

Needed: Candidates Who Will Build a Mandate to Cut Taxes

Arthur Purves, President, Fairfax County Taxpayers Alliance - March 29, 2019

This November 5 we will be electing, among others, school board members and supervisors. We need candidates who will cut taxes.

For twenty years, real estate taxes for the typical homeowner have increased three times faster than household income, which has barely kept up with inflation. In FY2000 the homeowners' average real estate tax was \$2400; it will be \$6500 if next year's advertised budget, with its 2.4% real estate tax hike, passes. If real estate taxes had increased at the same rate as household income since FY2000, next year's average real estate tax would be \$3800 instead of \$6500.

The driver for real estate tax hikes is county and school annual raises, pensions, and health insurance. For example, next year's budget, FY2020, increases real estate taxes by \$100 million, while the cost of raises will be \$115 million. Three percent raises for county employees will cost \$38 million, and school raises, including 6% raises for teachers, will cost \$77 million. The current year's budget is another example. Real estate tax revenues this year (FY2019) increased \$140 million, including a 4.6% real estate tax hike. Meanwhile, raises cost \$138 million: \$49 million for county raises averaging 4% and \$89 million for school raises, with 6% raises for teachers.

The latter is called "investing in schools", but what is the return? According to the ACT college admissions test, only 55% of the Fairfax County Public Schools seniors tested are prepared for college level science and engineering courses, and that was only among students applying for college. If the ACT were administered to all students, the percentage prepared would be much lower.

For two decades, no supervisors or school board members have ever made a motion to eliminate real estate tax increases, much less cut taxes. They do not want to stir up government employees, who dominate the low-turnout supervisor and school board elections. In the last such election, only 196,000 out of 648,000 registered voters voted. The well over 36,000 school and county employees and their families and friends are a large fraction of that turnout. They vote for supervisors who will give them raises.

As a result, county and school employees have received raises in all but two of the last twenty years. The average annual teacher raise over the last twenty years is 4.5%, and the average annual county employee raise is 3.6%. The average teacher salary is now \$77K and is proposed to go up to \$80K next year. The average non-uniformed county employee salary is \$67K while the average police salary is \$77K and the average fire and rescue salary is \$87K. In addition, employees get comprehensive medical insurance and pensions allowing retirement at age 55 with 75% of salary. The compensation is so good that schools are getting 6,600 applicants for 1,900 teacher openings, and the county is getting 128,000 applicants for 1,700 job openings.

We want to be generous to teachers and especially to those county employees who work in harm's way, but without eroding the tax base. Tax increases might be the reason home values increased by only 1.9% last year as compared to inflation of 2.5%. The IRS reports that since 2000 Fairfax County has lost wealth due to a net out-migration of taxpayers. According to the Bureau of Labor Statistics, Fairfax County last year ranked 140th out of 350 counties for job and salary growth. (Prince William was 82nd.) In 2000, 25% of households had incomes less than \$75K; now it's 30%. In addition, we have more people on welfare. The division which processes public assistance applications has increased since FY2000 from 209 to 386 positions, an 84% increase. It now has more employees than the division dealing with parks and libraries, where staffing has decreased.

This November we need to elect school board members and supervisors who will give raises that do not ruin the economy.