

# How to Read the Budget

Volume 1 contains information on General Fund agencies. An agency accounts for a specific set of activities that a government performs. For example, the Police Department, a General Fund agency, performs public safety functions for Fairfax County citizens. Each County agency is represented with its own narrative that contains programming and budgetary information. Budgetary information is presented by functional area; therefore most agencies will include budget data at the “Cost Center” level. A cost center is a group of individual line items or expenditure categories within a functional program unit developed to meet specific goals and objectives. In addition to the individual agency narratives, program area summaries have been included in the budget to help identify common goals and programs that may cross over departments, as well as demonstrate benchmarking information on how the County performs in relation to other comparable jurisdictions.

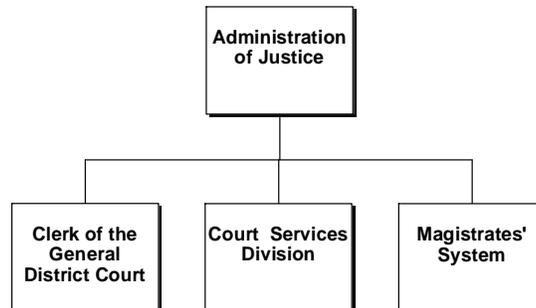
Most agency narrative includes:

- Organization Chart
- Agency Mission and Focus
- New Initiatives and Recent Accomplishments in Support of the County Vision
- Budget and Staff Resources
- Funding Adjustments
- Cost Centers (funding and position detail)
- Cost Center Specific Goals, Objectives and Key Performance Measures
- Performance Measurement Results

Not all narratives will contain each of these components, but rather only those which are applicable.

## ***Organization Chart:***

The organization chart displays the organizational structure of each agency. An example depicting the organizational structure of the General District Court is shown below.



## ***Agency Mission and Focus:***

The Agency Mission is a broad statement reflecting intended accomplishments for achievement of the agency's public purpose. It describes the unique contribution of the organization to the County government and/or citizens receiving services and provides a framework within which an agency operates. The Agency Focus section includes a description of the agency programs and services. The agency's relationship with County Boards, Authorities or Commissions may be discussed here, as well as key drivers or trends that may be influencing how the agency is conducting business. The focus section is also designed to inform the reader about the strategic direction of the agency and the challenges that it is currently facing. Highlights of these challenges can be found in the “Thinking Strategically” box in the focus section.

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## ***New Initiatives and Recent Accomplishments in Support of the County Vision:***

To further strengthen the link between the budget and the strategic direction of both the County and each agency, each agency's new initiatives and recent accomplishments are presented by County Vision Element. There are seven County Vision Elements which are depicted by small icons. The Vision Elements include:



Maintaining Safe and Caring Communities



Building Livable Spaces



Connecting People and Places



Maintaining Healthy Economies



Practicing Environmental Stewardship



Creating a Culture of Engagement



Exercising Corporate Stewardship

Individual agency narratives identify strategic issues, which were developed during the agency strategic planning efforts, link new initiatives and recent accomplishments as well as core services to the Vision Elements and expand the use of performance measures to clearly define how well the agency is delivering a specific service.

## ***Budget and Staff Resources:***

It is important to note that expenditures are summarized in three categories. *Personnel Services* consist of expenditure categories including regular pay, shift differential, limited and part-time salaries, and overtime pay. *Operating Expenses* are the day-to-day expenses involved in the administration of the agency, such as office supplies, printing costs, repair and maintenance for equipment, and utilities. *Capital Equipment* includes items that have a value that exceeds \$5,000 and an expected lifetime of more than one year, such as an automobile or other heavy equipment. In addition, some agencies will also have a fourth expenditure category entitled *Recovered Costs*. Recovered Costs are reimbursements from other County agencies for specific services or worked performed or reimbursements of work associated with capital construction projects. These reimbursements are reflected as a negative figure in the agency's budget, thus offsetting expenditures.

A Summary Table is provided as a summary of the agency's positions, expenditures less recovered costs, and income/revenue (if applicable).

## ***Funding Adjustments:***

This section summarizes changes to the budget. The first section includes adjustments from the *FY 2004 Revised Budget Plan* necessary to support the FY 2005 program. In addition, any adjustments resulting from the Board of Supervisors deliberations on the Advertised budget are highlighted here.

The second section includes revisions to the current year budget that have been made since its adoption. All adjustments as a result of the *FY 2003 Carryover Review*, the *FY 2004 Third Quarter Review*, and any other changes through April 19, 2004 are reflected here. Funding adjustments are presented programmatically. For example, the entire cost to open a new facility is presented in one place and includes personnel costs, operating expenses and other costs.

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## **Cost Centers:**

As an introduction to the more detail information contained for each functional area or cost center, a list of the cost centers is included with a graphical representation of the FY 2005 budget by cost center. In addition, each cost center is highlighted by several icons which indicate the various Vision Elements that are supported by the programs and services within the cost center. A listing of the staff resources for each cost center is also included.

## **Key Performance Measures:**

Most Cost Centers include Goals, Objectives and Performance Indicators. Goals are broad statements of purpose, generally indicating what service or product is provided, for whom, and why. Objectives are outcome-based statements of specifically what will be accomplished during the budget year. Ideally, these objectives should support the goal statement, reflect planned benefit(s) to customers, be written to allow measurement of progress and describe a quantifiable target. Indicators are the first-level data for reporting performance on those objectives.

A Family of Measures is provided to present an overall view of a program so that factors such as cost can be balanced with customer satisfaction and the outcome ultimately achieved. The concept of a Family of Measures encompasses the following types of indicators and serves as the structure for a Performance Measurement model that presents a comprehensive picture of program performance as opposed to a single-focus orientation.

- Input: Value of resources used to produce an output.
- Output: Quantity or number of units produced.
- Efficiency: Inputs used per unit of output.
- Service Quality: Degree to which customers are satisfied with a program, or the accuracy or timeliness with which the product/service is provided.
- Outcome: Qualitative consequences associated with a program.

## **Performance Measurement Results:**

This section includes a discussion and analysis of how the agency's Performance Measures relate to the provision of activities, programs, and services stated in the Agency Mission. The results of current performance measures are discussed, as well as action plans for future-year improvement of performance targets.

## **Program Area Summaries:**

Summaries by Program Area (such as Public Safety; Health and Welfare, Judicial Administration, etc.) provide a broader perspective of the strategic direction of several related agencies and how they are supporting the County Vision Elements. This helps to identify common goals and programs that may cross over departments. In addition, benchmarking information is included on Program Area services to demonstrate how the County performs in relation to other comparable jurisdictions. Benchmarking is the systematic comparison of performance with other jurisdictions, in order to discover best practices that will enhance performance. The County has participated in the International City/County Management Association's (ICMA) benchmarking effort since 2000. Over 130 cities and counties provide comparable data annually in the following service areas: Police, Fire/EMS, Library, Parks and Recreation, Youth Services, Code Enforcement, Refuse Collection/Recycling, Housing, Fleet Management, Facilities, Information Technology, Human Resources, Risk Management and Purchasing. ICMA performs extensive data cleaning to ensure the greatest accuracy and comparability of data. In service areas that are not covered by ICMA's effort, agencies rely on various sources of comparative data prepared by the state, professional associations and/or nonprofit/research organizations.