

Human Services Council Meeting
Monday, October 19, 2009
Government Center, Conference Rooms 4 & 5

MEMBER NAME		MEMBER NAME	
Kevin H. Bell, Chairman	<i>Present</i>	Tom Grodek	<i>Present</i>
Colonel Marion Barnwell	<i>Present</i>	Carol Hawn	<i>Excused</i>
Richard P. Berger	<i>Excused</i>	Bill Kogler	<i>Excused</i>
Wendy Breseman	<i>Present</i>	Michael Kwon	<i>Excused</i>
John Byers	<i>Present</i>	Herk Latimer	<i>Present</i>
Robert L. Faherty	<i>Excused</i>	Laura I. McDowall	<i>Excused</i>
Donna J. Fleming	<i>Present</i>	Stephanie Mensh	<i>Present</i>
Baba Freeman	<i>Present</i>	Kathleen Murphy	<i>Excused</i>
Robert Gaudian	<i>Present</i>	Dr. Virginia P. Norton	<i>Excused</i>
Richard Gonzalez	<i>Excused</i>	Henry Wulf	<i>Present</i>
Staff:			
Verdia L. Haywood, Deputy County Executive			<i>Present</i>
Patricia Harrison, Deputy County Executive			<i>Present</i>
Ken Disselkoen, Department of Systems Management for Human Services (DSMHS)			<i>Present</i>
Chip Gertzog, Department of Systems Management for Human Services (DSMHS)			<i>Present</i>
Ken Garnes, Department of Administration for Human Services (DAHS)			<i>Present</i>
Ron McDevitt, Department of Administration for Human Services (DAHS)			<i>Present</i>
Deborah H. Gutierrez, Department of Systems Management for Human Services			<i>Present</i>

Guests and Other Attendees: Dean Klein, Nanette Bowler, George Braunstein, Karen Fuentes, Gail Ledford, Marijke Hannam, Ginny McKernon, Paula Sampson, and Mary Stevens.

Call to order: 7:45 PM

Kevin Bell called the meeting to order. Patricia Harrison was welcomed and introduced as the new Deputy County Executive for Human Services. Ms. Harrison will be serving along side Mr. Haywood through January 2010 when his retirement becomes effective as she was selected to be his replacement. Verdia Haywood was thanked and celebrated for his faithful service to the county and the Human Services Council. Mr. Haywood was encouraged to enjoy his well deserved next career.

Verdia Haywood thanked Kevin Bell and the Council for their support over the years.

Kevin Bell introduced Wendy Breseman, new council member representing the Braddock District.

FY 2011 Budget Update: 7:50-8:45 PM

Tony Griffin, County Executive, presented to council members highlighted FY2010 and presented a preview of FY 2011:

- The county is presently in the fourth month of FY 2010 and assuming no increases, there is a \$315M shortfall
- About 65% of the county's budget relies on real estate; the sales tax revenue is still declining; the interest income equals approximately \$10M and is based on the Federal Reserve Rate of Return of about 1% and the county remains fairly conservative with regards to its investments.
- The 2010 guidelines provided for personnel to be reduced by 3% as of August and as of third quarter the county will remove that 3%. 2011 will start at the baseline created by the 3% reduction in personnel costs. Individual agencies have been notified of additional targets beyond the 3% and no two agencies are getting the same % in reduction targets. The

Human Services Council Meeting
Monday, October 19, 2009
Government Center, Conference Rooms 4 & 5

objective is to present a flexible budget for the BOS to review and make decisions. Four Supervisors are concerned about the 40% of residents who saw a property tax increase. The flexibility will provide the BOS with the ability of picking and choosing from a range of expenditure cuts and revenue options. They will not be afforded the full extent of an increase on the property tax rate because there will need to be at least another \$18M on budget reductions. There is planning underway to reinstate the automobile registration fee; however thus far the BOS has not been supportive. County staff has worked hard to minimize the effects on the public of any budget cuts thus far. Mr. Griffin stated he was not sure this coming year the same will be true. Mr. Griffin has suggested the transfer to schools be reduced as part of the discussion. Presently FCPS represents 55% of the budget and revenue is decreasing by 8%. Mr. Griffin does not feel it is fair for the county at 45% of the budget to take the full amount of cuts.

- The outlook for FY 2012 does not look any better because revenues are still going down. There is hope that residential markets will have bottomed out and revenues from sales tax will improve and the Federal Reserve will raise rates. Everyone is hoping 2013 is the bottom of the economic crisis. Typically, Fairfax County is the last to go into any recession and the last to come out. There will be a paradigm shift resulting from this recession; before the recession personal savings was 0% and now it is 6% and is projected to go to 8% because consumers are changing how they spend and save. Therefore it will take the economy several years to adjust
- Within the county, separate from the foreclosure impact residential and commercial properties is the ripple effect now created as there is a greater than 14% vacancy rate with commercial properties. We presently are seeing more square footage classified as vacant than in the 1990's when the vacancy rate was 18%. Federal contracting will not grow this time around as much as it did in the 1990's.
- County staff will probably not see any raises for 2010, 2011, or 2012. It takes \$100M in the budget to cover a 2% COLA for county and schools employees and we simply do not have that amount of funds.
- Mr. Griffin and the School Superintendent are both trying to be as transparent as possible and will be dealing with considerable cuts. There are plans for having community meetings again this time & using websites to communicate the latest budget information to staff and residents alike.

Question and Answer:

Stephanie Mensh: What will be the impact of construction around Tyson's Corner on the upcoming holiday shopping season? Do your projections include these impacts on revenues? **Response:** Not specifically; since we do rely on sales tax revenue, it may have some impact, but the reality is people are spending less.

Henry Wulf: 1) Is it a possibility that programs will be entirely cut? And will additional targets be the program reductions? 2) Has the county explored options such as the defined contribution plan or the defined returns plan to manage the retirement costs? 3) Are post employment benefits in danger of not being funded? **Response:** The request 3% reduction is in personnel costs and some agencies have been asked for additional cuts of varying percentages. Agencies have been asked to identify potential program cuts. There are diminishing returns at some point with smaller cuts here and there to programs and agencies will have to stop shaving from programs or they will wind up with only a skeleton. The agencies do need support in making program cuts. It is always difficult when more services are asked for and less money is available to fund them. It is our responsibility to educate the BOS and the community and still provide a sound level of services. 2) We are looking at it. There is a possibility that current

Human Services Council Meeting
Monday, October 19, 2009
Government Center, Conference Rooms 4 & 5

employees will be grandfathered and new employees will be on a different retirement plan; however, the most likely scenario will be to keep the plan we have for succession planning and manage a balanced compensation plan for the long term and have some modifications. 3) No, not for the 2011 budget. We are looking at whether four providers for the 457B funds would be better or would it be better for one provider with a larger pool of money. With one provider there would essentially be less administrative costs. This scenario is also being explored for health care provision, for example, going to one provider with a tiered benefits plan. We are looking at the national healthcare landscape as well and are also looking at retirees benefits.

Tom Grodek: Will the price tag on the budget hold fast at 3%? 1) Does it cover whole the whole \$315M shortfall? 2) What other cuts are you looking for? 3) What is the percentage of cuts proposed for HS agencies? **Response:** There is still a \$60M budget shortfall. The libraries have been asked for an additional 15% in cuts and the Police Department for an additional 2%. There is no mandate to provide libraries and that is the big difference, coupled with the goals and objectives of the county and the BOS. There presently is no anticipation of closures of libraries. They have been asked to identify the lowest traffic day in the libraries and that day it will be proposed that the libraries are closed. There are no specifics because we are dealing with individual agencies and this time there is no set formula proposed as guidelines.

Robert Gaudian: How much does reinstating the automobile registration get you? **Response:** \$27M if we reinstate the full amount of \$33 for which the state allows and if we only reinstate a \$25 registration fee, then we will only see \$20M in revenues. Presently, some Supervisors are for it and others are against it; there is a split point of view.

Baba Freeman: How would county residents fare, if the county goes to the state and petitions discarding the property tax and go with an income tax? **Response:** This is not going to happen. There is no interest in the General Assembly for reforming the tax system in that way in Virginia.

Stephanie Mensh: Has there been calculations including stimulus funding? Has the county received a lot of stimulus dollars? If so, what is the impact on the bottom line? **Response:** It has been more significant for schools, as they have received \$40M for 2010 and 2011 which helped them not have to make substantial cuts to their programs. There has been some received by the county; mainly by DFS. However, it has been minimal. We are supposed to get some for capital and one time expenditures, for example \$9M for energy in order to helping reduce maintenance costs. The most significant amounts have been for the schools and not for county. This brings concern for 2012 budget because the schools will not get the \$40M stimulus monies. Approximately \$155M is expended for capital per year for schools and it did not take any cuts this time. Additionally, there was some stimulus monies received for housing, approximately \$2M for capital expenditures, of which \$1.6M funded the block grant and some went to the Office to End Homelessness for the "Housing First" initiative. **Donna Fleming** clarified that these stimulus dollars did not assist the county with the budget.

Stephanie Mensh: Did the county benefit from any road stimulus dollars? **Response:** It went through the state first and some stimulus dollars are helping to get the Fairfax County Parkway completed. The Army Corp of Engineers is finishing it and the state will incorporate it in to their road system upon completion. Because the state has no money, stimulus dollars are paying for the parkway's completion.

Robert Gaudian: How successful has the EDA been in recruiting big companies to Fairfax County? **Response:** Hilton's corporate headquarters is coming from Los Angeles to Fairfax; Volkswagen and SAIC is also here. These are all headquarters and limited in the number of jobs, but SAIC announced it will also add 1200 employees. Forty percent of all development is here in the metro area.

Human Services Council Meeting
Monday, October 19, 2009
Government Center, Conference Rooms 4 & 5

Baba Freeman: Is there still a need for corporations to fill the United Way void? **Response**: Yes, we discussed that need in June.

BOS Housing Committee Update: 8:45 - 9:35 PM

Paula Sampson, Director, Department of Housing & Community Development (HCD) presented “A Housing Blueprint: A Housing Strategy for FY 2011.”

This request for this presentation started back in June at the Board’s retreat. There was 100% consensus amongst the Supervisors that most of the county’s housing efforts focus on those populations with the greatest need within our community; those populations with low-income (i.e. seniors, those with disabilities, and the “next generation” young adults.) This presentation and its content is the product of the retreat. The “one penny for housing” last year was cut in half and the BOS wanted Housing to look into how the commitment to affordable housing could still be maintained should even the ½ penny not be available.

The HCD was asked to identify and propose programs and related costs; to present these to the BOS. Ultimately the BOS will decide what programs and associated costs will be implemented. There are no set programs, only proposals as they are just now in conceptual form. The HCD would appreciate the Council’s suggestions.

It is proposed that “housing first” be the program for those with the greatest need. This proposal takes what we already have and redirects or refocuses existing resources and funds, which makes some funds more directed for the housing first initiative. The Bridge program is a new idea, for example it is a project based on vouchers. It provides creative ways to fund non-profits for short term and emergency subsidies and longer term subsidies. By allowing the non-profits to control the funds, then more they can be more flexible in using the funds. However, there is no funding for this proposed program yet.

Another proposal is to utilize Strategic Housing Programs, by which the county pays the debt service up front and rent income comes back into fund the debt ongoing.

And finally, Workforce Housing is another identified proposal. GMU in a study has found the county is woefully behind in having housing available for the workforce the county is looking to attract to live and work in the county. Presently, there are 1,000 units/ homes in the pipeline and are being built near Wegman’s and some on county surplus lands. We are looking to private partnerships for funding and not expecting any county general fund dollars to pay for this proposed project.

Question and Answer:

Baba Freeman: With regards to transition housing, where families are in a shelter, then moved to an apartment and in two years they are required to move again. Is there a way to shift designation of the current housing units, so people can stay in place in their community and the housing designation be changed from transition to supportive housing? **Response**: In the plan to end homelessness coupled with the housing first initiative there is a proposal for some conversion of transitional houses to permanent housing and the non-profits are focusing on providing affordable rental housing.

Tom Grodek: So the non-profits are the landlords? **Response**: They are and the Housing Authority provides capital for obtaining property and the non-profits need to maintain it and keep it rented. As it stands now there is a two year period for transitional housing with a move to permanent supportive housing and more intensive case management; using a combination of subsidies, where some residents pay a percentage of the rent, more or less based on income coupled with a voucher. Permanent supportive

Human Services Council Meeting
Monday, October 19, 2009
Government Center, Conference Rooms 4 & 5

housing has no time limit and usually the disabled are truly in need of more assistance. It is always preferred to keep the family in same area or house; however, it is not always possible. If we do change the status of various units, the need for additional transitional housing units still exists.

Donna Fleming: What are the estimated costs for supportive services for the new programs, for example the Bridge Program? Who will absorb these costs? We can not expect the non-profits to absorb the cost. As they can not absorb them now and the county can not fund either. **Response:** Non-profits would be expected to assist with covering the costs.

Kevin Bell: Who then gets caught paying the cost for the provision of these services? **Response:** Please remember this is still in development. The county has these supports in place: the CSB and its resources and the non-profits. There needs to be greater aligning of priorities of the Community Funding Pool dollars for a two year funding plan. It is a competitive bid process and 2010 there will be a call for new bids. We hope to focus more on the housing first non-profits. There is a need for the shelter dollars to be restructured to obtain these substantial shelter operation dollars coupled with using community-based supports and non-profits. We need stronger non-profits with their own resources, which represents a combination of funds and this is what is behind the whole HOST Team concept. There is a real possibility of using TANF dollars in housing first programs and wrap-around services, which includes some federal stimulus dollars; however, the state needs to approve. There needs to be a "state match" and now the county is looking to see if there can be a local match in dollars that can take the place of a state match – local dollars or non-profit dollars. There needs to be \$1M in local dollars set aside and hopefully we would get a \$5-6M in TANF dollars. However, there would need to be special legislation or a budget amendment passed to use these dollars to draw upon.

Henry Wulf: If the premise is that no additional dollars are available and there will be a need for reprogramming dollars from other places, then who are the "losers" since there will be a redirecting existing dollars? **Response:** The BOS needs to weigh in with their decision of any changing of the priorities. They want to maintain commitments for the current ½ penny dollars and look toward reprioritizing new dollars for housing first targeted needs. The real question is: "What are the tax implications, should all wanted priorities be kept?"

Kevin Bell: There is no plan for reallocating the dollars now? **Response:** No, all cards have to be on the table first.

Donna Fleming: Can there be a move from ½ penny back to one penny? 2) Is anyone sending the message to the group that this is the priority? And if so, how successful has it been? 3) Can we make changes for future? There is a significant cost for wrap-around services and everyone needs to understand the costs and funding needed to support these costs. 4) Will there be buying of additional units? One example is the Kate Hanley shelter and the development of additional "housing first" units. **Response:** No. 2) Yes, not as successful as hoped for. The priority message has been well articulated; however, there has not been agreement among everyone. We need to be systemic in priority setting. 3) Yes, there needs to be multiple funding sources. 4) They are in the pipeline; however, there remains a lot of prework.

Kevin Bell: I would like to see the CCFAC's and the BOS's clarification next month on: what the priority issues are and what are the "housing first" initiatives. I would like to see representative guests for next month to further discuss these topics. **Response:** They are not in sync with "housing first" and the BOS's priority; however, the Community Funding Pool is the only vehicle we currently have of managing and awarding the funding dollars.

Human Services Council Meeting
Monday, October 19, 2009
Government Center, Conference Rooms 4 & 5

Robert Gaudian: Don't we need to market to the non-profits that this is an opportunity for them for exposure? **Response**: Some of the non-profits think they already are collaborative. Multiple investments and non-profits should own the process.

Stephanie Mensh: I am on a CCFAC committee and I have never heard that CCFAC is not in alignment with the BOS's priorities. **Response**: We have talked about the BOS's priorities to CCFAC and the Executive Committee how the use of dollars should align more closely with the BOS's strategic priorities and yet they came back to us keeping their priorities the same as the past three funding sessions.

Other Business: 9:35 PM

Approval of Minutes: The June 15, 2009 meeting minutes were approved.

Verdia Haywood proposed the next council meeting scheduled for November 16th to be changed to the 24th and Kevin Bell suggested scheduling it on the 30th because of the Thanksgiving holiday week. It is a busy week since the BOS SMART Savings Committee meets on the 24th and the BOS Budget Committee meets on the 23rd. Verdia Haywood would like to brief the Council on outcomes from these two committee meetings.

Adjournment: 9:40 PM

Staff Support Information (also included on updated roster):

1. **Chip Gertzog**: 703-324-7959 Fax 703-324-7572 E-mail: Cgertz@fairfaxcounty.gov
2. **Judy Greene**: 703-324-5640 Fax 703-324-7572 E-mail: Jgreen@fairfaxcounty.gov
3. **Marie Custode**: 703-324-4540 Fax 703-324-7572 Email: Kcusto@fairfaxcounty.gov
Deborah Gutierrez: 703-324-7132 Fax 703-324-7572 E-mail: Dgutie@fairfaxcounty.gov