



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County.

January 31, 2008

Honorable Board of Supervisors
County of Fairfax
Fairfax, Virginia

Chairman and Board Members:

In September 2007, I initiated a review of the County's discrete Lines of Business (LOBs). This LOBs process utilizes budgetary data from the FY 2008 Adopted Budget Plan since the FY 2009 Advertised Budget Plan will not be completed by the time the LOBs are presented to the Board of Supervisors for review. I anticipate that this exercise will be the first year of a two-year process and is designed to meet several distinct objectives. Beginning in January 2008, staff will use the LOBs to provide the newly elected Board of Supervisors with a comprehensive overview of County services and to provide our residents with a comprehensive educational tool regarding the array of programs and services the County is responsible for providing as well as their cost and implications related to service delivery. Later in 2008 and in 2009, I anticipate that the LOBs will be reviewed for potential program adjustments, along with other strategies, as we work to balance the FY 2010 budget in light of early projections which indicate we will be facing a constrained real estate market over a multi-year period.

As the Board is aware, the County has completed LOBs exercises or other program inventory reviews in previous years and I have used these exercises as well as the enhanced budget document, our Mandates Report and the Performance Measurement process to design this next version of LOBs. The first LOBs process was conducted in 1993 with a follow-up in 1996. In addition, the County provided the Board with an Inventory of County Activities, Programs and Services (ICAPS) in 2001. These previous analyses were instrumental in identifying the wide variety of services and responsibilities addressed by county agencies as well as performance and cost data regarding the efficiency and effectiveness of these services. At times, these exercises were used as part of the annual budget process to identify potential modification, reductions or elimination of selective programs.

The last time a comprehensive review of County programs and services was conducted was FY 2001 as part of the Inventory of County Activities Programs and Services (ICAPS). Since that time that County has experienced significant growth as a result of economic and demographic forces such as inflation and population growth and diversity but also as a result of external forces that have required that County to adapt to complex factors/issues and provide programs and services in the most efficient and effective manner possible. Since FY 2001, the County's budget increased \$1.17 billion or approximately 54 percent. The transfers to Fairfax County Public Schools (FCPS) for operations and debt service required \$654 million or 56 percent of the increase. Other areas requiring an increased County investment include public safety, which makes up nearly 17 percent of the overall increase in the County budget, and human services, which accounts for nearly 8 percent. Our current economic data indicates that the housing market may not rebound for the next two to three years. As a result, the updated financial forecast indicates that overall revenues will remain flat or even possibly will go negative in the fiscal period from FY 2010 to FY 2012. I think it is fair to assume that information in the FY 2008 LOBs review will provide a starting point as we attempt to size critical county service requirements to our available resources, in future budget cycles.

I look forward to working with the Board of Supervisors and county staff as we review county services and programs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'A.H. Griffin' with a stylized flourish at the end.

Anthony H. Griffin
County Executive