The Braddock District Citizens Budget Advisory Committee
January, 2010
EXECUTIVE SUMMARY

As the newest member of the Fairfax Board of Supervisors, Supervisor John Cook recognized that one of the most important issues facing the Board was Fairfax's looming budget deficit. In searching for solutions, he was also confronted with an apparent lack of visibility into the County budget and budget process. With that, Supervisor Cook challenged the Braddock community to form a citizen's budget advisory committee that could, possibly, provide a fresh, objective and insightful review of Fairfax County government, its budget and budget process.

The Braddock District Citizens Budget Advisory Committee (the Committee) was created in May, 2009. The Committee, which includes approximately 30 Braddock residents who volunteered their time and talents in response to Supervisor Cook's challenge, is a cross-section of Braddock District. Each brings his or her own set of interests, but the Committee as a whole is not a "Special Interest" – but rather a reflection of Braddock District. The mission:

> To fairly, objectively and independently consider Fairfax County's current and projected budget shortfall, and to issue recommendations to reduce or eliminated program spending and to recommend appropriate taxation levels based on findings of fact and evidence which will align Fairfax County's resources with its acknowledged priorities of public safety and safe neighborhoods, adequate services and support for the poor and lower income elderly, and quality education.

The Committee's goal: create an effective deliverable (e.g., a report or recommendations) which Supervisor Cook could use during the 2011 budget cycle, and beyond. To tackle this project, the Committee convened three subcommittees[1]:

- **Budget Process, Lines of Business & Programs, and Fairfax County Public Schools (FCPS) Subcommittee** to analyze the County's lines of business and study the County budget system from a traditional standpoint, analyzing specific programs and services;

- **Acquisitions Subcommittee** to evaluate the County's acquisitions and acquisition processes**;** and

- **General Accountability Subcommittee** to consider the concept of an independent County office task with initiating cross-directional program analysis to help improve the performance and ensure the accountability of the County government.

The Committee gathered information from several resources, including County hard copy and on-line publications, prior citizen advisory committee reports, meetings with County personnel and presentations by County and Fairfax County Public Schools officials, leaders of outside interest groups, and former Congressman and Fairfax County Chairman Tom

[1] The Committee also created a Revenue sub-Committee and a Personnel Sub-Committee, but due to time and volunteer constraints these Sub-Committees were continued for future consideration.

Davis. Relying on these sources and sub-committee talents, the Committee learned to appreciate Fairfax County's personnel and managerial expertise and the complexities and challenges of local government management. The Committee learned that County expenditures greatly increased from 2002 when revenues were abundant, with further increases over several years. Now that the reverse is true, and the Committee has asked the question: can the County continue to provide the same level of services to a citizenry that prefers such high quality services in a down economy and uncertain future, and if so, how?

The Sub-Committees met and developed the attached Reports, advancing a (non-exhaustive) array of suggestions, comments and critiques. It is important to note, though, that the Reports were not voted upon, and do not (necessarily) represent a 'majority' opinion. It was determined that striving for unanimity or consensus would defeat the purpose of the Committee's Mission. Instead the Reports provide varied suggestions for consideration by the Board of Supervisors and others. In the absence of a majority opinion report, the Committee includes a verbatim Comments Appendix with attribution where the commentator has authorized.

The Committee recognizes that in some cases, there may be legal or other reasons why certain suggestions cannot be adopted, and in other cases, a suggestion may be based on incomplete information. Why? For a variety of reasons, the Committee did not enjoy unfettered access to information. This apparent lack of information transparency is reflected in prior citizen advisory reports and in comments by Supervisor Cook and others who have actively sought information. In addition, the Committee learned that certain realities are apparent. Specifically, that a citizen advisory committee is, by its nature, constrained in what it can accomplish – even if it had unfettered access to information – as it is working on a voluntary, time-available basis.

For these reasons (among others), the Committee has concluded in its GAO Sub-Committee Report that a professional, empowered investigatory agency should be deployed to study County processes, functions and organizations; and then present recommendations, based upon information that the Committee could not obtain, regarding matters that were nonetheless identified, and any other future assigned matters. At the very least, the role and effectiveness of the *Fairfax County Office of Financial and Program Audits* (OFPA), which currently provides analysis services to the Board of Supervisors, should be reviewed in light of this Committee's experiences, Supervisor Cook's concern about visibility into the budget process/resource shortfalls and the dramatic spending increases since 2004. OFPA's integration into and support for Board of Supervisors activities is clearly a matter which goes to the core of governance itself, especially in light of the its seemingly inadequate staffing level which has stood for many years.

Finally, while there are many interest groups in Fairfax County advocating for one program or the other, 'community-at-large' advocacy is limited; and as such, this Report is presented on behalf of the community. Highlights of the Sub-Committee reports are:

Acquisitions Subcommittee:

Reduce County General Fund expenditures $88,000,000.00 by:

- Reducing low priority acquisitions

- Implementing Executive Program Reviews
- Leveraging Competition for Better Performance and Lower Costs
- Eliminating Fragmentation of the County's Acquisition System
- Improving Contract Administration
- Dramatically Increasing Acquisition Transparency
- Documenting Office Practices and Expanding Acquisition Policy

General Accountability Subcommittee:

The General Accountability Sub-Committee believes that an independent consultant or outside agency is best suited to conduct a review of Fairfax County government, budget and spending. Doing so would project a fresh, objective and insightful benefit to the County. Such an agency would (among other possible tasks):

- Evaluate cross-departmental programs, policies and planning impacts;
- Establish controls that trigger action;
- Study whether commercial product/service acquisition is understood;
- Review Fairfax County expenditure management of Metro-wide agreements;
- Study the possibility of collecting existing use taxes due on Internet purchases.

Line of Business Sub-Committee

- Reduce Fairfax County Public Schools Transfer by 3%;
- Identify each position as mandatory or discretionary; eliminate all discretionary increases implemented since 2002;
- Reduce contribution to County employee health insurance premiums from 75% to 70% at a minimum; examine reduction in salary and benefit expenses to reflect an appropriate competitive level for similarly situated employees;
- Increase Fairfax Connector base fare (and consider other user fee increases).

General Accountability Subcommittee
Braddock Citizens Budget Advisory Committee
December 24, 2009

Final Report to the Chair, Supervisor Cook Budget Committee

1. Charter: "General Accountability Subcommittee: This committee's charter will be to drill down into specific programs or issue areas as described by its members in the same way that the Federal General Accountability Office (GAO) would look at specific programs when requested by a member of Congress. The intent to explore the concept of how such an 'independent' investigatory agency could work in Fairfax County."

2. Approach. We reviewed or attempted to review ***instances*** (paragraph 3 below**)** that presented opportunities for probing Fairfax County ("County") operations, rather than budget information. We expected that budget documents would be difficult to evaluate in a concrete context, which was validated when we read reports submitted by prior citizen-staffed budget committees. By instead looking at instances, we expected to understand them as realities that would then be compared with budget documents. Doing so would relate objective information that then would yield opportunities for increasing revenue, reducing expenses and the measuring the overall value provided citizens from budgets. In a subsequent step, we would then seek to determine if a ***County counterpart to the GAO*** (and the Congressional Budget Office) (paragraph 4 below**)** would be useful, and if so, how so.

   These reviews of instances met with some County cooperation in some cases, and none in others. In the cases where cooperation was received, as was the experience of similar groups before and concurrent with ours, full access to County documents was not forthcoming. We assume this is due to County concern about public access to documents that include matters that are sensitive to County operations or to private parties' interests (and to our standing as citizens); which would not be the case if we were County employees or officials.

   While not unexpected, this information lack was unfortunate because it limited our effectiveness. At the outset, this Subcommittee anticipated that concern, expressing our willingness to sign a non-disclosure agreement if County or contractors desired. Especially disturbing is that this lack of visibility is Supervisor Cook's complaint as well.

   These instance reviews could reveal a need for process improvements toward better effectiveness or efficiencies (either increase revenue or reduce costs) that would be extended Countywide. Thus, even low dollar value cases may well be expected to accumulate, replicate over time, and aggregate across Departments, into very significant impacts. As a result, our review would have identified how leadership and/or managerial oversight could be attained or improved, and estimated benefits of doing so.

   Without visibility into Countywide impacts, policy decisions and program reviews would be myopic; and fall short of citizenry or leadership expectations for good government at a very realistic and fundamental level. Also, doing so would permit useful competition between County Departments for resources within the budget process by providing funding only when based on the merit of proposed plans as validated by prior results (and as appropriately measured). The GAO organization's purpose would be to secure that visibility for Supervisors and evaluate County effectiveness and efficiencies (partnering with a Congressional Budget Office-like entity organized within the County Executive).

3. Instances. The following topics (i.e., 'instances') were pursued with indicated results:

a. Voting Machines. We wondered why there have been several cycles of replaced voting machines, and met with the General Registrar, Fairfax County Office of Elections. This practice is seemingly expensive when compared with the prior generation of mechanical, lever-operated machines that had been used for decades. The Registrar was quite supportive, and described a voting machine acquisition process that is impacted by Federal and State authorities. Lever machines were replaced because they were heavy and bulky, driving higher costs for storage and their movement. Lighter, smaller commercial equipment became available that reduced those costs.

Overall, while several commercial equipment generations were purchased, it was unclear why the commercial marketplace or County acquisition staff did seemingly not anticipate or set a standard for the duration of use or logistic support for them. Further, without access to information, we were unable to evaluate how well the County understood the ramification of purchasing commercial equipment or managed this acquisition.

We were advised warrantees were enforced, and "useful life," was somehow determined as limited to some 7 years. This seems inappropriate for equipment used only a few times annually from a mechanical standpoint, while equipment repairable parts/service availability as well as software upgrades seemed predictable considerations for planning equipment use outside initial warrantee periods. The interviewee was not involved at the time each family of machines were purchased, but agreed to look into the matter and report back (no information received to date). We also volunteered to review source documents to ascertain how the acquisition of each series of machines was planned for (or those plans executed).

Further, while outside our charter, it may be that some on-line voting process could be developed in conjunction with other Governments of various levels to augment or replace the use of existing equipment; which was validated in discussions with Brian Hancock, the Testing and Certification Director for the U.S. Election Assistance Commission (202-566-3122).

b. Subsidizing housing for police recruits at high crime locations. While an existing program provides subsidized housing as an inducement when seeking new County hires in several (not stated) Departments, the Subcommittee considered doing so for police either alone or primarily, with placement at high crime locations. Doing so would re-allocate funding for the existing program based on criteria that the Subcommittee expected to establish, that describe the cost/benefit relationship of doing so in objective or subjective form for each participating Department. We did expect a relative favoring of the Police Department due to the nature of high crime areas and an assumed benefit due to the salutary benefits associated with placing police appropriately in the community that seemingly needs them most.

Police and Housing Department officials were interviewed, but no other Department participated. Interviewees rightly asked about how a countywide program would be implemented; a matter impossible to pre-determine without other Departments participation. Police interviewees advised they would expect the private sector to also offer incentives (e.g., by owners when police officers were to reside at their apartment houses in high crime areas). Obviously, County costs might be reduced (or increased, if warranted) and monetary and various non-monetary benefits that derive from the various participating Departments (due to the nature of each) might be compared along with the Department level costs and results.

Further, this issue can be expanded -- a related news release (attachment 1) reports incidents of individuals receiving subsidized housing (generally) when their high incomes would not warrant them; but insufficient detail was included to allow formation of any conclusion. County officials did not respond to our request for information on that; and so, if later provided, the Subcommittee would include a request for information related to how those officials' performance was evaluated by the County personnel system. Supervisor Herrity would be in agreement – from his citizen report: Opposing "Luxury Amenities" in Government Subsidized Housing "I again voted against a government subsidized housing project that will include "luxury amenities" and where 50% of the units will be for those making over $90K." Public policy matters outside employee incentives also would come into play, such as subsidized housing for the poor, for legal immigrants and for illegal immigrants (as well as how immigration status is determined).

Fundamentally, at an elemental and obvious level, there should be such a comparison made for these very reasons to justify ongoing, significant expenditures on this existing program, and to resolve both the news report and Supervisor Herrity's concern. If Supervisors are unable to do so, then there is a breakdown of the democratic process. Political candidates must be able to campaign on their views of

policy, such as this entire matter. The electorate would be influenced by related subjective and objective information generated by the County as we recommend it would be developed. Doing so is essentially what democracy is about. Permitting citizens, by their votes, to influence the community that they live in, their own lives and the taxes they pay. Enabling elected officials to set policies and approve budgets that deliver results to citizens for the taxes that they pay; and for those officials to hold the County Executive and his subordinate managers and employees responsible.

c. Metro. Obviously, Metro's horrific safety and maintenance practices (and therefore, its leadership) require investigation. While nominally not directly a County matter, its citizens are impacted and it does provide funding, County Supervisors sit on the Metro board and staff interacts with Metro officials. We were unable to gain an explanation of Metro's behavior, but believe County officials involved should produce their views of this and facts used to develop them.

d. Dead Tree. In the lush and expensive landscaping between the Kings Park Library and Supervisor Cook's office (on the Burke Lake Road side) there was an apparently expensive and dead tree. We asked the Library why, who passed the point to the landscaper involved Supervisor Cook's staff, with no response, and so, no result. The dead tree was replaced, but the Subcommittee has questions about the condition of the landscaping which would be addressed to the landscaper and to the contracting officials if they can be made available. Our requests were made on Aug 19, Sep 3, and on Oct 1, 2009; and have been ignored to date. We cannot imagine a better picture of poor business practices.

e. Sales/Use tax on Internet purchases. While a Federal matter if an interstate commerce basis denies local/state governmental taxing authority; the issue is framed as one of fairness. Businesses sited in states that require sales tax on purchases are at a competitive disadvantage when they then compete with firms doing business on the Internet that do not currently levy sales taxes. This matter is greater in scope than the County alone, so other jurisdiction support would be sought. This is not a new tax, but an uncollected use tax.

The values of those taxes when received by the various states, and by local government imposing them, clearly are substantial. While imprecise, experts in the field estimate that $400 million annually would be received by the Commonwealth (some portion of that directly AND indirectly to the County). The estimate for all states/localities is $12 billion – all states are detrimented and other taxpayers pick up the evaders' burden.
http://www.reuters.com/article/domesticNews/idUSTRE53E6SU20090415)

Those experts participate in a multi-state/Federal dialogue comprised of many members; with talk ongoing, no particular progress reported and so, no conclusion is in sight. The will to do so could be lacking, so new leadership or a re-energized leadership is the most important next step, which step could be Supervisor Cook's. I'm advised however, that the Virginia GOP see this as a new tax, but the Subcommittee believes it to be an existing tax, which would be collected as due from those who are either unaware of the use tax or do not intend to comply.

f. Rezoning/proffer process. In the currently informal "proffer" process, developers offer the County incentives in conjunction with each rezoning petition, which is subjectively evaluated and negotiated. Instead, a new and formal process (including reporting to the public in suitable ways) would be established. Also, the proffer is termed "voluntary," but given it must be offered and an amount negotiated, so it obviously is not. The view of the proffer as voluntary side steps a need to formalize and monitor it in a deliberate and consistent manner.

Essentially, a cost/benefit database would be established that display the increased assessed and market values that result from approval of the petition (the "windfall" to the developer) that then compare with the annual and fixed costs and benefits from that change. These would include capital costs and expenses associated with police, fire, school, water and other County services provided; revenues from the anticipated increased taxpayer population, and so on. The database would reflect the monetary

impact on developers, future residents of that parcel, all other county residents and taxpayers generally over time and then perhaps summarized at a present value basis for comparative purposes.

The database would be available for additional, internal County use; evaluating how well Departmental component forecasts pan out, and to improve upon them continually as used with requisite new or updated internal estimating methods (or, perhaps there are industry standard metrics?). Information related to any and all decisions (including denials) would also be available to the public (visibility of information such as this should be valued). Also, developers could forecast the proffer amount they would expect to pay for new petitions.

We expect both developers and County assessors could use different methods, but their differences could be discussed and over time, the validity of these estimates would improve and any gap would likely narrow. Proffers are now generally "in kind" – wherein the developer provides completed work; but perhaps a monetary proffer amount would also be required from the developer as an alternative, with County choosing either, which would also sharpen estimate validity. Alternatively, the database would only provide summary data to the public; but situations/decisions outside normal ranges should be available to the public.

We spoke with several County officials familiar with the existing process, who agreed that the Subcommittee's suggested approach seemed sound and positive; but more importantly from their perspective, that it could be fairly and easily implementable, with the result made public and visible.

4. <u>County counterpart to the GAO</u> (and the Congressional Budget Office) (functional statements, attachment 2). After some time, we found that there was a current County counterpart to our proposed GAO and met with the Office of Financial and Program Audits (OFPA) on November 19, 2009. The OFPA was established in the mid-1990's to perform the function for the Fairfax County Board of Supervisors, that the GAO serves for the Congress. The OFPA is staffed by one full time and two half-time employees, all of whom previously had been long-term GAO employees. The Fairfax County Audit Committee initiates tasks for the OFPA (while the OFPA may suggest others). Additionally, we were advised that the Fairfax County Executive/Chief Financial Officer has an Internal Auditor office, with 12 on staff. It was not clear to what extent their functions were analogous to the US Congressional Budget Office.

   The context of Supervisor Cook's prior comment regarding not having visibility into budgets is now reframed from a possible need to establish an organization to the extent to which that visibility, an obvious duty of a Supervisor, is fully satisfied by OFPA, or weather change is warranted.

   Specifically, the Board of Supervisors could consider:

   <u>a.</u> Staffing. The OFPA staff level is established by the Board of Supervisors considering its use in general budget review, authorization of expenditures and oversight as well as on reviews of specific projects. What composition of staffing (number, full/part time, experience, and performance objectives) should be established? Given the Supervisor's concern, and the obvious high capabilities of the current OFPA staff, adding staff seems worthy of Board of Supervisors consideration.

   <u>b.</u> Tasking. What criteria are used, what have the results been to date, how are they evaluated and how might they be improved?

   <u>c.</u> Relationships between OFPA and the County Executive's Internal Auditor office. Obvious and extensive.

   <u>d.</u> Cross-validating Subcommittee review topics with OFPA functions. To date, our Subcommittee has had mixed access from County staff, as previously reported. OFPA would have access, and

could be tasked to further develop these. Those Subcommittee initiatives that seem most amenable are voting machines, the dead tree and subsidizing housing:

i. Voting Machine information has been forthcoming, with a final step of reviewing acquisition and contracting documents remaining.

ii. Dead Tree. This small dollar item has potentially strategic value regarding process improvement across the board, and also tactical value to the extent it is only one of many instances of waste (but what is the cause and the extent of waste?). High level impacts abound assessing and then establishing process improvements throughout the County in such areas as management/internal controls, contracting, personnel and how OFPA should operate.

iii. Subsidized Housing. While the Police and Housing Departments did meet separately with our Subcommittee, a more extensive participation from County Departments is required for this initiative to be useful -- but has not been secured. Further, it is absolutely clear that establishing some management process for evaluating and then balancing costs and benefits between those Departments will be a monumental effort, and require strong leadership involvement and support. OFPA was not surprised by our assessment on this matter, and we were not surprised by the absence of his surprise.

5. Recommendation regarding OFPA. The Subcommittee has not been able to interact with County officials to the extent that we had hoped. Until broad access occurs, there is little more that we can do on instances. However, we believe that we have fulfilled our charter due to our OFPA work. Clearly, Supervisor Cook's concern about visibility of information has been validated, is vital to his authority and effectiveness as well as for internal management by the County Executive and subordinate functional managers. To the extent the current state is not satisfactory to him (or to the Board) that visibility must therefore be obtained or improved, and OFPA is the organization established to provide it. The Board of Supervisors seems to be the deciding authority on this matter, but we note OFPA's long-standing existence and OFPA's statements about their reporting history, resulting in our offer of several points for Supervisor Cook which he might advance for the Board's consideration and/or then for OFPA tasking:

a. Fundamentally, we have observed what appears to be waste in the form of lax management (in the dead tree instance); have asked for but not seen requirements setting, acquisition management or contracting controls (in the voting machine instance); and recommend establishing or improving a process to evaluate, justify and compare similar or cross-Departmental programs (in the housing instance and in the proffer/rezoning instance). As taxpayers, we see no need to increase taxes if controls are either lacking or non-existent, or to fund Department programs without clear budgetary and value reporting to Supervisors – which goes to the heart of democratic government itself.

b. County citizens' taxes support Metro, and County officials are involved in its supervision and management. Clearly the situation is problematic, but Metro leaders' tenure is continued nonetheless. We recommend a report by Metro or by County officials if Metro reporting will not be provided that clearly, truthfully and comprehensively advises what must change and why. This must be done before our taxes are requested to merely be spent there again. Or, should we condone deadly accidents, lackadaisical maintenance and constantly escalating costs – as if they were routine expectations? Further, a new Silver line is being built. Could OFPA review and advise why citizens, and County leaders, should believe Metro is up to the job?

c. OFPA staffing and its tasking and management processes should be made more robust. Clearly and obviously, citizens would benefit in the context of community life improvement and perhaps tax reduction. We hasten to add, low taxes are likely not to be as important to citizens as high

quality community services. OFPA's perspective should also be raised to a broader strategic and integrated management level. We hasten that this be done realistically, with objectively determined results, and not in the many boutique but useless ways that are in vogue today. As I was delighted to hear a four star Admiral tell me, "I coulda had three more ships instead of that G** d***** c*** *** ***."

6. General Recommendations.

a. Supervisors might recommend the County Executive realign or revise his Internal Auditor office to facilitate both objective oversight of programs and also for optimal communication with OFPA. We attach a description of Federal Government entities (GAO CBO.doc), and note that these organizations are not what an auditor would be hired to do – look for nickels and dimes, but are generally strategic in nature at both the leadership and the managerial level – while they may initiate a review at the tactical level.

b. Use Tax applied to Internet sales. A way to improve collection of an existing tax that increases Commonwealth revenue by $400 million annually would clearly have a positive impact on the County, and should not be overlooked.

Mark Werfel, Chair
General Accountability Subcommittee

Attachments
1. Subsidized Housing For the Rich (3 image files)
2. GAO CBO.doc

REPORT OF THE
ACQUISITION SUB-COMMITTEE

PREAMBLE:

The Fairfax Purchasing Resolution, as approved by the County Supervisors, states: "WHEREAS, the Board of County Supervisors is dedicated to securing high quality goods and services at reasonable cost while ensuring that all purchasing actions be conducted in a fair and impartial manner with no impropriety or appearance thereof, that all qualified vendors have access to County business and that no offeror be arbitrarily or capriciously excluded, that procurement procedures involve openness and administrative efficiency, and that the maximum feasible degree of competition is achieved."

This report is directed to furtherance of the above objective.

The estimated annual budget of Fairfax County is $5.8B. The General Fund is $3.3B and "Other" is $2.5B. It is estimated acquisitions account for 50% of the General Fund ($1.7B) and 70% of the "Other"($1.75B). The following recommendations should produce at least a 5% reduction in acquisition expenditures. This would reduce obligations of the General Fund by $88M and the "Other" funds by $80M for a total reduction of $168M.

Unfortunately it is not expected all recommendations can be fully implemented and saving realized in less than a year. Therefore, "Issues" have been identified as short-term and extended-term issues. Implementation of the recommendations for short-term issues will be "brute force" and culture changing. Implementation of recommendations for extended-term issues will improve the efficiency and effectiveness of County acquisition expenditures.

While conducting our review we found many positive aspects of the County's acquisition system and personnel – aspects we expect are not found in most other counties. The County personnel we encountered were professional and exuded dedication and pride. We found sets of acquisition policy did exist and felt the Fairfax County Resolution exhibited, as a cornerstone, the involvement of the Board of Supervisors. We sensed the acquisition community strives to provide value to County citizens.

Issue 1 Short-term
Reduce Low Priority Acquisitions

Discussion:

Limited review of potential acquisitions indicates County offices have not adjusted to the fact the County faces a deficit. Although we lacked access to virtually all past and current obligating documents, we found current solicitations for tree houses, expensive

police radios for schools, and automatic flush valves for newly renovated Woodson High School.

We found no polices for challenging and/or validating requirements. Extensive fragmentation of contracting within the County also adversely affects requirement challenges by contracting offices.

Recommendation:

The County Executive and School Board should immediately establish a committee to review and, initially, purse elimination of low priority acquisitions. Most likely internal organizations will fight this plan and obtaining acquisition information will be very difficult for the committee. Even finding all of the County contracting offices, including those outside the United States, may prove difficult. Additionally there are probably thousands of purchase card holders in the County. It will require the authority and attention of the County Executive and School Board to implement and execute.

It is suggested the committee include citizens from each district as well as selected county employees. It is also suggested free IT such as tweets, blogs, and/or websites be used to allow other citizens and County employees help identify low priority acquisitions. A method of stopping and/or reducing low priority acquisitions must be established.

[Note: Although it would not be as effective, the Braddock Supervisor could establish a volunteer committee. Access to acquisitions would be a substantial obstacle and the effect would probably be limited to focusing attention on low priority acquisitions as opposed to stopping them.]

Issue 2 Short-term
Implement Executive Program Reviews

Discussion:

We were surprised to find no evidence major acquisition program reviews were being conducted within the County. We expected to find program, not just project, reviews to be conducted on a scheduled basis with at least the elements of cost, schedule, quality and technical risk being addressed on a quarterly or semi-annual basis. Few major acquisitions are flawless. Costs grow, schedules slip and the original benefits of the acquisition deteriorate. The County Executive and the FCPS Superintendent should be provided, on a scheduled basis, executive level information that allows them the option of terminating or rescaling a program. Without program oversight we expect there are multiple major acquisition programs within the County that are “allowed” to remain over budget, over schedule or expected to provide reduced benefits.

Recommendation:

The County Executive should promptly provide the Board of Supervisors an implemented written policy requiring major acquisition program reviews [at least semi-

annually] for acquisition under the Executive's control. The County Executive should also promptly identify at least the five largest acquisition programs under the Executive's control for inclusion in the review.

After the County Executive implements and refines major acquisition programs reviews it should be expected the FCPS Superintendent would implement the same policy.

Issue 3 Short-term
Leverage Competition For Better Performance and Lower Costs

Discussion: Increase Competition

Although our review was limited to County acquisition policies and other information available on the Internet concerning solicitations and awards we found multiple occasions to improve competition within the County thus improving performance and lowers costs.

No County policy requires competition prior to issuance of obligating orders pursuant to existing labor hour or time and material contracts. It will be argued the labor rates and material overheads were competitively established; however, the cost determining factors, labor mix, number of hours, and material were not competitively established. It is these determining factors that establish the cost of the effort which should be established by competition.

County acquisition policy does not require obtaining more than one bid prior to awarding contracts or orders over $5000. Policy requires solicitation of multiple sources, but allows award, without further justification or review if only one bid or proposal is obtained. This policy allows "gaming" – soliciting firms known not to bid thus issuing essentially sole source actions or award based on ineffective solicitations.

Recommendation: Increase Competition

Implement policy to require either a sole source justification, reissuance of the solicitation or approval one level above the contracting authority prior to issuance of award based on only one bid or proposal.

Discussion: Revise Solicitation Time Policy

Consistent with the Virginia Public Procurement Act, County policy allows limiting solicitation time from release to closing to only five days without justification or higher level approval. In our limited review we found none restricted to only five days, but did find that even solicitation with and expected value of over a million dollars were open less than 30 days. The average seemed about 15 days. Short solicitation times usually result from poor acquisition planning and result in lesser quality bids/proposals.

Recommendation: Revise Solicitation Time Policy

Policy should be issued requiring solicitation times of at least 30 days for solicitations over $50,000 and 20 days for solicitations over $10,000, unless a justification is approved one level above the applicable contracting authority. Poor acquisition planning should be identified and corrective actions taken to prevent future events.

Discussion: Tighten Purchase Card Controls

Purchase cards reduce acquisition time and effort significantly. However, purchase cards are prone to non-competed, non-negotiated pricing by untrained employees, often lack material/performance tracking, and present extensive opportunities for fraud, waste and abuse. There are trade-offs. Most likely there are many purchase cards with high limits (over $5000) within the County. One reason cited for high limit cards is emergency acquisitions. Emergency acquisitions should be handled by trained professionals and not be a distraction for persons directly involved in the emergency – they should remain focused on their primary mission.

Recommendation: Tighten Purchase Card Controls

Purchase cards should be strictly limited to transactions of less than $5000 except for DPSM contracting personnel. This does not imply all purchase cards should have a $5000 limit. DPSM should implement 24/7 emergency contracting procedures and support for emergencies. This does not require someone to "be in the office" 24/7.

Issue 4 – Extended Term
Eliminate Fragmentation of the County's Acquisition System

Discussion:

Fragmentation of the County's acquisition system is initiated by the Fairfax County Purchasing Resolution as approved by the Board of Supervisors. The result is probably a dozen or more County contracting offices, some with perhaps only one person, and hundreds of persons obligating county funds using purchase cards and issuing orders.

The Purchasing Resolution establishes a County Purchasing Agent and endorses a centralized County purchasing system by stating:

"The primary duty of the County Purchasing Agent is to carry out the principles of modern central purchasing and supply management in accordance with applicable laws and regulations and with generally accepted professional standards in such a manner as to insure the maximum efficiency of governmental operation and to give to County taxpayers the benefit in savings that such accepted business procedures are known to produce."

Following the above statement the Fairfax County Purchasing Resolution lists multiple pages of exceptions to centralization and provides the framework for the formal and informal fragmentation of the acquisition framework within the County. Examples of

exceptions are: The Department of Public Works and Environmental Services, The Fairfax County Public School Board, The Fairfax County Park Authority, The Department of Housing and Community Development, The Department of Transportation, The Fairfax County Sheriff [and Fairfax Water Board].

In addition to the contracting authority delegated by the "Resolution," the Department of Supply Management has delegated special additional contracting authority to FCPS and small purchase authority (under $10,000) to all Departments.

It will be argued the "Resolution" only separates Construction and Architecture & Engineering from the centralized contracting of the County Department of Purchasing and Supply Management (DPSM). Careful reading of the "Resolution" and review of practice indicates expanded decentralization. The reason for decentralizing Construction and Architecture & Engineering is physical geographical dispersion of the projects. This is not the case within Fairfax County.

Some disadvantages of dispersion of acquisition functions are:
Duplication of the effort to produce acquisition policy (or just have offices without any)
Duplication of IT systems and maintenance
Potential contractors face different policies and practices from a multitude of different offices.
Lack of consolidated training
Duplication of support functions such as legal, HR and IT.
Duplication of management
"Stovepiped" offices
Reduced oversight – if any

There are significant organizational pressures to decentralize the acquisition functions. Each organization is highly motivated to control acquisitions functions for their organization. Program and project oriented organizations demand acquisition system performance prioritize schedule and quality, not cost. Reduce solicitation time, limit the number of eligible contractors which can propose, award quickly, get on contract – we can modify it later, make changes now – will price them later, my specification is not "gold plated."

Acquisition offices are often viewed as an obstruction because they introduce the importance of cost in the equation. This is a check and balance severely mitigated by decentralization of acquisition functions. Lack of checks and balances allow more opportunities for fraud, waste or abuse.

Apparently there are county organizations not funded by the Board of Supervisors and without oversight by the Board of Supervisors. However, County citizens do fund their activities and acquisitions. Examples are Fairfax Water and the Economic Development Authority. Most likely these and similar, but undiscovered, organizations have separated acquisition systems.

Identification of fragmented functions within the County is not new. The March 20, 2009 report to Supervisor McKay by the Lee District Budget Advisory Group recommended consolidation of multiple functions including IT.

Recommendation:

The County Executive and FCPS Superintendent should jointly prepare a plan and schedule to significantly reduce fragmentation of the County's acquisition system. Suggested features of the new acquisition office are:

A stated level of performance that allows other County offices to focus on their primary missions without being distracted by operating a separate acquisition systems.

Provide all county offices with training, assistance, and guidance in preparation of requirement definitions and acquisition planning – including actual preparation.

Provide "easy" interface, including training, with county offices.

Be staffed with a trained, professional acquisition workforce.

Be responsible for administration of all County contracts while providing training, materials and advice to other County employees concerning contract administration as requested or required.

Require the new office to challenge and stop acquisitions not in the best interest of the County.

Be "graded" on a scheduled basis by other County offices.

Issue 5 – Extended Term
Improve Contract Administration

Discussion:

Costs increase, quality decreases and schedules slip during contract performance even with superior contract administration. Lack of County policy allows a person with no contract administration experience or training to administer any contract, including its largest contracts. This lack of policy probably reflects the County's lack of attention to contract administration – FCPS construction perhaps being an exception.

For most acquisitions informal policy is to disperse contract administration to the organization which initiated the requirement. It is expected contract administration within these organizations is performed by persons "in addition to their regular job", by junior personnel, and with little management oversight. This dispersion also mitigates organizational checks and balances thus increasing opportunities for fraud, waste and abuse.

Recommendation:

There are a several ways to significantly improve contract administration and each has multiple elements including training, policy, quality controls, contract changes, etc. The County Executive should require formation of a plan, including a schedule, to transform the County's approach to contract administration. It should be expected the plan would be shared with School Superintendent. Once the fiscal emergency is over, recommend consideration of sending selected acquisition personnel to the Defense Acquisition College at Fort Belvoir.

Issue 6 – Extended Term
Dramatically Increase Acquisition Transparency

Discussion:

In early December 2009 Supervisor Cook's newsletter announced "The county is in the first phase of a multi-year effort to install an Enterprise Resource Planning system that will provide an extensive financial database and make possible access to transaction level data. The new page is www.fairfaxcounty.gov/finance/transparency."

Currently limited acquisition information is available on the County's webpages. They include a portion of most higher dollar value solicitation, a list of "catalog or schedule" contracts previously awarded, and some of the County's acquisition policies.

Increased acquisition transparency not only allows citizens and the media to review County acquisition funded obligations, but also encourages contractors to bid or propose in response to County solicitations. It should be expected potential contractors will analyze trends and expenditures in their areas of expertise. Potential contractors should also be made aware of the County's acquisition policies. Business uncertainty results in higher prices.

It may be argued there are potential privacy issues; however, these are very limited and relatively easy to avoid.

Recommendation:

Acquisition transparency at a minimum should include at least a list of ALL obligating contracts, orders, modifications, etc. over $50,000. Each entry should at least specify: identification of the document (contract number, order number, modification number, etc.), amount obligated, date of obligation, short description of effort, category of effort (good, service, construction, etc.), performance window if applicable, identification of sole source or limited source actions, issuing office, and contractor. In addition to a searchable website, a "flatfile" or .csv file containing all actions should be available for download and analysis.

All County solicitations over $10,000 should be posted at a County website as should be all sole source determinations. Contractors and persons should be able to download the

entire solicitation. Since most contracts, modifications, orders, etc. are already electronically stored, the County should allow download of these documents.

Issue 7 – Extended Term
Document Office Practices And Expand Acquisition Policy

Discussion:

Some offices, even very well run ones, appear to be reliant on their managers for their excellent work. We did not find sufficient documentation of these practices. The unanticipated loss of such managers would have a negative effect if the documentation does not exist.

County acquisition policy is fragmented and limited. Since DPSM is not responsible for all County acquisition policy, most likely some County acquisition offices have little or no acquisition policy in place. Areas not addressed by County acquisition policy include:

File documentation requirements, contract administration processes and documentation, solicitation, contract, modification and order structures, acquisition planning, issuance of orders and modifications, conduct and documentation of pricing and negotiations, use of various contract types, use of provisions and clauses, required training and experience, and strategies and requirements for IT acquisitions.

Recommendation:

The Fairfax County Purchasing Resolution should be modified to require one County office responsible of issuance and updating of all County acquisition policy. Exceptions for specific organizations should be limited or non-existent.

Acquisition managers must insure that offices' practices are documented and that all employees have up to date continuity books in the event of their loss.

Braddock Citizens Budget Advisory Committee
Line of Business Subcommittee
FY 2011 RECOMMENDATIONS

Background

As part of the preparation for the 2011 Fairfax County budget cycle, Braddock Supervisor Cook recruited citizens from his district to recommend possible reductions in spending and other actions for his consideration. The County anticipates the need to make reductions beyond those made for 2010 as revenue continues to decline.

The Budget Advisory Committee statement of purpose was published by the Chairman after member comments as:

The Braddock Citizens Budget Advisory Committee is made up of Braddock Magisterial District citizens recruited by Braddock Supervisor John Cook to fairly, objectively and independently consider Fairfax County's current and projected budget shortfall, and to issue recommendations to reduce or eliminated program spending and to recommend appropriate taxation levels based on findings of fact and evidence which will align Fairfax County's resources with its acknowledged priorities of public safety and safe neighborhoods, adequate services and support for the poor and lower income elderly, and quality education.

The Budget Advisory Committee, chaired by Mr. Christopher T. Craig, was to establish five subcommittees:

1. Acquisitions and Facilities Subcommittee;
2. Personnel and Benefits Subcommittee;
3. Lines of Business and FCPS Subcommittee;
4. Revenue Subcommittee; and,
5. General Accountability Subcommittee.

This summary covers the activities of the Line of Business (LOB) Subcommittee. The Line of Business Subcommittee of the Braddock Citizens Budget Advisory Committee held a kickoff meeting on Tuesday, August 18, at the Kings Park Library. The objectives of the meeting were: to meet and discuss the scope and deliverable of the subcommittee; to determine individual roles and activities; to select initial areas of interest for individual members to review; to explore means of conducting the review in the time available for meaningful input to the FY 2011 budget decision process; and, to formally define the subcommittee's deliverable. The subcommittee members selected Mr. Larry C. Juul to act as subcommittee chairman.

The scope of the subcommittee was agreed to be:

Using the Fairfax County adopted fiscal year 2010 budget and appropriate historical and comparative data, review County Lines of Business to identify potential reductions and supporting rationale for future year budgets. The deliverable is defined as written recommendations with background and stated potential savings amounts to be provided to Braddock Citizens Budget Advisory Committee/Supervisor John Cook before December, 2009. The immediate target is to address the $315.6 million anticipated deficit for the FY 2011 budget cycle.

Unlike much of citizen input to budget decisions, this group focused on identifying reductions rather than arguing to preserve favored programs. The Subcommittee report provides a taxpayer perspective on County budget expenditures.

Historical Analysis

The subcommittee examined increases in disbursements from 2002 through 2009 using the county budget information archives and other County sources as a high level approach to identifying program growth. Program growth during years of increased revenue seemed to provide a more meaningful baseline

for examining County expenditures than the County Executive's approach of using the prior year approved budget as a baseline.

The two largest growth programs were the Fairfax County Public School System (FCPS), and public safety, and the extent of growth for both was significant. In the case of FCPS, General Fund disbursements increased from $1.183B in FY 2002 to 1.781B in FY 2009, **an increase of $598M or 50%**. Student enrollment for a similar period (May 2002 - 160,738; May 2009 - 169,038) only increased 5.2%.

Public safety, the area of the second largest County expenses, increased $164 million (59%) from 2002-2009. The founded crime reports for a similar period decreased from 2002 (22,565) to 2008 (19,867), a 12% decrease.

Within the County FY 2009 adopted budget plan, increases from the 2002 baseline appear in the Department of Finance (from $6.4 to 9.4M), Department of Purchasing and Supply Management (from $3.7 to 5.6 M), Department of Tax Administration ($19.6 to 24.6Mm), Department of Information Technology ($20.7 to 28.5M) , Office of the Sheriff - Administration ($12.2 to 21.1M), Police Department ($115.4m to 177.3M), Office of the Sheriff - Public Safety ($29.2 to 41.9M), and Department of Family Services ($162.8 to 189.1M). While a few other organizations also show material increases, these are the largest and amount to a total program growth of $128.2M.

Employee benefits rose from $115M to $206M from the FY 2002 adopted budget to the FY 2009 budget, a 79% increase. FCPS benefits increased from $379.6 million in FY 2006 to %505.9 million in FY 2010 (a 33% increase).

Combining county with FCPS growth provides a starting point for potential reductions of $728.2 m. While some reductions were made in FY2010, this seems a potentially more productive baseline for the County to use in the FY2011 review than the previous year's approved budget. The majority of County disbursements

are not mandated; in FY 2008, 35% of the General Fund disbursements were attributed to Federal and State mandates (in the County Executive's letter to the Board).

Real estate tax revenue was $1.226B in 2002, and in 2009 $2.046B. While tax rates were adjusted during that period, assessments increased dramatically and the amount of tax paid by homeowners also increased every year until 2009. For example, for one taxpayer, the home value assessment rose 140% from 2002 - 2008, and the tax dollars paid to the County increased by 82%.

Developing Recommendations

The members of the LOB Subcommittee reviewed one or more areas (funds/agencies) using the FY 2010 adopted budget and Lines of Business Review, as well as the following source documents and benchmarks where appropriate:

Budget information:
http://www.fairfaxcounty.gov/dmb/adopted/fy2010/fy10_adopted_budget.htm
Local government authorities in Virginia:
http://www.dhcd.virginia.gov/CommissiononLocalGovernment/PDFs/Function.pdf
Mandates:
http://www.fairfaxcounty.gov/dmb/mandates/Mandate_Facts.pdf
County organization chart:
http://www.fairfaxcounty.gov/government/county-org-chart.pdf
Fairfax County Code:
http://www.municode.com/resources/gateway.asp?pid=10051&sid=46
Benchmarks:
http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Philadelphia-area_grantmaking/FINAL_Budget%20Brief.pdf - PEW Report, May 18, 2009
Prince William County Budget - http://www.pwcgov.org/docLibrary/PDF/10364.pdf
Loudon County Budget and Organization: http://www.loudoun.gov/Default.aspx?tabid=2727
VA Auditor: http://www.apa.state.va.us/ComparativeReport.cfm

Subcommittee members conducted their own review of areas of interest and provided recommendations to the subcommittee chair. These recommendations were accumulated on a spreadsheet and provided back to the subcommittee members for review. There was no attempt to reach consensus or vote on each recommendation submitted by a member; rather, each member was encouraged to submit their own recommendation. The subcommittee chairman reconciled recommendations and estimates. Potential savings were estimated by subcommittee members using program costs from FY 2010 adopted budget documents (budget cost, personnel cost, difference in cost from one fiscal year to the next, etc.), or indicated as unavailable.

Suggested FY 2011 Budget Decision Guidelines

1. As of January 2009, the population of Fairfax County was estimated to be 1,055, 580. **One means of determining the relative priority of discretionary County programs that should be applied during FY 2011 decisions by the Board of Supervisors is the relative population actually served by the program under review - e.g., those programs serving more citizens should be reduced less.** For example, the Fairfax Connector will provide an estimated 11,145, 38 trips during 2010. Park and recreation service contacts will be made 2,718,016 times during 2010. There will be 482,000 library card holders during 2010. THE FCPS estimates there will be 176,000 students for the 2009/2010 school year. The Fire and Rescue Department estimates 65,728 EMS incidents will occur during FY 2010. The LOB review for Police estimated 11,000 cases will be assigned. Under this approach, recreation and library budget reductions (for example) would be minimal for FY 2011 as those functions serve the largest number of County citizens.

2. FY 2010 reductions addressed appropriate short and long term staff reductions. Fairfax County supports many discretionary disbursements (not required by operation of Federal or State law, or to match such funds received) through contracts and transfers. Such nice-to-do activities (such as housing

purchases) should be primary candidates for elimination or material reduction during low revenue periods. **Until the County reduces spending on discretionary activities benefiting limited self-sufficient program constituencies, there should be NO further reductions in areas providing traditional services to large numbers of County citizens.**

3. County budget development has traditionally employed the use of the previous year budget as the baseline for consideration of the current year budget. Given the extreme growth in taxes and County disbursements during the real estate boom years of 2002-2007, and the anticipated deficit of $315 million, it would be more realistic to **use 2002 disbursements for the reduction baseline to be applied during development of the FY2011 and FY2012 budgets.**

4. County revenue from real estate taxes increased from $1.2 billion in FY2002 to an estimated $2.1 billion in FY 2010. This 73% increase occurred as the Board of Supervisors increased the tax burden on homeowners by adjusting the tax rate so that county income rose 7-8% per year, and County expenditures were increased accordingly under an apparent "spend all revenue in the current year" approach. As a matter of sound fiscal management, **real estate tax rate changes should not be used in the future as a means of expanding County government** without addressing the reduction of structural costs such as program starts, contracts, transfers, and benefits thus providing means to address future economic downturns. The appropriate measure of tax burden is dollars paid, and the appropriate annual limit to the growth of County government, from the perspective of most taxpayers, is the rate of inflation.

Summary of Recommendations

1. **Fairfax County Public Schools (FCPS) disbursements consume over half of the County budget (53.8% for FY 2010). The general Fund transfer payment should be considered for reductions at the same rate as any other County program or agency (3% for FY 2011).** A number of possible economies are provided in the list of recommendations as suggestions to

reduce expenses. Some of these suggestions are controversial. The FCPS should at a minimum continue to examine school-based non-instructional positions for reductions as well as making acceptable increases in class sizes to meet reduced revenues. FCPS employee benefits should also be reviewed.

2. **Only 23% of the County expenditures were for State and Federal mandates (according to the FY 2008 County Executive's report); each position should be identified as performed mandated or discretionary functions and each discretionary position added since 2002 should be eliminated.** Public safety and welfare comprise almost 62% of FY 2010 adopted budget positions, yet the proposed reductions for FY 2011 seem to focus on parks and libraries (less than 8% of the total County positions).

3. **New starts of purchases, programs and contracts should be deferred through FY 2012.** This recommendation especially applies to outreach activities, discretionary community grants and similar disbursements which are not mandated by Federal or State law (67% of County disbursements).

4. **Existing user fees for programs and services receiving general fund money should be re-priced to recover more fully the total costs of operations.** Increasing base Connector fares by $0.10 would increase income over $1 million. Increasing class fees could offset park maintenance costs.

5. **County salaries should be reviewed to determine a market-based compensation level, including the ease/difficulty of recruitment as one of the criteria used to set the entrance salary level by career field.** Very high applicant to placement rates argue that County employee salaries are higher than required by the job market.

6. **Employee contribution to benefits should be increased to 30% in the near term and reviewed to establish market-based criteria for the level of decreased employer participation in future fiscal years.**

7. Specific account savings recommendations developed by the subcommittee members are listed in the following spreadsheet.

Conclusion

A number of individuals volunteered their time and made these recommendations based on their understanding of County programs. The subcommittee members were aided by the information available on the Fairfax County web site and briefings from County and staffs from several County program areas. All of the subcommittee members think Fairfax County is a great place to live. While not all subcommittee members agreed with all of the recommendations, the purpose of the subcommittee was to generate possible reductions.

The specific target for this subcommittee was to produce recommendations to meet the anticipated budget gap of $315.6M, especially the $232.5M of lost revenue; our recommendations in total present a potential savings of **$233,235,612**.

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Attachment: Specific Recommendations and Savings Estimates

Budget Account	Recommendation	Potential Savings Estimates ($)
Fund		
Fund 090 - Public School Operating	Reduce transfer from General Fund by 3% for FY2011	$48,900,000
	Potential Fund 090 Reductions	
(Memo entries of potential saving estimates for Fund 090)	TJHSST teachers: Apply the same formula as Core Teacher, ie, General Education Membership x 6 (class periods) ÷ 147.5 (Regular Maximum Teacher Load) rather than General Education Membership x 6 (class periods) ÷ 138.4 (Thomas Jefferson High School for Science and Technology) Membership Teachers	
	Funding for instructional computer software for schools is budgeted centrally and managed by Instructional Services. Fund TJHSST pupils at a rate of $2.10 per pupil, same as high school pupils to purchase divisionwide subscription services, software images for computers, and software upgrades to enhance the instructional program. Parents are welcome to make up the difference.	

-$1,032,750	The BOS should reduce the FCPS budget by the amount equal to fees generated from parking and raise the parking fee for students to: $225 per year or $125/semester; that is the rate at GMU. Reserved spots could be sold for $325/year. Another option is $5/day for the 180 days of school per year = $900.	
	Eliminate any school bus service for students attending TJHSST from: Arlington County, Fairfax County (includes City of Fairfax), Falls Church City, Fauquier County, Loudoun County, Prince William County.	unavailable
-$122,400,000	FCPS busses: 1. Eliminate buses except for those with disabilities. Eliminate buses for field trips and transportation route supervisors, bus drivers, bus attendants, bus driver field trip, Peform Act Field Trip. 2. Eliminate some bus routes by extending the minimum distance 3. Provide buses to those who pay for them. 4. Work with Metrobus and Fairfax Connector to adjust bus routes so they pass near schools. Personnel alone cost $57M	
-$200,000	Eliminate subsidizing the cost of IB and AP exams	
	Terminate FCPS security. Contract w/ FCPD for additional police, who can be used elsewhere when school is not in session	unavailable

	Turn off lights in parking lots and buildings after 6pm; there's no need to keep parking lots lit bright as day at midnight or later.	unavailable
	Turn off air conditioners after hours, just like in office buildings between 6pm and 6am or some comparable time period	unavailable
	Merge FCPS maintenance with County maintenance including Parks. There is no benefit to each County agency having its own maintenance and landscaping entity.	
-$3,500,000	Fairfax County funding for Public School Nurses and Clinic Room Aides	
	Fairfax County funding for after-school programming in middle schools	
-$1,500,000	Fairfax County funding for athletic field maintenance and other recreation programs	
-$100,000	Fairfax County funding for fire safety education programs for students	
-$5,950,000	Eliminate summer school for optional courses and summer hours at all schools. Options: Close all schools until 1 week before classes resume; Designate a different school in a 10mi circle to be open one day per week; Conduct all business on-line.	
-$283,400	Raise the CPP by $100 for the City of Fairfax	
	Eliminate 2 secretaries per elementary school	
	Eliminate Psychologist and Social Worker	
	Reduce janitor staffing factor from 3-9.5 to 1 to 7.5	

-$958,836	Eliminate Adult and Community Education expenses		
-$73,400,000	Eliminate ESOL		
-$13,000,000	Increase average class size by .5		
-$31,000,000	Eliminate full day kindergarten in 101 schools		
-$8,335,563	Reduce employer contributions to health benefits by 5%		
Subtotal Fund 090 Recommendations: -$260,627,799			
Fund 100 - County Transit Systems	Increase Connector bus base fare by $0.10		$1,114,574
Fund 102 - Federal/State Grant Fund			
Fund 103 - Aging Grants and Programs			
Fund 104 - Information Technology	Defer aspects of Public Safety Architecture Modernization project (20% of 2010 budget) until revenue improves		$630,000
Fund 118 - Consolidated Community Funding Pool	Reduce contract awards by 10% for 2011 and 2012		$898,000
Fund 119 - Contributory Fund	Reduce General Fund support for agencies or organizations that receive County contributions by 20% for 2011 and 2012 until revenue improves		$2,587,088
Fund 170 - Park Revenue Fund	Impose Annual Passes for vehicles at $25 per household. Benchmark is Santa Clara County at $80 and $65 per vessel .		$6,597,375
	Eliminate ESOL for Adults	unavailable	
	Eliminate Adult & Community Education. Adults can enroll at NOVA or private trainers		$11,400,000

Fund 319 - The Penny for Affordable Housing Fund (Refer to Housing Section)	Defer Affordable Workforce Housing discretionary disbursements through 2012		$512,500
Fund 408 - Sewer Bond Construction			
Fund 500 - Retiree Health Benefits Fund			
Fund 501 - County Insurance Fund			
Fund 503 - Department of Vehicle Services (DVS)	Defer vehicle replacement for 2 years on vehicles meeting replacement criteria during 20011 and 2012 (based on 2010 budget experience)		$2,000,000
	Eliminate all take home vehicles	unavailable	
Fund 506 - Health Benefits Trust Fund	Reduce contribution to employee health insurance premiums from 75% to 70%. (estimate based on 2010 budget employer contributions)		$4,717,512

Agency

Board of Supervisors (001-01)			
Business Planning and Support (001-25)	Reduce 2 positions and merge with Facilities Management		$180,577
Circuit Court and Records (001-80)			
	Eliminate translation of legal forms	unavailable	
Civil Service Commission (001-41)	Eliminate, merge functions into Human Resources		$346,697
Commonwealth's Attorney (001-82)			
Community and Recreation Services (001-50)			
	Eliminate FASTRAN		$1,810,491
	Reduce FASTRAN group trips from senior residences from 4/month to 2/month		$167,869

	Reduce support for FASTRAN dial-a-ride program		$200,000
	Eliminate Agency Leadership		$443,761
	Eliminate Integrated Services & Community Initiatives		$550,870
County Attorney (001-17)			
County Executive (001-02)	Eliminate all contracts for translation and interpretation services, monitoring Limited English Proficiency (LEP) customer needs, and educating staff on language and cultural issues	unavailable	
County Executive - Administration of County Policy (001-02)			
	Eliminate all county chauffeurs (pay grade S-09); savings of $25,481 to $42,469 per chauffeur. If the position is unoccupied, then remove it permanently from the County list of jobs after verifying that no County officials have chauffeurs or any kind of paid drivers. If they do, terminate their employment.	unavailable	
County Executive: Internal Audit			
Office of Community Revitalization and Reinvestment	Reduce non-mandatory activities by 2 positions.		$282,710
Office of Public Private Partnerships			
Department of Administration for Human Services (001-68)			
Department of Systems Management for Human Services (001-69)			
Economic Development Authority (001-16)	Reduce personnel by 4 positions for 2011 and 2012; OR,		$369,000

	Close the Economic Development Authority	$6,797,506
Elections (001-15)		
Emergency Management (001-93)		
Employee Benefits (001-89)	Defer increases in employer contribution through 2012.	$818,643
	Eliminate Language Skills Proficiency pay	$200,000
	Eliminate overtime for all agencies not otherwise listed below or reduce these by the amount indicated -- reduce by 100% for Land Development, Tax Administration, Library, Office of Elections, and Housing & Community Development; reducing by 90% Facilities Management, Health, and Vehicle Services; reducing by 60% Mental Retardation and Family Services; reducing by 50% Juvenile & Dom Relations; reducing by 20% Public Safety Communications; reducing by 10% Police, Fire & Rescue, Sheriff, and Mental Health Services; leaving unchanged Solid Waste and Wastewater. CY08 total for overtime came to $47.9M	$7,900,000
Facilities Management (001-08)		
	Fairfax County Government Center: close the Fairfax County Government Center no later than 6pm Monday thru Friday and all day Saturday thereby reducing energy costs and eliminating after hours security force	$106,107
	Fairfax County Government Center: modify parking lot lights to turn off from 6:30pm until 5:30am	unavailable

	Eliminate Language Stipend Program (see FY 2010 Adopted Budget Plan (Vol 1) - 217	unavailable	
Family Services (001-67)			
	Eliminate Refugee Assistance Program		$186,178
	Eliminate language translation services		$61,937
	Standardize home-delivered meals by eliminating Vietnamese, Korean, and Middle Eastern, etc. menus	unavailable	
Finance (001-06)			
Financial and Program Auditor (001-37)	Eliminate organization and positions, transfer functions to internal audit.		$248,877
Fire and Rescue (001-92)			
	Eliminate funding for volunteer fire stations' utility bills: Save by eliminating this fund raising subsidy		$500,000
	Eliminate twice a year training for company officers		$95,000
	Eliminate Management Analyst II position in Volunteer Liaison Office or downgrade to an Analyst I		$60,000
	Safety Battalion Chief (BC) position: (1) reduce the rank, (2) civilianize, or (3) civilianize at a lower pay grade		$136,000
	Reduce the number of Fire and Rescue Department battalions from seven to six		$800,000

Advanced Life Support Incentive Pay: reduce to the average of Arlington ($62,133), Loudoun ($50,719), and Prince William Counties ($60,418), or $57,757	unavailable	
Heavy Rescue Companies: eliminate 2 of 8		$1,800,000
Eliminate all take home vehicles or limit take home vehicles to those who reside in Fairfax County		$100,000
Special Operations Division, Marine (overtime for training and operating costs): eliminate "fuel, maintenance, training, equipment and certifications to maintain the Fireboat, as well as the swift-water and flat water response boats."		$80,000
Special Operations Division: (1) Eliminate Program Manager and mgmt position assigned to the National Capital Regional Intelligence Center (NCRIC) worth $265,644 or (2) eliminate Program Manager or mgmt position assigned to the NCRIC worth about $132,822, or (3) downgrade the Program Manager who apparently manages only one individual		$265,000
Urban Search and Rescue Team (USAR): Eliminate.	unavailable	

	Business Services Bureau: (1) Eliminate Asst. Fire Chief ($100,890.61 to $164,341.84) and Admin Asst. ($44,035) or (2) downgrade the Asst. Fire Chief and possibly civilianize and eliminate the Admin Asststant ($44,035).		$144,925
	Business Services Bureau and Fire Chief's Office: Eliminate Admin Asst. V ($40,340 to $67,233) and two Admin. Asst. IV ($36,820 to $61,367) shown in FY 2010 Adopted Budget Plan (Vol. 1) – 273.		$113,980
	Public Affairs/Life Safety Education under the Business Services Bureau and Fire Chief's Office: Eliminate PS Information Officer IV ($58,800 to $98,000) and Administrative Asst. ($44,035)		$102,835
	Hazardous Materials Response Team (HMRT): Eliminate HMRT and rely on hazmat contractors when needed.		$1,700,000
	Special Operations Deputy Chief: eliminate		$150,000
General District Court (001-85)			
	Eliminate interpreters for 28 languages and rely exclusive on the Volunteer Interpreter Program	unavailable	
Health Department (001-71)			
	Eliminate tele-interpreters and interpreter and translation services	unavailable	
Housing and Community Development (001-38)			
	Eliminate 5 regular positions added since FY08		$3,910,890

Human Resources (001-11)	Eliminate pay and positions that provide services in any language other than English	unavailable
Human Rights and Equity Programs (001-39)	Eliminate Equity Programs, merge mandated functions into Human Resources along with Civil Service Commission	$631,027
Information Technology (001-70)	Reduce architecture planning and administration by 3 positions	$132,690
Juvenile and Domestic Relations District Court (001-81)	Eliminate paid interpreters and rely exclusive on the Volunteer Interpreter Program	$63,294
Land Development Services (001-31)	Eliminate 6 Land development Services positions added since FY08 since lower workload due to economy.	$1,769,292
Park Authority (001-51)	Increase existing user fees to eliminate the County funding of park maintenance (51-04)	$10,240,209
Police (001-90)		
	School crossing guards. Eliminate all 127 positions, 64 of which are filled. Rely exclusively on student safety patrol who already exist or use adult volunteers. $1.7M to $2.8M + Uniforms and training are provided + Annual and sick leave are earned and accrued according to hours worked + Mileage reimbursed + Health plan enrollment optional if employee has more than 2 crossings	$1,740,212
	Employer Contribution for Police Retirement: (1) Restore the 11% employee contribution. In FY09 the 11% employee contribution was reduced to 10%. (2) Raise the employee contribution from 10% to 12%.	$1,300,000

Helicopter Division: Eliminate the Helicopter Division, terminate four pilots and sell both helicopters		$900,000
Animal Services: Return to FY07 staffing of 54 vice FY10 staffing of 56 personnel		$150,000
Animal Services: Civilianize all 33 sworn positions		$690,000
Animal Services: eliminiate owner-requested euthanasia of pets and let owners use private vets	unavailable	
Marine Unit: Eliminate 2 officers and sell all boats		$230,000
School Resource Officers (SRO): Eliminate all SROs		$4,700,000
Take home vehicles: (1) Eliminate all take home vehicles or (2) limit take home vehicles to those who reside in Fairfax County		$100,000
Criminal Justice Academy: Close and send County police and sheriffs to the Northern Virginia Criminal Justice Training Academy		$6,000,000
Deputy Chiefs of Police: eliminate the Deputy Chief of Police for Administration and the Deputy Chief of Police for Operations and Investigations. Could save as much as $328,683.68		$201,781

Internal Affairs Bureau: Downgrade Major to a Captain and eliminate these five positions: three administrative assistants, one sworn supervisor detective, and one civilian employee who assess compliance and propriety of Department policy		$500,000
Administrative Support: Transfer all these personnel and financial functions to the County and eliminate the positions		$4,400,000
Office of the Chief and Administration: Reduce FY08 budget by 25% then assume 3% annual inflation.		$1,850,000
Information and Technology Bureau: Consolidate most or all functions other County or FCPS agencies		$1,300,000
Canine training in-house: Use Federal sources of K-9 training (which include drug and explosive), e.g., University of Alabama	unavailable	
Special Response Unit (SRU): Eliminate	unavailable	
County Police Department: Place FCPD back under the Sheriff and eliminate duplicate or unnecessary positions (Chief, Deputy Chiefs, admin asst, etc.)	unavailable	

	Eliminate School Crossing Guards; Resource Officers who are assigned to all FCPS high schools, middle schools and alternative schools; and security for activities such as proms and football games. Realize savings by eliminating all these or exempt proms and football games and include a fee to cover security in admission price.	$8,200,000
Public Affairs (001-13)	Reduce staff by 2, close mall offices and provide County information in Government Center lobby.	$194,626
Purchasing and Supply Management (001-12)		
Sheriff (001-91)		
	Reduce overall budget to the rate of inflation since FY08	$2,700,000
	Increase fees for room and board charged to the individuals incarcerated in the ADC, inmate reimbursements for Pre-Release Center room and board costs, and inmate medical co-pay fees	$200,000
	Eliminate nine Administrative Asst II-V positions in Administrative Services.	$940,000
	Civilianize five deputy sheriff positions in HR	$100,000
	Confinement: Reduce cost per meal from $1.10 to the FY06 rate of $1	$390,000
Stormwater Management (001-29) ** See also Fund 125		
Tax Administration (001-57)	Reduce by 10% as all major functions are automated.	$2,186,498
Transportation (001-40)		

	Eliminate 6 of the 18 postions added to Capital Projects since 2008 in light of the lack of money for transportation projects	$439,081
	Convert all Metrobus routes to Fairfax Connector. Assess ridership and consider discontinuing Springfield Circulator service	$68,000,000
	Eliminate late night (after 7pm) and weekend Metrobus service (e.g., 17A/B) and stops that serve no purpose (e.g., 17L at Burke VRE)	unavailable
	Re-negotiate the $21.2M the County pays for Metrorail.	$2,000,000
	Place a moratorium on the installation or modification of all traffic signals as part of county-funded road construction projects unless installation and annual costs are fully funded by the new development. Potential savings: $250,000 - $300,000 per intersection	$1,000,000
Unclassified Administrative Expenses - Nondepartmental		
Unclassified Administrative Expenses - Public Works		
TOTAL POTENTIAL SAVINGS		**$233,235,612**

About GAO

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Our Mission is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We provide Congress with timely information that is objective, fact-based, nonpartisan, nonideological, fair, and balanced.

Our Core Values of accountability, integrity, and reliability are reflected in all of the work we do. We operate under strict professional standards of review and referencing; all facts and analyses in our work are thoroughly checked for accuracy

Our Work is done at the request of congressional committees or subcommittees or is mandated by public laws or committee reports. We also undertake research under the authority of the Comptroller General. We support congressional oversight by;

auditing agency operations to determine whether federal funds are being spent efficiently and effectively

investigating allegations of illegal and improper activities;

reporting on how well government programs and policies are meeting their objectives;

performing policy analyses and outlining options for congressional consideration; and

issuing legal decisions and opinions, such as bid protest rulings and reports on agency rules

We advise Congress and the heads of executive agencies about ways to make government more efficient, effective, ethical, equitable and responsive. Our work leads to laws and acts that improve government operations, saving the government and taxpayers billions of dollars.

CBO's Role in the Budget Process

Under the Congressional Budget and Impoundment Control Act of 1974 the annual Congressional budget process begins with adopting a concurrent resolution on the budget that sets forth total levels of spending and revenues, and broad spending priorities, for several fiscal years. As a concurrent resolution, it is approved by the House and Senate but does not become law. No funds are spent or revenues raised under the budget resolution. Instead, it serves as an enforceable blueprint for Congressional action on spending and revenue legislation.

CBO assists the House and Senate Budget Committees, and the Congress more generally, by preparing reports and analyses. In accordance with the CBO's mandate to provide objective and impartial analysis, CBO's reports contain no policy recommendations.

Budget and Economic Outlook /publications/bysubject.cfm?cat=0

In late January of each year, CBO reports on the economic and budget outlook, including estimates of spending and revenue levels for the next 10 years under current law. This so-called budget baseline serves as a neutral benchmark against which Members of Congress can measure the budgetary effect of proposed legislation. The baseline is constructed according to rules set forth in law, which generally instruct CBO to assume that current spending and revenue laws continue without change. Thus, the baseline is not a prediction of future budget outcomes. Rather, it reflects CBO's best judgment about how the economy and other factors will affect federal revenues and spending under existing laws. Each summer, CBO updates its baseline projections, incorporating a new economic forecast and the effects of laws that have been enacted to date in that session of Congress.

Analysis of the President's Budgetary Proposals /publications/bysubject.cfm?cat=1

Each year CBO provides an independent re-estimate of the President's budget proposals. This analysis is delivered to the Congress approximately one month after the President submits his budget. It permits the Congress to compare the President's spending or revenue proposals to other proposals using a consistent set of economic and technical assumptions.

Cost Estimates /CEBrowse.cfm

To assist the Budget Committees and the Congress with enforcement of the budget resolution, CBO analyzes the spending or revenue effects of specific legislative proposals. (For proposals that would amend the Internal Revenue Code, CBO is required by law to use estimates provided by the Joint Committee on Taxation.) It prepares cost estimates of pending legislation and tracks the progress of such legislation in a scorekeeping system. CBO's cost estimates and scorekeeping system show how individual legislative proposals would change spending or revenue levels under current law and help to determine whether those budget effects are consistent with the targets in the Congress's most recent budget resolution. As required by the Unfunded Mandates Reform Act of 1995, CBO includes in cost estimates an assessment of whether legislation contains federal mandates and provides an estimate of the costs imposed by those mandates on state, local, and tribal governments and the private sector.

Budget Options /publications/bysubject.cfm?cat=2

CBO produces a volume that discusses a wide range of options that address changes in spending and taxes. The options are derived from many sources and, in keeping with CBO's mandate to provide objective analysis, each includes a discussion for or against it. CBO's budget options volume is currently produced in February or March of odd-numbered years to coincide with the beginning of a new Congress.

Long-Term Budget Outlook /publications/bysubject.cfm?cat=3

This report presents illustrative scenarios for federal spending and revenues and describes the implications of those scenarios for the economy. Since 1996, CBO has regularly prepared reports on the long-term budgetary pressures associated with the aging of the baby-boom generation. This report, produced annually in June, extends those analyses.

Unauthorized Appropriations and Expiring Authorizations /publications/bysubject.cfm?cat=6

This annual report assists the Congress in adopting authorizing legislation that should be in place before it considers the 13 regular appropriation for an upcoming fiscal year. The report shows the total amount that the Congress has provided in appropriation acts for programs whose authorization has expired.

Review of CBO's Activities Under the Unfunded Mandates Reform Act (UMRA)
/publications/bysubject.cfm?cat=28

This annual report summarizes CBO's activities under Title I of UMRA during a given calendar year and updates data provided in the agency's previous reports on that law. The report identifies which legislation before the Congress would have imposed federal mandates on another level of government or the private sector. The report also illustrates trends in federal mandates considered by the Congress since the enactment of the 1995 law.
Reports Under the Troubled Asset Relief Act of 2008 /doc.cfm?index=9961

The Emergency Economic Stabilization Act of 2008 (Div. A of P.L. 110-343) requires CBO to provide semiannual reports that assess the status of the Troubled Asset Relief Program, the recently enacted $700 billion program to provide assistance to financial institutions through purchases or guarantees of assets in the financial markets. Specifically, Section 202 requires that the agency assess reports submitted to the Congress by the Office of Management and Budget on the budgetary impact of the Treasury's transactions, including:

- The cost of acquiring, managing, and disposing of the assets and guarantees;
- The information and valuation methods used to calculate the cost; and
- The impact on the deficit and the debt.

Analytic Studies /publications/

CBO analyzes specific policy and program issues related to the budget. Such studies explore significant budgetary and economic issues in greater depth. Recent examples include the long-term implications for resources and forces of the Administration's current plans for defense. CBO has also examined how effective federal tax rates will change over the coming decade under current law. The agency undertakes such studies at the request of the Chairman or Ranking Minority Member of the relevant committee or subcommittee; the Congressional leadership; or, as time permits, individual Members.

BRADDOCK DISTRICT CITIZENS BUDGET ADVISORY COMMITTEE
Comment Appendix
January 20, 2010

The 2010 adopted tax rate should reflect decreases in appraised property values if the process is to retain any integrity (that is, the dollar amount of tax paid during 2010 should be less than paid for 2008/2009).

Lots of good information on budget matters available on County web site.

Reductions should impact all County functions, including schools and public safety.

County and FCPS employee benefit costs need to be controlled and reduced.

County remiss in not providing citizen budget meeting comments in detail as they have for previous years.

County government needs a meaningful program audit capability (like the Montgomery County, MD, Inspector General Office).

County discretionary functions need better identification...parks are not the only area of non-mandatory resource expenditures.

The Board of Supervisors should institutionalize citizen review of the budget as they have for other advisory boards and committees.

Larry Juul

"The best defense against usurpatory government is an assertive citizenry."

William F. Buckley, Jr. quote

Thank you Chris, for your hard work in getting this organized. I wasn't able to participate due to other obligations, however I am impressed with the overall assessment and recommendations. I may not agree with all of the specifics, but I wholeheartedly support this entire package and if there is anything I can do to get our BOS to adopt these measures, let me know. Great JOB!!!

Frederick C. Cassiday, SMSgt. (ret.)
United States Air Force Reserve

Craig,

Thanks for the information and status. Your outline for the final report looks great. Thanks also for giving us the opportunity to review the subcommittee reports and provide our comments.

The Acquisitions Subcommittee report contains excellent recommendations, well-written and clearly stating guidelines for implementation. It's good to hear that the County's acquisition system and personnel has many strengths.

I strongly support the following recommendations:
Issue 2 Short-term - Implement Executive Program Reviews
Issue 3 Short-term - Leverage Competition for Better Performance and Lower Costs
Issue 4 Extended-term - Eliminate Fragmentation of the County's Acquisition System
Issue 5 Extended-term - Improve Contract Administration
Issue 7 Extended-term - Document Office Practices and Expand Acquisition Policy

The recommendation to Dramatically Increase Acquisition Transparency would provide additional accountability, but at a cost of increased bureaucratic procedures and increased IT costs to collect, manage, and provide access to the data. The discussion does not provide convincing evidence that this recommendation would produce budget savings.

The report's statement that " Limited review of potential acquisitions indicates County offices have not adjusted to the fact the County faces a deficit." is believable and unfortunate. However, establishing a committee to review ALL acquisitions would disrupt and delay on-going work, require county personnel resources to implement, and not likely lead to significant savings. The subcommittee's near-term recommendations to implement executive program reviews of major acquisitions and to tighten purchase card controls would be more effective near-term budget control mechanisms.

Craig, any of the above comments can be included in the Appendix and attributed to me. I would urge you to use editorial judgement and not include my comments if they are substantially repetitive of comments submitted by someone else. The Appendix could indicate that a number of committee members agree with the comment.

Regards, Marilyn

The LOB Subcommittee's final report is an exceptionally well-done assessment. The report shows in-depth research and insightful recommendations. I fully support the Suggested FY 2011 Budget Decision Guidelines and Summary of Recommendations. Most of the specific recommendations I fully support or at least agree with in principle. Following are some areas where my opinion differs from the LOB Subcommittee Committee’s report.

1. School buses: Do not eliminate school buses. But FCPS should make the routes more efficient. Out-of-county students attending Fairfax County Public Schools should provide their

own transportation.

2. School nurses: Keep school nurses and clinic room aides. Reduce their numbers to those needed to provide for emergency first aid and to give students their required medication. Note that students are not permitted to have required medications (e.g., insulin, asthma inhalers) in their possession at school.

3. Adult & Community Education: Do not eliminate this program. First, determine how many county residents these programs serve. Second, increase fees to cover the cost of the programs. Like parks and libraries, these are programs that serve many residents and make Fairfax County a better place to live.

4. ESOL: In-school ESOL resources are essential because non-English-speaking students are mainstreamed into the classrooms. Providing ESOL support at school is a very cost-effective way to help our immigrant populations speak English. Typically, a school student will be fully proficient in English within a year. The student usually provides translation services for non-English-speaking family members, as well as helping them to learn English.

5. ESOL for adults: Fairfax County needs a program to provide English language instruction for our large immigrant population. It is essential that we as a community can communicate with each other in English. This is especially important if the County does not plan to provide interpretation for residents interacting with County government and services. The ability to speak English will reduce unemployment and under-employment.

This program should be a cost-effective combination of Fairfax County sponsored instruction, as well as resources to connect non-English speakers with other sources of instruction, such as church-based and other volunteer programs, online training (often free), NOVA, GMU & other college programs, and English conversation groups in libraries.

The Fairfax County web site demographic data (2008) says that 34.9% of persons age 5 and older do not speak English in the home. That implies that there is a large segment of the population who does not speak English or speaks it poorly. The number of non-English-speakers has been growing. Surely, this is a large enough served-population to warrant keeping this service. (In the interest of full disclosure, I will add that I am a volunteer ESOL teacher and I feel passionately about this issue.)

6. FASTRAN: The County should investigate alternatives that might be less costly. For example, subsidizing seniors' cab rides, as long as the ride is within the county, rather than providing a bus or other county-operated transportation.

7. Employee Compensation: Do not freeze employee compensation through 2012. That would be four years of no compensation increases! Outstanding county employees would be highly motivated to look for other jobs. Marginal employees would probably stay. We would pay a price, both in terms of poorer service and poorer decision-making.

8. Fire: Why propose eliminating funding for volunteer fire stations' utility bills? We are already getting the services of the volunteer fire-fighters for free. Who would pay the cost of those utility bills? What if no one did?

9. Interpreters in General District Court: Is it feasible to eliminate these interpreters? What would be the impact? Is it reasonable to rely on volunteers? Do we have data on this?

10. School crossing guards: Keep. On busy roads, adult guards are needed for students' safety. Another important factor is that walking students need to be protected from people who would harm them. Having an adult along the route gives a measure of protection, especially since many homes are empty with all adult residents having gone to work.

Regards, Marilyn

Chris: . . .

THINK the following REVENUE option for consideration should appear in the final report:
"Petition the General Assembly to broaden the 400 year old property tax as the main source of local government funding
by authorizing local government bodies two additional alternatives for spreading revenue sources:
(1) piggy back local income tax on state income tax (zero collection cost);
(2) piggy back local sales tax on state sales tax (zero collection cost; 12% bonus on pass-through traffic)."

THINK the following possible EXPENDITURE saving option should be included
"instruct the County Executive to approach present multiple employee benefit carriers to determine if consolidating
to a single carrier and providing a much larger employee group base would enable lower premiums."

Bill

Comments of Charles W. Dane to attach to the LOB Subcommittee Report

First, let me endorse the comments provided by Marilyn Schroeder, especially her concern about recommendations to eliminate foreign language services and training. While I understand that the specific recommendations in the LOB Sub-committee report are included based sometimes only upon one individual's input, the language support programs recommended for elimination or reduction are not only necessary for fairness, but to provide a better workforce for businesses in Fairfax County.

Secondly, because we had such strong but divergent views as to whether busing of school children is required by State law in order to be able to require attendance at school, that if non-

busing of students is to be considered, I believe that the County should appoint an independent, legislation knowledgeable lawyer to review State code.

Thirdly, let me note that it is unfortunate that the salary and benefits subcommittee was not able to complete their task as this area as salaries and benefits increased significantly for both the County and FCPS. Furthermore, our subcommittee could have recommended reducing the pension packages for newly hired FCPS staff.

Now, instead of dealing with the other individual recommendations in the LOB report, some of which I agree with and some of which I think lack a full understanding of the effect of the recommendations, rather let me try to address the broad recommendation to reduce the County's transfer to the FCPS by 3%. I cannot support this 3% reduction because I understand the severe impact on FCPS programs that would occur even with the present transfer amount. There are just too many uncontrollable increases, especially in State and local retirement accounts, that are dictating the FCPS budget. However, I do not know that impact of the possible reductions in the County budget because the County finance office has not been willing to share uncontrollable costs associated with increased human service needs for families and individuals in this recessionary period, although I note the unemployment rate may be dropping in the County, and may be less by FY 2011.

However, I do know that (1) the County did not provide comparable information in their approved budget, i.e., the FCPS included the stimulus monies received in their approved annual budget, whereas the County did not include the stimulus money so the impact reflected in the County approved budget was less severe than originally depicted, (2) the uncontrollable increases are higher for FCPS so any proportionate distribution of funds from any tax rate or fee increases against each agency shortfall should favor FCPS, (3) the County had about $90M in carryover funds from FY09 and committed most of these monies to the rainy day fund and several budget items further lessening the impact on the FY 10 budget, but reducing the amount that could be carried over into FY11, and (4) police and fire personnel received significant salary increases prior to FY10.

Now, a look at the FCPS proposed budget document shows that the non-school management and leadership team members make up less than 1 percent of the total authorized positions, and there are an additional 81 such positions proposed for reduction in the Superintendent's budget.

Inasmuch as the proposed budget was just released, I will not go into specifics at this time, however, there are a couple of items identified as needing additional transfer funds that in my opinion could be reduced, but the elimination of all day kindergarten for those schools with high percentages of disadvantaged students would have a major long term impact, and some of the fee increases appear excessive. To offset these items, I believe that there are other items in the budget that could be reduced further.

Below are my comments on the Sub-Committee Reports, as well as, the Fairfax County Internal Audit Office Reports:

General Accountability Sub-Committee Report:

Section 3(a) – Although an on-line voting process could be beneficial, recognize that the County also needs to take into account any increased costs associated with vote integrity and avoiding electronic attacks, which can be a very costly investment.
Section 3(b) – Recommend that Fairfax County conduct an immediate audit of all persons living in subsidized housing and that Fairfax County cease and desist any subsidies to those no longer qualified.
Section 3(d) – Please do not report on the dead tree "issue," as it appears trivial and petty in this report, unless the Committee proved an ongoing or continuing practice of a disregard for safety concerning dead trees. One dead tree does not equate a "lax management."

Acquisition Sub-Committee Report:

Issue 1 Recommendation – Recommend that the County Executive and School Board immediately establish a Committee to review and eliminate low priority acquisitions. Also recommend that they provide a delegation of authority letter to the Committee for access to all acquisition information. Further, recommend that they conduct an audit of all purchase cards to determine an adherence to policy and the appropriateness for each card.

Line of Business Sub-Committee Report:

Although there may be an initial savings associated with eliminating certain programs, such as training, crossing guards, lights in parking lots, translators, etc., recognize that one or more of these programs may be regulated and eliminating certain programs may, in the long run, be more costly. For example, one or more lawsuits as a result of an improperly trained employee, a student being struck by a car, an assault in an unlit parking lot, or a failure to provide assistance to a legal immigrant, may possibly be more costly, financially and through public relations, than any projected savings.

Combining the Fairfax County Police Department with the Sheriff's Office, in theory, seems reasonable; however, their missions are separate and distinct, with the Police Chief being an appointee and the Sheriff independently elected. The only part of these two entities that could reasonably be consolidated, if they have not already, is their communications centers.

The best cost savings can be found in the Sub-Committee's recommendations to reduce overtime, civilianizing animal control positions, and eliminating take-home vehicles. Except for emergency personnel, most overtime is the result of poor time management during normal duty hours, and is used more often to supplement income rather than through necessity. Although the County can probably justify keeping some animal control officials in sworn positions, they can more than likely reduce that number and supplement with a civilian workforce. In addition, the County can probably justify some take-home vehicles; however, the Committee should recommend that those vehicles have GPS installed on them. (New York Times reported that Islip, NY – a population 1/3rd the size of Fairfax – installed GSP on their Government-issued vehicles, and in the first quarter, they saved nearly 14,000 gallons of gasoline over the previous

year, and noticed an increase in productivity.) I have seen, on many occasions, employees driving County-owned vehicles on circuitous routes, transporting family and friends, and parked for hours under a shade tree in a public park while the employee slept.

Fairfax County Internal Audit Office Online Reports:

In a cursory review of the Fairfax County Internal Audit Office (IAO) online reports, they appear to only be a brief abstract of each audit, failing to post the entire report for review. Although the AIO makes recommendations, the reports do not reflect who is held responsible for compliance. I also found it curious as to why they found no waste, fraud, or abuse of procurement cards in the past 3 years. It is a statistical improbability that they did not find one or more improper uses, or they conducted their audit wearing blinders.

My Thoughts:

I continually came back to one question when reading the Sub-committee reports and reviewing Fairfax County online reports – Why doesn't the County have an Office of Inspector General (OIG) like Montgomery County, MD, or Washington, DC, or many of the other public venues that have them as "watchdogs" to prevent and detect waste, fraud, and abuse? From my experience, most savings are found when you eliminate waste, fraud, and abuse and hold managers and senior officials accountable for their own and their employees' misconduct. A lack of oversight and accountability seems to be a common theme in the reports provided by these Committees, and an OIG typically recoups more than twice their annual operating costs in waste, fraud, and abuse recoveries.

Fairfax County employees have the opportunity to abscond laptops and cell phones; improperly use copy machines, facsimile machines, postage meters; spend the day surfing the internet; use the workday to run a personal business; or use a County-issued purchase card to buy tires for their personal car or school supplies for their child, is overwhelming. Furthermore, some managers and senior officials establish a culture that promotes and encourages such misconduct, and with no oversight and accountability, the behavior only perpetuates.

I hope that my feedback has been constructive, and I again apologize for not being more actively involved with the Committee. If you have any questions or need clarification on any of my comments, please don't hesitate to contact me.