

# General Fund Expenditure Overview

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# GENERAL FUND EXPENDITURE OVERVIEW

## SUMMARY OF GENERAL FUND DIRECT EXPENDITURES

Category	FY 2001 Actual	FY 2002 Adopted Budget Plan	FY 2002 Revised Budget Plan	FY 2003 Advertised Budget Plan	FY 2003 Adopted Budget Plan	Increase (Decrease) Over/(From) Revised	Percent Increase/ (Decrease)
<b>Positions/ Staff Years:</b>	<b>9,212/8,935.28</b>	<b>9,256/8,983.71</b>	<b>9,279/9,006.21</b>	<b>9,321/9,048.75</b>	<b>9,302/9,029.75</b>	<b>23/23.54</b>	<b>0.25/0.26</b>
Personnel Services	\$450,909,274	\$483,005,920	\$479,024,870	\$518,471,671	\$513,704,866	\$34,679,996	7.24
Operating Expenses	273,465,600	306,935,045	316,835,763	319,624,512	309,005,021	(7,830,742)	(2.47)
Recovered Costs	(30,474,872)	(32,357,228)	(31,888,409)	(31,348,082)	(31,795,876)	92,533	(0.29)
Capital Equipment	7,073,181	3,946,353	6,819,736	4,094,769	3,782,456	(3,037,280)	(44.54)
Fringe Benefits	108,577,744	111,515,658	112,509,603	121,533,953	120,670,575	8,160,972	7.25
<b>Total Direct Expenditures</b>	<b>\$809,550,927</b>	<b>\$873,045,748</b>	<b>\$883,301,563</b>	<b>\$932,376,823</b>	<b>\$915,367,042</b>	<b>\$32,065,479</b>	<b>3.63</b>

Details of program and staffing adjustments are provided in the individual agency narratives in Volume 1. Major changes are summarized by category in the narrative description that follows.

Additional information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

The FY 2003 Adopted Budget Plan direct expenditure level of \$915,367,042 represents an increase of \$32,065,479 or 3.63 percent over the *FY 2002 Revised Budget Plan* direct expenditure level of \$883,301,563.

### Personnel Services

Personnel Services total \$513,704,866, an increase of \$34,679,996 or 7.24 percent over the *FY 2002 Revised Budget Plan* funding level of \$479,024,870. Major adjustments are as follows:

- ◆ **Pay for Performance** funding of \$8,052,639 for General Fund eligible staff for the system implemented in FY 2001 that links employee pay increases directly with performance. The total General Fund impact is \$9,915,278 including \$1,862,639 for transfers to General Fund Supported agencies.
- ◆ **Merit Increment** funding of \$1,572,689 for Public Safety uniformed positions not eligible for the Pay for Performance program. The total General Fund impact is \$1,642,308, including \$69,619 for transfers to General Fund Supported agencies.

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## Positions

The FY 2003 Adopted Budget Plan includes a net increase of 23/23.54 SYE General Fund positions. This includes the following:

- ◆ A decrease of \$2,412,253 and 47/47.0 SYE vacant General Fund positions as part of the \$28.8 million Reductions to County Agencies and Funds approved by the Board of Supervisors to allow for a two-cent real estate tax rate reduction and to provide additional funding for the Fairfax County Public School system. Details of program and staffing adjustments are provided in the individual agency narratives in Volume 1.
- ◆ An increase of 70/70.54 SYE in General Fund positions to support new facilities and public safety. Funding for these positions includes \$3,374,507 in Personnel Services (\$3,310,673 in Regular Salaries and \$63,834 in other Personnel Services categories), \$2,736,531 in Operating Expenses, \$2,051,635 in Capital Equipment, and \$1,048,302 in Fringe Benefits for a total of \$9,210,975. As a result of revenue generated by additional rooms in the School Age Child Care (SACC) Program of \$1,120,794, the net cost to the County is \$8,090,181.

Staffing for **New Facilities/Public Safety** totals 70/70.54 SYE positions including:

- 25/25.0 SYE positions in the Police Department to staff the new Sully District Police Station anticipated to open in January 2003 - \$1,403,137 in Personnel Services. The positions include 1/1.0 SYE Police Captain, 1/1.0 SYE Police Lieutenant, 8/8.0 SYE Police Second Lieutenants, 6/6.0 SYE Police Sergeants, 6/6.0 SYE Police Citizen Aides II, 1/1.0 SYE Crime Analyst, 1/1.0 SYE Administrative Assistant III, and 1/1.0 SYE Administrative Assistant II.
- 23/23.0 SYE positions in the Fire and Rescue Department to provide dedicated staffing for the County's Hazardous Materials Response Unit, enabling the elimination of cross-assigning staff to perform this function - \$1,042,734 in Personnel Services. The positions include 3/3.0 SYE Fire Sergeants, 18/18.0 SYE Fire Technicians, and 2/2.0 Instrumentation Technicians III.
- 22/22.54 SYE positions in the Department of Family Services include Day Care Center Supervisor and Day Care Center Teacher positions associated with adding five new rooms at existing School Age Child Care (SACC) Centers and transitioning five SACC Centers to a year-round schedule - \$928,636 in Personnel Services. Five new rooms available due to recent school renovations will be added to existing school-year centers at Camelot, Orange Hunt, Bren Mar, Hunters Woods, and Dogwood elementary schools. Five centers will transition to a year-round schedule at Timber Lane, Franconia, Glen Forest, Graham Road, and Dogwood elementary schools. The positions include 5/4.8 SYE Center Supervisors, 5/5.0 Teachers II, and 12/12.74 Teachers I.
- In addition, 19/19.0 SYE positions in the Animal Shelter are transferred to the Police Department with no net change in expenditures.

Other salary adjustments include the following:

- ◆ **Shift Differential** increases totaling \$609,099 primarily for implementation of the second year of a three-year plan to increase the shift differential rate to be competitive with the market for most agencies except Fire and Rescue, where the blended shift differential was adjusted by \$0.44 as of January 12, 2002. The phased increase in shift differential for the rest of the County results in shift hourly increases from \$0.55 to \$0.60 and \$0.75 to \$0.80 for public safety 2<sup>nd</sup> and 3<sup>rd</sup> shifts, and increases from \$0.40 to \$0.55 and \$0.55 to \$0.75 for non-public safety 2<sup>nd</sup> and 3<sup>rd</sup> shifts. By year three of the phased-in increase, the rates for all County employees will be equivalent to \$0.65 for the 2<sup>nd</sup> shift and \$0.90 for the 3<sup>rd</sup> shift, rates more consistent with the region.

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- ◆ **Overtime Pay** increases totaling \$869,800. An increase of \$1,630,029 in the Police Department is included to meet extra pay requirements primarily due to the actual security and investigative requirements that have arisen after the events of September 11, 2001. These security and investigative requirements include participation in the Federal Bureau of Investigations Terrorism Task Force, increased focus on railway, metro stations, water treatment, and high-profile government buildings, additional surveillance activities, response to a 400 percent increase in bias crimes, and outreach to residents and neighborhood groups in target communities. A decrease of \$611,252 is reflected in the Fire and Rescue Department as a result of staffing the Hazardous Materials Response Unit through 23/23.0 SYE new positions rather than cross-assigning staff to perform this function using overtime pay as in FY 2002 following September 11<sup>th</sup> and subsequent anthrax incidents. In addition, a decrease of \$196,110 is reflected in the Office of the Sheriff as part of the \$28.8 million Reductions to County Agencies and Funds approved by the Board of Supervisors to allow for a two-cent real estate tax rate reduction and to provide additional funding for the Fairfax County Public School system.
- ◆ **Pay adjustments for Public Safety** of \$5,422,033 provide a 2.67 percent market rate adjustment for uniformed public safety positions consistent with the market index for FY 2003. Funding for employees on the public safety pay scales (C, F, O, and P), effective the first full pay period of FY 2003, is included in the Regular Salaries category for the Police Department (\$2,315,971), the Office of the Sheriff (\$849,028), and the Fire and Rescue Department (\$2,257,034).
- ◆ **Limited Term** position funding (temporary and part-time employees) decreases \$974,179 as part of the \$28.8 million Reductions to County Agencies and Funds approved by the Board of Supervisors to allow for a two-cent real estate tax rate reduction and to provide additional funding for the Fairfax County Public School system.
- ◆ **FY 2003 Impact of Increases in Fire and Rescue Salaries** includes \$2,471,450 for full-year funding of the adjustments that were included in the FY 2002 budget to enhance the competitiveness of Fire and Rescue position salaries. These adjustments included a 2 percent increase for the ranks of Lieutenant and above, effective July 2001, and a 4 percent increase for all uniformed employees effective April 2002.
- ◆ **Additional base pay increases** reflect the actual salary level of current County employees and are required to fund the full-year costs for the pay for performance increases earned in FY 2002.

## Fringe Benefits

Fringe Benefits total \$120,670,575, an increase of \$8,160,972 or 7.25 percent over the *FY 2002 Revised Budget Plan* of \$112,509,603 primarily due to the following:

- ◆ **Health Insurance** increase of \$4,466,642 primarily due to projected premium increases of 20.0 percent for both the self-insured program and the Health Maintenance Organizations that will take effect January 1, 2003 (a six-month impact in FY 2003) based on nationwide health insurance cost growth trends.
- ◆ **Retirement** (Fairfax County Employees, Uniformed, Police) increase of \$1,120,546. The net increase is based on the estimated salary base for current staff, the impact of the changes in employer contribution rates as determined by the actuarial valuation, and the Board of Supervisors' decision to implement a corridor approach.
- ◆ **Social Security (FICA)** increase of \$1,881,634 primarily due to the change in the federally set maximum pay base from \$80,400 to \$84,900 and pay for performance/public safety merit increases for current staff, salary adjustments, and new positions.

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## Operating Expenses

Operating Expenses total \$309,005,021, a decrease of \$7,830,742 or 2.47 percent from the *FY 2002 Revised Budget Plan* funding level of \$316,835,763. Operating Expenses increase \$2,069,976 or 0.67 percent over the FY 2002 Adopted Budget Plan level of \$306,935,045. Major adjustments are as follows:

- ◆ An increase of \$4,242,925 in Welfare Expenses primarily attributable to decreases in the Child Care Assistance Program (CCAP) included in the FY 2002 funding level as part of the \$24.2 million Reductions to County Agencies and Funds approved by the Board of Supervisors to address the FY 2002 revenue shortfall and increased public safety requirements at the *FY 2002 Third Quarter Review*. The decreases in CCAP were based on actual and projected program participants.
- ◆ An increase of \$2,985,402 in Insurance and Surety Bonds primarily attributable to an increase in the General Fund worker's compensation premium. This increase reflects the one-time use of available balance in Fund 501 in the FY 2002 Adopted Budget Plan.
- ◆ An increase of \$724,685 in Rent of Real Estate primarily attributable to increased lease requirements for the West County Developmental Center and other County leased buildings and temporary lease costs for four non-profit organizations, partially offset by decreases associated with one-time expenditures included in the FY 2002 funding level.
- ◆ A decrease of \$5,383,698 in Contingencies attributable to a decrease of \$3,232,494 in required local cash match for Federal and State grants as a result of unexpended prior year awards included in the FY 2002 funding level as part of the *FY 2001 Carryover Review* and a decrease of \$2,151,204 in the Police Department primarily due to a decrease in required local cash match associated with the U.S. Department of Justice COPS UHP grants. It should be noted that sufficient local cash match funding has been included to cover the anticipated general fund obligation for these grants.
- ◆ A decrease of \$3,275,451 in general Operating Expenses of various agencies primarily associated with one-time FY 2002 expenditures.
- ◆ A decrease of \$3,072,442 in Telecommunications primarily attributable to the transfer of E-911 telecommunication charges of \$2,987,607 from DIT to Fund 120, E-911 in FY 2002. Previously, the E-911 telecommunications costs were funded in the General Fund and billed out monthly to Fund 120. This action isolates E-911 charges and provides support directly in Fund 120, creating a more efficient method of estimating, charging, and reconciling E-911 telecommunications costs, and reducing staff effort in tracking, monitoring, and administering the funds.
- ◆ A decrease of \$2,996,160 in Professional Consultant Contracts primarily associated with one-time expenditures included in the FY 2002 funding level of various agencies.
- ◆ A decrease of \$1,124,351 in Operating Supplies primarily associated with one-time expenditures of \$644,800 included in the FY 2002 funding level as part of the *FY 2002 Carryover Review* and \$597,767 included in the Office of the Sheriff for the increased cost of food and medications at the Adult Detention Center as part of the *FY 2002 Third Quarter Review*.

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## Capital Equipment

Capital Equipment totals \$3,782,456, a decrease of \$3,037,280 from the *FY 2002 Revised Budget Plan* funding level of \$6,819,736. It should be noted that the FY 2002 revised funding level includes \$2,982,466 carried over from FY 2001 in order to complete the purchase of previously approved equipment items, a decrease of \$514,073 as part of the *FY 2002 Third Quarter Review*, as well as increases of \$404,990 from other actions throughout FY 2002.

The FY 2003 funding level represents a decrease of \$163,897 or 4.15 percent from the *FY 2002 Adopted Budget Plan*. The total amount budgeted in FY 2003 for Capital Equipment includes \$751,145 for additional equipment, \$864,066 for replacement equipment, \$183,560 for lease/purchase of equipment, and \$1,983,685 in equipment for new facilities. Major lease/purchase items and other Capital Equipment purchases are summarized below.

- ◆ **Department of Information Technology** – funding of \$194,000 includes \$96,000 for memory upgrades, \$68,000 for new servers, and \$30,000 for replacement plotters for the Geographic Information System (GIS).
- ◆ **Police Department** - funding of \$2,136,587 includes \$262,902 for replacement items that have outlived their useful life-span and \$1,873,685 for the purchase of vehicles associated with the opening of the new Sully District Police Station. Of the funding for replacement items, \$68,600 for the replacement of the “Rollback” wrecker; \$16,365 for the replacement of a neighborhood speed/traffic count trailer which is seven years old; \$11,165 for the replacement of the trailer used by Animal Control to handle and transport large animals; \$9,000 for replacement of a non-functional polygraph unit; \$6,325 for replacement of an undercover radio monitoring unit; and \$151,447 for other replacement items.
- ◆ **Fire and Rescue Department** – funding of \$530,075 includes \$142,950 for specialized equipment and a decontamination unit for the funded Hazardous Materials Response Unit, \$110,000 for utility vehicles related to the startup of the new Newington Apparatus Shop, \$212,195 for new equipment, and \$64,930 for replacement equipment and lease purchases. New equipment includes equipment for the West Ox Apparatus Shop, a warehouse jack, and a backup generator for the Academy that is designated as a shelter in the County’s disaster management plan. Replacement equipment includes Hurst spreaders for vehicle extradition and a high-pressure air bag set for rescue missions.
- ◆ **Stormwater Management** – funding of \$241,397 is included for replacement equipment that is worn beyond its useful life. This equipment includes a track loader for the loading of heavy material and the grading of soil, a backhoe for maintenance and construction requirements such as the installation of underground pipes, and a chemical spreader and snow plow/push beam for snow removal efforts.
- ◆ **Health Department** – funding of \$60,000 to support the agency’s Capital Equipment replacement program.
- ◆ **Park Authority** – funding of \$397,000 includes \$197,000 for additional equipment needed to support athletic field maintenance, such as dump trucks, infield conditioners, and a skid steer loader. In addition, \$200,000 is included for the Park Authority’s Vehicle Replacement Fund to provide for the prioritized replacement of fleet vehicles and heavy equipment.
- ◆ **Department of Transportation** – funding of \$160,560 is included for the lease purchase costs associated with the Photo Red Light Monitoring Program cameras.

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## Recovered Costs

Recovered Costs total \$31,795,876, a decrease of \$92,533 or 0.29 percent from the *FY 2002 Revised Budget Plan* level of \$31,888,409 primarily due to the following:

- ◆ **Department of Information Technology** decrease of \$2,773,648 primarily due to the transfer of E-911 telecommunication charges to Fund 120, E-911, and the recoverable charges for new and renovated police facilities. Previously, the E-911 telecommunications costs were funded in the General Fund and billed out monthly to Fund 120. This action isolates E-911 charges and provides support directly in Fund 120, creating a more efficient method of estimating, charging, and reconciling E-911 telecommunications costs, and reducing staff effort in tracking, monitoring, and administering the funds.
- ◆ **Facilities Management Division** increase of \$1,077,617 primarily attributable to increases in lease costs that will be reimbursed by County agencies including the Community Services Board. Increased lease costs are primarily associated with new facilities such as the West County Developmental Center, a new Alcohol and Drug Services' youth outpatient and day treatment site in Chantilly, and a new Early Head Start site.
- ◆ **Department of Community and Recreation Services** increase of \$868,514 due to charges for FASTRAN services based on actual and projected usage and to accommodate the Community Services Board's 53 new special education graduates requiring transportation.
- ◆ **Capital Facilities** increase of \$711,197 due to the FY 2003 projected salaries of recoverable positions and recoverable operating expenses.