

FAIRFAX COUNTY, VIRGINIA
FY 2015 Advertised Budget Plan

(Includes Multi-Year Budget: FY 2015 - FY 2016)



**County Executive
Presentation of the
FY 2015
Advertised
Budget Plan**

February 25, 2014



**Fairfax County
Department of
Management and Budget**

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Suite 561**

Fairfax, VA 22035

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***Budget Information:*
www.fairfaxcounty.gov/budget**

FY 2015 and FY 2016 in Summary

POSITIVE

- Optimism about the prospects for the County budget
 - Willingness of the Board to make the difficult decisions
 - Adjusting the real estate tax rate in FY 2014
 - Making necessary investments
 - Being flexible as the County faces fiscal challenges
- Weathered the initial impact of sequestration and the federal shutdown fairly well
- Benefitted tremendously from the State transportation funding package approved by the General Assembly in 2013
- Have adopted a multi-year approach
 - Budget
 - Capital Projects
 - Stormwater Improvements
 - Public Safety Staffing
 - Information Technology

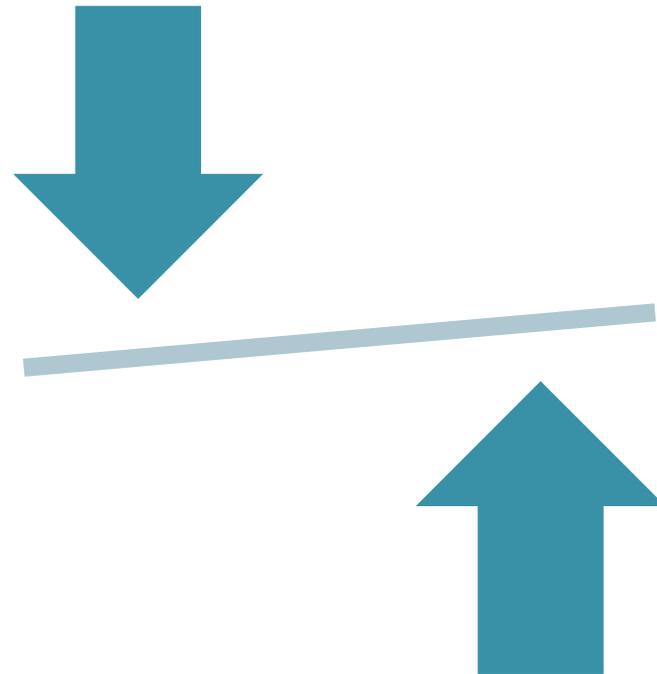
OF CONCERN

- Still not back to the value of real property in the County that we were when we peaked in the 2008/2009 time period
 - Represents a net loss of revenue of \$125 million on the residential side and \$40 million on the non-residential side
- Most recent projections reflect weakening of a number of categories which may impact FY 2015 revenues
- Uncertainty concerning the federal budget not resolved

**Must persist in
our cautious and
deliberative approach to
budgeting, only funding
items that are sustainable**

Budget Perspective

- **Modest revenue growth on the horizon**
- **Manageable challenges**
 - Define and fund fair and sustainable pay system
 - Balance School needs and impact on taxpayer
 - Meet enrollment growth
 - Eliminate structural imbalance
 - Needed Investments





What is Important

- **Preserve and enhance services and programs**
 - Strong schools
 - Safe communities
 - Safety net for those in need
 - Maintain quality of life
- **Have established core service level**
 - Made General Fund Disbursement reductions of over \$170 million and 650 positions between FY 2009 and FY 2015
 - Eliminated programs, reduced operations, made services more efficient
 - Further reductions will undermine core services



The National Economy

- U.S. economy grew at an estimated rate of 3.2 percent during the fourth quarter of 2013
- Consumer spending was especially strong, adding 2.3 percentage points to the total growth estimate
- Federal spending subtracted a full percentage point from economic growth during the fourth quarter due to the October shutdown and the effects of the spending sequester
 - Federal spending is not expected to be as much of a drag on economic growth in 2014 with bi-partisan budget deal
- Most economists anticipate the economy will expand approximately 3.0 percent in calendar year 2014
- Unemployment 6.6 percent in January 2014
- Employment gains continued in 2013
 - On average, 182,000 jobs per month were added during 2013, about the same as in 2012, when job growth averaged 183,000 per month
 - Job growth slowed in December and January, adding just 75,000 and 113,000 jobs, respectively
- Home prices nationwide recorded strong gains in 2013
 - Home prices nationwide were up 13.7 percent for the 12 months ending November 2013
 - This was the strongest November performance since 2005
- While still expected to be positive, the pace of home price appreciation is expected to slow somewhat during 2014

The Local Economy

- **Economic growth in the County improved in 2013**
 - Gross County Product (GCP), adjusted for inflation, increased at a rate of 1.4 percent in 2013, up from just 0.6 percent in 2012
- **The County's unemployment rate remains well below the state and national level at 3.6 percent as of December 2013, a decline from 4.0 percent in December 2012**
- **Total annual employment in Northern Virginia in 2013 is 1.37 million, an increase of 16,700 jobs, or 1.2 percent, over 2012 based on preliminary estimates**
 - The increase represents a solid gain; however employment figures were not quite as strong as in 2012 when 23,500 jobs were created
 - Industry sectors that created new jobs include Hospitality, Retail and Financial Activities
- **According to the EDA, the commercial office market in the County remained sluggish during 2013, primarily due to federal budget issues**



Sustainable Financial Management

- **Recurring resources for recurring requirements**
 - FY 2015 and FY 2016 use only recurring resources
- **Address requirements for Investment and Economic Development**
- **Identify necessary increases in County reserves**
 - Recommendations will be provided in FY 2014
- **Strengthen long term pension funding**
 - Increased funding in FY 2015 and FY 2016

FY 2015 Budget Proposal & FY 2016 Plan

November 2013

- Projected Shortfalls

<u>FY 2015</u>	<u>FY 2016</u>
(\$39.4) million	(\$57.7) million

Budget Proposal

- Current Projected Balances

<u>FY 2015</u>	<u>FY 2016</u>
\$10.64 million	\$13.73 million

Budget Totals

- **Total Recommended FY 2015 budget for All Funds is \$6.955 billion**
- **General Fund Disbursements total is \$3.704 billion**
 - \$40.92 million or 1.12 percent over the *FY 2014 Revised Budget Plan*
 - \$118.02 million or 3.29 percent over the FY 2014 Adopted Budget Plan
- **General Fund Direct Expenditures total is \$1.361 billion**
 - \$0.82 million or 0.06% over the *FY 2014 Revised Budget Plan*
 - \$51.89 million or 3.96 percent over the FY 2014 Adopted Budget Plan

FY 2015 Budget Proposal

- **How was the FY 2015 General Fund Budget Built?**

Increase in total revenues	
@ current \$1.085 tax rate	\$148.16
Replace one-time resources in FY 2014	<u>(\$15.72)</u>
Total available	\$132.44
Total spending/reserve requirements	<u>\$121.80</u>
Available Balance	\$ 10.64

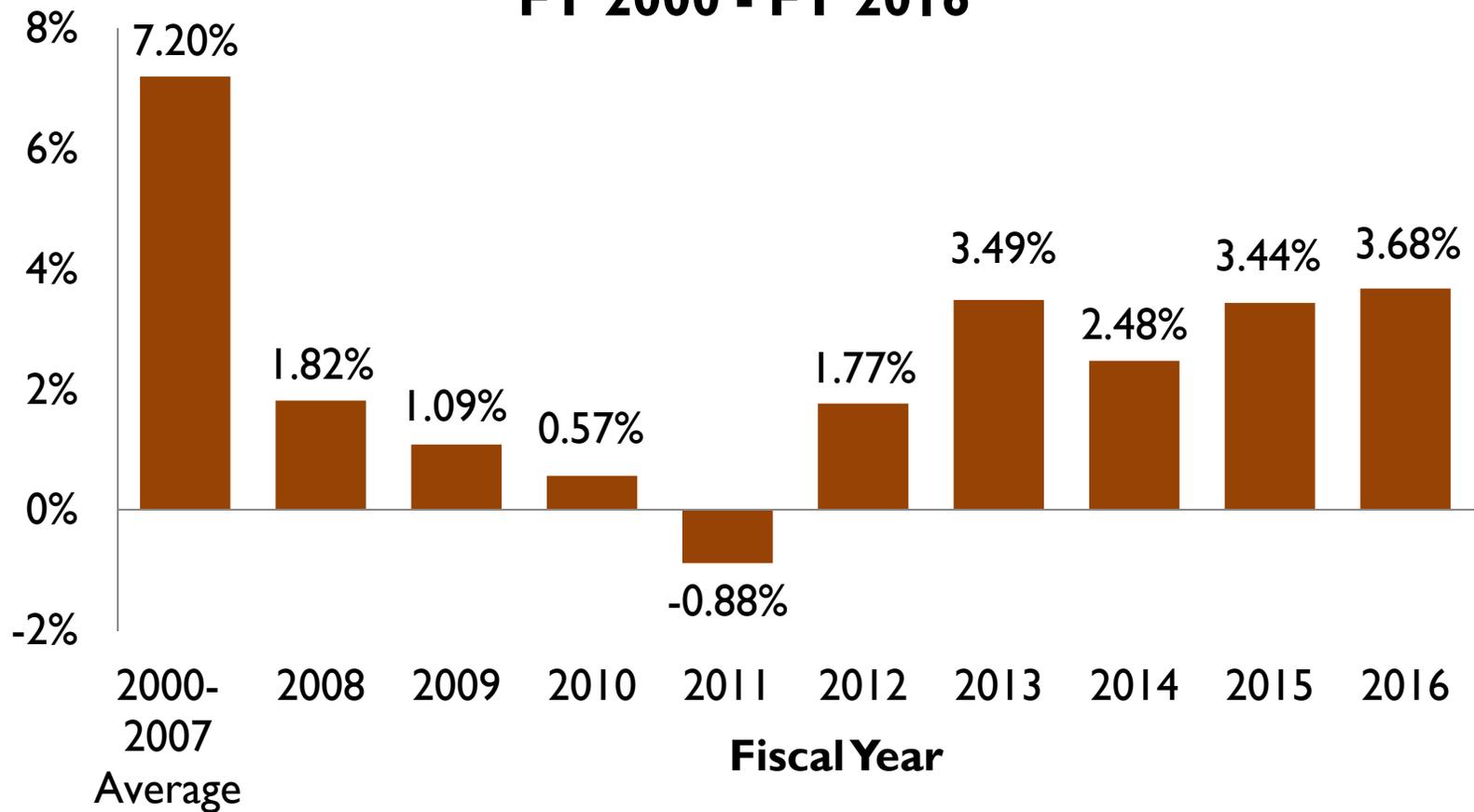


Position Recommendations

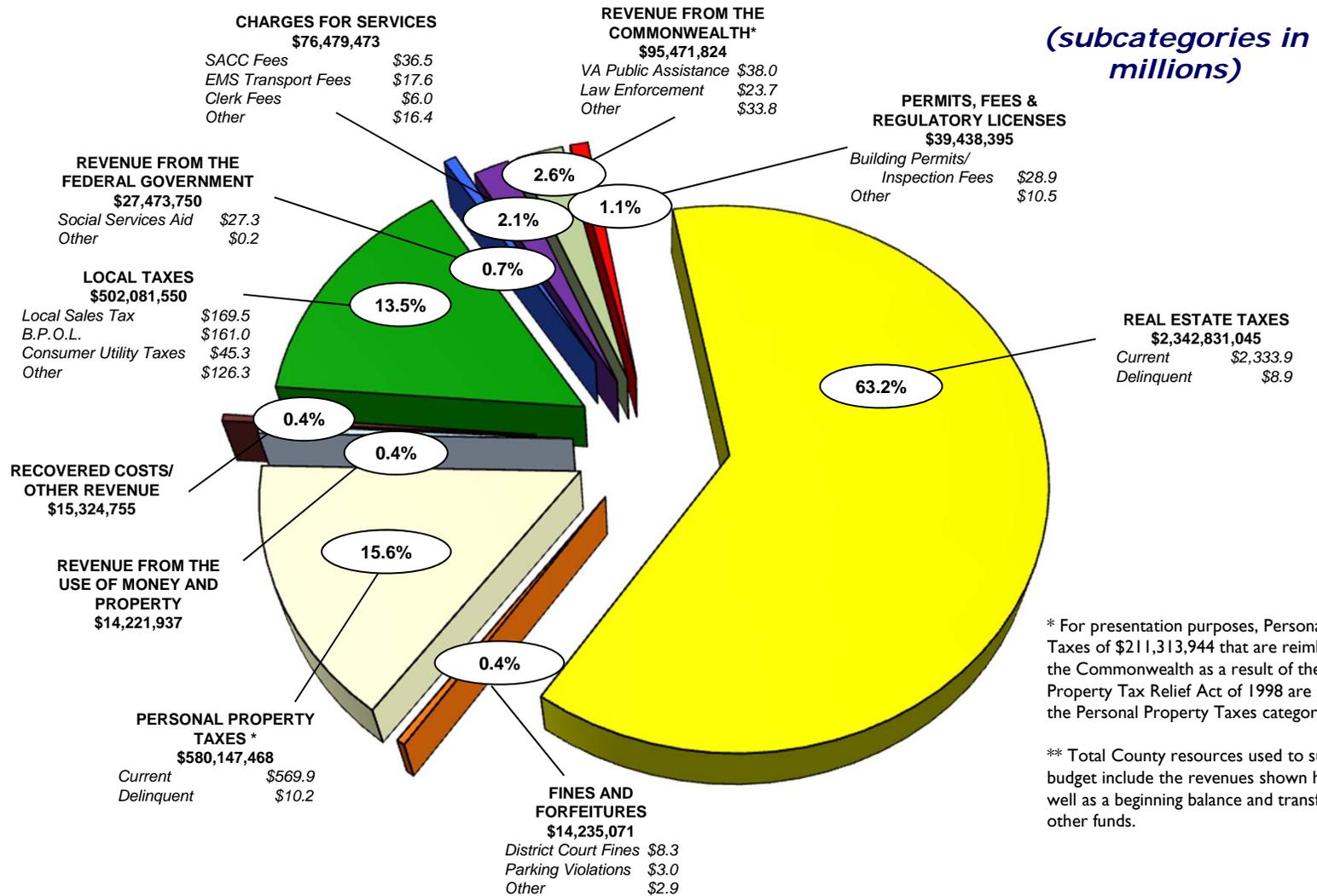
- **A total of 58 new positions:**
 - 8 in Public Safety
 - 13 in Human Services
 - 20 in Community Development
 - 11 for New Facilities
 - 6 for All Other
- **A reduction of 45 positions as part of School-Age Child Care (SACC) staffing alignment**
- **Net increase of 13 new positions**
 - Positions per 1,000 residents = 10.97, down from 11.01 per 1,000 in FY 2014

General Fund Revenue Growth

Annual Percent Change – General Fund Revenue FY 2000 - FY 2016



FY 2015 Advertised Budget Plan: Where it Comes From



* For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

** Total County resources used to support the budget include the revenues shown here, as well as a beginning balance and transfers in from other funds.

FY 2015 GENERAL FUND RECEIPTS = \$3,707,705,268**

Real Estate Tax Base

	2005	2006	2007	2008	2009	2010
Equalization	9.54%	20.80%	19.76%	2.47%	(1.02)%	(10.52)%
- Residential	11.29	23.09	20.57	(0.33)	(3.38)	(12.55)
- Nonresidential	3.74	12.74	16.64	13.57	7.00	(4.51)
Growth	2.50	2.69	2.94	1.68	1.53	0.57
TOTAL	12.04%	23.49%	22.70%	4.15%	0.51%	(9.95)%
	2011	2012	2013	2014	2015	2016
Equalization	(8.98)%	2.67%	2.53%	2.63%	4.84%	4.15%
- Residential	(5.56)	2.34	0.71	3.50	6.54	5.50
- Nonresidential	(18.29)	3.73	8.21	0.14	(0.10)	0.00
Growth	(0.22)	0.60	0.74	0.77	0.93	0.75
TOTAL	(9.20)%	3.27%	3.27%	3.40%	5.77%	4.90%

Projected Value of "One Penny" in FY 2015 = \$21.86 million in revenue



Residential Market

- **Residential Market – Calendar Year 2013:**

- Total Increase of 6.54% in residential equalization:

- Average price of homes sold rose 7.9%
- The number of home sales increased 8.4%
- Homes that sold in 2013 stayed on the market for an average of 36 days, down from the 50-day average in 2012
- The number of serious mortgage delinquencies continues to decline
 - As of the third quarter of 2013, 0.9 percent of prime loans and 5.0 percent of subprime loans in Fairfax County were 90 or more days past due, compared to 1.0 percent and 5.8 percent, respectively, in the third quarter of 2012
- The share of subprime loans to total mortgages fell below 2%, down from a high of 7% at the end of 2008

Residential Equalization

Residential

Approximately 75.32% of total base

Residential Equalization Percent Changes

Housing Type (Percent of Base)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Single Family (71.9%)	(11.34)	(5.50)	2.10	0.70	3.13	5.82	
Townhouse/Duplex (19.2%)	(16.06)	(4.44)	3.73	1.20	4.50	8.39	
Condominiums (8.1%)	(19.51)	(10.45)	2.53	(0.06)	5.42	10.51	
Vacant Land (0.5%)	(7.08)	(6.68)	(3.50)	(1.66)	2.89	3.38	
Other (0.2%)	(4.99)	(3.60)	2.69	2.56	4.74	3.42	
Total Residential Equalization (100%)	(12.55)	(5.56)	2.34	0.71	3.50	6.54	5.50

Nonresidential Real Estate

- **Fairfax County's Office Vacancy Rates at Year-end 2013**
 - Direct - 14.9%, the highest on record since 1991 and up from 14.4 percent in 2012
 - Including sublet space - 17.1%, up from 16.7% at year-end 2012
- **Government contractors have consolidated operations throughout the region and retooled operations in order to operate in an economic environment less dependent on government procurement spending**
- **The total leased in 2013 rose to 11.6 million square feet, an increase over the 2012 level of 10.7 million square feet**
- **Continued Interest in Speculative Building**
 - While the existing speculative commercial construction reflects confidence in the stability of the County's office market, there are concerns that space will not be easily leased as vacancy rates continue to increase

Nonresidential Equalization

Nonresidential Equalization Percent Changes

Category (Percent of Base)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Apartments (22.7%)	(6.96)	(12.69)	14.54	12.60	4.90	3.59	
Office Condominiums (4.1%)	(1.10)	(7.57)	(1.53)	(0.31)	(0.66)	(0.07)	
Industrial (6.4%)	(1.08)	(23.48)	(0.31)	6.75	0.69	1.77	
Retail (15.6%)	(1.74)	(16.07)	1.90	7.16	1.18	1.52	
Office Elevator (35.7%)	(6.62)	(24.31)	1.88	11.34	(2.41)	(2.93)	
Office – Low Rise (3.4%)	(3.35)	(23.86)	0.49	7.18	(1.72)	(2.41)	
Vacant Land (3.3%)	(3.87)	(26.53)	(2.07)	2.01	(0.74)	(1.19)	
Hotels (3.3%)	(7.06)	(34.03)	11.35	3.87	(3.94)	(4.82)	
Other (5.5%)	(2.07)	(12.84)	2.37	3.27	1.17	2.37	
Total Nonresidential Equalization (100%)	(4.51)	(18.29)	3.73	8.21	0.14	(0.10)	0.00



Nonresidential Real Estate Revenue

- **Commercial/Industrial percentage of total real estate assessment base:**
 - FY 1990 = 26.76% (highest rate in two decades)
 - FY 2000 = 24.32%
 - FY 2005 = 18.20%
 - FY 2006 = 17.36%
 - FY 2007 = 17.22%
 - FY 2008 = 19.23%
 - FY 2009 = 21.06%
 - FY 2010 = 22.67%
 - FY 2011 = 19.70%
 - FY 2012 = 19.64%
 - FY 2013 = 20.77%
 - FY 2014 = 19.96%
 - FY 2015 = 19.01%

Impact on Typical Fairfax County Household

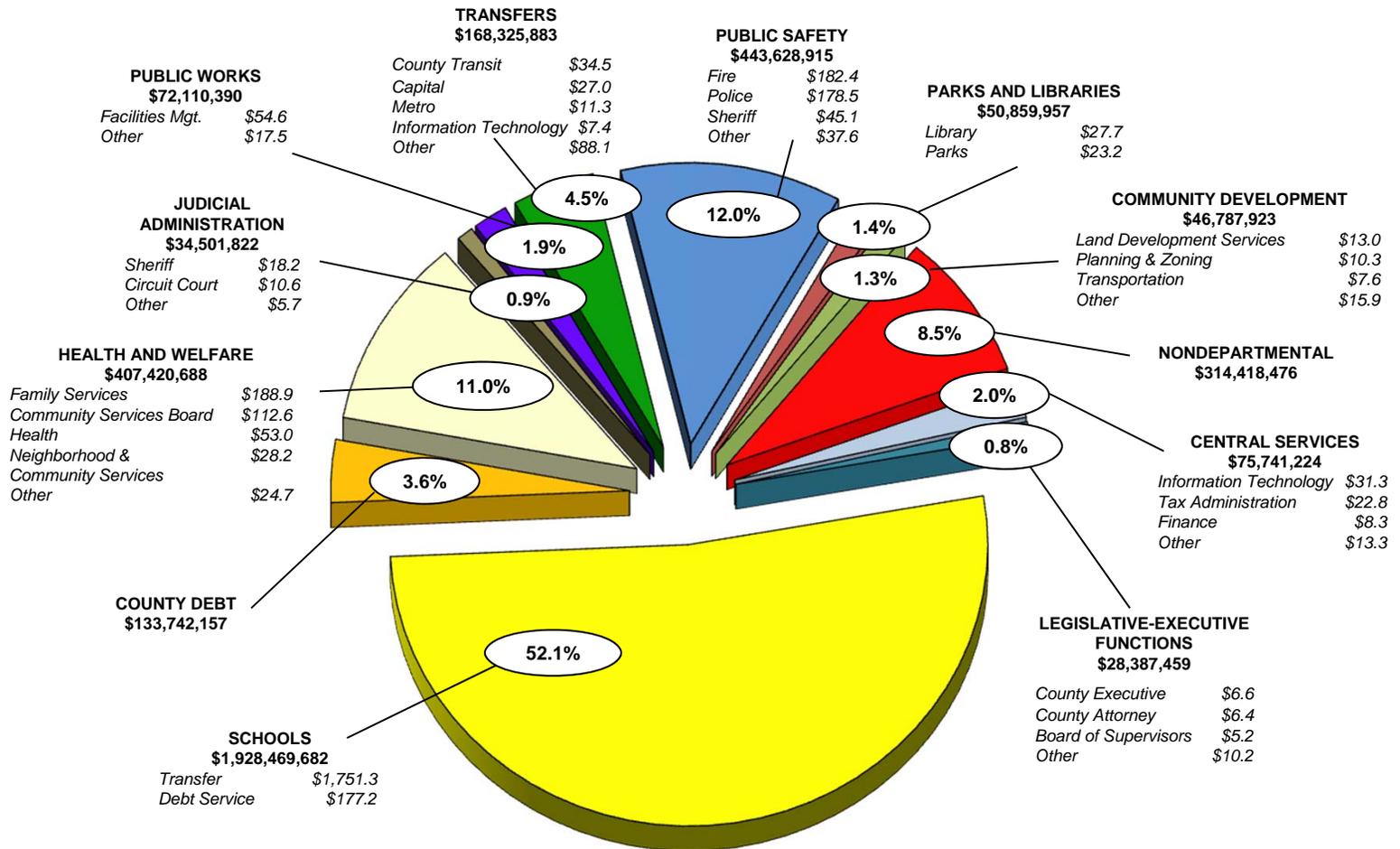
Fiscal Year	Mean Assessed Value of Residential Property	Real Estate Tax Rate per \$100	Tax per Household
FY 2008	\$542,409	\$0.89	\$4,827.44
FY 2009	\$525,132	\$0.92	\$4,831.21
FY 2010	\$457,898	\$1.04	\$4,762.14
FY 2011	\$433,409	\$1.09	\$4,724.16
FY 2012	\$445,533	\$1.07	\$4,767.20
FY 2013	\$449,964	\$1.075	\$4,837.11
FY 2014	\$467,394	\$1.085	\$5,071.22
FY 2015	\$497,962	\$1.085	\$5,402.89

\$331.67

Revenue Enhancements

- **EMS Transport rates** are increased and will generate an additional \$1.0 million
 - Basic Life Support (BLS) transport is recommended to increase from \$400 to \$500;
 - Advance Life Support 1 (ALS-1) transport from \$500 to \$650;
 - Advance Life Support 2 (ALS-2) transport from \$675 to \$800;
 - Current charge of \$10 per mile transported is recommended to increase to \$12 per mile transported
 - New rates consistent with other jurisdictions in Virginia
 - Covered by insurance
 - The revenue generated by this increase will directly support necessary expenditures for an extra ALS class at the Fire and Rescue Academy
- **School-Age Child Care (SACC)** fees are increased by 1.3 percent, consistent with salary increases for employees, and will generate \$0.5 million in additional revenue
- **Animal Shelter adoption and boarding fees** are increased and will generate an additional \$0.1 million
 - The current adoption rates are \$40 for dogs and \$30 for cats.
 - The proposed new rates will vary by age and range from \$50 to \$175 to cover the cost of services associated with mandatory spaying and neutering animals prior to being put forward for adoption from the Animal Shelter
 - Boarding fees for dogs and cats will increase from \$10 to \$15 per day

FY 2015 Advertised Budget Plan: Where it Goes



FY 2015 GENERAL FUND DISBURSEMENTS = \$3,704,394,576

On the Spending Side of the Budget

How Additional Resources Were Spent In FY 2015 (in millions)

Fairfax County Public Schools Operating and Debt Service	\$39.11
Capital Construction and Debt Service	\$29.93
Pay and Benefits	\$29.54
Public Safety	\$14.23
Cost of County Operations	\$12.23
Human Services	\$8.50
New Facilities	\$4.03
Community Development	\$4.00
Elimination of transfer to recognize Communication Sales and Use Tax revenue in E-911 Fund	<u>(\$23.54)</u>
Subtotal	\$118.03
Net Adjustments to Managed Reserve	\$3.77
Total Uses	\$121.80

Fairfax County Public Schools

- **Proposed County General Fund transfer for school operations and debt service in FY 2015 totals \$1.93 billion, an increase of \$39,113,302, or 2.07 percent, over the FY 2014 Adopted Budget Plan**
 - School operating transfer = \$1.75 billion, a 2 percent increase of \$34.33 million
 - School debt service transfer = \$177.14 million, an increase of \$4.77 million supporting \$155 million in annual bond sales
 - Funding is consistent with the percentage allocated to FCPS over the past few years at 52.1 percent
- **On February 6, 2014, the Fairfax County School Board requested an operating transfer of \$1.82 billion for FY 2015 that would give school employees raises, add more positions to address increased enrollment from the previous year, and necessitates a \$98.1 million, or 5.7 percent, increase over the FY 2014 Adopted Budget Plan General Fund transfer to fully fund the Schools' budget request**
 - This request would require an additional \$63.8 million, or an almost 3 cent Real Estate Tax rate increase to fund which has not been included in the County's budget
 - The FCPS proposed budget eliminates over 700 positions, increases class sizes and makes reductions to non-school based funding
- **The County also provides additional support for the Schools in the amount of \$72.6 million for programs such as Head Start, School Health, School Resource Officers, School Crossing Guards, after-school programming, field maintenance and recreational programs, among others**



Schools' FY 2015 Budget is online at: www.fcps.edu/news/fy2015.shtml



Capital Construction & Debt Service

Capital Construction & Debt Service \$29.93 million

- **Why is capital investment important:**
 - Facility inventory of 8.8 million square feet anticipated in FY 2015, with an average facility age of 20-30 years
 - County and Schools Infrastructure Financing Committee has recommended increased Capital investments
 - Essential to the sustainability of County services and to meet existing and anticipated future needs
 - Reinvestment in County facilities is critical to avoid deterioration and obsolescence
 - Need to fund a comprehensive facility assessment to determine all requirements and be able to prioritize them – the last assessment was 10 years ago
 - During the height of the economic crisis the County contribution to the Capital Program did not keep pace with the County's needs

Capital Construction & Debt Service (continued)

- **The Capital Program is primarily financed by the General Fund, general obligation bonds, fees, and service district revenues**
- **General Fund support for Capital in FY 2015 is \$27.02 million**
 - Increase of \$14.99 million from the FY 2014 Adopted level
 - Have funded the program at a reduced level in recent years
 - Increase benefits all areas of the capital program –
 - Largest increases in capital renewal, ADA compliance and athletic field maintenance areas
 - Capital Renewal Requirements \$8.00 million
 - Athletic Field Maintenance \$5.64 million
 - Americans with Disabilities Act compliance \$3.95 million
 - Ongoing development (Laurel Hill, emergency road repairs) \$1.96 million
 - Park Authority grounds, building and equipment maintenance \$1.68 million
 - Continued revitalization maintenance and support \$1.06 million
 - County's Environmental Improvement Program \$0.54 million
 - Obligations and commitments (SACC, NVCC and Salona) \$4.19 million
 - **\$27.02 million**

Capital Construction & Debt Service (continued)

- **FY 2015 budget includes a recommended increase in the Athletic Services Fee**
 - Increase for rectangular field users from \$5.50 to \$8.00 per participant per sport
 - Increase in the post season tournament fees from \$15 to \$50 for County teams and \$100 for non-County teams
- **Changes are based on recommendations detailed in the July 2013 Synthetic Turf Task Force Report**
 - Increased revenues of \$0.37 million, supplemented with an increase of \$0.99 million in General Fund support, will support:
 - Increased field maintenance requirements, primarily for turf fields
 - Replacement requirements associated with 67 synthetic turf fields used by over 130,000 youth and adults
 - Additional \$1.5 million (to be matched by Schools) for 8 remaining new high school fields necessary at FY 2014 Carryover as the second contribution of a three year plan

Capital Construction & Debt Service (continued)

- **General Fund support of County debt service requirements is \$133.74 million, an increase of \$14.94 million over the FY 2014 level**
- **The FY 2015 funding level supports debt service payments associated with:**
 - Existing debt service requirements, including the bonds sold in January 2014
 - First year of debt service payment for the new Merrifield Human Services Center
 - New Providence Community Center
 - Rehabilitated Lincolnia Senior Center and Residence
 - Short term borrowing for capital renewal initiated in FY 2014

Employee Compensation

Pay and Benefits

\$29.54 million

- **Pay**

- **1.29 percent Market Rate Adjustment (MRA) for all employees – \$14.10 million**
 - Approved formula, calculated using CPI and salary data
 - Additional \$7.76 million required to increase to 2 percent
- **Fire and Rescue Market Study for all uniformed Fire and Rescue staff - \$5.19 million**
 - Review of Public Safety pay in comparison to market midpoints
 - No other public safety scales out of market
- **Public Safety Longevities for employees eligible for 15 or 20 year longevity increases - \$1.55 million**
- **Increase in employer share of Police retirement contribution to reduce the employee share and make the benefit more comparable between the Police and Uniformed Retirement systems with final phase-in in FY 2016 - \$0.62 million**

Employee Compensation (continued)

- **General County employee market study impacting 65 job classes - \$1.22 million**
 - Based on review of County pay to market comparators
- **Benefits**
 - **Retirement Funding - \$2.74 million**
 - Meeting actuarial requirements
 - Increases amortization of funding corridor from 91 percent to 93 percent
 - Responsive to changes in pension liability reporting
 - Includes Police Retirement Adjustment
 - **Health Insurance and Other Benefits - \$4.04 million**
 - Including assumption of 8 percent health insurance premium increases in January 2015
 - Actual increases will be dependent on actual experience in 2014

Public Safety

Public Safety

\$14.23 million

- **E-911 investment in infrastructure to ensure service delivery - \$6.19 million**
 - Replacement of equipment such as public safety 9-1-1 Computer Aided Dispatch (CAD) equipment and technology infrastructure, and the 9-1-1 telephone system
 - While Verizon will continue to maintain and operate the 9-1-1 services lines, the system hardware and software located within the County's 9-1-1 center necessary to answer and dispatch 911 calls for service will not be supported or maintained by Verizon past the end of the current contract on January 1, 2015
 - A new server based technology is planned, similar to systems supported for many other county agencies and applications and can be more easily maintained and updated
 - The new technology is a foundation that will support the implementation of next generation 911, and integration of multi-media data, radio and other communications in the future
 - The remainder of the funding requirement is primarily the result of increasing personnel services funding to ensure 24-7 coverage of the facility based on current call volume
- **Wolftrap Fire Station full year funding - \$4.16 million**
 - Opened in October 2013 with single engine
 - Fully operational in July 2014
 - Address coverage and response times
 - One-time funding used to open in FY 2014
- **Fire and Rescue Vehicle Replacement - \$1.00 million**
 - Meet long-term replacement requirements for 100 pieces of Fire and Rescue heavy equipment, ambulances, ladder trucks and tankers to address rising costs

Public Safety (continued)

- **Commonwealth's Attorney - \$0.54 million and 3 positions**
 - Addresses significant staffing shortages based on increased workload and case requirements
 - As one of four "super jurisdictions," current staffing of attorney per resident is well below benchmarks: 1 per 5,534 in Richmond, 1 per 6,643 in Norfolk, 1 per 12,082 in Virginia Beach, and 1 per 44,744 in Fairfax
- **Fire Marshal - \$0.24 million and 2 positions**
 - Improve development process timelines and address rising workload requirements to ensure that the capacity exists to meet customer expectations and respond to development opportunities
 - In 2013, the Fire Marshal's Office conducted approximately 9,200 plan reviews, which reflects an increase of one-third over the 6,915 reviews completed just four years earlier in 2009
 - This workload is anticipated to increase further in subsequent years
- **Animal Shelter - \$0.12 million and 2 positions**
 - Expansion of facility by 14,000 square feet, doubling of kennel space, adding a second entrance and enhanced community programming
- **Code Compliance - \$0.03 million and 1 position**
 - Expanded program requirements for illegal sign abatement and increased workload in existing programs like Special Investigations Unit

Cost of County Operations

Cost of County Operations \$12.23 million

- ***Information Technology (IT) Projects - \$4.44 million***
 - Total FY 2015 funding of \$10.4 million
 - Major new projects include:
 - \$1.0 million to replace the Police Records Management system based on dramatic changes in the public safety solutions industry. The new system will be a next generation law enforcement case management system which will also enhance the implementation of electronic summons and reporting;
 - \$2.1 million for document imaging and case management within the Department of Family Services in programs impacting children and families;
 - \$1.5 million for electronic plan submission and review projects in Land Development Services to allow online submission of developer plans and an E-Plan project with the Department of Planning and Zoning to allow for automated submission of various zoning applications

- ***County Insurance - \$2.19 million***
 - Increases in FY 2015 expenditures are projected due to anticipated worker's compensation requirements based on actual experience

Cost of County Operations (continued)

- **Facilities Management - \$1.17 million**
 - Contractual lease increases for existing leases and temporary facilities for the Herndon Fire Station
- **Revenue Stabilization Fund - \$1.03 million**
 - Maintains Revenue Stabilization Fund at 3 percent of General Fund Disbursements
- **Information Technology computer (PC) replacement - \$0.71 million**
 - Updated inventory of more than 14,000 computers for County staff and public
 - 5-year replacement cycle
 - Includes required license renewals
- **Office of Elections staffing - \$0.29 million and 3 positions**
 - Bi-Partisan Election Process Improvement Commission established to review operations and to identify improvements and efficiencies to ensure access and convenience for voters in future elections
 - The Commission findings endorsed by the Board on March 19, 2013
 - In FY 2015 additional funding and positions have been included to ensure the agency has sufficient resources to address the Commission's recommendations
 - Positions will support technical requirements, language outreach and election officer recruitment
- **Additional funding for Library Materials - \$0.25 million**
 - Will purchase of nearly 13,000 items
 - First of four year commitment to increase collections funding for libraries

Human Services

Human Services

\$8.50 million

- **Contract Rate Increases - \$2.17 million**
 - Increases will only occur as negotiated with individual providers
 - Necessary for non-profit and for-profit partners in Human Services system
- **Public Assistance Caseloads - \$1.73 million and 3 positions**
 - Funding includes redeployment of 18 existing positions
 - Huge increases in caseloads – up 60% since 2008
 - Average monthly caseload in FY 2013 more than 83,000
 - Internal redesigns have addressed some of the workload increases
 - As increases continue more positions may be required in future
 - Fully offset by revenues so no net General Fund impact
- **Intellectual Disability Graduates - \$1.30 million**
 - Ensures that all 121 of June 2014 special education graduates of the County Public Schools will receive service

Human Services (continued)

- **Behavioral Health Services for Youth**
 - **\$1.00 million and 3 positions**
 - Response to BOS direction as part of FY 2014 budget guidance to develop plan to address the most pressing behavioral health needs in the community
 - Interagency Youth Behavioral Health Services Work Group convened with County, School and non-profit representatives
 - Start of a Multi-year plan to develop a more coordinated approach to services and to begin addressing shortage in services
 - Additional staff will coordinate intake and services
 - Estimated that between 400 and 500 youth and their families are in need of interventions for emerging mental health or substance abuse issues

- **Consolidated Community Funding Pool**
 - **\$0.74 million**
 - 7.5 percent increase for next 2 year funding cycle (FY 2015 – FY 2016)
 - Priorities approved by Consolidated Community Funding Advisory Committee:
 - Prevention
 - Crisis Intervention
 - Self-Sufficiency
 - Long-term Supportive Services

Human Services (continued)

- **School Readiness - \$0.71 million and 3 positions**
 - Board priority to meet developmental needs for at-risk children at pre-school level when it is the most effective
 - Various successful programs exist but many children do not yet benefit from them
 - Recommendation includes increasing funding for a number of programs:
 - Support for the transition to kindergarten expanded so all Title I schools are covered
 - Childcare center programming support and evaluation for 30 additional centers
 - Mentoring of 360 additional early childhood professionals
 - Virginia Pre-school Initiative services provided to an additional 50 children
 - Start of multi-year, joint County-Schools (SCYP) approach to increase service levels

- **Evening Reporting Center (ERC) Program – \$0.29 million and 2 positions**
 - JDRDC program for youth who violate parole or commit new crimes while on parole
 - Community based detention alternative to incarceration
 - Maintains existing program as grant funding is no longer available

Human Services (continued)

- **Program Manager for Domestic and Sexual Violence Services - \$0.14 and 1 position**
 - Increases in caseloads and complexity of work
 - Since 2009, counseling services have increased by 120 percent and offender services by 59 percent
 - More targeted coordination within domestic violence services
 - Additionally, FY 2016 funding includes anticipated expiration of Federal Domestic Violence Action Center (DVAC) grant and necessary General Fund support for 5 grant positions
- **Kinship Care Program - \$0.11 million and 1 position**
 - Placing children in the foster care system with family members rather than traditional foster care model
 - Goals of successful placements and positive outcomes as well as decreased placement costs
- **Continued implementation of the new SACC staffing model – (\$0.27) million and elimination of 45 positions**

New Facilities

New Facilities

\$4.03 million

- **Merrifield Human Services Center - \$1.67 million and 4 positions**
 - New 200,000 square foot facility, scheduled to open in September 2014
 - Fairfax-Falls Church Community Services Board (CSB) programs from various leased sites will be consolidated and 24/7 Emergency Services will be provided
 - Mental health, substance use disorders, intellectual disabilities, health and wellness, youth and administrative services, as well as Inova services through a 10-year lease agreement of 40,000 square feet in the facility
- **Providence Community Center - \$1.38 million and 7 positions**
 - Facility projected to serve almost 142,000 participants annually
 - Adult programming, youth and family programming, community engagement, programs for people with disabilities, programs and services with clinical elements
 - Scheduled to open in November 2014
- **Mondloch Place - \$0.28 million**
 - Staffs supportive housing to formerly homeless single adults
 - 20 fully furnished efficiency rental units offers onsite supportive services operated by a local nonprofit provider
 - Residents will have a supportive environment where it is expected that they will pursue greater self-sufficiency through job training, life skills training, healthcare and case management
- **Katherine K. Hanley Townhomes - \$0.21 million**
 - Staffs supportive housing and services to families with children under age 18 who are headed by a person with disabilities, currently homeless and are determined by an admissions team to have no other housing options
 - Two three-unit buildings (for a total of six units) are being constructed on the site adjacent to the Katherine K. Hanley Family Shelter and are scheduled to open in December 2014

Community Development

Community Development

\$4.00 million

- **Economic Development Core Team positions - \$2.27 million and 2 new positions**
 - Reflective of the current and forecasted level of permitting and processing workload in the department and necessary to support the revenue base being generated as a result of this activity
 - Necessary to review and expedite permit process
 - Focus on redevelopment areas
 - Incorporates funding to support positions approved but not funded in FY 2014
- **World Police and Fire Games - \$1.75 million**
 - Olympic style events hosted in summer 2015 by Fairfax County
 - Opportunity for tourism revenue and economic development
 - Total FY 2015 Funding of \$2.0 million plus indirect support

Community Development (continued)

- **Inova Translational Medicine Institute - \$1.10 million**
 - Partnership with Inova
 - Economic Development opportunity
- **Transportation – No General Fund Cost - 12 positions**
 - Positions required for new State Transportation funding from HB 2313
 - Additional projects and transit service supported by \$125 million annually
 - BOS approved list of 230 priority local roadways and transit projects requiring staff support
- **Contributory Agencies**
 - There is also a \$0.75 million reduction in Contributory payment requirements due to the elimination of operational support for the Lorton Arts Foundations

Shift of E-911 Revenues (\$23.54) million

- FY 2015 revenues and disbursements are adjusted so Communications Sales and Use Tax fully support the E-911 fund instead of having a combination of revenue and General Fund transfer support the fund

FY 2016 Budget Plan

Assumptions

- Revenues increase 3.68% - no change in real estate tax rate
- Disbursement Increases
 - School transfer at 2 percent
 - Fully supporting School Debt Service
 - County pay increase of \$26 million, approximately 2 percent MRA
 - County benefits requirements
 - Position requirements including 77 for Public Safety Staffing
 - Capital Paydown and Information Technology Investments
 - Other County requirements

Results in balance of \$13.73 million



FY 2016 Initiatives

- **Public Safety Staffing Plan**
 - Presentation at April 1, 2014 Budget Committee meeting
 - Will require discussion and consideration in FY 2016
- **Information Technology Plan and Long Term Investment Requirement**
- **Capital Improvement Program Prioritization**
- **Employee Compensation Discussions for new Pay Plan**



FY 2014-FY 2015 Revenue Update

- Based on year to-date receipts, FY 2014 revenue estimates may need to be reduced at Third Quarter
- Based on new information from the National Automobile Dealers Association (NADA), preliminary estimates for FY 2015 Personal Property tax revenues may need to be adjusted downward



Summary

- General Fund in balance in FY 2015 and FY 2016 at current Real Estate Tax Rate
- Eliminates structural imbalance
- Preserves high quality services
- Makes modest investments
- Addresses some of the Board priorities
- The Board may want to consider advertisement of higher tax rate to provide flexibility to the Board
- Promotes multi-year decision-making

For More Information

- The entire *FY 2015 Advertised Budget Plan* and the *FY 2015 – FY 2019 Capital Improvement Program (CIP)* are available online @:

<http://www.fairfaxcounty.gov/budget>

- Share feedback on the budget:

dmbinfo@fairfaxcounty.gov

- One reference copy of the budget is available at each County library facility

FY 2015 Budget Schedule

February 25, 2014	County Executive presents <u>FY 2015 Advertised Budget Plan</u>
March 4, 2014	Advertisement of FY 2015 tax rates and <i>FY 2014 Third Quarter Review</i>
April 8-10, 2014	Public Hearings on FY 2015 Budget, <i>FY 2014 Third Quarter</i> and <u>FY 2015-FY 2019 Capital Improvement Program</u>
April 22, 2014	Budget Mark-Up
April 29, 2014	Budget Adoption

To sign up to speak at one of the public hearings, call the Clerk to the Board's Office at (703) 324-3151 or (703) 324-2391 (TTY 711) or to access the form to sign up to speak, go to

https://www.fairfaxcounty.gov/bosclerk/speaker_bos.htm

The public can send written testimony or communicate with the Clerk's Office by email at: **clerktothebos@fairfaxcounty.gov**