

Budget Highlights

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Budget Highlights

FY 2005 FAIRFAX COUNTY BUDGET FACTS

Budget Guidelines

- ◆ In April 2003, the Board of Supervisors approved **Budget Guidelines** that directed the County Executive to develop a budget for Fiscal Year 2005 that limits increases in expenditures to projected increases in revenues.
- ◆ **Information on FY 2005 revenue and the economic outlook** should be forwarded to the Board in late 2003 so they could provide guidance regarding the tax rate and Schools transfer.
- ◆ **Available balances** materializing at the Carryover and Third Quarter Reviews that are not required to support expenditures of a critical nature or to address the Board's policy on the Revenue Stabilization Fund should be held in reserve to offset future requirements.
- ◆ **In order to prevent future structural imbalances**, non-recurring funds will be directed toward non-recurring uses and only recurring resources may be targeted toward recurring expenses.
- ◆ **The County's policy concerning the utilization of recurring and non-recurring funds** should be followed by the School Board.

Tax Base

- ◆ **Total FY 2005 General Fund Revenue** is \$2.72 billion and reflects an increase of \$126.07 million or 4.85 percent over the *FY 2004 Revised Budget Plan*.
- ◆ **One Real Estate Penny** is equivalent to approximately \$14.5 million in tax revenue.
- ◆ **One Personal Property Penny** is equivalent to approximately \$1.0 million in tax revenue.
- ◆ **Average Residential Assessed Property Value** is \$357,506.
- ◆ **The Commercial/Industrial percentage** of the County's Real Estate Tax base is 18.20 percent, the lowest rate in over 20 years.
- ◆ **Assessed Value** of all real property is projected to increase \$15.6 billion or 12.04 percent over FY 2004.
- ◆ **Real Estate and Personal Property Taxes** (including the Personal Property portion being reimbursed by the Commonwealth) comprise approximately 76.8 percent of General Fund Revenues.

Expenditures

- ◆ **General Fund Direct Expenditures** total \$1.00 billion, an increase of 1.62 percent over the *FY 2004 Revised Budget Plan*.
- ◆ **General Fund Disbursements** total \$2.73 billion and reflect an increase of \$79.01 million or 2.98 percent over the *FY 2004 Revised Budget Plan*.
- ◆ **The County General Fund Transfer** for school operations totals \$1.32 billion, an increase of \$81.52 million or 6.57 percent over the *FY 2004 Revised Budget Plan* transfer.
- ◆ **Expenditures for All Appropriated Funds** total \$4.65 billion.
- ◆ **General Fund Support for Information Technology (IT) Projects** is \$10.22 million. FY 2005 project consideration was guided by priorities established by the IT Senior Steering Committee. Projects with the highest priority include those mandated by the federal or state government, those necessary to complete previous project investments, improve service and efficiency, and maintain the IT infrastructure.
- ◆ **Pay-As-You-Go Capital Construction** projects total \$19.36 million.
- ◆ **Authorized Positions** for all funds are increasing by 52/50.36 SYE positions in FY 2005, most of which are for new facilities and public safety requirements.

Tax Rates

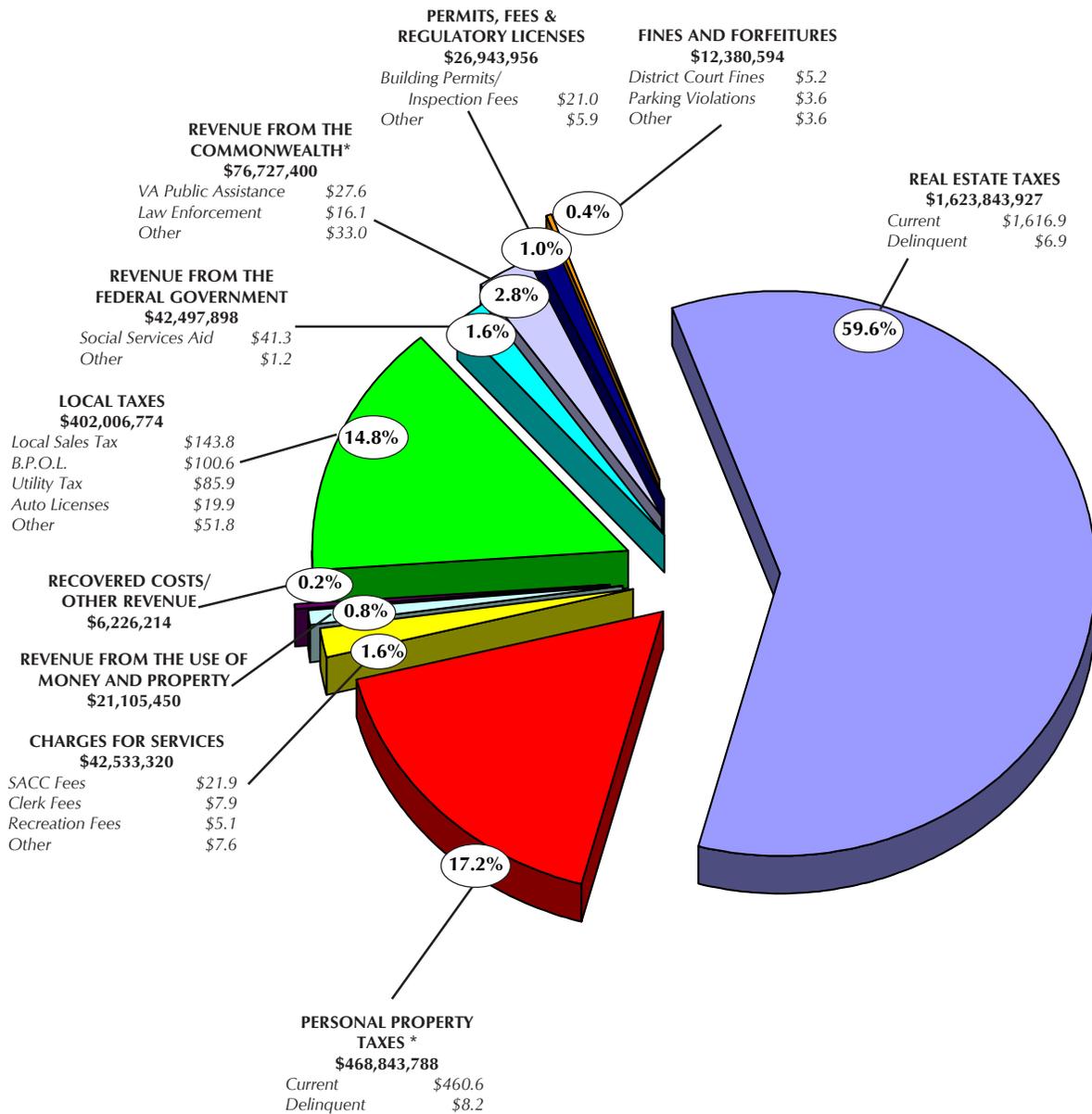
- ◆ **Real Estate Tax Rate** is reduced by \$0.03, from \$1.16 per \$100 assessed value to \$1.13 per \$100 assessed value..
- ◆ **Personal Property Tax Rate** remains at \$4.57 per \$100 assessed value.
- ◆ **Refuse Disposal Rate** increases from \$45 to \$48 per ton.
- ◆ **Leaf Collection Rate** increases from \$0.01 per \$100 assessed valuation to \$0.015 per \$100 assessed value.
- ◆ **Sewer Service Rate** increases from \$3.03 to \$3.20 per 1,000 gallons of water consumption.
- ◆ **Sewer Availability Charge** for new single family homes increases from \$5,431 to \$5,621.
- ◆ **Refuse Collection Rate** for County collection sanitation districts increases from \$210 to \$240 per household.
- ◆ **Solid Waste Ash Disposal Rate** remains constant at \$11.50 per ton.
- ◆ **Integrated Pest Management Program**, a Countywide Special Tax, remains at \$0.001 per \$100 of assessed value, or an average of \$3.57 per household.
- ◆ **E-911 Tax Rate** remains at \$2.50 per line per month in order to recover expenditures allowable by the *Code of Virginia*.

Population

- ◆ **Fairfax County's population** is estimated to be 1,033,600 persons as of January 2004. This is an increase of 1.4 percent over the January 2003 estimate of 1,019,000 and is an increase of 26.3 percent over the 1990 census count of 818,584.

FY 2005 GENERAL FUND RECEIPTS

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

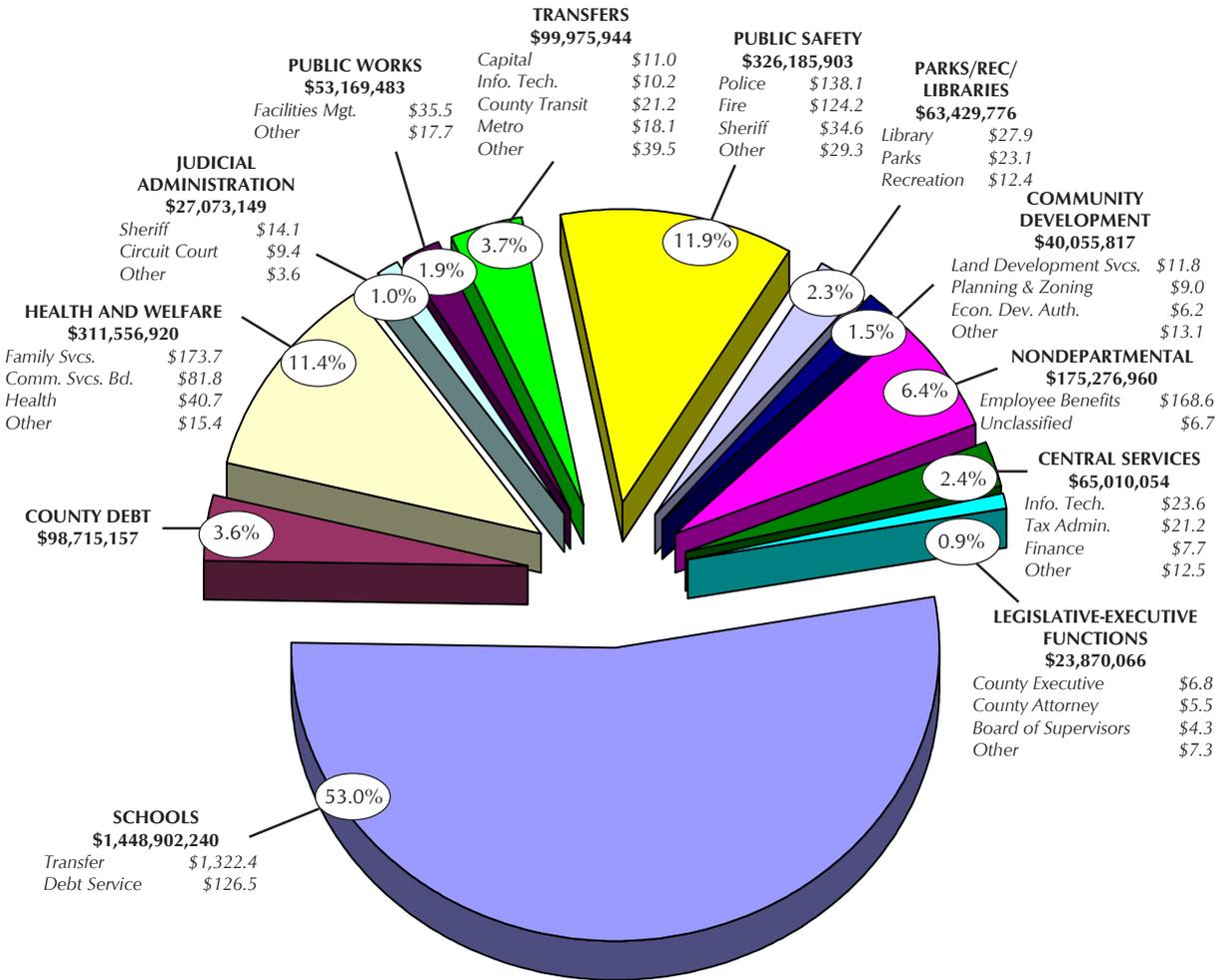


FY 2005 GENERAL FUND RECEIPTS = \$2,723,109,321

* For presentation purposes, Personal Property Taxes of \$205,950,438 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

FY 2005 GENERAL FUND DISBURSEMENTS

Where it goes . . .
(subcategories in millions)



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

Budget Highlights

SUMMARY

This section provides a synopsis of major highlights of the FY 2005 Adopted Budget Plan, which includes a 3-percent reduction in the real estate tax rate, a net increase of 52/50.36 SYE General Fund positions to support new County facilities and public safety, as well as funding associated with those new facilities and other service requirements. The Budget Highlights are summarized in the following sections:

- County Support for Fairfax County Public Schools
- Support for Public Safety
- New Facilities
- Support for the Community
- Support for Transportation
- Cost of Doing Business
- Capital Construction Program
- Tax, Fee and Fare Adjustments
- Budget Reductions

COUNTY SUPPORT FOR FAIRFAX COUNTY PUBLIC SCHOOLS

For FY 2005, Fairfax County is providing 53.0 percent of its total General Fund budget to Fairfax County Public Schools (FCPS). This share is consistent with the FY 2004 Adopted Budget Plan which represents the highest level in over 20 years. The County provides funding through two transfers – one to support FCPS operations and another to support debt service for bond-funded projects to build new schools and renew older facilities.

SCHOOL TRANSFERS

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

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

Other County Support for FCPS

\$49.0 million

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

- ◆ \$26.6 million for the Comprehensive Services Act (CSA), Head Start, and School Age Child Care (SACC) programs within the Department of Family Services;
- ◆ \$10.3 million to support School Health including Public School Nurses and Clinic Room Aides;
- ◆ \$7.2 million for School Crossing Guards; Resource Officers who are now assigned to all FCPS high schools, middle schools and alternative schools; and security for activities such as proms and football games;
- ◆ \$3.4 million for athletic field maintenance and other recreation programs;

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- ◆ \$1.5 million in services provided by the Fairfax-Falls Church Community Services Board; and
- ◆ \$0.1 million for fire safety education programs for students.

More detailed information regarding this additional support for FCPS may be found in the Financial, Statistical and Summary Tables section of this Overview Volume of the [FY 2005 Adopted Budget Plan](#).

SUPPORT FOR PUBLIC SAFETY

Fairfax Center Fire Station

\$1.70 million

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

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

Public Safety Communications Center Operation (General Fund Transfer Increase)

\$3.43 million

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

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

Budget Highlights

and non-emergency call-taking and dispatching. The FY 2005 cost associated with these positions is \$635,189 in Personnel Services, Fringe Benefits and Operating Expenses.

In concert with the additional positions, funding of \$1.0 million has been identified to address compensation adjustments that are necessary to resolve recruitment and retention issues at the PSCC. Given the volume of calls, the overtime required to manage this volume and the complexity of the call-taking/dispatch function, the PSCC has not been able to retain qualified staff. In the last four years, 113 Public Safety Communicators (of 107 positions) have been separated for various reasons including failed training, transfers within Fairfax County Police and Fire and Rescue Departments, other employment, or relocation from the area. During the first half of CY 2004, organizational and compensation issues around the management and staffing of the PSCC will be studied, with a report and recommendations anticipated later in 2004. This funding represents a placeholder for adjustments associated with the report recommendations. A detailed proposal with cost estimates will be provided to the Board of Supervisors.

Funding for Mosquito Management Program

No increase

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

NEW FACILITIES

James Lee Community Center Expansion

\$0.49 million

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

School Age Child Care (SACC) Centers

\$0.38 million

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

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Herndon Harbor House Senior Center

\$0.15 million

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

Cub Run RECenter

No General Fund Impact

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

Laurel Hill Golf Course

No General Fund Impact

The Laurel Hill Golf Course, scheduled to open in May 2005, will provide golf opportunities in the southern portion of the County. Like the Cub Run RECenter, this facility is budgeted for and operated out of Fund 170, Park Revenue Fund, and not the General Fund. Positions will be phased in over FY 2004 and FY 2005 to ensure that the course is fully operational once construction is complete. In FY 2005, the additional positions, including 1/1.0 SYE Park Specialist II, 2/2.0 SYE Assistant Park Specialists, 2/2.0 SYE Laborers II, 1/1.0 SYE Laborer I and 1/1.0 SYE Motor Equipment Operator, will prepare the course and clubhouse for opening, develop plans for operations, and prepare and implement a marketing/promotions plan. In addition, these positions will hire and train seasonal staff, as well as procure necessary operating equipment and supplies.

It should be noted that 7/7.0 SYE positions are anticipated to be established during FY 2004 to oversee the grow-in of the golf course turf, as well as day-to-day operations required until the facility is open to the public. Total FY 2005 funding of \$452,621 includes an increase of \$228,121 in Personnel Services and Fringe Benefits, as well as \$224,500 in Operating Expenses associated with salary requirements for 7/7.0 SYE additional positions to support the opening of the Laurel Hill Golf Course. These increases are partially offset by anticipated revenues of \$287,583.

SUPPORT FOR THE COMMUNITY

Consolidated Community Funding Process

\$9.01 million

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

Budget Highlights

Special Education Graduates

\$0.55 million

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

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

Congregate Meal Program/FASTRAN

\$0.13 million

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

Teen Center Redesign Initiative

\$0.14 million

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

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SUPPORT FOR TRANSPORTATION

Metro Operations (General Fund Transfer)

\$18.14 million

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

The County's portion of the total WMATA budget is determined by several formulas that include factors such as the residence of passengers, number of stations located in a jurisdiction and the level of service in a jurisdiction, as well as the population and population density. Applied State Aid, Gas Tax Receipts and State Transportation Bond Revenues help offset the County's share of WMATA's operating and capital costs.

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

County Transit (General Fund Transfer)

\$21.21 million

In FY 2005, the County's General Fund Transfer to County Transit Systems is \$21.21 million, an increase of \$1.56 million or 8.0 percent over the FY 2004 funding level of \$19.65 million. This increase includes contractual requirements for the FAIRFAX CONNECTOR and Virginia Railway Express. In addition, fuel funding requirements are increasing due primarily to increased costs associated with FAIRFAX CONNECTOR's continuing transition to Ultra-Low Sulfur Diesel fuel begun in FY 2002.

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

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COST OF DOING BUSINESS

Employee Compensation

Non-Public Safety Adjustments

\$9.40 million

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

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

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

Uniformed Public Safety Adjustments

\$13.11 million

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

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

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Market Study Results

\$0

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

Benefits

Health Insurance Cost Increase

\$7.77 million

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

Retiree Health Benefits

\$0.61 million

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

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

Retirement Systems

\$12.82 million

For FY 2005, the County's employer contributions to the retirement systems total \$67,118,042, an increase of \$12,818,194 or 23.6 percent over the *FY 2004 Revised Budget Plan*. This increase is primarily due to the impact of increases in the Employer Contribution rates and salary adjustments necessary to support the County's compensation program, including pay for performance/merit increments, market index adjustments for employees on the public safety pay scales, and pay adjustments for uniformed Fire and Rescue job classes to provide for market competitiveness for a total increase of \$4.62 million. An increase of \$0.3 million in the employer contribution for the Police Officers' System is required to fund the Deferred Retirement Option Program (DROP) benefit enhancement, while an increase of \$2.8 million in the employer contribution for the Uniformed System is required to fund approved benefit enhancements including DROP as well as the 12 percent benefit enhancement for Uniformed Retirees. In addition, the employer contribution for the Employees System is required to increase by \$5.1 million to amortize the liability associated with the funding

Budget Highlights

ratio falling below the pre-defined 90 percent threshold due to lower investment returns. In March 2002, the Board of Supervisors adopted a corridor approach to employer contributions, which enhances stability and ensures adequate funding for the retirement systems. In the corridor approach, a fixed contribution rate is assigned to each system, with the County funding contributions at that rate unless the system's funding ratio falls outside of a pre-determined corridor (90-120 percent). Once outside the corridor, the County rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the corridor.

Technology

Information Technology Initiatives (General Fund Transfer) \$10.22 million

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

Priority	FY 2005 Adopted Funding
Mandated Requirements	\$0.3 million
Completion of Prior Investments	\$2.0 million
Enhanced County Security	\$1.3 million
Improved Service and Efficiency	\$4.1 million
Maintaining a Current and Supportable Technology Infrastructure	<u>\$2.7 million</u>
TOTAL	\$10.4 million

Contract Increases

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

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

Budget Highlights

Comprehensive Services Act – Contract Rate Increase

\$1.10 million

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

Other Contract Rate Increases

\$0.42 million

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

CAPITAL CONSTRUCTION PROGRAM

Capital Improvement Program Enhancements

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

Paydown Construction Program

\$19.36 million

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

◆ County Maintenance

\$1.84 million

Funding of \$1,844,000 will continue to provide general maintenance for priority requirements at County facilities including carpet replacement; HVAC/electrical replacement; roof repairs and waterproofing; parking lot resurfacing; fire alarm system replacement; emergency generator replacement; maintenance costs associated with the Commercial Revitalization Program; and Americans with Disabilities Act (ADA) compliance at County facilities. Funding is also included for miscellaneous building repairs and condition assessments at designated fire stations throughout the County.

◆ Parks Maintenance

\$1.91 million

An amount of \$1,911,156 has been included for Park maintenance at non-revenue-supported Park facilities in order to address such items as roof repairs/replacements; electrical and lighting systems; security and fire alarm systems; sprinklers; HVAC equipment; grounds maintenance; minor routine preventive maintenance; and ongoing implementation of ADA compliance at Park facilities.

◆ Athletic Field Maintenance/Lighting Match Program

\$3.23 million

Funding of \$3,232,813 has been included to address athletic field maintenance including field lighting, fencing, irrigation, dugout covers, infield dirt, aeration and seeding. In addition, funding of \$200,000 is provided for upgrading athletic field lighting at selected boys' baseball and girls' softball fields.

Budget Highlights

- ◆ **Stormwater Management** **\$2.74 million**
Funding in the amount of \$2,740,000 has been included for storm drainage maintenance and emergency repairs including Kingstowne environmental monitoring; dam safety inspections and improvements; annual emergency drainage repairs throughout the County; and the mandated Virginia Pollutant Discharge Elimination System (VPDES) Municipal Separate Storm Sewer System (MS4) discharge permit, which is considered a renewal of the National Pollutant Discharge Elimination System (NPDES) permit that is valid for five years.

- ◆ **New or Renovated County Facilities** **\$4.14 million**
A total of \$4,142,622 has been included for new or renovated County facilities including: \$1,000,000 for the acquisition of land or open space preservation throughout the County and \$3,142,622 to continue to address property management and development at the Laurel Hill property including continued asbestos mitigation efforts.

- ◆ **Payments and Obligations** **\$2.78 million**
Funding in the amount of \$2,777,372 has been provided for costs associated with annual contributions and contractual obligations. This includes \$1,021,702 for the third year of a five-year lease/purchase agreement for systems furniture at the new South County Center. In addition, \$500,000 is included for the County's annual contribution to offset school operating and overhead costs associated with the new School Age Child Care (SACC) centers. Funding of \$350,000 is included to support payments to developers for interest earned on conservation bond deposits. The County requires developers to contribute funds to ensure the conservation of existing natural resources. Upon satisfactory completion of projects, the developer is refunded the deposit with interest. Finally, funding of \$905,670 is included for the County's annual contribution to the Northern Virginia Community College (NVCC) capital program, which provides for continued construction and maintenance at various capital projects on college campuses.

- ◆ **Revitalization Initiatives** **\$0.94 million**
An amount of \$935,000 is provided for Commercial Revitalization projects to be approved by the Board of Supervisors in the context of the CIP and/or other planning discussions.

- ◆ **Other Paydown Projects** **\$1.78 million**
Other Paydown projects supported in FY 2005 total \$1,775,000 and include safety upgrades and emergency repairs to trails and sidewalks; VDOT participation for sidewalk repair and replacement; developer defaults; annual road maintenance; continuation of the TAC (Transportation Advisory Committee) Spot Improvement Program; and the Board of Road Viewers program.

Bond-Funded Projects **\$183.53 million**
In FY 2005, \$183,532,141 is included in General Obligation bond funding. Of this amount, \$130,000,000 is budgeted in Fund 390, Public School Construction; and \$14,800,000 is included in Fund 309, Metro Operations and Construction, to support the 103-mile Metrorail system, as well as maintain and/or acquire facilities, equipment, railcars and buses (including \$1.2 million in previously sold bonds). In addition, FY 2005 bond funding in the amount of \$38,732,141 includes Fairfax County's \$2,500,000 contribution to the Northern Virginia Regional Park Authority; construction costs of \$12,032,141 associated with the West Ox CONNECTOR Bus Facility; \$1,200,000 for design and permitting costs for the Wolf Trap Fire Station; and \$23,000,000 to support construction costs associated with the Public Safety Operations Center as approved by the voters in November 2002. Funding for these projects is consistent with the FY 2005 - FY 2009 Adopted Capital Improvement Program (With Future Years to 2014).

Budget Highlights

TAX, FEE AND FARE ADJUSTMENTS

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

Tax Relief Program

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

Athletic Services Application Fee

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

Transit Fare Increase

The Fairfax County Department of Transportation (FCDOT) has been under increasing pressure to expand routes and the service frequency on existing routes. This has been difficult given budget constraints of recent years. However, as part of the FY 2005 budget, FCDOT has developed a plan that provides targeted service improvements on FAIRFAX CONNECTOR with only a minimal increase in General Fund support. This requires eliminating the fare discount on FAIRFAX CONNECTOR, which brings the cash fare to \$1.00, an increase of 25 cents over the FY 2004 cash fare of \$0.75. The Smart Card program would see an increase to \$0.60. FCDOT is also proposing an increase in the minimum fare for a Metrorail-to-bus transfer from \$0.25 to \$0.50. These fare increases would generate an additional \$0.9 million to support service enhancements for both the Reston-Herndon and Huntington Divisions. While fare increases are never popular, the proposed \$1.00 base fare is still below the current Metrobus base fare of \$1.20. In addition, the ridership decrease that FCDOT anticipated when the base fare was increased from \$0.50 to \$0.75 never materialized. In fact, ridership continued to grow in FY 2004 despite this fare adjustment, evidence of the high demand for this service.

Leaf Collection Fee Increase

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

Budget Highlights

Refuse Collection Fee Increase

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

Sewer Fees Increase

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

Budget Highlights

BUDGET REDUCTIONS

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

Budget Highlights

Agency/ Fund	Reduction	Revenue	Expenditures	Positions	Additional Explanation/Impact
Management and Budget	Eliminate limited term funding	\$0	(\$26,023)	0 / 0.00	Eliminates funding for the limited term receptionist so that there will not be a continuous presence at the front-desk to greet/assist visitors. Two other administrative staff will respond as necessary to provide support; however, there will be slight delays in providing customer service.
Public Works and Environmental Services - Land Development	Increase recovered costs	\$0	(\$70,242)	0 / 0.00	Increases recovered costs from enterprise funds receiving direct services from the Land Development Human Resources staff.
Housing and Community Development	Reduce General Fund support for housing programs	\$0	(\$130,000)	0 / 0.00	Reduces General Fund support for positions by increasing contributions from other funding streams including FCRHA operating funds, Section 8 and Public Housing based on improved financial condition of these funds. This funding is available for Section 8 and Public Housing as these funds are now self supporting and able to fund the cost of these positions.
Housing and Community Development	Defer painting contracts	\$0	(\$61,354)	0 / 0.00	Decreases funding by 30 percent for exterior painting contracts for Department of Housing and Community Development properties that are included in the FY 2005 schedule based on a five-year painting cycle. The reduction will require deferral of some properties possibly affecting the appearance and value of the facilities.
Community and Recreation Services	Redesign Senior Centers	\$0	(\$37,982)	-2 / -2.00	Redesigns Senior Centers in conjunction with opening of Herndon Harbor House by closing the Reston/Herndon Senior Center for all but hobby classes and rerouting participants to the new Herndon Harbor House Senior Center. Rerouting may result in a reduced number of available participant slots but with the new facility's expanded size the participant impact is anticipated to be minimal. Full year savings will be \$75,964.
Park Authority	Transfer Recreation Activities Branch Chief to Fund 170, Park Revenue Fund	\$0	(\$97,528)	-1 / -1.00	Results in position transfer but continuation of current duties. Fund 170 would absorb the full cost of the position and therefore reduce available funding for other programs. Positions associated with Fund 170 are not included in the County's official position count.
Tax Administration	Reduce postage by streamlining the Filing by Exception Process (FBE) by sending out post cards instead of letters to taxpayers regarding their vehicles	\$0	(\$31,156)	0 / 0.00	Complies with the State law requirement of notification once a year by sending out postcards instead of letters of notification to all taxpayers who own vehicles. Taxpayers would be required to check and correct their information on-line or call in and have a hard copy sent to them for them to correct their changes.
Family Services - Adult and Aging	Reduce contracted temporary clerical services	\$0	(\$34,000)	0 / 0.00	Eliminates 2,560 hours of contracted temporary clerical services to perform data entry to meet State reporting requirements. Agency indicates that implementation of new module for Adult and Aging in Harmony data system will allow agency to meet reporting requirements with less temporary administrative support. The reduction represents 32 percent of the total 8,000 hours.

Budget Highlights

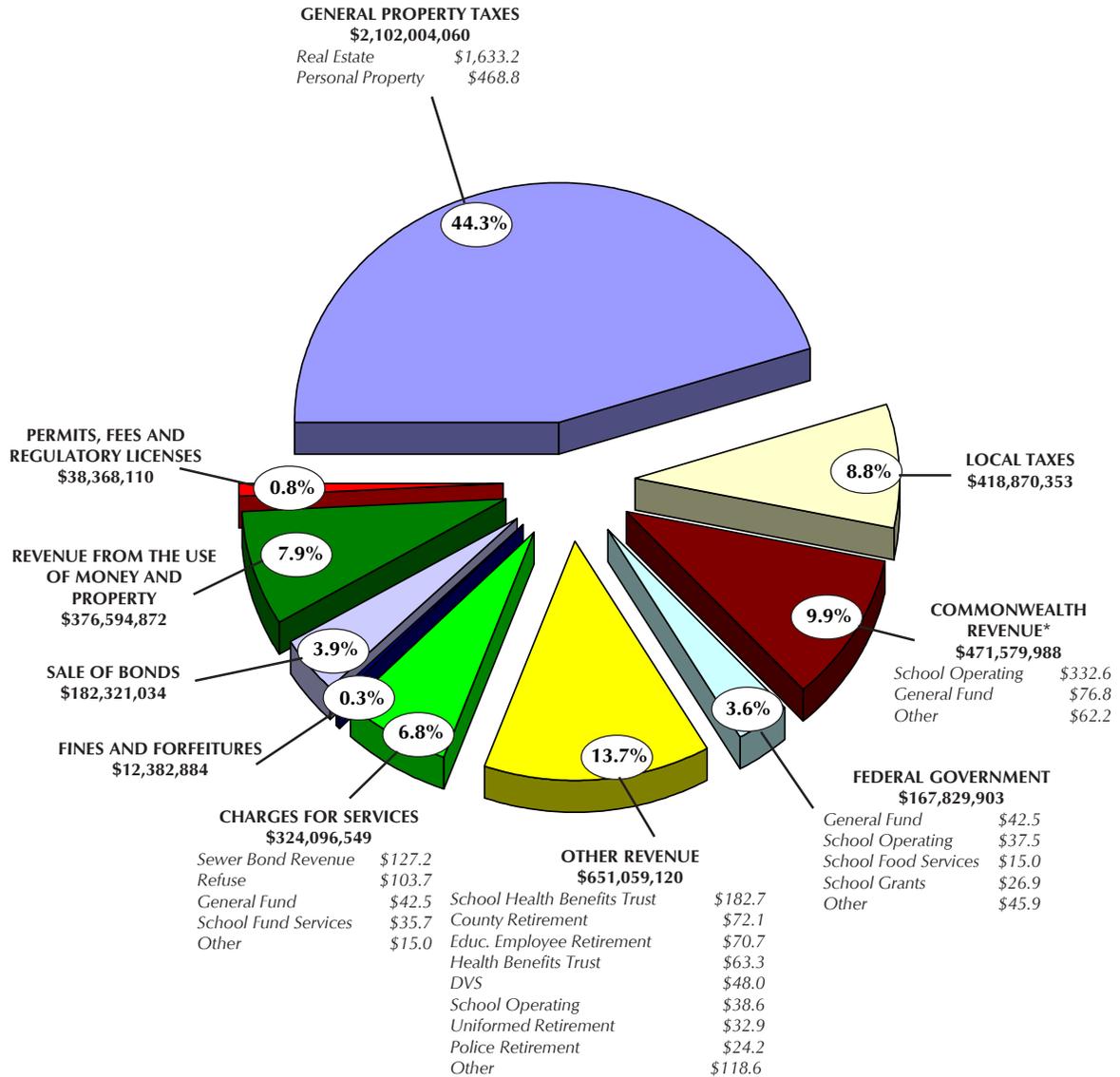
Agency/ Fund	Reduction	Revenue	Expenditures	Positions	Additional Explanation/Impact
Family Services - Children, Youth and Family	Reduce staff development and training	\$0	(\$41,450)	0 / 0.00	Reduces staff participation in training and conferences for approximately 200 social worker staff. Will result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

Budget Highlights

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

FY 2005 REVENUE ALL FUNDS

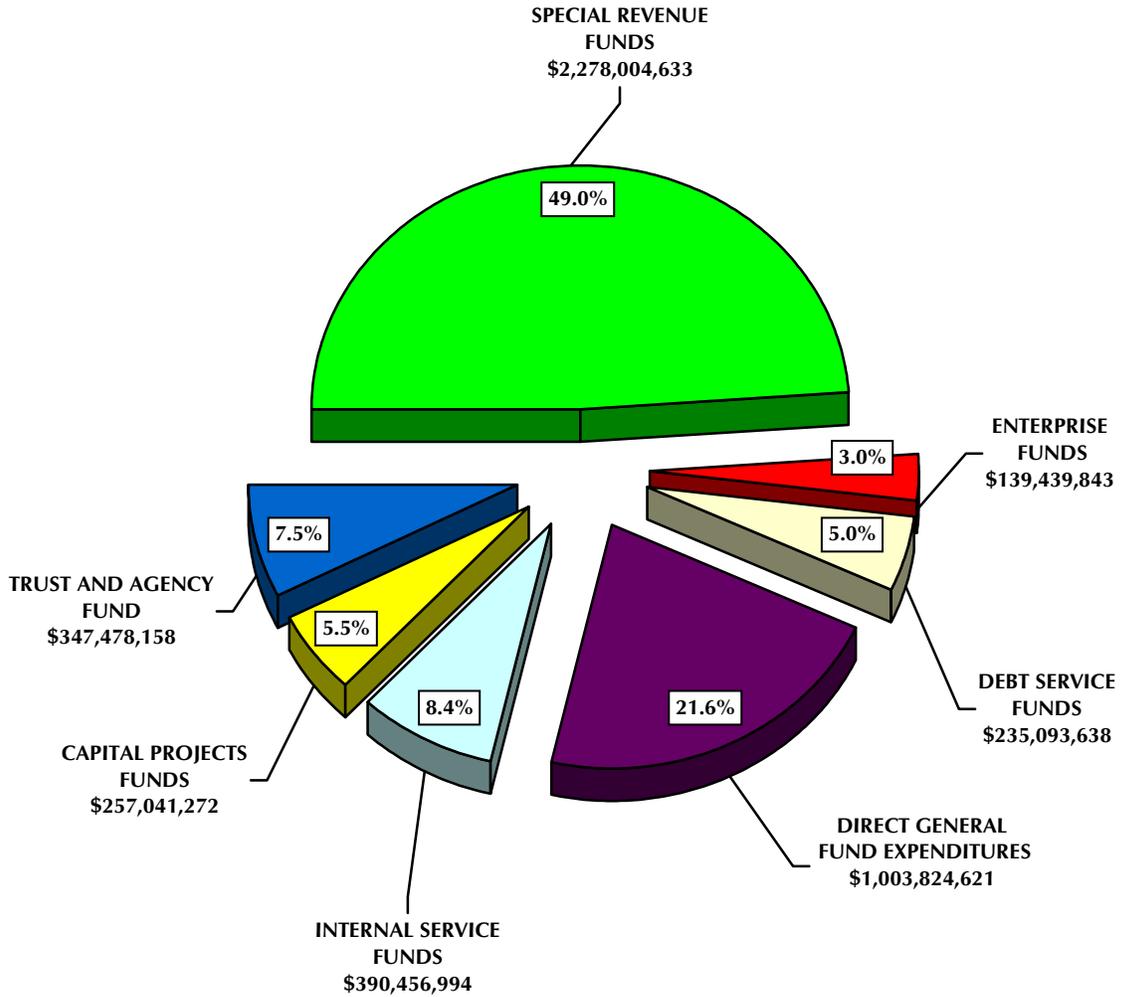
(subcategories in millions)



TOTAL REVENUE = \$4,745,106,873

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

FY 2005 EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = \$4,651,339,159