

# FY 2022 County and Schools Advertised Budgets



**Joint Meeting of the Board of  
Supervisors and School Board**

March 2, 2021



- With the timing and scale of economic recovery still uncertain, maintains conservative budgetary posture
- Builds upon the success that the County has had in utilizing federal stimulus funds, particularly the \$200.2 million received through the CARES Act Coronavirus Relief Fund
  - No additional stimulus funds are assumed in this proposal, but staff is monitoring progress of new stimulus package
- Adjustments are in alignment with the Priority Areas as outlined in the Countywide Strategic Plan
  - Updated proposed Strategic Plan is released concurrent with the budget

# FY 2022 Advertised Budget Highlights

**FY 2022**  
ADVERTISED  
BUDGET PLANS

- Decreases Real Estate Tax rate by 1 cent to \$1.14 per \$100 of assessed value
  - Based on equalization, results in an increase in the average tax bill of approximately \$224
  - Staff recommends advertisement of current rate of \$1.15 for flexibility
- Includes overall increase for County and Schools, excluding reserves, of 0.55%
  - Provides an \$14.13 million increase over FY 2021 for School Operating; School Board request was \$104.40 million
- Includes no funding for employee pay increases in FY 2022
- Recommendation includes a \$20 million unappropriated reserve for Economic Recovery
  - Could be utilized at Board's discretion and appropriated at future quarterly reviews for County or School requirements
- Funds modest investments in Board priorities such as Public Safety staffing, Diversion First, Opioid Use Prevention Efforts, and Environmental Initiatives
  - Also include baseline funding for previously approved initiatives, such as Body-Worn Cameras and Health Department positions initially funded with stimulus funds
  - Includes increase of 109 positions, primarily for new facilities and the continuation of previous initiatives

# FY 2022 Revenue Overview

**FY 2022**  
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## County Revenue

	Change from FY 2021 (\$ in millions)
Real Estate Property Taxes <sup>1</sup>	\$47.44
Personal Property Taxes	\$10.38
Local Sales Tax	\$28.18
Transient Occupancy Tax	(\$8.80)
Investment Interest	(\$9.28)
Charges for Services	(\$26.01)
Other Revenue	\$0.32
<b>Projected Revenue Increase</b>	<b>\$42.23</b>

<sup>1</sup> Reflects current Real Estate revenues including reduction of 1 cent in the Real Estate Tax rate.

## Schools Revenue

	Change from FY 2021 (\$ in millions)
County Transfer Request <sup>2</sup>	\$104.40
Sales Tax and State Aid <sup>3</sup>	\$3.70
Federal	(\$20.00)
Beginning Balance and Other Revenue	(\$12.60)
<b>Projected Revenue Increase</b>	<b>\$75.50</b>

<sup>2</sup> Reflects requested transfer. A transfer increase of \$14.13 million is included in the County's Advertised Budget Plan.

<sup>3</sup> State revenue based on the Governor's Introduced Budget conveyed on December 18, 2020 and \$13.4 million to provide the state's share of a 3% salary increase as included in Senate Budget amendments.

# Real Estate Tax Base

- The projected value of 1 Penny on the Real Estate tax rate equals \$27.14 million in revenue in FY 2022
- The Commercial/ Industrial percentage of the total real estate assessment base decreased from 19.72% in FY 2021 to 18.17% in FY 2022

	2010	2011	2012	2013	2014	2015	2016
Equalization	(10.52%)	(8.98%)	2.67%	2.53%	2.63%	4.84%	2.40%
- Residential	(12.55)	(5.56)	2.34	0.71	3.50	6.54	3.39
- Nonresidential	(4.51)	(18.29)	3.73	8.21	0.14	(0.10)	(0.60)
Growth	0.57	(0.22)	0.60	0.74	0.77	0.93	1.06
<b>TOTAL</b>	<b>(9.95%)</b>	<b>(9.20%)</b>	<b>3.27%</b>	<b>3.27%</b>	<b>3.40%</b>	<b>5.77%</b>	<b>3.46%</b>

	2017	2018	2019	2020	2021	2022	2023 Prelim
Equalization	1.94%	0.97%	2.58%	2.45%	2.71%	2.02%	1.75%
- Residential	1.64	0.68	2.17	2.36	2.65	4.25	3.00
- Nonresidential	2.87	1.85	3.79	2.71	2.87	(4.05)	(1.95)
Growth	1.04	0.92	1.01	1.15	1.05	0.86	0.85
<b>TOTAL</b>	<b>2.98%</b>	<b>1.89%</b>	<b>3.59%</b>	<b>3.60%</b>	<b>3.76%</b>	<b>2.88%</b>	<b>2.60%</b>

# FY 2022 Budget Summary

- Net County revenue increase totals \$42.23 million, with \$13.07 million transferred to support Schools Operating and Debt Service requirements, a net \$11.70 million to support County priorities, and \$20 million held in balance for the Board for Economic Recovery efforts
- Schools support and County requirements, excluding reserves, are both increased 0.55% over FY 2022
- Schools are 52.8% of General Fund Disbursements in FY 2022
- Schools Budget reflects a shortfall of \$90.27 million

## Adjustments included in the FY 2022 County and Schools Advertised Budgets

(Amounts shown are in millions, net change over FY 2021 Adopted Budget Plans)

	County	Schools	Total
<b>Available Revenue Increase</b>			
Net Revenue Increase with One Cent Reduction to Real Estate Tax	\$29.16	\$13.07	\$42.23
Net Impact of Transfers In	\$0.29	--	\$0.29
Additional Schools Revenue	--	(\$28.90)	(\$28.90)
<b>Total Available</b>	<b>\$29.45</b>	<b>(\$15.83)</b>	<b>\$13.62</b>
<b>FY 2022 Requirements</b>			
Compensation (Pay and Benefits)	(\$1.97)	\$74.60	\$72.43
Debt Service	\$0.28	(\$1.06)	(\$0.78)
Lifelong Education and Learning	(\$0.01)	\$0.90	\$1.09
Safety and Security	\$11.91	--	\$11.91
Health and Environment	\$9.12	--	\$9.12
Empowerment and Support for Residents Facing Vulnerability	\$2.92	--	\$2.92
Effective and Efficient Government	\$2.49	--	\$2.49
Cultural and Recreational Opportunities	\$2.18	--	\$2.18
Housing and Neighborhood Livability	\$0.47	--	\$0.47
Economic Opportunity	\$0.22	--	\$0.22
Mobility and Transportation	--	--	--
Agency Reductions and Savings	(\$15.91)	--	(\$15.91)
<b>Subtotal</b>	<b>\$11.70</b>	<b>\$74.44</b>	<b>\$86.14</b>
Reserve Adjustments	(\$2.25)	--	(\$2.25)
<b>Total Uses</b>	<b>\$9.45</b>	<b>\$74.44</b>	<b>\$83.89</b>
<b>Available Balance</b>	<b>\$20.00</b>	<b>(\$90.27)</b>	<b>(\$70.27)</b>

# FCPS FY 2022 Advertised Budget Highlights

Change from the FY 2021 Approved - \$ in millions

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## Required Adjustments

Enrollment and Student Needs	\$4.5
Health Insurance	13.2
FCPS On-HS, MS, ES (grade 6 & grade 5 Title I)	6.3
Contractual Services	5.4
Retirement Rates	5.3
Quarterly Fund Adjustments	1.9
Transfer to Other Funds	0.3
One-time Funding	(27.7)
Compensation Base Savings	<u>(21.3)</u>
<b>Subtotal</b>	<b>(\$12.1)</b>

## Recurring Adjustments

TSSpec and SBTS Staffing	\$4.7
Psychologist, Counselors, School Health Nurses	2.8
Digital Resources	2.3
Web Conferencing Tool and Cybersecurity	1.4
Equity and Cultural Responsiveness Specialist	0.1
COVID-19 and Technology Reserve	<u>(11.3)</u>
<b>Subtotal</b>	<b>\$0.0</b>

## Identified Investments

3% Compensation Increase	\$73.7
English for Speakers of Other Languages	4.9
CIS Salary Scale Enhancement	3.0
Advanced Academic Program Phase I	2.6
Special Education Placeholder	1.0
ES Principal and Assistant Principal Pay Parity	0.7
Title I Instructional Coaches	0.7
Collective Bargaining Team	0.5
Legal Support	0.5
Neurodiversity Specialist	0.1
Trauma Informed SEL Specialist	0.1
Reductions Placeholder	<u>(0.3)</u>
<b>Subtotal</b>	<b>\$87.6</b>
<b>TOTAL</b>	<b>\$75.5</b>

# FY 2022 Budget Timeline

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BUDGET PLANS

	COUNTY DATES	SCHOOLS DATES	STATE DATES
Joint County/Schools Budget Committee Meeting	March 2, 2021	March 2, 2021	
Board of Supervisors advertises FY 2022 tax rates	March 9, 2021		
Last Day for Governor's action on legislation by midnight			March 29, 2021
Board of Supervisors holds public hearings on FY 2022 Budget	April 13-15, 2021		
Board of Supervisors marks up FY 2022 Budget	April 27, 2021		
Board of Supervisors adopts FY 2022 Adopted Budget	May 4, 2021		
School Board conducts budget work session		May 4, 2021	
School Board FY 2022 Approved Budget presented for new business		May 6, 2021	
School Board holds public hearings on budget		May 11-12, 2021	
School Board adopts FY 2022 Approved Budget		May 20, 2021	
FY 2022 Budget Year begins	July 1, 2021	July 1, 2021	July 1, 2021



# Looking Ahead: Items for Discussion

- Will continue to monitor revenues for FY 2021 and impact on FY 2022
  - The use of additional stimulus funds should not exacerbate future pressures
- Strategic use of FY 2022 economic recovery reserve
- Looking ahead to FY 2023, budgetary pressures will be significant despite potential for economic recovery
  - Addressing joint priorities, including compensation and collective bargaining
- Need to focus on collective goals post-pandemic
  - Where should limited resources be focused
  - Areas for increased collaboration