, the students are classified as ESOL, even if the Spanish language is being spoken simply to teach the children a second language or to maintain proficiency in the Spanish language. The ESOL categorization applies even if English is the family's primary language. That categorization will remain with the student for his entire FCPS career – and the extra funds will continue to flow into the school system for that student's entire career.

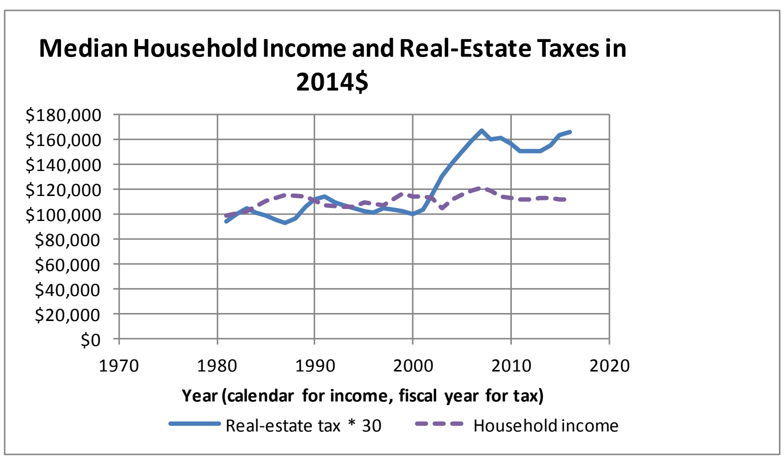

Exhibit 3: Comparison between Real Estate Taxes and Median Household Income

[6] http://www.fairfaxfederation.org/committees/Budget/141FCPSBudgets2000to2016.xlsx
[7] English Speakers of Other Languages (ESOL), Free and Reduced-Price Meals (FRM), Special Education (SpEd)

Middle-class county residents, whose income has not kept up with inflation, suffer most from increased taxes. School employees have not so suffered, because their raises have, on average since 2000 and again in the requested budget, exceeded inflation. IRS data show that middle-class people are moving out of the county and are replaced in large part by people of lower income. When teachers retire after 30 years of experience, the value of their pension is over $2M – they are multi-millionaires, retiring around the age of 55[8]. Few county residents have that much money in their 401k's, even though they work until they are 66. The FCPS employee is taking money from the private-sector worker's pension and putting it into his own relatively luxurious pension. Fairness seems to require that school and county employees get no more in increases in salary and benefits than the middle-class private-sector employee gets. In addition, the retirement age of the school employee should be increased to the retirement age under Social Security, again to gain parity with the private-sector employee.

[8] http://www.fcta.org/Pubs/Reports/2015-09a-fac.html