

*Department of Management and Budget*

**20-01-Fiscal Planning, Monitoring and Analysis**

Fund/Agency: 001/20	Department of Management and Budget	
Personnel Services	\$2,024,494	<div style="text-align: center;"> <p><b>CAPS Percentage of Agency Total</b></p> <p>A pie chart titled 'CAPS Percentage of Agency Total' is positioned to the right of the table. It is divided into two segments: a large blue segment representing 77.5% and a smaller yellow segment representing 22.5%. A legend below the chart identifies the blue segment as 'Fiscal Planning, Monitoring and Analysis' and the yellow segment as 'All Other Agency CAPS'.</p> </div>
Operating Expenses	\$324,915	
Recovered Costs	\$0	
Capital Equipment	\$0	
<b>Total CAPS Cost:</b>	<b>\$2,349,409</b>	
Federal Revenue	\$0	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$0	
<b>Total Revenue:</b>	<b>\$0</b>	
<b>Net CAPS Cost:</b>	<b>\$2,349,409</b>	
Positions/SYE involved in the delivery of this CAPS	32/32	

**► CAPS Summary**

The Department of Management and Budget (DMB) is responsible for the administration of fiscal policy and coordination of the County's annual budget process, which includes development of budget guidelines, review of agency requests, presentation of recommendations to the County Executive, preparation of the Advertised Budget Plan, support of deliberations by the Board of Supervisors (including Add-On and reduction packages), and preparation of the Adopted Budget Plan.

## *Department of Management and Budget*

---

---

For sixteen consecutive years, DMB has earned the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) award, which represents the highest form of recognition by GFOA for governmental budgeting. In FY 2001, as part of its continuous improvement efforts, the agency undertook an in-depth review of County budget practices in order to streamline operations by ensuring that technology is fully leveraged and that budget-related procedures add value to the process both in terms of quality and type of data presented to the public and the Board of Supervisors. In addition, for the first time, DMB made the annual budget (Volumes I and II as well as the Overview) available on CD-ROM to reduce printing and mailing costs as well as enable the public to search for information more efficiently.

The Department of Management and Budget (DMB) continues to achieve considerable accuracy in forecasting expenditures and revenues. The FY 2001 target variance of 2 percent or less was achieved with the variance for expenditures at only 2.0 percent and revenues at 0.2 percent. This indicates very accurate fiscal forecasting and careful budget management.

Annually, DMB reviews over 200 agency budget requests and prepares estimates for approximately 273 revenue categories. DMB is responsible for the County-wide budget review at Third Quarter to ensure conformance with spending limits and revenue estimates. DMB also conducts a budgetary review at the close of each fiscal year to carry appropriations into the next fiscal year in support of continuing financial obligations (Carryover Review). Throughout the year, DMB staff monitor agency budgets and review expenditure and revenue levels. DMB coordinates with agencies if trends indicate any potential overexpenditures or revenue shortfalls so corrective action can be taken early. DMB also provides day-to-day oversight for requisitions for major capital equipment purchases and adjustments to positions, and reviews approximately 200 Board items with a fiscal impact each year.

Another fiscal planning responsibility of the Department of Management and Budget is to administer Fund 002, Revenue Stabilization. The Board of Supervisors established the Revenue Stabilization Fund (RSF) as part of the FY 1999 Carryover Review. The purpose of this fund is to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The RSF has a fully funded target balance of 3.0 percent of General Fund disbursements or approximately \$69 million. This fund is separate and distinct from the 2.0 percent Managed Reserve, which was established in FY 1983. DMB's responsibility is to identify 40 percent of General Fund balances at quarterly reviews as well as monitor interest earnings to fund this reserve over a multi-year period.

DMB maintains the County's budgeted position count, projects personnel costs for all agencies, including projections associated with pay for performance, and analyzes fiscal impacts of benefit and retirement changes, and other cross-County issues.

DMB also develops the County's Official Bond Offering Statements, coordinating all bond sales and conducting analyses of the County's bonding capacity and capital construction cashflow requirements. Financial analysis is provided for evaluating special financing arrangements, such as the South County Government Center, parking facilities for Metro, land preservation acquisitions, and various sewer, park and County bond refundings. In FY 2001, DMB coordinated two General Obligation bond sales with a total value of \$174.65 million and achieved savings of \$11.90 million compared to the Bond Buyer municipal index. In addition, the County refinanced \$139.465 million during FY 2001, resulting in additional savings of \$7.7 million net present value. Through its strong debt management practices and adherence to the County's established financial policies, DMB has played a key role in maintaining the County's Triple A rating from all three bond rating agencies (Standard and Poors, Moody's, and Fitch Investors Service) which has resulted in the bond sale savings noted above and more than \$162.8 million since 1978.

## *Department of Management and Budget*

---

---

During FY 2002, DMB will conduct two bond sales to enable the County and Fairfax County Public Schools to finance essential capital projects. Also, DMB will update, validate, and ensure adherence to the Ten Principles of Sound Financial Management to preserve fiscal integrity and maintain the County's Triple A bond rating which results in interest savings on General Obligation Bonds.

In addition, DMB provides oversight of County contributions to various nonsectarian, nonprofit, or quasi-governmental organizations whose mission is to improve the general health and welfare of the community. Funding of these contributory agencies is contingent upon submission and review of quarterly financial reports.

Another key function of this program area is Reports Control, which includes data collection, compilation and document preparation tasks associated with monitoring the adopted and revised budget plans, quality control and data integrity of the appropriations and budget information contained in FAMIS, the County's online computer system for accounting.

Throughout each year, the Department of Management and Budget also responds to numerous requests for information from citizens, civic associations, commissions, bond rating agencies, other jurisdictions, the Commonwealth of Virginia, Federal Government, and all County agencies. DMB responds to requests for information and performs analyses for members of the Board of Supervisors and County senior management. Agency staff also conduct presentations and briefings for interested groups. The agency fully supports public hearings by making staff available at all times to assist the Board of Supervisors with information needs.

DMB is continually seeking ways to streamline its own processes in order to address the needs of a growing population without adding staff and to provide more time for value-added analysis. The agency will maintain the momentum created with the Budget Process Redesign in FY 2001 in order to continue to streamline and add value to the budget process.

Use of the DMB Internet home page continues to grow exponentially. As DMB has increased the amount and type of information available to the public, including quarterly budget reviews as well as the annual budget, citizens are accessing this information more frequently. Actual use in FY 2001 exceeded the estimate by 89.3 percent and is expected to continue to increase as public awareness of the web site grows. DMB staff will continue to identify and implement enhancements both to published documents and information presented on DMB's Internet homepage in order to improve public access, and on its Infoweb/intranet sites to improve efficiency and enhance communication between agencies.

The challenge for DMB for the coming fiscal years will be to develop a balanced budget that meets community, infrastructure, and organizational needs during times of continued population growth, increasing economic uncertainty and slowing revenues.

### ► **Method of Service Provision**

The fiscal planning, monitoring and analysis function is provided directly by County employees. Normal hours of operation are 8:00 a.m. to 4:30 p.m. Monday through Friday. Staff also provides after-hours support for County agencies, boards, authorities and commissions in the evenings and on weekends when needed.

## Department of Management and Budget

### ► Performance/Workload Related Data

Title	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate
Dollar value of budgets reviewed (in billions)	\$2.79	\$3.08	\$3.27	\$3.61	\$3.86
Bond sales or refinances conducted	2	1	2	2	2
Dollar value of bond sales/refinances (in millions)	\$136.00	\$293.42	\$171.60	\$314.115	\$186.76
"Hits" on DMB home page	2,400	2,600	41,582	80,300	81,000
Authorized budget analysts per 1,000 population	0.029	0.030	0.027	0.026	0.026
Staff Year Equivalent (SYE) per bond offering statement	0.25	0.25	0.25	0.25	0.25
GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
Bonds Ratings of AAA/Aaa/AAA (as rated by Moody's, S&P, and Fitch Investors Service)	Yes	Yes	Yes	Yes	Yes
Percent variance in actual and projected revenue	0.2%	0.6%	0.2%	0.2%	2.0%
Percent variance in actual and projected expenditures	3.1%	2.4%	1.5%	2.0%	2.0%
Interest savings (compared to the Bond Buyer 20-bond municipal index). Note: In some fiscal years, two bond sales were held, while in other years, only one bond sale was held. Data shown are for each bond sale since interest rates varied as well as actual interest savings per bond sale.	2 sales 4.74% \$2.74 mil  4.79% \$2.65 mil	1 sale 4.51%/ \$6.29 mil	2 sales 5.35%/ \$4.31 mil  5.21%/ \$4.17 mil	2 sales 4.87%/ \$3.20 mil  4.26% \$8.70 mil	2 sales 5.00%/ NA (estimate)

## *Department of Management and Budget*

---

---

### ► **Mandate Information**

This CAPS is State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 51-75%. The specific State code and a brief description of the code follows:

- Code of Virginia, section 15.2-539: Submission of Budget by Executive. Each year, at least two weeks before the board must prepare its proposed annual budget, the county executive shall prepare and submit to the board a budget presenting a financial plan for conducting the county's affairs for the ensuing year.
- Code of Virginia, section 15.2-2503: Time for Preparation and Approval of Budgets. The governing body shall approve the budget and fix a tax rate for the budget year no later than the date on which the fiscal year begins.
- Code of Virginia, section 15.2-2504 What the Budget Must Show. The governing body shall approve the budget and fix a tax rate for the budget year no later than the date on which the fiscal year begins.
- Code of Virginia, section 15.2-2505: Reserve for Contingencies and Capital Improvements.
- Code of Virginia 15.2-2605: Publication and Notice; Public Hearing; Moneys Not to be Paid Out Until Appropriated
- Code of Virginia 15.2-1813: Notice When Public Hearing Required
- Code of Virginia 15.2-2507: Amendment of Budget
- Code of Virginia 15.2-1105: Borrowing Money and Issuing Evidence of Indebtedness
- Code of Virginia 15.2-2606 : Public Hearing Before Issuance of Bonds
- Code of Virginia 15.2-2634: Limitation on Amount of Outstanding Bonds