



# County of Fairfax, Virginia

## MEMORANDUM

**DATE:** April 12, 2016  
**TO:** Board of Supervisors  
**FROM:** Joseph M. Mondoro, Chief Financial Officer  
**SUBJECT:** Responses to BOS Budget Questions – Package 7

Attached for your review is Package 7 of responses to Board questions on the FY 2017 budget. Please note that questions received as part of the LOBs process are being processed separately.

If you have any questions or need additional information, please do not hesitate to contact me. The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	<i>Budget Questions 1-7 answered in package 1 dated 2/17/16</i>		1-48
	<i>Budget Questions 8-22 answered in package 2 dated 3/18/16</i>		49-81
	<i>Budget Questions 23-28 answered in package 3 dated 3/29/16</i>		82-89
	<i>Budget Questions 29-32 answered in package 4 dated 4/1/16</i>		90-96
	<i>Budget Questions 33-36 answered in package 5 dated 4/8/16</i>		97-112
	<i>Budget Questions 37-42 answered in package 6 dated 4/11/16</i>		113-129
Budget-43	Please assess the status of the County's response to human trafficking with the current resources and staffing model.	Bulova	130
Budget-44	Please provide a summary of the most recent fee for services adjustments for the County.	McKay	131
Budget-45	Please expand on Slide 29 of the County Executive's Budget Presentation to include showing the data in percentage growth terms.	Bulova	132
Budget-46	Please provide the detailed amounts added to reserves as part of the advertised <i>FY 2016 Third Quarter Review</i> and the <u>FY 2017 Advertised Budget Plan</u> .	Foust	133
Budget-47	Please discuss the rationale for the timing of the current Diversion First staff recommendation for the third and fourth Mobile Crisis Units (MCUs) in the multi-year funding table. Would accelerating implementation be disruptive to the long-term plan?	McKay/ Cook	134-135
Budget-48	Please provide a list of Home Improvement Loan Program loans by year, district, and loan amount.	Hudgins	136-137
Budget-49	The FY 2016 Approved Budget projected an increase of 2,631 students. Based on the FY 2016 Revised Budget projection, student enrollment grew 584, a difference of 2,047 students. What is the estimated savings in expenditures from the lower than projected student enrollment increase for FY 2016?	McKay	138-139



# County of Fairfax, Virginia

## MEMORANDUM

Budget-50	In FY 2016, the cost of enrollment growth/demographic changes of 2,631 students was estimated at \$22.1 million. For FY 2017, the projected decrease of 1,334 students as compared to the FY 2016 Approved Budget results in savings of \$2.9 million. Please provide the assumptions included in the FY 2017 Proposed Budget related to demographic changes (ESOL enrollment, Special Education, Students Eligible for Free/Reduced Meals) both compared to the FY 2016 Approved and the FY 2016 Revised Budgets. Why would the per pupil increase be higher than the per pupil decrease?	McKay	140-141
Budget-51	According to "FY 2017 Preliminary Forecast Projections Estimates as of April 27, 2015" handout given to the Budget Task Force, FCPS was expecting a \$19.5 million reduction in state revenue and a \$5.5 million increase in sales tax revenue – for a net loss of \$14 million. We now know state funding, combined with sales tax, is a \$21 million increase. Do these changes reflect a \$35 million positive swing in state funding? If not, please explain.	McKay	142-143
Budget-52	According to "FY 2017 Preliminary Forecast Projections Estimates as of April 27, 2015" handout given to the Budget Task Force, FCPS was projecting a \$22.1 million increase in funding required for "enrollment and demographic changes." New projections indicate \$2.9 million in savings. Is this a \$25 million position swing in funding because of new enrollment/ demographic changes? If not, please explain.	McKay	144-145
Budget-53	The School Board voted to use operating fund dollars to pay higher salaries to school cafeteria workers whose salaries are ordinarily paid from the Food & Nutrition Services (FNS) Fund.  Could cafeteria workers' raises in FY 2017 be paid from the FNS Fund?  What are the actual FY 2015 revenues and expenses, and the FY 2016 Adopted Budget revenues and expenses of the FNS Fund?  What percentage of FNS fund revenues for FY 2014, FY 2015 and FY 2016 (so far) are derived from the federal government?  What is the current reserve balance in the FNS fund?	Herrity	146-147
Budget-54	In the School Board Work Session presentation from March 31, 2016, Slide 9 talks about the pay gap from market average and number of employees impacted. Please provide a similar chart broken down by singular percentages with the number of employees in each category. Also, are there any employees making above the market average? If so, please provide a chart broken down by singular percentages for that as well.	McKay	148-150
Budget-55	Provide a listing by line item of where the County budget for operating expenses increased more than 2 percent.	Cook	151-154

Attachment



# County of Fairfax, Virginia

## MEMORANDUM

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 2017 Budget

**Request By:** Chairman Bulova

**Question:** Please assess the status of the County's response to human trafficking with the current resources and staffing model.

**Response:** Funding of \$333,509 was included in the FY 2017 Advertised Budget Plan to support the conversion of 2/2.0 FTE grant positions, that perform work for the Northern Virginia Human Trafficking Task Force, into merit positions as the grant funding utilized to support these positions has expired. These positions perform critical work for the Northern Virginia Human Trafficking Task Force, which is a collaboration of federal, state and local law enforcement agencies dedicated to combating human trafficking and related crimes.

This funding consists of \$198,377 in Personnel Expenses, \$112,678 in Fringe Benefits, and \$22,454 in Operating Expenses and supports 1/1.0 FTE Police Officer II and 1/1.0 FTE Crime Analyst I. Both of these positions dedicate 100 percent of their time to investigating and providing analytical analysis related to human trafficking cases. It is important to note that the Crime Analyst I position has been vacant since July 24, 2015 based on a change of personnel and the department being informed that grant funding would not be renewed. The department has indicated that this position is critical to long-term success of the task force and would be filled following approval of the requested positions and funding.

For additional background - on April 9, 2013, the Board of Supervisors authorized the Police Department to apply for and accept funding of \$666,667 and 2/2.0 FTE grant positions from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance and Office of Victims of Crime to support the Northern Virginia Human Trafficking Task Force. The funding associated with this grant expired on September 30, 2015; however, the Police Department has maintained the program in the interim until the funding in the FY 2017 Advertised Budget Plan could be secured.

The Police Department (FCPD) is currently working on revising the model by which Human Trafficking cases are going to be investigated. The original model, which was established following receipt of the grant, was primarily focused on the priorities of the federal organizations involved in the task force. The revised model focuses on local/regional priorities. FCPD's effort will now fall under the Major Crimes Bureau, and will work with the US Attorney's office, local advocacy groups, and with federal partners to design a network of resources that can be utilized during investigations. FCPD will also increase its networking with local partners to provide investigative assistance as cases warrant.

As the Police Department is reworking the model by which Human Trafficking cases are investigated with the intention of keeping them more locally focused, it is not known if additional positions beyond these two dedicated positions will be required; however, FCPD will come back to the Board with an update in 6-12 months as the program structure is redefined and better data is collected.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay

**Question:** Please provide a summary of the most recent fee for services adjustments for the County.

**Response:** The County periodically reviews all user fees to determine if there are necessary adjustments that should be made to the various rates and fees. The review focuses on revenue maximization, cost recovery and consistency with other jurisdictions. Many user fees such as Health Department fees, School-Age Child Care (SACC) fees and Land Development Services fees, are already reviewed annually. Fire Marshal fees are also reviewed annually during the budget process to ensure that the Board's mandated range of 90 to 100 percent cost recovery threshold is met. Zoning fees are reviewed on a two-year cycle to avoid large adjustments and to maintain the Board's cost recovery target. It is important to note that many of the County's charges have maximums set by the State and cannot be adjusted as they are already at the maximum levels permitted.

### **Proposed FY 2017 Adjustments**

The Athletic Services fee for rectangular field users is recommended to increase from \$5.50 to \$9.50 per participant per sport and recommended to increase from \$15 to \$25 per team per tournament. The fee would remain in line with other local jurisdictions. It should be noted that the Athletic Council has proposed an alternative fee adjustment schedule for the Board's consideration.

SACC fees are recommended to increase 2 percent in FY 2017.

### **FY 2016 Adjustments**

SACC fees were restructured in FY 2016 with the goal of both generating revenue and better reflecting income levels and affordability for participating families. As a result, full paying families saw an increase of 8.0 percent and some families at lower levels saw a decrease. In addition, an annual registration fee of \$45 for all full-paying families was implemented. These adjustments maintained the program's cost recovery rate of approximately 80 percent.

### **FY 2015 Adjustments**

Economic Development "Booster Shot" – effective January 2015, the Board of Supervisors approved an increase of approximately 20 percent to the Land Development Services and Fire Marshal fees for plan review, permits, and inspection services. The fee increase supported 28 positions in a variety of agencies with the goal of the additional staff to assist the County in improving customer service and reducing plan review timeframes.

Emergency Medical Services (EMS) Transport fees were increased in FY 2015. Basic Life Support (BLS) transport was increased 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; and the charge per mile transported from \$10 to \$12.

Animal Shelter boarding and adoption fees were increased. The previous adoption rates were \$40 for dogs and \$30 for cats. The new rates vary by age and range from \$50 to \$175. In addition, boarding fees for dogs were increased from \$10 to \$15 per day.

SACC fees were increased 5.0 percent.

## Response to Questions on the FY 2017 Budget

**Request By:** Chairman Bulova

**Question:** Please expand on Slide 29 of the County Executive’s Budget Presentation to include showing the data in percentage growth terms.

**Response:** Over the past 5 years, growth in County disbursements has been \$302.2 million, or 18.8 percent (3.5 percent annually), while growth in the School transfers has totaled \$308.6 million, or 17.4 percent (3.3 percent annually). When comparing these growth rates, it is important to note that County disbursement growth includes the increases in reserve contributions that have resulted from the recent changes to County reserve policies.

A breakdown of the increases over the past 5 years is provided below:

Adopted Budgets	Total Transfers to Schools	Increase over Prior Year		County Disbursements	Increase over Prior Year	
		\$	%		\$	%
FY 2017*	\$2,082,878,044	\$70,567,222	3.5%	\$1,905,368,831	\$98,131,433	5.4%
FY 2016	\$2,012,310,822	\$66,671,253	3.4%	\$1,807,237,398	\$36,512,992	2.1%
FY 2015	\$1,945,639,569	\$56,283,189	3.0%	\$1,770,724,406	\$73,711,064	4.3%
FY 2014	\$1,889,356,380	\$41,277,031	2.2%	\$1,697,013,342	\$7,306,015	0.4%
FY 2013	\$1,848,079,349	\$73,774,063	4.2%	\$1,689,707,327	\$86,533,229	5.4%
<b>TOTAL</b>		<b>\$308,572,758</b>			<b>\$302,194,733</b>	

\* Advertised Budget

It should be noted that the 5-year period was used for illustrative purposes to demonstrate the fluctuations each year in the increases for Schools and County requirements and the relative equal growth overall. A comparison using other timeframes would show different growth trends. For example, a 10-year examination shows that School transfers grew 24.9 percent (2.2 percent annually), while County disbursements grew 23.2 percent (2.1 percent annually).

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor Foust

**Question:** Please provide the detailed amounts added to reserves as part of the advertised *FY 2016 Third Quarter Review* and the FY 2017 Advertised Budget Plan.

**Response:** As of the FY 2017 Advertised Budget Plan, updated to include the impact of adjustments included in the advertised *FY 2016 Third Quarter Review*, reserve balances are as follows:

	Reserve Balance (In \$ millions)	% of General Fund Disbursements
Revenue Stabilization Fund	\$166.31	4.17%
Managed Reserve	\$97.00	2.43%
<b>TOTAL</b>	<b>\$263.31</b>	<b>6.60%</b>

Reserves have been increased by utilizing one-time balances available at quarterly reviews, as well as through the use of one-time refunding savings in the County’s Debt Service fund. Additionally, as disbursement increases are approved, 10 percent of the increased amount is set aside in reserve.

As part of the advertised *FY 2016 Third Quarter Review*, an amount of \$14.8 million is proposed to be added to reserves, including \$10.3 million from the General Fund (\$5.7 million to the Revenue Stabilization Fund and \$4.6 million to the Managed Reserve) and \$4.5 million from the Debt Service Fund to the Revenue Stabilization Fund. The General Fund contribution consists of \$0.6 million (a 10 percent load applied against the \$5.6 million increase in General Fund disbursements included in the package) as well an additional \$9.7 available as a result of one-time balances. Debt Service funding is available as a result of savings generated from refunding bond sales.

Included in the FY 2017 Advertised Budget Plan is an increase to reserves of \$30.0 million. This amount includes \$16.9 million from the General Fund, based on a 10 percent load applied against the \$168.7 million in increased disbursements over the FY 2016 Adopted Budget Plan. This total is split between the Revenue Stabilization Fund (\$9.4 million) and the Managed Reserve (\$7.5 million). An additional \$13.1 million is available to be transferred to the Revenue Stabilization Fund from the Debt Service Fund as a result of refunding savings.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay and Supervisor Cook

**Question:** Please discuss the rationale for the timing of the current Diversion First staff recommendation for the third and fourth Mobile Crisis Units (MCUs) in the multi-year funding table. Would accelerating implementation be disruptive to the long-term plan?

**Response:** Rationale for Timing of the Third and Fourths MCUs

The rationale for standing up a third MCU primarily during FY 2018 and fourth MCU during FY 2019 included the following assessment and analysis of the Fairfax-Falls Church Community Services Board's (CSB's) Diversion First service delivery:

- The CSB would be able to analyze usage of the first two MCUs to determine the optimal implementation models for the third and fourth MCUs.
- Focusing FY 2017 funding on community diversion resources would have the greatest impact with individuals along all 5 intercept points – intercept 1 (law enforcement/emergency services), intercept 2 (initial detention/initial court hearings, intercept 3 (jails/courts), intercept 4 (reentry) and intercept 5 (community corrections/community support) – and allow the following diversion efforts to occur:
  - Providing onsite, immediate case management at the Merrifield Crisis Response Center (MCRC) and linking diverted individuals to ongoing care and housing, if needed.
  - Providing a service at intercept 2 with the magistrate. There are presently no CSB services at this intercept point, and this is the last point of diversion prior to individuals becoming incarcerated.
  - Providing services at intercept 3 to intervene and expedite the court process for those involved in the criminal justice system. This will allow the CSB to work with individuals that will be seen by the mental health docket and develop individual community plans to link them immediately with CSB and supportive services to assure the court that there is a strong hand-off that make diversion the best option.

In the current staff-recommended Diversion First multi-year funding table, the third and fourth MCUs have a total cost of \$1,797,514 and 12/12.0 FTE new positions, and is funded as follows:

- FY 2017: \$122,754 and 1/1.0 FTE
- FY 2018: \$776,003 and 5/5.0 FTE
- FY 2019: \$898,757 and 6/6.0 FTE

The FY 2017 funding supports a supervisory position to allow the CSB to provide additional emergency services at the MCRC given the increase in demand for services, as well as analyze current service data to identify the most cost effective and efficient model for implementing the third MCU in FY 2018.

Accelerating Implementation of the MCUs

If the total funding for FY 2017 Diversion First activities remained the same and if the FY 2018 or FY 2019 MCU implementations were accelerated, the CSB would need to

delay implementation of already-planned FY 2017 activities such as the community efforts listed above. The CSB's MCUs provide a valuable community crisis intervention service that helps link individuals to the MCRC and other short term services. The MCUs do not provide ongoing services that help Diversion First clients remain in the community. These ongoing services are key to help individuals from entering a crisis state. The allocation of CSB resources in the current staff-recommended multi-year funding table were put forth with this in mind.

Proposed Refinement of FY 2017 Activities

As noted in the Human Services Council presentation to the Board of Supervisors on April 1, 2016, the Board of Supervisors may also consider accelerating medical screenings at the MCRC to provide a more efficient, seamless, and less stressful experience for individuals entering the Diversion First program. If this activity were accelerated for nine months into FY 2017 and the total funding for FY 2017 Diversion First activities remained the same, the CSB would consider deferring the 1/1.0 FTE position associated with the third MCU into FY 2018, delaying the start of screening, assessment and outpatient behavioral healthcare services for three months, and deferring some psychiatric service costs associated with the second Jail Diversion Team until FY 2018, for a net impact of \$0.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor Hudgins

**Question:** Please provide a list of Home Improvement Loan Program loans by year, district, and loan amount.

**Response:** The Home Improvement Loan Program (HILP) began in the mid-1970's and provides loans, grants and materials to low- and moderate-income individuals for the purpose of home improvements. Old loans are repaid, generating revenue, but most loans are deferred and repaid when the homeowner decides to sell their home.

According to Department of Housing and Community Development records, since 1980, the HILP has provided nearly \$3.9 million in assistance to individual Fairfax County homeowners to rehabilitate their homes. A breakdown of the loan amounts by year and current magisterial district appears below.

Year	Braddock	Dranesville	Hunter Mill	Lee	Mason	Mt. Vernon	Providence	Springfield	Sully	Total
1980					\$30,500				\$40,000	<b>\$70,500</b>
1981						\$30,518				<b>\$30,518</b>
1982										<b>\$0</b>
1983							\$25,000			<b>\$25,000</b>
1984					\$25,000	\$14,770	\$20,070			<b>\$59,840</b>
1985										<b>\$0</b>
1986							\$25,000			<b>\$25,000</b>
1987		\$25,000				\$25,000	\$1,750			<b>\$51,750</b>
1988		\$25,000		\$42,300	\$6,000	\$13,575	\$1,300	\$7,500		<b>\$95,675</b>
1989		\$5,000		\$28,000	\$7,000		\$5,000			<b>\$45,000</b>
1990		\$600	\$27,200	\$97,364	\$134,905	\$128,555	\$29,500		\$3,765	<b>\$421,889</b>
1991	\$37,780	\$68,420	\$21,100	\$100,440	\$63,840	\$160,067	\$161,323	\$21,175	\$36,280	<b>\$670,425</b>
1992	\$33,330	\$40,900	\$3,750	\$86,721	\$43,050	\$80,020		\$1,700		<b>\$289,471</b>
1993				\$2,155	\$10,090					<b>\$12,245</b>
1994	\$3,000				\$1,500				\$4,500	<b>\$9,000</b>
1995	\$200		\$4,000		\$102,045	\$118,650	\$2,700		\$90,870	<b>\$318,465</b>
1996	\$73,180		\$16,000	\$76,602	\$48,100	\$136,360	\$2,285	\$1,700	\$57,600	<b>\$411,827</b>
1997	\$19,500			\$93,070	\$93,500		\$1,969			<b>\$208,039</b>
1998				\$14,600	\$13,400	\$37,616	\$18,800			<b>\$84,416</b>
1999					\$86,100	\$105,220				<b>\$191,320</b>
2000						\$5,964	\$17,500			<b>\$23,464</b>
2001		\$30,000								<b>\$30,000</b>
2002		\$70,000								<b>\$70,000</b>
2003										<b>\$0</b>
2004						\$32,400				<b>\$32,400</b>
2005		\$19,700	\$45,300							<b>\$65,000</b>
2006		\$7,480	\$17,068	\$5,388		\$88,754				<b>\$118,690</b>
2007				\$86,447		\$121,842				<b>\$208,289</b>
2008	\$24,726									<b>\$24,726</b>
2009					\$38,761		\$14,971		\$19,426	<b>\$73,158</b>
2010	\$12,340	\$15,246		\$6,836	\$40,734	\$19,986			\$50,942	<b>\$146,084</b>
2011	\$10,369								\$4,272	<b>\$14,641</b>
2012										<b>\$0</b>
2013									\$27,003	<b>\$27,003</b>
2014							\$44,365			<b>\$44,365</b>
<b>Total</b>	<b>\$214,425</b>	<b>\$307,346</b>	<b>\$134,418</b>	<b>\$639,923</b>	<b>\$744,525</b>	<b>\$1,119,297</b>	<b>\$371,533</b>	<b>\$32,075</b>	<b>\$334,658</b>	<b>\$3,898,200</b>

A total of approximately \$1.2 million in 62 loans to homeowners remains outstanding as of March 2016. In addition to serving individual homebuyers, the HILP program was also utilized to provide loans to assist non-profit organizations in rehabilitating foreclosed homes they purchased from financial institutions using financing provided through the Fairfax County Redevelopment and Housing Authority.

The HILP program has been significantly down-sized in recent years and new HILP loans are now limited to emergency situations. In 2010, the HILP program was suspended and, with certain exceptions, stopped accepting new applications from individual homeowners due to declining utilization. HCD's main focus, in terms of the rehabilitation of owner-occupied housing, is currently the Home Repair for the Elderly Program (HREP). HREP is funded using a combination of federal and local funds, and provides free labor and up to \$500 in materials to complete minor, necessary repairs to eligible low- and moderate-income elderly homeowners, as well as provides accessibility modifications for people with disabilities. The program served 111 households in FY 2015, with an average household income of \$22,249.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay

**Question:** The FY 2016 Approved Budget projected an increase of 2,631 students. Based on the FY 2016 Revised Budget projection, student enrollment grew 584, a difference of 2,047 students. What is the estimated savings in expenditures from the lower than projected student enrollment increase for FY 2016?

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

Each year the budget includes a staffing reserve. In the staffing reserve, teacher and instructional assistant positions and related funding are budgeted as a contingency for staffing requirements that vary from the approved budget allocations. The staffing reserve is used to increase classroom positions at schools when enrollment exceeds projections, address unique special education circumstances, and to address large class sizes. When enrollment is lower than projected in the approved budget, positions are returned to the staffing reserve when the actual enrollment results in fewer positions than allocated. Positions are allocated and returned during normally scheduled staffing meetings with the majority of general education adjustments occurring in the months of August and September. Special education adjustments continue throughout the school year as students are required to receive special education services.

The following chart shows an example of the calculations that are used when making reserve allocations:

Staffing Reserve Adjustment Example											
		Projected			Actual			Variance in Students	Reserve Adjustments		
		FY 2016 Students	FY 2016 Teachers	FY 2016 IA	FY 2016 Students	FY 2016 Teachers	FY 2016 IA		Formula Adjust.	Expected Growth	Class Size Adjust.
School A	Kindergarten	58	3.0	3.0	56	2.0	2.0	(2)	(2.0)	2.0	
	Grades 1-6	323	12.0	0.0	336	12.0	0.0	13	0.0		2.0
School B	Kindergarten	93	5.0	5.0	80	4.0	4.0	(13)	(2.0)		
	Grades 1-6	477	23.0	0.0	457	22.0	0.0	(20)	(1.0)		
School C	Kindergarten	161	6.0	6.0	146	6.0	6.0	(15)	0.0		
	Grades 1-6	816	31.0	0.0	826	31.0	0.0	10	0.0		2.0
<b>Example Total</b>		<b>1,928</b>	<b>80</b>	<b>14</b>	<b>1,901</b>	<b>77</b>	<b>12</b>	<b>(27)</b>	<b>(5.0)</b>	<b>2.0</b>	<b>4.0</b>

Due to the lower actual enrollment as compared to the projections, a total of 156.76 positions were returned to the reserve totaling \$10.3 million. In addition, elementary schools where the actual enrollment was within five students from qualifying for another position were able to retain the additional position to mitigate potential disruptions during the school year.

When reserve positions are not needed, they are returned at a quarterly budget review or as part of the ending balance at year end. When unused positions are returned, the one-time funding available for that year is available for the School Board to allocate to other

needs at a quarterly budget review. For example, at the FY 2013 Third Quarter Budget Review, 74.6 positions were returned and the funding was allocated towards the beginning balance for FY 2014. All of the reserve positions that were not allocated in FY 2016 were returned at the FY 2016 Third Quarter Budget Review. A one-time expenditure decrease of \$7.0 million results from positions that were not allocated this school year. FCPS' FY 2016 Third Quarter Budget Review is available at <http://www.boarddocs.com/vsba/fairfax/Board.nsf/goto?open&id=9YUPP25FFF60>

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay

**Question:** In FY 2016, the cost of enrollment growth/demographic changes of 2,631 students was estimated at \$22.1 million. For FY 2017, the projected decrease of 1,334 students as compared to the FY 2016 Approved Budget results in savings of \$2.9 million. Please provide the assumptions included in the FY 2017 Proposed Budget related to demographic changes (ESOL enrollment, Special Education, Students Eligible for Free/Reduced Meals) both compared to the FY 2016 Approved and the FY 2016 Revised Budgets. Why would the per pupil increase be higher than the per pupil decrease?

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

The cost of enrollment and demographic changes is driven by both the number of students and demographic shifts in FCPS' enrollment. A cost per pupil is not utilized in the development of the budget. The cost of enrollment growth and demographic changes is the end result of applying each of the individual staffing formulas to the number of students and the student demographics projected at each individual school. Staffing is calculated for each school at both the proposed and approved stages of the budget process. The cost of growth is determined by calculating the difference between the current budget's allocated staffing and the staffing generated when the formulas are recalculated using the new enrollment and demographic projections for the next school year's budget.

An average cost per pupil cannot be used to compare the cost of enrollment growth and student demographic changes across years, because the composition of students across programs and services which drives each year's cost varies annually. Following are the charts that detail the cost of enrollment growth and student demographic changes for the FY 2016 Approved Budget and the FY 2017 Proposed Budget.

In the FY 2016 Approved Budget, the \$22.1 million cost of enrollment growth and demographic changes is driven by both the increasing numbers of students and continuing demographic shifts in FCPS' enrollment. The primary cost contributors are an increase of 1,760 students as compared to the FY 2015 approved projection, a shift toward greater levels of English for Speakers of Other Languages services (particularly at the secondary level), a greater percentage of students eligible for free and reduced-price meals, and a shift toward more intensive special education services. To meet the demands of increased enrollment and changes in student demographics, 318.3 additional positions are budgeted in schools as compared to the FY 2015 Approved Budget.

School Position Growth Based on Enrollment Projections*					
FY 2015 Approved to FY 2016 Approved					
	Elementary Positions	Middle Positions	High Positions	Total Positions	Dollars (in millions)
<b>General Education</b>					
Assistant Principals	2.0	0.0	2.0	4.0	\$ 0.5
Teacher Scale Positions	(3.7)	43.6	71.8	111.7	8.6
Instructional Assistant Positions	16.0	0.0	0.0	16.0	0.6
Office Personnel/US Scale Positions	9.5	1.5	0.0	11.0	0.5
Custodial Positions	<u>10.5</u>	<u>4.0</u>	<u>9.5</u>	<u>24.0</u>	<u>1.2</u>
<b>Subtotal General Education</b>	<b>34.3</b>	<b>49.1</b>	<b>83.3</b>	<b>166.7</b>	<b>\$ 11.3</b>
<b>Advance Staffing for New School</b>	<b>6.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	<b>\$ 0.2</b>
<b>English for Speakers of Other Languages</b>	<b>(6.5)</b>	<b>13.0</b>	<b>57.3</b>	<b>63.8</b>	<b>\$ 4.9</b>
<b>Special Education</b>					
Teacher Scale Positions				36.8	\$ 2.8
Assistant/Attendant Positions				<u>42.0</u>	<u>1.4</u>
<b>Subtotal Special Education</b>				<b>78.8</b>	<b>\$ 4.3</b>
<b>Psychologists / Social Workers</b>				<b>3.0</b>	<b>\$ 0.3</b>
<b>Subtotal</b>				<b>318.3</b>	<b>\$ 21.0</b>
<b>Hourly, Substitutes, and Per-Pupil Allocations</b>					<b>\$ 1.0</b>
<b>Total Enrollment and Demographic Adjustments</b>				<b>318.3</b>	<b>\$ 22.1</b>

\* Does not add due to rounding

The FY 2017 Proposed Budget enrollment is projected to decrease by 1,334 students as compared to the FY 2016 Approved Budget projection. This decrease is offset by an increase in positions supporting students receiving English for Speakers of Other Languages services (particularly at the secondary level) and changes in projected special education services due to an increase in the most intensive services. As detailed in the following chart, a net reduction of 38.6 positions is reflected as compared to the FY 2016 Approved Budget.

School Position Growth Based on Enrollment Projections*					
FY 2016 Approved to FY 2017 Proposed					
	Elementary Positions	Middle Positions	High Positions	Total Positions	Dollars (in millions)
<b>General Education</b>					
Assistant Principal Positions	(9.0)	0.0	1.0	(8.0)	\$ (0.9)
Teacher Scale Positions	(98.5)	4.9	14.0	(79.6)	(6.3)
Instructional Assistant Positions	(56.0)	0.0	0.0	(56.0)	(1.9)
Office Personnel/US Scale Positions	(11.5)	0.5	2.0	(9.0)	(0.5)
Custodial Positions	<u>(3.5)</u>	<u>(1.0)</u>	<u>0.5</u>	<u>(4.0)</u>	<u>(0.2)</u>
<b>Subtotal General Education</b>	<b>(178.5)</b>	<b>4.4</b>	<b>17.5</b>	<b>(156.6)</b>	<b>\$ (9.8)</b>
<b>English for Speakers of Other Languages</b>	<b>12.0</b>	<b>3.0</b>	<b>24.2</b>	<b>39.2</b>	<b>\$ 3.1</b>
<b>Special Education</b>					
Teacher Scale Positions				24.9	\$ 2.0
Instructional Assistant/Attendant Positions				<u>54.0</u>	<u>2.0</u>
<b>Subtotal Special Education</b>				<b>78.9</b>	<b>\$ 4.0</b>
<b>Psychologists / Social Workers</b>				<b>0.0</b>	<b>\$ -</b>
<b>Subtotal</b>				<b>(38.6)</b>	<b>\$ (2.7)</b>
<b>Hourly, Substitutes, and Per-Pupil Allocations</b>					<b>\$ (0.1)</b>
<b>Total Enrollment and Demographic Adjustments</b>				<b>(38.6)</b>	<b>\$ (2.9)</b>

\* Does not add due to rounding

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay

**Question:** According to “FY 2017 Preliminary Forecast Projections Estimates as of April 27, 2015” handout given to the Budget Task Force, FCPS was expecting a \$19.5 million reduction in state revenue and a \$5.5 million increase in sales tax revenue – for a net loss of \$14 million. We now know state funding, combined with sales tax, is a \$21 million increase. Do these changes reflect a \$35 million positive swing in state funding? If not, please explain.

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

### **Background**

The preliminary fiscal forecast for FY 2017, as of April 27, 2015, projected a \$19.5 million reduction in state aid and a \$5.5 million increase in sales tax revenue for a projected net loss of \$14.0 million for the School Operating Fund. This \$19.5 million projection was a placeholder based on the anticipated loss of a \$4.7 million compensation supplement that the state provided as limited-term funding for FY 2016, and a reduction of \$14.8 million due to the anticipated increase in Fairfax County’s local composite index (LCI). In April 2015, the actual change in LCI for the 2016-2018 biennium was not yet known so the projected loss was estimated. Holding all other variables constant (assuming no technical or policy updates to the state’s funding formula) the loss due to LCI was estimated to be \$14.8 million.

Throughout the year, fiscal forecast updates were made as more information became available. In the fall of 2015, the state recalculated LCIs and Fairfax County’s LCI increased from 0.6807 to 0.6844. The state also rebenchmarked costs and made policy and technical updates to its distribution formula. The Virginia General Assembly’s Conference Report (2016 Session), released in March 2016, includes policy and technical updates that would not have been known when the April 2015 forecast for FY 2017 was prepared.

### **Factors Affecting Budget Projections and Other Considerations**

The increase of \$21 million referred to in the question is a comparison with FCPS FY 2017 Advertised Budget, and therefore we cannot view the recently released increase in state revenue as a cumulative increase of \$35.0 million above FY 2016 funding. For example, FCPS initially estimated a loss of \$4.7 million in limited-term incentive funding; however, the state later announced a new compensation supplement for FY 2017 totaling \$4.4 million. We would not count this as a \$9.1 million increase from FY 2016 funding. Instead, the year-over-year change in compensation supplement funding is a net loss of \$0.3 million, not the full \$4.7 million originally projected. The state’s later decision to offer a new compensation incentive for FY 2017 results in less of a loss than originally projected in April 2015. The following chart shows the changes in state funding projection from the FY 2016 Approved Budget to the FY 2017 Advertised Budget.

(\$ in millions)	FY 2016 Approved	FY 2017 Forecast 4-27-15	FY 2017 Forecast 8-31-15	FY 2017 Advertised	FY 2017 Conference Report (1) 3-16-16	Change FY 2016 Approved to FY 2017 Conference	Change FY 2017 Advertised to FY 2017 Conference
Basic Aid	\$ 404.8	\$ 389.4	\$ 395.8	\$ 404.8	\$ 417.0	\$ 12.3	\$ 12.3
Sales Tax	182.3	187.8	191.4	187.8	192.4	10.1	4.6
<b>Total</b>	<b>\$ 587.1</b>	<b>\$ 577.2</b>	<b>\$ 587.2</b>	<b>\$ 592.6</b>	<b>\$ 609.4</b>	<b>\$ 22.3</b>	<b>\$ 16.8</b>

(1) Adjusted for ADM and sales tax using local projections

(2) Data for School Operating Fund

As an integral part of the annual budget process, FCPS' fiscal forecast is regularly monitored and periodically updated based on the most recently available data and historical trends with underlying assumptions and methodology. Historically, LCI has played a significant impact on FCPS' state budget, as indicated in the last three biennium 2008-2010, 2010-2012, and 2012-2014. The preliminary projection in April 2015 considered two factors available at the time of projection: loss of the FY 2016 compensation supplement and the anticipated LCI increase. As new information became available in November 2015, staff updated the projections in basic aid with to be level with the prior year. The underlying assumption of level basic aid was that the loss of LCI and one time reduction would mostly offset by the rebenchmarking updates, excluding unknown factors in November about the state's new initiatives, policy changes or technical changes. When the Governor's Introduced Budget for the 2016-2018 Biennial was released in December, 2015, FCPS' projection in state aid was very close to the bottom line, excluding impacts from new initiatives, new policies or other technical updates that were not part of the originally assumptions.

When the General Assembly adopted the state 2016-2018 Biennial Budget in March 2016, new initiatives, such as Cost of Competing Adjustment of \$5.6 million, 2% salary increase of \$4.3 million, and Lottery PPA of \$3.0 million, increased the state funding to FCPS. All these initiatives are beyond any known factors available in November 2015 when the FY 2017 Proposed Budget was compiled. This also explains the level of difficulty in projecting state funding in early stage with uncertainties. The new initiatives from the General Assembly's adopted state Biennial Budget became available in March 2016, and the impact of state budget will be incorporated into FCPS' FY 2017 Approved Budget in May.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay

**Question:** According to “FY 2017 Preliminary Forecast Projections Estimates as of April 27, 2015” handout given to the Budget Task Force, FCPS was projecting a \$22.1 million increase in funding required for “enrollment and demographic changes.” New projections indicate \$2.9 million in savings. Is this a \$25 million position swing in funding because of new enrollment/ demographic changes? If not, please explain.

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

When the fiscal forecast was presented in April of 2015, FCPS stated that the projection for the cost of enrollment growth and changes to student demographics was held level with the prior year for planning purposes. The prior year’s cost was used as an estimate because FCPS had not yet completed the enrollment projections and calculation of staffing for the proposed budget.

The cost of enrollment growth and demographic changes is the end result of applying each of the individual staffing formulas to the number of students and the student demographics projected at each individual school. Staffing is calculated for each school at both the proposed and approved stages of the budget process. This allows FCPS to calculate the number of school-based resources required to meet the needs of students at each individual school. The cost of growth is determined by calculating the difference between the current budget’s allocated staffing and the staffing generated when the formulas are recalculated using the new enrollment and demographic projections for the next school year’s budget.

In the fall, after FCPS completed the projections for the upcoming school year, the cost of enrollment growth and student demographics was calculated for the proposed budget. Although the overall population of Fairfax County is projected to continue to grow in the future, FCPS is facing new indicators that differ from historical trends. From FY 2009 to FY 2015, FCPS’ student enrollment grew by an average of 2,700 students per year. Enrollment growth has moderated in FY 2016 due to a lowering birth to kindergarten yield ratio and a rapidly declining in-migration of students. These factors indicate that student enrollment growth is projected to slow in future years.

The FY 2017 Proposed Budget enrollment is projected to decrease by 1,334 students, as compared to the FY 2016 Approved Budget projection, after excluding students served outside FCPS and at the Fairfax Adult High School. This decrease in students resulting in fewer positions, is offset by an increase in positions supporting students receiving English for Speakers of Other Languages services (particularly at the secondary level), and changes in projected special education services due to an increase in the most intensive services. Based on enrollment and demographic changes, there is a net reduction of \$2.9 million, including 38.6 positions, from the FY 2016 Approved Budget.

Following is the detailed chart that shows the details for the net reduction of \$2.9 million.

**School Position Growth Based on Enrollment Projections \***

**FY 2016 Approved to FY 2017 Proposed**

	<b>Elementary Positions</b>	<b>Middle Positions</b>	<b>High Positions</b>	<b>Total Positions</b>	<b>Dollars (in millions)</b>
<b>General Education</b>					
Assistant Principal Positions	(9.0)	0.0	1.0	(8.0)	\$ (0.9)
Teacher Scale Positions	(98.5)	4.9	14.0	(79.6)	(6.3)
Instructional Assistant Positions	(56.0)	0.0	0.0	(56.0)	(1.9)
Office Personnel/US Scale Positions	(11.5)	0.5	2.0	(9.0)	(0.5)
Custodial Positions	<u>(3.5)</u>	<u>(1.0)</u>	<u>0.5</u>	<u>(4.0)</u>	<u>(0.2)</u>
<b>Subtotal General Education</b>	<b>(178.5)</b>	<b>4.4</b>	<b>17.5</b>	<b>(156.6)</b>	<b>\$ (9.8)</b>
<b>English for Speakers of Other Languages</b>	<b>12.0</b>	<b>3.0</b>	<b>24.2</b>	<b>39.2</b>	<b>\$ 3.1</b>
<b>Special Education</b>					
Teacher Scale Positions				24.9	\$ 2.0
Instructional Assistant/Attendant Positions				<u>54.0</u>	<u>2.0</u>
<b>Subtotal Special Education</b>				<b>78.9</b>	<b>\$ 4.0</b>
<b>Psychologists / Social Workers</b>				<b>0.0</b>	<b>\$ -</b>
<b>Subtotal</b>				<b>(38.6)</b>	<b>\$ (2.7)</b>
<b>Hourly, Substitutes, and Per-Pupil Allocations</b>					<b>\$ (0.1)</b>
<b>Total Enrollment and Demographic Adjustments</b>				<b>(38.6)</b>	<b>\$ (2.9)</b>

\* Does not add due to rounding

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor Herrity

**Question:** The School Board voted to use operating fund dollars to pay higher salaries to school cafeteria workers whose salaries are ordinarily paid from the Food & Nutrition Services (FNS) Fund.

- Question: Could cafeteria workers' raises in FY 2017 be paid from the FNS Fund?
- Question: What are the actual FY 2015 revenues and expenses, and the FY 2016 Adopted Budget revenues and expenses of the FNS Fund?
- Question: What percentage of FNS fund revenues for FY 2014, FY 2015 and FY 2016 (so far) are derived from the federal government?
- Question: What is the current reserve balance in the FNS fund?

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

The FY 2017 Advertised Budget included funding the cost of implementing a living wage for FCPS employees from the School Operating Fund. Since the passage of the Healthy, Hunger-Free Kids Act of 2010, new standards have increased the cost of preparing school meals, thus challenging the school meal programs. Since the implementation of the new rules, declining student lunch participation has also added to the financial pressure on school meal programs by reducing revenue when costs are rising. The United States Department of Agriculture (USDA) oversees the school lunch program and its data shows student lunch participation is down by 1.4 million per day since 2012 when the new standards took effect. Since the new rules have been phased in over the past three years, FCPS has experienced a drop in student participation. The percent of revenue from federal reimbursements for lunches served since FY 2014 are as follows:

	FY 2014	FY 2015	FY 2016
	Actual	Actual	Third Quarter Revised Budget
<b>Percent of Total Revenue from Federal Reimbursements</b>	<b>43.7%</b>	<b>45.3%</b>	<b>46.2%</b>

Starting in FY 2013, the Food and Nutrition Services (FNS) Fund has sustained operating losses as shown in the chart below and has spent down the general reserve to cover these losses.

Food and Nutrition Services (FNS) Fund Summary								
\$ in millions								
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Description	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Third Quarter Revised Budget	Proposed
Beginning Balance	\$ 10.9	\$ 16.0	\$ 18.7	\$ 18.8	\$ 15.7	\$ 13.8	\$ 12.5	\$ 9.0
Revenue	\$ 72.4	\$ 73.8	\$ 76.2	\$ 76.2	\$ 75.8	\$ 74.3	\$ 74.8	\$ 81.1
Expenditures	\$ 67.4	\$ 70.9	\$ 76.2	\$ 79.2	\$ 78.0	\$ 75.7	\$ 78.2	\$ 81.1
Profit/(Loss)	\$ 5.0	\$ 2.9	\$ 0.0	\$ (3.0)	\$ (2.3)	\$ (1.3)	\$ (3.4)	\$ -
Ending Balance (Reserve)	\$ 16.0	\$ 18.7	\$ 18.8	\$ 15.7	\$ 13.8	\$ 12.5	\$ 9.0	\$ 9.0

If the FY 2017 budget for the FNS fund included the additional \$1.1 million in expenditures to implement a living wage, additional revenue would need to be identified, expenditures would need to be reduced or the reserve would need to be used. Since the reserve is one-time funding, best financial management practices do not support using reserve funding for an ongoing expenditure. Guidance from the USDA states, “limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service...” The average monthly expenditures for the FNS fund in FY 2016 are \$6.8 million. Current reserve of \$9.0 million equals 1.3 months of average monthly operating expenditures, well below the maximum allowed under USDA guidelines. If the FNS fund were to include the additional expenditures for the living wage, the reserve would drop to 1.2 months of average expenditures. As a self-supporting fund, FNS maintains reserves which fluctuate depending on a variety of factors including the amount of meals served, federal aid received, efficiencies within the program, and unanticipated program-related expenses. These reserves allow FNS to maintain affordable and consistent meal prices by mitigating the impact of expenditure and revenue variations, and enables FNS to provide funding for equipment replacement, technology, training, and other improvements; and to meet emergency expenses.

FCPS has been exploring various ways to increase revenue including increasing lunch prices for next school year and has been working to increase participation while implementing healthier food options. At this time charging the FNS Fund an additional \$1.1 million to provide a living wage for food service workers will increase the fiscal burden of the school nutrition program.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor McKay

**Question:** In the School Board Work Session presentation from March 31, 2016, Slide 9 talks about the pay gap from market average and number of employees impacted. Please provide a similar chart broken down by singular percentages with the number of employees in each category. Also, are there any employees making above the market average? If so, please provide a chart broken down by singular percentages for that as well.

**Response:** The following response was prepared by Fairfax County Public Schools (FCPS):

The following charts provide the data shared with the School Board at the March 31, 2016, work session.

- Chart 1 – shows the impact of the targeted approach on three salaries on the master’s degree lane,
- Chart 2 - shows the number of full-time equivalent teacher positions at each step and lane of FCPS’ teachers scale. The second, third, and fourth charts are color coded to show the gap and the percent the gap will be closed by the \$40 million initial investment in teacher salaries is implemented.
- Chart 3 - shows the targeted approach to closing the gap and how many teacher positions are impacted.
- Chart 4 - shows the percent each step is below the market as a positive number. Positions that are over the market average are reflected with a negative percentage, and positions that are three percent or less below market and all that are over market will not receive an increase as a result of this initial investment in the teacher scale.

Chart 1

Examples of Impact on Masters Lane			
	Step 5	Step 15	Step 20
Market Average	\$59,359	\$82,132	\$91,626
FCPS Current Salary	\$56,304	\$73,208	\$84,673
Gap to Market Before Salary Increase	-\$3,055	-\$8,924	-\$6,953
Gap Closed By (\$)	\$764	\$4,462	\$2,607
Gap Closed By (%)	25%	50%	37.5%
FCPS New Salary for FY 2017	\$57,068	\$77,670	\$87,280
Gap to Market After Salary Increase	-\$2,291	-\$4,462	-\$4,346

Chart 2

Number of FTE - FY 2017 Advertised Budget							
Step	BA	BA+15	BA+30	MA	MA+30	PhD	Total FTE
01	4.26	0.17	0.00	5.81	0.00	0.00	10.24
02	279.73	13.00	10.00	359.38	9.00	7.40	678.51
03	269.97	21.00	12.00	394.17	11.00	3.50	711.64
04	295.34	50.50	21.00	506.65	13.00	4.00	890.49
05	268.40	45.00	17.00	561.20	37.00	2.50	931.10
06	343.25	459.04	34.00	1,039.18	68.83	14.50	1,958.80
07	110.94	19.00	21.00	392.57	39.00	7.00	589.51
08	116.86	26.33	16.50	436.34	41.70	7.00	644.73
09	92.30	33.93	16.00	436.07	67.50	6.83	652.63
10	92.93	34.00	13.00	415.80	73.60	6.00	635.33
11	84.00	30.00	17.50	440.33	99.17	10.00	681.00
12	69.59	33.00	12.00	362.00	94.74	5.00	576.33
13	66.50	25.60	12.33	336.73	82.50	4.50	528.16
14	74.70	27.90	22.00	294.97	83.40	9.50	512.47
15	79.43	25.50	12.77	338.27	70.94	9.00	535.91
16	73.60	27.00	21.00	338.88	82.30	11.33	554.11
17	56.00	22.00	14.00	271.83	79.10	8.00	450.93
18	53.77	25.00	18.50	267.27	70.70	13.50	448.74
19	57.40	24.60	13.50	233.44	81.10	10.00	420.04
20	44.00	18.50	20.00	236.90	70.00	12.00	401.40
21	38.50	18.40	15.00	201.33	56.50	12.00	341.73
22	74.00	47.20	47.00	361.20	137.00	17.00	683.40
23	162.00	85.70	30.00	157.17	50.00	14.00	498.87
24			28.00	129.23	37.60	7.00	201.83
25			12.00	127.20	33.50	9.00	181.70
26			13.00	62.66	19.40	6.00	101.06
27			12.00	61.17	19.50	4.00	96.67
28			9.00	52.80	30.87	2.00	94.67
29			42.53	135.81	72.01	7.27	257.62
<b>Total FTE</b>	<b>2,807.47</b>	<b>1,112.37</b>	<b>532.63</b>	<b>8,956.36</b>	<b>1,630.96</b>	<b>229.83</b>	<b>15,269.62</b>
<b>% Scale</b>	<b>18%</b>	<b>7%</b>	<b>3%</b>	<b>59%</b>	<b>11%</b>	<b>2%</b>	<b>100%</b>

Chart 3

Gap from Market Average	Gap Closed by	Employees Impacted	
Greater than 11%	50.0%	3,995	26%
Greater than 6% and up to 11%	37.5%	4,939	32%
Between 3% - 6%	25.0%	3,358	22%
Less than 3%	0.0%	2,978	20%

Chart 4

Difference Between Market and FCPS in Percent						
Step	BA	BA+15	BA+30	MA	MA+30	PhD
1	2.07%	0.92%	-0.65%	0.71%	1.68%	2.54%
2	2.42%	1.38%	-0.09%	1.21%	2.50%	3.07%
3	3.03%	1.95%	0.83%	2.17%	3.40%	3.94%
4	4.59%	3.52%	2.53%	4.03%	5.18%	5.73%
5	5.62%	4.58%	3.73%	5.43%	6.62%	7.20%
6	6.82%	5.79%	5.09%	6.86%	8.09%	8.71%
7	8.41%	7.40%	6.83%	8.55%	9.80%	10.68%
8	9.23%	8.27%	7.86%	9.60%	10.91%	11.60%
9	9.83%	8.91%	8.66%	10.45%	11.81%	12.54%
10	10.36%	9.50%	9.40%	11.23%	12.63%	13.43%
11	9.12%	9.18%	9.25%	11.90%	13.36%	14.21%
12	8.08%	9.04%	9.81%	13.26%	14.75%	15.69%
13	6.91%	7.79%	9.01%	13.29%	14.85%	15.87%
14	3.95%	6.51%	8.17%	13.26%	14.88%	15.98%
15	1.60%	4.36%	6.45%	12.19%	13.85%	15.00%
16	0.76%	3.93%	6.33%	12.64%	14.31%	15.56%
17	-1.29%	1.84%	4.86%	11.77%	13.47%	14.77%
18	-2.94%	0.22%	3.62%	11.05%	12.79%	14.15%
19	-4.87%	-1.77%	2.34%	10.26%	9.01%	13.41%
20	-7.04%	-3.99%	0.03%	8.21%	9.97%	11.38%
21	-8.83%	-5.84%	-1.47%	6.25%	7.99%	11.41%
22	-10.55%	-7.54%	-3.26%	4.63%	6.40%	8.83%
23	-12.25%	-9.30%	-5.12%	2.33%	4.10%	6.55%
24			-4.32%	3.41%	5.18%	6.60%
25			-5.33%	2.63%	4.39%	5.81%
26			-4.13%	3.80%	5.56%	6.98%
27			-5.11%	2.70%	4.45%	5.87%
28			-4.25%	3.53%	5.28%	6.68%
29			-5.65%	2.03%	3.77%	5.18%

Note: There are three steps on the master's degree lane (steps 24, 26, and 28) that were more than 3% below market but will not be adjusted in order to maintain step integrity. Similarly, the increases for steps 26 and 28 on the PhD lane were also adjusted to maintain step integrity.

## Response to Questions on the FY 2017 Budget

**Request By:** Supervisor Cook

**Question:** Provide a listing by line item of where the County budget for operating expenses increased more than 2 percent.

**Response:** The following table provides a listing of each operating expense commitment item in each General Fund agency that increased more than 2 percent over the FY 2016 Adopted Budget Plan. The increases shown do not include the impact of most internal reallocations that have no net impact on the total agency budget. However, in some cases the increases shown are offset by decreases in other commitment items, resulting in a change in the total agency operating expense budget that is lower than the total of the commitment items shown. As an example, the Facilities Management Department operating expense budget includes a net decrease of \$692,054 in commitment items not shown in the table.

### Facilities Management Department

These increases are primarily attributable to funding for operations and maintenance at the Public Safety Headquarters and the Original Mount Vernon High School facility, funding related to lease requirements, and funding for landscaping and grounds maintenance services at County-owned facilities and properties.

Item	Commitment Item Description	FY 2016 Adopted	Increase (Excluding Reallocations)	% Increase
520000	Office Equipment Maintenance and Repair Services	\$303,178	\$16,702	5.5%
520018	Contracted Structural Services	\$481,932	\$244,928	50.8%
520025	Custodial/Day Porter Services	\$5,843,851	\$221,386	3.8%
520070	Public Safety Equipment Maintain and Repair Services	\$83,250	\$10,000	12.0%
520110	Other Maintenance and Repair Services	\$56,000	\$100,000	178.6%
521080	Other Professional Consultant & Contractual Services	\$571,640	\$21,582	3.8%
521130	Grounds, Recreational and Park Area Services	\$518,849	\$273,084	52.6%
521140	Security, Fire, Safety, and Emergency Services	\$3,579,694	\$233,581	6.5%
523090	Rent of Real Estate	\$16,891,746	\$1,155,560	6.8%
530000	Electricity County	\$9,765,860	\$937,770	9.6%
530040	Water County	\$1,301,389	\$66,939	5.1%
540750	Housing Miscellaneous Expenses	\$46,506	\$2,687	5.8%
544990	Other Operating Expenses	\$179,557	\$33,283	18.5%

### Office of Elections

These increases are primarily due to one-time funding to cover costs associated with the 2016 Presidential election.

Item	Commitment Item Description	FY 2016 Adopted	Increase (Excluding Reallocations)	% Increase
510020	Office Supplies	\$33,693	\$50,000	148.4%
510080	Postage	\$71,000	\$60,000	84.5%
521090	Communications and Media Related Services	\$36,667	\$50,000	136.4%
544990	Other Operating Expenses	\$125,321	\$157,000	125.3%

**Office of Capital Facilities**

This increase is for utility costs associated with anticipated additional streetlight installations by Virginia Dominion Power and Northern Virginia Electric Cooperative (NOVEC).

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
530000	Electricity County	\$8,670,613	\$223,507	2.6%

**Fairfax County Park Authority**

This increase is primarily due to funding for the second full year of the Resident Curator Program.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
544990	Other Operating Expenses	\$57,522	\$75,500	131.3%

**Department of Family Services**

These increases are primarily the result of a contract rate increase for the providers of mandated and non-mandated services.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
512990	Other Operating Supplies	\$217,763	\$51,040	23.4%
521030	Translation Services	\$341,209	\$10,400	3.0%
521040	Employment Services	\$123,567	\$10,755	8.7%
521060	Computer Services	\$259,187	\$6,296	2.4%
521070	Printing and Typesetting Services	\$24,897	\$1,560	6.3%
521210	Licensing Fees	\$110,927	\$2,653	2.4%
523070	Rent-Vehicles	\$1,362	\$132	9.7%
523090	Rent of Real Estate	\$203,520	\$9,748	4.8%
530000	Electricity County	\$5,893	\$272	4.6%
541580	Foster Care Residential Services	\$16,927,634	\$396,671	2.3%
541605	Foster Care Room and Board-City of Fairfax	\$6,922,808	\$396,671	5.7%
541660	Homemaker- Agency Provided	\$577,263	\$42,040	7.3%
541750	Burial Expenses	\$62,232	\$1,800	2.9%

**Department of Administration for Human Services**

This increase is a reallocation from the Department of Family Services to cover costs associated with increased contracted staff resources needed as a result of DFS' increased Self-Sufficiency workload and mandated improvement efforts to centralize mail from DFS regional offices to the Pennino Building.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
521080	Other Professional Consultant & Contractual Services	\$146,568	\$21,750	14.8%

**Department of Information Technology**

This increase is due to ongoing software maintenance costs related to the County’s Talent Management System, as well as compensation-related adjustments for information technology staff supporting Fund 60020, Document Services, and Fund 60030, Technology Infrastructure Services, that are charged through this agency.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
521062	Technology Infrastructure Charge Back (Data Center)	\$5,003,679	\$671,550	13.4%

**Health Department**

These increases are due to a contract rate increase for the providers of contracted health, repair and maintenance services, an increase in one-on-one nursing services for medically fragile students enrolled in Fairfax County Public Schools, and an increase for equipment and supplies to support enhanced laboratory testing for communicable diseases and environmental hazards.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
510680	Laboratory Equipment and Supplies	\$378,721	\$107,326	28.3%
520100	Scientific and Tech. Equip. Maintenance & Repair	\$193,564	\$17,785	9.2%
521030	Translation Services	\$210,314	\$197,398	93.9%
521080	Other Professional Consultant & Contractual Services	\$10,140,408	\$1,239,718	12.2%

**Office to Prevent and End Homelessness**

These increases are primarily associated with increased costs of homeless services delivery contracts.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
520000	Office Equipment Maintenance and Repair Services	\$50,010	\$1,383	2.8%
521080	Other Professional Consultant & Contractual Services	\$8,533,236	\$784,267	9.2%
523090	Rent of Real Estate	\$422,202	\$19,098	4.5%

**Department of Neighborhood and Community Services**

These increases are associated with the continuation and expansion of Opportunity Neighborhood (ON) activities, contract rate increases, maintenance costs for the new Recreation Management System, and the replacement of FASTRAN buses.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
521060	Computer Services	\$117,233	\$100,000	85.3%
521080	Other Professional Consultant & Contractual Services	\$5,334,493	\$587,696	11.0%
544050	Assigned Agency Vehicles	\$280,463	\$80,000	28.5%
544080	Vehicle Replacement	\$227,541	\$80,000	35.2%

**Unclassified Administrative Expenses – Public Works**

These increases will support snow removal services at the Merrifield Center. The parking garage requires special chemicals and special equipment for snow removal due to the garage’s concrete base and weight limitations. The garage, ambulance lanes and the pedestrian walkways must remain clear of all ice and snow on a continual basis.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
521080	Other Professional Consultant & Contractual Services	\$891,206	\$200,000	22.4%
544528	Support by Stormwater	\$1,623,779	\$81,000	5.0%

**Unclassified Administrative Expenses - Nondepartmental**

These increases include a \$7.5 million reserve for implementation of the recommendations of the Ad-Hoc Police Practices Review Commission and the elimination of the \$1.2 million placeholder for anticipated savings from the Incentive Reinvestment Initiative.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
521150	Health Related Services	\$0	\$7,500,000	-
521250	Miscellaneous Services	(\$1,200,000)	\$1,200,000	100.0%

**Police Department**

This increase is primarily due to operating expenses associated with an increase of 15/15.0 FTE positions to begin the process of staffing the South County Police Station, an increase of 14/14.0 FTE positions in the Patrol Division, the addition of 2/2.0 FTE polygraph positions, and the conversion of 2/2.0 FTE grant positions that support the Northern Virginia Human Trafficking Task Force to merit status.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
544990	Other Operating Expenses	\$456,986	\$455,836	99.7%

**Fire and Rescue Department**

These increases are primarily the result of support for the Large Apparatus Replacement Fund, support for the Ambulance Replacement Fund, the replacement of volunteer-owned large apparatus, and a seven-year lease purchase agreement to replace Self-Contained Breathing Apparatus (SCBA) equipment.

<b>Item</b>	<b>Commitment Item Description</b>	<b>FY 2016 Adopted</b>	<b>Increase (Excluding Reallocations)</b>	<b>% Increase</b>
510680	Laboratory Equipment and Supplies	\$166,500	\$35,000	21.0%
514010	Fire Protection Equipment and Supplies	\$600,653	\$1,152,155	191.8%
520110	Other Maintenance and Repair Services	\$518,100	\$94,017	18.1%
521250	Miscellaneous Services	\$720,000	\$64,000	8.9%
544080	Vehicle Replacement	\$3,907,187	\$2,418,968	61.9%