

FY 2006 BUDGET PROPOSAL

REDUCE THE REAL ESTATE TAX RATE BY AN ADDITIONAL 3 CENTS FOR A TOTAL TAX RATE REDUCTION OF 13 CENTS IN FY 2006	\$53,721,540
ALLOCATE THE VALUE OF A PENNY FOR AFFORDABLE HOUSING AS RECOMMENDED BY THE COUNTY EXECUTIVE AND THE AFFORDABLE HOUSING PRESERVATION ACTION COMMITTEE	\$17,900,000
<u>ADDITIONAL REQUIREMENTS</u>	<u>\$71,621,540</u>

TO BE FUNDED BY:

Revenue Diversification **\$35,814,361**

- Funding identified by the Board of Supervisors for real estate tax relief
 - FY 2004 Carryover Review Balance - \$8,083,929
 - FY 2005 impact of increased cigarette and recordation taxes - \$15,125,231
 - FY 2006 impact of increased cigarette and recordation taxes - \$12,605,201

Reductions **\$23,804,218**

Reductions to the County Executive's FY 2006 Proposal **\$11,731,539**

Affordable Housing **\$2,000,000**
 Eliminate placeholder funding included in the FY 2006 Advertised Budget Plan as a result of the dedication of the equivalent of \$0.01 on the real estate tax rate to affordable housing discussed above.

Capital Paydown **\$2,500,000**
 Defer or eliminate funding for maintenance and transportation projects including Project 003099, Miscellaneous Building Repair (by \$200,000 to \$300,000), Project 009136, Parking Lot Resurfacing (by \$300,000 to \$100,000), Project 009444, Laurel Hill Development (by \$500,000 to \$5,126,747) and Project 009400, Land Acquisition Reserve (by \$500,000 to \$500,000). Funding for these projects may be available at the *FY 2005 Carryover Review*. In addition, as a result of the dedication of the equivalent of \$0.01 on the real estate tax rate for Stormwater, Project Z00022, Municipal Separate Storm Sewer System is reduced by \$1,000,000 to \$1,420,000.

EDA California Representative **\$100,000**
 Eliminate funding for a California representative to promote Fairfax County based on the model that the FCEDA has developed for its overseas offices. The objectives of the representative were to generate new jobs and investment in Fairfax County, thus enhancing the real estate tax base and allowing the Board to minimize the burden of public service costs on residents. Should the EDA determine that the California representative is a priority, reallocation of existing funding must be identified.

Training and Exercise Officer **\$92,242**
 Eliminate 1/1.0 SYE Security Analyst position proposed to manage the County's emergency training and exercise program. Existing staff within the Office of Emergency Management will need to continue to provide this function along with other responsibilities.

Local Cash Match \$1,000,000
 Reduce the increase in Local Cash Match requirements in the Department of Transportation for projects through the Congestion Mitigation Air Quality (CMAQ) program, Job Access/Reverse Commute (JARC) program, and Federal Appropriations and direct staff to explore other available sources of matching funds or to reprioritize available funding. No detrimental impact on transportation grants is anticipated from this action.

Department of Vehicle Services funding \$500,000
 Reduce funding for Vehicle Services and direct the agency to continue to identify operating efficiencies including continued evaluation of underutilized vehicles.

Facilities Management Department position \$99,297
 Eliminate 1/1.0 SYE locksmith position intended to increase FMD's preventive and regular maintenance capacity. Elimination of the position will require continued reliance on contracting for emergency response and will require prioritization of work to critical repairs only as well as continued customer service delays.

IT Projects \$3,640,000
 Defer funding in Project IT0011, Enterprise Document Management and Imaging, specifically for the continued transition to document management technology within the Department of Family Services (by \$712,000), for the second phase of electronic record management within the Office for Children (by \$928,000) and for the initiation of document management system to implement the electronic imaging and storage of approximately 3 million documents from the existing hard copy property files in the Department of Planning and Zoning, Zoning Permit Review Branch (by \$2,000,000). In lieu of deferring these projects, agency or IT staffs may re-prioritize within their budgets.

Dental Insurance \$800,000
 Reduce funding for the County's contribution from the estimate included in the FY 2006 Advertised Budget Plan based on actual enrollment.

Metro Contribution \$1,000,000
 Reduce the General Fund contribution to Metro based on revised estimates for gas tax revenue for FY 2006. No reduction in the County's commitment to Metro results from this adjustment.

Reductions to the County Executive's FY 2005 Third Quarter Package \$12,072,679
 (see Attachment 1)

Worker's Compensation and Self Insurance \$1,948,408
 Defer funding anticipated to be required for claims and settlements until the *FY 2005 Carryover Review*.

Fire Apparatus Funding \$2,000,000
 Defer until the *FY 2005 Carryover Review* and/or utilize additional FY 2005 balances identified by the agency at year-end.

Oakton Book Buy \$3,485,958
 Defer funding for the Oakton book buy to the *FY 2005 Carryover Review*. This action should not negatively impact the opening of the facility.

Feasibility Study for 311 Call Center \$500,000
 Defer until the *FY 2005 Carryover Review*.

Capital Renewal and Security Enhancements \$500,000
 Reduce from \$1,817,000 to \$1,317,000 and defer funding/re-evaluate requirements for Security Enhancements as part of the *FY 2005 Carryover Review*.

Public Safety Feasibility Studies \$312,500
Defer until the *FY 2005 Carryover Review*.

Stonecroft Boulevard Widening \$500,000
Defer until the *FY 2005 Carryover Review*.

Joint Operations Center \$411,025
Eliminate funding.

Revenue Stabilization Fund \$2,414,788
Reduce transfer from entire balance to 60% of the \$6.35 million identified in the *FY 2005 Third Quarter Review* with the commitment to continue to fund the reserve as balances materialize. Current Board policy calls for a minimum allocation of 40% of available balances. The Board reaffirms its commitment to reaching the goal of a revenue stabilization fund of 3 percent of General Fund Disbursements as quickly as possible.

FY 2006 Revenue \$19,532,700

Details are provided in the FY 2006 Add-on Package and an additional \$4.5 million associated with higher investment income as a result of the latest information on interest rates.

FY 2006 Expenditure Adjustments as detailed in Add-on (\$4,168,193)

Details included in Attachment 2. In addition it should be noted that the Board directs the County Executive to identify 21 positions in the FY 2006 Advertised Budget Plan for reduction and report to the Board at the Carryover Review with any significant programmatic impacts.

Additional Funding Requirements (\$4,224,666)

Funding for the Board Consideration items as per Attachment 3 which includes 44/35.59 SYE positions.

Subtotal \$70,758,420

Adjustments to Managed Reserve for FY 2005/FY 2006 adjustments \$863,120

TOTAL AVAILABLE \$71,621,540

BALANCE \$0

**BOARD OF SUPERVISORS' ADJUSTMENTS TO THE
FY 2005 THIRD QUARTER REVIEW**

FY 2005 THIRD QUARTER ADJUSTMENTS	ORIGINAL TQ PROPOSAL	BUDGET CHAIR'S PROPOSAL	SAVINGS	EXPLANATION
Office of Partnerships Adjustments - Annandale CLCP and NVFS contractual agreement	\$120,440	\$120,440	No Change	Required to support scheduled opening of the Annandale CLC in Spring 2005 and to support contract related shortfalls for NVFS
OPEB Study	\$51,000	\$51,000	No Change	Required by the agency prior to year-end to pay the cost of the consultant for the calculation of the impact of GASB 45
Emergency Repairs and Lease Costs	\$304,351	\$304,351	No Change	Emergency repairs at the Massey building and full year cost of lease renewals. Net recurring cost included in the FY 2006 Add-on package.
Oakton Book Buy	\$3,485,958	\$0	(\$3,485,958)	Delay funding for acquisition of opening collection materials for the new Oakton Community Library until the FY 2005 Carryover Review. Note: Will also need to fund an additional \$3.5 million for the Burke Community Library.
Child Care Assistance and Referral (CCAR)	\$335,803	\$335,803	No Change	Required to fully fund the state mandated 13.2 percent market rate increase. Net recurring cost included in the FY 2006 Add-on package.
Court-Appointed Attorneys	\$58,500	\$58,500	No Change	Required to fund court-appointed attorney fees for those defendants charged under County statutes. Increase of 42 percent in number of cases requiring court-appointed attorneys.
Worker's Compensation and Self Insurance Requirements	\$3,527,596	\$1,579,188	(\$1,948,408)	Defer funding anticipated to be required for claims and settlements until the FY 2005 Carryover Review.
Fire Apparatus Funding	\$2,000,000	\$0	(\$2,000,000)	Revisit as part of the FY 2005 Carryover Review.
Feasibility Study for 311 Call Center	\$500,000	\$0	(\$500,000)	Revisit as part of the FY 2005 Carryover Review.
Dolley Madison Community Library Design	\$300,000	\$300,000	No Change	Funding required for scope and design work associated with the possible relocation of the Dranesville District Supervisor's office within the planned renovation of the Dolley Madison Community Library. The design phase is scheduled to begin in July 2005.
Public Safety Feasibility Studies	\$625,000	\$312,500	(\$312,500)	Reduce funding by 50%. Defer remaining funding until the FY 2005 Carryover Review. Note: Funding will be required to begin study work in advance of the Fall 2006 Bond Referendum.
Capital Renewal and Security Enhancements	\$1,817,000	\$1,317,000	(\$500,000)	Defer funding/re-evaluation requirements for security enhancements as part of the FY 2005 Carryover Review. Remaining funding required at Third Quarter for maintenance requirements at the Willard Center and Board of Supervisors offices and an animal shelter crematorium.
Land Acquisition Reserve	\$3,000,000	\$3,000,000	No Change	Required for anticipated land acquisition.
Stonecroft Boulevard Widening	\$500,000	\$0	(\$500,000)	Revisit as part of the FY 2005 Carryover Review.
Joint Operations Center	\$411,025	\$0	(\$411,025)	Eliminate funding
Developer Defaults	\$80,500	\$80,500	No Change	Funding required to complete the Meadowmere developer default project and enable the roadway to be accepted into the VDOT system.
Document Services Division	\$537,000	\$537,000	No Change	Funding to offset declining revenues.
Revenue Stabilization Fund Transfer	\$6,223,682	\$3,808,894	(\$2,414,788)	Reduce transfer from entire balance to 60% of the \$6.35 million identified in the FY 2005 Third Quarter Review with the commitment to continue to fund the reserve as balances materialize. Note: With the revised transfer and adjustments noted above, the fund balance will be \$46.8 million or 1.64 percent of General Fund Disbursements and 54.5 percent of the target balance.
Subtotal Administrative Adjustments w/ net impact	\$23,877,855	\$11,805,176	(\$12,072,679)	
Managed Reserve/Other Reserve Adjustments	\$931,602	\$690,148	(\$241,454)	
TOTAL THIRD QUARTER ADJUSTMENTS w/ Managed Reserve	\$24,809,457	\$12,495,324	(\$12,314,133)	

SUMMARY OF FY 2006 ADD-ON

ADJUSTMENTS**Impact on Balance****Administrative Adjustments - General Fund Impact**

- | | |
|--|----------------------------------|
| 1. Office of Partnerships - net adjustment for Office of Partnerships to provide the full-year cost of limited-term staff support for the new Annandale Terrace Computer Learning Center Program (CLCP), to support a contractual arrangement with Northern Virginia Family Services to provide case management and other services and to support the Medical Care for Children Partnership (MCCP) and Adult Health Program (AHP) responsibilities. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> . | (\$167,928) |
| 2. Lease Costs - net adjustment for the Facilities Management Department due contractual lease costs based on the full-year cost of lease renewals. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> . | (\$310,253) |
| 3. Laurel Hill/Adaptive Reuse Initiative - net adjustment for Department of Planning & Zoning of \$188,683 and 1/1.0 SYE new position as directed by the Board of Supervisors on February 7, 2005. | 1 / 1.00
(\$188,683) |
| 4. Photo Red Light Program - Elimination of the Photo Red Light Program - Net adjustment based on expenditure reduction of \$1,435,102 offset by a loss of revenue of \$825,172 for a net savings to the County of \$609,930 and reductions of 2/2.0 SYE positions in the Department of Transportation and 5/5.0 SYE positions in the Police Department. These positions have been recommended to be transferred to support the Jail Diversion program. | (7) / (7.00)
\$609,930 |
| 5. CCAR Market Rate Increase - Net cost of \$1,250,711 due to an increase of \$2,501,422 in expenditure authority required for the Child Care Assistance and Referral (CCAR) program in order to fully fund the state mandated 13.2 percent market rate increase offset by a 50 percent revenue match from the state. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> . | (\$1,250,711) |
| 6. Hypothermia Task Force - \$51,540 is required to implement a more comprehensive approach to address the County's hypothermia issue as outlined by the Hypothermia Taskforce. The funding would support a hypothermia program from mid-October to mid-April, with shelters and transportation to shelters available from December 1st through March 31st. | (\$51,540) |
| 7. Clinic Room Aide Substitutes - net adjustment of \$115,000 is required to provide additional limited term funding to support the Health Department's Clinic Room Aide substitute pool so that the agency is able to provide improved CRA substitute coverage for the 187 Fairfax County Public School (FCPS) sites. | (\$115,000) |
| 8. Intensive Supervision Program (ISP) - net adjustment to provide full year funding and 4/3.0 SYE positions for the Intensive Supervision Program (ISP) in the Juvenile and Domestic Relations District Court to support anti-gang activity. This adjustment is the result of the recent elimination of federal grant funding for this program. This adjustment was not included in the <u>FY 2006 Advertised Budget Plan</u> pending final notification of federal grant funding. | 4 / 3.00
(\$194,008) |

SUMMARY OF FY 2006 ADD-ON

9. Various Agencies: FLSA Implementation - net adjustment of \$2,500,000 for various agencies to implement Senate Bill 873, which was adopted this year by the General Assembly. This bill specifically adds law enforcement personnel, including Police Department and Sheriff's Department personnel, to Va. Code Ann. § 9.1-700 through 704 (LNMB 2004). These code provisions were originally enacted in 2001 to guarantee overtime pay to eligible fire protection personnel without regard to whether the employees actually work so long as they are in pay status. In addition it is recommended that the provisions be applied to all County employees (including non-public safety) consistent with their FLSA eligibility. (\$2,500,000)

10. Various Agencies: Market Study Results - net adjustment of \$0 based on market study of employee recruitment and retention issues. \$0

Administrative Adjustments - General Fund Supported Impact

11. Fund 106, CSB: Jail Diversion - total cost of \$779,000. The \$779,000 is comprised of \$683,276 in Personnel Services (includes fringe benefits) and \$95,724 in Operating Expenses, and will be fully absorbed by the Fairfax-Falls Church Community Services Board, Office of the Sheriff, and the Police Department in FY 2006. An increase of 7/7.0 SYE merit positions and two vehicles from the County's vehicle replacement surplus pool is required to support the implementation of a Jail Diversion program. The Jail Diversion program is expected to successfully divert 200 mentally ill persons and 1,000 persons drunk in public from arrest annually, with individuals instead being transported to hospitals, home, shelters, or detoxification centers. 7 / 7.00 \$0

Total FY 2006 General Fund Add-On Administrative Adjustments **5 / 4.00 (\$4,168,193)**

SUMMARY OF FY 2006 CONSIDERATION ITEMS

#	Consideration Item	Requested By	Positions	Net Cost		Budget Proposal	
				Recurring	Non-Recurring	Positions	Recommended
1.	Funding for a Community Connections Initiative - Implement as a pilot utilizing limited term staff. In addition, the Board directs staff to return prior to Carryover with a corresponding plan to address limiting walk-on use of all non-Park fields.	Gross	3 / 3.0	\$217,732		0 / 0.0	\$217,732
2.	Funding to supplement 50 percent of the base pay for magistrates - Fund 25 percent supplement. Include the issue of appropriate salaries for Magistrates in the 2006 General Assembly package.	Hyland	0 / 0.0	\$523,698		0 / 0.0	\$261,849
3.	Vienna Transit Station Capacity Study - Reimbursement anticipated from future proffers.	Smyth/Kauffman	0 / 0.0		\$100,000	0 / 0.0	\$100,000
4.	Additional funding for the Consolidated Community Funding Pool	Connolly	0 / 0.0	\$376,494		0 / 0.0	\$376,494
5.	Medically-Fragile Homeless Care Program - Staff resources are to be provided using limited term or contractual staff.	Bulova	2 / 2.0	\$374,285		0 / 0.0	\$374,285
6.	Funding for 50 additional Light Detection and Ranging (LIDAR) units - Direct agency to identify and utilize alternative sources of funding to purchase at least 25 LIDAR units during FY 2006.	McConnell	0 / 0.0		\$190,300	0 / 0.0	\$0
7.	Funding for transportation to the Road Dawg and Rec-Pac/Quest Program in each district - Funding for transportation to the existing Road Dawg program is included and staff is directed to identify options and funding requirements for expansion of this program in the next year.	Smyth/Bulova	0 / 0.0	\$60,000		0 / 0.0	\$20,000
8.	Contribution to the Greater Reston Arts Center (GRACE) Arts and Cultural Center at Reston Towne Center based on proffer requirements.	Hudgins	0 / 0.0		\$50,000	0 / 0.0	\$50,000
9.	Implementation of the Natural Resource Management Plan	Connolly	1 / 1.0	\$320,135		0 / 0.0	\$0
10.	Funding for DWI sobriety check points - Direct the Police Department, in their existing overtime budget, to accommodate necessary sobriety checks.	Kauffman	0 / 0.0	\$46,440		0 / 0.0	\$0
11.	Implementation of a computer-aided transportation modeling system to update the County's Transportation Plan - Review in conjunction with other IT development projects in Fund 104 as part of the FY 2007 budget development process.	Kauffman	1 / 1.0	\$350,000		0 / 0.0	\$0
12.	Safety Driving Manual for Teens - Letter to be sent from the Chairman to VDOT.	McConnell	0 / 0.0		\$10,000	0 / 0.0	\$0
13.	Clifton community room management	McConnell	0 / 0.0	\$20,000		0 / 0.0	\$20,000
14.	Pay parity for uniformed Police Citizen Aides	Hyland	0 / 0.0	\$143,000		0 / 0.0	\$0
15.	Automated External Defibrillators (AEDs) in County and School buildings, the costs of which are intended to be shared by the County and Schools.	BOS	1 / 1.0		\$2,100,000	1 / 1.0	\$1,050,000

SUMMARY OF FY 2006 CONSIDERATION ITEMS

#	Consideration Item	Requested By	Positions	Net Cost		Budget Proposal	
				Recurring	Non-Recurring	Positions	Recommended
16.	Pay Parity for Probation Officers - Include the issue of appropriate salaries for Probation Officers in the 2006 General Assembly package.	Hyland	0 / 0.0	\$250,000		0 / 0.0	\$0
17.	Enhanced standard maintenance program - Allocates all funding from the Athletic Services Application Fee for enhanced maintenance, including initiation of an artificial turf program, with the intention that this enhanced maintenance level is ongoing.	Connolly	0 / 0.0	\$907,869		0 / 0.0	\$907,869
18.	Community Business Partnership	Hudgins	0 / 0.0	\$90,000		0 / 0.0	\$0
19.	Additional funding for 13 School Age Child Care (SACC) classrooms (\$2,720,705 cost is partially offset by \$2,040,529 in fee revenue)	Hudgins	39 / 31.59	\$680,176		39 / 31.59	\$680,176
20.	Fund the expansion of Club 78 into three additional middle schools (\$665,046 cost is partially offset by fee revenue of \$498,785). Note, based on the age of the children being served and the type of programming required, the Board directs that the Club 78 function be transferred to the Department of Community and Recreation Services.	Hudgins	12 / 9.72	\$166,261		4 / 3.00	\$166,261
21.	Provide administrative support in the Department of Systems Management for Human Services (DSMHS) for community building, domestic violence and prevention initiatives	Hudgins	2 / 2.0	\$120,000		0 / 0.0	\$0
22.	Funding for the Child Care Assistance and Referral (CCAR) program of \$424,659. This adjustment is the net unfunded of the \$1,675,370 total request. Of this amount, \$1,250,711 is included in Add-On as an Administrative Adjustment to fund the market rate adjustment for the CCAR program. The balance of \$424,659 is to support the enrollment of additional children in CCAR.	Hudgins	0 / 0.0	\$424,659		0 / 0.0	\$0
23.	Infant and Toddler Health Care (\$241,426 cost of the 4 positions is fully offset by Medicaid and increased state funds)	Hudgins	4 / 4.0	\$0		0 / 0.0	\$0
24.	Case management for special education graduates (\$117,890 cost is fully funded by Medicaid)	Hudgins	2 / 2.0	\$0		0 / 0.0	\$0
25.	Community mental health care (\$214,120 cost of the 3 positions is fully offset by Medicaid)	Hudgins	3 / 3.0	\$0		0 / 0.0	\$0
TOTAL GENERAL FUND IMPACT			70 / 60.31	\$5,070,749	\$2,450,300	44 / 35.59	\$4,224,666

FAIRFAX COUNTY, VIRGINIA

MEMORANDUM

TO: Board of Supervisors **DATE:** April 6, 2005

FROM: Anthony H. Griffin
County Executive

SUBJECT: Adjustments to FY 2006 Advertised Budget Plan (Add-On Package)

This package has been prepared to present the revenue and expenditure adjustments that have been identified since the preparation of the FY 2006 Advertised Budget Plan.

Staff has reviewed FY 2006 revenue based on the most up-to-date information and recommends an increase of \$15.00 million (Attachment I). The adjustment is due to a net increase of \$10.10 million in Personal Property Tax receipts, \$2.85 million for Recordation Taxes, \$1.03 million for Mobile Telecommunication Taxes, and \$1.01 million from Revenue from the Commonwealth based on changes in State budget appropriations. As I noted in my letter to the Board during the *FY 2005 Third Quarter Review*, the revenue picture is brighter than previous years, but economic growth can be uneven and somewhat unpredictable. As such, revenue categories that are sensitive to economic change may require adjustment during FY 2006.

In addition, adjustments to the FY 2006 available balance include Administrative Adjustments (Attachment II). Administrative Adjustments and the corresponding managed reserve adjustments result in a net decrease to the General Fund balance of \$4.26 million. The package includes adjustments as a result of Third Quarter related to the Annandale Terrace Computer Learning Center, child care programs and County lease costs. The package also includes an expenditure increase of \$2.5 million to add law enforcement personnel to FLSA requirements concerning overtime pay as mandated by the passage of Senate Bill 873. The funding adjustment includes the recommendation that the policy be applied to all County employees consistent with their FLSA eligibility. An item is also included for Jail Diversion costs which will be fully absorbed by the Fairfax-Falls Church Community Services Board, Office of the Sheriff and the Police Department and supported by the seven positions to be reduced as part of the termination of the County's Photo Red Light program which was eliminated by the General Assembly during the 2005 session. In Other Funds, an administrative adjustment is included to reflect the transfer from the School Operating fund to Fund 200/201, Consolidated Debt Service Fund for payment associated with the School administration building bond sale. In Fund 170, Park Revenue, an administrative adjustment is required to reflect decreased revenue primarily associated with the delayed opening of the Laurel Hill Golf Course.

After the revenue and administrative adjustments detailed above, the available General Fund balance as part of the FY 2006 Add-On package is \$10.74 million.

A summary of FY 2006 Consideration Items as of April 5, 2005 is included in Attachment III. In addition, the Board has moved to consider a portion of the funding currently included in the *FY 2005 Third Quarter Review* for new items to be held and used to support an additional tax

rate reduction in FY 2006. Staff will soon provide the Board with a recommendation freeing up a portion of the Third Quarter funding as possible.

Finally, funding of \$35.81 million is made available from Board action in September 2004 to reserve carryover balances (\$8.1 million) and to allocate additional revenue from the imposition of higher cigarette and recordation taxes (\$27.7 million). This balance of \$35.81 million is also available for Board consideration of additional tax relief. Of this balance, \$23.02 million is available as of FY 2005 Third Quarter and the remaining funding is available in FY 2006.

Additional information regarding FY 2006 Add-On adjustments is included in the following attachments:

- Attachment I – Summary of General Fund Receipts
- Attachment II – Administrative Adjustments
- Attachment III – Consideration Items

FY 2006 ADD-ON SUMMARY

The following summarizes FY 2005 and FY 2006 Administrative Adjustments approved by the Board of Supervisors and included in the proposed *FY 2005 Third Quarter Review* package.

	Available Balance
Available Balance Prior to the FY 2005 Third Quarter Review, including Audit Adjustments	\$60,497,499
	Impact on Available Balance (in millions)
<u>FY 2005 THIRD QUARTER REVIEW ADJUSTMENTS</u>	
Revenue Increase	\$24,928,662
Expenditure Increase	(\$10,202,853)
Transfer Out Increase	(\$50,794,207)
Managed Reserve Adjustment	(\$1,219,941)
Third Quarter Balance held in reserve - Balance made available from the <i>FY 2004 Carryover Review</i> (\$8.1 million) and from the Board's imposition of further revenue diversification in the form of increased cigarette and recordation taxes (\$15.1 million). Funding reserved by the Board of Supervisors in September for FY 2006 budget development.	(\$23,209,160)
Available Balance as of FY 2005 Third Quarter Review	\$0

FY 2006 Advertised Position Increase	166 / 165.77
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	Impact on Balance
<u>FY 2006 GENERAL FUND/GENERAL FUND SUPPORTED ADD-ON ADJUSTMENTS</u>	
FY 2006 Add-On Net Revenue Adjustments	\$14,998,159

Administrative Adjustments - General Fund Impact

- | | |
|--|---------------------------|
| 1. Office of Partnerships - net adjustment for Office of Partnerships to provide the full-year cost of limited-term staff support for the new Annandale Terrace Computer Learning Center Program (CLCP), to support a contractual arrangement with Northern Virginia Family Services to provide case management and other services and to support the Medical Care for Children Partnership (MCCP) and Adult Health Program (AHP) responsibilities. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> . | (\$167,928) |
| 2. Lease Costs - net adjustment for the Facilities Management Department due contractual lease costs based on the full-year cost of lease renewals. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> . | (\$310,253) |
| 3. Laurel Hill/Adaptive Reuse Initiative - net adjustment for Department of Planning & Zoning of \$188,683 and 1/1.0 SYE new position as directed by the Board of Supervisors on February 7, 2005. | 1 / 1.00
(\$188,683) |
| 4. Photo Red Light Program - Elimination of the Photo Red Light Program - Net adjustment based on expenditure reduction of \$1,435,102 offset by a loss of revenue of \$825,172 for a net savings to the County of \$609,930 and reductions of 2/2.0 SYE positions in the Department of Transportation and 5/5.0 SYE positions in the Police Department. These positions have been recommended to be transferred to support the Jail Diversion program. | (7) / (7.00)
\$609,930 |
| 5. CCAR Market Rate Increase - Net cost of \$1,250,711 due to an increase of \$2,501,422 in expenditure authority required for the Child Care Assistance and Referral (CCAR) program in order to fully fund the state mandated 13.2 percent market rate increase offset by a 50 percent revenue match from the state. This adjustment is consistent with adjustments made during the <i>FY 2005 Third Quarter Review</i> . | (\$1,250,711) |

FY 2006 ADD-ON SUMMARY

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|---|-------------------------|
| 6. Hypothermia Task Force - \$51,540 is required to implement a more comprehensive approach to address the County's hypothermia issue as outlined by the Hypothermia Taskforce. The funding would support a hypothermia program from mid-October to mid-April, with shelters and transportation to shelters available from December 1st through March 31st. | (\$51,540) |
| 7. Clinic Room Aide Substitutes - net adjustment of \$115,000 is required to provide additional limited term funding to support the Health Department's Clinic Room Aide substitute pool so that the agency is able to provide improved CRA substitute coverage for the 187 Fairfax County Public School (FCPS) sites. | (\$115,000) |
| 8. Intensive Supervision Program (ISP) - net adjustment to provide full year funding and 4/3.0 SYE positions for the Intensive Supervision Program (ISP) in the Juvenile and Domestic Relations District Court to support anti-gang activity. This adjustment is the result of the recent elimination of federal grant funding for this program. This adjustment was not included in the <u>FY 2006 Advertised Budget Plan</u> pending final notification of federal grant funding. | 4 / 3.00
(\$194,008) |
| 9. Various Agencies: FLSA Implementation - net adjustment of \$2,500,000 for various agencies to implement Senate Bill 873, which was adopted this year by the General Assembly. This bill specifically adds law enforcement personnel, including Police Department and Sheriff's Department personnel, to Va. Code Ann. § 9.1-700 through 704 (LNMB 2004). These code provisions were originally enacted in 2001 to guarantee overtime pay to eligible fire protection personnel without regard to whether the employees actually work so long as they are in pay status. In addition it is recommended that the provisions be applied to all County employees (including non-public safety) consistent with their FLSA eligibility. | (\$2,500,000) |
| 10. Various Agencies: Market Study Results - net adjustment of \$0 based on market study of employee recruitment and retention issues. | \$0 |

Administrative Adjustments - General Fund Supported Impact

- | | |
|--|-----------------|
| 11. Fund 106, CSB: Jail Diversion - total cost of \$779,000. The \$779,000 is comprised of \$683,276 in Personnel Services (includes fringe benefits) and \$95,724 in Operating Expenses, and will be fully absorbed by the Fairfax-Falls Church Community Services Board, Office of the Sheriff, and the Police Department in FY 2006. An increase of 7/7.0 SYE merit positions and two vehicles from the County's vehicle replacement surplus pool is required to support the implementation of a Jail Diversion program. The Jail Diversion program is expected to successfully divert 200 mentally ill persons and 1,000 persons drunk in public from arrest annually, with individuals instead being transported to hospitals, home, shelters, or detoxification centers. | 7 / 7.00
\$0 |
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Total FY 2006 General Fund Add-On Administrative Adjustments	5 / 4.00	(\$4,168,193)
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Total FY 2006 Position Increase as a result of Add-On	171 / 169.77
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NET CHANGE AS A RESULT OF ADD-ON	\$10,829,966
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Managed Reserve Adjustment as a result of Add-On	(\$91,875)
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FY 2006 ADD-ON - AVAILABLE BALANCE	\$10,738,091
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FY 2006 ADD-ON SUMMARY

FY 2006 APPROPRIATED OTHER FUND ADD-ON ADJUSTMENTS

Administrative Adjustments - No General Fund Impact

- | | |
|---|------------|
| 12. School Debt Service - Adjustment to transfer funds from the School Operating Fund to Fund 200/201, Consolidated Debt Service for payment associated with the School Administration Building Bond sale. Net impact of \$0. | \$0 |
|---|------------|

FY 2006 NON-APPROPRIATED OTHER FUND ADD-ON ADJUSTMENTS

Administrative Adjustments - No General Fund Impact

- | | |
|--|--------------------|
| 13. Fund 170, Park Revenue Fund: Reconciliation of Revenue and Expenditure Projections - net decrease in ending balance of \$461,997 to reconcile revenue and expenditure projections for FY 2006. | (\$461,997) |
|--|--------------------|

ATTACHMENT I

SUMMARY OF GENERAL FUND RECEIPTS

Revenue adjustments for FY 2006 totaling \$14,998,159 are recommended due to increases in the categories discussed below. Most of these adjustments are a result of anticipated stronger economic growth than was projected during the development of the FY 2006 Advertised Budget Plan. FY 2006 revenue estimates are aggressive based on current data and economic trends. However, revenue categories that are sensitive to economic change may require further adjustments during FY 2006. For example, home sales and mortgage refinancings will affect Recordation and Deed of Conveyance Tax receipts and changes in interest rates by the Federal Reserve will impact the yield earned on County investments. These and all revenue categories will be closely monitored throughout FY 2006.

PERSONAL PROPERTY TAX - CURRENT¹

FY 2005 Revised	FY 2006 Advertised	FY 2006 Revised	Increase/ (Decrease)	Percent Change
\$451,839,258	\$464,330,154	\$474,433,830	\$10,103,676	2.18%

¹Includes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998.

The FY 2005 revised estimate for Personal Property Tax receipts reflects an increase of \$10.1 million, or 2.2 percent, over the FY 2006 Advertised Budget Plan estimate. This increase reflects stronger anticipated values in the County's vehicle base as a result of sustained pricing primarily in the used vehicle market and stronger business expansion in 2004 than originally anticipated. The trend in the used vehicle market has been substantiated by the National Automobile Dealers' Association (NADA) book values. In FY 2005, average vehicle levy fell 2.9 percent and a modest increase of 1.9 percent was anticipated during the FY 2006 Advertised Budget Plan. However, according to March 2005 NADA information, used vehicle values have not depreciated to the extent they have historically. Used vehicles are in higher demand because fewer rebates and incentives are being provided for new vehicles and the supply of used vehicles has fallen due to a trend of not trading-in an older vehicle when purchasing a new one. The growth in projected average vehicle levy (from a 1.9 percent to 4.7 percent) increases revenue by \$7.6 million. In addition, revenue is anticipated to rise \$2.5 million due to an increase in projected business levy as indicated by job growth and declining office vacancy rates.

The FY 2006 revised estimate for total Personal Property Tax receipts reflects growth of 5.0 percent over the *FY 2005 Third Quarter Review* estimate. This increase represents a sharp turnaround from FY 2005 Personal Property Tax revenue which is expected to decline 1.7 percent from FY 2004, primarily due to lower business investment.

RECORDATION TAX

FY 2005 Revised	FY 2006 Advertised	FY 2006 Revised	Increase/ (Decrease)	Percent Change
\$33,390,215	\$24,316,223	\$27,169,349	\$2,853,126	11.73%

The FY 2006 revised estimate for Recordation Tax revenue is \$27,169,349, an increase of \$2.9 million over the FY 2006 Advertised Budget Plan estimate. This increase is consistent with adjustments made during the *FY 2005 Third Quarter Review* process to reflect higher than anticipated receipts and the expectation that this trend will continue through the end of calendar year 2005. A projected rise in mortgage interest rates over the next year; however, is expected to slow mortgage refinancings from their current level and as a result, the FY 2006 revised estimate represents a drop of 18.6 percent from the *FY 2005 Third Quarter Review* estimate.

MOBILE TELECOMMUNICATIONS TAX

FY 2005 Revised	FY 2006 Advertised	FY 2006 Revised	Increase/ (Decrease)	Percent Change
\$11,000,000	\$10,300,000	\$11,330,000	\$1,030,000	10.00%

The FY 2006 revised estimate for Mobile Telecommunications Tax revenue is \$11,330,000 and reflects an increase of \$1.0 million, or 10.0 percent, over the FY 2006 Advertised Budget Plan estimate. This increase is consistent with adjustments made during the *FY 2005 Third Quarter Review* process to reflect higher than anticipated tax receipts. The FY 2006 estimate represents an increase of 3.0 percent over the FY 2005 estimate, the same growth rate included in the FY 2006 Advertised Budget Plan.

REVENUE FROM THE COMMONWEALTH¹

FY 2005 Revised	FY 2006 Advertised	FY 2006 Revised	Increase/ (Decrease)	Percent Change
\$80,710,863	\$80,396,962	\$81,408,319	\$1,011,357	1.26%

¹Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998.

The FY 2006 revised estimate for Revenue from the Commonwealth is \$81,408,319, an increase of \$1,011,357 over the FY 2006 Advertised Budget Plan. This increase is the result of actions by the Governor and the 2005 General Assembly. Law Enforcement (HB 599) funding is anticipated to increase \$593,495 due to revised projections of State General Fund revenue growth which is the basis for the total appropriation for this program. An increase of \$328,862 is the result of cost of living increases for state responsible positions, while an increase of \$89,000 is associated with additional public library funding.

ATTACHMENT II
Administrative Adjustments

General Fund/General Fund Supported Impact

RECURRING

Revenues	\$0
Expenditures	<u>\$167,928</u>
Net Cost	\$167,928

Agency 02, Office of the County Executive
Office of Partnerships Adjustments

An increase of \$167,928 is required for the Office of the County Executive, Office of Partnerships (OOP), including \$70,000 to provide the full-year cost of limited term staff support for the new Annandale Terrace Computer Learning Center Program (CLCP) scheduled to open in Spring 2005; an increase of \$24,144 to support a contractual arrangement with Northern Virginia Family Services (NVFS) to provide case management and other ancillary services in support of the Medical Care for Children Partnership (MCCP) and the Adult Health Program (AHP); and an increase of \$73,784 to support MCCP and AHP management and strategic planning responsibilities previously being handled by a NVFS-contracted staff member. These adjustments are necessary to be consistent with action taken as part of the *FY 2005 Third Quarter Review*.

NON-RECURRING

Revenues	\$0
Expenditures	<u>\$310,253</u>
Net Cost	\$310,253

Agency 08, Facilities Management Department
Additional Lease Costs

An increase of \$310,253 is required for contractual lease costs based on full year costs of lease renewals. Funding of \$214,253 represents cost associated with lease renewals consistent with action taken as part of the *FY 2005 Third Quarter Review*.

RECURRING

Revenues	\$0
Expenditures	<u>\$188,683</u>
Net Cost	\$188,683

Agency 35, Department of Planning and Zoning
Fund 303, County Construction
Laurel Hill Position for Adaptive Reuse

Net funding of \$188,683 is required for costs associated with the addition of a 1/1.0 SYE Planner III in the Department of Planning and Zoning dedicated to the Laurel Hill/Adaptive Reuse Initiative. The FY 2006 cost for salary and benefits is \$88,683. An additional \$100,000 is included to provide the flexibility in procuring the resources necessary for development consultant services. Key responsibilities include implementing an overarching redevelopment and adaptive reuse plan primarily focusing on the former reformatory and penitentiary areas (Central Max), and related work. The creation of this position, as directed by the Board on February 7,2005, will help offset the increased workload due to the

significant increase in the amount of staff time dedicated to the Laurel Hill project, including processing applications, research, site visits, analysis and related support.

RECURRING	
Revenues	(\$825,172)
Expenditures	<u>(\$1,435,102)</u>
Net Cost	(\$609,930)

**Agency 40, Department of Transportation
Expiration of Photo Red Light Program**

A decrease of \$1,435,102 in expenditures and \$825,172 in revenues is required due to the expiration of the Photo Red Light Monitoring Program on June 30, 2005. The Photo Red Light program will be discontinued as the General Assembly did not re-authorize the program as part of the recently concluded session. A total of 7/7.0 SYE positions, including 2/2.0 SYE in the Department of Transportation and 5/5.0 SYE in the Police Department will be eliminated as part of this action. It should be noted that the 7 positions have been recommended for transfer to support the Jail Diversion program due to the elimination of grant funding.

The expenditure reduction in the Department of Transportation totals \$1,201,984 and includes \$207,924 for Personnel Services, \$820,692 for Operating Expenses and \$173,368 for Capital Equipment. In addition, a reduction of \$233,118 in Personnel Services will be required in the Police Department. A reduction of \$825,172 in revenues will also be required based on this action, resulting in a net savings to the County of \$609,930.

RECURRING	
Revenues	\$1,250,711
Expenditures	<u>\$2,501,422</u>
Net Cost	\$1,250,711

**Agency 67, Department of Family Services
Child Care Assistance and Referral Program**

An increase of \$2,501,422 in expenditure authority is required for the Child Care Assistance and Referral (CCAR) program in order to fully fund the state-mandated 13.2 percent market rate increase. The FY 2006 Advertised Budget included funding to support an 8.0 percent projected increase based on estimates at the time. The total cost of the 13.2 percent market rate increase will be fully funded for FY 2006 with this additional funding of \$2,501,422. Of this amount, 50 percent or \$1,250,711 will be funded from additional state match dollars. As a result the net cost to the County for the state mandated market rate adjustment is an additional \$1,250,711.

It should be noted that the 13.2 percent market rate adjustment was also made as part of the *FY 2005 Third Quarter Review*; however, due to savings within the agency, the expenditure authority was only required to increase by \$335,803.

	RECURRING
Revenues	\$0
Expenditures	<u>\$51,540</u>
Net Cost	\$51,540

**Agency 67, Department of Family Services
Hypothermia Taskforce**

Funding of \$51,540 is required to implement a more comprehensive approach to address the County's hypothermia issue as outlined by the Hypothermia Taskforce. The \$51,540 is comprised of \$21,240 for contracted services (establishing a shelter schedule of faith communities; providing consultation, training and support to volunteers; coordinating transportation; and linking homeless persons with community services), \$15,300 for transportation costs; \$10,000 for program operating costs (blankets, bus tokens, sleeping bags, mats and other overnight supplies), and \$5,000 for CSB staff overtime costs. The funding would support a hypothermia program from mid-October to mid-April, with shelters available from December 1st to March 31st. Details for implementation of the hypothermia program are currently being finalized by the taskforce.

During the early winter of FY 2005, three deaths attributable to hypothermia occurred in Fairfax County. As a result of direction from the Board of Supervisors, the Department of Systems Management for Human Services (DSMHS) convened a taskforce comprised of DSMHS, Department of Family Services, Fairfax-Falls Church Community Services Board (CSB), Community Interfaith Liaison, Health Department, Police Department, Fire and Rescue Department, Office of Public Affairs, the Lamb Center, FACETS, the Salvation Army and Rising Hope Ministries to craft a more comprehensive strategy for the prevention of deaths from hypothermia in the County.

	RECURRING
Revenues	\$0
Expenditures	<u>\$115,000</u>
Net Cost	\$115,000

**Agency 71, Health Department
Clinic Room Aide Substitutes**

Funding of \$115,000 is required for the Health Department's Clinic Room Aide (CRA) substitute pool to provide improved CRA substitute coverage for the 187 Fairfax County Public School (FCPS) sites served. In FY 2004, the Health Department recorded 2,596 days that a CRA was on leave (including both single day and longer-term leave, such as for Family Medical Leave Act situations), and in need of substitute coverage. The agency was able to provide this coverage on 52 percent of days with the existing funding for substitutes. The Health Department has determined that this additional funding would enable it to provide more adequate coverage, based on prior years' experience prior to reductions in funding for the pool. This level of funding will enable the agency to provide substitute coverage approximately 80 percent of the time and will provide enough substitutes to cover longer-term vacancies or extended leave situations to alleviate the difficulties in providing CRA substitute coverage at FCPS sites.

	RECURRING
Revenues	\$0
Expenditures	<u>\$194,008</u>
Net Cost	\$194,008

**Agency 81, Juvenile and Domestic Relations Court
Intensive Supervision Program**

Funding of \$194,008 for the Intensive Supervision Program (ISP) is necessary to maintain the program as a result of the expiration of grant funding. Funding supports 4/3.0 SYE positions with Personnel Services costs of \$145,151, fringe benefits of \$38,740 and Operating Expenses of \$10,117. Currently, these positions are funded with a grant from the Virginia Department of Criminal Justice Services (DCJS) using federal Juvenile Accountability Block Grant (JABG) funds. The agency recently received final notice that the grant will expire on June 30, 2005. The agency does not have sufficient funds to absorb this program beyond June 30, 2005.

ISP supports and enhances standard probation/parole services for youth who are considered serious offenders and are at high-risk of re-offending. In a recent survey 70 percent of the youth assigned to ISP were identified as “gang involved.” Staff works in the field seven days a week during evenings and weekends. They perform frequent scheduled and unscheduled community visits (home, school, job, and neighborhood) throughout Fairfax County. The purpose of these visits is to monitor the youth’s behavior in the areas of curfew compliance, substance abuse, and gang affiliation within the community. Although they do not provide case management, ISP probation officers (PO) provide crisis intervention counseling to families, if needed, and progress reports to the supervising PO. These probation counselors also carry out specialized responsibilities that are mandated. This additional workload cannot be absorbed by existing staff.

	RECURRING
Revenues	\$0
Expenditures	<u>\$2,500,000</u>
Net Cost	\$2,500,000

Various Agencies

Fair Labor Standards Act (FLSA) Overtime Eligibility

An increase of \$2,500,000 is required for various agencies to implement Senate Bill 873, which was adopted this year by the General Assembly. This bill specifically adds law enforcement personnel, including Police Department and Sheriff’s Department personnel, to Va. Code Ann. §§ 9.1-700 through 704 (LNMB 2004). These code provisions were originally enacted in 2001 to guarantee overtime pay to eligible fire protection personnel for scheduled hours without regard to whether the employees actually work so long as they are in pay status.

As was the case with the original 2001 provisions, the language in the code is not entirely clear with respect to what category of hours is guaranteed to be paid time and a half overtime. The County has interpreted the provisions broadly to guarantee time and a half overtime pay for regularly scheduled hours beyond the statutory cutoff. It is recommended that the County implement the action of the 2005 General Assembly consistent with the interpretation for Fire and Rescue in 2001 by counting all paid leave hours as hours worked when determining overtime eligibility. In addition it is recommended that the provisions be applied to all County employees (including non-public safety) consistent with their FLSA eligibility.

	RECURRING
Revenues	\$0
Expenditures	<u>\$0</u>
Net Cost	\$0

**Various Agencies
Market Study Results**

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 benchmarked 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 49 supplemental classes which were reviewed as requested by agency directors. Based on the study and staff analysis, 13 of the classes benchmarked and one additional related class were determined to require an adjustment. These classes include: Library Aide, Plant Operator II, Occupational Therapist II, Clinical Psychologist (licensed), Instrumentation Technician II, Social Work Supervisor, Social Worker III, Probation Counselor III, Probation Supervisor I, Senior Building Inspector (Fire and Rescue), Public Health Nurse III, Housing Community Development Project Administrator, Tree Trimmer II, and Tree Trimmer I. In accordance with the current Personnel Regulations, individuals on the "S" 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. As a result no funding adjustment is required for FY 2006.

	RECURRING
Revenues	\$0
Expenditures	<u>\$0</u>
Net Cost	\$0

**Fund 106, Fairfax-Falls Church Community Services Board
Jail Diversion Program**

Net funding of \$0 is required to provide for costs associated with the development of a jail diversion program. The Jail Diversion program is expected to successfully divert 200 mentally ill persons and 1,000 persons drunk in public from arrest annually, with individuals instead being transported to hospitals, home, shelters, or detoxification centers for treatment. The program requires an increase of 7/7.0 SYE merit positions and two vehicles, and the total cost of the program, \$779,000, is comprised of \$683,276 in Personnel Services (includes fringe benefits) and \$95,724 in Operating Expenses. The 7/7.0 SYE positions are recommended to be transferred from the 7 positions to be eliminated as a result of the termination of the Photo Red Light program. The Jail Diversion program's cost will be fully absorbed by the Fairfax-Falls Church Community Services Board, Office of the Sheriff, and the Police Department in FY 2006 because the agencies recognize the value and importance of the Jail Diversion program and have found flexibility within their budgets by reprioritizing previously planned services and programs.

The Jail Diversion program is valuable because it provides much-needed clinical treatment that otherwise might not be accessed by inmates, prevents inmates from entering a revolving-door cycle of repeat arrests for minor crimes, and results in a net cost savings to the County in terms of saved public safety resources. For example, persons with mental illness often deteriorate rapidly in a jail environment due to the stressors of crowding, noise, and the high rate of enforced withdrawal from alcohol and other drugs. Upon release from jail, many of these persons have no place to go. The County's limited public transportation system may preclude them from reaching a homeless shelter or mental health center and the cycle may begin again with a re-arrest for trespassing or public intoxication. Likewise, persons

arrested for public intoxication are often processed into jail and later released onto the street without treatment and with the potential to re-offend.

It is estimated that of the average daily census of approximately 1,300 inmates in the Fairfax County Adult Detention Center (ADC), more than 200 experience serious mental illness. This number closely correlates with the number of inmates receiving psychotropic medication while incarcerated at the ADC. Many of these inmates enter into the criminal justice system for minor “nuisance” crimes such as trespassing or disturbing the peace, often attributable to their mental illness or substance abuse.

Maintaining non-violent persons with mental illness in jail is costly to the County, in terms of costs associated with the Adult Detention Center, police time and the courts. For example, it costs \$125 per day per inmate at the ADC, and inmates with mental health problems have higher daily rates related to the need for specialized care and psychiatric medications. On average, an inmate with mental illness stays 120 days at a total expense of \$15,000 per incarceration, in contrast to a general population inmate who stays an average of 19 days at a cost of \$2,400. The much lengthier stay for an inmate with mental illness often is due to a lack of support system and no one to assist with bail or bonding, attorney requests for expensive and time-consuming psychological evaluations which they believe will assist with a client’s defense, or greater difficulty of persons with mental illness to assist their attorneys in putting together a defense.

Of the 4,083 persons arrested by Fairfax County Police for being drunk in public in Calendar Year 2003, it is estimated that 1,000 could have been diverted from arrest and transported to detoxification centers for treatment. Individuals not eligible for diversion include those with other warrants, those who are violent or uncooperative and those who have committed other crimes. Additionally, individuals must voluntarily agree to diversion from arrest. The estimated public safety costs for processing cases of persons who could be diverted from arrest is \$734,940.

Other Funds Impact

Appropriated Funds

NON-RECURRING	
Transfers-In	(\$1,958,711)
Expenditures	<u>(\$1,958,711)</u>
Net Cost	\$0

Fund 200/201, Consolidated County and Schools Debt Service Fund Transfer of Debt Service Payment

An increase of \$1,958,711 in expenditure authority is required for Fund 200/201, Consolidated Debt Service Fund, which will be offset by a Transfer-In from the Fairfax County Public Schools Operating Fund. These adjustments are associated with the debt service payment for the School Administration Building bond sale conducted on January 19, 2005.

Non-Appropriated Funds

NON-RECURRING	
Revenues	(\$1,496,756)
Expenditures	<u>(\$1,034,759)</u>
Net Cost	\$461,997

Fund 170, Park Revenue Fund

Reconciliation of Revenue and Expenditure Projections

A net reduction in ending balance of \$461,997 is required in Fund 170, Park Revenue Fund, to reconcile revenue and expenditure projections for FY 2006. A revenue reduction totaling \$1,496,756 is necessary to reflect decreased revenues of \$1,610,482 primarily associated with the delayed opening of the Laurel Hill Golf Course now scheduled to open in September 2005 and lower than projected usage at existing park facilities.

This revenue decrease is partially offset by a net decrease of \$1,034,759 in expenditures. Of this expenditure decrease, an amount of \$365,000 in Personnel Services is associated with managing position vacancies and the delayed opening of the Laurel Hill Golf Course, partially offset by an increase of \$180,660 to support staff costs associated with the fall 2004 Park Bond referendum. A decrease of \$496,775 in Operating Expenses is primarily associated with the delayed opening of the Laurel Hill Golf Course. A decrease of \$182,491 in Capital Equipment is due to the deferred purchases of fitness equipment at the RECenters and maintenance equipment at the golf courses. These decreases are partially offset by an increase of \$9,507 associated with debt service requirements for the Series 2001 Bonds.

Due to the adjustments noted above, the ending balance is projected to decrease by \$461,997 from \$6,525,724 to \$6,063,727. These adjustments have been approved by the Park Authority Board.

ATTACHMENT III

SUMMARY OF FY 2006 CONSIDERATION ITEMS

#	Consideration Item	Requested By	Positions	Net Cost	
				Recurring	Non-Recurring
1.	Funding for a Community Connections Initiative	Gross	3 / 3.0	\$217,732	
2.	Funding to supplement 50 percent of the base pay for magistrates	Hyland	0 / 0.0	\$523,698	
3.	Vienna Transit Station Capacity Study	Smyth/Kauffman	0 / 0.0		\$100,000
4.	Additional funding for the Consolidated Community Funding Pool	Connolly	0 / 0.0	\$376,494	
5.	Medically-Fragile Homeless Care Program	Bulova	2 / 2.0	\$374,285	
6.	Funding for 50 additional Light Detection and Ranging (LIDAR) units	McConnell	0 / 0.0		\$190,300
7.	Funding for transportation to the Road Dawg and Rec-Pac/Quest Program in each district (represents placeholder while staff determine actual costs)	Smyth/Bulova	0 / 0.0	\$60,000	
8.	Contribution to the Greater Reston Arts Center (GRACE) Arts and Cultural Center at Reston Towne Center	Hudgins	0 / 0.0		\$50,000
9.	Implementation of the Natural Resource Management Plan	Connolly	1 / 1.0	\$320,135	
10.	Funding for DWI sobriety check points	Kauffman	0 / 0.0	\$46,440	
11.	Implementation of a computer-aided transportation modeling system to update the County's Transportation Plan	Kauffman	1 / 1.0	\$350,000	
12.	Safety Driving Manual for Teens	McConnell	0 / 0.0		\$10,000
13.	Clifton community room management	McConnell	0 / 0.0	\$20,000	
<i>Human Services Council Consideration Items (from pages 2-3 of the HSC letter dated March 28, 2005)</i>					
14.	Dedicate the equivalent of one cent of the real estate tax for Affordable Housing	BOS	0 / 0.0	\$17,900,000	
15.	Additional funding for the Consolidated Community Funding Pool	Connolly	*noted above		
16.	Additional funding for 13 School Age Child Care (SACC) classrooms (\$2,720,705 cost is partially offset by \$2,040,529 in fee revenue)	Hudgins	39 / 31.59	\$680,176	
17.	Fund the expansion of Club 78 into three additional middle schools (\$665,046 cost is partially offset by fee revenue of \$498,785)	Hudgins	12 / 9.72	\$166,261	

ATTACHMENT III

SUMMARY OF FY 2006 CONSIDERATION ITEMS

#	Consideration Item	Requested By	Positions	Net Cost	
				Recurring	Non-Recurring
18.	Provide administrative support in the Department of Systems Management for Human Services (DSMHS) for community building, domestic violence and prevention initiatives	Hudgins	2 / 2.0	\$120,000	
19.	Funding for the Child Care Assistance and Referral (CCAR) program of \$1,675,370. This includes a \$1,250,711 increase included in Add-On as an Administrative Adjustment to fund the market rate adjustment for the CCAR program and a balance of \$424,659 to support the enrollment of additional children in CCAR.	Hudgins	0 / 0.0	\$1,675,370	
20.	Jail Diversion Initiative (included in Add-On as an Administrative Adjustment)	Hudgins	7 / 7.0	\$779,000	
21.	Infant and Toddler Health Care (\$241,426 cost of the 4 positions is fully offset by Medicaid and increased state funds)	Hudgins	4 / 4.0	\$0	
22.	Case management for special education graduates (\$117,890 cost is fully funded by Medicaid)	Hudgins	2 / 2.0	\$0	
23.	Community mental health care (\$214,120 cost of the 3 positions is fully offset by Medicaid)	Hudgins	3 / 3.0	\$0	
TOTAL GENERAL FUND IMPACT			76 / 66.3	\$23,609,591	\$350,300

Note: The Board has also requested consideration of alternatives to address Health Department employee retirement issues. These alternatives are being reviewed by the County Attorney and County Executive.

Also, a revised list of consideration items will be provided prior to the Board's Budget Subcommittee meeting on April 15, 2005.

ATTACHMENT III Consideration Items

	RECURRING
Revenue	\$0
Expenditure	<u>\$217,732</u>
Net Cost	\$217,732

**1. Agency 51, Park Authority
Community Connections Initiative**

As requested by the Board of Supervisors (BOS) on March 7, 2005, funding of \$181,455 and 3/3.0 SYE merit positions is requested to support the Community Connections Initiative. This request includes \$164,455 in Personnel Costs for three merit positions and seasonal employees and \$17,000 in Operating Expenses. An additional \$36,277 in fringe benefits will also be needed for a total impact to the County of \$217,732.

The Community Connections Initiative will address the urbanization, changing usage patterns, and increasingly diverse populations of the County’s park system. Urbanization has increased the need for public services and involvement with communities throughout Fairfax County. In many areas, the once rural nature of a park has been transformed to that of an urban park with greatly increased demands and uses. Coupled with cultural diversity issues that present new demands for recreational services and facilities, the Park Authority is facing unprecedented community expectations. In addition to the small family experience lasting one to three hours, park usage has evolved to include large community gatherings lasting six to eight hours. Often times these large gatherings are at traditionally non-staffed park facilities. In the coming years, the Park Authority predicts that the population growth and growing ethnic diversity will continue to increase the number of large gatherings at non-staffed facilities. This evolution is already placing strains on the Park Authority’s ability to effectively serve these citizens.

The Park Authority has proposed the Community Connections Initiative to provide a staffing presence both for those using the park system and as a deterrent against gang activity, as well as ensuring the increased maintenance needs are met. It is anticipated that staff will be geographically distributed throughout the County. Staff responsibilities will include:

- Working with community event and/or gathering representatives to resolve and assure compliance with County regulations governing health issues, parking and vending.
- Minimizing impacts on surrounding communities.
- Enforcing park regulations and rules and, working closely with the Police Department, ensuring compliance with existing laws.
- Determine athletic field playability on weekends, post field closing signs and update the inclement weather phone line.
- Ensure scheduled operation of athletic field lighting and ensure operability of systems, inspect fields for safety issues and take corrective action as needed.
- Make personal contact with athletic groups, tournament organizers, picnic patrons, concert guests and vendors associated with tournaments. Staff will ensure that all needs of park guest are met during events.
- Perform trash removal, clean and restock permanent restroom facilities where applicable.

In order to successfully implement the outreach and support activities of the Community Connections Initiative, 15 full time merit positions and seasonal positions to cover events and full time staff absences are needed, as well as Operating Expenses. The Park Authority has proposed a five-year phase-in plan, with three full time merit positions per year for a total impact to the County of \$1,038,787.

	RECURRING
	Revenue \$0
2. Agency 85, General District Court	Expenditure <u>\$523,698</u>
 Supplement the State Salaries of Magistrates	Net Cost \$523,698

As requested by the Board of Supervisors (BOS) on February 28, 2005, funding of \$523,698 for 32 current magistrates is requested to supplement 50 percent of the base pay for the State salaries of Magistrates in the General District Court. The Code of Virginia 19.2-46.1 states “the governing body of any county or city may add to the fixed compensation of Magistrates such amounts as the governing body may appropriate with the total amount not to exceed fifty percent of the amount paid by the Commonwealth to Magistrates.” Currently, Loudoun and Fauquier counties support a 50 percent supplement. According to the courts, the County has experienced a high degree of turnover among Magistrates resulting in Magistrates with less experience, a significant vacancy rate and potentially lower quality service to citizens. The 2004 General Assembly approved a 3 percent raise, effective November 25, 2005, and for those with five or more years of services, a longevity increase of \$50 per year of service, for State employees, including Magistrates.

	NON-RECURRING
	Revenue \$0
3. Agency 40, Department of Transportation	Expenditure <u>\$100,000</u>
 Vienna Metrorail Station Capacity Study	Net Cost \$100,000

As requested by the Board of Supervisors (BOS) on March 21, 2005, funding of up to \$100,000 is requested to conduct a study on the existing and future capacity of the Vienna Metrorail Station. As the scope of the study has not been fully defined, current cost estimates range from \$50,000 to an upper limit of \$100,000, and it is anticipated that the cost of the study may be covered by potential future proffer commitments. During the community dialogue leading up to the changes to the Vienna Transit Station Area Plan, it became obvious that the existing and future capacity of the Vienna Metrorail station was a concern, and as a result, the approved plan specifically requires that a capacity study be completed. Initial planning discussions between the community, adjacent property owners, the Fairfax County Department of Transportation, WMATA, and members of the board have taken place and have concluded that it makes sense to complete this study in the near future.

	RECURRING
	Revenue \$0
4. Fund 118, Consolidated Community Funding Pool	Expenditure <u>\$376,494</u>
 Additional Funding for Consolidated Community Funding Pool	Net Cost \$376,494

As requested by the Board of Supervisors (BOS) on March 21, 2005, funding of \$376,494 is necessary to support projects recommended to receive resources from the Consolidated Community Funding Pool (CCFP) in excess of funding anticipated from the General Fund, Community Development Block Grant (CDBG) and the Community Services Block Grant (CSBG).

FY 2006, the second year of the CCFP two year cycle, includes funding recommendations of \$9,619,354 in awards. However, currently funding to support these uses is only anticipated in the amount of \$9,242,860, resulting in a deficit of \$376,494. The FY 2006 Advertised Budget Plan includes a recommendation of a General Fund transfer contribution of \$7,093,617, an increase of \$311,973 or 4.6 percent over FY 2005. The County receives CSBG funding in the General Fund which partially offsets the General Fund transfer. In addition, based on the latest information available concerning CDBG funding, the County anticipates \$2,149,243. As a result current information on available funding is \$376,494 below the assumptions used when developing the recommendations.

In addition, as the Board is aware, the status of even baseline CDBG funding is currently unclear. The President's proposed FY 2006 federal budget eliminates CDBG funding and consolidates economic and community development activities in a unified program administered by the Commerce Department.

Since the overall federal funding level is still uncertain, an alternative to Board action as part of the FY 2006 Adopted Budget Plan would be to continue monitoring the federal budget and once adopted make any necessary County adjustments as part of a quarterly review.

	RECURRING
	Revenue \$0
5. Agency 67, Department of Family Services	Expenditure <u>\$374,285</u>
Pilot Program for Medically Fragile Homeless Persons	Net Cost \$374,285

As requested by the Board of Supervisors (BOS) on March 28, 2005, maximum funding of \$374,285 and 2/2.0 SYE merit positions is requested to support a pilot program to provide services to medically frail homeless persons. (It should be noted that the requested funding is for nine months.) The pilot program includes the following components:

- A central intake and assessment team;
- Shelter-based medical respite services at two shelters (one singles shelter and one family shelter); and
- A medical facility-based program, contracting for beds in an assisted living facility and/or nursing home.

If necessary, the pilot program could be implemented in phases, with the creation of the central intake and assessment team and the shelter-based program as the first phase and the medical facility-based program established at a later date. Funding for the first phase of the program totals \$253,835 and 2/2.0 SYE merit positions while an additional \$120,450 will be needed for the medical facility-based program.

	NON-RECURRING
	Revenue \$0
6. Agency 90, Police Department	Expenditure <u>\$190,300</u>
LIDAR units	Net Cost \$190,300

As requested by the Board of Supervisors (BOS) on April 4, 2005, funding of \$190,300 is requested to support the acquisition of 50 new LIDAR units in order to provide six LIDAR units at each district station (48), one additional unit for the Motor Section, and one unit for the Criminal Justice Academy. The addition of 50 LIDAR units will provide the officers with superior traffic enforcement capability, while ensuring increased safety to the officer during its operation. The requested LIDAR units are intended to supplement and replace the radar sets that are currently assigned to each station.

	RECURRING
	Revenue \$0
7. Agency 51, Park Authority	Expenditure <u>\$60,000</u>
Road Dawg and Rec-PAC/Quest programs	Net Cost \$60,000

As requested by the Board of Supervisors (BOS) on April 4, 2005, placeholder funding of \$60,000 is requested to support transportation to the summer Road Dawg and Rec-PAC/Quest programs in communities with these programs. The Road Dawg Camp is a week-long camp for at-risk youth, which is conducted in August, and offers an opportunity for Fairfax County police officers to serve as mentors and introduce children to the public safety profession. Rec-PAC/Quest programs are structured recreation programs with emphasis on leisure skills designed for both elementary and middle school children. Staff are directed to research the locations of these programs and provide a more detailed funding estimate for the cost for all magisterial districts.

	NON-RECURRING
	Revenue \$0
8. Fund 119, Contributory Agencies	Expenditure <u>\$50,000</u>
Greater Reston Arts Center (GRACE)	Net Cost \$50,000

As requested by the Board of Supervisors (BOS) on April 4, 2005, funding of \$50,000 is requested as a contribution to the new Greater Reston Arts Center (GRACE) Arts and Cultural Center at Reston Towne Center in exchange for GRACE allowing Fairfax County exhibition space for mutually agreed times. This arrangement would permit the County use of the space, as intended in the Development Plan Proffer RZ 85 C-088 without incurring the build out and ongoing operating costs.

	RECURRING
	Revenue \$0
9. Agency 51, Park Authority	Expenditure <u>\$320,135</u>
Natural Resource Management Plan	Net Cost \$320,135

As requested by the Board of Supervisors (BOS) on April 4, 2005, funding of \$320,135 and 1/1.0 SYE position is requested to allow the Park Authority to begin to implement its recently adopted Natural Resource Management Plan in support of the Board Environmental Agenda. This funding request is also supported by the Environmental Quality Advisory Council (EQAC). This request includes \$70,035 in Personnel Costs including fringe benefits, \$140,100 in Operating Expenses and \$110,000 in Capital Equipment.

The requested funding is for two programs within the Natural Resource Management Plan. They are:

- Natural Resource Management Invasives Control Program

Funding in the amount of \$188,135 is requested to establish a Natural Vegetation Management program to preserve forest, field and aquatic habitats. This funding will support 1/1.0 SYE position, ground maintenance supplies, tools, uniforms, a pick-up truck, a tractor with Bush-hog and fixed equipment.

The first year of the program, Phase I, will assess the extent and magnitude of invasives problems, as well as develop a methodology to prioritize control. Control efforts the following year, Phase II, will require additional staff and will focus on areas with known invasives issues. No cost data was provided for Phase II of the program.

- Natural Resource Inventory and Management Program

Funding in the amount of \$132,000 is requested to support the Natural Resource Management and Protection Section within the Park Authority. This funding would purchase consultant contracts to establish a baseline of natural resources data that will be used as part of the overall planning process for selected parks and recreational facilities. Specifically, the consultant will be responsible for the following tasks:

- Collect data;
- Perform analysis;
- Create maps of the data and analysis;
- Develop management plans for the sites; and
- Implement natural resource management plans.

A Global Positioning System will also be purchased to allow the Resource Management Division and consultants to collect geographically referenced data related to natural resources and facilities on parklands.

	RECURRING
	Revenue \$0
10. Agency 90, Police Department	Expenditure \$46,440
DWI Sobriety Check Points	Net Cost \$46,440

As requested by the Board of Supervisors (BOS) on April 4, 2005, funding of \$46,440 is requested to support overtime expenses associated with conducting 26 additional sobriety checkpoints throughout the County. Sobriety checkpoints enhance the Police Department’s ability to combat fatal and serious injury accidents related to drunk and impaired driving. The requested funding, along with that currently included in the FY 2006 proposed budget, would enable the Police Department to conduct one sobriety checkpoint per week in FY 2006.

	RECURRING
	Revenue \$0
11. Agency 40, Department of Transportation	Expenditure \$350,000
Computer-Aided Transportation Modeling System	Net Cost \$350,000

As requested by the Board of Supervisors (BOS) on April 5, 2005, funding of \$350,000 including 1/1.0 SYE position is requested to support the continued implementation and upkeep of the computer-aided transportation modeling system that is currently being developed as part of the Countywide Transportation Plan. This modeling system will allow the County to develop and collect data and provide additional analysis of the macro effects of land use and transportation decisions as they occur. This proposed level of funding would provide the County the resources of an experienced modeler to conduct in-house evaluations for a limited number of land use cases as well as consultant support for one detailed small area or corridor analysis annually.

It should be noted, however, that the proposed funding level would not be adequate to provide the detailed transit modeling on a sub-area or corridor basis that was suggested by EQAC or to conduct more than one detailed small-area or corridor level analysis each year. It is estimated that \$1,000,000 to \$1,600,000, consisting of a combination of additional County staff and consultant assistance, would be needed annually for this increased level of analysis effort suggested by EQAC. (This estimate does not include resources for modeling HOT lanes.)

In addition, the proposed funding of \$350,000 is not sufficient to undertake new large area or corridor level analyses such as the Tysons Area Transportation and Urban Design Study funded by the Board in FY 2005 or previous studies such as the Columbia Pike Transit Study.

	NON-RECURRING
	Revenue \$0
12. Agency 40, Department of Transportation	Expenditure <u>\$10,000</u>
Safety Driving Manual for Teens	Net Cost \$10,000

As requested by the Board of Supervisors (BOS) on April 5, 2005, funding of \$10,000 is requested to support the printing of additional safety driving manuals for teenagers.

	RECURRING
	Revenue \$18,000
13. Agency 50, Department of Community and Recreation Services	Expenditure <u>\$38,000</u>
Clifton Community Room	Net Cost \$20,000

As requested by the Board of Supervisors (BOS) on April 5, 2005, funding of \$38,000 is requested to support the Department of Community and Recreation Services' (DCRS) management and provision of community programming at the Town of Clifton's Town Hall community room. Funding of \$20,000 would support exempt-limited term staff to provide administrative support and oversight of the facility and \$18,000 would support operational costs including utilities, mailings, and advertisements. A rental and use fee would be charged to recover conservatively, approximately \$18,000, for a net cost of \$20,000 to the County. To ensure the terms of management are clear, a Partnership Agreement would need to be developed that outlines shared County and Town responsibilities to include staffing, funding for capital improvements, routine repairs, and on-sight facility supervision during events.

Human Services Council Related Consideration Items

	RECURRING
	Revenue \$17,900,000
14. Agency 38, Housing	Expenditure <u>\$17,900,000</u>
Value of One Real Estate Penny for Affordable Housing	Net Cost \$0

Funding of \$17.9 million, the value of one penny on the FY 2006 Real Estate Tax rate, is requested to support the preservation and development of affordable housing in Fairfax County to be allocated as a result of Board and community input on a process to invest the funds aggressively to achieve the greatest impact in the shortest amount of time.

	RECURRING
	Revenue \$0
15. Fund 118, Consolidated Community Funding Pool	Expenditure <u>\$376,494</u>
Value of One Real Estate Penny for Affordable Housing	Net Cost \$376,494

Funding of \$376,494 is necessary to support projects recommended to receive resources from the Consolidated Community Funding Pool (CCFP) in excess of funding anticipated from the General Fund, Community Development Block Grant (CDBG) and the Community Services Block Grant (CSBG).

	RECURRING
	Revenue \$2,040,529
16. Agency 67, Department of Family Services	Expenditure <u>\$2,720,705</u>
Funding for 13 Additional SACC Rooms	Net Cost \$680,176

Funding of \$2,720,705, offset by revenues from fees of \$2,040,529 for a net cost of \$680,176, is requested to support 13 additional School Age Child Care (SACC) rooms and 39/31.59 SYE positions.

	RECURRING
	Revenue \$498,785
17. Agency 67, Department of Family Services	Expenditure <u>\$665,046</u>
Expansion of Club 78	Net Cost \$166,261

Funding of \$665,046, partially offset by fee revenue of \$498,785 for a net cost of \$166,261, is requested to expand the Club 78 program into three additional middle schools. In addition, 12/9.72 SYE positions would also be required.

	RECURRING
	Revenue \$0
18. Agency 69, Department of Systems Management for Human Services	Expenditure <u>\$120,000</u>
Administrative Support for Domestic Violence and Prevention Initiatives	Net Cost \$120,000

Funding of \$120,000 and 2/2.0 SYE positions are requested to support countywide coordinating initiatives (Domestic Violence Prevention, Strengthening Neighborhoods and Building Communities, and Prevention Services Coordination).

	RECURRING
	Revenue \$1,675,370
19. Agency 67, Department of Family Services	Expenditure <u>\$3,350,740</u>
Fully Fund the CCAR Program	Net Cost \$1,675,370

Net funding of \$1,675,370 is requested to continue subsidized child-care services to more than 9,500 eligible children. An adjustment of \$1,250,711 is included in Add-On as an Administrative Adjustment to fully fund the market rate adjustment for the CCAR program, consistent with funding included during the *FY 2005 Third Quarter Review*. However, to fully fund the Human Services Council's recommendation, an additional expenditure of \$849,318 is requested, which will support the current level of children enrolled in CCAR. This additional expenditure, partially offset by a state match of \$424,659, results in a net unfunded cost of \$424,659.

	RECURRING
	Revenue \$779,000
20. Fund 106, Fairfax-Falls Church Community Services Board	Expenditure <u>\$779,000</u>
Jail Diversion Initiative	Net Cost \$0

It should be noted that funding of \$779,000 has been accommodated within existing allocations in the FY 2006 Advertised Budget Plan. Please see the Administrative Adjustment in the Add-On package for further details.

	RECURRING
	Revenue \$241,426
21. Fund 106, Fairfax-Falls Church Community Services Board	Expenditure <u>\$241,426</u>
 Infant and Toddler Health Care	Net Cost \$0

Funding of \$241,426 and 4/4.0 SYE positions, completely offset by Medicaid and state revenue, are requested to support the Infant and Toddler Connection (ITC) Program.

	RECURRING
	Revenue \$117,890
22. Fund 106, Fairfax-Falls Church Community Services Board	Expenditure <u>\$117,890</u>
 Case Managers for the Special Education Graduate Program	Net Cost \$0

Funding of \$117,890 and 2/2.0 SYE positions, completely offset by Medicaid revenue is requested to provide services to provide for additional clinical mental retardation case management.

	RECURRING
	Revenue \$214,120
23. Fund 106, Fairfax-Falls Church Community Services Board	Expenditure <u>\$214,120</u>
 Community Mental Health Care	Net Cost \$0

Funding of \$214,120 (completely offset by Medicaid revenue) is requested to support an additional 3/3.0 SYE Mental Health Community Treatment Specialists, which would greatly address some unique mental health needs, at no cost to the County.