



# **Fairfax County, Virginia**

## **FY 2005 Adopted Budget Plan**

### **Citizen's Guide To The Budget**

# Summary of the FY 2005 Adopted Budget

In presenting his FY 2005 Advertised Budget Plan to the Board of Supervisors on February 23, 2004, County Executive Anthony H. Griffin noted that it represents a balanced budget that is in conformance with the Board's Budget Guidelines, which limit County and School increases to the projected growth in revenues. He further stated that "FY 2005 presents both a challenge and an opportunity to look at the County's budget and services beyond just the next year, but from a broader, multi-year perspective." For the past three years, Fairfax County has faced the dilemma of a revenue base where growth has come entirely from residential real estate taxes. Balancing the need for taxpayer relief against Schools' and County requirements has required considerable effort to streamline and reduce program costs. Collectively, these actions add up to a point where "trimming around the edges" is no longer effective. The FY 2005 budget will serve as a catalyst to assist both County and School staff in strategic planning, as well as in resource identification and establishment of service priorities, both for FY 2005 and the future.

## Reductions Since FY 2002

As part of the strategy to afford taxpayers some relief, the real estate tax rate has been reduced by ten cents since FY 2002, from \$1.23 to \$1.13 per \$100 of assessed value. This is the lowest rate since FY 1992 and saves County taxpayers an average of \$358 annually. In order to achieve this reduction within the constraints of the County's revenue picture, it was necessary to cut \$113 million cumulatively from County programs over the past four fiscal years. This action afforded taxpayers some relief and provided additional support to Fairfax County Public Schools (FCPS). Widespread reductions were made in all program areas, with the exception of education and public safety – the deepest cuts affecting central agencies and administrative/managerial functions. Since each penny on the real estate tax rate is worth approximately \$14.5 million, a three-cent reduction for FY 2005 required the Board of Supervisors to identify a total of \$43.5 million to offset the tax rate cut. The improving economy accounts for \$24.3 million in additional revenue, particularly in current and delinquent real estate tax collections and sales tax receipts. The remaining \$19.2 million is due to a combination of available balance, expenditure reductions, savings and revenue diversification. Details of the adjustments are shown on pages 22-25, with additional details in the budget volumes.

### ***DID YOU KNOW?***

**Nearly 60% of the increase in the County's budget over the last four years has been allocated to public education operations.**

***"We enjoy a high quality of life with attractive neighborhoods, excellent schools and safe streets, wide-ranging recreational and cultural opportunities, outstanding opportunities for jobs and business growth, and a government that is responsive to residents' needs. However, this quality of life and the services that support it have a cost. Our challenge over the coming years is to weigh these costs against County resources, to balance these services against the ability of our residents to fund them, and to gauge how we can address these needs in the future."***

County Executive  
Anthony H. Griffin  
February 23, 2004

## ***FY 2005 Disbursements***

FY 2005 Disbursements total \$2.73 billion, an increase of \$79.01 million or 2.98 percent over the *FY 2004 Revised Budget Plan* amount of \$2.65 billion. The recommended transfer to the School Operating Fund is \$1.32 billion, which is an increase of \$81.52 million or 6.57 percent over FY 2004 and conforms with the Budget Guidelines approved by the Board of Supervisors. In addition, the County's contribution to School Debt Service for FY 2005 is \$126.5 million, reflecting an increase of \$5.6 million or 4.66 percent over the FY 2004 level.

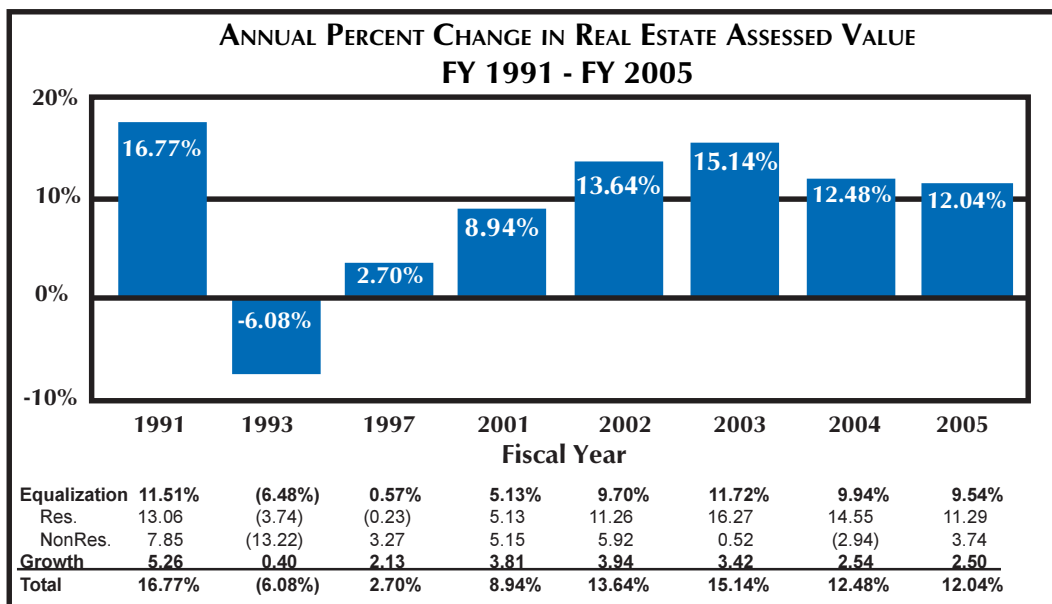
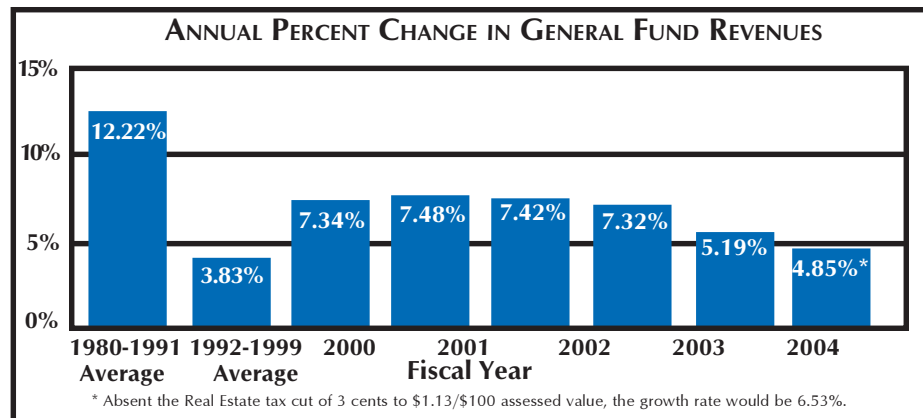
Spending on the County side is greatly constrained. General Fund spending increases have been minimized, limiting direct expenditures to an increase of 1.6 percent over FY 2004 to accommodate baseline salary adjustments and requirements associated with new facilities planned to come online in FY 2005. The FY 2005 proposed budget represents a modest fiscal plan. It funds only the "basics of government" - the level of service the County currently provides, including the cost of doing business, mandates, contractual obligations and other existing commitments.

# Summary of FY 2005 Adopted Budget

## FY 2005 Revenues

The FY 2005 budget relies on projected revenue of \$2.72 billion, which is an increase of \$126.1 million or 4.85 percent over the FY 2004 Revised Budget Plan. General Property Taxes including real estate and personal property taxes comprise approximately 76.8 percent of FY 2005 General Fund Revenue. The FY 2005 Real Estate estimate is based

on a 12.04 percent increase in the FY 2005 valuation of real property, and is derived primarily from increases in the value of residential property. In FY 2005, the increase in residential equalization – the reassessment of existing property, is 11.29 percent, reflecting the strength of the housing market in the County and throughout the Northern Virginia area. As a result of sustained increases in both sales volume and sales price, the majority of residential properties in the County will see valuation increases. In FY 2005, revenue from real estate taxes will make up almost 60 percent of the total revenue base, up from 50 percent in FY 2000.



As part of a strategy to reduce the reliance on property taxes, the Board of Supervisors approved several revenue diversification initiatives. During the 2004 session, the General Assembly passed legislation authorizing Fairfax County to increase the Transient Occupancy Tax. Assuming July 1, 2004 implementation, revenue of \$7.0 million is anticipated, partially offset by \$1.75 million for a new nonprofit convention and visitors' bureau in Fairfax County, which will also be supplemented by redirection of \$0.25 million in existing funding for visitors services in the Economic Development Authority's budget for total funding of \$2.0 million. In addition, the Board approved an Athletic Services Application Fee anticipated to generate \$1.67 million in FY 2005. An EMS Transport Fee was also approved with anticipated implementation in Spring 2005 following an extensive public education campaign.

## Summary of FY 2005 Adopted Budget

### SUMMARY GENERAL FUND STATEMENT (in millions)

|                            | FY 2004<br>Revised<br>Budget Plan | FY 2005<br>Adopted<br>Budget Plan | Increase/<br>(Decrease)<br>Over Revised | %<br>Inc/(Dec)<br>Over Revised |
|----------------------------|-----------------------------------|-----------------------------------|---|--------------------------------|
| <b>Beginning Balance</b>   | <b>\$118.89</b>                   | <b>\$63.11</b>                    | <b>(\$55.78)</b>                        | <b>-46.92%</b>                 |
| <b>Revenue</b>             | \$2,597.04                        | \$2,723.11                        | \$126.07                                | 4.85%                          |
| <b>Transfers In</b>        | \$1.40                            | \$1.67                            | \$0.27                                  | 19.36%                         |
| <b>Total Available</b>     | <b>\$2,717.33</b>                 | <b>\$2,787.89</b>                 | <b>\$70.56</b>                          | <b>2.60%</b>                   |
| <b>Direct Expenditures</b> | \$987.82                          | \$1,003.82                        | \$16.00                                 | 1.62%                          |
| <b>Transfers Out</b>       |                                   |                                   |   |                                |
| School Transfer            | \$1,240.85                        | \$1,322.37                        | \$81.52                                 | 6.57%                          |
| School Debt Service        | <u>120.90</u>                     | <u>126.53</u>                     | <u>5.63</u>                             | <u>4.66%</u>                   |
| Subtotal Schools           | \$1,361.75                        | \$1,448.90                        | \$87.16                                 | 6.40%                          |
| Metro                      | \$12.27                           | \$18.14                           | \$5.87                                  | 47.85%                         |
| Community Services Board   | 80.60                             | 81.80                             | 1.20                                    | 1.49%                          |
| Capital Paydown            | 41.17                             | 11.00                             | (30.18)                                 | -73.29%                        |
| Information Technology     | 11.33                             | 10.22                             | (1.10)                                  | -9.75%                         |
| County Debt Service        | 98.45                             | 98.72                             | 0.27                                    | 0.27%                          |
| Other Transfers            | <u>60.83</u>                      | <u>60.61</u>                      | <u>(0.23)</u>                           | <u>-0.38%</u>                  |
| Subtotal County            | \$304.65                          | \$280.49                          | (\$24.15)                               | -7.93%                         |
| <b>Total Transfers Out</b> | <b>\$1,666.39</b>                 | <b>\$1,729.40</b>                 | <b>\$63.00</b>                          | <b>3.78%</b>                   |
| <b>Total Disbursements</b> | <b>\$2,654.22</b>                 | <b>\$2,733.22</b>                 | <b>\$79.01</b>                          | <b>2.98%</b>                   |
| <b>Ending Balance</b>      | <b>\$63.11</b>                    | <b>\$54.66</b>                    | <b>(\$8.45)</b>                         | <b>-13.38%</b>                 |
| Less:                      |                                   |                                   |   |                                |
| Managed Reserve            | \$53.08                           | \$54.66                           | \$1.58                                  | 2.98%                          |
| <b>Total Available</b>     | <b>\$10.03</b>                    | <b>\$0.00</b>                     | <b>(\$10.02)</b>                        | <b>-</b>                       |

# FY 2005 Budget Highlights

## COUNTY SUPPORT FOR FAIRFAX COUNTY PUBLIC SCHOOLS

For FY 2005, Fairfax County is providing 53 percent of its total General Fund budget to Fairfax County Public Schools (FCPS). This share is consistent with the [FY 2004 Adopted Budget Plan](#) which represents the highest level in over 20 years. The County provides funding through two transfers – one to support FCPS operations and another to support debt service for bond-funded projects to build new schools and renew older facilities.

### SCHOOL TRANSFERS

**School Operating: \$1,322.37 million**  
**School Debt Service: \$126.53 million**

- A transfer of \$1,322,374,187 to the School Operating Fund is included, which represents an increase of \$81,523,866 or 6.57 percent.
- The FY 2005 transfer for School Debt Service is \$126,528,053, an increase of \$5,631,320 or 4.66 percent over the *FY 2004 Revised Budget Plan*. The FY 2005 debt service level is based on funding of \$130 million for new school construction as well as renewals.
- The combined transfer for School operating and School debt service is \$1.45 billion, which represents 53.0 percent of total County disbursements.

### Other County Support for FCPS

**\$49.0 million**

In addition to the \$1.45 billion in the County transfers to FCPS for operations and debt service, Fairfax County provides additional support totaling \$49 million for the following programs:

- \$26.6 million for the Comprehensive Services Act (CSA), Head Start, and School Age Child Care (SACC) programs within the Department of Family Services;
- \$10.3 million to support School Health including Public School Nurses and Clinic Room Aides;
- \$7.2 million for School Crossing Guards; Resource Officers who are now assigned to all FCPS high schools, middle schools and alternative schools; and security for activities such as proms and football games;
- \$3.4 million for athletic field maintenance and other recreation programs;
- \$1.5 million in services provided by the Fairfax-Falls Church Community Services Board; and
- \$0.1 million for fire safety education programs for students.

#### ***DID YOU KNOW?***

**55.9% of those 25 and older in Fairfax County have a Bachelor's Degree or more education.**

**(U.S. Census Bureau, American Community Survey)**

# FY 2005 Budget Highlights

## SUPPORT FOR PUBLIC SAFETY

### Fairfax Center Fire Station

**\$1.70 million**

To address increasing public safety needs associated with a growing population, additional funding in the amount of \$1,703,310 and 23/23.0 SYE positions are included for the new Fairfax Center Fire Station scheduled to open in Spring 2005. This station will provide additional capacity to help reduce response time to the central part of the County. A phasing-in of staff resources began in FY 2004 with 15/15.0 SYE positions used primarily to staff a ladder truck at Station 27, West Springfield, enabling the Fire and Rescue Department to address the need for this type of unit in this area of the County in advance of the availability of the new station. Apparatus funding was also included as part of the FY 2004 budget to initiate procurement of necessary vehicles and equipment for the station based on the long lead-time for delivery.

The additional positions in FY 2005 as well as those funded during FY 2004 will bring the full complement of staff for Fairfax Center to 34/34.0 SYE uniformed and 3/3.0 SYE civilian support positions. The number of uniformed staff is consistent with other fire stations with a tower truck, engine and advanced life support (ALS) unit. In addition, a new Deputy Chief for Special Operations (1/1.0 SYE) will provide support and oversight of response to hazardous materials incidents, water rescues, major vehicle accidents, cave-ins, weather emergencies and terrorism threats. These duties are currently handled by the Emergency Medical Services (EMS) Deputy Chief; however, with the increase of EMS incidents and the added supervisory responsibility resulting from new stations coming online, the EMS Deputy position must be focused full-time on the management and leadership of EMS. FY 2005 funding associated with these requirements includes \$1.38 million in Personnel Services and Fringe Benefits, as well as \$0.32 million in Operating Expenses and Capital Equipment associated with start-up equipment and supplies for the new station.

### Public Safety Communications Center Operation (General Fund Transfer Increase)

**\$3.43 million**

A crucial link in Fairfax County's public safety system is the Public Safety Communications Center (PSCC), which provides call-taking and dispatch for police, fire, rescue and animal control units. This operation is funded through a combination of E-911 fees, state reimbursement from the statewide wireless E-911 fee, interest income and a transfer from the General Fund. In FY 2005, the General Fund transfer to Fund 120, E-911 Fund, is \$9.76 million, an increase of \$3.43 million over the FY 2004 transfer level. Of this increase, \$3.0 million is associated with increased operational requirements including staff and compensation adjustments which are necessary to provide improved call-taking and dispatch performance. The remaining increase is attributable to declining revenues from E-911 fees.

More than 1.17 million calls are received by the PSCC annually. During FY 2003, call statistics indicate that while the average speed to answer an emergency call is 6 seconds, the PSCC is only able to answer 75 percent of calls within 12 seconds and the remaining 25 percent of calls are subject to much longer wait times. Staff has been working to identify staffing, organizational and compensation options to address this issue. FY 2005 represents the first year of a multi-year plan to increase positions to meet current emergency and non-emergency call volumes. Fourteen (14/14.0 SYE) new Public Safety Communicator positions will add capacity to promptly answer calls that are currently left unanswered or are being answered after an unreasonable wait. In addition, 2/2.0 SYE Administrative Assistant I positions will provide staffing to answer approximately 55,000 calls received regarding towed vehicles as required by the Commonwealth.

***Fairfax County was recognized as the first StormReady county in the Commonwealth of Virginia. To be certified as StormReady, communities must have a 24-hour warning point and an emergency operations center; have more than one way to receive severe weather forecasts and warnings and to alert the public, create a system to monitor local weather conditions, promote the importance of public readiness through community outreach, and develop a formal hazardous weather plan that includes emergency services.***

## FY 2005 Budget Highlights

Currently, Public Safety Communicators answer these routine calls. By shifting this responsibility to the Administrative Assistants I, existing Public Safety Communicators will be allowed to focus more on emergency and non-emergency call-taking and dispatching. The FY 2005 cost associated with these positions is \$635,189 in Personnel Services, Fringe Benefits and Operating Expenses. In concert with the additional positions, funding of \$1.0 million has been identified to address compensation adjustments that are necessary to resolve recruitment and retention issues at the PSCC. Given the volume of calls, the overtime required to manage this volume and the complexity of the call-taking/dispatch function, the PSCC has not been able to retain qualified staff. In the last four years, 113 Public Safety Communicators (of 107 positions) have been separated for various reasons including failed training, transfers within Fairfax County Police and Fire and Rescue Departments, other employment, or relocation from the area. During the first half of CY 2004, organizational and compensation issues around the management and staffing of the PSCC will be studied, with a report and recommendations anticipated later in 2004. This funding represents a placeholder for adjustments associated with the report recommendations. A detailed proposal with cost estimates will be provided to the Board of Supervisors.



### Funding for West Nile Mosquito Management Program

**No increase**

West Nile virus, transmitted from infected mosquitoes to humans continues as a public health concern. A coordinated, multi-agency mosquito management program is now in place. It includes the treatment of ponds and standing water to prevent proliferation of the mosquito population in order to reduce the public health impact of the virus. The program also focuses on education, public awareness and community involvement to proactively address the problem. During the 2003 General Assembly session, Fairfax County was granted the authority to fund a Disease-Carrying Insects Program from Fund 116, Integrated Pest Management Program. Funding for this program is derived from a tax of \$0.001 per \$100 assessed value. In FY 2005, a major portion of funding for the West Nile program is provided through Fund 116, with \$0.5 million in existing funding transferred from the Health Department to Fund 116 to supplement the \$1.0 million previously budgeted in that fund, requiring no new funding.

## NEW FACILITIES

### James Lee Community Center Expansion

**\$0.49 million**

The James Lee Center has undergone an expansion and re-opened in May 2004. It was expanded from approximately 34,400 square feet to approximately 57,400 square feet and will offer an increase in social and recreational program opportunities for school-age children as well as adults and senior citizens. This will accommodate an increase in participants from 80,000 to 89,000 in the community, teen and senior programs. Expanded areas for the public include a recreational complex with two gymnasiums (open 11 hours daily), full-service teen programs (after school and Saturday evenings), as well as after-school and summer day programs for children. Also included are senior programs, daily craft classes, a fitness center (open nine hours daily), improved athletic fields, a full-size community theater, and computer clubhouse. FASTRAN will provide transportation for 30 additional seniors participating in the Congregate Meals Program. FY 2005 funding includes an increase of \$396,302 in Personnel Services, \$75,606 in Fringe Benefits, and \$64,038 in Operating Expenses associated with full-year salary requirements for 6 positions created in FY 2004 to support the expansion of the James Lee Community Center, as well as FASTRAN service to and from the site. These costs are partially offset by revenue of \$47,300 for a net cost of \$488,646.

# FY 2005 Budget Highlights

## School Age Child Care (SACC) Centers

**\$0.38 million**

To accommodate the ever-growing demand for quality child care, additional funding of \$378,776 is included to open two new School-Age Child Care (SACC) Centers at Navy Elementary and Sunrise Valley Elementary based on new space availability. Funding includes \$239,098 for Personnel Services and Fringe Benefits to support an additional 6/4.86 SYE positions as well as \$139,678 in Operating Expenses associated with operational requirements. Although two rooms are available at each of these sites for SACC, only one room is funded at each school due to budget constraints, consistent with the approach for FY 2004. These two new centers will serve an additional 70 children, including 60 regular slots and 10 special needs slots. With anticipated revenue of \$284,082, the net cost to the County is \$94,694.

## Herndon Harbor House Senior Center

**\$0.15 million**

This Senior Center Program, located in the Herndon Harbor House, is scheduled to open in January 2005. It will provide County residents age 55 and older opportunities for recreation participation, skill development, leisure enrichment, a variety of structured leisure activities, community services, and outreach programs. FY 2005 funding of \$154,241 includes \$78,841 in Personnel Services and Fringe Benefits, as well as \$75,400 in Operating Expenses to support six months of start-up costs for 1/1.0 SYE Recreation Assistant, 1/1.0 SYE Saturday Program Director and 1/1.0 SYE Recreation Leader I, as well as six months of program operations and one-time expenditures. It is estimated that approximately 500 seniors will be registered to use the center when it opens next January.

## Cub Run RECenter

**No General Fund Impact**

To enhance recreational opportunities in the western part of the County, the Cub Run RECenter, scheduled to open in November 2004, will be over 65,000 square feet and will include a 25-meter by 25-yard competitive swimming pool, a leisure pool, whirlpool/spa, weight training and fitness areas, multi-purpose rooms, and administrative and support service areas. It is important to note that this facility is budgeted for and operated out of Fund 170, Park Revenue Fund, and not the General Fund. Total funding of \$1,429,159 includes \$977,981 in Personnel Services and \$451,178 in Operating Expenses associated with full-year salary requirements for 15/15.0 SYE positions to support the opening of the Cub Run RECenter. These increases are projected to be offset by revenue from RECenter users. Positions will be phased in over FY 2004 and FY 2005 to ensure that the RECenter is fully operational once construction is complete. The new facility will house a 10,000-square-foot fitness center that will include a full array of Fitlinxx exercise equipment. Fitlinxx is a line of products that records participants' fitness information and tracks individual progress. Based on the popularity of the Fitlinxx equipment at existing RECenters, it is anticipated that Fitlinxx users at Cub Run alone will exceed 1,500. As a result, the Cub Run fitness center will require a minimum of two fitness staff (1/1.0 SYE approved in FY 2004 and 1/1.0 SYE included in FY 2005) to serve customers effectively and safely.

***Fairfax County has more residents than seven states – Alaska, Delaware, Montana, North Dakota, South Dakota, Vermont and Wyoming.***

## Laurel Hill Golf Course

**No General Fund Impact**

The Laurel Hill Golf Course, scheduled to open in May 2005, will provide golf opportunities in the southern portion of the County. Like the Cub Run RECenter, this facility is budgeted for and operated out of Fund 170, Park Revenue Fund, and not the General Fund. Positions will be phased in over FY 2004 and FY 2005 to ensure that the course is fully operational once construction is complete. In FY 2005, the additional positions, including 1/1.0 SYE Park Specialist II, 2/2.0 SYE Assistant Park Specialists, 2/2.0 SYE Laborers II, 1/1.0 SYE Laborer I and 1/1.0 SYE Motor Equipment Operator, will prepare the course and clubhouse for opening, develop plans for operations, and prepare and implement a marketing/promotions plan. In addition, these positions will hire and train seasonal staff, as well as procure necessary operating equipment and supplies. It should be noted that 7/7.0 SYE positions are anticipated to be established during FY 2004 to oversee the grow-in of the golf course turf, as well as day-to-day operations required until the facility is open to the public. Total FY 2005 funding of \$452,621 includes an increase of \$228,121 in Personnel Services and \$224,500 in Operating Expenses associated with salary requirements for 7/7.0 SYE additional positions to support the opening of the Laurel Hill Golf Course. These increases are offset by anticipated revenues of \$287,583.



# FY 2005 Budget Highlights

## SUPPORT FOR THE COMMUNITY

### Consolidated Community Funding Process

**\$9.01 million**

FY 2005 will be the first year of a new two-year funding cycle for the process of setting priorities and awarding funds from both the Consolidated Community Funding Pool and the Community Development Block Grant. In FY 2005, \$9.01 million will be available for the Consolidated Community Funding process, of which approximately \$6.78 million will be in Fund 118, Consolidated Community Funding Pool, and \$2.23 million will be in Fund 142, Community Development Block Grant. This is an increase of \$0.31 million more than the FY 2004 level of \$8.7 million in order to provide a five percent inflationary increase for community-based agencies. The FY 2005 funding is provided to leverage additional funds through strategies such as cash-match from other non-County sources, in-kind services from volunteers, or contributions from businesses, the faith community and other sources.

### Special Education Graduates

**\$0.05 million**

As directed by the Board of Supervisors, a group consisting of the Human Services Council, the County Executive and the Fairfax-Falls Church Community Services Board (CSB) completed a review of day support for the County Special Education Graduates program. The study included a review of the services and service levels provided; number of persons currently receiving services; number of students projected to require services; facility and transportation requirements; parental and individual participation in offsetting service costs; and benchmarking information on services provided by other jurisdictions. In addition, as part of the FY 2005 Budget Guidelines approved by the Board of Supervisors on April 28, 2003, staff was directed to explore options to enhance the sliding scale fee to reduce the County's share of the costs of supporting the graduates of special education programs. As a result of the study, two significant policy changes were recommended. First, since individuals are able to be served in the Fairfax County Public Schools Special Education Program until they are 22-years-old, only those who are 22 years and older are considered for local funding. This reduced the number of new graduates eligible and prioritized for local funding in FY 2005 by 15, from 63 to 48. Secondly, the CSB prioritized graduates based on their degree of need. Of the remaining 48 graduates for example, 17 were identified as having the most profound level of mental retardation and medical and/or physical challenges, and were recommended for local funding. The total cost for serving these 17 graduates in FY 2005 is projected to be \$499,800. Revenue of \$445,457 became available when the state assigned new Medicaid Waiver slots and funding to the CSB. As a result, County funding of \$54,343 has been included in the FY 2005 Adopted Budget Plan.

Other changes being implemented include the acceleration of timelines for transitioning students from secondary school to adult day support service, which will enable CSB to present more timely and accurate cost estimates. The CSB is also considering changes to its fee policy to include fee assessment for day services, and continues to maximize non-County funding for school graduates, such as Medicaid funding, Department of Rehabilitative Services funding, and federal work incentives and entitlements. As part of their deliberations on the FY 2005 Adopted Budget Plan, the Board of Supervisors approved \$500,000 as a reserve for a "scholarship" approach to the Special Education Graduates program. The scholarship is anticipated as a last resort for placement in conjunction with a required sliding scale family contribution and the County contribution. In addition, when the General Assembly adopted the Commonwealth's budget on May 7, 2004, the number of Medicaid Waiver slots available to Fairfax County increased, enabling the provision of these services to all new graduates in FY 2005.

### Congregate Meal Program/FASTRAN

**\$0.13 million**

To support the growing senior population, an increase of \$128,076 in Operating Expenses provides FASTRAN services for 50 additional seniors participating in the Congregate Meals Program at the new James Lee and Lorton Senior Centers. This expenditure increase represents full-year funding and is partially offset by an increase of \$6,500 in program donations.

# FY 2005 Budget Highlights

## Teen Center Redesign Initiative

**\$0.14 million**

In FY 2004, the Board of Supervisors approved the redesign of teen center operations to support a regional model. The redesign will move from nine centers (one center in each magisterial district) to a regional model comprised of five regional centers, ten neighborhood centers and ten community-based programs to provide greater flexibility in meeting the needs of teens and the community, eliminate barriers between magisterial districts, and reduce staff vacancies. FY 2005 funding of \$139,788 provides for the creation of the fifth and final region, to be located within a leased facility in the Springfield area and includes \$96,974 in Personnel Services and Fringe Benefits, as well as \$42,814 in Operating Expenses for 1/1.0 SYE Recreation Specialist III, 2/2.0 SYE Recreation Specialists I and limited term staff. This funding supports the second year of a three-year phased approach to the teen center redesign throughout the County.

## SUPPORT FOR TRANSPORTATION

### Metro Operations (General Fund Transfer)

**\$18.14 million**

The total FY 2005 Fairfax County obligation for Metrorail and Metrobus requirements totals \$53.8 million for operating expenditures, of which \$18.1 million in a General Fund transfer is required, reflecting an increase of \$5.9 million or 47.9 percent over the FY 2004 transfer amount of \$12.3 million. The increase in the General Fund support is primarily due to the use of one-time balances in FY 2004. The \$53.8 million supports existing Metrorail and Metrobus service and includes a 4.5 percent inflation factor applied to the Washington Metropolitan Area Transit Authority (WMATA) FY 2004 budget, as well as addresses increased subsidy requirements associated with the 50 percent phase-in of the 2000 Census population data into the allocation formulas, increased costs for MetroAccess due to increased utilization of Americans with Disabilities (ADA) paratransit services, continuation of the Springfield Circulator Bus Service started in FY 2001, and other enhancements initiated by WMATA in FY 2004.

The County's portion of the total WMATA budget is determined by several formulas that include factors such as the residence of passengers, number of stations located in a jurisdiction and the level of service in a jurisdiction, as well as the population and population density. Applied State Aid, Gas Tax Receipts and State Transportation Bond Revenues help offset the County's share of WMATA's operating and capital costs. An amount of \$29.3 million is required for capital requirements, of which \$14.8 million is supported by Fairfax County General Obligation Bonds. FY 2005 capital expenditures include \$13.7 million for the Infrastructure Renewal Program (IRP), a program which includes the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and funding for all capital equipment. It is anticipated that this amount will continue to increase in future years. The System Access Program (SAP) requires \$12.0 million, primarily to fund Fairfax County's share of the purchase cost of new railcars and buses. An additional \$0.4 million is included to support preliminary engineering requirements associated with the System Expansion Program (SEP) and \$3.2 million is included to fund Adopted Regional System (ARS) debt service requirements. Since the WMATA budget will not be final until June 2004, any necessary adjustments to the FY 2005 funding level will be made at the *FY 2004 Carryover Review*.

### ***DID YOU KNOW?***

**More than 9 million  
Metrobus trips and  
over 27 million  
Metrorail trips  
originated in Fairfax  
County in FY 2003.**

### County Transit (General Fund Transfer)

**\$21.21 million**

In FY 2005, the County's General Fund Transfer to County Transit Systems is \$21.21 million, an increase of \$1.6 million or 8.0 percent over the FY 2004 funding level of \$19.6 million. This increase includes contractual requirements for the FAIRFAX CONNECTOR and Virginia Railway Express. In addition, fuel funding requirements are increasing due primarily to increased costs associated with FAIRFAX CONNECTOR's continuing transition to Ultra-Low Sulfur Diesel fuel begun in FY 2002.

# FY 2005 Budget Highlights

In FY 2005, the Fairfax County Department of Transportation (FCDOT) plans to enhance FAIRFAX CONNECTOR service primarily in the Huntington Division by implementing a service redesign. This redesign would provide an additional 40,000 hours of service; increase service to growth areas of South County including Kingstowne, Lorton, Laurel Hill and the greater Springfield area; reduce travel times; increase mobility options through more transfer opportunities; expand operating hours; enhance service frequencies; provide more bi-directional routes; and expand weekend service levels. The plan developed by FCDOT leverages \$1,396,631 of various recurring non-County revenue sources including \$500,000 in bus advertising and \$896,631 in farebox revenue, rather than requiring General Fund support to meet these enhancements. To generate additional farebox revenue, it is proposed that the fare discount on FAIRFAX CONNECTOR be eliminated, bringing the cash fare to \$1.00, an increase of 25 cents over the FY 2004 cash fare of \$0.75. FCDOT is also proposing an increase in the minimum fare for a Metrorail-to-bus transfer from \$0.25 to \$0.50.

## DID YOU KNOW?

**54% of County residents work in the County.**

(U.S. Census Bureau, 2001 Supplementary Census Survey and 2003 American Community Survey)

## COST OF DOING BUSINESS

### Employee Compensation

#### **Non-Public Safety Adjustments**

**\$9.40 million**

Since FY 2001, pay increases for over 8,000 non-public safety employees have been based on Pay for Performance. Consistent with the County's ongoing assessment of its compensation philosophy and policy, staff undertook a review of the Pay for Performance system during FY 2004. As part of this analysis, other jurisdictions with Pay for Performance systems were surveyed for best practices. Based on this review, two changes to the system are recommended for FY 2005, both of which will better align the Pay for Performance system with the County's goals and competitive marketplace practices. The first is a recalibration of the points required to receive various pay awards and the second is the establishment of a range from 0 percent to 6 percent (0.0, 1.7, 2.1, 2.6, 3.0, 3.4, 3.9, 4.3, 4.7, 5.1, 5.6 and 6.0). This replaces the original 0 to 7 percent range (discounted by 25 percent in FY 2004), maintaining the integrity of the Pay for Performance system by allowing for meaningful differentiation based on performance, while tightening the requirements for the higher level pay awards to more closely track with pay increases in the marketplace.

Additionally, two departments were selected as pilots for a more comprehensive review of performance elements to increase clarity and strengthen the link between pay and performance. The lessons learned will be shared with the remaining departments to further enhance the overall program. Efforts will continue to update employee performance elements and assure their linkage to departmental strategic plans and performance measures. Countywide training for employees and managers will continue to be a priority, as will the expansion of options for multi-rater feedback as part of the performance management process. For FY 2005, funding of \$7.6 million is included for General Fund agencies in addition to \$1.8 million for General Fund-supported agencies for a total of \$9.4 million for Pay for Performance.

***"The County is well into the recovery for Hurricane Isabel and most of the community is getting back to its normal routine....I take great pride in how the County staff delivered needed services while under significant stress. What was particularly impressive is how well we all worked together irrespective of agency or grade level. We all were committed to doing our best for a common purpose, that being the welfare of Fairfax County....It was truly a team effort and those who were in the middle of it now understand better than ever the importance of the parts to the whole."***

County Executive  
Anthony H. Griffin  
September 22, 2003

# FY 2005 Budget Highlights

In order to ensure that pay scales remain competitive with the market, non-public safety pay scales are increased in accordance with the annual market index, which is calculated based on data from the Consumer Price Index; the Employment Cost Index, which includes private sector, state and local government salaries; and the Federal Wage adjustment. This is designed to keep County pay scales from falling below the marketplace, requiring a large-scale catch-up every few years. In FY 2005, the non-public safety pay scales will be adjusted 2.98 percent based on the current market index. However, it is important to note that employees do not receive this adjustment as they did in the past through a cost-of-living increase. Pay increases can only be earned through performance. By adjusting the pay scales, however, employees' long-term earning potential remains competitive with the market.

## Uniformed Public Safety Adjustments

**\$13.11 million**

Since uniformed public safety employees do not participate in the Pay for Performance program, their increases are based on the market rate adjustment and step increments. For FY 2005, funding of \$2.22 million has been included for those eligible to receive public safety merit increments. Pay adjustments for Police and Sheriff of \$5.36 million provide a 2.98 percent market adjustment for uniformed Police and Sheriff positions consistent with the market index for FY 2005. Funding for employees on the Police and Sheriff pay scales (C, O, and P), effective the first full pay period of FY 2005, is included in the Regular Salaries category for the Police Department (\$2,976,627), the Office of the Sheriff (\$1,062,941) and Fund 120, E-911 (\$326,294). In addition there is a related requirement of \$995,400 to reflect the Fringe Benefit amount of the Public Safety market rate adjustment.

Pay adjustments for Fire and Rescue of \$5.53 million will provide a phased adjustment to all uniformed Fire and Rescue classes as follows: first full pay period in July – an adjustment of 2.5 percent; the first full pay period in January – additional 2.5 percent adjustment; and the first full pay period in April – additional 2.25 percent adjustment. This funding includes \$4,178,829 in Personnel Services and \$1,346,086 in Fringe Benefits. The impact of this FY 2005 adjustment on the following (FY 2006) budget year is an additional \$4 million cost. This approach will prevent the potential compression of Fire and Rescue pay grades which may have occurred from adjusting just three classes as was recommended in the FY 2005 Advertised Budget Plan.

## Market Study Results

**\$0**

Each year, Fairfax County undertakes a market study to address issues of employee recruitment and retention, as well as ensure pay competitiveness. Certain job classes are compared against comparable positions in both the public and private sectors. This year, 51 core benchmark classes were studied (based on the occurrence of matching job classes in the Metro area and the availability of sufficient market data in the recruitment area), as well as 29 supplemental classes, which were reviewed as requested by agency directors. Based on the study findings, only 3 of the classes benchmarked were found to be 5 percent or more below the market average, requiring an adjustment. These classes include: Retirement Counselor, Consumer Specialist I and Transit Service Monitor. In accordance with the current Personnel Regulations, individuals on the "S" pay plan move to the new pay grade but remain at their current pay rate unless their pay falls below the minimum of the new pay grade. Since that is not the case for these three classes, no funding adjustment is required for FY 2005.

## Benefits

### Health Insurance Cost Increase

**\$7.77 million**

Fairfax County continues to experience the same double-digit health insurance cost increases seen nationwide. For FY 2005, health insurance premiums total \$53,430,651, an increase of \$7,770,482 or 17.0 percent over the *FY 2004 Revised Budget Plan*. This is based on projected premium increases of 21 percent for Health Maintenance Organizations (HMOs) and 25 percent for the self insurance plan for Calendar Year 2005. In contrast to the slow medical care cost growth in the early to mid-1990s, spending in recent years for health care has steadily increased. Key drivers of this growth include increased utilization and the skyrocketing cost of prescription drugs. The County has employed strategies to contain health care costs such as increasing deductibles and out-of-pocket limits, as well as added incentives for generic drugs. However, this cost increase trend is anticipated to continue into FY 2006 and beyond.

### Retiree Health Benefits

**\$0.61 million**

Monthly subsidy payments to eligible County retirees to help pay for health insurance are provided in Fund 500, Retiree Health Benefits. Beginning in FY 2004, payments were adjusted to reflect changes to the subsidy structure, which includes a change from the flat per month subsidy to a graduated subsidy based on age and length of service.

# FY 2005 Budget Highlights

The increase for FY 2005 includes \$0.22 million to fund the projected increase by 149 or 7.8 percent, from 1,909 in FY 2004 to 2,058 in the average number of subsidy recipients, including new retirees, who are eligible to receive the subsidy in FY 2005. Estimates of the average number of subsidy recipients are based on a review of the projected number of retirements as well as the health subsidy eligibility of personnel already retired from the Fairfax County Employees, Uniformed, and Police Officers Retirement Systems. In addition, during their deliberations on the FY 2005 Adopted Budget Plan, the Board of Supervisors approved an increase of \$0.39 million in benefit payments based on revisions to subsidy payments to partially or completely offset the Medicare reduction at age 65 for retirees with 15 or more years of service. The new structure increases the monthly subsidy for those retirees age 65 and older with 15 to 19 years of service from \$75 to \$100, for those with 20 to 24 years of service from \$100 to \$150, and for those with 25 or more years of service from \$125 to \$175. In FY 2005, the General Fund transfer of \$3,699,721 reflects an increase of \$610,977 or 19.8 percent over the *FY 2004 Revised Budget Plan* level of \$3,088,744.

## Retirement Systems

**\$12.82 million**

For FY 2005, the County's employer contributions to the retirement systems total \$67,118,042, an increase of \$12,818,194 or 23.6 percent over the *FY 2004 Revised Budget Plan*. This increase is primarily due to the impact of increases in the Employer Contribution rates and salary adjustments necessary to support the County's compensation program, including pay for performance/merit increments, Market Index adjustments for employees on the public safety pay scales, and the regrade of specific Fire and Rescue job classes to provide for market competitiveness for a total increase of \$4.62 million. An increase of \$0.3 million in the employer contribution for the Police Officers' System is required to fund the Deferred Retirement Option Program (DROP) benefit enhancement, while an increase of \$2.8 million in the employer contribution for the Uniformed System is required to fund approved benefit enhancements including DROP, as well as the 12 percent benefit enhancement for Uniformed Retirees. In addition, the employer contribution for the Employees System is required to increase by \$5.1 million to amortize the liability associated with the funding ratio falling below the pre-defined 90 percent threshold due to lower investment returns. In March 2002, the Board of Supervisors adopted a corridor approach to employer contributions, which enhances stability and ensures adequate funding for the retirement systems. In the corridor approach, a fixed contribution rate is assigned to each system, with the County funding contributions at that rate unless the system's funding ratio falls outside of a pre-determined corridor (90-120 percent). Once outside the corridor, the County rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the corridor.

## Technology

### Information Technology Initiatives (General Fund Transfer)

**\$10.22 million**

In FY 2005, funding of \$10.40 million, which includes a General Fund transfer of \$10.22 million and interest income of \$0.18 million, is included for initiatives that meet one or more priorities established by the Senior Information Technology Steering Committee. This reflects a decrease of \$1.11 million or 9.8 percent from the *FY 2004 Revised Budget Plan* General Fund transfer of \$11.33 million. These initiatives include a mix of projects that provide benefits for both citizens and employees, and that adequately balance continuing initiatives with the need for maintaining and strengthening the County's technology infrastructure. Funded projects will support initiatives in the Human Services, Planning and Development, General County Services and Public Safety Program areas.

*Through the County's Web site, the public can pay taxes, reserve or renew a library book, report a lost pet, sign up to testify at a public hearing, check their jury duty status, schedule an inspection, print a map, sign up for recreation classes, or apply for a job, among other functions.*

### Priority

### FY 2005 Adopted Funding

|   |                       |
|---|-----------------------|
| Mandated Requirements   | \$0.3 million         |
| Completion of Prior Investments                                 | \$2.0 million         |
| Enhanced County Security  | \$1.3 million         |
| Improved Service and Efficiency                                 | \$4.1 million         |
| Maintaining a Current and Supportable Technology Infrastructure | <u>\$2.7 million</u>  |
| <b>TOTAL</b>  | <b>\$10.4 million</b> |

# FY 2005 Budget Highlights

## Contract Increases

### **Child Care Assistance and Referral Program Market Rate Increase** **\$1.36 million**

The demand for child care services continues to grow as a result of high labor force participation in Fairfax County. In addition, many low- and moderate-income working parents in the County are unable to afford child care due to the high cost of living. To address this need, Fairfax County leverages resources with federal and state funding in order to provide child care subsidies to these eligible families. An increase of \$1,364,407 in Operating Expenses was included in the FY 2005 Advertised Budget Plan to support a higher state-mandated market rate for child care providers, which is estimated to reflect an increase of 5.5 percent for the providers of subsidized child care services under the Child Care Assistance and Referral (CCAR) Program. The state mandates market rates in order to ensure an adequate supply of licensed providers. It should be noted that the market rate increase will be phased in over the first quarter of FY 2005. Therefore, this funding represents nine months of funding and is partially offset by an increase of \$682,203 in federal/state pass-through funding due to the associated 50 percent revenue match for the purchase of child care services, for a net cost to the County of \$682,204. CCAR program expenditures are reduced by \$682,204 in the FY 2005 Adopted Budget Plan based on the availability of additional child care revenues that were identified as part of the *FY 2004 Third Quarter Review*.

### **Comprehensive Services Act – Contract Rate Increase** **\$1.10 million**

The federally mandated Comprehensive Services Act (CSA) requires Fairfax County to serve families needing intervention and treatment for children and youth determined to be at risk for a variety of behaviors and conditions. These services include foster care, private school, special education, home-based intervention, residential services for mental health treatment, among others. For FY 2005, an increase of \$1,099,866 in Operating Expenses supports a 3.09 percent contract rate increase for the providers of mandated and non-mandated services in order to provide an appropriate cost-of-living adjustment to support their operations. This expenditure increase is partially offset by an increase of \$592,719 in state funding due to the associated state revenue match for the purchase of services, for a net cost to the County of \$507,147. Total expenditures in this program are approximately \$35.3 million to serve over 1,100 children and youth.

### **Other Contract Rate Increases** **\$0.42 million**

FY 2005 funding for the Department of Family Services also includes an increase of \$419,000 in Operating Expenses to support a 3.09 inflationary contract rate increase for the providers of mandated and non-mandated services such as Home Care Aides, Head Start, and Healthy Families Fairfax.

#### ***DID YOU KNOW?***

**4.5% of County residents live below the federal poverty line.**

**(U.S. Census, Department of Systems Management for Human Services)**



# FY 2005 Budget Highlights

## CAPITAL CONSTRUCTION PROGRAM

### Capital Improvement Program Enhancements

In FY 2005, the County will continue to benefit from Capital Improvement Program (CIP) enhancements over the past few years to address the dual challenges of providing new facilities to address population growth as well as meeting the ongoing capital renewal needs of existing facilities and infrastructure. Highlights of that program include the following:

#### *DID YOU KNOW?*

**If Fairfax County was a city, it would rank 11<sup>th</sup> in the nation with a population larger than Atlanta, Boston or Charlotte.**

### Paydown Construction Program

**\$19.36 million**

For FY 2005, a total of \$19,357,963 is included for County Paydown construction and is directed to the most critical projects. This program will be supported with a General Fund transfer of \$10,995,187 and state revenue of \$8,362,776. This amount reflects an increase of \$4,967,146 or 34.5 percent over the FY 2004 Adopted Budget Plan amount of \$14,390,817, and includes:

- **County Maintenance** **\$1.84 million**  
Funding of \$1,844,000 will continue to provide general maintenance for priority requirements at County facilities including carpet replacement; HVAC/electrical replacement; roof repairs and waterproofing; parking lot resurfacing; fire alarm system replacement; emergency generator replacement; maintenance costs associated with the Commercial Revitalization Program; and Americans with Disabilities Act (ADA) compliance at County facilities. Funding is also included for miscellaneous building repairs and condition assessments at designated fire stations throughout the County.
- **Parks Maintenance** **\$1.91 million**  
An amount of \$1,911,156 has been included for Park maintenance at non-revenue-supported Park facilities in order to address such items as roof repairs/replacements; electrical and lighting systems; security and fire alarm systems; sprinklers; HVAC equipment; grounds maintenance; minor routine preventive maintenance; and ongoing implementation of ADA compliance at Park facilities.
- **Athletic Field Maintenance/Lighting Match Program** **\$3.23 million**  
Funding of \$3,232,813 has been included to address athletic field maintenance including field lighting, fencing, irrigation, dugout covers, infield dirt, aeration and seeding. In addition, funding of \$200,000 is provided for upgrading athletic field lighting at selected boys baseball and girls softball fields.
- **Stormwater Management** **\$2.74 million**  
Funding in the amount of \$2,740,000 has been included for storm drainage maintenance and emergency repairs including Kingstowne environmental monitoring; dam safety inspections and improvements; annual emergency drainage repairs throughout the County; and the mandated Virginia Pollutant Discharge Elimination System (VPDES) Municipal Separate Storm Sewer System (MS4) discharge permit, which is considered a renewal of the National Pollutant Discharge Elimination System (NPDES) permit that is valid for five years.
- **New or Renovated County Facilities** **\$4.14 million**  
A total of \$4,142,622 has been included for new or renovated County facilities including: \$1,000,000 for the acquisition of land or open space preservation throughout the County and \$3,142,622 to continue to address property management and development at the Laurel Hill property including continued asbestos mitigation efforts.

# FY 2005 Budget Highlights

- Payments and Obligations** **\$2.78 million**  
 Funding in the amount of \$2,777,372 has been provided for costs associated with annual contributions and contractual obligations. This includes \$1,021,702 for the third year of a five-year lease/purchase agreement for systems furniture at the new South County Center. In addition, \$500,000 is included for the County's annual contribution to offset school operating and overhead costs associated with the new School Age Child Care (SACC) centers. Funding of \$350,000 is included to support payments to developers for interest earned on conservation bond deposits. The County requires developers to contribute funds to ensure the conservation of existing natural resources. Upon satisfactory completion of projects, the developer is refunded the deposit with interest. Finally, funding of \$905,670 is included for the County's annual contribution to the Northern Virginia Community College (NVCC) capital program, which provides for continued construction and maintenance at various capital projects on college campuses.
- Revitalization Initiatives** **\$0.94 million**  
 An amount of \$935,000 is provided for Commercial Revitalization projects to be approved by the Board of Supervisors in the context of the CIP and/or other planning discussions.
- Other Paydown Projects** **\$1.78 million**  
 Other Paydown projects supported in FY 2005 total \$1,775,000 and include safety upgrades and emergency repairs to trails and sidewalks; VDOT participation for sidewalk repair and replacement; developer defaults; annual road maintenance; continuation of the TAC (Transportation Advisory Committee) Spot Improvement Program; and the Board of Road Viewers program.

**Bond-Funded Projects** **\$183.53 million**

In FY 2005, \$183,532,141 is included in General Obligation bond funding. Of this amount, \$130,000,000 is budgeted in Fund 390, Public School Construction; and \$14,800,000 is included in Fund 309, Metro Operations and Construction, to support the 103-mile Metrorail system, as well as maintain and/or acquire facilities, equipment, railcars and buses (including \$1.2 million in previously sold bonds). In addition, FY 2005 bond funding in the amount of \$38,732,141 includes Fairfax County's \$2,500,000 contribution to the Northern Virginia Regional Park Authority; construction costs of \$12,032,141 associated with the West Ox CONNECTOR Bus Facility; \$1,200,000 for design and permitting costs for the Wolf Trap Fire Station; and \$23,000,000 to support construction costs associated with the Public Safety Operations Center as approved by the voters in November 2002. Funding for these projects is consistent with the FY 2005-2009 Adopted Capital Improvement Program (With Future Years to 2014).

## TAX, FEE AND FARE ADJUSTMENTS

The following describes the Tax Relief Program, the Athletic Services Application Fee, as well as fee increases in several Other Funds such as transit, solid waste and sewer service.

### Tax Relief Program

The FY 2005 Adopted Budget Plan includes an increase in the maximum level of assets allowed for Real Estate Tax relief eligibility from \$190,000 to the State maximum of \$240,000 as directed by the Board of Supervisors as part of the *FY 2003 Carryover Review*. This change in the Tax Relief Program is anticipated to reduce revenue by approximately \$3.9 million in FY 2005. The income limits remain at 100 percent exemption for elderly and disabled taxpayers with incomes up to \$40,000; 50 percent for eligible applicants with income between \$40,001 and \$46,000; and 25 percent if income is between \$46,001 and \$52,000.

#### TAX RELIEF FOR THE ELDERLY AND DISABLED

|                | Income Limit         | Percent Relief |
|----------------|----------------------|----------------|
| <b>FY 2005</b> | Up to \$40,000       | 100%           |
|                | \$40,001 to \$46,000 | 50%            |
|                | \$46,001 to \$52,000 | 25%            |
|                | Asset Limit          | \$240,000      |



# FY 2005 Budget Highlights

## Athletic Services Application Fee

For FY 2005, the Board of Supervisors approved a new athletic services application fee to partially offset the cost of scheduling and coordinating community use of public athletic facilities. Athletic organizations are provided facility space by the hour in accordance with their application for use of facilities and within established Fairfax County facility allocation policies. Estimated revenues totaling \$1,670,917 reflect the implementation of a fee for community use of public athletic facilities scheduled through the Department of Community and Recreation Services' Athletic Services Division. This fee, combined with existing revenue, will enable the Athletic Services Division to offset its operational costs. Details of the fee implementation will be determined by the Department of Community and Recreation Services in conjunction with the Fairfax County Athletic Council.

### **DID YOU KNOW?**

**Fairfax County has over 30,000 acres of parkland, including bike trails, athletic fields, golf courses and lakes.**

## Transit Fare Increase

The Fairfax County Department of Transportation (FCDOT) has been under increasing pressure to expand routes and the service frequency on existing routes. This has been difficult given budget constraints of recent years. However, as part of the FY 2005 budget, FCDOT has developed a plan that provides targeted service improvements on FAIRFAX CONNECTOR with only a minimal increase in General Fund support. This requires eliminating the fare discount on FAIRFAX CONNECTOR, which brings the cash fare to \$1.00, an increase of 25 cents over the FY 2004 cash fare of \$0.75. The Smart Card program would see an increase



to \$0.60. FCDOT is also proposing an increase in the minimum fare for a Metrorail-to-bus transfer from \$0.25 to \$0.50. These fare increases would generate an additional \$0.9 million to support service enhancements for both the Reston-Herndon and Huntington Divisions. While fare increases are never popular, the proposed \$1.00 base fare is still below the current Metrobus base fare of \$1.20. In addition, the ridership decrease that FCDOT anticipated when the base fare was increased from \$0.50 to \$0.75 never materialized. In fact, ridership continued to grow in FY 2004 despite this fare adjustment, evidence of the high demand for this service.

## Leaf Collection Fee Increase

The Division of Solid Waste Collection and Recycling provides for leaf collection and disposal within 30 County Refuse Collection Districts. Leaf Districts are established and abolished through a petition process approved by the Board of Supervisors. A service fee is charged to homeowners and businesses within the districts based on the cost of the service. The FY 2004 levy is \$0.01 per \$100 of assessed value and has remained at that level since FY 1996 when it was reduced from \$0.02 per \$100 of assessed value due to an accumulation of fund balance. Over the past eight years, increases in disposal costs and other operating expenses due to an increasing customer base have significantly reduced the fund balance, making it necessary to increase the levy to \$0.015 per \$100 of assessed real estate value in FY 2005. This increase will generate an additional \$691,592 over the FY 2004 estimated leaf collection levy and should more accurately match revenues with expenditures. On average, homeowners in Leaf Districts will see an annual fee increase of approximately \$20.

## Refuse Collection Fee Increase

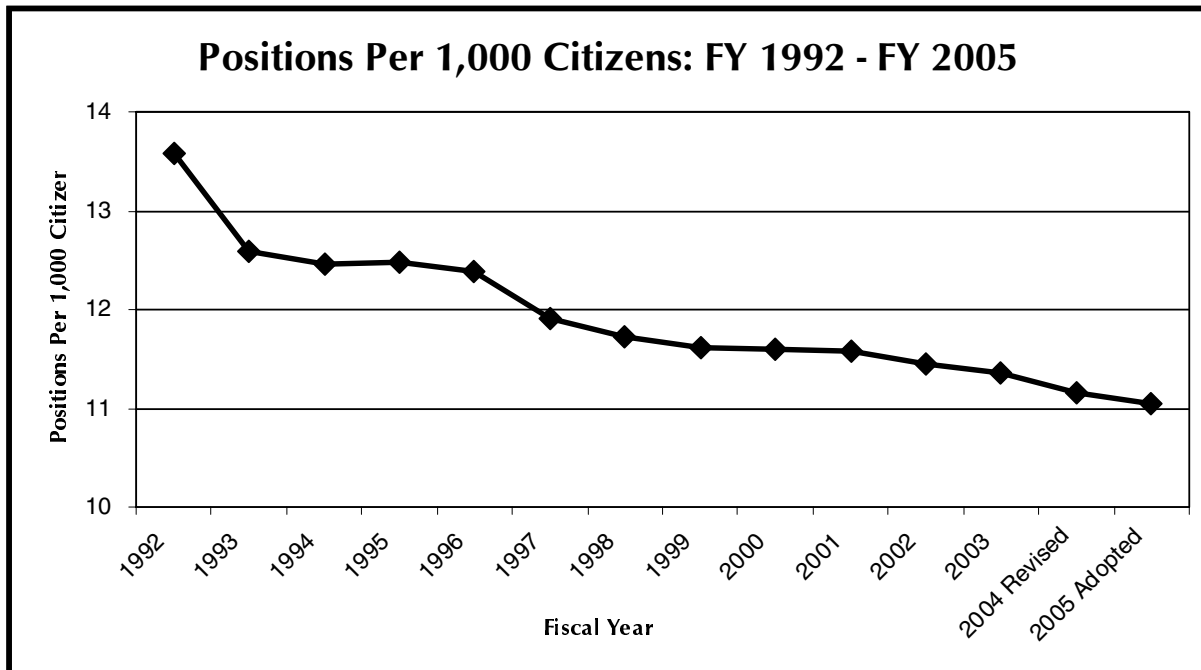
Residents within Sanitary Refuse Collection Districts who receive County refuse collection service are charged an annual service fee for regular trash pick-up and recycling. These districts are created by the Board of Supervisors upon citizen petition. The FY 2004 fee of \$210 per unit has been at that level since FY 2000 when it was reduced from \$240 in order to draw down the unreserved fund balance. During the past four years, the increasing cost of these services has absorbed the fund balance, which has now been significantly reduced. Due to increasing disposal fees and rising personnel costs, it is necessary to increase the annual fee to \$240 per unit in FY 2005 for approximately 40,000 customers who receive this service.

# FY 2005 Budget Highlights

## Sewer Fees Increase

The FY 2005 Sewer Service Charge and Availability Fee are based on increased costs associated with capital project construction, system operation and maintenance, debt service, and upgrades to reduce nitrogen discharge from wastewater in order to meet more stringent regulations. In FY 2005, the Availability Fee charged to new customers for initial access to the system will increase from \$5,431 in FY 2004 to \$5,621 for single-family homes based on current projections of capital requirements and is consistent with the analysis included in the Forecasted Financial Statement for July 1, 2003 through June 30, 2008. The Sewer Service Charge is billed to all existing customers and is used to fully recover operating and maintenance costs, debt service payments, and capital project funding primarily attributable to improving wastewater treatment effluent standards as mandated by state and federal agencies. The Sewer Service Charge will increase from \$3.03 to \$3.20 per 1,000 gallons of water consumption in FY 2005. Based on this rate increase, the additional annual cost to the typical household is anticipated to be \$12.92.

| TAX FACTS                          |                      |                           |                           |                            |
|------------------------------------|----------------------|---------------------------|---------------------------|----------------------------|
| Type                               | Unit                 | FY 2003<br>Actual<br>Rate | FY 2004<br>Actual<br>Rate | FY 2005<br>Adopted<br>Rate |
| Real Estate                        | \$100/Assessed Value | \$1.21                    | \$1.16                    | \$1.13                     |
| Personal Property                  | \$100/Assessed Value | \$4.57                    | \$4.57                    | \$4.57                     |
| Integrated Pest Management Program | \$100/Assessed Value | \$0.001                   | \$0.001                   | \$0.001                    |
| Refuse Collection                  | Household            | \$210                     | \$210                     | \$240                      |
| Refuse Disposal                    | Ton                  | \$45                      | \$45                      | \$48                       |
| Solid Waste Landfill Ash Disposal  | Ton                  | \$11.50                   | \$11.50                   | \$11.50                    |
| Leaf Collection                    | \$100/Assessed Value | \$0.01                    | \$0.01                    | \$0.015                    |
| Sewer Availability Charge          | Residential          | \$5,247                   | \$5,431                   | \$5,621                    |
| Sewer Service Charge               | Per 1,000 Gallons    | \$2.95                    | \$3.03                    | \$3.20                     |
| McLean Community Center            | \$100/Assessed Value | \$0.028                   | \$0.028                   | \$0.028                    |
| Reston Community Center            | \$100/Assessed Value | \$0.52                    | \$0.52                    | \$0.52                     |



# FY 2005 Budget Highlights

## Strategic Linkages

Fairfax County has been working on a number of initiatives in recent years to strengthen decision making and infuse a more strategic approach into the way business is performed. These initiatives include developing an employee Leadership Philosophy and Vision Statement, implementing a coordinated agency strategic planning process, incorporating Performance Measurement and benchmarking into the budget process, implementing a countywide Workforce Planning initiative, redesigning the Budget Process and converting to Pay for Performance. The process has been challenging and has required a shift in organizational culture; however, the benefit of these efforts is a high-performing government in Fairfax County, which is more accountable, forward-thinking and better able to further its status as one of the premier local governments in the nation.

### **COUNTY CORE PURPOSE AND VISION ELEMENTS**

**To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:**

- **Maintaining Safe and Caring Communities**
- **Building Livable Spaces**
- **Practicing Environmental Stewardship**
- **Connecting People and Places**
- **Creating a Culture of Engagement**
- **Maintaining Healthy Economies**
- **Corporate Stewardship**

In the spring of 2002, Fairfax County implemented a countywide strategic planning effort. Strategic planning furthers the County's commitment to high performance and strategic thinking by helping agencies to focus resources on services that are the most needed in the County. While some agencies already had strategic plans, the new process encouraged all agencies to forge a link between their individual missions and goals and the broader County vision laid out in the seven Vision Elements.

Each agency performed an agency-wide environmental scan to determine what factors influence service delivery and customer demands, identified business areas within each department to more specifically define the services provided, aligned the specific tasks performed by business areas within the departmental and vision element framework, and refined goals to meet the countywide vision elements and agency mission. The strategic planning effort involved a cross section of employees at all levels and in all areas of the organization.

## Performance Measurement

Since 1997, Fairfax County has used performance measurement to gain insight into, and make judgments about, the effectiveness and efficiency of its programs, processes and employees. While performance measures do not in and of themselves produce higher levels of effectiveness, efficiency and quality, they do provide data that can help to reallocate resources or realign strategic objectives to improve services, processes and priorities. Each Fairfax County agency decides which indicators will be used to measure progress toward strategic goals and objectives, gathers and analyzes performance measurement data, and uses the results to drive improvements in the agency.

Fairfax County also uses benchmarking, the systematic comparison of performance with other jurisdictions, in order to discover best practices that will enhance performance. The County has participated in the International City/County Management Association's (ICMA) benchmarking effort since 2000. Over 130 cities and counties provide comparable data annually in the following service areas: Police, Fire/EMS, Library, Parks and Recreation, Youth Services, Code Enforcement, Refuse Collection/Recycling, Housing, Fleet Management, Facilities, Information Technology, Human Resources, Risk Management and Purchasing. ICMA performs extensive data cleaning to ensure the greatest accuracy and comparability of data. In service areas that are not covered by ICMA's effort, agencies rely on various sources of comparative data prepared by the state, professional associations and/or nonprofit/research organizations.

# FY 2005 Budget Highlights

## Budget Process Redesign

In line with the County Executive's approach to linking all agency strategic plans with the County's Core Purpose and Vision Elements, the Budget Process Redesign Team implemented improvements that strengthen this linkage to the annual budget document. These changes will enhance future resource allocation decisions as well as enable Fairfax County to more clearly demonstrate accountability for achieving results. The FY 2005 budget presentation includes the County's first steps to link comprehensive strategic initiatives into the budget documents. To achieve these links, agency budget narratives now include discussions of Countywide Vision Elements and agency strategic planning efforts; program area summaries have been expanded to include cross-cutting efforts and benchmarking data; and a Key County Indicator presentation was developed to show how the County is performing as a whole. As a result, the budget information is presented in a more user-friendly format and resource decisions are more clearly articulated to Fairfax County citizens.

## Workforce Planning

The County's workforce planning effort began in 2001 to anticipate and integrate the human resources response to agency strategic objectives. Changes in agency priorities such as the opening of a new facility, increased demand for services by the public, the receipt of grant funding, or budget reductions can greatly affect personnel needs. Given these varying situations, workforce planning helps agency leadership to retain employees and improve employee skill sets needed to accomplish the strategic objectives of the agency. Effective workforce planning is a necessary component of an organization's strategic plan in order to provide a flexible and proficient workforce able to adapt to the changing needs of the organization.

## Financial Forecast

The Financial Forecast for FY 2006 reflects a deficit of approximately \$24.1 million. For the purpose of this forecast, the increases in County expenditures and the transfer to the Schools have been limited to match the revenue growth which is anticipated to be 6.8 percent in FY 2006. As a result, County and School spending levels will need to be constrained to fit within the scope of this projected revenue growth. This will again make it difficult to accommodate the necessary cost increases associated with inflation, population growth, state and federal mandates, and other factors. County staff will be working to continue to identify cost savings and other redesign opportunities that may be possible to offset some of this deficit. However, the County will be challenged to fit its many service requirements within the scope of available resources. Details of the FY 2006 and FY 2007 Forecast can be found in the Financial Forecast section of the Overview volume.

## Fairfax County Economic Index

The *Fairfax County Economic Index*, developed by economist Dr. Stephen Fuller of George Mason University, provides current information by which the performance of Fairfax County's economy can be evaluated. The *Index* provides a framework for analyzing the County's economy by tracking the strength of current conditions using the Coincident Index, and by forecasting future changes in the economy using the Leading Index. The *Fairfax County Economic Index*, which is published monthly, is available on the Department of Management and Budget's website at: <http://www.fairfaxcounty.gov/dmb>.

***"This budget itself is testimony to the countless hours of strategic thinking that has taken place and the efforts of many to reorient the budget toward a document that more accurately reflects our priorities as a community. As I noted previously, this is the first step of many on our path toward more strategic allocation of scarce resources to ensure that the services we provide are in line with community expectations. It is my hope that this will lay the groundwork for an ongoing dialogue about the County's direction for the future and how we will finance it."***

County Executive  
Anthony H. Griffin

# Fairfax County Core Purpose and Vision Elements

To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:

## **Maintaining Safe and Caring Communities**

The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

## **Building Livable Spaces**

Together, we encourage distinctive “built environments” that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

## **Connecting People and Places**

Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe, and convenient manner.

## **Maintaining Healthy Economies**

Investments in the work force, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

## **Practicing Environmental Stewardship**

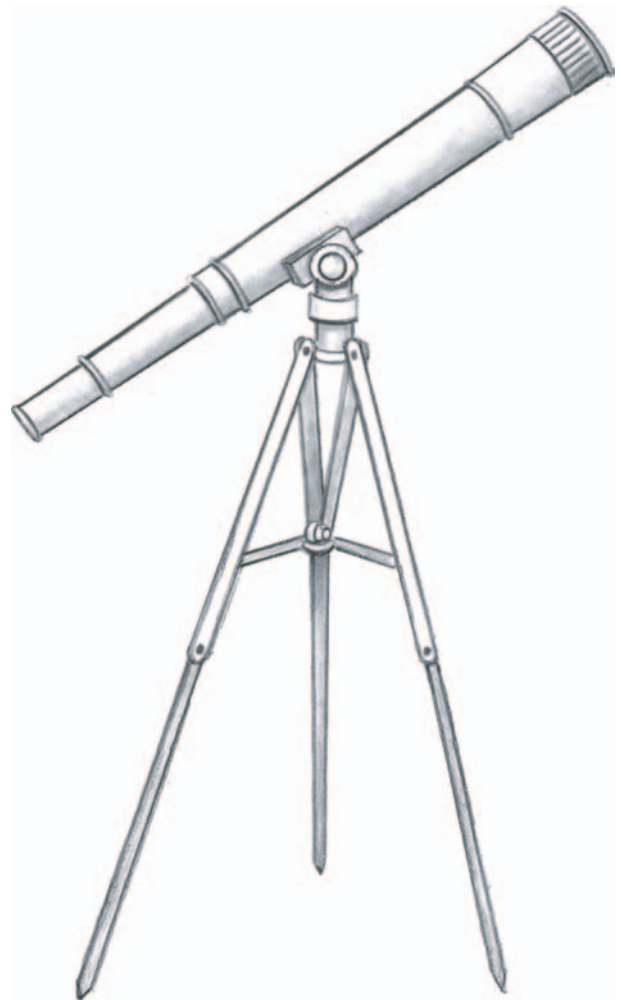
Local government, industry, and residents seek ways to use all resources wisely and to protect and enhance the County’s natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

## **Creating a Culture of Engagement**

Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

## **Corporate Stewardship**

Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.



# FY 2005 Budget Reductions

| Agency/ Fund  | Reduction   | Revenue | Expenditures | Positions | Additional Explanation/Impact  |
|---|---|---------|--------------|-----------|--|
| Board of Supervisors - Clerk's Office                             | Reduce 1 receptionist position to half-time                                   | \$0     | (\$15,299)   | 0 / -0.50 | Reduces receptionist from full time to half time position. Agency will staff agency reception position during four core service hours per day. When not staffed, visitors will be asked to ring bell for services. Reduction of position will mean longer wait times for visitors in person and calling the office.  |
| County Executive - Administration of County Policy                | Reduce both consulting services and training                                  | \$0     | (\$57,502)   | 0 / 0.00  | Reduces ability to provide leadership development services, language access tools, and educational courses for county employees. Consulting services have previously been focused on organizational development issues that will now go unstaffed.   |
| Cable Communication and Consumer Protection - Administration      | Reduce personnel services by delaying hires                                   | \$0     | (\$21,575)   | 0 / 0.00  | Increases the time positions are kept vacant, impacting turn around time for responses to Board and citizen inquiries.   |
| Cable Communication and Consumer Protection - Consumer Protection | Require permit holders to pay for criminal background investigations          | \$8,100 | \$0          | 0 / 0.00  | Requires all solicitors, taxicab and massage therapists to pay the cost of criminal background checks which are required by County code prior to licensing. The agency currently pays these costs. This will result in higher fees to applicants of approximately \$20-\$30.   |
| Human Resources   | Reduce advertising  | \$0     | (\$85,000)   | 0 / 0.00  | Reduces employment advertising in specialized publications limiting the agency's ability to attract a diverse applicant pool. This would reduce the department's advertising budget by 26 percent to \$247, 573.   |
| Human Resources   | Reduce available consulting funds   | \$0     | (\$36,000)   | 0 / 0.00  | Reduces operating expenses, limiting ability to conduct special studies which require consulting services. Past studies have focused on benefits and retirement options to provide necessary information to the County Executive and Board. This would reduce available consulting funds by 17 percent to \$177,914. |
| Human Resources   | Discontinue mailing pay advice reports to employees                           | \$0     | (\$22,435)   | 0 / 0.00  | Discontinues all mailed pay advice and requires employees to receive pay advice via computer. Will significantly impact those employees with little or no access to a computer.  |
| Public Affairs  | Reduce advertising for targeted County special programs and services          | \$0     | (\$6,912)    | 0 / 0.00  | Requires agency to find alternatives to paid advertising for targeted County special programs and services.  |
| Public Affairs  | Reduce printing for the Citizen's Handbook by printing an abbreviated version | \$0     | (\$12,000)   | 0 / 0.00  | Reduces printing costs for the Citizen's Handbook by changing the format to a smaller booklet and offering more information online.  |
| Economic Development Authority                                    | Reduce available personnel services   | \$0     | (\$62,063)   | 0 / 0.00  | Maintains personnel services at the <u>FY 2004 Adopted Budget Plan</u> level. Agency would be required to absorb the fiscal impact of any increases in salaries.   |
| Management and Budget   | Eliminate limited term funding  | \$0     | (\$26,023)   | 0 / 0.00  | Eliminates funding for the limited term receptionist so that there will not be a continuous presence at the front-desk to greet/assist visitors. Two other administrative staff will respond as necessary to provide support; however, there will be slight delays in providing customer service.                    |

## FY 2005 Budget Reductions

| Agency/ Fund   | Reduction  | Revenue | Expenditures | Positions  | Additional Explanation/Impact  |
|--|--|---------|--------------|------------|--|
| Public Works and Environmental Services - Land Development | Increase recovered costs   | \$0     | (\$70,242)   | 0 / 0.00   | Increases recovered costs from enterprise funds receiving direct services from the Land Development Human Resources staff.   |
| Housing and Community Development                          | Reduce General Fund support for housing programs   | \$0     | (\$130,000)  | 0 / 0.00   | Reduces General Fund support for positions by increasing contributions from other funding streams including FCRHA operating funds, Section 8 and Public Housing based on improved financial condition of these funds. This funding is available for Section 8 and Public Housing as these funds are now self-supporting and able to fund the cost of these positions.  |
| Housing and Community Development                          | Defer painting contracts   | \$0     | (\$61,354)   | 0 / 0.00   | Decreases funding by 30 percent for exterior painting contracts for Department of Housing and Community Development properties that are included in the FY 2005 schedule based on a five-year painting cycle. The reduction will require deferral of some properties, possibly affecting the appearance and value of the facilities.   |
| Community and Recreation Services                          | Redesign Senior Centers  | \$0     | (\$37,982)   | -2 / -2.00 | Redesigns Senior Centers in conjunction with opening of Herndon Harbor House by closing the Reston/Herndon Senior Center for all but hobby classes and rerouting participants to the new Herndon Harbor House Senior Center. Rerouting may result in a reduced number of available participant slots but with the new facility's expanded size, the participant impact is anticipated to be minimal. Full year savings will be \$75,964. |
| Park Authority   | Transfer Recreation Activities Branch Chief to Fund 170, Park Revenue Fund   | \$0     | (\$97,528)   | -1 / -1.00 | Results in position transfer but continuation of current duties. Fund 170 would absorb the full cost of the position and therefore reduce available funding for other programs. Positions associated with Fund 170 are not included in the County's official position count.   |
| Tax Administration   | Reduce postage by streamlining the Filing by Exception Process (FBE) by sending out postcards instead of letters to taxpayers regarding their vehicles | \$0     | (\$31,156)   | 0 / 0.00   | Complies with the State law requirement of notification once a year by sending out postcards instead of letters of notification to all taxpayers who own vehicles. Taxpayers would be required to check and correct their information on-line or call in and have a hard copy sent to them to correct their changes.   |
| Family Services - Adult and Aging                          | Reduce contracted temporary clerical services  | \$0     | (\$34,000)   | 0 / 0.00   | Eliminates 2,560 hours of contracted temporary clerical services to perform data entry to meet State reporting requirements. Agency indicates that implementation of new module for Adult and Aging in Harmony data system will allow agency to meet reporting requirements with less temporary administrative support. The reduction represents 32 percent of the total 8,000 hours.  |

# FY 2005 Budget Reductions

| Agency/ Fund                                 | Reduction  | Revenue       | Expenditures  | Positions  | Additional Explanation/Impact  |
|--|--|---------------|---------------|------------|--|
| Family Services - Children, Youth and Family | Reduce staff development and training                    | \$0           | (\$41,450)    | 0 / 0.00   | Reduces staff participation in training and conferences for approximately 200 social worker staff. Will result in decreased capacity to provide effective services for most hard-to-serve families. Staff will work to identify alternative sources of funding, including grants.  |
| Family Services - Comprehensive Services Act | Reduce Comprehensive Services Act funding                | (\$1,017,188) | (\$1,887,526) | 0 / 0.00   | This reduction ensures the continuation of significant cost containment strategies implemented by the agency to avoid service reductions. Such strategies include a focus on "high risk" youth, cooperation with and earlier intervention by FCPS and CSB with children who experience serious emotional and behavioral disorders that often result in expensive out-of-home placements, and development of a utilization review process.  |
| Family Services - Office for Children        | Reduce Child Care Assistance and Referral (CCAR) Program | \$0           | (\$682,204)   | 0 / 0.00   | CCAR market rate adjustment funded as part of the <i>FY 2004 Third Quarter Review</i> . The reduction replaces the item identified on the FY 2005 Options List as it is based on the available funding from the State in FY 2004.  |
| Family Services - Program Management         | Reduce various operating expenses                        | \$0           | (\$89,874)    | 0 / 0.00   | Represents 20 to 50 percent reductions in various operating expenses including office supplies, training, software and equipment.  |
| Family Services - Self Sufficiency           | Reduce contracted temporary clerical services            | \$0           | (\$30,000)    | 0 / 0.00   | Eliminates 2,260 hours of contracted temporary clerical services. These services support DFS eligibility workers stationed at INOVA Fairfax Hospital to process requests for benefit claims and supportive services. The proposed reduction eliminates County funding of these services.   |
| Information Technology                       | Reduce funding for web applications consultant support   | \$0           | (\$50,000)    | 0 / 0.00   | Results in delay in adding online transactions on the web, responding to ad hoc requests and dealing with system maintenance issues.   |
| Information Technology                       | Reduce funding for hardware parts                        | \$0           | (\$50,000)    | 0 / 0.00   | Reduces the funding for spare computer parts leading to delays in fixing the 3,000 desktops serving human service agencies. These human service computers are typically older than the County average and require a higher level of configuration due to state and federal interface requirements.   |
| Information Technology                       | Reduce software assurance                                | \$0           | (\$417,913)   | 0 / 0.00   | Delays acquisition of software assurance program from Microsoft which is intended to prevent more costly upgrade requirements. Staff will review new software assurance options and determine most cost-effective options for the County.  |
| Information Technology                       | Reduce research services                                 | \$0           | (\$44,181)    | 0 / 0.00   | Impacts agency's ability to stay current on issues and technology.   |
| Information Technology                       | Eliminate 1 Management Analyst IV                        | \$0           | (\$95,776)    | -1 / -1.00 | Eliminates position leading the branch that supports the applications for County Attorney, County Executive, Board of Supervisors, Facilities Management Division, Libraries, and the applications of other small agencies in the County not covered by the other DIT branches. Eliminating this position will require this branch to be broken up and absorbed into other branches which already have large, high priority projects due to their size and scope and reduce the ability for these agencies to plan future systems. |



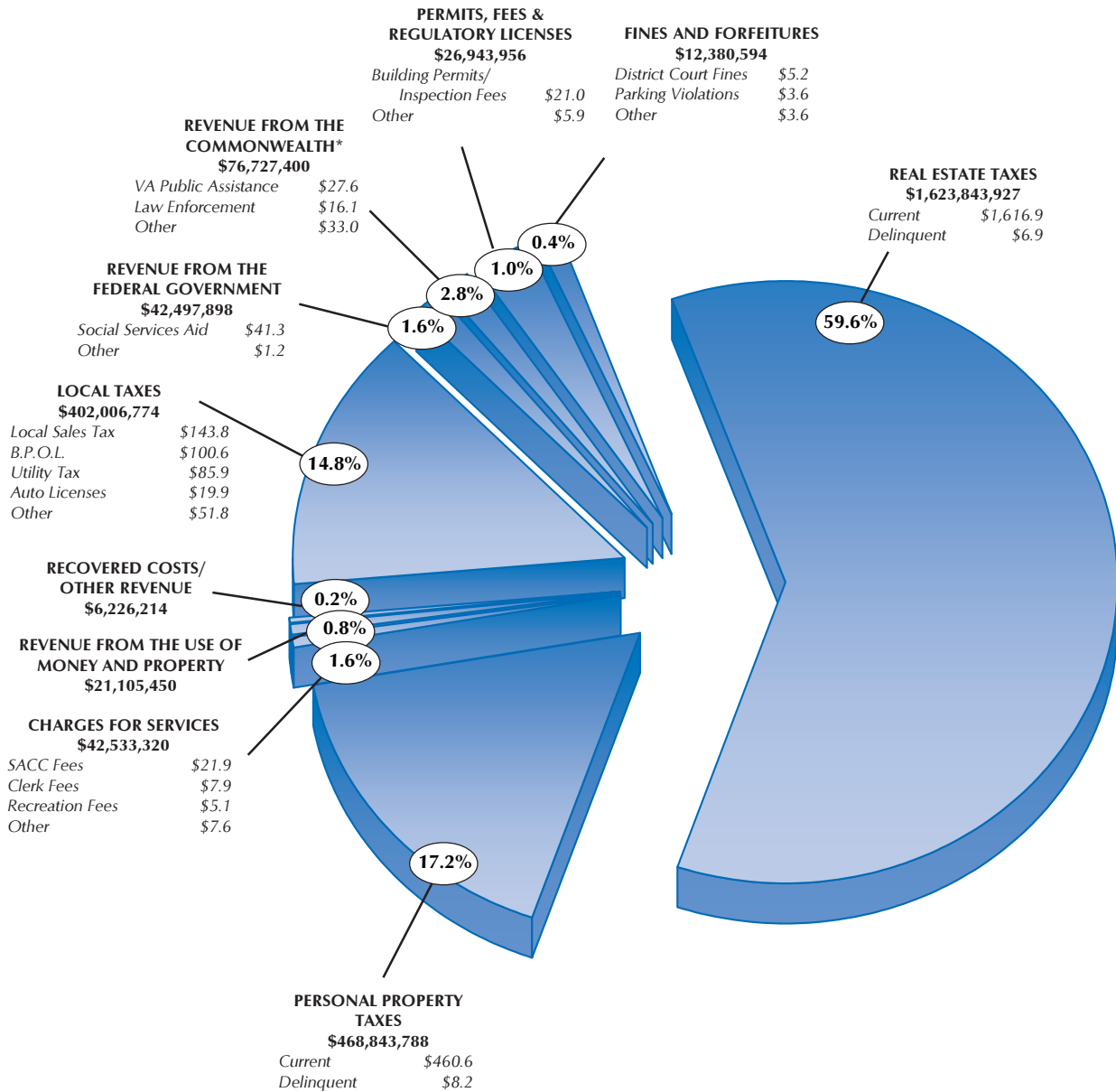
# FY 2005 Budget Reductions

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|---|--|-------------|---------------|------------|---|
| Juvenile and Domestic Relations District Court    | Reduce contractual support                               | \$0         | (\$45,824)    | 0 / 0.00   | Reduces limited IT support from the County. This reduction would limit contracted maintenance and repairs. This agency is now supported by the Department of Information Technology.  |
| General District Court                            | Convert Business Analyst III to Management Analyst II    | \$0         | (\$31,648)    | 0 / 0.00   | Restructures workload based on proactive efforts associated with workforce planning.  |
| Information Technology                            | Reduce IT projects - Imaging/Documentation               | \$0         | (\$1,179,567) | 0 / 0.00   | The new Family Services application for automating manual case management and relieving building stresses caused by required files was funded at the <i>FY 2004 Third Quarter Review</i> using additional state revenues.   |
| Information Technology                            | Reduce IT projects - Dashboard                           | \$0         | (\$200,000)   | 0 / 0.00   | Defers new IT project portfolio management and measurement system.  |
| Information Technology                            | Reduce IT projects - IT training                         | \$0         | (\$28,183)    | 0 / 0.00   | Reduces available funding for staff IT training by approximately 11 percent.  |
| Community Services Board - Central Administration | Reduce staff development training and conferences        | \$0         | (\$33,627)    | 0 / 0.00   | Reduces CSB Board and staff participation at VACSB conferences and training. Will impact ability to remain current on treatments and therapies.   |
| Community Services Board - Early Intervention     | Implement Early Intervention revenue enhancement         | \$47,090    | \$0           | 0 / 0.00   | Increases Medicaid revenue for early intervention and therapy services provided to approximately 15 to 25 individuals for whom services are reimbursable by Medicaid.   |
| Community Services Board - Mental Health          | Implement Mental Health revenue enhancement              | \$647,172   | \$0           | 0 / 0.00   | Increases client, Medicaid, and insurance fees by maximizing Medicaid recovery, the application of the Medicaid case management rate, and other initiatives.  |
| Community Services Board - Mental Health          | Reduce after-hours security at Woodburn Emergency Center | \$0         | (\$25,000)    | 0 / 0.00   | Reduces after-hours security at Woodburn Emergency Center by approximately 20 percent. Will require staff to review and prioritize security needs with remaining funding.   |
| Community Services Board - Mental Health          | Reduce available personnel services                      | \$0         | (\$30,000)    | 0 / 0.00   | Reduces salary and fringe benefit costs by managing position vacancies at senior levels.  |
| Community Services Board - Mental Health          | Implement cost savings for medications                   | \$0         | (\$144,000)   | 0 / 0.00   | Reduces expenditures for medications by implementing medication management program at 5 additional sites. Program involves increased utilization of pharmaceutical companies' indigent care programs and the State's After-care Pharmacy program to offset the cost of medications. |
| Community Services Board - Mental Retardation     | Implement Mental Retardation revenue enhancement         | \$81,876    | \$0           | 0 / 0.00   | Increases Medicaid Waiver revenue due to increased service plan hours for group home residents for which Medicaid will be billed.   |
| Community Services Board - Mental Retardation     | Efficiencies in residential services                     | \$0         | (\$81,625)    | 0 / 0.00   | Relocates 1-2 clients from contracted residential programs to less costly directly operated group homes.  |
|   | Subtotal   | (\$232,950) | (\$5,995,469) | -4 / -4.50 |   |
|   |  | Total       | (\$5,762,519) | -4 / -4.50 |   |

# The Budget at a Glance

## FY 2005 GENERAL FUND RECEIPTS

Where it comes from . . .  
(subcategories in millions)



**FY 2005 GENERAL FUND RECEIPTS = \$2,723,109,321**

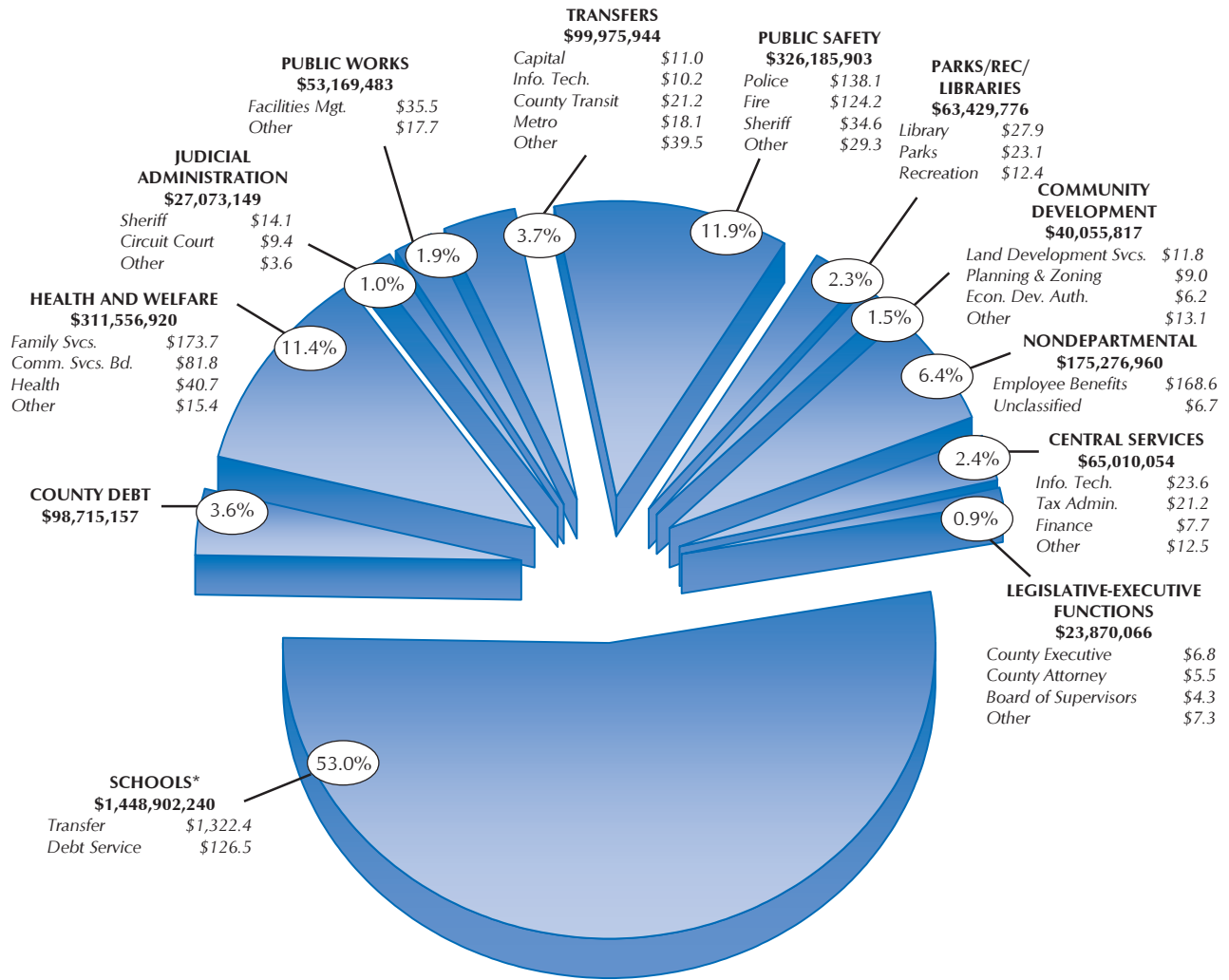
\* For presentation purposes, Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

\*\* Total County resources include the receipts shown here, as well as a beginning balance and transfers in from other funds.

# The Budget at a Glance

## FY 2005 GENERAL FUND DISBURSEMENTS

Where it goes . . .  
(subcategories in millions)



**FY 2005 GENERAL FUND DISBURSEMENTS = \$2,733,221,469**

# FY 2005 Adopted Budget Plan

## FY 2006 Budget Guidelines

The Board of Supervisors finalized the Budget Guidelines for Fiscal Year 2006 on May 24, 2004. These guidelines:

1. Direct the County Executive to develop a budget for FY 2006 limiting increases in expenditures to projected increases in revenue.
2. Require that information on FY 2006 revenue and the economic outlook be forwarded with a financial forecast to the Board for discussion in late 2004 in order to provide guidance to the Schools regarding their operating transfer.
3. If real estate tax assessments and other revenues increase significantly for FY 2006, the Board will direct the County Executive to prepare a budget which will allow the Board to reduce the real estate tax further. In enabling this reduction, the Board will consider all sources of increasing revenue, including state dollars, and will review for reduction the entire County budget.
4. Continue the policy of avoiding structural imbalances between County resources and requirements by directing:
  - Non-recurring funds will be directed toward non-recurring uses;
  - Only recurring resources may be targeted toward recurring expenses; and
  - The School Board should follow the County's policy concerning the utilization of recurring and non-recurring funds.
5. Require that available balances materializing at the Carryover and Third Quarter Reviews that are not required to support County expenditures of a critical nature or to address the Board's policy on the Revenue Stabilization Fund should be held in reserve to offset future requirements or to address the one-time requirements noted below:
  - Redirection to unfunded capital paydown programs since adequate funds are not available in the annual budget;
  - Creation of a replacement reserve for School buses and computers.
6. Direct the following review of County programs with recommendations provided to the Board of Supervisors for consideration as part of the FY 2006 Advertised Budget Plan:
  - County staff work with the School system to identify savings and management efficiencies as the result of further consolidation, particularly in the human services area, with a portion of the savings to be reinvested in the School system.
  - County Executive review and refine the Pay for Performance system in consultation with the Employees' Advisory Council, review public safety salaries for competitiveness, evaluate the Deferred Retirement Option Program and provide a recommendation regarding expansion to the rest of the County workforce, and evaluate strategies to mitigate the rising cost of health insurance for retirees.
  - Develop a scholarship approach for the Special Education Graduate Program.
  - Evaluate the Athletic Services Application fee and its subsequent impact on athletic organizations and field maintenance.
  - Review currently occurring and forecasted changes to the County's demographics and the impact on County services delivery and costs, and provide this information to the Board in the fall of 2004.
  - Review organization and compensation issues associated with County constitutional officers and other State positions.

### **FY 2005 ADOPTED BUDGET IS AVAILABLE:**

#### **At Your Local Fairfax County Public Library**

Reference copies of all budget volumes are available at all Fairfax County Public Libraries.

#### **On Compact Disc (CD)**

The Budget is also available on compact disc (CD). Copies of all budget volumes and the CD version are available from Publication Sales at no cost. Inventories of the printed version are limited, so please call in advance to confirm availability.

#### **On the World Wide Web:**

<http://www.fairfaxcounty.gov/dmb>

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12000 Government Center Parkway  
Suite 156  
Fairfax, Virginia 22035  
703-324-2974

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