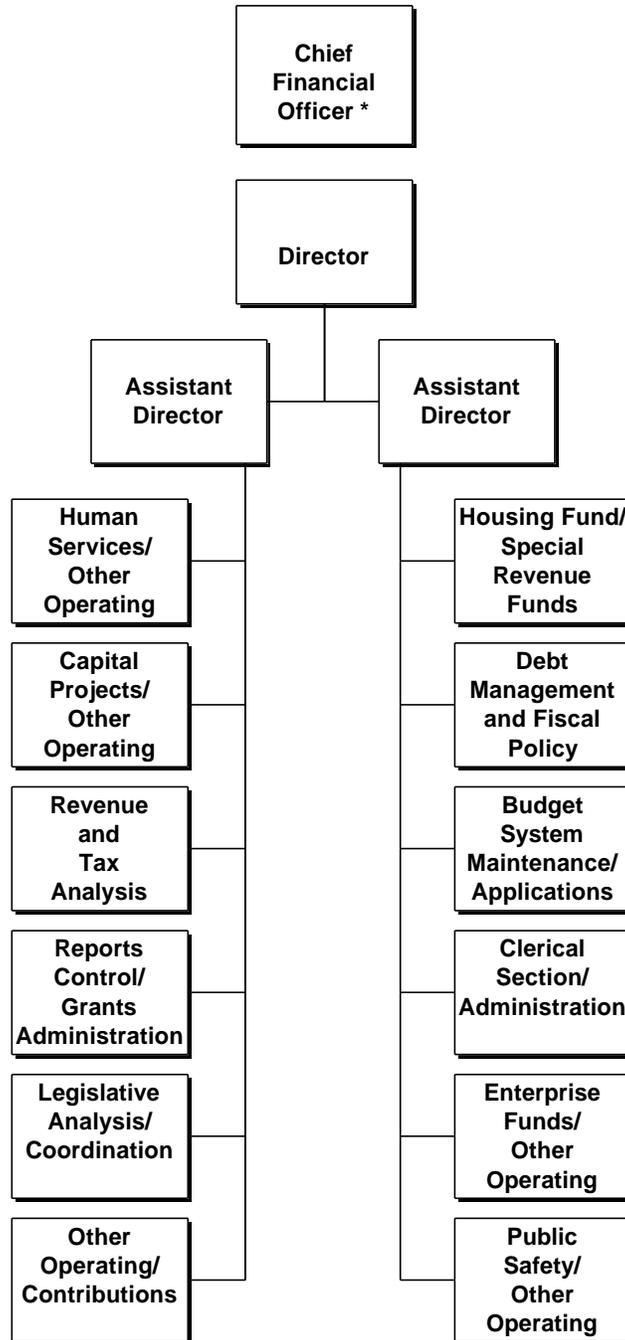


# DEPARTMENT OF MANAGEMENT AND BUDGET



\* The Chief Financial Officer has responsibility for strategic direction and oversight of this agency; and, for budget purposes, that position and associated funding are reflected in this agency.

# DEPARTMENT OF MANAGEMENT AND BUDGET

## Agency Position Summary

39 Regular Positions (-2) / 39.0 Regular Staff Years (-2.0)

### Position Detail Information

**ADMINISTRATION**

1 Chief Financial Officer  
 1 Director  
 1 Management Analyst III  
 1 Administrative Assistant V  
 4 Positions  
 4.0 Staff Years

**Assistant Director**

1 Assistant Director  
 1 Position  
 1.0 Staff Year

**Capital Projects/Other Operating**

1 Budget Analyst IV  
 1 Budget Analyst III  
 1 Budget Analyst II  
 3 Positions  
 3.0 Staff Years

**Revenue & Tax Analysis**

1 Budget Analyst IV  
 1 Budget Analyst III  
 2 Positions  
 2.0 Staff Years

**Reports Control/Grants**

**Administration**

1 Budget Analyst IV  
 2 Budget Analysts III  
 1 Business Analyst III  
 4 Positions  
 4.0 Staff Years

**Debt Management &**

**Fiscal Policy**

1 Budget Analyst IV  
 1 Position  
 1.0 Staff Year

**Budget System Maintenance/  
Applications**

1 Management Analyst IV  
 1 Programmer Analyst III  
 1 Network Analyst II  
 1 Management Analyst III  
 1 Administrative Assistant V  
 5 Positions  
 5.0 Staff Years

**Clerical Section/Administration**

1 Administrative Assistant IV  
 2 Administrative Assistants III  
 3 Positions  
 3.0 Staff Years

**Enterprise Funds/Other Operating**

1 Budget Analyst IV  
 1 Budget Analyst III  
 1 Budget Analyst II (-1)  
 3 Positions (-1)  
 3.0 Staff Years (-1.0)

**Public Safety/Other Operating**

1 Budget Analyst IV  
 1 Budget Analyst III  
 1 Budget Analyst II (-1)  
 3 Positions (-1)  
 3.0 Staff Years (-1.0)

**Assistant Director**

1 Assistant Director  
 1 Position  
 1.0 Staff Year

**Human Services/Other Operating**

1 Budget Analyst IV  
 1 Budget Analyst III  
 2 Positions  
 2.0 Staff Years

**Housing Fund/Special Revenue Funds**

2 Budget Analysts III  
 1 Budget Analyst II  
 3 Positions  
 3.0 Staff Years

**Other Operating/Contributions**

1 Budget Analyst IV  
 1 Budget Analyst III  
 1 Budget Analyst II  
 3 Positions  
 3.0 Staff Years

**Legislative Analysis/Coordination**

1 Budget Analyst IV  
 1 Position  
 1.0 Staff Year

( - ) Denotes Abolished Position

# DEPARTMENT OF MANAGEMENT AND BUDGET

## Agency Mission

To provide financial and analytical consultant services, develop a financial plan, and produce information for Fairfax County agencies, the Board of Supervisors, the County Executive, and citizens in order to maintain the County's fiscal integrity and accountability, and to support effective decision-making.

<b>Agency Summary</b>					
<b>Category</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Adopted Budget Plan</b>	<b>FY 2002 Revised Budget Plan</b>	<b>FY 2003 Advertised Budget Plan</b>	<b>FY 2003 Adopted Budget Plan</b>
Authorized Positions/Staff Years					
Regular	41/ 41	41/ 41	41/ 41	41/ 41	39/ 39
Expenditures:					
Personnel Services	\$2,219,718	\$2,611,253	\$2,459,728	\$2,743,440	\$2,610,878
Operating Expenses	302,290	419,245	496,548	389,236	365,164
Capital Equipment	20,322	0	16,600	0	0
<b>Total Expenditures</b>	<b>\$2,542,330</b>	<b>\$3,030,498</b>	<b>\$2,972,876</b>	<b>\$3,132,676</b>	<b>\$2,976,042</b>

## Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2003 Advertised Budget Plan, as approved by the Board of Supervisors on April 29, 2002:*

- ◆ A net decrease of \$156,634 and 2/2.0 SYE 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. These reductions include the elimination of 2/2.0 SYE Budget Analysts II, resulting in savings of \$132,562, and a reduction of \$24,072 in printing expenses.

*The following funding adjustments reflect all approved changes to the FY 2002 Revised Budget Plan from January 1, 2002 through April 22, 2002. Included are all adjustments made as part of the FY 2002 Third Quarter Review:*

- ◆ A net decrease of \$151,525 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. These reductions include management of position vacancies, resulting in savings of \$151,525.

## County Executive Proposed FY 2003 Advertised Budget Plan

### Purpose

The Department of Management and Budget (DMB) is primarily noted for its coordination of the County's annual budget process, which includes development of budget guidelines, review of agency requests, presentation of recommendations to the County Executive, preparation of the Advertised Budget Plan, support of deliberations by the Board of Supervisors, and preparation of the Adopted Budget Plan. However, the role of the Department extends beyond budget preparation. DMB also coordinates the sale of bonds to fund the majority of the County's capital program, which includes school construction.

# DEPARTMENT OF MANAGEMENT AND BUDGET

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In recent years, DMB has been focusing resources in areas such as performance measurement and pay for performance to assist County agencies in providing efficient and effective services, as well as expanding public access to key information to afford Fairfax County residents a better understanding of their County government and the services it offers. In addition, DMB is continually seeking ways to streamline its own processes in order to address the needs of a growing population without adding staff and to provide more time for value-added analysis.

## Key Accomplishments

- ◆ Earned the *Distinguished Budget Presentation Award* from the Government Finance Officers Association (GFOA) award, which represents the highest form of recognition by GFOA for governmental budgeting, each year for the past 16 years.
- ◆ Continued the in-depth review of County budget practices in order to streamline operations by ensuring that technology is fully leveraged and that budget-related procedures add value to the process both in terms of quality and type of data presented to the public and the Board of Supervisors.
- ◆ Coordinated two bond sales, including a refunding, with a total value of \$314.12 million and achieved savings of \$19.56 million compared to the Bond Buyer municipal index.
- ◆ Maintained a Triple A rating from all three bond rating agencies (Standard and Poors, Moody's, and Fitch Investors Service) which resulted in the bond sale savings noted above for FY 2001 and approximately \$162.6 million since the County first received its Triple A rating in 1978.
- ◆ Continued the partnership with other County agencies and Fairfax County Public Schools to enhance the initiative, "Closest to the People," a program of studies to educate students about how their local government works, what services are offered, how they can become involved in the decision-making process, and the opportunities for making public service a career. DMB's role also involved creating a youth leadership program and coordinating 26 summer internships in County agencies as part of a year-round program designed to educate the next generation about their local government.
- ◆ Hosted two meetings of the Regional Performance Measurement Consortium initiated by DMB in FY 1999 in order to continue ongoing relationships to share information about best practices and continuous improvement among area jurisdictions.
- ◆ Provided considerable staff support to the Department of Human Resources on compensation-related issues and health benefits studies.
- ◆ In coordination with all County agencies, compiled the "Inventory of County Activities, Programs, and Services" or ICAPS, a comprehensive four-volume set of documents (in addition to an index) that outline all services now being provided by the County (both General Fund and non-General Fund). The ICAPS serve as a decision-making tool for the FY 2003 budget plan.
- ◆ Began coordination of an interagency task force to study and recommend changes to the County's Capital Improvement Plan in order to more adequately address growing capital requirements. Major activity on this initiative will take place during FY 2002.

## FY 2003 Initiatives

- ◆ Maintain the momentum originally created with the Budget Process Redesign in FY 2001 in order to continue to streamline and add value to the budget process.
- ◆ Continue to participate fully in the International City/County Management Association's Center for Performance Measurement to compare performance data and practices with other jurisdictions nationwide.

# DEPARTMENT OF MANAGEMENT AND BUDGET

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- ◆ Conduct two bond sales to enable the County and Fairfax County Public Schools to finance essential capital projects.
- ◆ Validate and revise the 10 Principles of Financial Management which preserve fiscal integrity and help maintain the County's Triple A bond rating, resulting in interest savings on General Obligation Bonds.
- ◆ Continue to identify and implement enhancements both to published documents and information presented on DMB's Internet home page in order to improve public access.

## Performance Measurement Results

The Department of Management and Budget (DMB) continues to achieve considerable accuracy in forecasting expenditures and revenues. The FY 2001 target variance of 2 percent or less was achieved with the variance for General Fund expenditures at only 1.5 percent and revenues at 0.2 percent. This continues the agency's very accurate fiscal forecasting and careful budget management. Fairfax County was also awarded the Government Finance Officers Association's Distinguished Budget Presentation Award by meeting rigorous criteria for the budget as a policy document, financial plan, operations guide, and communications device. In addition, use of the DMB Internet home page continues to grow exponentially. As DMB has increased the amount and type of information available to the public, including quarterly budget reviews as well as the annual budget, citizens are accessing this information more frequently. Actual use in FY 2001 exceeded the estimate by 89.3 percent and is expected to continue to increase as public awareness of the website grows.

## Funding Adjustments

*The following funding adjustments from the FY2002 Revised Budget Plan are necessary to support the FY2003 program:*

- ◆ An increase of \$132,187 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ A decrease of \$30,009 in Operating Expenses for Information Technology infrastructure charges based on the agency's historic usage and the Computer Equipment Replacement Fund (CERF) surcharge to pay for the timely replacement of the County's information technology infrastructure.
- ◆ A net decrease of \$93,903 in Operating Expenses not required in FY 2003 as a result of the one-time carryover of \$41,574 in encumbrances and \$52,329 associated with unencumbered FY 2001 Close Management Initiatives (CMI) savings.

*The following funding adjustments reflect all approved changes in the FY2002 Revised Budget Plan since passage of the FY2002 Adopted Budget Plan. Included are all adjustments made as part of the FY2001 Carryover Review and all other approved changes through December 31, 2001:*

- ◆ As part of the *FY2001 Carryover Review*, \$41,574 in Operating Expenses due to encumbered carryover.
- ◆ Unencumbered carryover of \$52,329 associated with unexpended Close Management Initiatives (CMI) savings in Operating Expenses.

## Objectives

- ◆ To maintain a variance of 2.0 percent or less between estimated and actual revenues and expenditures.
- ◆ To maintain a debt interest savings level of 5.00 percent as compared to the Bond Buyer 20-bond index for each bond sale.

# DEPARTMENT OF MANAGEMENT AND BUDGET

## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate/Actual	FY 2002	FY 2003
<b>Output:</b>					
Dollar value of budgets reviewed (in billions)	\$3.08	\$3.27	\$3.58 / \$3.62	\$3.86	\$4.20
Bond sales or refinances conducted	1	2	2 / 2	1	2
Dollar value of bond sales (in millions)	\$154.20	\$171.60	\$175.00 / \$174.65	\$198.00	\$224.60
Dollar value of refundings (in millions)	\$136.07	NA	\$139.12 / \$139.47	\$65.00	NA
"Hits" on DMB home page	2,600	41,582	42,414 / 80,300	81,000	82,000
"Visits" to the DMB website <sup>1</sup>	NA	NA	NA / 14,965	15,264	15,569
<b>Efficiency:</b>					
Authorized budget analysts per 1,000 population	0.030	0.027	0.026 / 0.026	0.026	0.024
Staff Year Equivalent (SYE) per bond offering statement	0.25	0.25	0.25 / 0.25	0.25	0.25
<b>Service Quality:</b>					
GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes / Yes	Yes	Yes
Bond Ratings of AAA/Aaa/AAA <sup>2</sup>	Yes	Yes	Yes / Yes	Yes	Yes
<b>Outcome:</b>					
Percent variance in actual and projected revenues	0.6%	0.2%	2.0% / 0.2%	2.0%	2.0%
Percent variance in actual and projected expenditures	2.4%	1.5%	2.0% / 1.5%	2.0%	2.0%
Interest rate and savings (compared to the Bond Buyer 20-bond municipal index). Note: In some fiscal years, two bond sales were held, while in others, only one was held. Data shown are for each bond sale since interest rates varied as well as actual interest savings per bond sale.	1 sale 4.51% / \$6.29 mil	2 sales 5.35% / \$4.31 mil and 5.21% / \$4.17 mil	Estimate: 5.00% / NA Actual: 4.87% / \$3.20 mil and 4.26% / \$8.70 mil	5.00% / NA	5.00% / NA

<sup>1</sup> New indicator added during FY 2002, which has been determined to be more appropriate to measure than "hits" to the web page, an indicator that will be phased out.

<sup>2</sup> Fairfax County is rated by Moody's, S&P, and Fitch Investors Service.