



# Putting Prince William Families First

FY 2014 Budget  
Guidance That Invests In  
PWC Families

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*Gainesville Magisterial District*

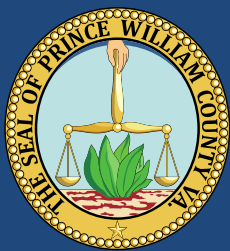


THE CURRENT FIVE-YEAR PWC SPENDING PLAN DOES NOT ALLOW OUR CITIZENS TO FULLY RECOVER FROM THE EFFECTS OF THE GREAT RECESSION

# Guiding Principles of the Candland

## Putting Prince William Families First Budget

- Provide tax relief to PWC families by holding tax bills to FY 2013 payments
- Require county government to hold its program spending to FY 2013 levels
- Reprogram tax revenues to invest in:
  - Improving the quality of our schools for our kids
  - Enhancing the public safety of our citizens
  - Improving the quality of our communities



# APPROVED PWC FIVE-YEAR PLAN

FY	2013	2014	2015	2016	2017
Tax Rate	\$1.209	\$1.221	\$1.227	\$1.227	1.221
Increase in Average Tax Bill	4%	4%	4%	4%	4%
County Revenue <i>(in millions)</i>	\$786.2	\$826.6	\$869.8	\$915.5	\$961.4

**TAXPAYER IMPACT:  $\approx$ 30% TAX INCREASE  
OVER FIVE YEARS *(compounded)***



## PWC Revenue Increases in FY 2012 & 2013

	Real Estate Tax Revenue Increase	Real Estate Revenue Increase in Dollars (\$)
FY 2012	4.05%	19,241,000
FY 2013	5.13%	25,346,000
<b>TOTAL</b>	<b>9.18%</b>	<b>44,587,000</b>

*PWC Office of Mgt. & Budget  
Budget and Revenue Summaries*

# Economic Outlook Remains Uncertain

Defined benefit pensions have not fully recovered from the crash and the Great Recession. In the third quarter of 2012, their value was still 23% below their 2007 value adjusted for inflation.\*

\* Urban Institute, January 2013

Due to rising gas prices, increased cost of living, and limited pay increases, people across the region are finding out they have to do more with less.



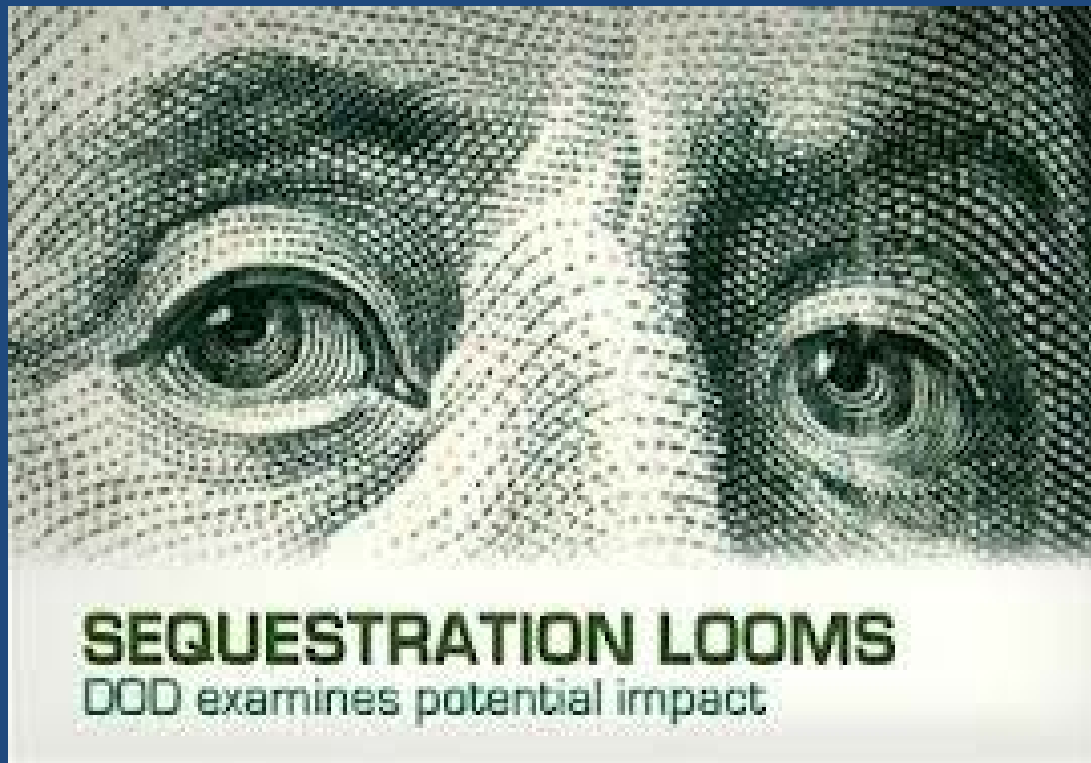


# New Federal Taxes in 2013

# New Federal Taxes in 2013

- Social Security Payroll Tax up 2% (Avg. \$1,000 for \$50,000 income)
- Medicare Surcharge
  - Income over \$200k: Tax is 0.9%
  - Investment income: Tax is 3.8% over \$200k
- New Tax Brackets and Rates
  - 39.6% bracket for income over \$400k (4.6% hike) – punishing for small business owners
  - Taxes on dividends and capital gain over threshold increases from 15% to 20%
- Disappearing Deductions and Hidden Taxes
  - Personal exemptions reduced by 2% for every \$2,500 in income over the \$250k (\$300K joint) limit
  - Itemized deductions cut by 3% of additional income you earn over threshold income.
- Affordable Care Act Taxes and Premium Increases





*“It could lead to a “devastating recession” in the area (Virginia). A ripple effect could also result in loss of more jobs outside the federal government.”*

*Stephen Fuller, director of the  
Center for Regional Analysis at GMU  
WTOP, February 8, 2013*



WUSA 9's Peggy Fox reported Sen. Kaine said, "We Democrats need to show we are serious about cutting the budget." He suggested starting with a year's worth of reduction.

*"Sequestration will hurt taxpayers and be worse than you can imagine. Nobody is going to get a hurt more by these cuts than government contractors."*

Senator Mark Warner (VA)  
Speaking to the Northern Virginia Technology Council  
February 8, 2013



Feds Policy on Quantitative Easing =  
Artificially Inflates Home Values Leading  
to Higher Property Taxes for the County



# Taxpayers vs. Government

The Struggle on Who Controls Money and How That Money Gets Spent

# Putting PWC Families First

FY 2014 Budget Guidance

# Putting PWC Families First

## FY 2014 Budget Guidance

- Maintain Overall County Spending at FY 2013 levels
- Freeze Average Tax Bills at FY 2013 levels
- Eliminate Majority of Unfilled Positions in FY 2014
  - 50% of unfilled positions (determined by County Executive) are eliminated
- Dedicate an amount equal to just 2% of FY 2013 County Revenues to fund the Putting PWC Families First Critical Priorities

# Maintain County Spending at FY 2013 Levels

- Average tax bills on homes will remain at the same level as FY 2013 for FY 2014
- PWC School revenue will see a modest increase due to sales and property tax gains and new families moving into the county
- Reduce agency budgets by 30% of the amount of their FY 2012 surpluses
- County Executive will have flexibility to reprogram funds in FY 2014 to adjust for critical Agency needs

# Putting PWC Families First Critical Priorities

Education

Public Safety

Critical Infrastructure

**\$35.5 MILLION**

*(2% of Total FY 2013 Revenues*

*\* FY 2013 PWC Revenue Summary, page 86)*



# Education Deficits

## SAT Score Metric

County	SAT Scores 2011-12
Fairfax	1659
Montgomery	1651
Arlington	1651
Loudoun	1590
<b>Prince William</b>	<b>1490</b>

## National Merit Scholars

County	Population	NMS Semi-Finalists
Fairfax	1.1 million	227
Loudoun	312,000	14
<b>Prince William</b>	<b>417,000</b>	<b>10</b>

PWC School Website, September 12, 2012

Fairfax County Public Schools Website, September 12, 2012

Loudoun County Public Schools Website, October 22, 2012

Arlington/Clarendon-Courthouse-Rosslyn Patch, September 17, 2012

Montgomery/Rockville Patch, September 14, 2012

# Education Improvements

- Reduce class sizes
- Reduce the need for trailers
- Ensure that our classroom teachers are being paid properly



# Putting PWC Families First Education Proposal

## “Quality Education Challenge Grant”

In addition to the 56.75% obligated in the RSA, the BOCS will *match dollar for-dollar all new funding, over the FY 2013 budget, that targets classroom size reduction initiatives and in-classroom teacher pay increases—*  
up to \$25 million

# Public Safety Deficits

- PWC Emergency Incident Response Time in FY 2011 that was  $\leq 4$  minutes:

48%

- First Engine On-Scene for Fire Suppression  $\leq 4$  minutes:

38%

NATIONAL STANDARD

$\leq 4$  MINUTES

90%

# Public Safety Improvements



- 24 New Fire & Rescue Personnel
- 20 New Police Officers
- 15 New School Resource Officers

# Putting PWC Families First Public Safety Proposal

## Make Our Communities Safer Initiative

Fund 24 New Fire & Rescue Officers,  
20 New Police Officers, and 15 New School  
Resource Officers

**Cost: \$7.9 million**

(adopts Fire Levy Funding and EMS Fee as proposed by CXO - \$2.5 million)

# Critical Transportation Gridlock



- PWC has to maintain its commitment to fix gridlock in critical transportation corridors in the County that block consumers from getting to their jobs, traveling to retail establishments to shop, and inhibits future commercial growth in PWC

# Putting PWC Families First

## Keeping Our Promises on Fixing Critical Transportation Corridors

Maintain funding commitment to critical transportation projects currently underway



# Public Use Deficits

- New Homebuyers were promised a quality community with facilities for family activities including parks & libraries
- The BOCS has approved substantial new housing developments, but has seen a lag in critical infrastructure



# Putting PWC Families First

## Keeping Our Promises on Public Use Initiatives

Fund Fuller Heights Park; Occoquan Riverfront Park;  
Catharpin Park; and  
Potomac Heritage National Scenic Trails.  
Cost: \$1.25 million

Middle School Field Maintenance  
Cost: \$513,087

# Putting PWC Families First Critical Priorities Program

So How Do We Fund  
the \$35.5 Million?

# Adopt Savings in CXO FY 2014 Budget

Agency Savings	Amount	CXO Slide #
E-911 Revenue	\$5,715,058	25
Salary Attrition	\$4,400,000	25
Recordation Offset	\$2,829,194	25
Base Budget Reductions	\$1,606,738	25
No Health Care Reform Costs	\$1,500,000	25
Agency Efficiencies	\$335,039	25
Increase Agency Revenue Budgets	\$784,965	26
Leverage State Federal Funds	\$97,002	26
Eliminate Redundancies	\$57,272	26
Fees/Levies/Cost Recovery	\$361,772	26
Base Budget Cuts	\$305,727	26
Provide More Efficient Service	\$242,165	26
Technology Savings	\$112,874	26
<b>Total</b>	<b>\$18,347,806</b>	

# Government Program and Efficiency Savings

Agency or Program	Savings	Comments
Unfilled FTE Elimination	\$4.85 million	Eliminate 50% of current openings
Hylton Operating Subsidy	\$400,000	Maintains debt service obligation of \$1.7 million
Land Development Office	\$1.2 million	Preserves homeowner access by \$600k subsidy
Eliminate Proposed Deputy CXO	\$212,000	
Supervisor's TRIP Funds	\$1.96 million	
Agency Surpluses in FY 2012	\$5.6 million	Approx. 30% of Surpluses of \$16.79m in FY 2012

# Government Program and Efficiency Savings

Agency or Program	Savings	Comments
Terminate memberships in Lobbying Groups	\$368,534	VACO, NACO & NVRC, HGC
Commonwealth Salary Supplementation	\$1 million	
Solid Waste for Keep Prince William Beautiful	\$73,000	CXO Proposed PWC Options Slide #8
TOT for Historic Preservation	\$161,000	CXO Proposed PWC Options Slide #8
NOVA Health Systems	\$28,815	CXO Proposed PWC Options Slide #8
Office of Executive Mgt. Receptionist	\$38,000	CXO Proposed PWC Options Slide #12
Juvenile Court Services	\$626,372	
Jail Substance Abuse	\$610,958	

# Government Program and Efficiency Savings

Agency or Program	Savings	Comments
Payment to Volunteer Prince William	\$40,000	CXO Proposed PWC Options Slide #12
Department of Social Services Healthy Families	\$192,033	CXO Proposed PWC Options Slide #9
Prince William New Cyclic Maintenance	\$500,000	CXO Proposed PWC Options Slide #9
Child Protective Services/Adult Protective Services Additional Staff	\$231,506	CXO Proposed PWC Options Slide #9
<b>TOTAL PROJECTED SAVINGS</b>	<b>\$18,092,218</b>	

# Putting PWC Families First

## Critical Priorities Program

Program	Expenditure	Balance
<u>Savings</u>		<u>\$35,473,596</u>
Education Initiative	\$25,000,000	\$10,473,596
Public Safety Initiative	\$7,800,000	\$2,673,596
Community Parks Initiative	\$1,252,209	\$1,421,387
Fund ADC Study	\$150,000	\$1,271,387
Middle School Fields	\$513,087	\$758,300
Contingency Fund	\$758,300	\$0



# Putting PWC Families First

## Program Summary

- **Freezes Tax Bills at FY 2013 levels**
- **Prioritizes county spending to core government services**
- **Eliminates 50% of current unfilled positions**
- **Reduces agency budgets by 18% of FY 2012 surpluses**
- **Invests in Public Education – Up to \$50 million**
- **Enhances Public Safety**
- **Maintains commitments on funding critical transportation projects**
- **Enhances Trust with Families in Keeping Promises on Public Parks**



*The citizens of Prince William County have our firm commitment that we will do all we can to provide needed tax relief for families who are struggling in the current economy.*

*We believe this proposed Budget Guidance will set the stage to enact needed reforms to the county budget process. These reforms will allow the Board to reign in unnecessary spending that we as a County simply cannot afford.*