

Gainesville Magisterial District  
Citizen's Budget Committee

# Report on County Staff Analysis of the Candland Flat Tax Bill Budget



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## Top Line Summary

The Gainesville Magisterial District Budget Committee (“Committee”) believes that the analysis presented by County staff on the Candland Flat Tax Budget Proposal is deeply flawed. This response will address the major errors in this analysis, and provide specific illustrations to conclusively demonstrate why the County staff analysis missed the mark in evaluating the budgetary impacts on various County programs of the Candland Flat Tax Budget Proposal.

## Major Flaws in County Staff Analysis

### School Budget Impacts:

The County Staff Analysis (“Staff Analysis”) incorrectly asserts the Candland Flat Tax Budget Proposal proposed funding additions to the schools that added significant costs in impacts to the Five Year Plan.<sup>1</sup>

The Staff Analysis erroneously concluded that the Candland Flat Tax Budget Proposal would add \$195 million in additional Schools spending from FY 2014 through FY 2017.<sup>2</sup>

The Accurate Proposal: On Slide 29 of the “Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff, Supervisor Candland specifically limits funding for the three initiatives he

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<sup>1</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 13 of 19:

Proposed Schools’ Additions – Supervisor Candland has proposed funding for additions to the Schools that are indicated below in the Five Year Plan impact. These additions are as follows:

- Cover New Student Costs – The Schools have planned for student enrollment to increase by 11,956 from FY 13-17 in their Five Year Plan. Each 2,000 students add \$26 million in ongoing expenses to the Schools budget. The costs for these new students were included in the adopted Five Year Plan.
- Reduce Class Sizes – Reducing class size by one across the entire school system costs \$15 million in ongoing costs each year. This was not included in the adopted Five Year Plan.
- Teacher Raise – A 2% raise for teachers only (the same rate as the Supervisor proposed for county employees) costs \$10 million in ongoing costs each year. The Schools have included raises for all employees in their Five Year Plan as follows: FY 14 – 1%, FY 16 – 2%, FY 17 – 0%. We have included 1% for FY 14 and 15; 0% for FY 16 and 2% for FY 17.

<sup>2</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 14 of 19, see chart on middle of page, line entitled “Proposed School Additions.”

identified as “guidance” to the School Board for the “\$12 million otherwise lost in the FY 2014 budget to specific priorities . . .”

The Staff Analysis made two errors on the School Funding issue:

1. The Candland proposal specifically limited the funding available for the three priorities: (1) Funding for new student enrollment; (2) Funding for class size reductions initiatives; and (3) Paying classroom teachers competitive salaries to assure retention; to the \$12 million that would “otherwise be lost in the FY 2014” Flat Tax Budget Proposal and that would have to be made up by budget cuts initiated by the School Board.
2. The Candland proposal specifically recommends the termination of the current Revenue Sharing Agreement with the School Board in FY 2015, and that would require the School Board to present its budget to the BOCS to be reviewed and evaluated based on the needs and spending priorities of all County Programs.<sup>3</sup>

The actual budget impact is a part of the budget savings identified in the Candland Flat Tax Budget Proposal and so there is not any impact at all. The true budget impact, which the Staff Analysis incorrectly identifies as a revenue reduction of \$195 million, is actually **ZERO**.

Supervisor Candland briefed the Board and County staff on the guidance that would be provided to the School Board on the use of the “refunded” \$12 million” for FY 2014 during the November 20, 2012 Board Meeting with the following statement (commencing at 3:17:19 on the recording of the meeting):

*“The BOCS would be able to provide guidance on specific priorities, and those priorities have to include, have to be funding for new student enrollment; funding for class size reduction initiatives; and paying classroom teacher competitive salaries to assure retention.”*

The Candland Flat Tax Bill Budget proposes that, beginning in FY 2015, the Revenue Sharing Agreement with the School Board is replaced with a traditional budget review by the BOCS of a proposal from the School Board. Prince William County is the only jurisdiction in the local region to use a Revenue Sharing Agreement to fund our schools at a fixed percentage of general County revenues.

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<sup>3</sup> Gainesville Magisterial District Citizens Budget Committee, PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 29.

The current fixed percentage formula of county revenues dedicated to school funding puts an unfair burden on Prince William County taxpayers. For every \$1.00 in purchasing power for any critical project needing immediate funding, taxes have to be increased by just over \$2.31. That is a direct consequence of having to dedicate 56.75% of every dollar of general revenue received to the School Board.

The \$15 million cost for a new fire station requires increasing taxes by \$34,680,000 in order to pay the School Board their 56.75% share under the Revenue Sharing Agreement. The need for a new fire station, of which there are 9 new stations identified on the County's Critical Needs list as being needed in the near term, has no relationship to the needs of the school system.

The Committee believes the School Board should be required to present a budget based on its needs, and the BOCS should evaluate that budget proposal in the context of all County spending priorities, and fund education accordingly.

### **BPOL Revenue Reductions:**

The Staff Analysis incorrectly claims the Candland Flat Tax Budget Proposal calls for a "\$5 million reduction in BPOL revenue each year . . . which is a total reduction of \$20 million from FY 14 – 17."<sup>4</sup>

The Candland Flat Tax Budget Proposal actually funds the reduction in BPOL revenues from budget cuts summarized in Slides 14 and 15 of the PowerPoint presentation and that shows on Slide 15 that the "Net Revenue Available"<sup>5</sup> for program investments is \$17,458,950.

Then, on Slide 16, entitled "Potential Program Investments," the proposed funding required for the "Reduction in BPOL Tax" is listed as \$5,000,000.<sup>6</sup> The funding for this proposal is CLEARLY associated with the \$17,458,950 in savings identified in the previous slide.

The Staff Analysis then incorrectly lists this funded BPOL tax reduction as a revenue reduction of \$20 million from FY 14 – 17. While the effect of replacing \$5 million in BPOL revenue will reduce the taxes of impacted businesses, the revenue lost to the County in FY 14 is replaced from the

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<sup>4</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 10 of 19, Section D. 1.

<sup>5</sup> Gainesville Magisterial District, Citizens Budget Committee" PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 15.

<sup>6</sup> Gainesville Magisterial District, Citizens Budget Committee" PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 16.

Agency savings identified in the Candland proposal, and is therefore similarly accounted for in the following FY revenues.

### Community Partners Cuts:

The Budget Committee made a good faith estimate that the implementation the new funding criteria put in place by the County Executive for the FY 2014 budget cycle for Community Partners would result in a reduction of taxpayer funding for these programs. In this case, where the actual reduction in funding is unknown, the Budget Committee conservatively estimated a one-third reduction in spending overall.

This new Community Partners Policy, adopted on July 26, 2012, states that funding will be provided to “appropriate community partners that support the department/agency goals.”<sup>7</sup> This issue is further clarified in the FY 2014 Budget Questions Database available on the [www.pwcgov.org](http://www.pwcgov.org) website, Question #060, that is recorded as follows:

QUESTION: What is the process for selecting community partners? How are they evaluated?

RESPONSE: “The assigned host agency evaluates the services provided by the partner and offers a recommendation based on the host agency’s determination of whether the partner and offers a recommendation based on the host agency’s determination of *whether the partner is able to leverage County funding to provide improved service to the community from what is currently provided.*”  
*(emphasis added)*

In the “notes” section of the PowerPoint presentation on Slide 13, the following statement clearly differentiates the community partners who provide a mandated government service more efficiently and effectively than the government can.<sup>8</sup>

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<sup>7</sup> Community Partner Donation Policy, Office of Management and Budget, Effective Date: July 26, 2012, signed by County Executive Peacor on 7-30-12, page 2.

<sup>8</sup> Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 13.

“The Budget Committee understands that some of these programs are perceived to be quality programs that deliver services of value to program recipients. However, under the new County Community Partners criteria for funding, all community partners must provide a mandated government service more efficiently and effectively than the government can.”

The Staff Analysis incorrectly determined that the Candland Flat Tax Budget Proposal intended to cut all Community Partners by one-third across the board. As a consequence, the Community Partners who meet the funding criteria and who actually provide an improved service to the community from what is currently provided by their host Agency are now unnecessarily alarmed.

The incorrect analysis of this issue by the Staff Analysis has created considerable confusion about the proposed treatment of the Community Partners program under the Candland Flat Tax Bill Budget. In fact, the Candland proposal is to retain funding for those Community Partners that demonstrate they can provide a mandated government service more cost-effectively than the government is able to do so.

### Impact on Schools:

The Staff Analysis distorts the Candland Flat Tax Bill Budget proposal with the claim that the collective impact of the cuts in revenue from the proposed “average flat tax bill” and the “BPOL revenue reduction” would result in the Schools’ receiving 72.1% of all General Revenues by FY 2017 and the County budget being cut by almost \$175 million annually by FY 2017. The cited revenue reductions do not accurately reflect the position articulated in the Candland Flat Tax Bill Budget in protecting school funding in FY 2014, and then allowing for future school budgets to be reviewed by the BOCS (1) based on the proposed needs of the school system, and (2) in the context of available revenues in the County.

### Agency Budget Cuts:

The Staff Analysis mischaracterizes the Candland Flat Tax Budget Proposal as “\$22.3 Million in Base Budget Cuts.” The Staff Analysis concludes that the proposal failed to meet the directive from Chairman Stewart that the Candland proposal “would need to identify specific program and service reductions for each agency . . .”<sup>9</sup>

The Budget Committee offers two specific observations:

1. Supervisors Jenkins and Principi both offered budget plans that called for increased Agency expenditures, but there was no requirement cited in the County Staff analysis that either of those proposals should identify specific program and service enhancements for each agency.

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<sup>9</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 12 of 19, first bullet.



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2. The Candland Flat Tax Bill Budget specifically identified \$27,255,231 in Agency Savings that are derived from a calculation of the three-year average of funds that were **unspent** by those Agencies. Given that these funds were not expended for any specific programs or services, it would be impossible to identify any specific program or service reductions required from a reduction in funding for those programs. These are unspent Agency funds that have typically been recaptured by the County Executive to fund the Carry Over Budget process.

### Revenue Impact:

The Staff Analysis erroneously characterizes the revenue impacts of the Candland Flat Tax Bill Budget proposal because incorrect assumptions were used in calculating the “Proposed Schools Additions” in the amount of \$195 million; and \$20 million in mischaracterized “BPOL Reductions”; and the incorrect \$12 million School funding revenue reduction which is characterized as “funding the Schools initiatives recommended by Supervisor Candland. The sum of these incorrect assumptions total \$227 million of the claimed \$248 million in revenue reductions.

The remaining revenue shortfalls cited by the Staff Analysis appear to be the difference between anticipated revenue under the current five-year plan (that included an average tax increase of 4% per year) and the revenue from the proposed Candland Flat Tax Bill Budget. The Budget Committee would simply observe here that the Five-Year Plan is simply a guidance and planning document that is always impacted by budget decisions in the base year of that plan.

### FTE Impact:

The Staff Analysis appears here to repeat the errors in the incorrect baseline assumptions of revenue derived from the Agency savings and treats them as though those savings are cuts in programs and staff at those Agencies. In fact, all of that money is derived from the average of unspent Agency funds over a three-year period, so there is only a *de minimis* impact, if any, on FTEs in specific Agencies.

**The projected 191.73 FTE elimination estimate** in the County Staff analysis is completely incorrect.

## Specific Corrections to the Staff Analysis

In referencing the Staff Analysis Attachment C-4: Supervisor Candland Budget Proposal Summary, the Committee provides the following detailed response to the incorrect claims made in the Staff Analysis on both the budget and FTE impacts of the Candland Flat Tax Bill Budget.

However, it should be emphasized that funds recaptured from the three-year average “Agency Turnbacks” represent **UNSPENT AND OVERBUDGETED FUNDS** for these Agencies.

In each case, these funds have been used in the past by the County Executive to fund the Carry Over Budget process. These unspent Agency funds do not represent any program or FTE reductions. These funds are available at the end of each FY because of a specific budgeting strategy that ensures funds are available for discretionary spending during the Carry Over Budget process. This process was described by the County Executive in the August 5, 2012 BOCS meeting as follows:

*“The bottom line is we do our best job to estimate what things are going to cost. But even if we tell you it’s going to cost \$5, we try to only spend \$4 so we have savings left. But those savings are not left in Agency budgets like they are in most of the other jurisdictions around us. They are collected and used to support the budget.”<sup>10</sup>*

The Candland Flat Tax Bill Budget recaptures those funds and applies them to fund, among other programs, the \$12 million school share of the revenue reductions in FY 2014 that flow from a flat tax bill budget.

This Budget Committee expresses its concern that the incorrect characterization in the Staff Analysis of using these unspent Agency funds is actually a budget cut for those Agencies. In fact, the recapture of unspent funds does not represent any cuts to programs or FTEs.

The Candland Flat Tax Bill Budget proposal, if adopted, will eliminate the multi-million dollar discretionary spending fund that is collected every year and the Candland Flat Tax Bill Budget proposal returns those Over-Budgeted Funds back to taxpayers. We believe the elimination of the discretionary Carry Over funds will restore needed integrity to the budgeting process.

In fact, the County Executive specifically identifies the following programs that she intends to fund from the discretionary Carry Over Fund for in the coming year:<sup>11</sup>

- Completing contribution for ARC – Intellectually Disabled
- County Reserves and Fund Balances
- Sports Fields improvements
- One time expenditures not in the budget

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<sup>10</sup> BOCS Meeting, August 5, 2012, statement by County Executive Melissa Peacor.

<sup>11</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 17 of 19.

The Budget Committee strongly recommends that any spending priorities identified by the County Executive should be submitted as a part of the proposed FY Budget at the beginning of that budget process. The lack of inclusion of priority programs in deliberations of a new budget either demonstrates (1) that the programs are not of sufficient importance to be funded in the proposed budget; or (2) the budget process itself is being undermined by a budget policy that allows some programs to be funded outside of the regular FY budgeting process.

The public can have no trust in a budget process that deliberately adds excess funds to Agency budgets at the beginning of the year in order to recapture those funds at end of the year to be spent on unbudgeted discretionary programs.

In addition, the Budget Committee seeks to provide the following clarifications and corrections to the specific budget cuts set forth in the County staff analysis of the Candland Flat Tax Bill Budget:

## Agency: BOCS

**Staff Analysis Claim:** Reduction: \$214,397 per year/2 FTEs

“\$214,397 is 6.0% of the BOCS FY 13 Budget with an approximate 2.0 FTE reduction. The source of the reduction and needs to be identified by Supervisor Candland.”<sup>12</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$214,397 in the BOCS budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>13</sup> Given that these are unspent funds, there are no FTEs associated with BOCS unspent budget allocations.

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<sup>12</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>13</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 1 (see attachment).

## Agency: Board of Equalization

**The Staff Analysis Claim:** Reduction: \$19,806 per year

“\$19,806 is 37% of the BOE budget. Total FTE = 0 There are no choice activities. The source of the reduction needs to be identified by Supervisor Candland.”<sup>14</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$19,806 in the Board of Equalization budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>15</sup> Given that these are unspent funds, there are no programs associated with BOE unspent budget allocations.

## Agency: Circuit Court Judges

**The Staff Analysis Claim:** Reduction: \$6,874 per year

“\$6,874 is 1% of the Circuit Court Judges budget. The source of the reduction needs to be identified by Supervisor Candland.”<sup>16</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

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<sup>14</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>15</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 1 (see attachment).

<sup>16</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

The reduction of \$6,874 in Circuit Court Judges budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>17</sup> Given that these are unspent funds, there are no programs associated with the Circuit Court Judges unspent budget allocations.

## Agency: Clerk of the Court

**The Staff Analysis Claim:** Reduction: \$225,797 per year

“\$225,797 is from excess revenues. The expenditure budget is only \$3.7M. There are 46 county FTEs. The source of the reduction needs to be identified by Supervisor Candland.”<sup>18</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$225,797 in Circuit Court Judges’ budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>19</sup> Given that these are unspent funds, there are no programs associated with the Circuit Court Judges unspent budget allocations. The claim that the recaptured funds are from “excess revenues” is not supported by the data provided that shows a net loss of revenues in the Clerk’s office for the past three years averaging \$150,281. The unspent money clearly is from budgeted appropriations, not excess revenue collected by the Clerk’s office.

## Agency: Commonwealth Attorney

**The Staff Analysis Claim:** Reduction: \$464,882 per year/6 FTEs

“\$464,882 is 15% of the Commonwealth Attorney GF Budget, with an approximate

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<sup>17</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 1 (see attachment).

<sup>18</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>19</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 1 (see attachment).

6.0 FTE reduction. The source of the reduction needs to be identified by Supervisor Candland.”<sup>20</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$464,882 in Circuit Court Judges budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>21</sup> Given that these are unspent funds, there are no programs or FTEs associated with the Commonwealth Attorney’s unspent budget allocations. In fact, the data shows that an average of \$292,789 in revenue was captured by the Commonwealth Attorney’s Office over the past three years, which increased the amount recaptured by the County Executive for the Carry Over Budget during that time period.

## Agency: Community Services

**The Staff Analysis Claim:** Reduction: \$1,273,140 per year/21 FTEs

“\$1,273,140 is 7.4% of the Community Services GF Budget with an approximate 21.0 FTE impact.. Supervisor Candland has already identified \$1,780,624 in reductions (Sheltered Employment: \$752,812; 0.05 FTE and Supported Employment: \$1,027,812; 0.05 FTE). The further reduction needs to be identified by Supervisor Candland.”<sup>22</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

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<sup>20</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>21</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 1 (see attachment).

<sup>22</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

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The reduction of \$1,273,140 in the Community Services budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>23</sup> Given that these are unspent funds, there are no programs or FTEs associated with the Community Services' unspent budget allocations.

## Agency: Cooperative Extension Service

**The Staff Analysis Claim:** Reduction: \$116,014 per year/3 FTEs

“\$116,014 is 42% of the VCE budget. 42% of Total FTE = 3. The source of the reduction needs to be identified by Supervisor Candland.”<sup>24</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$116,014 in the Cooperative Extension Service budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>25</sup> Given that these are unspent funds, there are no programs or FTEs associated with the Cooperative Extension Services' unspent budget allocations.

## Agency: Criminal Justice Services

**The Staff Analysis Claim:** Reduction: \$171,250 per year/4 FTEs

“\$171,250 is 8.9% of the Criminal Justice Services GF Budget for FY 13 with an approximate 4.0 FTE reduction. The source of the reduction needs to be identified by Supervisor Candland.”<sup>26</sup>

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<sup>23</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 1 (see attachment).

<sup>24</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>25</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 2 (see attachment).

<sup>26</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$171,250 in the Criminal Justice Services budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>27</sup> Given that these are unspent funds, there are no programs or FTEs associated with the Criminal Justice Services' unspent budget allocations.

## Agency: DoIT

**The Staff Analysis Claim:** Reduction: \$2,613,209 per year/11 FTEs

“\$2,613,209 is 14% of the DoIT budget. 14% of total FTE = 11. The source of the reduction needs to be identified by Supervisor Candland.”<sup>28</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$2,613,209 in the DoIT budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>29</sup> Given that these are unspent funds, there are no programs or FTEs associated with the DoIT unspent budget allocations.

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<sup>27</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 2 (see attachment).

<sup>28</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>29</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 2 (see attachment).



## Agency: Economic Development

**The Staff Analysis Claim:** Reduction: \$308,719 per year/2 FTEs

“\$308,719 is 15% of the Economic Development (ED) net general fund tax support budget. 15% of Total FTE = 2. The source of the reduction needs to be identified by Supervisor Candland.”<sup>30</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$308,719 in the Economic Development budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>31</sup> Given that these are unspent funds, there are no programs or FTEs associated with the Economic Development’s unspent budget allocations.

## Agency: Finance

**The Staff Analysis Claim:** Reduction: \$741,710 per year/8 FTEs

“\$741,710 is 5% of the Finance net GF tax support budget. 5% of Total FTE = 8. The source of the reduction and needs to be identified by Supervisor Candland.”<sup>32</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given

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<sup>30</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>31</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 2 (see attachment).

<sup>32</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$741,710 in the Finance Office budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>33</sup> Given that these are unspent funds, there are no programs or FTEs associated with the Finance Office’s unspent budget allocations.

## Agency: General District Court

**The Staff Analysis Claim:** Reduction: \$569,648 per year

“\$569,648 is from excess revenues. The expenditure budget is only \$258K. There is one county FTE. The source of the reduction needs to be identified by Supervisor Candland.”<sup>34</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$569,648 in the General District Court budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>35</sup> The County Executive has recaptured these “excess revenues” every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the General District Court’s unspent budget allocations.

## Agency: Human Resources

**The Staff Analysis Claim:** Reduction: \$789 per year

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<sup>33</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 2 (see attachment).

<sup>34</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>35</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 3 (see attachment).

“\$789 is 0.03% of the Human Resources budget. 0.03% of Total FTE = 0.01. The source of the reduction needs to be identified by Supervisor Candland.”<sup>36</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$789 in the Human Resources Office budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>37</sup> The County Executive has recaptured these “excess revenues” every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Human Resources Office unspent budget allocations.

## Agency: Juvenile Court Services Unit

**The Staff Analysis Claim:** Reduction: \$55,588 per year/0.43 FTEs

“\$55,588 is 5.4% of the JCSU budget. 5.4% of Total FTE = 0.43. The source of the reduction needs to be identified by Supervisor Candland.”<sup>38</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

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<sup>36</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>37</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 3 (see attachment).

<sup>38</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

The reduction of \$55,588 in the Juvenile Court Services Unit budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>39</sup> The County Executive has recaptured these “excess revenues” every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Juvenile Court Services Unit’s unspent budget allocations.

## Agency: Law Library

**The Staff Analysis Claim:** Reduction: \$7,505 per year/1 FTE

“\$7,505 is 4.9% of the law library budget. There is one FTE. Since there is no general fund tax support for the law library, the \$7,505 has not been eliminated.”<sup>40</sup>

**Response:** The County Executive has recaptured this “three-year average” excess revenues for the Carry Over Budget. There is no claim made that it is derived from general fund tax support, but rather that the excess revenues are recaptured and used for County programs.

The reduction of \$7,505 in the Law Library budget is the average of recovered excess revenues in this budget over the last three years (FY 2010 – FY 2012).<sup>41</sup> The County Executive has recaptured these “excess revenues” every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Law Library’s unspent budget allocations.

## Agency: Magistrates

**The Staff Analysis Claim:** Reduction: \$653 per year

“\$653 is 0.03% of the Magistrates budget. There are 8 magistrates that receive a county supplement. The source of the reduction needs to be identified by Supervisor Candland.”<sup>42</sup>

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<sup>39</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 3 (see attachment).

<sup>40</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>41</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 3 (see attachment).

<sup>42</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

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**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$653 in the Magistrates' budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>43</sup> The County Executive has recaptured these "excess revenues" every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Magistrates' unspent budget allocations.

## Agency: Non-Departmental Activities

**The Staff Analysis Claim:** Reduction: \$5,729,897 per year

"The bulk of this turnback is debt service savings. In FY 12, staff analyzed the debt process and realized debt service savings for CIP projects. These savings will not be available in the future because we now more accurately budget for debt service payments. For example, in FY 10 we recognized \$4.7M in debt savings, in FY 11, \$3.8M and in FY 12 we recognized \$300K."<sup>44</sup>

**Response:** The Committee applauds any effort by the County staff to more effectively manage taxpayer funds. However, there were reports circulating that the County Executive had directed that the model for Agency spending be changed in the latter part of FY 2012 to reduce funds available for the Carry Over Budget process because of public scrutiny on that process.

Looking at FY 2008, where the recaptured fund balances were less than ½ of the following three FY's (FY 2009, FY 2010, and FY 2011), our Committee would await additional data before accepting this explanation, particularly since it would be unexplainable that the County Executive would see huge over-budgeting and recaptured funds for three prior years before taking some action to turn off the funding spigot for the Carry Over Budget.

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<sup>43</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 3 (see attachment).

<sup>44</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

The recapture of \$5,729,897 in the Non-Departmental Activities budget is the average of recovered funds in this budget over the last three years (FY 2010 – FY 2012).<sup>45</sup>

## Agency: OEM

**The Staff Analysis Claim:** Reduction: \$294,565 per year/FTE 1

“\$294,565 is 4% of the Executive Management budget. 4% of Total FTE = 1. The source of the reduction needs to be identified by Supervisor Candland.”<sup>46</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$294,565 in the OEM budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>47</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the OEM’s unspent budget allocations.

## Agency: Aging

**The Staff Analysis Claim:** Reduction: \$306,114 per year/FTE 3

“\$306,114 is 9% of the Aging budget. 9% of Total FTE = 3. The source of the reduction needs to be identified by Supervisor Candland.”<sup>48</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds

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<sup>45</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 4 (see attachment).

<sup>46</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>47</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 4 (see attachment).

<sup>48</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

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for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$306,114 in the Aging budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>49</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Aging’s unspent budget allocations.

## Agency: Planning

**The Staff Analysis Claim:** Reduction: \$339,355 per year/FTE 2.74

“\$339,355 is 14.1% of the Planning general fund budget. 14.1% of Total FTE = 2.74.

The source of the reduction needs to be identified by Supervisor Candland.”<sup>50</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$339,355 in the Planning budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>51</sup> The County Executive has recaptured these “excess revenues” every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Planning Office’s unspent budget allocations.

## Agency: Public Works

**The Staff Analysis Claim:** Reduction: \$2,369,565 per year/FTE 13.47

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<sup>49</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 4 (see attachment).

<sup>50</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>51</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 4 (see attachment).

“\$2,369,565 is 9% of the Public Works general fund budget (excluding cost recovery). 9% of Total FTE = 13.47. The source of the reduction needs to be identified by Supervisor Candland.”<sup>52</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$2,369,565 in the Public Works budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>53</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Public Works’ unspent budget allocations.

## Agency: Registrar

**The Staff Analysis Claim:** Reduction: \$165,665 per year/FTE 1.4

“\$165,665 is 12.7% of the registrar's budget. There are 11 FTE. 12.7% of 11 FTE = about 1.4 FTE. The source of the reduction needs to be identified by Supervisor Candland.”<sup>54</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

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<sup>52</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>53</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 5 (see attachment).

<sup>54</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.



The reduction of \$165,665 in the Registrar's budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>55</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Registrar's unspent budget allocations.

## Agency: Sheriff

**The Staff Analysis Claim:** Reduction: \$455,988 per year/FTE 7

“\$455,988 is 7.8% of the Sheriff's GF Budget for FY 14 with an approximate 7.0 FTE reduction. The source of the reduction needs to be identified by Supervisor Candland.”<sup>56</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$455,988 in the Sheriff's budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>57</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Sheriff's unspent budget allocations.

## Agency: Social Services

**The Staff Analysis Claim:** Reduction: \$1,987,095 per year/FTE 43

“\$1,987,095 is 14% of the Social Services (DSS) net general fund tax support budget. 14% of total FTE = 43. The source of the reduction needs to be identified by Supervisor Candland.”<sup>58</sup>

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<sup>55</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 5 (see attachment).

<sup>56</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>57</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 5 (see attachment).

<sup>58</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$1,987,095 in the Social Services budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>59</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the Social Services' unspent budget allocations.

## Agency: Transportation

**The Staff Analysis Claim:** Reduction: \$259,410 per year/FTE 0.73

“\$259,410 is 13% of the Transportation budget (after other identified cuts plus excluding cost recovery). 13% of total FTEs = 0.73. The source of the reduction needs to be identified by Supervisor Candland.”<sup>60</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$259,410 in the Transportation budget is the average of unspent money in this budget over the last three years (FY 2010 – FY 2012).<sup>61</sup> The County Executive has recaptured these unspent funds every year for the Carry Over Budget. Given that these are unspent funds,

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<sup>59</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 5 (see attachment).

<sup>60</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>61</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 5 (see attachment).

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there are no programs or FTEs associated with the Transportation Department's unspent budget allocations.

## Agency: OMB

**The Staff Analysis Claim:** Reduction: \$4,961 per year

"The source of the reduction needs to be identified by Supervisor Candland."<sup>62</sup>

**Response:** The County staff is aware that the savings identified in this category are unspent and over-budgeted funds are a part of the budget model developed by the County Executive to pad Agency budgets at the beginning of the FY to then be able to recapture those over-budgeted funds for the Carry Over Budget. Over-budget items unnecessarily drive up the real estate tax rate and result in an intentional over-collection of revenue from Prince William County residents. Given those facts, the source of the reduction is actually a recapture of improperly appropriated taxpayer funds.

The reduction of \$4,961 in the OMB budget is the unspent money in this budget in FY 2012.<sup>63</sup> The County Executive has recaptured these types of unspent funds every year for the Carry Over Budget. Given that these are unspent funds, there are no programs or FTEs associated with the OMB's unspent budget allocations.

## Specific Budget Cuts Proposed in the Candland Flat Tax Bill Budget

The Candland Flat Tax Bill Budget does propose some specific program and FTE cuts that the Gainesville Magisterial District Citizen's Budget Committee has determined to be worthy of consideration for being cut by the BOCS.

Here is the response to the County Staff analysis of those proposed program and FTE cuts:

### Program: Biennial Community Survey

Budget Cut: \$27,169 per year

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<sup>62</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>63</sup> General Fund Turnback by Agency, document provided by County Executive Peacor in response to a request from the Gainesville Magisterial District Citizens Budget Committee, page 5 (see attachment).

**The Staff Analysis:** OMB coordinates the biannual survey that measures the community's satisfaction with services.<sup>64</sup>

**Response:** The Budget Committee believes that the Biennial Community Survey has become a tool to validate the actions and spending proposals of the County Executive rather than a tool to accurately measure resident views on critical issues in the County.

## Program: Human Rights Office

Budget Cut: \$553,712 per year

**The Staff Analysis:** Residents would contact the state and federal agency or have their complaints handled through the courts. The Human Rights Commission office is a law enforcement agency that enforces civil rights laws in the area of employment, fair housing, public accommodation, credit and education. The agency receives about 500 inquiries annually. Of these inquiries, about 75 become formal charges of discrimination. The office investigates about 140 charges each year (some investigations are lengthy and may extend beyond 1 year; the county ordinance allows 2 years for an investigation). Staff closes around 75 cases annually.<sup>65</sup>

**Response:** The Human Rights Office is a function of federal and state law enforcement authorities. The PWC Human Rights Office duplicates the resources that are available to complainants at the federal and state level. The Budget Committee strongly endorses the elimination of this duplicative function.

## Program: DoIT

Budget Cut: \$1,400,000 in FY 2014

**The Staff Analysis:** \$1,400,000 is 7% of the DoIT budget. 7% of Total FTE = 6. The source of the reduction needs to be identified by Supervisor Candland.<sup>66</sup>

**Response:** The Budget Committee concurs with the assessment of an experienced IT professional who serves on the Committee. Based on interviews and evaluations of the IT planning and infrastructure deployment, the Committee believes that this saving can be achieved by deferring

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<sup>64</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>65</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>66</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

planned implementation of the County-wide Continuity of Operation (“COOP”) plan for 199 servers located in the Owens Data Center. The 2012 – 2017 Technology Improvement Plan projects spending for this project of \$300,000 in FY 13; \$560,000 in FY 14; and \$555,195 in FY 2016, for a total expenditure of \$1,415,195. The COOP deployment will not achieve the desired outcome and will become obsolete in the context of a needed makeover of the IT infrastructure plan. In the interim, if there is a data center shut-down, there are approximately 10 servers at a remote site that can be utilized by Emergency Services for 9-1-1 emergency calls.

This proposed cut is targeted primarily to the hardware costs, and therefore it is not related to FTE cuts as projected by the County staff analysis.

## Program: Aging

Budget Cut: \$200,000 per year

**County Staff Analysis:** \$200,000 is 47% of Aging's Information and Referral budget. 47% of these FTEs = . Public presentations will fall from 55 to 26 and processed information requests from elderly or their families and referrals to services will drop from 700 to 329.<sup>67</sup>

**Response:** The Budget Committee believes that in tough economic times the funding of public information campaigns for government programs have far less of a priority than actual service delivery. This reduction in public information activities reflects a proportional reduction in budgeting for similarly evaluated programs (the County Staff “Risk Score” for this program is 8).

## Program: Development Services

Budget Cut: \$1,800,000 per year

**The Staff Analysis:** The \$1.8 million general fund support to Land Development agencies is in 5 activities:

- Comprehensive Plan Maintenance and Update: A countywide service that is not related to any specific development proposal. State law does not allow localities to charge fees for comprehensive plan activities. Elimination of this funding would eliminate the activity. The County is required to have a Comprehensive Plan and to review the document every 5 years.
- Building Code Enforcement: A countywide service that is not related to any specific

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<sup>67</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

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development proposal – no fees are charged for this service. To maintain this activity fully funded by fees, the Building Development fees would have to increase by 7.5%

- **Current Planning:** Fees charged do not fully cover the cost of providing this site specific activity.
- **Zoning Administration:** A portion of this activity is countywide (Zoning ordinance amendments, inquires) and a fee based portion that is not fully covered by fees charged.
- **Zoning Permits:** Fees charged do not fully cover the cost of providing this site specific activity.

To maintain the Current Planning, Zoning Administration and Zoning Permits activities fully funded by fees, the Land Development fees would have to increase by 18%.<sup>68</sup>

**Response:** The Budget Committee fully supports the increase in fees for those who use these services to make them self-sustaining. The claim by County staff that “state law does not allow localities to charge fees for comprehensive plan activities is misleading on its face. The overall mandate for a department that provides services to developers and citizens seeking to engage in land development activities in the County allows for a fee structure to sustain the entire operation of that department. This is completely different than charging an applicant a fee for an evaluation of or update of the Comprehensive Plan as a condition of reviewing the application.

## Program: Reduce Print Shop and Graphic Arts

Budget Cut: \$300,000 per year

**The Staff Analysis:** Without a print shop, all work such as board items, budget books, CAFR, training manuals, letterhead, etc will have to be outsourced at an unknown cost savings.<sup>69</sup>

**Response:** The Budget Committee seeks to have the County reevaluate the use of print and graphics services and reduce them to only essential products. In tough economic times, the Committee believes that there should be reductions in promotional materials that do not support a core service delivery to County residents. The County staff analysis misstates the proposal of the Committee by claiming an elimination of the print shop, when it is only a reduction in funding.<sup>70</sup>

## Program: Sheltered Employment

Budget Cut: \$752,812 per year

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<sup>68</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>69</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>70</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

**The Staff Analysis:** This program serves Intellectually Disabled citizens. This eliminates Sheltered Employment activity for FY 14: 35 clients will not be served; activity provides support and training services in sheltered work sites to intellectually disabled clients who are engaged in employment tasks.<sup>71</sup>

**Response:** The Budget Committee believes this is a program that should be funded by federal and state programs and is not a core government function of the County. The program would also benefit from reliance on foundations and private donors for additional funding.

## **Program: Supported Employment**

Budget Cut: \$1,027,812 per year

**The Staff Analysis:** This program serves Intellectually Disabled citizens. This eliminates Supported Employment activity: Activity provides situational assessments, job development and job placement for intellectually disabled persons or whom competitive employment is unlikely and need ongoing support, including specialized supervision, training and transportation, in order to perform in a work setting. 103 clients will not be served for FY 14.<sup>72</sup>

**Response:** The Budget Committee believes this is a program that should be funded by federal and state programs and is not a core government function of the County. The program would also benefit from reliance on foundations and private donors for additional funding.

## **Program: Eliminate Supervisors Videos/Promotional Budgets**

Budget Cut: \$150,000 per year

**The Staff Analysis:** \$150,000 is 37% of the Communications–Media Production activity. 37% of Total FTE = 1.25. This would eliminate all video including broadcasting on Channel 23.<sup>73</sup>

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<sup>71</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>72</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>73</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

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**Response:** The Budget Committee seeks to have the County reevaluate the funding of promotional videos that promote the political interests of individual Supervisors. The Committee would like to see the justification for the claim that a 37% budget reduction that is targeted to eliminate the video production for the Supervisors promotional videos would extend to a complete elimination of broadcasts on Channel 23 (assuming this references the public broadcast of BOCS meetings that do serve the public interest). In tough economic times, the Committee believes that there should be reductions in promotional materials that do not support a core service delivery to County residents.

## **Program: Eliminate BOCS Quarterly Newsletters/Community Relations**

Budget Cut: \$500,000 per year

**The Staff Analysis:** \$500,000 is 66% of the Communications-Community Relations activity. 66% of Total FTE = 3.72. This eliminates three of the four newsletter issues and reduces staff functions such as Web content management, event planning and coordination, social media engagement, photo print design and layout services and internal communications.<sup>74</sup>

**Response:** The Budget Committee's evaluation of the Quarterly Newsletters is that they are largely just political propaganda promoting the political activities of the Supervisors. We favor the publication of a single Annual Report that is focused on issues impacting citizens in the County, not the political pronouncements of any Supervisor. There is no intent by the Committee to reduce web content management that directly serves the public, but we are heavily suspect of event planning activities, photo print design and layout services, and internal communications that can be addressed in more economical ways.

## **Program: Hylton Performing Arts Center**

Budget Cut: \$700,000 per year

**The Staff Analysis:** Debt has been issued, therefore any change to the current agreement would require the consent of the individual bond holders and the three parties (PWC, George Mason & Manassas) who signed the tripartite agreement. Reneging on the contract to pay debt would most likely have serious implications on the County's bond rating. Preliminary discussions with GMU indicate that they cannot absorb the cut and would need to look at closing the HCPA. Staff

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<sup>74</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.



awaiting letter from GMU.<sup>75</sup>

**Response:** The Budget Committee finds the failure of the County staff to fully disclose the debt service obligation to the Hylton in the context of evaluating the impact of this proposed funding cut creates an unnecessary layer of confusion about the true obligation of the County to this project. In fact, based on the information available to the Committee, the debt service obligation is estimated to be approximately \$1.7 million per year. An additional amount of approximately \$400,000 is contributed by PWC to the Hylton each year that offsets operating costs and subsidizes attendees at events held at the Hylton.

At a recent BOCS meeting a commitment was made to provide a copy of the contract between the County and GMU/Manassas/Hylton to Supervisors. While Budget Committee understands that information has been provided to Supervisor Candland, he is unable to share it with the Committee because the distribution of that document by County staff required that it be kept confidential.

The Committee would amend its recommendation to a \$400,000 cut, or the equivalent amount reduced to the debt obligation of the County under the “tripartite agreement.” The Committee would then recommend that the County commence a renegotiation of the “tripartite agreement” with the goal of having GMU take a larger debt service repayment obligation on scaled schedule. Threats that GMU would have to close HCPA in the face of a complete withdrawal of funding, while offensive on their face, have nothing to do with the proposal by the Committee. If the BOCS were to accept the full \$700,000 cut recommended by the Committee, it would have required GMU to make up only \$300,000 on the debt reduction payment otherwise owed by PWC.

## **Program: Eliminate New Deputy County Executive Position**

Budget Cut: \$212,600 per year

**The Staff Analysis:** Position, not filled yet, would provide greater management oversight for human service agencies and initiatives- which is the third, after schools and public safety, in use of taxpayer resources. Funding currently in contingency reserve.<sup>76</sup>

**Response:** The Budget Committee strongly opposes adding this position when the County needs, in these difficult economic times, to be downsizing, not expanding FTEs. The records available to

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<sup>75</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>76</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

the Committee do not provide any information on why the proposed position was “parked” in a contingency reserve account when the BOCS rejected its funding in the approved FY 2013 budget.

## **Program: Cut Community Partner Funding by 33% or \$770,584**

Budget Cut: \$770,584 per year

**The Staff Analysis:** Some of the community partners are included in Chairman Stewart’s proposal and Supervisor Candland specifically included Literacy Volunteers of America in his proposal. A 33% cut to the remaining CP's will have the following impact: Project Mend-a-House - (\$12,110); SAVAS - (\$11,117); ACTS - (\$194,787); Good Shepherd - (\$13,352); Boys/Girls Club - (\$34,670); Red Cross - (\$5,344); Volunteer PW - (\$54,960); Arc of Greater PW - (\$13,868); Special Olympics - (\$5,200); Independence Empowerment Center - (\$10,274); NVFS - (\$56,478); StreetLight Community Outreach - (\$4,950); Rainbow Riding Center - (\$11,008).<sup>77</sup>

**Response:** The Budget Committee repeats that it made a good faith estimate that the implementation the new funding criteria put in place by the County Executive for the FY 2014 budget cycle for Community Partners would result in a reduction of taxpayer funding for these programs. In this case, where the actual reduction in funding is unknown, the Budget Committee conservatively estimated a one-third reduction in spending overall.

This new Community Partners Policy, adopted on July 26, 2012, states that funding will be provided to “appropriate community partners that support the department/agency goals.” This issue is further clarified in the FY 2014 Budget Questions Database available on the [www.pwcgov.org](http://www.pwcgov.org) website, Question #060, that is recorded as follows:

QUESTION: What is the process for selecting community partners? How are they evaluated?

RESPONSE: “The assigned host agency evaluates the services provided by the partner and offers a recommendation based on the host agency’s determination of whether the partner and offers a recommendation based on the host agency’s determination of *whether the partner is able to leverage County funding to provide improved service to the community from what is currently provided.*”  
*(emphasis added)*

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<sup>77</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

In the “notes” section of the PowerPoint presentation on Slide 13, the following statement clearly differentiates the community partners who provide a mandated government service more efficiently and effectively than the government can.<sup>78</sup>

The County staff incorrectly determined that the Candland Flat Tax Budget Proposal intended to cut all Community Partners by one-third across the board. As a consequence, the Community Partners who meet the funding criteria and who actually provide an improved service to the community from what is currently provided by their host Agency are now unnecessarily alarmed.

## **Program: Decommission the Audit Services Department and Create the Office of Taxpayer Advocate**

Budget Cut: None

**The Staff Analysis:** BOCS voted on 11/22 to use this funding to continue independent audit function.<sup>79</sup>

**Response:** The Budget Committee believes the current outsourcing of the audit services function is fatally flawed by the controversy surrounding the termination of the Audit Services staff and the contracting of these functions to McGladrey Consulting. The creation of an Office of the Taxpayer Advocate would restore the trust of taxpayers in an independent authority to root out waste and fraud in County government and to serve as a watchdog on activities of County agencies.

## **Program: Employee Annual 2% Compensation for Pay Plan Adjustment**

Budget Increase: FY 2015: \$1,522,258; FY 2016: \$901,195; FY 2017: \$2,810,677

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<sup>78</sup> Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 13.

“The Budget Committee understands that some of these programs are perceived to be quality programs that deliver services of value to program recipients. However, under the new County Community Partners criteria for funding, all community partners must provide a mandated government service more efficiently and effectively than the government can.”

<sup>79</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

**The Staff Analysis:** 2% pay plan increase for each year FY 14-17 costs more than the current COLA/Merit plan. Compensation must be externally competitive and internally equitable. The internal equity is addressed through Merit Pay. Positions must be compensated fairly compared to each other to avoid "compression".<sup>80</sup>

**Response:** The Budget Committee affirms the Candland Flat Tax Bill Budget calls for an annual 2% pay plan increase in addition to the 3% Merit Pay program every other year. The Committee defers to the County staff for properly implementing this proposal.

## **Program: Fund Fuller Heights Park, Occoquan Riverfront Park, Catharpin Park, and Potomac Heritage National Scenic Trail**

Budget Addition: \$1,252,209 per year

**The Staff Analysis:** The \$1.2M added will allow all projects to begin construction in FY 14.<sup>81</sup>

**Response:** The Budget Committee believes that construction of county parks is a core government service that should be funded to avoid falling further behind in recreation facility infrastructure than we already are.

## **Program: Registrar's Election Request**

Budget Addition: \$350,000

**The Staff Analysis:** None.

**Response:** The Budget Committee recommended funding for the immediate need expressed by the Registrar to acquire additional voting equipment and software. There is not sufficient information to make a judgment on the need for additional funding in future years.

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<sup>80</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

<sup>81</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Attachment C-4.

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## Program: Replace Reduction in BPOL Revenue with other General Revenue

Budget Addition: \$5,000,000 per year

**The Staff Analysis:** None.

**Response:** As referenced on Page 4 of this document, the County Staff Analysis does not properly account for the funding provided in the Candland Flat Tax Budget Proposal for the “\$5 million reduction in BPOL revenue each year . . . which is a total reduction of \$20 million from FY 14 – 17.”<sup>82</sup>

The Candland Flat Tax Budget Proposal actually funds the reduction in BPOL revenues from budget cuts summarized in Slides 14 and 15 of the PowerPoint presentation and that concludes on Slide 15 that the “Net Revenue Available”<sup>83</sup> for program investments is \$17,458,950.

Then, on Slide 16 entitled “Potential Program Investments,” the proposed funding required for the “Reduction in BPOL Tax” is listed as \$5,000,000.<sup>84</sup> The funding for this proposal is CLEARLY associated with the \$17,458,950 in savings identified in the previous slide.

The County staff then incorrectly lists this funded BPOL tax reduction as a revenue reduction of \$20 million from FY 14 – 17.

## Program: Fund Additional 10 Police Officers (40 Officers Over 4 Years)

Budget Addition: FY 14: \$1,000,000; FY 15: \$1,650,000; FY 16: \$2,300,000; FY 17: \$2,950,000.

**The Staff Analysis:** Provides for a predictable and sustained staffing plan incorporating the challenges of recruiting highly qualified applicants, maintaining high training standards and

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<sup>82</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, , Attachment C-4.

<sup>83</sup> Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 15.

<sup>84</sup> Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 16.

training academy facility limitations.<sup>85</sup>

**Response:** The Budget Committee believes that adding police officers is a high priority core service of County government, and adding 40 police officers in this time period is a critical priority. It should be noted that \$1,219,028 in the Police Budget was protected from the Agency Savings recovery in the Candland Flat Tax Bill Budget.<sup>86</sup>

## Program: Fire & Rescue

Budget Addition: \$1,206,391 per year.

**The Staff Analysis:** To address staffing gaps.<sup>87</sup>

**Response:** The Budget Committee believes that funding Fire & Rescue needs is a high priority core service of County government. It should be noted that \$2,861,667 in the Fire & Rescue Budget was protected from the Agency Savings recovery in the Candland Flat Tax Bill Budget.<sup>88</sup>

## Program: Additional Investment in Schools

Claimed Budget Addition: FY 14: \$20,000,000; FY 15: \$40,000,000; FY 16: \$55,000,000; FY 17: \$80,000,000.

**The Staff Analysis:** Based on PWC School Board Presentation. Additional school funding to reduce class size by one student, 2% annual salary increase for teachers, new student funding (operating and debt service).<sup>89</sup>

**Response:** The Budget Committee, as set forth earlier in this document, believes that this analysis completely distorts the Candland Flat Tax Bill Budget presentation.

The Staff Analysis incorrectly asserts the Candland Flat Tax Budget Proposal proposed funding additions to the schools that added significant costs in impacts to the Five Year Plan.<sup>90</sup>

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<sup>85</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, , Attachment C-4.

<sup>86</sup> Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 9.

<sup>87</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012,, Attachment C-4.

<sup>88</sup> Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff at the November 20, 2012, Slide 9.

<sup>89</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012,, Attachment C-4.

<sup>90</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 13 of 19:

The Staff Analysis incorrectly concluded that the Candland Flat Tax Budget Proposal would add \$195 million in additional Schools spending from FY 2014 through FY 2017.<sup>91</sup>

The Accurate Proposal: On Slide 29 of the “Gainesville Magisterial District, Citizens Budget Committee” PowerPoint presentation that was distributed in hard copy to members of the BOCS and County staff, entitled “New School Funding Model” specifically defines the “guidance” proposed to be provided to the School Board for the “\$12 million otherwise lost in the FY 2014 budget to specific priorities . . .”

The funding for the three identified priorities was to be determined by the School Board and funded exclusively from the \$12 million the Candland Flat Tax Bill Budget that used Agency Savings to protect the School Board from having to find \$12 million in cuts.

The actual budget impact is a part of the budget savings identified in the Candland Flat Tax Budget Proposal and so there is not any impact at all. The true impact, which the County Staff Analysis incorrectly identifies as \$195 million, is actually ZERO.

Supervisor Candland briefed the Board and County staff on the guidance that would be provided to the School Board on the use of the “refunded” \$12 million” for FY 2014 during the November 20, 2012 Board Meeting with the following statement (commencing at 3:17:19 on the recording of the meeting):

*“The BOCS would be able to provide guidance on specific priorities, and those priorities have to include, have to be funding for new student enrollment; funding for class size reduction initiatives; and paying classroom teacher competitive salaries to assure retention.”*

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Proposed Schools’ Additions – Supervisor Candland has proposed funding for additions to the Schools which are indicated below in the Five Year Plan impact. These additions are as follows:

- Cover New Student Costs – The Schools have planned for student enrollment to increase by 11,956 from FY 13-17 in their Five Year Plan. Each 2,000 students add \$26 million in ongoing expenses to the Schools budget. The costs for these new students were included in the adopted Five Year Plan.
- Reduce Class Sizes – Reducing class size by one across the entire school system costs \$15 million in ongoing costs each year. This was not included in the adopted Five Year Plan.
- Teacher Raise – A 2% raise for teachers only (the same rate as the Supervisor proposed for county employees) costs \$10 million in ongoing costs each year. The Schools have included raises for all employees in their Five Year Plan as follows: FY 14 – 1%, FY 16 – 2%, FY 17 – 0%. We have included 1% for FY 14 and 15; 0% for FY 16 and 2% for FY 17.

<sup>91</sup> Response to Budget Proposals Presented November 20, 2012, December 4, 2012, Page 14 of 19, see chart on middle of page, line entitled “Proposed School Additions.”

## Final Summary

The Staff Analysis made a number of significant errors in assessing the impact of the Candland Flat Tax Bill Budget that dramatically overstate the fiscal and FTE impacts.

- The Staff Analysis incorrectly asserts the Candland Flat Tax Bill Budget adds \$195 million in additional school spending through FY 2017. The actual fiscal impact is ZERO.
- The Staff Analysis incorrectly asserts the BPOL provision in the Candland Flat Tax Bill Budget will reduce revenues by \$20 million through FY 2017, but fails to account for the funding of the loss of BPOL revenue from Agency savings. The actual fiscal impact is ZERO.
- The Staff Analysis incorrectly asserts the Candland Flat Tax Bill Budget will reduce funding for Community Partners by one-third across the board for all Partners. The actual reduction is a one-third of the overall funding accounting for the new qualification requirements for participation in the program enacted by the County Executive in July, 2012. Those Community Partners providing a mandated service to the County more cost-effectively than the County can provide will be fully funded.
- The Staff Analysis incorrectly asserts the Candland Flat Tax Bill Budget will cut the County budget by almost \$175 million annually by FY 2017, and will result in the schools receiving 72.1% of all General Revenues by FY 2017. The correct impact is that the school budget will have to be submitted for review and approval by the BOCS in the context of available revenues. The Staff Analysis badly distorts the Candland proposal.
- The Staff Analysis asserts the Candland Flat Tax Bill Budget proposed \$22.3 million in base budget cuts without meeting the directive by Chairman Stewart to identify specific program and service reductions for each agency. The Candland proposal actually identified \$27,255,231 in unspent Agency funds (the average Agency savings over the past three years) that were never spent on any program or service delivery. The Stewart directive does not apply to these savings.
- The Staff Analysis asserts a projected loss of 191.73 FTEs under the Candland Flat Tax Bill Budget. The correct FTE impact is actually ZERO loss of FTEs, or at most, a *di minimis* loss of FTEs. The Staff Analysis materially misstates this impact because of the incorrect assumption used by the County staff that the Agency savings identified in the Candland proposal are actually program cuts – which they are not.

The Candland Flat Tax Bill Budget provides the BOCS a reasonable pathway to achieve a Flat Tax Bill Budget in FY 2014 that can be sustained throughout the Five-Year Plan.