

How Fairfax County Public Schools Got a \$100M Real Estate Tax Hike to Teach 10,000 Fewer Students

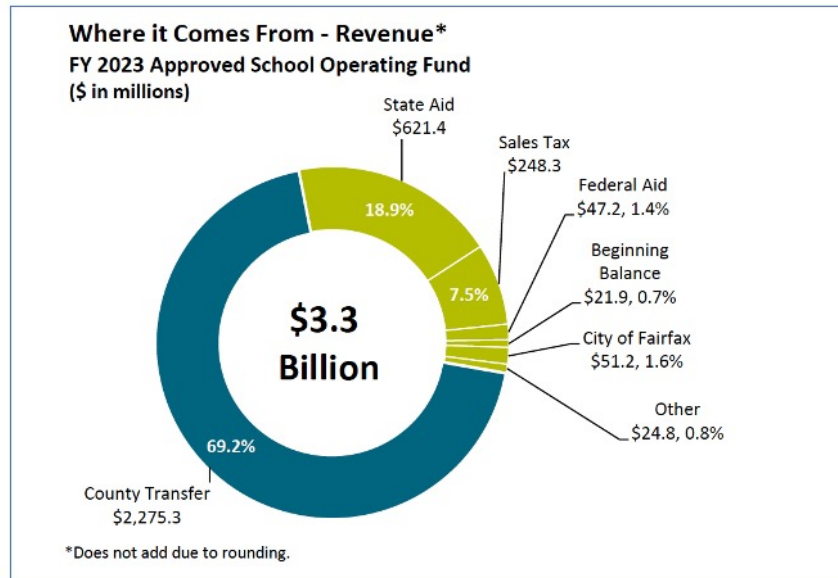
Arthur Purves

President, Fairfax County Taxpayers Alliance

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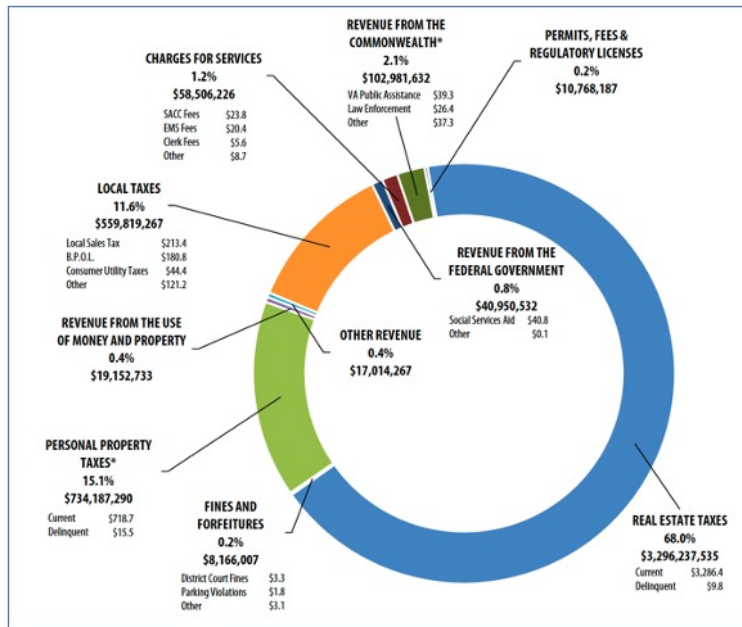
Preview: school board replaced one-time Elementary and Secondary School Emergency Relief (ESSER) COVID relief funding with a \$100M real estate tax hike and a \$90M increase in state funding.

FCPS GETS MOST OF ITS MONEY FROM THE COUNTY



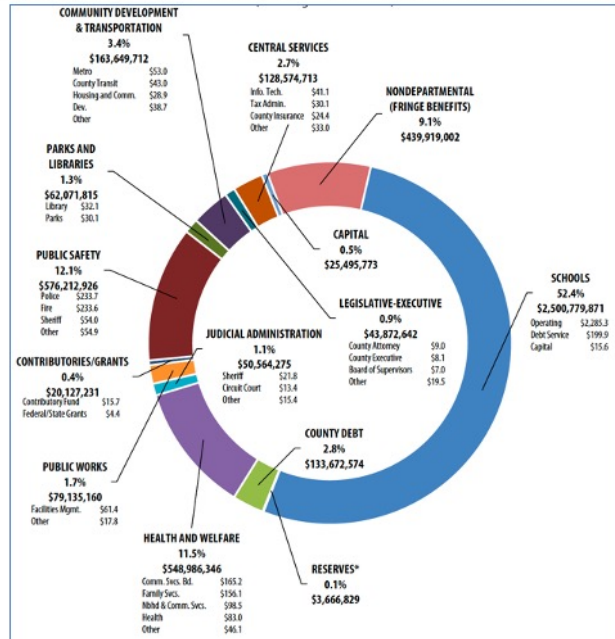
Need to show the connection between FCPS funding and real estate taxes.
Fairfax County Public Schools gets most (70%) of its revenue from the county (and 20% from the state).

THE COUNTY GETS MOST OF ITS MONEY FROM REAL ESTATE TAXES



Fairfax County gets 70% of its revenue from real estate taxes (and 15% from the car tax).

THE COUNTY TRANSFERS MOST OF ITS MONEY TO THE SCHOOLS



Fairfax County gives (transfers) just over half of its revenue to FCPS. This is called the school transfer. Therefore, if FCPS wants to increase the school transfer, it comes from real estate tax hikes.

THE APPROVED SCHOOL BUDGET **SAID** THAT THIS YEAR (FY23) SPENDING WOULD BE \$88.5M LESS THAN LAST YEAR (FY22)

10,000 LESS STUDENTS	-\$88 M
COVID RELIEF SPENDING (ESSER GRANTS)	-\$272 M
6% RAISES AND BENEFIT RATE HIKES	\$155 M
OTHER NEW SPENDING	\$117 M
SPENDING CHANGE FROM FY22 TO FY23	-\$88 M

The COVID relief (ESSER) funding was intended to be a one-time funding surge. However, FCPS replaced the \$272M of one-time COVID spending with \$272M of recurring spending, including \$155M for 6% raises.

TO REPLACE THE LOSS OF THE ONE-TIME COVID (ESSER) FUNDING, FCPS GOT A \$100M INCREASE IN THE COUNTY TRANSFER AND \$90M FROM THE STATE

LOSS OF FY22 ONE-TIME COVID (ESSER) FUNDING	\$272 M
DECREASE IN SPENDING	-\$88 M
FY23 FUNDING SHORTFALL	\$184 M

Although the FCPS FY23 budget was decreasing by \$88M, revenues were decreasing by \$272M, so they needed an additional \$184M. They got it from the state (\$90M) and a county tax increased (\$100M). So FCPS got \$100M increase in the transfer to teach 10,000 fewer students. So the school board used the decrease in in one-time ESSER funding to justify a \$100M real estate tax hike.

AFTER FY22 ENDED, IT TURNED OUT THAT FCPS ONLY SPENT ABOUT \$118M OF THE \$272M AND CARRIED FORWARD ABOUT \$154M TO FY23

10,000 LESS STUDENTS	-\$88 M
COVID RELIEF SPENDING (ESSER GRANTS)	+\$36 M
6% RAISES AND BENEFIT RATE HIKES	\$155 M
OTHER NEW SPENDING	\$117 M
<u>ACTUAL</u> SPENDING CHANGE FROM FY22 TO FY23	+\$220 M

Instead of decreasing by \$272M, COVID spending increased by \$36M, from about \$118M in FY22 to about \$154M in FY23. So, FCPS had about \$200M more in FY23 to teach 10,000 fewer students.

QUESTION

WHEN THE SCHOOL BOARD SAID THAT THIS YEAR'S BUDGET WAS DECREASING BY \$88M, DID THEY KNOW THAT IT WAS REALLY INCREASING BY \$200M?

Possibility of a school board cover-up?

EMAIL EXCHANGE WITH MELANIE MEREN

- OCT 26 TO MELANIE:

“When did the school board know that a substantial amount of the ESSER funds would be carried over to FY2023?”

- NOV 8 FROM MELANIE:

“The actual amount of carryover for ESSER III would have been revealed with introduction of the Year-end on July 14, 2022. Periodic reviews of ESSER funding would have also included a stated intention that unspent funds would be carried over into the next year.”

- NOV 9 TO MELANIE:

“Did these reviews provide projections of how much would be spent in FY2022?”

Melanie Meren is the Hunter Mill school board representative. Of course, the actual amount of FY22 COVID spending would not be known until year end. But the question is did the school board know at the time they approved the FY23 budget that FY22 COVID spending would be substantially less than \$272M and that FY23 spending would be substantially more than FY22 ... to teach 10,000 fewer students? Awaiting Mrs. Meren’s answer.
Welcome to the FCPS school board budget process!!