County of Fairfax, Virginia

MEMORANDUM

DATE: April 13, 2015
TO: Board of Supervisors
FROM: Susan W. Datta, Chief Financial Officer
SUBJECT: Responses to FY 2016 BOS Budget Questions – Package 4

Attached for your review is Package 4 of responses to Board questions on the FY 2016 budget. Additional responses will be included in subsequent packages. If you have any questions or need additional information, please contact Joe Mondoro.

The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	Questions 1-15 answered in Package 1 dated March 11, 2015		*1-36*
	Questions 16-24 answered in Package 2 dated March 26, 2015		*37-67*
	Questions 25-37 answered in Package 3 dated April 7, 2015		*68-85*
38	Please explain the current status and schedule of hiring the 28 new "Booster Shot" positions and how the increased fees help to offset the costs of those hires. Additionally, is it realistic to expect that all 28 positions can be hired and trained within the fiscal year?	Bulova	86
39	What is the amount of extra funding (above employee matches) put into the respective pension funds each of the last five years, separating out the regular budget and carryover, and what are the projected extra contributions over the next 3-5 years?	Cook	87-89
40	What opportunities are there to advertise services available at the Annandale Adult Day Health Care site?	Gross	90-94
41	How much does it cost to delay closing the Annandale Adult Day Health Center site by six months? Please respond to the three proposals submitted by the Fairfax County Adult Day Care Associates at the April 8, 2015 Public Hearing held by the Board of Supervisors	Gross	95-97
42	How many children participate in both before and after-school SACC?	Smyth	98
43	What are the County and FCPS commitments to the continued Pre-K expansion in the FY 2016 budget?	Hudgins	99-100
44	How much revenue would be realized by charging a $100 annual fee for Middle School After School (MSAS) programs, with an exemption for children on free and reduced lunch?	Cook	101
45	Since FY 2010, how much money has been spent on the County's various housing programs. Please include both general and non-general funds.	Herrity	102
46	Please provide an analysis of the savings that could be achieved by reducing the budgeted agency price per gallon for fuel.	Cook	103

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47	Please provide information on the library communication-related issue cited in testimony by the Chairman of Fairfax Library advocates.	Cook	104
48	How much money would be saved if the Pre-Social Security Benefit were eliminated for future hires? Please include both the County and FCPS. Do any surrounding jurisdictions have such a benefit?	Herrity	105

Attachment

cc: Edward L. Long Jr., County Executive
Patricia Harrison, Deputy County Executive
David J. Molchany, Deputy County Executive
David M. Rohrer, Deputy County Executive
Robert A. Stalzer, Deputy County Executive

Response to Questions on the FY 2016 Budget

Request By: Chairman Bulova

Question: Please explain the current status and schedule of hiring the 28 new “Booster Shot” positions and how the increased fees help to offset the costs of those hires. Additionally, is it realistic to expect that all 28 positions can be hired and trained within the fiscal year?

Response: As of April 6, 2015, 9 of the 28 "Booster Shot" positions are filled. In addition, 5 positions are currently being advertised, 3 positions are in the interview phase, 2 are on hold to leave flexibility for contract services, and 1 is on hold pending results from the Gartner study. It should be noted that 8 positions will be advertised within the next 30 to 45 days. It is anticipated that 17 out of the 28 positions will be filled before the end of FY 2015, with an additional 9 positions or 90 percent filled in FY 2016. Training for these new positions usually takes three to six months with hands-on and classroom training taking place during both FY 2015 and FY 2016.

The approved fee increases are anticipated to result in additional revenue of approximately $2.1 million in FY 2015 and $5.1 million in FY 2016 to support land development projects in Fairfax County. Since January 1, 2015, $1,289,078 or 60 percent has been collected of the $2,144,933 in anticipated revenue. Based on the collection trend, staff feels confident that the revenue projection will be met.

As part of the *FY 2015 Third Quarter Review*, a net increase of $1,585,536, including $1,238,329 in Personnel Services and $384,408 in Operating Expenses offset by a decrease of $37,201 in Recovered Costs reflects the partial year impact of funding 28/28.0 FTE positions to address increased development activities in the County. The expenditure increase is fully offset by an increase of $2,100,000 in land development services fee revenue for a net savings of $514,464.14, the Board of Supervisors approved increases to Land Development Services and Fire Prevention Division (Fire Marshal) fees for plan review, permits, and inspection services.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Cook

Question: What is the amount of extra funding (above employee matches) put into the respective pension funds each of the last seven years, separating out the regular budget and carryover, and what are the projected extra contributions over the next 3-5 years?

Response: The County's retirement systems are funded through a combination of investment earnings, employee contributions based on a fixed percentage of salary, and employer contributions based on an actuarially-determined percentage of salary. An actuarial valuation is performed each year to determine the required employer contribution rates based on updated investment earnings and liability experience. Prior to FY 2011, employer contribution rates were set using a corridor approach, in which the unfunded actuarial liability below a 90 percent funding ratio is amortized over a conservative 15-year period. Annual adjustments to retirement contributions are driven by the following factors:

- Asset and liability changes reflected in the annual actuarial valuations;
- Efforts to increase the funding status of the retirement systems by increasing the amortization level under the corridor funding policy;
- Benefit enhancements approved by the Board of Supervisors;
- Employee compensation adjustments;
- The addition of new positions; and
- Other factors such as savings generated by holding positions vacant.

Each of these factors is presented in the table below and discussed in more detail following the table.

Changes to General Fund Employer Contributions to the Retirement Systems

(in millions)

	Annual Actuarial Valuation	Changes to Corridor Funding Policy	Benefit Enhancements	Employee Compensation Adjustments	New Positions	Other	Total Change
FY 2009			$1.61	$4.55	$2.56	($2.68)	**$6.04**
FY 2010	$0.32		$0.50	$1.22		($0.84)	**$1.20**
FY 2011	$23.06	$3.46			$0.11	($5.49)	**$21.14**
FY 2012	$15.35				$0.13	$2.72	**$18.20**
FY 2013	$9.51		$0.12	$9.14	$0.21	($2.16)	**$16.82**
FY 2014	$3.60			$1.95	$0.44	($2.89)	**$3.10**
FY 2015	($2.95)	$9.24	$1.48	$5.75	$1.57	($4.54)	**$10.55**

As shown in the table above, required changes in the employer contribution rates as a result of the annual actuarial valuation represent the largest increases in General Fund contributions to the retirement systems over the past seven years. These increases were primarily the result of the investment losses that were experienced in the global financial crisis during FY 2009, but also include the impact of the most recent five-year experience study. Decreases in the required General Fund contribution as a result of the actuarial valuation in FY 2015 are due to recent strong investment returns that outpaced the expected 7.5 percent rate of return.

In FY 2011, efforts began to increase the funding status of the retirement systems by increasing the amortization level under the corridor approach. An increase of $3.46 million in General Fund contributions in FY 2011 was the result of increasing the amortization level under the corridor approach from 90 to 91 percent. In FY 2015, an additional increase of $9.24 million was the result of increasing the amortization level further from 91 to 93 percent.

Employer contribution rates have also been increased as a result of benefit enhancements approved by the Board of Supervisors. Benefit enhancements approved during the past seven years have included retiree cost of living adjustments (COLAs), a reduction in the Social Security Offset for Service Connected Disability from 40 percent to 15 percent, and a reduction in the employee contribution rate for the Police Officers system from 11 percent to 8.65 percent.

In addition to increases in the employer contribution rates, employee compensation adjustments and the addition of new positions impact total General Fund employer contributions to the retirement systems. The final category in the table above includes all other changes that have impacted General Fund retirement contributions, such as the transfer of existing positions between the General Fund and other funds and savings generated as a result of agencies holding positions vacant.

It should be noted that all of the adjustments noted above were made as part of the annual budget process. Action taken as part of Third Quarter and Carryover reviews is typically limited to adjustments required to reflect employee compensation adjustments or new positions approved during those reviews, or to recognize anticipated budgetary savings during the fiscal year as a result of trend analysis. Adjustments are made during the annual budget process for any of these Third Quarter or Carryover actions that have a recurring impact. In addition, action has been taken twice in the past seven years to hold year-end balances in reserve for future retirement contribution requirements. As part of the *FY 2009 Carryover Review*, $20 million was identified to be held in reserve to offset the $21.14 million increase in retirement contributions in FY 2011. Similarly, $15 million was identified as part of the *FY 2010 Carryover Review* to offset the $18.20 million increase in FY 2012.

The FY 2016 Advertised Budget Plan includes a total increase of $13.13 million in General Fund contributions to the retirement systems. This amount includes an increase of $8.57 million due to changes in the employer contribution rates, including $10.17 million to bolster the funding status of the systems by increasing the amortization level from 93 to 95 percent, partially offset by a decrease of $1.60 million as a result of the annual actuarial valuation. The remaining increase includes $5.56 million due to employee compensation adjustments and $1.23 million due to the addition of new positions, partially offset by a decrease of $2.23 million due to expected savings based on trend analysis.

It is estimated that an additional increase of $8.5 million in General Fund contributions will be required by FY 2019. This amount includes further changes in the amortization schedule (from 95 to 100 percent amortization of the unfunded liability) to improve the funding status of the systems and achieve full funding of the Annual Required Contribution (ARC) for each system, partially offset by anticipated savings as a result of actual investment returns and liability experience. Full funding of the ARC by the end of the decade is necessary to meet expectations set by the bond rating agencies as well as to address new GASB (Governmental Accounting Standards Board) regulations. Changes in contribution levels as a result of employee compensation adjustments and the addition of new positions are not included in this estimate. It should also be noted that the next actuarial experience study will take place in FY 2016, and any impact to the employer contribution rates as a result of assumption changes will be included in FY 2018.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Gross

Question: What opportunities are there to advertise services available at the Annandale Adult Day Health Care site?

Response: The Health Department has a marketing plan for the Adult Day Health Care Program (ADHC) that has been updated continuously over the past 10 years. The plan includes targeted outreach to homeowners associations, rotary clubs, faith based groups and small and large business owners across the County including Annandale. The plan also includes outreach to physicians, social workers, and hospital discharge planners in addition to the publishing of articles and advertisements in a variety of publications (e.g., Newsletters, Connection newspaper, Golden Gazette).

Each year the marketing plan is evaluated and varying strategies are employed to increase awareness of the program in the community. Focus groups have been held with community leaders from ethnically diverse communities and Human Resource Departments in large corporations (e.g., Aerospace Corp., Inova Employees' Assistance Program, Exxon Mobil) and targeted outreach has been conducted that focuses on caregivers, mostly working adult children, in need of ADHC services.

The marketing plan for the ADHC services is more robust than what is in place for any other program or service in the Health Department. There are other forms of marketing (mailings; direct mail; use of paid marketing firms) that could be utilized; however, when there is demand or need for a service/program in the community, most human service programs do not require additional forms of advertising such as these. The bulk of referrals come from other human service providers, word of mouth from caregivers, and the department's website, so the Health Department works to ensure that all of these resources are fully utilized and that the website is up to date. The department is currently in the process of updating the website, which was last updated in early FY 2015, in an effort to test the effectiveness of various media strategies that increase awareness of ADHC in the community. Other social media resources such as Facebook and Twitter are also being explored. Please see Attachment 1 for a history of marketing strategies utilized for advertising the ADHC services over the last several years.

Despite marketing efforts, the average daily attendance in the ADHC program overall continues to decline. This trend does not appear to be reversing during FY 2015. The downward trend program-wide is shown below:

- FY 2011, the average daily attendance was 134
- April 2012, the Braddock Glen ADHC ceased operations and 17 ADHC participants enrolled in the Inova: Program of All Inclusive Care of the Elderly (PACE)
- FY 2013, the average daily attendance was 105
- FY 2014, the average daily attendance was 96
- YTD FY 2015, the average daily attendance is 90

Given the recent trends, the decision to close an Adult Day Health Center was made from a programmatic perspective. It was based on the program as a whole operating under capacity and a trend towards a lower enrollment; the proliferation of new Long Term Care (LTC) options available in the community; and the capacity to serve all of the current participants in four rather than five centers, with room for growth as needed. Annandale was identified for closure due to the building's age and small size in comparison to the other centers as well as its lower capacity based on licensing requirements, not because of average daily attendance levels specific to the site, which are similar to the other centers. As it is located less than four miles from the Lincolnia ADHC site which is undergoing renovations, it is anticipated that those currently receiving services at the Annandale site should be able to continue receiving services at Lincolnia (or another site of their choosing) with minimal impact to service delivery. The remaining four centers will be able to meet the needs of the population currently served with the ability to serve more individuals if demand increases.

History of Marketing in the Adult Day Health Program

Since 2005, the Adult Day Health Program has continuously reviewed and revised its marketing strategies to increase participant enrollment and diversity. Marketing activities included the following:

2005

- Physicians - Center Nurse Coordinator (CNC) sent out an ADHC marketing packet to 100 (20 each CNC) physicians each year. The marketing packet will include: a letter, brochures, Fact Sheets, List of Caregiver Workshops and Support Groups, CNC business cards and an ADHC pen.
- Social Workers **–** CNC will regularly attend the county Geriatric and Interdisciplinary Teams in an effort to market the ADHC program to county human service workers. Provide marketing packet and show 7 minute video
- At least once a year the CNC met with and marketed program to hospital discharge planners
- In collaboration with representatives from culturally diverse populations determined what kinds of strategies to implement to make the ADHC program more attractive to this underserved population.

2006–2013 Built upon the above plan and added the following

- Presentations to Faith-Based Communities
- Brochures provided to Faith-Based Communities
- Marketing packets provided to HR departments in local large businesses
- Presentation to Employee Assistance Program counselors for Inova
- Channel 16 developed marketing dvd and broadcast it on TV
- Channel 16 interview with Supervisor Gross
- Presentation to Aerospace Inc. (employees/caregivers)
- Article for EAP newsletter (to Fairfax County Employees)
- Provide brochures and brochure holders to physicians, rehab centers, and hospital discharge planners
- Provided informational booths at numerous vendor fairs
- Advertised specials in Golden Gazette and Newslink (Employee discount)
- Listing in the Guide to Retirement Living (The Source Book)
- Showcasing program in library display cases throughout county
- Presentation and Focus Group for Hispanic population in Herndon area

FY 2014

- Rebranded program – new logo, website, fact sheets and new Channel 16 video
- Articles about benefits of ADHC as shown in results of Penn State study our caregivers participated in were published in:
  - ✓ AARP VA
  - ✓ Golden Gazette
  - ✓ The Connection (X4)
  - ✓ FairfaxNet
  - ✓ Caregiver Corner online
  - ✓ Braddock Beacon
  - ✓ Homeowners Association Newsletters (5)
  - ✓ Newslink with 20% employee discount

  Other Articles:

Northern Virginia Magazine interview of caregiver and participant

- Advertisements
  - ✓ Golden Gazette
  - ✓ Fairfax Insider
  - ✓ Hot Flash - online newsletter for Fairfax County Retirees
  - ✓ Our Lady of Good Counsel (silent auction program)
  - ✓ Center Without Walls Newsletter
- Presentations:
  - ✓ Annandale Rotary Club
  - ✓ Dementia Care Consortium
  - ✓ Geriatric Case Managers
  - ✓ AARP –(2)
  - ✓ National Association of Retired Federal Employees (2)
  - ✓ NCS presentations to 4 regions
  - ✓ LTCCC
  - ✓ Senior Citizens' Council at Lincolnia
  - ✓ Multicultural Ambassador Program
  - ✓ ProAging Network

In addition, contact was made to multiple home health agencies, assisted living facilities, rehab centers, geriatric case managers, and other medical care providers on an ongoing basis.

FY 2015

- Advertisements
  - ✓ Golden Gazette (monthly nurse's article and ad)
  - ✓ Fairfax Insider
  - ✓ Center Without Walls Newsletter
  - ✓ The Connection (X4)
- Articles
  - ✓ Golden Gazette – Asian Open House at Lewinsville
  - ✓ Connections – Creative Aging Festival
  - ✓ Annandale Blog with reporter Ellie Ashford
  - ✓ Fairfax 50+ and E-News
- Presentations
  - ✓ Rajdhani Mandir a Hindu temple in Chantilly
  - ✓ Georgetown Memory Clinic
  - ✓ Antioch Baptist Church
  - ✓ Virginia Hospital Center
  - ✓ Fairfax County Fire and Rescue Academy
  - ✓ Kaiser Permanente Falls Church
  - ✓ George Mason University and Music and Memory Program
  - ✓ Podcast re: ADHC program
  - ✓ Mature Living taping of the importance of art for those with dementia (Rec Therapist)
  - ✓ Ethiopian Community

- ✓ ADHC participates or is represented in numerous vendor fairs related to healthcare or the needs of seniors every year (at least ten per year).

In addition, contact was made to multiple home health agencies, assisted living facilities, rehab centers, geriatric case managers, and other medical care providers, as well as providing ADHC representation at ElderPro, ProAging and Western Fairfax Advocates for the Aging, (professional organizations related to the care of the older adult) on an ongoing basis.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Gross

Question: How much does it cost to delay closing the Annandale Adult Day Health Center site by six months? Please respond to the three proposals submitted by the Fairfax County Adult Day Care Associates at the April 8, 2015 Public Hearing held by the Board of Supervisors.

Response: The recommendation to close one of the Adult Day Health Center (ADHC) sites was made due to the overall trend of lower participation over the last several years. The current levels of attendance program-wide have left many open slots across all of the centers, and based on licensing requirements, all of the current participants can be accommodated in four rather than five centers while still leaving adequate room for growth should there be an increase in demand for services. The decision to close the Annandale site was made due to the buildings older age and smaller size (and therefore lower capacity) in comparison to the other centers, not because of the average daily attendance levels specific to that site, which are similar to the other centers.

The Annandale ADHC site has an average daily attendance of 24 participants. It is anticipated that many of the participants will move to the Lincolnia ADHC site as it is only five miles away and will be newly renovated. The Lincolnia ADHC site currently has the capacity to serve an additional 16 participants per day; therefore, 16 (or two-thirds) of the participants at the Annandale ADHC site can be served at the Lincolnia ADHC site. If the Board wishes to accommodate all 24 participants currently attending the Annandale ADHC site at the Lincolnia ADHC site, 1/1.0 FTE position and $66,805 could be restored from the ADHC Annandale reduction. The adjustment would also preclude any loss of revenue from the Annandale ADHC closure so the impact on the General Fund would be $0. This position would be redeployed to the Lincolnia ADHC site and will increase capacity so that all to Annandale ADHC participants can be accommodated at the Lincolnia ADHC site. It should also be noted that staff is working to place the existing staff from the Annandale ADHC site at other ADHC sites and based on current vacancies, it is anticipated that some of the current staff at the Annandale ADHC site will move to the Lincolnia ADHC site. This will provide some consistency for those participants who move from the Annandale ADHC site to the Lincolnia ADHC site.

The Lincolnia renovation was originally scheduled to be completed in July 2015; however, new estimates now have the renovation completed in late August/early September 2015. Given the change in the renovation schedule, staff recommends the ADHC site remain open an additional three months, until September 30, 2015. The net cost is $84,618. If the Board wishes to phase-in the closure of the Annandale ADHC site, it could remain open an additional six months until December 31, 2015 with a net cost of $169,236. If needed, FY 2015 balances at Carryover could offset these one-time costs to keep the ADHC Annandale site open the additional six months in FY 2016.

At the April 8, 2015 Public Hearing held by the Board of Supervisors, the Fairfax County Adult Day Care Associates proposed the following:

- **Proposal Number 1**
  A strong, professional marketing campaign should be undertaken by the County, with an emphasis on social media and getting the word out over the coming year to caregivers in the community about the cost effectiveness and stress reduction of adult day health care centers compared to other long term care options. We would be happy to assist in that campaign in every way we can.

  Staff Response
  The Health Department does not contract with a marketing firm to promote the ADHC program; however, the Health Department does extensively market the program utilizing in-house resources. Detailed information regarding the marketing of the ADHC program is included in the Responses to BOS Questions – Package 4, question number 40. If the Board of Supervisors wishes to hire a professional marketing firm, additional resources would be needed, as the Health Department cannot absorb this cost.

- **Proposal Number 2**
  Promptly implement the new contract with Senior Plus, AND the Dual Eligible Demonstration, which should increase enrollment substantially, and steadily, during the coming year and on into the future.

  Staff Response-Senior Plus Program
  Staff is currently developing a memo to the Board concerning the new contract for Senior Plus that will be provided to the Board later this month. It is important to note that Senior Plus is not a substitute for the ADHC program but rather is an element of the continuum of care for senior adults that also includes senior centers and ADHC sites.

  Staff Response-Dual Eligible Demonstration
  The Dual Eligible Demonstration is formally known as the "Commonwealth Coordinated Care" and it is a new Virginia initiative that coordinates care for individuals who are currently served by both full Medicare (entitled to benefits under Medicare Part A and enrolled under Medicare Parts B and D) and full Medicaid, and meet certain eligibility requirements. The program is managed by the state Department of Medical Assistance Services (DMAS), in collaboration with the Centers for Medicare and Medicaid (CMS). It is designed to be the single entity accountable for coordinating delivery of primary, preventive, acute, behavioral, and long-term services. The goal of this initiative is to provide Virginians with high quality, person-centered health care that focuses on their needs and preferences. The DMAS along with CMS selected three managed care organizations (MCOs or health plans) to participate in Virginia's Commonwealth Coordinated Care. The awardees are Anthem HealthKeepers, Humana and Virginia Premier. Each MCO was required by DMAS and CMS to establish a network of providers in each region that would enable them to provide an array of services to enrollees. A region is not eligible to participate unless there are at least two MCOs for enrollees to choose from. Currently, only one MCO has been approved by DMAS for this region; therefore, Fairfax County is not eligible to participate in the program. Once this program is available in the region staff

does anticipate an increase in referrals for adult day health care as this is one of the services covered by this plan.

- **Proposal Number 3**
  Implement a modest increase of the sliding scale monthly participation fees or annually index the fees to CPI.

  <u>Staff Response</u>
  The Health Department increases fees between 2 percent and 5 percent annually based on a study of comparable public, private, and nonprofit Adult Day Health Care providers in the region. While there is a wide range in fee schedules and billing practices across the region, the Fairfax ADHC fees have remained competitive with other providers. In FY 2015 the ADHC fees ranges from $16 to $107. The Health Department will soon be conducting its annual fee study and will adjust fees to coincide with the start of FY 2016. To make the program accessible to those most in need, fees will not significantly exceed community standards.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Smyth

Question: How many children participate in both before and after-school SACC?

Response: The School Age Child Care (SACC) program supports working families and helps children to thrive by providing out-of-school time programs for children in kindergarten through sixth grade, as well as older children with multiple disabilities. SACC provides high quality school-age child care before- and after-school and during school breaks. In the fall of 1974, SACC programs opened their doors to children and families in eight FCPS elementary schools, serving 160 children daily. Today, SACC is available throughout the County in 137 schools, one recreation center, and one community center. The program serves, on average, 10,000 children daily. The following reflects the March 2015 Daily Child Enrollment for the number of children participating in before school SACC and after school SACC, as well as those children who participate in both the before and after school programs:

- Before school SACC: 5,871
- After school SACC: 8,391
- Both before and after school SACC: 3,591

During the 2015-2016 school year 71 percent of the elementary schools with a SACC program will have a later start time. It is anticipated that there may be an increased demand for before-school services at those schools.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Hudgins

Question: What are the County and FCPS commitments to the continued Pre-K expansion in the FY 2016 budget?

Response: School Readiness describes the capabilities of children, their families, schools and communities that will best promote student success in kindergarten and beyond. Early childhood education and Pre-K programs support the development of children's cognitive, social, emotional and physical development skills which are strong predictors of success in school. A mixed delivery system of both County and FCPS programs helps to ensure the availability of many options to support the diversity of needs in the County. The County addresses school readiness by supporting and expanding quality community-based programs that are accessible; creating a network of programs that promote school readiness through the alignment of curricula to the Virginia Foundation Blocks for Early Learning; supporting children living in poverty to reach fall kindergarten benchmarks and providing access to quality childcare. In the FY 2016 Advertised Budget Plan funding of $941,122 specifically supports the following school readiness initiatives:

- Child Care Assistance and Referral (CCAR) Program: An increase of $600,000 supports locally funded financial assistance for child care to working families with low and moderate income. CCAR is an integral part of the school readiness initiative as the program helps to ensure that children at-risk for school failure can attend regulated early childhood settings. As proposed in the School Readiness presentation at the Human Services Committee meeting on November 26, 2013, funding was originally intended to provide additional slots. However, in September 2014, the Virginia Department of Social Services increased the state's Maximum Reimbursable Rates paid to child care providers participating in the state-funded CCAR program. This increase created a situation where the state's reimbursement rates were higher than the County's reimbursement rates. As a result, child care providers are receiving a higher subsidy payment for those children receiving state-funded subsidies than they are for those children receiving locally-funded subsidies. Prior to this increase, the rates between the two systems were the same. The County has historically adjusted the local Maximum Reimbursable Rates to be consistent with the state. To not do so would create disparity between the two systems and increases the likelihood the child care programs may only enroll children whose child care subsidy is funded by the state.

  The FY 2016 Advertised Budget Plan includes $1.0 million to partially fund the rate increase, which is estimated to be $2.3 million. Additionally, the School Readiness funding which was originally intended to serve additional children will now decrease the number of children who will not receive services due to the rate increase. This means total funding of $1.6 million is included in the FY 2016 Advertised Budget Plan in support of the CCAR program. This leaves a $0.8 million shortfall between what the County was able to fund and the full value of the rate increase. This shortfall will be addressed by managing enrollment through natural attrition but it is anticipated that the program will serve 93 fewer children.

- Local Cash Match for Early Head Start (EHS) Expansion: Local Cash Match funding of $200,000 is included in support of the recently awarded Early Head Start Childcare Partnership and Expansion grant. EHS is a national child and family development program that provides quality early childhood education and comprehensive family support services to income eligible families with children birth to three years of age and expectant parents. The expansion will allow the program to serve an additional 56 children, including 16 children in two classrooms in a center-based program at Gum Springs Glenn Children Center and 40 children through partnerships with regulated family child care providers.

- Virginia Quality Rating and Improvement System (VQRIS): Funding of $141,122 enables additional County child care centers/preschools and family child care homes serving children living in poverty to participate in this key program that defines standards for early childhood education and creates a framework for accountability. An additional 30 programs will be rated and receive mentoring as part of VQRIS.

The County has worked closely with FCPS to develop a system that provides community-based as well as school-based options for school readiness. It is hoped that the FCPS School Board will support continued expansion of the school-based programs; however, expansion of community-based programs is not contingent on additional school funding.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Cook

Question: How much revenue would be realized by charging a $100 annual fee for Middle School After School (MSAS) programs, with an exemption for children on free and reduced lunch?

Response: The 2013-14 school year MSAS program had approximately 13,000 students that were considered regular attendees (i.e., U.S. Department of Education term denoting students who attend 30 or more days of after school programming in a school year). The extent to which a new fee will reduce participation is hard to predict, but it is assumed the regular attendees would be the most likely students to stay in the program in the event a fee is implemented. Assuming the current broader school population free and reduced price meals (FRPM) rate of 28 percent applies to the regular attendees, 9,360 students would pay the $100 fee, for a total revenue generation of $936,000. However, as a result of outreach efforts, the percentage of after-school attendees who receive FRPM is higher than the cited school-wide 28 percent. Therefore, revenues are very likely to be less than $936,000.

It should be noted that the MSAS program has been a key element in the County's and school division's initiatives to not just combat gangs but to improve student behavior, improve academic performance, and develop healthy and successful youth. The MSAS program provides safe, engaging, and enriching activities to students who do not have access to such opportunities otherwise. These students often come from a background where funding is not available for extracurricular activities. As such, significant effort was put into encouraging participation among as many middle school youth as possible. The decision not to implement a fee from the beginning of the program was a part of those efforts.

While the MSAS program receives the majority of its funding from the County's General Fund, the program is officially a Fairfax County Public Schools program and as such any adoption of a program fee requires the approval of the Fairfax County School Board.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Herrity

Question: Since FY 2010, how much money has been spent on the County's various housing programs. Please include both general and non-general funds.

Response: A total of $656.3 million in revenue has been allocated to support the County's various housing programs from FY 2010 through FY 2015. This funding includes both general and non-general funds, and is categorized as follows:

Type	Amount	% of Total
Federal/State	$369,132,695	56.3%
Other	$176,099,167	26.8%
Real Estate Tax Revenue Associated with Value of ½ Penny	$60,495,000	9.2%
General Fund Contributions	$50,595,098	7.7%
Total	**$656,321,960**	**100%**

In addition, $117.5 million in revenue has been included as part of the FY 2016 Advertised Budget Plan. This funding includes $68,641,187 in Federal/State revenues, $29,430,390 in other revenues (e.g., program income, repayment of advances, monitoring/service fess), $11,300,000 in Real Estate Tax Revenue Associated with Value of ½ Penny, and $8,138,133 in General Fund Contributions, representing similar percentages of total funding as the above table.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Cook

Question: Please provide an analysis of the savings that could be achieved by reducing the budgeted agency price per gallon for fuel.

Response: The FY 2016 recommended budget assumes an average agency price of $2.77 per gallon, a decrease of $0.25 cents (or 8.3 percent) from the FY 2015 Adopted Budget Plan level. The $2.77 price per gallon reflects a "blended" rate based on roughly three-quarters of the County's fuel purchased being diesel, and one-fourth unleaded with a small markup to cover overhead costs and fuel-related capital equipment expenditures. The recommended fuel price results in General Fund savings of $1.0 million in the FY 2016 Advertised Budget Plan.

As requested by the Board of Supervisors on April 7, 2015, additional savings of $1.5 million, above the $1 million already included in the FY 2016 Advertised Budget Plan, could be achieved by reducing the budgeted agency price per gallon for fuel to $2.41 per gallon, a decrease of $0.61 cents (or 20 percent) from the FY 2015 Adopted Budget Plan level of $3.02. The following table provides an analysis of the savings that could be achieved by reducing the budgeted agency price per gallon for fuel to various levels:

	Price	*Price Difference from FY15 Adopted*	*Percent Change from FY15 Adopted*	*Dollar Savings from FY15 Adopted*
2015 Adopted	$3.02			
2015 Year-to-Date (through February)	$2.58	($.44)		
2016 Advertised	***$2.77***	***($.25)***	***(8.3%)***	***$1.0 million***
	$2.65	($.37)	(12.3%)	$1.5 million
	$2.53	($.49)	(16.2%)	$2.0 million
Board C-Item	***$2.41***	***($.61)***	***(20.2%)***	***$2.5 million***

While the price of fuel has declined significantly in recent months, the year-to-date (through month-end February) average agency "blended" rate is $2.58. In addition, since fuel prices hit a low point in mid-January, they have begun to rebound, with the "blended" rate increasing over 30 cents by the end of February. This trend is likely to continue as prices generally increase in the spring and summer months. It should also be noted that the FY 2016 Advertised Budget Plan funding level assumes that fuel prices will not drop as far next winter as they did this past winter, as this winter's prices have not been seen since late FY 2009.

In addition, it should be noted that a $4.0 million Fuel Price Stabilization Reserve exists in Fund 60010, Department of Vehicle Services. First created as part of the *FY 2009 Third Quarter Review*, this reserve is designed to provide flexibility in the case of an unanticipated increase in fuel prices. These funds have not been required since they were earmarked for this purpose; however, the balance in the reserve is included in the totals reported to the rating agencies.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Cook

Question: Please provide information on the library communication-related issue cited in testimony by the Chairman of Fairfax Library advocates.

Response: Some are saying that the library is "censoring" our employees. We recently began moderating all ten of the library's blogs to comply with County policy. Some employees were posting items with information from and/or links to political organizations. These types of postings or comments are not permitted under County guidelines. If an employee submits an item that is political in nature, it will not be added to the blogs. We still welcome and support all articles and information that are not political in nature.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Herrity

Question: How much money would be saved if the Pre-Social Security Benefit were eliminated for future hires? Please include both the County and FCPS. Do any surrounding jurisdictions have such a benefit?

Response: The Pre-Social Security Benefit of the Employees' Retirement System and the Uniformed Retirement System integrate the County's pension benefits with Social Security benefits. The Pre-Social Security Benefit provides a supplement from retirement until the retiree becomes eligible for unreduced Social Security benefits, so that the retiree's income prior to Social Security full retirement age is similar to the total pension and Social Security income they will receive after reaching the age for unreduced Social Security benefits. The integration of pension benefits with Social Security benefits is common in other pension systems in the area, though the structure of the integration varies by system.

- The Federal Employees Retirement System (FERS), which provides pension benefits to Federal civilian employees, provides an Annuity Supplement for retirees under the age of 62. The FERS Annuity Supplement represents the amount of Social Security benefits that would be received for the retiree's FERS civilian service.
- The Virginia Retirement System (VRS) covers state employees and Fairfax County Public Schools employees, as well as the employees of other local jurisdictions such as the City of Alexandria, Loudoun County, and Prince William County.
  - VRS includes an Advance Pension Option, which allows retirees to elect to receive a temporary increase in their monthly benefit until an age of their choosing between age 62 and Social Security full retirement age. The monthly benefit is then permanently reduced after the chosen age.
  - For hazardous duty positions, VRS provides a supplement until the retiree reaches normal retirement age under Social Security.
- Arlington County allows retirees to elect a Social Security Option, which provides a temporary increase in the retirement benefit until the retiree reaches Social Security full retirement age, after which the retirement benefit is reduced.

An actuarial study would be required to determine the amount of savings that would result from eliminating the Pre-Social Security Benefit for future hires. However, it should be noted that changes affecting only new hires take time to generate significant savings. If this change were implemented for new hires during FY 2016, the first year that savings would be realized in the employer contribution rates to the retirement systems would be FY 2018. Savings are anticipated to be small initially, but would grow over time as more employees are hired under the new provisions.