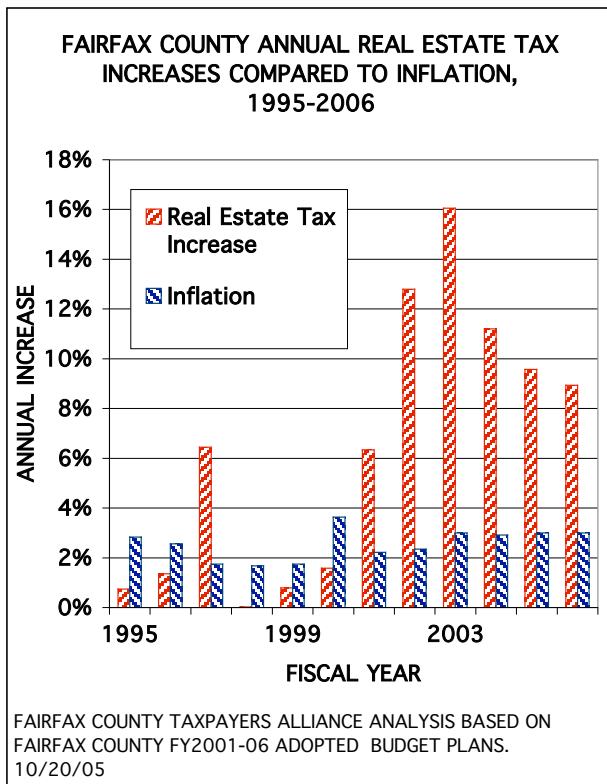




The Fairfax County Taxpayers Alliance Bulletin

Real estate taxes up 85 percent in six years Can you afford the Supervisors' next "tax cut?"



Record tax increases

Fairfax County Supervisors want you to think that they have been cutting taxes, even though real estate taxes for the past six years have been increasing at least three times faster than inflation. In 2003, real estate taxes for the typical Fairfax County household increased five times faster than inflation.

According to the County's own statistics, real estate taxes for the typical household have increased from \$2,407 in 2000 to \$4,448 in 2006. This is a \$2000 or 85 percent increase in six years.

However, the Fairfax County Board of Supervisors wants you to believe that you had a tax cut, since

they cut the real estate tax rate from \$1.23 in 2001 to \$1.00 in 2006.

If the Supervisors had kept the rate at \$1.23, the typical household's real estate tax would have been \$5,471 next year, or \$1000 more than \$4,448.

So in the Supervisors' minds the taxpayers have received not a \$2000 tax increase, but a \$1000 tax cut!

Will you be able to afford another one of the Supervisors' "tax cuts" for 2007?"

Skirting the law

The real issue, of course, is that in the face of soaring home assessments, the Fairfax County Board of Supervisors makes only token reductions in the real estate tax rate. To completely offset the average increase in assessments since 2001, the Supervisors would have had to reduce the tax rate from \$1.23 to 64 cents.

To completely offset the average increase in assessments since last year, the Supervisors would have had to reduce the tax rate from \$1.23 to 94 cents (93.54 cents, to be more exact).

Whenever real estate tax increases accompany higher assessments, Section 58.1-3321 of the Virginia code requires counties to publish the tax rate that offsets the higher assessments and advertise the new tax rate as a tax increase.

This is a problem for the Supervisors, as it contradicts their "tax cut" spin. However it is not a big problem. The Virginia code only requires that the tax increase be published in a newspaper

FAIRFAX COUNTY NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE

In accordance with Virginia Code Section 58.1-3321, notice is hereby given that the Board of Supervisors of Fairfax County, Virginia, will meet in the Board Auditorium of the Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia, on April 4, 2005 at 3:30 P.M. At that meeting, the Board of Supervisors shall consider the matters described below.

The Fairfax County Executive has proposed the advertisement of a real estate tax rate of \$1.03 per \$100 of assessed value. The tax rate being proposed represents a decrease of \$0.10 from the FY 2005 rate of \$1.13 per \$100 assessed value. Although the real estate tax rate that is being proposed is lower than the FY 2005 rate; the total assessed value of existing real property has increased and most property owners can expect an increase in their real estate tax bill. Because the average value of real property in Fairfax County has appreciated by at least one percent, Virginia Code Section 58.1-3321 requires Fairfax County to publish the following notice.

Fairfax County, Virginia proposes to increase property tax levies.

1. **Assessment Increase:** Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 20.80 percent.
2. **Lowered Rate Necessary to Offset Increased Assessment:** The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$0.9354 per \$100 of assessed value. This rate will be known as the "lowered tax rate."
3. **Effective Rate Increase:** Fairfax County, Virginia, proposes to adopt a tax rate of \$1.03 per \$100 of assessed value. The difference between the lowered tax rate and the proposed rate would be \$0.0946 per \$100, or 10.11 percent. This difference will be known as the "effective tax rate increase."

Individual property taxes may, however, increase at a percentage greater than or less than the above percentage.

4. **Proposed Total Budget Increase:** Based on the proposed real property tax rate of \$1.03 and changes in other revenues, the total budget of Fairfax County, Virginia, will exceed last year's by 8.89 percent¹.

A public hearing on this issue will be held at 3:30 P.M. on April 4, 2005 in the Board Auditorium of the Fairfax County Government Center at 12000 Government Center Parkway.

ad. So the County did publish an ad, reproduced in part here, in *The Washington Times*, page C11, on March 17, 2005.

The ad begins by emphasizing the tax-rate reduction, from \$1.23 to the advertised rate of \$1.03. The 93.54-cent rate that offsets the increase in assessments is in item 2. That the \$1.03 rate represents a 10.11 percent tax hike is buried in item 3.

However the 94-cent offset rate and the 10-percent tax increase are not mentioned once in the County's

three-volume, 1500 page budget. They are not mentioned in the County's 24-page Citizen's Guide to the Budget, or in the County's 13-page press release about the budget, or in the County Executive's 50-slide budget briefing.

When the FCTA president, at the County Executive's budget press briefing two years ago, asked what the rate was that offset the assessment increase, the answer was, "We have not done that analysis yet." The "analysis" consists of dividing the previous year's rate by one plus the percent increase in average assessments.

Fairfax County Public Schools hires 295 more full-time employees for 510 more students

Schools win another tax hike

Of Fairfax County's FY2006 \$163 million budget increase approved last April, \$113 million is for the Fairfax County Public Schools (FCPS). The FCPS FY2006 Approved Budget increased the number of full-time staff by 295, from 21,564 to 21,859, to cover a projected enrollment increase of only 510 students, from 164,408 to 164,918.

When asked by the Fairfax County Taxpayers Alliance (FCTA) president to justify hiring one new staff member for every two new students, school superintendent, Dr. Jack Dale, cited higher Special Education and English as a Second Language (ESL) enrollments.

FCPS data suggest otherwise.

According to the FCPS FY2006 Approved Budget, Special Education enrollment was projected to decrease, not increase, from 12,420 to 12,299.

ESL staffing is increasing by only 20 positions, from 686 to 706. Of the 295 new positions, 55 are

“staffing reserve” in case enrollment is higher than projected.

Thirty-two more teaching positions

Of the remaining 240 new positions, only 32 are classroom positions. Even with increased ESL enrollment, there are 19 fewer regular-classroom teachers and 19 fewer Special Education teachers. However there are five more elementary school art teachers, 40 more instructional assistants and 25 new Certified Athletic Trainers.

Two hundred more non-teachers

There are, however, over 200 new non-teaching positions, including ten more assistant principals, 95 more technical positions, and 25 more clerical positions. There are 27 more maintenance personnel and nine more security personnel. The number of Instructional Support teachers is up by 35, from 234 to 269.

Of the school system's 21,859 full-time positions, about 35 percent are Kindergarten-12th grade regular-classroom teachers and about 19 percent are special education teachers and assistants.

Special Education: Does it work?

About three years ago, the Fairfax County School Board hired the Gibson Consulting Group of Austin, Texas, to assess Fairfax County Public Schools (FCPS) Special Education instruction.

Among other things, the study considered the 21 FCPS Special Education Centers. These Centers served 1,208 Special Ed students, which was about 5.2 percent to the total FCPS Special Ed population. About half of the 1,208 students were identified as emotionally disturbed.

The average cost per student in Special Ed Centers was \$22,000, compared to about \$8,000 per General Education Student. In the Centers were 288 teachers and 185 assistants to teach 1,208 students, meaning that there were only 2.6 students per adult instructor.

The study then looked at test scores from grade 3, 5, 8, and high school Standards of Learning tests. In only one of 62 cases did a center do better than the FCPS average. In 59 of 62 cases, centers did worse than the FCPS average and by more than 20 percentage points.

The report states, “many students with emotional disorders are very bright and have great academic potential.” This was the experience of Marva Collins, a Black teacher who was forced out of Chicago public schools because she was so successful. She then opened a low-cost private school where she successfully taught emotionally disturbed children with phonics, drill, and motivational literature, all of which are lacking in public schools. At-risk children are even more at-risk with the public school curriculum.

“No Car Tax” effectively repealed The tax cut that backfired

When the Virginia General Assembly cuts taxes, it simply raises other taxes. Consider the “car tax.”

In 1997, at the beginning of the “dot-com” bubble, Jim Gilmore was elected Virginia governor with the campaign slogan, “No Car Tax.” This resonated with voters who dreaded paying the annual car-tax to their local governments.

Now taxpayers pay only 30 percent of their car-tax bill to their local government. The Commonwealth of Virginia pays local governments the other 70 percent, out of sales and income taxes. This costs the Commonwealth about \$900 million a year.

Gilmore took advantage of the surging state tax revenues during the “dot-com” boom to cut the car tax without any spending cuts.

Gilmore’s car tax cut represented the “starve-the-beast” approach to limiting government spending. Rather than cut public schools, welfare and Medicaid, which drive up taxes, the “starve-the-beast” approach attempts to limit these programs by reducing available revenue.

Nickel-and-dime taxation

The approach failed. The 2004 General Assembly used the \$900-million car tax refund as an excuse to raise taxes by \$1.4 billion, of which \$1 billion went to public schools, whose inflation-adjusted funding had already been increasing ten times faster than enrollment.

The result? Taxpayers still pay the full car tax, but through higher sales taxes and payroll withholding instead of through a painful annual check.

Senator Chichester’s argument against TABOR and why it’s wrong

Since 1997, the Virginia budget has increased 80 percent, from \$17.6 billion to \$31.6 billion. Spending per resident has increased more than twice as fast as inflation (5.5 percent vs. 2.1 percent per year). Inflation-adjusted taxes per resident have increased from \$3144 in 1997 to \$4225 today. The result is mediocre public schools, soaring welfare (Medicaid) costs, and crowded roads.

A Taxpayers Bill of Rights (TABOR) would limit state spending increases per resident to the growth of inflation. Last summer state Senator John Chichester, chairman of the Senate Finance Committee wrote an article opposing TABOR. Here are his key points:

“During a recent five-year period, Virginia’s population grew about 7 percent. However, the prison population grew 28 percent, and our court caseload, higher education enrollment, and number of public school special education students each grew 15 percent. Medical cost inflation, which drives Medicaid, one of our largest mandated

programs, was more than double that of general inflation.

“If seventy-five percent of Virginia’s general fund operating budget rests in education, Medicaid health care and public safety, is it reasonable to assume that general population and inflation are good budget proxies when actual caseload and cost experience show otherwise?” (from “Virginia is not on Automatic Pilot”; emphasis added)

This argument succeeds year after year, since no politician dares oppose the teachers’ union, welfare (prisons are an extension of welfare), or Medicaid,

The following articles in this Bulletin show that there is waste and abuse in all three programs. Sixty percent of public school students perform below grade level despite soaring funding for public schools. Welfare drives up prison population. Medicaid - and Medicare - drive up medical inflation and their out-of-control costs are driving up the national debt and threatening the economy.

How good are Fairfax County Public Schools?

About 60 percent of graduates likely to earn 4-year college degrees

SCHOOL	SAT TOTAL	SAT PCTILE	College 2-year	College 4-year	Bachelor's Degree (est)
THOMAS JEFFERSON	1480	98	0%	98%	98%
LANGLEY HIGH	1199	78	5%	88%	74%
MCLEAN HIGH	1187	76	16%	77%	67%
WOODSON HIGH	1175	75	14%	78%	66%
OAKTON HIGH	1167	73	13%	81%	67%
MADISON HIGH	1154	71	11%	82%	65%
LAKE BRADDOCK SEC.	1122	66	20%	74%	60%
ROBINSON SEC.	1122	66	17%	74%	58%
FCPS (AVERAGE)	1114	65	21%	68%	56%
CHANTILLY HIGH	1112	64	22%	69%	56%
MARSHALL HIGH	1101	62	21%	68%	53%
WEST SPRINGFIELD HIGH	1101	62	21%	72%	57%
WESTFIELD HIGH	1088	61	17%	72%	53%
HERNDON HIGH	1084	60	26%	63%	51%
CENTREVILLE HIGH	1082	59	21%	69%	52%
FAIRFAX HIGH	1074	58	26%	61%	49%
SOUTH LAKES HIGH	1055	55	26%	59%	45%
LEE HIGH	1048	54	26%	58%	44%
STUART HIGH	1032	50	37%	51%	44%
HAYFIELD SEC.	1026	49	29%	60%	44%
ANNANDALE HIGH	1024	49	35%	53%	43%
WEST POTOMAC HIGH	1017	47	22%	59%	40%
EDISON HIGH	1012	46	35%	47%	39%
FALLS CHURCH HIGH	1012	46	23%	51%	35%
MOUNT VERNON HIGH	979	41	29%	54%	37%
VIRGINIA	1030	50			
NATION	1028	50			

Academic excellence?

Fairfax County Public Schools (FCPS) prominently cites its SAT scores as evidence of academic excellence, since its average score of 1114 is almost 100 points higher than the national average score, of 1028. However, is this self-congratulatory assessment warranted?

Performance by high school

The accompanying table ranks Fairfax County's 24 public high schools in order of their 2005 average SAT score (math plus verbal) for seniors. Eight schools scored above the County average of 1114, and 16 scored below. Also shown is the percentile corresponding to each school's average SAT score. For example, Langley High School's average SAT

score of 1199 corresponds to the 78th percentile. This means that the average Langley senior scored higher than 78 percent of the 1 1/2 million seniors who took the SAT in 2005. It also means that 22 percent seniors nationwide scored higher than the average Langley senior.

The average FCPS senior scored higher than 65 percent of all seniors taking the SAT in 2005 – and scored below 35 percent of all seniors.

IMPORTANT NOTE: This does NOT mean that the FCPS average SAT percentile is lower than that of 35 percent of all school districts. The FCPS rank is unknown since the College Board does not release a list of SAT scores by school district.

Is the 65th percentile excellent?

At the school superintendent's budget press conference in January, 2005, the FCTA president asked the FCPS Superintendent, Dr. Jack Dale, if the 65th percentile was excellent. Dr. Dale responded emphatically that it is.

The College Board, however, does not designate an "excellent" threshold for SAT scores.

Certainly the 98th-percentile score for the Thomas Jefferson science magnet high school is excellent. Does Dr. Dale then feel that there is no significant difference in performance between Jefferson and both Robinson and Lake Braddock secondary schools, which scored near the county average?

FCPS does not publish its SAT percentiles.

How many going to college?

Also shown for each school and for FCPS as a whole are the percentages of graduates going on to two-year and four-year colleges. These numbers were provided by FCPS, but were not available on the FCPS website.

FCPS boasts that 89 percent of its graduates continue their education. It is a bit more guarded about pointing out that 68 percent of seniors attend four-year colleges and 21 percent attend two-year colleges.

Graduation rates – four-year public colleges

Not every college freshman graduates. According to State Council of Higher Education for Virginia (SCHEV), 68 percent of freshmen at four-year public colleges graduate within six years.

If 68 percent of FCPS seniors attend four-year colleges and if 68 percent of them will graduate within six years, then about 46 percent of FCPS seniors go directly to and graduate from four-year colleges.

Graduation rates – two-year public colleges

SCHEV statistics show that 16 percent of freshmen at Virginia two-year public colleges graduate within four years. It appears that 80 percent of those will go on to get four-year degrees and that 38 percent of

those who do not get two-year degrees will also transfer to and graduate from a four-year college.

Overall, it appears that 45 percent of freshmen at two-year public colleges will eventually graduate from four-year colleges.

If 21 percent of FCPS seniors attend two-year colleges and 45 percent of them will eventually earn four-year degrees, then almost ten percent of FCPS seniors will get four-year degrees after starting at two-year colleges.

Maintaining the status quo?

Therefore, about 56 percent of FCPS graduates will earn four-year college degrees, including about ten percent who start at two-year colleges and 46 percent who go directly to four-year colleges.

According to the U. S. Census American Community Survey, in 2004 57 percent of Fairfax County adults had four-year college degrees, as did Montgomery County, MD, and Boulder, CO. These are the top-educated counties in the nation. Of all Americans, 27 percent have 4-year degrees.

College graduation rates by high school

FCPS does not provide college graduation rates by high school. An FCTA estimate is provided in the rightmost column of the table.

The FCTA analysis assumes that 45 percent of seniors starting at two-year colleges will eventually earn four-year college degrees. The FCTA also assumes that of seniors starting at four-year colleges, the percent that will graduate is the high school SAT percentile divided by 100. This is because graduation rates are higher for more competitive schools.

For example Langley's SAT percentile is 78. Therefore it is assumed that 78 percent of the Langley seniors who go directly to four-year colleges will earn four-year college degrees.

Three points are added to each school's SAT percentile since the FCPS average SAT percentile is 65 but the average SCHEV graduation rate is 68 percent.

Welfare: The modern-day plantation

Government Schools + Government Welfare = Prison

State Senator John Chichester justifies higher taxes by observing that prison population is growing four times faster than overall population. Did he consider that the other programs for which he wants higher taxes – public schools and welfare – are driving up the prison population?

Before the Civil War it was illegal to teach a slave to read. Just the ability to read, it was thought, would enable a slave to become independent.

Not much has changed.

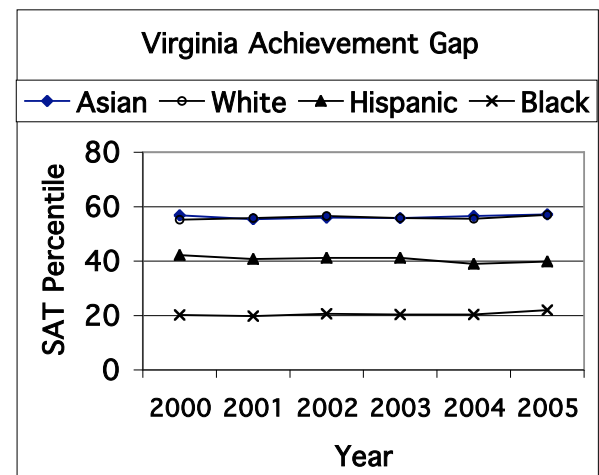
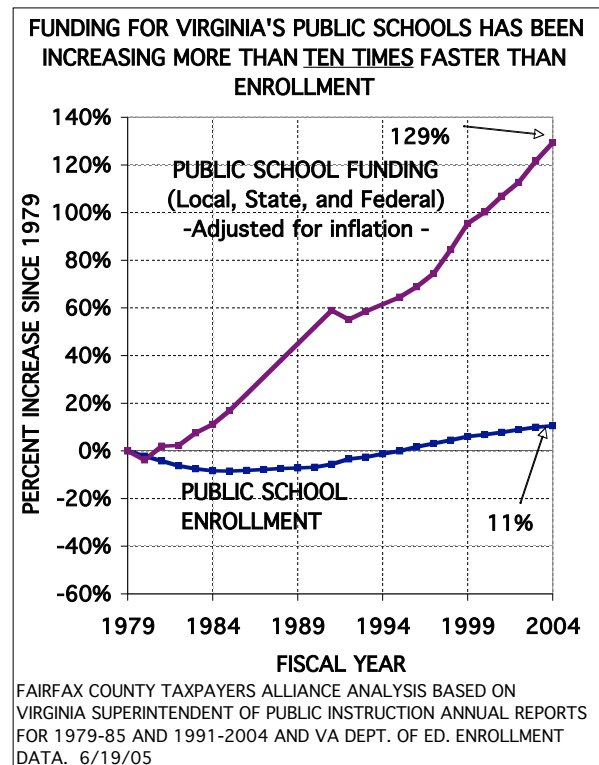
Today’s public schools, despite budgets that have increased ten times faster than enrollment, are not teaching poor children how to read. (See the accompanying graphs.)

Those who are unable to read are trapped in poverty and dependence on welfare. Welfare encourages fatherless homes by providing free housing, food, childcare, and medical care (Medicaid) to unmarried mothers. With the growth of welfare, out-of-wedlock births among Blacks and Whites have increased dramatically.

Blacks are particularly hard hit, and, a disproportionate number of Black males go to prison. Whereas Black males are nine percent of Virginia’s adult population, they make up 60 percent of Virginia’s prison population. A 2001 Department of Justice study predicted that one in three Black males will spend time in prison, compared to one in 17 Whites.

This is not an issue of race; it is an issue government-induced poverty. A May 24, 2001, Heritage Foundation press release reports that after adjusting for family structure, there is no difference between poverty rates for Whites and Blacks

Rather than raise taxes, Senator Chichester should emancipate the welfare plantation, first through school choice so low-income children can attend schools where they can learn how to read.



Both Marva Collins, who founded her Westside Preparatory School in inner-city Chicago, and Seigfried Englemann, who developed the Direct Instruction reading program, have shown that poor children can learn. Both are phonics-based.

Public schools have resisted phonics for nearly a century. Low-income children do not learn how to read and give up on school by fourth grade.

The Population ~~Explosion~~ Implosion!

Entitlements jeopardize healthcare and eldercare

Medicaid is three different welfare programs in one: nursing homes for the elderly poor, support for disabled persons, and medical care for low-income mothers and children. It is also one of the fastest growing items in state budgets, including Virginia.

States pay half the cost of Medicaid, while the federal government pays the other half.

The federal government can afford Medicaid because the federal government does not have to balance its budget. Unlike states and counties it can and does borrow to cover operating expenses.

As the accompanying table shows, three federal entitlements - Medicaid, Medicare, and Social Security - consume 49 percent of the federal budget. Medicare provides medical insurance to the elderly.

FY2005 FEDERAL BUDGET (BILLIONS OF DOLLARS)		
Medicare and Medicaid	652	26%
Social Security	561	23%
Defense	518	21%
Veterans	70	3%
Interest on Public Debt	352	14%
Other	320	13%
NET OUTLAYS	2473	100%
TOTAL RECEIPTS	2154	
DEFICIT	-319	
TOTAL PUBLIC DEBT	7393	
SOURCE: THE WORLD ALMANAC - 2006, pp. 90-92		

Two more programs, defense (including veterans) and interest on the debt, account for another 38 percent. Therefore most of what we associate with government – Justice, Interior, State, NASA, Agriculture, Education, etc. – account for only 13 percent, or \$320 billion, of the federal budget.

The deficit, which is the shortfall between tax revenues and spending, is over \$300 billion. If entitlements are off-limits then eliminating the

deficit would require cutting defense by 50 percent or entirely eliminating all non-defense programs.

Those who enjoy entitlements can thank the Japanese and Chinese, who buy our debt instead of our cars. Of the \$7.4 trillion public debt half is owned by government agencies, such as Social Security, and half by the public. Of the half held by the public, 44 percent is held by foreign investors, including governments, up from five percent in 1970.

The population explosion has hit, but it is an implosion, not an explosion. Today there are only three workers per Social Security recipient whereas in 1950 there were 16. Furthermore today's workers have to pay for Medicare and Medicaid, whose costs will eventually dwarf Social Security.

High taxes and generous entitlements for the elderly discourage childbearing. The USA birth rate is just below the replacement level.

Our future is Europe today, whose generous entitlements result in high taxes, stagnant economies, high unemployment, and dwindling native populations. Western Europe's birth rate is 1.5, compared to the replacement rate of 2.1. Immigrants fill the void.

Government healthcare is easy to abuse. Medicaid nursing home care is supposed to be for the poor. However, with the right lawyer, affluent couples can qualify. Because Medicaid has no co-pay, there is frivolous use of scarce medical resources. Medicaid and Medicare paperwork and fraud drive up costs. Major medical insurers are now basing reimbursement fees on the Medicare reimbursement schedule. Government regulation means that the market no longer determines medical costs.

Government entitlements are not the solution. Rather, they aggravate the problems they are supposed to solve.

Pat McSweeney addresses FCTA Annual Meeting

Taxpayer organizations only defense against activist judges

On Saturday, October 22, 2005, 35 members and friends of the Fairfax County Taxpayers Alliance met at the Marco Polo Restaurant in Vienna for the FCTA annual luncheon and membership meeting.

The featured speaker was Patrick M. McSweeney, President of the Virginia Conservative Alliance and former chairman of the Republican Party of Virginia. Mr. McSweeney was active in the defeat of the 2002 Northern Virginia and Hampton Roads sales tax referenda.

He brought extensive experience with state government, having also served as the executive director of the Virginia Commission on State Governmental Management, as counsel to the Governor's Management Study, and as a staff attorney to the Taxation and Finance Committee of the Virginia Commission on Constitutional Revision.

In his remarks, Mr. McSweeney advocated private funding, through tolls, of major transportation projects. Government control of transportation unavoidably results in pork-barrel spending to win the votes of enough legislators to pass a bill. His prime example was 17 miles of Rt. 228, outside of Richmond, which cost \$400 million. He also warned against Public-Private partnerships, which break down the accountability of private contractors

and replace it with cozy government relationships that result in the taxpayer bailing out private overruns.

John Taylor, president of the Virginia Institute for Public Policy spoke on behalf of the Virginia Prosperity and Freedom Agenda. This agenda includes a Taxpayers Bill of Rights (TABOR) to limit, by a new constitutional amendment, state spending increases to the rate of population growth and inflation. It also would base property taxes on acquisition value, not current value, and limit annual assessment increases to two percent.

Mr. McSweeney cautioned that constitutional amendments are no longer an effective defense against activist judges, and that the only assurance of responsible government is through watchdog organizations like the FCTA.

At the meeting, Thomas Barthelemy, David Swink, Marie Schumacher, Brad Butler, and Chuck McAndrew were re-elected as FCTA district directors.

Republican House of Delegate candidates Chris Craddock and Jim Hyland (running in the 67th and 35 districts) took time out from their busy campaign schedules to speak at the luncheon.

Officers of the Fairfax County Taxpayers Alliance

President: Arthur G. Purves

First Vice President: The Hon. David C. F. Ray

Treasurer: Arthur Purves (acting)

Second Vice President: Jeff Dirksen

Secretary: Perry Young

At-Large Directors

*Perry Young
Howie Lind*

*Mark Jesten
Bill Peabody*

*Stan Reid
Fred Costello*

*David Shephard
(two vacancies)*

District Directors

Braddock:

vacant

Mount Vernon:

vacant

Dranesville:

Thomas Barthelemy

Providence:

Marie Schumacher

Hunter Mill:

David Swink

Springfield:

Bradford Butler

Lee:

vacant

Sully:

Chuck McAndrew

Mason:

vacant

**The Fairfax County Taxpayers Alliance
P.O. Box 356
Fairfax, Va. 22038**

www.fcta.org

Have you renewed your membership for 2006? Please renew if the date on your mailing label is before March 1, 2006.

The Fairfax County Taxpayers Alliance supports less government spending, borrowing, and taxes. We monitor both the Fairfax County and Virginia state budgets and publish press releases, email alerts, and maintain a website. We also provide speakers to community groups. To demonstrate support for our goals we need dues-paying members. Please take the time now to return this membership form along with your dues and, if possible, a contribution. Thank you.

Please renew my membership in FCTA (dues \$15 for 12 months)

Please enroll me as a member of the FCTA (dues \$15 for 12 months)

I'm enclosing an extra contribution of \$_____

I would like to volunteer. Please contact me.

Name(s)_____

Mail To: The Fairfax County Taxpayers Alliance

Address_____

P.O. Box 356

City/State/Zip_____

Fairfax, Va. 22038

Telephone_____

703-642-5567

B2006-1

Email_____

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