County of Fairfax, Virginia

MEMORANDUM

DATE: April 10, 2013
TO: Board of Supervisors
FROM: Susan W. Datta, Chief Financial Officer
SUBJECT: Responses to FY 2014 Budget Q&A Items (Package 3)

Attached for your information is FY 2014 Budget Q&A Package 3 containing completed responses to recent budget questions. Future responses will be included in subsequent packages. If you have any questions or need additional information, please contact me.

The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	Responses to questions 1-8 were included in Package 1 dated March 12, 2013, and responses to questions 9-14 were included in Package 2 dated March 18, 2013.		
15	In the FCPS budget, provide a summary of the one-time balances used in development of the FY 2013 and FY 2014 budgets. Also provide a summary of the amount unspent at year end that was carried forward for use in FY 2013 and FY 2014 budget development. Identify spending by quarter with emphasis on comparing the fourth quarter spending level to that seen in the first three quarters for the last five years.	McKay	33-35
16	Provide a breakdown of school-based positions, including how many are in-class teachers, how many are counselors etc. How are these figures used to determine reported class size metrics?	Herrity	36-37
17	Please provide an exact accounting of the $3 per square foot of non-residential development in Tysons Corner which will be set aside in a "housing trust fund." What will this funding be used for? What projects are already being planned? What projects are slated to be planned? Please give as many details as possible.	Herrity	38
18	In terms of the County's Capital Improvement Program (CIP), please describe the potential impacts of an AAA downgrade by comparing Fairfax County to the Bond Buyer Index. Also discuss the potential impact of losing the tax free status of municipal bonds and the impact of Build America bonds on the CIP.	Gross/Hyland/ McKay	39-40
19	Contract funding for the Annandale Neighborhood Center is listed as part of a package of reductions totaling $138,931 that includes the elimination of one vacant Community Developer position. What other elements are included in this package of reductions?	McKay	41

Department of Management and Budget
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20	For the periods 2000-2008 and 2008-2014, how much of the annual County spending increases were Schools versus County and for the County increases how much were compensation-related (raises, rising costs for medical insurance, retirement, etc.) as opposed to other costs (additional employees, higher utility costs, etc.)? In addition, for the same periods, how much of the increases were for Public Safety, Health and Welfare, and Schools?	Hudgins	42-43
21	Are there ways to reduce the billing charge set by the Water Authority? With technology etc. are there more efficient ways this could be handled?	McKay	44-45
22	Please provide follow up information to the proposed $2 million expenditure proposed in FY 2012 to upgrade social media security for county IT infrastructure.	Herrity	46
23	Please provide a 3 year analysis of adopted versus actual personnel costs per agency.	Herrity	47-49
24	Provide a comparison of the last three years adopted and revised budgets by funding categories: personnel, operating, capital and recovered costs.	Herrity	50-51
25	Provide additional detail on the Human Services Council request for employment services funding that support the housing blueprint.	Gross	52-53
26	If Virginia participates in an expansion of Medicaid funding what would the impact be on the County's budget?	McKay	54-56
27	Were any of the positions which were converted to non-uniformed in the last 5 years converted back to uniformed?	Herrity	57
28	Please provide a list of all positions that have been vacant for more than 3 months, which are not managed vacancies. Please include the position function, the salary, the agency, and the length of time for which the position has been vacant.	Herrity	58
29	Please provide the current inventory of seized vehicles that are able to be disposed.	Herrity	59
30	Please provide an itemized list of all costs associated with all mail room functions to include processing of incoming and outgoing metered mail and inter-departmental mail, as well as delivering any mail within the same building or other buildings that may require a vehicle.	Herrity	60-61
31	When is the last time we performed an audit to determine the eligibility of beneficiaries on out health insurance plans?	Herrity	62
32	What is the estimated first full year cost of the "Cadillac Tax" based on current health care plans?	Herrity	63
33	What is the annual surplus from the Wedgewood property?	Herrity	64
34	What is the source of the $5 million available for the housing blue print?	Herrity	65
35	Why were the Computer Learning Center (CLC) sites at Annandale Terrace Elementary, Hybla Valley Elementary, and Mount Vernon Woods Elementary selected for closure over the other nine sites. What is the anticipated impact on the students who currently attend these sites?	McKay	66

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36	Please provide a list of all positions whose functions are primarily associated with external communications, internal communications, emergency communications, public information management, public affairs, external relations, internal relations, web content management, social media management, any communication policy development, and serving in any capacity as a point of contact for any media. The data should include salaries, title, agency, and scope of responsibility.	Herrity	67-69
37	Please provide a list of all publications produced by the County, FCPS, FCPA, and RHA that are mailed to more than 5,000 recipients. Please include the total costs of these publications, the number of recipients, and the frequency of the mailing.	Herrity	County: 70-71 FCPS: 72
38	Please provide a five-year analysis of all FCPS end of year balances that were transferred back to the Board of Supervisors.	Herrity	73-74
39	What is the spend-down rate on FCPS bonds over the last five years? Are bond proceeds being spent yearly?	McKay	75
40	Please provide a summary of the positions which were vacated by employees assigned to the FOCUS implementation project. Please indicate which of the vacated positions were filled with a person, or persons, other than the one who vacated the position because of their transfer to FOCUS, and the date filled.	Herrity	76
41	Please provide a list of personnel which were removed from their standard duty assignment, and transferred to the FOCUS implementation project. The data should include: 1) the employee's title when assigned to FOCUS; 2) the agency from which the employee was transferred; 3) the employee's salary when transferred to FOCUS; 4) the period of time the employee was assigned to FOCUS; 5) the employee's salary when transferred from FOCUS; 6) the agency to which the employee was transferred immediately following their assignment with FOCUS; 7) the employee's title immediately following their assignment to FOCUS; 8) the employee's salary immediately following their assignment to FOCUS.	Herrity	77-78
42	Provide an initial high-level summary of the potential fiscal impacts of the Report of the Bi-Partisan Election Improvement Commission.	Gross	79-82
43	Please list the annual revenue for each of the affordable housing programs in the County for 2011 and 2012. Please identify each housing program, its revenue, its operating cost, and its current debt.	Herrity	83-85

Attachment

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

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: In the FCPS budget, provide a summary of the one-time balances used in development of the FY 2013 and FY 2014 budgets. Also, provide a summary of the amount unspent at year end that was carried forward for use in FY 2013 and FY 2014 budget development. Identify spending by quarter with emphasis on comparing the fourth quarter spending level to that seen in the first three quarters for the last five years.

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

To mitigate state budget reductions, in FY 2011 the General Assembly adopted a significantly lower than actuarially recommended Virginia Retirement System (VRS) rate and deferred employer contributions for school divisions. In order to meet this future obligation, FCPS set aside $45.0 million in recurring VRS savings in a reserve. Recurring funds available in FY 2012 were added to the VRS reserve bringing the total to $60.6 million. Reserve funds were used to pay the rate increases in FY 2012 and FY 2013. The remaining $16.9 million will be expended in FY 2014.

In addition to the VRS reserve, FCPS has utilized a budgeted beginning balance to meet anticipated future budget year shortfalls. A budgeted beginning balance is the result of conserving resources and reducing spending during the fiscal year where possible. As a result of these actions taken during the fiscal year, the net funding available at year-end is presented to the School Board as an available balance after commitments. Recently, this funding has been allocated for beginning balance for the next or for a future budget year instead of being spent for current year needs. However, reliance on one-time funding for recurring needs has created a structural imbalance in the budget. This imbalance will grow in future years because the VRS reserve is depleted and the retirement rates are increasing. The chart below shows the use of one-time funding since FY 2011.

One-Time Funding Used ($ in millions)			
	Beginning	VRS Reserve	
FY	Balance	1-Time Use	Balance
2011	$53.5	$0.0	$45.0
2012	$57.3	$0.0	$60.6
2013	$57.5	$43.7	$16.9
2014	$65.7	$16.9	$0.0

Regarding unspent funds, because of the requirement to operate within a balanced budget, state and local governments typically end the year with an available balance to ensure that they meet revenue projections and do not exceed expenditure appropriations. As a result, FCPS, like Fairfax County Government, historically has ended each fiscal year with an ending balance. Included in the ending balance is carryover for encumbered obligations or undelivered orders which reflects orders for goods or services that have not been received or performed as of June 30. In addition, FCPS has a carryover policy that allows schools to automatically carryover unspent funds in certain noncompensation accounts. This encourages multiyear planning and provides flexibility to principals to meet student needs. The specifics of what is included in automatic carryover may change from year to year depending on budget circumstances. Automatic carryover also applies to project and grant balances in the operating fund because they are budgeted on a multiyear basis. Automatic carryover for schools in FY 2012 amounted to $26.4 million; however, these funds are not used to balance the budget. Attachment A provides further details, including definitions, of the items comprising the FY 2012 ending balance. The FY 2012 Year-End Budget Review is available at:

http://www.boarddocs.com/vsba/fairfax/Board.nsf/goto?open&id=8WCHMC4917BA

Below is a chart that shows the percent of budget expended by quarter for the last five years. For FCPS, spending is uneven among quarters within the year, but fairly consistent across years. In the first quarter, expenditures are lower because of the summer break for schools. Spending tends to peak in the second quarter, which is when most transfers to other FCPS funds are made. Transfers are made from the School Operating Fund: to the Grants and Self-Supporting Programs Fund for FECEP and summer school; to the Construction Fund for equipment for new construction and renovation and for building maintenance; to the Consolidated Debt Service Fund for debt service on the consolidated administrative building; and to the Adult and Community Education Fund for the adult English for Speakers of Other Languages program. In FY 2012, transfers were delayed until the third quarter due to the implementation of FOCUS. Transfers in the last five years averaged nearly $30 million.

FCPS Percent of Budget Expended by Quarter

Quarter	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Quarter 1	15.8%	15.4%	15.2%	15.1%	14.9%
Quarter 2	29.1%	28.9%	29.7%	28.3%	27.6%
Quarter 3	27.5%	27.5%	28.0%	28.0%	30.1%
Quarter 4	27.6%	28.2%	27.2%	28.6%	27.5%

Summary of FCPS' FY 2012 Ending Balance

Ending Balance Composition	FY 2012 ($ in millions)	Definition
Revenue	$2,371.6	
Set Aside for Beginning Balance	$52.5	This is funding set aside in a prior year for a future year beginning balance.
VRS Reserve	$45.0	When state officials set VRS rates lower than actuarially recommended to provide fiscal relief and declared that future year's would require repayment with interest, FCPS opted to establish a reserve to try to mitigate the financial impact of these decisions on future budgets.
Compensation Reserve	$3.0	Fully expended to balance the FY 2012 budget.
Total Funds Available	**$2,472.1**	The total of revenue and funding set aside for future years' beginning balances.
Total Disbursements	**$2,215.6**	The total expenditures and transfers out to other funds.
Ending Balance	$256.5	Prior to actions at the final budget review
Less Actions from the Final Budget Review:		
Flexibility Reserve	$8.0	The School Board flexibility reserve is normally maintained at $8.0 million to meet unbudgeted needs. Any unused portion is carried forward to the next fiscal year with School Board approval. For this reason, the flexibility reserve is only reflected in the current year estimate and is not included in the approved budget totals.
Undelivered Orders	$46.0	An obligation of funding for orders where goods or services have not been received or performed as of June 30.
Automatic Carryover	$26.4	Unobligated funding from the current year that is moved forward to the next year. This form of carryover is reserved for schools and primarily covers their supply and hourly accounts. It allows schools the flexibility of multi-year planning for a portion of their funding and has been especially helpful during the economic downturn.
Unencumbered Carryover	$5.2	See "automatic carryover" with the exception that this funding must be requested by the department and approved by the Superindentent. Also referred to as "critical needs" carryover, this is the avenue for schools and departments to carry forward funding to the next fiscal year for non-recurring costs. Examples include the carryover of the balance of special funds (equal opportunity, neediest kids, etc) and to cover the anticipated costs of the implementing the health care reform requirements.
Grant Balances Carryover	$0.0	The unobligated balance available in a subsequent grant period. This funding must still be used for purposes as stated in the grant.
Centralized Textbook Fund	$7.7	Beginning in FY 2013, FCPS will centralize textbook purchasing for math. FCPS will fund the purchases centrally, and then reduce per-pupil textbook funding allocated to elementary, middle and high schools annually and return that funding to the central account. At the end of six years, the centralized fund will be completely replenished through these per-pupil reductions.
VRS Reserve	$60.6	When state officials set VRS rates lower than actuarially recommended to provide fiscal relief and declared that future year's would require repayment with interest, FCPS opted to establish a reserve to try to mitigate the financial impact of these decisions on future budgets.
Teacher Evaluation	$2.0	Resources were provided to develop and implement the new teacher evaluation system mandated by the Virginia Department of Education. Implementation is required by July 1, 2012.
Clinical Support for Students	$0.4	Funding was provided to expand clinical support (psychologists and social workers) to schools to assist in special education eligibility assessments where volume is high; to coordinate community resources for high-need schools; and extend contracts for six social workers to manage intervention cases during the summer.
ACE Transfer	$1.0	The Adult and Community Education Fund ended FY 2012 with a shortfall of $1.0 million, primarily due to lower than projected tuition revenue . In the FY 2013 Approved Budget, ACE had restructured its course offerings, streamlined its administration, and reduced its staff. To support the FY 2013 projected revenue and expenditure assumptions, a one-time transfer increase of $1.0 million was provided.
Set Aside for Budgeted Beginning Balance		An amount of funding identified from the current or prior years to assist with balancing the budget of the coming year.
FY 2013	$57.5	
FY 2014	$41.6	
Total Available	**$0.0**	**Remaining available funding after all items above have been accounted for.**

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a breakdown of school-based positions, including how many are in-class teachers, how many are counselors etc. How are these figures used to determine reported class size metrics?

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

Average class sizes and students per teacher-scale position are reported in the Washington Area Boards of Education (WABE) Guide enabling residents to compare local school jurisdictions. Below is the class size chart from the FY 2013 WABE Guide including footnotes explaining the methodology agreed upon by the WABE jurisdictions for these calculations. The entire WABE Guide is available here:

http://www.fcps.edu/fs/budget/wabe/2013.pdf

	Students per Classroom Teacher[1]			Students per Teacher-Scale Position[2]		
School Division	Elementary	Middle / Intermediate	Secondary / High	Elementary	Middle / Intermediate	Secondary / High
Alexandria City	20.9	18.0	19.7	10.2	11.3	14.0
Arlington County	20.8	20.4	19.5	10.1	16.2	16.6
Fairfax County	21.4	24.4	24.9	14.1	19.9	20.9
Falls Church City	22.3	24.6	23.9	13.3	18.9	18.4
Loudoun County	24.7	24.3	25.8	17.1	22.4	22.1
Manassas City	21.3	20.5	24.7	11.6	17.5	17.6
Manassas Park City	18.6	29.1	27.7	12.1	20.3	19.9
Montgomery County	17.7	24.7	25.9	13.2	21.4	23.2
Prince George's County	23.5	24.5	24.7	14.8	16.5	16.8
Prince William County	22.8	28.8	29.2	15.1	20.4	21.9

Note: Chart excludes teachers and students in pre-K, kindergarten, alternative schools, and self-contained special education.

[1] Classroom teachers are positions used to determine class size.

[2] Students per teacher-scale positions include classroom teachers and other teachers such as ESOL/ESL, librarians, reading, coaches, mentors, music, art, physical education, etc.

The FY 2013 Approved Budget includes 13,468.4 in-class teacher positions. The "students per classroom teacher" calculation as determined by WABE excludes 5,688.0 of these in-class teachers. Excluded are kindergarten teachers (597.0), special education teachers (2,946.8), English for Speakers of Other Languages teachers (862.1), elementary art/music/physical education teachers (739.7), reading specialists (199.0), alternative education teachers (186.7), and band and strings teachers (156.7).

The following chart is a breakdown of school-based positions:

Total in-class teachers	13,468.4
Other teacher-scale positions	
School counselors	546.0
Librarians	237.0
Staffing reserve teachers	200.1
Instructional support teachers	176.1
Physical/Occupational therapists	90.0
Advanced academic resource teachers	69.5
Audiologists	14.5
Total teacher-scale positions	14,801.6
Other school-based positions	
Principals and assistant principals	848.5
Specialists and technical personnel	1,033.9
Classroom assistants	2,968.5
Office assistants	1,066.5
Tradespersons and custodial	1,381.0
Total school-based positions	21,917.8

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide an exact accounting of the $3 per square foot of non-residential development in Tysons which will be set aside in a "housing trust fund". What will this funding be used for? What projects are already being planned? What projects are slated to be planned? Please give as many details as possible.

Response: To date, there have been no contributions to affordable housing as a result of proffers associated with non-residential development in Tysons. No contributions are anticipated to be made until late 2016 at the earliest, depending on market conditions and construction progress. According to the Department of Planning and Zoning, the Board of Supervisors has approved, to date, three projects in Tysons that have proffered to the provision of a non-residential cash contribution for affordable housing. The proffer language in all three cases calls for the developer to phase the payment of the non-residential cash contribution on a per building basis to coincide with the issuance of the non-residential use permits. In addition, payments to the fund may occur as a single, lump sum payment of $3.00 per square foot per building or, alternatively, some proffers allow for the payments to occur over time at the rate of $0.25 per square foot per year for a period of 16 years. It is anticipated that the funds will be dedicated within Fund 40300, Housing Trust Fund for affordable housing projects in Tysons. With the first payments not likely to occur for several years, and the payments being phased over time, it is difficult to project the amount and timing of contributions. Once one or more of the non-residential buildings associated with these proffers have advanced to construction and approach occupancy, staff will be in a better position to estimate the availability of funding to support affordable and workforce housing.

The proffer language in the approved Tysons applications, as well as the Comprehensive Plan language for the Tysons Urban Center, stipulates that such funds will be used to create affordable and workforce housing in Tysons. At this time, no specific affordable housing project in Tysons has been identified as it will be many years before there are adequate funds which can be used to support such a project, either on behalf of Fairfax County or as part of a public/private partnership.

Response to Questions on the FY 2014 Budget

Request By: Supervisors Gross/Hyland/McKay

Question: In terms of the County's Capital Improvement Program (CIP), please describe the potential impacts of an AAA downgrade by comparing Fairfax County to the Bond Buyer Index. Also discuss the potential impact of losing the tax free status of municipal bonds and the impact of Build America bonds on the CIP.

Response: **<u>Impact of AAA downgrade by comparing Fairfax County to the Bond Buyer Index</u>**

As the board is aware, issues surrounding the federal budget and debt concerns may also impact our AAA bond rating from the rating agencies. In the case of Moody's Investors Service, the County's bonds were put on "negative outlook" last year as a result of a new indirect linkage to the federal government based on a perceived reliance on federal expenditures and contracting. Pending any downgrade of the federal rating, Moody's has been clear that Fairfax and 4 states and 40 other localities "linked" to the federal government would also be downgraded. County staff and our financial advisors and bond counsel have been in frequent contact with the rating agencies, especially Moody's, to continue to make the case that the County's credit profile remains extremely strong.

As an example of the importance of the AAA bond rating, the County recently sold General Obligation bonds for the Series 2013A and Series 2013B at a low interest cost of 2.23%, which was one of the lowest rates recorded in recent history. This rate represented a differential of 1.16% under the Bond Buyer Index (BBI), which stood at 3.68% on the day of the sale. Further, over the last thirty years the differential between the rate on the County's bonds and the BBI has averaged 0.77%. As a result of the County's Triple A bond rating, the County has saved an estimated $580.63 million from County bond and refunding sales.

<u>Potential Loss of the tax free status of municipal bonds</u>

The federal tax-exemption on municipal bond interest has been in place since the income tax was enacted in 1913. This provision has led to millions of dollars invested in vital public infrastructure and has provided a tremendous amount in interest costs to state and local governments.

One of the current proposals at the federal level would place a 28% cap on the exemptions, which then imposes a 7% tax on current tax exempt interest for investors in the 35% tax bracket. For example, an individual in the 35% tax bracket earns $10,000 in interest on municipal bonds and under current policy is fully exempted from paying any taxes on this interest. However, this proposal being considered would result in an individual in the 35% tax bracket paying $700 in taxes (35% - 28% = 7%*10,000 = $700). For context, earnings of $10,000 in annual interest would equate to ownership of $500,000 in County bonds earning 2%.

On February 27, 2013, the National Association of Counties (NaCO), the U.S. Conference of Mayors (USCM), the National League of Cities (NLC), and the Government Finance Officers Association (GFOA) held a joint press conference requesting that Congress and the White House not change the tax exempt status on municipal bonds. These organizations also released a report that highlighted the broad use of bonds by municipalities across the Country and the estimated higher interest rates in the prior fiscal year if either a cap or repeal of the tax exempt status **were in place over the last fifteen years**.

The report highlighted a random sample of jurisdictions across the Country and included Fairfax County. The methodology and cost assumptions for the higher interest rates were calculated by GFOA and **not** Fairfax County and assumed the impact if the change had been made fifteen years ago. The groups projected this cost for Fairfax County for FY 2012 if either a 28% cap or repeal of the exemption were in place over the last fifteen years to be **$14.6** million and **$41.8** million, respectively. County staff projected the additional costs going forward using the same GFOA methodology for the County's five year Capital Budget assuming annual General Obligation bond sales of $275 million annually. The 28% cap equates to an additional $1.9 million in interest costs for one year or $9.6 million over five years. The repeal of the exemption equates to an additional $5.5 million for one year or $27.5 million over five years.

Further, there is **<u>no grandfather provision</u>** associated with either the cap or repeal of the exemption proposal, and thus would apply to bonds previously issued to investors. GFOA has strongly voiced opposition to this very significant retroactive provision on investors. Fairfax County staff strongly recommends the Board of Supervisors support the issue of maintaining the tax exemption status for Municipal Bonds. The County remains very active in the market with several programmed financings over the course of the next several years. The tax exemption provision will allow the County to continue to take advantage of its Triple A bond rating, and remain attractive to municipal bond investors. Higher interest costs incurred as a result of the loss of this exemption would ultimately be passed along to the citizens in terms of higher annual debt service costs.

<u>Build America Bonds and the CIP</u>

In October 2009, the County issued a $202.2 million General Obligation Bond sale for the Series 2009E (Federally Taxable) as part of the Build America Bonds (BABs) program. The BAB's component provides for annual reimbursement from the Federal Government to the County on 35% of the interest paid in a fiscal year. This translates to approximately $3 million annually or $32 million thru FY 2030 when the bonds are paid in full. These funds flow directly to the Debt Service Fund and reduce General Fund requirements for annual debt service payments. These funds have not been budgeted in the Debt Service fund pending the annual Federal payment. To-date the County has received all of the anticipated reimbursements. Additionally, there are several legislative proposals in Congress that would either revise or resurrect the BABs program. Staff will continue to monitor these issues and provide the Board of Supervisors with the necessary updates.

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Contract funding for the Annandale Neighborhood Center is listed as part of a package of reductions totaling $138,931 that includes the elimination of one vacant Community Developer position. What other elements are included in this package of reductions?

Response: This reduction results in a redesign of how community engagement is conducted across the four Neighborhood and Community Services (NCS) regions and the elimination of one of eight Community Developer positions, for a savings of $76,280. This redesign will place an emphasis on assigning specific work to the remaining Community Developers based upon community need, emerging issues, or alignment with strategic focus areas as identified in regional and/or center-based plans, regardless of the geographic area in which the need is identified. In addition, funding in the amount of $29,296 for the Annandale Neighborhood Center (ANC), which is a hub for engaging a broad network of County, Fairfax County Public Schools and community partners in programs and activities that encourage the development of families and students, will be eliminated and approximately 70 youth and families will be impacted. The participants would have to seek services and resources at alternative facilities such as the Heritage Center - Region 2 Human Services Building and/or the Wedgewood Apartments complex. In addition, a 5 percent reduction in funding for five remaining neighborhood initiatives contracts totals $33,355. This reduction may be partially mitigated through additional leveraging of the resources available from the nonprofit organizations with which the County partners to provide services under the neighborhood initiatives contracts. The five remaining neighborhood initiatives sites include Creekside, Herndon, Murraygate, Sacramento, and Southgate.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Hudgins

Question: For the periods 2000-2008 and 2008-2014, how much of the annual County spending increases were Schools versus County and for the County increases how much were compensation-related (raises, rising costs for medical insurance, retirement, etc.) as opposed to other costs (additional employees, higher utility costs, etc.)? In addition, for the same periods, how much of the increases were for Public Safety, Health and Welfare, and Schools?

Response: Utilizing the Adopted budget plans, General Fund disbursements increased $1.36 billion from FY 2000 to FY 2008, or about 6.8 percent annually, and increased $271.55 million from FY 2008 to FY 2014 (Advertised), or about 1.3 percent annually. Of the total increase, approximately 55 percent was for Schools in the FY 2000-2008 timeframe, while 57 percent was for Schools in the FY 2008-2014 timeframe. The Schools increase includes transfers to the School Operating Fund as well as Schools Debt Service. The breakout between Schools and County follows.

	FY 2000-2008		**FY 2008-2014**	
	Increase (in millions)	**% of Total Change**	**Increase (in millions)**	**% of Total Change**
Schools	$748.79	55%	$154.90	57%
County	$607.53	45%	$116.65	43%
	$1,356.32	**100%**	**$271.55**	**100%**

Of the increase in County disbursements (excluding Schools-related increases), the breakout between compensation and benefit categories as opposed to other costs is as follows.

	FY 2000-2008		**FY 2008-2014**	
	Increase (in millions)	**% of Total Change**	**Increase (in millions)**	**% of Total Change**
Compensation	$217.79	36%	$117.11	101%
Retirement	$15.00	2%	$57.53	49%
Health Insurance	$27.76	5%	$29.05	25%
Retiree Health/OPEB	$11.97	2%	$15.19	13%
Other	$335.01	55%	($102.23)	(88%)
	$607.53	**100%**	**$116.65**	**100%**

Because of the significant reductions that the County has made over the past several years, the proportion of increases related to compensation and benefits are higher during the most recent timeframe. The large benefits cost increases in FY 2008-2014 are attributable to increased healthcare costs, the impact of the economic downturn on the County's retirement systems, and the implementation of GASB 45, whereby the County began to prefund Other Post-Employment Benefits (OPEB) during employees' active employment in a manner similar to the treatment of the County's pension funds.

The increase in County disbursements can also be viewed programmatically. The charts below show County increases related to Public Safety, Health and Welfare, and other spending categories.

	FY 2000-2008		**FY 2008-2014**	
	Increase (in millions)	**% of Total Change**	**Increase (in millions)**	**% of Total Change**
Public Safety	$231.53	38%	$69.73	60%
Health & Welfare	$129.75	21%	$72.13	62%
Other	$246.25	41%	($25.21)	(22%)
	$607.53	**100%**	**$116.65**	**100%**

Again, because of the reductions that the County has made in spending over the past several years, the proportions for FY 2008-2014 are quite different than the previous period. Since FY 2008, while spending for the Public Safety and Health and Welfare categories increased by almost equivalent levels, spending for all other categories decreased.

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Are there ways to reduce the billing charge set by the Water Authority? With technology etc. are there more efficient ways this could be handled?

Response: The base charge was initiated in FY 2010 at $5.00 per bill. At that time the $5.00 per bill charge covered Wastewater's billing fees paid to Fairfax Water. In FY 2012 the base charge was increased to $5.50, again this covered Wastewater's billing fees paid to Fairfax Water. The proposed Base Charge increase to $12.79 will cover the billing fees and a portion of the Program's debt service payment of $50.38 million. This increase is the first phase toward implementing a fix cost recovery rate structure. Industry standard for fix cost recovery is 25 – 30 percent.

The following services are provided by Fairfax Water and are included in the billing fees.

- Install, maintain, test and repair water meters.
- Obtain and report actual or estimated water meter readings.
- Maintain, test and repair special meters (sub-meters).
- Provide office and field customer service to:
  - establish, transfer, discontinue sewer accounts;
  - address customer inquiries and complaints relative to sewer matters;
  - discontinue water service due to non-payment of sewer bills;
  - notify delinquent sewer payments to the County;
  - maintain sewer customer payment records;
  - mail information regarding sewer service and rates;
  - prepare and deliver refunds of sewer deposits, overpayments, etc.
- Prepare, by computer processing, all sewer service charge data for quarterly, adjusted and final billings, including sewer service only accounts.
- Receive all payments on account of bills rendered for sewer service charges.
- Post payments on each account including transactions for sewer account changes, adjustments, bad checks, etc.
- Remit to the County weekly the total of payments received on account of sewer service charges, adjusted for bad checks, adjustments, refunds, etc.
- Process and mail all reminder and final notices.
- Prepare a cut-off list and discontinue water service for sewer service accounts which are not paid in full within 60 days of rendering bill.
- Prepare and deliver to County monthly delinquent reports for all uncollectible sewer service only accounts.
- Process all billing, collecting and accounting reports and deliver to County.
- Prepare and mail, including stuffing and postage, all bills, notices and material required by the combined billing system.

The following is the items are included in the Fairfax Water methodology for determining the billing fees charged to the County's Wastewater Management Program.

- Customer Account Expenses, including a percentage of Administrative and General Expenses. These expenses include customer service representatives, staff to read the meters, fuel, maintenance of the billing information system, and other expenses associated with providing the above mentioned services.
- Allowance for purchase of Capitalized Equipment such as meter reader trucks, meter replacement, and remittance processors.

Fairfax Water is looking at ways to reduce costs related to billing. They plan to present a "customer portal" proposal to their Board on April 18, 2013. This portal will allow customers to view and pay bills on-line. Savings associated with this proposal will be dependent on customer participation.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide follow up information to the proposed $2 million expenditure proposed in FY 2012 to upgrade social media security for County IT infrastructure.

Response: As directed by the Board of Supervisors as part of their deliberations on the FY 2012 Adopted Budget Plan, funding of $2.0 million, supported by a transfer from Fund 105, Cable Communications, was included as part of the *FY 2011 Carryover Review* for deployment of up-to-date technology and enhanced security tools to support secure access of new web-based social media functionalities. The project was designed to implement protected web security gateway infrastructure providing comprehensive secure web and social media access to County agencies for business needs, while also improving compliance with regulatory standards and proactively mitigating cyber security threats to the County's networks, which is in support of the Board's policy for IT investments as technologies become available that support County services. There was no net cost to the General Fund associated with this project.

Prior to the *FY 2012 Third Quarter Review*, the Department of Information Technology (DIT) and the IT Steering Committee was directed to evaluate all available balances in Fund 10040, Information Technology, as part of a process to identify needed funds for critical hardware and system infrastructure requirements as well as specialized technical staff augmentation for major County computer systems, including the FOCUS project to keep pace with the project schedule. The group was tasked with identifying any projects where funds could be reallocated due to completion, identifying any projects where flexibility existed, and reprioritizing other projects where work could be deferred until later. Resulting from this process, as part of the *FY 2012 Third Quarter Review* the Board approved the redirection of nearly $1.7 million of the $2.0 million previously approved to support secure access of new web-based social media functionalities to support the priorities listed above. The project had only incurred minimal expenses at that time, and it was determined that given the evolving technology in this field, adjusting deployment of these capabilities was possible.

It should be noted that in FY 2014, available funding for IT projects was extremely limited due to budget constraints; however, an amount of $200,000 is included for the e-government project, providing the necessary support required to meet the increasing demand for County's web, e-government and e-transactions services as well as improved navigation, web content synchronization, mobile applications, social media integration, transparency, Web 3.0, support of the County's intranet (FairfaxNet) and continued compliance with the e-health records system.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a 3 year analysis of adopted versus actual personnel costs per agency.

Response: The attached spreadsheet provides, by General Fund Agency, the Adopted Budget and Actuals for Personnel Services for FY 2010 through FY 2012.

During this timeframe, several reorganizations were implemented which impact the data displayed.

- As part of the FY 2011 Adopted Budget Plan, the Department of Community and Recreation Services and the Department of Systems Management for Human Services were combined to form the Department of Neighborhood and Community Services.

- As part of the FY 2011 Adopted Budget Plan, the Department of Code Compliance was created; however, no budget was allocated to this agency at the time the budget was adopted. At the *FY 2010 Carryover Review*, funding from Land Development Services, the Department of Planning and Zoning, and the Health Department was reallocated to this new agency.

General Fund Personnel Services by Agency

Agency	FY 2010 Adopted	FY 2010 Actuals	FY 2011 Adopted	FY 2011 Actuals	FY 2012 Adopted	FY 2012 Actuals
01 Board of Supervisors	$4,429,282	$3,939,676	$4,305,437	$3,989,664	$4,305,437	$3,907,942
02 Office of the County Executive	$5,219,936	$5,207,338	$5,047,295	$5,069,076	$5,237,295	$4,965,174
04 Department of Cable and Consumer Services	$1,667,705	$1,722,489	$1,408,364	$1,428,186	$1,330,364	$1,385,385
06 Department of Finance	$4,383,580	$4,241,038	$4,235,428	$4,304,607	$4,235,428	$4,378,982
08 Facilities Management Department	$10,553,370	$11,614,256	$10,605,370	$11,493,338	$11,369,591	$11,614,232
11 Department of Human Resources	$5,379,037	$5,451,386	$5,797,573	$6,153,412	$5,797,573	$6,508,807
12 Department of Purchasing and Supply Management	$3,576,445	$3,510,773	$3,470,081	$3,377,776	$3,401,901	$3,164,102
13 Office of Public Affairs	$1,293,810	$1,360,981	$1,254,996	$1,364,087	$1,187,206	$1,346,684
15 Office of Elections	$2,181,938	$1,911,318	$2,117,499	$1,755,490	$2,097,499	$2,583,705
16 Economic Development Authority	$3,137,414	$2,979,502	$3,137,414	$2,995,612	$3,137,414	$3,268,267
17 Office of the County Attorney	$6,187,750	$5,949,076	$5,974,425	$5,748,360	$6,006,103	$5,861,654
20 Department of Management and Budget	$2,530,989	$2,536,784	$2,530,989	$2,564,495	$2,520,989	$2,533,869
25 Business Planning and Support	$564,559	$549,946	$564,559	$487,180	$1,072,562	$983,447
26 Office of Capital Facilities	$8,862,576	$9,255,875	$8,862,576	$9,202,021	$9,008,757	$9,405,746
31 Land Development Services	$23,210,063	$18,474,497	$19,659,159	$16,560,110	$16,793,059	$16,138,801
35 Department of Planning and Zoning	$9,841,644	$9,909,429	$9,537,456	$8,266,228	$8,576,926	$8,437,315
36 Planning Commission	$501,988	$506,634	$454,791	$449,668	$454,791	$525,631
37 Office of the Financial and Program Auditor	$233,711	$133,240	$315,061	$258,546	$298,061	$300,499
38 Department of Housing and Community Development	$4,181,534	$3,737,385	$4,181,534	$3,699,295	$4,181,534	$3,476,986
39 Office of Human Rights and Equity Programs	$1,573,989	$1,464,972	$1,424,525	$1,330,430	$1,414,525	$1,362,027
40 Department of Transportation	$7,121,358	$7,315,217	$7,121,358	$7,584,235	$7,478,160	$7,406,036
41 Civil Service Commission	$337,550	$294,760	$337,550	$291,075	$337,550	$303,811
50 Department of Community and Recreation Services	$10,209,362	$9,500,953	$0	$0	$0	$0
51 Fairfax County Park Authority	$21,925,523	$20,246,448	$20,604,158	$19,575,929	$20,682,559	$19,787,324
52 Fairfax County Public Library	$22,558,100	$21,806,588	$19,933,088	$19,590,396	$19,884,843	$19,465,394
57 Department of Tax Administration	$15,718,261	$15,977,396	$15,718,261	$15,660,850	$15,863,261	$15,570,467
67 Department of Family Services	$74,931,570	$72,193,015	$72,900,518	$72,905,300	$79,315,179	$78,726,759
68 Department of Administration for Human Services	$8,915,848	$9,216,027	$8,979,576	$9,420,506	$9,329,576	$9,859,825
69 Department of Systems Management for Human Services	$5,199,423	$5,122,880	$0	$0	$0	$0
70 Department of Information Technology	$21,041,701	$21,142,360	$20,417,871	$19,721,349	$20,417,871	$20,235,058
71 Health Department	$32,924,164	$32,259,232	$33,354,238	$31,774,781	$33,684,168	$32,908,147
73 Office to Prevent and End Homelessness	$209,040	$252,472	$532,001	$484,732	$627,501	$675,300
79 Department of Neighborhood and Community Services	$0	$0	$14,473,595	$14,394,925	$14,938,932	$15,118,345

Agency	FY 2010 Adopted	FY 2010 Actuals	FY 2011 Adopted	FY 2011 Actuals	FY 2012 Adopted	FY 2012 Actuals
80 Circuit Court and Records	$8,152,015	$8,021,728	$8,034,599	$7,850,992	$8,034,599	$7,942,275
81 Juvenile and Domestic Relations District Court	$19,352,475	$18,155,322	$18,413,464	$17,624,319	$18,233,464	$18,011,993
82 Office of the Commonwealth's Attorney	$2,533,794	$2,383,999	$2,457,780	$2,362,215	$2,437,780	$2,405,188
85 General District Court	$1,429,696	$1,423,194	$1,165,865	$1,184,700	$1,165,865	$1,150,193
90 Police Department	$145,284,817	$143,654,308	$136,953,611	$141,254,029	$136,053,611	$142,739,313
91 Office of the Sheriff	$54,548,411	$48,696,738	$51,283,995	$48,524,785	$49,768,995	$48,742,315
92 Fire and Rescue Department	$145,455,326	$140,505,127	$137,322,180	$136,155,227	$137,822,180	$137,764,300
93 Office of Emergency Management	$1,132,292	$1,049,496	$1,060,060	$1,090,205	$1,180,060	$1,165,769
97 Department of Code Compliance	$0	$0	$0	$2,808,980	$2,995,837	$3,157,195
TOTAL GENERAL FUND	$698,492,046	$673,673,855	$665,948,300	$660,757,111	$672,679,006	$675,284,262

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Provide a comparison of the last three years adopted and revised budgets by funding categories: personnel, operating, capital and recovered costs.

Response: The charts below display the General Fund Adopted Budget, adjustments made to the budget throughout the fiscal year, and the Final Revised Budget by category for FY 2010 through FY 2013. It should be noted that the Revised Budget for FY 2013 is as of the *FY 2013 Third Quarter Review*.

FY 2010					
	Adopted	Reallocations	Carryover Adjustments	Third Quarter Adjustments	Final Revised
Personnel Services	$698,492,046	($1,123,156)	$708,914	($12,789,098)	$685,288,706
Operating Expenses	$342,761,017	$969,133	$49,834,874	($8,904,464)	$384,660,560
Recovered Costs	($49,581,746)	($305,030)	($582,386)	$5,922,758	($44,546,404)
Capital Equipment	$430,675	$459,053	$250,533	($133,704)	$1,006,557
Fringe Benefits	$216,886,165	$0	$20,026,907	($9,382,838)	$227,530,234
	$1,208,988,157	$0	$70,238,842	($25,287,346)	$1,253,939,653

FY 2011					
	Adopted	Reallocations	Carryover Adjustments	Third Quarter Adjustments	Final Revised
Personnel Services	$665,948,300	($2,360,772)	$1,000,524	($3,528,178)	$661,059,874
Operating Expenses	$339,317,773	($526,304)	$47,100,116	$1,143,280	$387,034,865
Recovered Costs	($45,283,240)	($321,755)	$0	$846,395	($44,758,600)
Capital Equipment	$0	$2,754,331	$204,969	$0	$2,959,300
Fringe Benefits	$233,626,678	$454,500	$17,354,188	($454,500)	$250,980,866
	$1,193,609,511	$0	$65,659,797	($1,993,003)	$1,257,276,305

FY 2012					
	Adopted	Reallocations	Carryover Adjustments	Third Quarter Adjustments	Final Revised
Personnel Services	$672,679,006	($3,707,466)	$9,798,522	$223,000	$678,993,062
Operating Expenses	$345,473,612	$3,574,279	$48,466,480	($280,000)	$397,234,371
Recovered Costs	($44,628,451)	($218,750)	$43,927	$180,000	($44,623,274)
Capital Equipment	$0	$351,937	$936,725	$0	$1,288,662
Fringe Benefits	$262,890,861	$0	$3,146,346	($3,000,000)	$263,037,207
	$1,236,415,028	$0	$62,392,000	($2,877,000)	$1,295,930,028

FY 2013					
	Adopted	Reallocations	Carryover Adjustments	Third Quarter Adjustments	Third Quarter Revised
Personnel Services	$714,690,142	($888,375)	$117,128	$2,693,605	$716,612,500
Operating Expenses	$350,157,414	($196,466)	$35,820,567	($9,051,024)	$376,730,491
Recovered Costs	($46,637,404)	$560,300	$213,548	$296,693	($45,566,863)
Capital Equipment	$28,590	$317,470	$171,265	$0	$517,325
Fringe Benefits	$285,503,060	$207,071	$1,900,000	($3,834,929)	$283,775,202
	$1,303,741,802	$0	$38,222,508	($9,895,655)	$1,332,068,655

Response to Questions on the FY 2014 Budget

Request By: Supervisor Gross

Question: Provide additional detail on the Human Services Council request for employment services funding that support the housing blueprint.

Response: The Human Services Council requested $900,000 to fund employment services to support the targeted FY 2014 Housing Blueprint goals. Included in the Housing Blueprint is the THRIVE initiative. The goal of THRIVE is to ensure that individuals and families are provided not only affordable housing but are connected to services and supports offered by other County agencies or non-profit organizations that help them succeed and become self-sufficient. These programs are designed to help residents better manage their money; train for a new job; pursue college or other training; become a better parent; learn English etc.

As part of the THRIVE initiative, the Fairfax County Redevelopment and Housing Authority (FCRHA) has been designated by the U.S. Department of Housing and Urban Development (HUD) as a Moving to Work agency. The Moving to Work designation gives FCRHA the flexibility to try new and more efficient ways of delivering affordable housing and is intended to achieve three main goals:

- Reduce costs (for both program administrators and participants) and achieve greater use of federal funds;
- Give incentives to families with children where the head of household is working, is seeking work or is preparing for work by participating in job training, educational programs or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

In an effort to meet these goals, the Moving to Work designation also gives FCRHA the ability to combine federal Public Housing and Housing Choice Voucher funds to better address the purposes of the housing programs while also meeting the needs of the community.

The funding requested by the Human Services Council is intended to supplement work being done as part of the THRIVE initiative and specifically targets the homeless population. Individuals who are homeless require different approaches and employment models compared to individuals in stable housing who are unemployed or underemployed. However, it has not been determined whether this funding can be applied to an existing employment and training program (modified to address the specific needs of homeless individuals) or whether a new program will need to be developed. The Housing Support Services Committee (comprised of County and non-profit services providers) will review all options and determine how best to utilize the funding. Additionally, it still needs to be decided which County agency will administer the program, as well as what, if any, additional staff resources will be needed.

Since the employment model has not yet been developed, an alternative to funding this request would be to use any remaining FY 2013 General Fund one-time balance from the Office to Prevent and End Homelessness (OPEH). Any remaining balance from OPEH could be carried over to FY 2014 to pilot a program specifically targeting employment services for homeless individuals. This would be one-time funding; therefore, additional baseline funding will need to be identified in FY 2015 and beyond if the program was successful. Additionally, FY 2015 budget guidelines could include language directing staff to explore how current HUD funding could be effectively re-purposed to address the Moving to Work designation.

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: If Virginia participates in an expansion of Medicaid funding what would the impact be on the County's budget?

Response: One component of the Patient Protection and Affordable Care Act (ACA) is the expansion of Medicaid to cover individuals at 138 percent of the Federal Poverty Level (FPL) by 2014. However, the Supreme Court has ruled that states can choose whether or not to expand their Medicaid programs (i.e. states can opt out of the Medicaid expansion). Virginia is still undecided on whether it will participate in Medicaid expansion; however, the House of Delegates and Senate did amend the state budget to include the ability to expand the state's Medicaid program. This move will allow state officials to begin talks with federal officials regarding flexibility in the Medicaid program. Additionally, Virginia can decide to participate in the Medicaid expansion at any time; however, it is anticipated that any expansion will not take effect before July 1, 2014.

In addition to the Medicaid expansion, the ACA also provides for Health Insurance Exchanges which will allow individuals with incomes less than 400 percent of FPL to receive subsidies for health insurance premiums and cost sharing. Unlike the Medicaid expansion, all states must implement the Health Insurance Exchanges, effective January 1, 2014, either by creating their own Health Insurance Exchange or having the federal government set-up and run the Health Insurance Exchange. At this time Virginia has decided to have the federal government operate the Health Insurance Exchange.

Below is a brief summary of the three human service agencies most likely impacted by the potential Medicaid expansion and implementation of the Health Insurance Exchange.

<u>Fairfax-Falls Church Community Services Board (CSB)</u>
In October 2012, the Virginia Community Services Board (VACSB) surveyed CSBs statewide to determine the number of individuals currently being served who may become eligible for benefits under the Medicaid expansion or the Health Insurance Exchanges. Fairfax-Falls Church CSB data as of October 1, 2012 reflects the following:

Category of CSB Consumers	Total Adult Consumers	Currently Covered by Medicaid	Medicaid Expansion (up to 138% FPL)	Health Insurance Exchange (up to 400% FPL)
Total (Unduplicated)	6,598	2,252	670	165
Mental Health	3,171	1,411	458	92
Substance Abuse/ Substance Use Disorders	725	90	11	0
Intellectual Disability	954	847	99	55
Outside of Program (e.g. emergency services)	1,935	2	102	18

Note: data does not include adult consumers with other types of insurance coverage

If Virginia implements the Medicaid expansion, the CSB anticipates that clinic option services (e.g., psychiatry, medication management, therapy/counseling) currently provided to individuals with serious mental illness and co-occurring disorders will be reimbursed by Medicaid. Based on the current Medicaid reimbursement rate of $48.63 for a standard medication management appointment, the CSB estimates a maximum increase of approximately $214,000 in annual revenue. Please note that estimates are based on current staff knowledge of how Medicaid expansion may be implemented as well as caseload and services provided on October 1, 2012. Changes in clients served, eligibility and services provided will affect actual revenues received.

Category of CSB Consumers	**Medicaid Expansion (up to 138% FPL)**	**Average Annual Visits**	**Medicaid Reimbursement Rate**	**Estimated Maximum Annual Revenue**
Mental Health	458	7.4	$48.63	$164,817
Substance Abuse/ Substance Use Disorders	11	7.4	$48.63	$3,958
Intellectual Disability	99	7.4	$48.63	$35,626
Outside of Program (e.g. emergency services)	102	1.9	$48.63	$9,424
Total				**$213,826**

In addition, the CSB may receive additional revenue for individuals participating in the Health Insurance Exchanges. As of October 1, 2012, the CSB provided behavioral health services to 165 adults who did not have health insurance but would potentially be eligible for coverage under the Health Insurance Exchanges. The CSB anticipates that the same traditional clinic option services previously described and currently provided to individuals would be reimbursable. Using the current CareFirst reimbursement rate of $27.10 for a standard medication management appointment, the CSB estimates a maximum increase of approximately $30,000 in annual revenue. Please note that estimates are based on current staff knowledge of how Health Insurance Exchanges may be implemented as well as caseload and services provided on October 1, 2012. Changes in clients served, eligibility, and services provided will affect actual revenues received.

Category of CSB Consumers	**Health Insurance Exchange (up to 400% FPL)**	**Average Annual Visits**	**CareFirst Reimbursement Rate**	**Estimated Maximum Annual Revenue**
Mental Health	92	7.4	$27.10	$18,450
Intellectual Disability	55	7.4	$27.10	$11,030
Outside of Program (e.g. emergency services)	18	1.9	$27.10	$927
Total				**$30,406**

It should be noted that if Virginia participates in the Medicaid expansion, the resulting increased demand for services would likely go unmet without a corresponding increase in service capacity. Without increased service capacity, consumers unable to access services in the community are likely to present to the CSB. In addition, given that some individuals newly covered under a Health Insurance Exchange are unlikely to be able to afford associated co-pays, they too may present to the CSB. Given static or declining

CSB service capacity, the CSB will be unable to meet the anticipated increase in service demand.

Health Department

It is estimated that if Virginia participates in the Medicaid expansion, approximately 25,000 to 30,000 people currently uninsured in Fairfax will now have healthcare coverage through Medicaid. However, the low number of physicians accepting Medicaid insurance, primarily due to low Medicaid reimbursement rates means there is already an inadequate supply of available physicians to meet current demand, let alone future projections anticipated with the Medicaid expansion. Therefore, in the current environment, a majority of the individuals now insured by Medicaid, as well as those who are still uninsured will continue to seek services through Community Health Care Network, Federally Qualified Health Centers, private providers, and free clinics.

With an increase in the number of individuals insured through Medicaid, the County may receive a slight increase in Medicaid revenue. For example, the County may now receive Medicaid reimbursement for individuals now covered under Medicaid who are receiving Adult Day Health Care and/or dental services. Assuming that County does not add additional positions to perform these or other Medicaid covered services, there will be a nominal increase in costs of supplies for these services.

Department of Family Services

If Virginia participates in the Medicaid expansion, over time there will be a significant increase in the number of new applicants applying for Medicaid. While ACA does move toward greater automation and thus it is estimated that 60 percent of the applications will be processed through an automated, self-service system, it is estimated that there still may be up to 13,000 new applicants that will need assistance via a case worker. Based on the number of new applicants actually received, how well the new automated system is able to handle of these new requests and other associated changes, additional staff may be needed since the Department of Family Services has already seen a significant increase in the number of applicants processed due to the recent downturn in the economy. As a result, the Department of Family Services may not be able to absorb a significant increase in new applicants within existing resources. Lastly, it is unclear whether any additional federal and/or state revenue will be received in order to address the additional applications.

It should also be noted that while Virginia at this point is not participating in the Medicaid Expansion, there are still other ACA provisions that must be implemented by January 1, 2014. As an indirect result of one of these provisions, DFS will be receiving approximately 9,000 additional cases that were previously being handled by a state contractor. Similar to the impact if Virginia participates in the Medicaid expansion, DFS may not be able to absorb this increased workload within existing resources.

There is also some potential to nominally increase Medicaid revenue in the Comprehensive Services Act (CSA) due to parents of Medicaid covered children now also being eligible for Medicaid. This will allow those parents to access outpatient therapy services through Medicaid, rather than CSA. However, similar to the Fairfax-Falls Church Community Services Board and Health Department, the limited number of providers participating in the Medicaid program will make it difficult to meet the needs of the expanded Medicaid population.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Were any of the positions which were converted to non-uniformed in the last 5 years converted back to uniformed?

Response: As part of the FY 2010 and 2011 budget processes, the Police Department's position total was reduced by a net total of 52 positions. In order to achieve the required reduction targets the Police Department also civilianized a total of 23 positions that had formerly been staffed with sworn personnel, generating $0.5 million in ongoing savings. Of this total, six were positions in the technical services bureau, eight were station logistics officers, and the remaining nine were in the personnel resources division. None of these 23 positions have been converted back to sworn positions. It should be noted that four of the eight Station Logistics Technician positions are included as reductions in the FY 2014 Advertised Budget Plan proposed by the County Executive. These positions were civilianized as part of the original plan noted above.

It should also be noted that both the Fire and Rescue Department and the Office of the Sheriff indicated that they did not convert any positions from uniformed to civilian during the last five years.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a list of all positions that have been vacant for more than 3 months, which are not managed vacancies. Please include the position function, the salary, the agency, and the length of time for which the position has been vacant.

Response: There are no positions that have been held vacant for more than 3 months that are not managed vacancies.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide the current inventory of seized vehicles that are able to be disposed.

Response: The Fairfax County Police Department currently has 75 seized vehicles that are operational and being used in various assignments within the Patrol Bureau and the Criminal Investigations Bureau (CIB). Assignments include surveillance for patrol level operations (stakeouts, Retail Anti-Theft operations, etc.) and for similar purposes (including undercover assignments) within CIB. Once these vehicles are no longer suited for street-level operations, some are sent to the Fairfax County Criminal Justice Academy and used to assist with both driver training and tactical training. This provides a tremendous cost-savings since funding these vehicles through a rental company would be cost prohibitive. At this point, none of these vehicles have been identified for disposal.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide an itemized list of all costs associated with all mail room functions to include processing of incoming and outgoing metered mail and inter-departmental mail, as well as delivering any mail within the same building or other buildings that may require a vehicle.

Response: Mail Services, within the Department of Cable and Consumer Services, operates with an annual budget of $745,330 as shown in the table below. With this budget, Mail Services processed over 11.4 million pieces of mail in FY 2012 including incoming U.S. mail, outgoing U.S. mail, and inter-office mail.

Mail Services operates four daily delivery routes, requiring vehicles to drop-off and pick-up mail at 263 stops across 106 addresses.

FY 2013 Adopted Budget for Mail Services:

	FY 2013 Adopted Budget	Notes
Compensation	$565,658	13 staff positions
Operating Expenses:		
Postage	$3,110,987	5,517,889 pieces of outgoing U.S. mail
Maintenance and Repair	51,313	Maintenance contract on two inserters
DIT charges	22,444	PC Replacement, phones
Pre-sorting/Courier Services	20,724	Pre-sorting fees, courier delivery
Equipment Lease	44,028	Lease of metering machines
Vehicles	33,774	Vehicle services charges
Supplies	7,389	Meter and packaging supplies
Total Operating Expenses	$3,290,659	
Recovered Cost	($3,110,987)	Postage expenses fully recovered
Total Expenses	$745,330	

- Processes over 11.4 million pieces of mail including incoming U.S. mail, outgoing U.S. mail, and inter-office mail.
  - 43,966 pieces of mail processed per day (average)
- Operates daily delivery routes to 106 addresses.
  - Four routes (215 stops) require County vehicles to deliver incoming mail and to pick up outgoing U.S. mail to be metered and pre-sorted for bulk-mail discounts at the Government Center mail room facility.
  - Government Center route (48 stops) delivers an average of 5,000 pieces of incoming mail per day.
  - Courts route processes and delivers over 19,000 pieces of mail on Mondays, following the weekend.
- Saves over $1.9 million annually by processing over 86 percent of outgoing U.S. mail at a discounted rate.

- Processes approximately 2.6 million tax notices, totaling over $1.7 billion annually, meeting state and County Code requirements for tax notice mailings.
- Delivers incoming U.S. Mail, inter-office mail, BOS packages, Print Shop boxes, Archive boxes, building plans, Library Talking Books for the Blind, and Library books.
- Processes Board of Supervisors newsletters, County purchase orders, vendor payments, and court documents.
- Processes Certified Mail, Express Mail, and UPS package delivery.
- Operates two mailing inserters, two mail metering machines, one tabbing/labeling machine, and one table top inserter.
- Conducts four daily trips to either Merrifield Post Office or Fairfax Post Office to pick-up and drop-off mail.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: When is the last time we performed an audit to determine the eligibility of beneficiaries on our health insurance plans?

Response: A full scale dependent audit was performed in 2007 for all participants covered under any of the County-sponsored health plans. Policies and procedures for enrolling dependents were modified at that time and now no dependents are added to an employee's coverage until the appropriate documentation has been received by the Benefits Division. All health plan enrollments are entered or approved (if elections are made through employee self-service) by Benefits Division staff. Any dependents that age out of eligibility are terminated automatically through rules programmed into the FOCUS HCM (Human Capital Management) system.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: What is the estimated first full year cost of the "Cadillac Tax" based on current health care plans?

Response: The “Cadillac Tax” is a provision of the Affordable Care Act that is designed to discourage high-cost plans by levying a tax on “excessive” benefits for tax years beginning after December 31, 2017. Plans may be subject to the excise tax if they offer insurance benefits that exceed the thresholds of $10,200 for individual coverage or $27,500 for family coverage. These thresholds may be adjusted for employers with above average populations of older workers or female workers, or that employ individuals in high-risk professions. The tax amount is 40 percent of the premium amount over the threshold, and it applies to both fully insured and self-funded plans.

The first full fiscal year in which the “Cadillac Tax” will be in effect is FY 2019. However, a reliable estimate of the FY 2019 impact on the County cannot be provided at this time due to uncertainty regarding the specifics of the tax. The Internal Revenue Service has not yet issued guidance related to the tax, and therefore questions remain regarding how it will be implemented. It is also uncertain whether any or all of the County’s health plans will be subject to the tax. Assuming 9 percent annual premium growth, the most expensive plan in the County’s current selection of plan designs is projected to exceed the thresholds for the excise tax. However, changes in plan design, improvements in cost containment, or more favorable premium growth over the next five years could reduce or eliminate the County’s exposure to the excise tax.

The Department of Human Resources will continue to study the impacts of the Affordable Care Act on the County, including the “Cadillac Tax” and other fees and taxes that the County may be subject to such as the Patient-Centered Outcomes Research Institute and the Transitional Reinsurance Program. Additional information will be provided to the Board of Supervisors as it becomes available.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: What is the annual surplus from the Wedgewood property?

Response: The Department of Housing and Community Development has provided the latest actual Income Statement (FY 2012) for Wedgewood that identifies a surplus of $132,663.07 after Board of Supervisors approved expenditures of $9,481,345.35 are deducted from Net Operating Income of $9,614,008.42.

Wedgewood Apartments **Income Statement (12 months)** Period = Jul 2011-Jun 2012	
	Total
Net Rental Income	**$9,404,379.69**
Other Income	**$209,628.73**
Total Income	**$9,614,008.42**
Total Operating Expenses	**$4,575,723.43**
Net Operating Income	**$5,038,284.99**
Non-operating Expenses	
Bridging Affordability Program	**-$4,318,400.00**
Capital Expenditures	**-$830,165.17**
Pre-paid accruals/Other	**$242,943.25**
Subtotal Non-operating Expenses	**-$4,905,621.92**
Net Cash Flow	**$132,663.07**

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: What is the FY 2014 source of the $5 million available for the Housing Blueprint?

Response: The Department of Housing and Community Development has indicated that an amount of $5 million is needed in FY 2014 to fund Housing Blueprint activities. This represents the funding gap for the acquisition/preservation of one or more multifamily properties. The property is not yet identified, but by providing the gap financing, non-profits and other affordable housing developers know that it is available which allows them to pursue purchase contracts and low-income housing tax credits.

The available resources to fund the Fund 30300, The Penny for Affordable Housing Fund $5 million gap include: real estate tax revenues of $1,875,037, miscellaneous revenues of $1,450,000, and an anticipated *FY 2013 Carryover Review* reallocation of $1,674,963 from the Wedgewood project.

Please note that as a result of the *FY 2012 Carryover Review*, the FY 2013 Housing Blueprint Project in Fund 30300 has a budget of $7.0 million. As of April 1, 2013, approximately $2.6 million has been used towards the gap financing for Mount Vernon House, a 130-unit multifamily property. An item will be prepared for the April 30, 2013 Board of Supervisors meeting to request that the remaining balance of $4.4 million be used for the rehabilitation of Murraygate Village.

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Why were the Computer Learning Center (CLC) sites at Annandale Terrace Elementary, Hybla Valley Elementary, and Mount Vernon Woods Elementary selected for closure over the other 9 sites. What is the anticipated impact on the students who currently attend these sites?

Response: The three Computer Learning Center (CLC) school-based sites were chosen for closure primarily due to the fact that the nine community-based CLC sites are available to serve the broader community, youth and adults, while the school-based sites are limited to just the students at those elementary schools. To maximize available technology offerings, Neighborhood and Community Services (NCS) has placed a priority upon school-day programming for adults and senior adults in its technology facilities (nine community-based CLCs and six Computer Clubhouses). Use of all facilities in the after-school hours is still focused upon youth participants, but expanding the use during the day has enabled NCS to reach a diverse group of users that otherwise may not have access to technology; the school-based sites are unable to provide such access. FCPS has the option to continue to provide some avenue of technology offerings at the three CLC school-based sites with some support from NCS, but if it chooses not to do so staff will try to redirect the impacted students to other after-school programs. These other programs may have associated fees (CLC is free), waiting lists, or may create transportation issues for the student depending upon location.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a list of all positions whose functions are primarily associated with external communications, internal communications, emergency communications, public information management, public affairs, external relations, internal relations, web content management, social media management, any communication policy development, and serving in any capacity as a point of contact for any media. The data should include salaries, title, agency, and scope of responsibility.

Response: Attached is a list of positions whose scope of responsibility are primarily associated with the duties listed above. Salaries are not listed for each individual, but the midpoint for the positions are identified in the table.

Title	Agency	Midpoint of Salary Range
Public Information Officer (PIO) III	Community Services Board	$83,755.15
Communications Specialist (CS) II	Community Services Board	$72,736.77
PIO III	Family Services	$83,755.15
CS III	Family Services	$83,755.15
CS II	Family Services	$72,736.77
CS II	Family Services	$72,736.77
CS II	Family Services	$72,736.77
Graphic Artist (part time)	Family Services	N/A
Administrative Assistant	Family Services	$43,603.25
PIO IV	Fire and Rescue	$92,038.13
Fire Captain I	Fire and Rescue	$94,562.62
CS II	Fire and Rescue	$72,736.77
Public Safety Information Officer (PSIO) IV	Health	$92,038.13
CS II	Health	$72,736.77
CS II	Health	$72,736.77
PIO II	Housing and Community Development	$72,736.77
CS II	Human Resources	$72,736.77
CS III	Library	$83,755.15
CS I	Library	$63,139.44
CS II	McLean Community Center	$72,736.77
Graphic Artist (part time)	McLean Community Center	N/A
Online Publications Assistant (part time)	McLean Community Center	N/A
Publications Assistant	Neighborhood and Community Services	$50,036.90
Watershed Specialist	NVSWCD	$63,139.44
CS II	Partnerships	$72,736.77
PIO III	Park Authority	$83,755.15
PIO I	Park Authority	$63,139.44
Internet Architect IV	Park Authority	$98,433.71
Instructor IV (non-merit)	Park Authority	N/A
CS II	Park Authority	$72,736.77
CS I	Park Authority	$63,139.44
CS I	Park Authority	$63,139.44
Vacant	Planning Commission	N/A
PSIO IV	Police Department	$92,038.13
PSIO III	Police Department	$83,755.15
Police Second Lieutenant	Police Department	$72,062.85
Master Police Officer	Police Department	$65,366.91
Police Officer II	Police Department	$62,388.56
Police Officer II	Police Department	$62,388.56
Police Officer II	Police Department	$62,388.56
Administrative Assistant II	Police Department	$43,603.25
PSIO IV	Public Affairs	$92,038.13
PIO IV	Public Affairs	$92,038.13
PIO IV	Public Affairs	$92,038.13
PIO III	Public Affairs	$83,755.15

PIO III	Public Affairs	$83,755.15
PIO III	Public Affairs	$83,755.15
PIO III	Public Affairs	$83,755.15
PIO III	Public Affairs	$83,755.15
PIO II	Public Affairs	$72,736.77
PIO II	Public Affairs	$72,736.77
PIO I	Public Affairs	$63,139.44
PIO I	Public Affairs	$63,139.44
PIO III	Public Works and Environmental Services	$83,755.15
PIO II	Public Works and Environmental Services	$72,736.77
CS II	Reston Community Center	$72,736.77
CS II	Retirement Administration	$72,736.77
PIO III	Sheriff	$83,755.15
Deputy Sheriff First Lieutenant	Sheriff	$80,791.98
PIO III	Transportation	$83,755.15
CS II	Transportation	$72,736.77
CS I	Transportation	$63,139.44

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a list of all publications produced by the County, FCPS, FCPA, and RHA that are mailed to more than 5,000 recipients. Please include the total costs of these publications, the number of recipients, and the frequency of the mailing.

Response: Attached is a list of publications mailed to more than 5,000 recipients that are produced by the County, including the Park Authority and Redevelopment and Housing Authority, as requested. The Fairfax County Public Schools' publications are included in a separate response that immediately follows the chart.

This list includes publications from FY 2012 and FY 2013, and also includes the funding source since many are not part of the County's general fund.

Publication List
compiled by OPA

Publication	Agency	Frequency	Copies Mailed	Total Annual Cost	Fund
Golden Gazette	Family Services	Monthly	18,407	$123,194	General
Housing Highlights	Housing	Annual	5,000	$15,000	Housing
Open Enrollment Guide and Postcard	Human Resources	Annual	18,000	$52,808	CareFirst reimbursed
Fall Program Guide	McLean Community Center	Annual	18,600	$23,789	MCC Tax District
Winter/Spring Program Guide	McLean Community Center	Annual	18,600	$23,397	MCC Tax District
Summer Camp Brochure	McLean Community Center	Annual	18,600	$8,986	MCC Tax District
Summer Program Guide	McLean Community Center	Annual	18,600	$20,894	MCC Tax District
Alden Theater Fall Season Brochure	McLean Community Center	Annual	18,600	$14,238	MCC Tax District
Alden Theater Spring Season Brochure	McLean Community Center	Annual	18,600	$9,528	MCC Tax District
ParkTakes	Park Authority	Quarterly	136,660	$606,740	Park Revenune
Flood Protection Information	Public Works and Environmental Services	Annual	20,000	$9,253	Recycling
Trash and Recycling Collection Guidelines for Sanitary Districts	Public Works and Environmental Services	Annual	44,010	$23,453	Recycling
Vaccum Leaf Collection Brochure	Public Works and Environmental Services	Annual	26,266	$7,370	Recycling
Benefits Statement	Retirement Administration	Annual	17,620	$2,428	General
Real Estate Tax Information	Tax Administration	2/year	208,000	$5,316	General
Convenient Ways to Pay	Tax Administration	Annual	725,000	$5,055	General
Tax Relief and Registration Fees	Tax Administration	Annual	725,000	$5,055	General
Delinquent Notice and Payment Options (Personal Property)	Tax Administration	Quarterly	290,000	$3,270	General
Delinquent Notice and Payment Options (Real Estate)	Tax Administration	Quarterly	27,200	$1,485	General
Dog License Application Instructions	Tax Administration	Annual	100,000	$1,154	General
Business Personal Property Tax Information	Tax Administration	Annual	60,000	$2,111	General
Business Professional and Occupational Licensce Information	Tax Administration	Annual	50,000	$2,434	General
Understanding Your Real Estate Assessment Notice	Tax Administration	Annual	376,000	$9,999	General
Tax Relief Qualifications and Application Process	Tax Administration	Annual	376,000	$2,995	General
Understanding the Assessment of Your Trailer, Boat or Airplane	Tax Administration	Annual	15,000	$488	General
Fairfax Connector 495 Express Lane Service	Transportation	One-time	10,000	$1,839	General

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a list of all publications produced by FCPS that are mailed to more than 5,000 recipients. Please include the total costs of these publications, the number of recipients, and the frequency of the mailing.

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

The chart below details the FCPS publications mailed to over 5,000 recipients each year, along with the number of recipients, frequency, total cost, and the FCPS fund utilized to pay for mailings.

Publication	Number of Recipients	Frequency of Mailing	Annual Cost	FCPS Fund
Employee and Retiree Briefings & Confirmation Statements	35,922	Once annually	$ 34,050	School Operating
ACE Class Catalogs (Fall, Winter, Spring, Summer)	399,538	Four times annually	$ 407,735	Adult and Community Education
Retiree Annual Summary Report	13,000	Once annually	$ 8,000	Educational Employees' Supplementary Retirement System of Fairfax County
Retiree Benefit Profile (Statement of Account)	27,000	Once annually	$ 17,000	Educational Employees' Supplementary Retirement System of Fairfax County
Retiree Review Newsletter	12,500	Twice annually	$ 14,000	Educational Employees' Supplementary Retirement System of Fairfax County
Free and reduced meal applications, fee waiver consent forms, and parent notification letters	147,000	Once annually	$ 65,000	Food and Nutrition Services
Elementary Summer Institute for the Arts Catalog (eIFTA)	36,660	Once annually	$ 12,827	Grants and Self-Supporting Programs
Summer Institute for the Arts Catalog (IFTA)	63,466	Once annually	$ 50,857	Grants and Self-Supporting Programs

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Please provide a five-year analysis of all FCPS end of year balances that were transferred back to the Board of Supervisors.

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

Attached is a chart that details FCPS' year end balances for FY 2008-FY 2012 as included as part of the County's Carryover Budget Review. These balances are approved to be carried forward and reappropriated in the succeeding year by the Board of Supervisors in supplemental appropriation resolutions.

It should be noted that no balances were transferred back to the Board of Supervisors.

Ending Balance Composition	FY 2008 ($ in millions)	FY 2009 ($ in millions)	FY 2010 ($ in millions)	FY 2011 ($ in millions)	FY 2012 ($ in millions)	Definition
Revenue	$2,250.3	$2,289.1	$2,262.8	$2,348.0	$2,371.6	
Set Aside for Beginning Balance	0	$5.7	$23.9	$33.9	$52.5	This is funding set aside in a prior year for a future year beginning balance.
VRS Reserve	0	$0.0	$0.0	$0.0	$45.0	When state officials set VRS rates lower than actuarially recommended to provide fiscal relief and declared that future year's would require repayment with interest, FCPS opted to establish a reserve to try to mitigate the financial impact of these decisions on future budgets.
Compensation Reserve	0	$0.0	$0.0	$0.0	$3.0	Fully expended to balance the FY 2012 budget.
Total Funds Available	**$2,250.3**	**$2,294.8**	**$2,286.7**	**$2,382.0**	**$2,472.1**	The total of revenue and funding set aside for future years' beginning balances.
Total Disbursements	**$2,144.4**	**$2,176.7**	**$2,097.0**	**$2,121.8**	**$2,215.6**	The total expenditures and transfers out to other funds.
Ending Balance	$105.9	$118.1	$189.7	$260.2	$256.5	Prior to actions at the final budget review
Less Actions from the Final Budget Review:						
Flexibility Reserve	$8.0	$8.0	$8.0	$8.0	$8.0	The School Board flexibility reserve is normally maintained at $8.0 million to meet unbudgeted needs. Any unused portion is carried forward to the next fiscal year with School Board approval. For this reason, the flexibility reserve is only reflected in the current year estimate and is not included in the approved budget totals.
Undelivered Orders	$33.1	$39.1	$57.5	$53.4	$46.0	An obligation of funding for orders where goods or services have not been received or performed as of June 30.
Automatic Carryover	$5.9	$15.7	$31.5	$29.6	$26.4	Unobligated funding from the current year that is moved forward to the next year. This form of carryover is reserved for schools and primarily covers their supply and hourly accounts. It allows schools the flexibility of multi-year planning for a portion of their funding and has been especially helpful during the economic downturn.
Unencumbered Carryover	$4.2	$3.4	$5.3	$7.0	$5.2	See "automatic carryover" with the exception that this funding must be requested by the department and approved by leadership. Also referred to as "critical needs" carryover, this is the avenue for schools and departments to carry forward funding to the next fiscal year for non-recurring costs. Examples include the carryover of the balance of special funds (equal opportunity, neediest kids, etc) and funding for change management training for the joint county-schools ERP project.
Grant Balances Carryover	$1.8	$0.0	$0.0	$0.0	$0.0	The unobligated balance available in a subsequent grant period. This funding must still be used for purposes as stated in the grant.
Centralized Textbook Fund	$0.0	$0.0	$0.0	$4.4	$7.7	Beginning in FY 2012, FCPS will centralize textbook purchasing starting with online social studies textbooks for middle and high schools. FCPS will fund the textbook license up front and reduce per-pupil textbook funding allocated to middle and high schools each year. At the end of six years, the up-front funding will be completely replenished.
VRS Reserve	$0.0	$0.0	$0.0	$45.0	$60.6	When state officials set VRS rates lower than actuarially recommended to provide fiscal relief and declared that future year's would require repayment with interest, FCPS opted to establish a reserve to try to mitigate the financial impact of these decisions on future budgets.
Compensation Reserve	$0.0	$0.0	$0.0	$3.0	$0.0	Fully expended to balance the FY 2012 budget.
Teacher Evaluation	$0.0	$0.0	$0.0	$0.0	$2.0	To meet the July 1, 2012, implementation deadline set by the Virginia Department of Education for school systems to provide a new teacher evaluation process, the FCPS' Teacher Evaluation Task Force has agreed that: the new evaluation instrument would be fair and reliable and the new evaluation process would promote growth. As required by VDOE: the evaluation would be rated at the level of each of Virginia's new seven standards (not at the indicator level as previously done in FCPS); the final evaluation would have one holistic rating; a conference with the teacher and evaluator would be required at the final evaluation; and clear direction and training would be provided to teachers and principals before the new evaluation process begins.
Clinical Support for Students	$0.0	$0.0	$0.0	$0.0	$0.4	Funding was provided to expand clinical support (psychologists and social workers) to schools to assist in special education eligibility assessments where volume is high; to coordinate community resources for high-need schools; and extend contracts for six social workers to manage intervention cases during the summer.
ACE Transfer	$0.0	$0.0	$0.0	$0.0	$1.0	The Adult and Community Education Fund ended FY 2012 with a shortfall of $1.0 million, primarily due to lower than projected tuition revenue . In the FY 2013 Approved Budget, ACE had restructured its course offerings, streamlined its administration, and reduced its staff. To support the FY 2013 projected revenue and expenditure assumptions, a one-time transfer increase of $1.0 million was provided.
School Board Placeholder for Management Audit	$0.0	$0.0	$0.0	$0.5	$0.0	A placeholder was established for future School Board directed management audit activities.
School Board Placeholder for Discipline Support	$0.0	$0.0	$0.0	$0.4	$0.0	A placeholder was established to enhance FCPS' efforts to provide academic support to students who are serving out of school suspensions.
Set Aside for Beginning Balance						An amount of funding identified from the current or prior years to assist with balancing the budget of the coming year.
FY 2009	$50.0					
FY 2010		$28.0	$0.0	$0.0		
FY 2011		$23.9	$53.5	$0.0		
FY 2012		$0.0	$33.9	$57.3		
FY 2013		$0.0	$0.0	$51.6	$57.5	
FY 2014					$41.6	
Total Available	**$2.7**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**Remaining available funding after all items above have been accounted for.**

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: What is the spend-down rate on FCPS bonds over the last five years? Are bond proceeds being spent yearly?

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

From FY 2008 to FY 2012, the percent of bond proceed spent has fluctuated between 61 percent and 113 percent.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Exp/Proceeds %	90%	87%	61%	113%	90%

Acknowledging lower expenditures in FY 2010, the bond sale funding request in FY 2011 was reduced to $130.0 million from $155.0 million. Looking ahead in the FY 2014 – FY 2018 Capital Improvement Program (http://www.fcps.edu/fts/planning/cip/cipbook2014-18.pdf), expenditures are projected to be $193.2 million, or 125 percent, in FY 2014 and $207.5 million, or 134 percent, in FY 2015. Expenditures in FY 2014 and FY 2015 that exceed bond proceeds will be funded utilizing the unspent proceeds from the prior years. Unspent proceeds in prior years can be attributable to the following factors:

1) Severe weather which delayed projects.
2) Delays in project starts due to various permitting challenges.
3) Project savings due to an unexpected continuation of favorable market conditions that provided bids at lower than estimated project budgets.

As savings occur and whenever possible, FCPS reschedules projects to start earlier than originally projected to further take advantage of favorable market conditions, while still considering the bond proceeds funding limits. Although project savings are useful for moving projects forward, the savings are not known until a project bid has been accepted or a project has been completed and closed.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a summary of the positions which were vacated by employees assigned to the FOCUS implementation project. Please indicate which of the vacated positions were filled with a person, or persons, other than the one who vacated the position because of their transfer to FOCUS, and the date filled.

Response: No positions were vacated by employees assigned to the FOCUS implementation project. Employees, and their positions, were detailed to the project to provide expertise and knowledge. At the conclusion of their contribution to the implementation of FOCUS, they returned back to their regular duties within the agency they were detailed from.

Subsequent to the implementation portion of FOCUS, 27 people have been reassigned from their daily duties to form the FOCUS Business Support Group (FBSG). These staff include:

Position	Agency	Count
Business Analyst II	DHR	1
Business Analyst III	DHR	3
Business Analyst IV	DHR	2
HR Analyst III	DHR	1
Administrative Assistant III	DMB	1
Budget Analyst III	DMB	1
Management and Budget Coordinator	DMB	1
Network Telecommunications Analyst II	DMB	1
Accountant III	DOF	2
Business Analyst I	DOF	1
Business Analyst II	DOF	3
Business Analyst III	DOF	3
Management Analyst III	DOF	1
Business Analyst I	DPSM	2
Business Analyst II	DPSM	1
Business Analyst IV	DPSM	1
Management Analyst I	DPSM	1
Management Analyst III	DPSM	1
	Total	**27**

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please provide a list of personnel which were removed from their standard duty assignment, and transferred to the FOCUS implementation project. The data should include: 1) the employee's title when assigned to FOCUS; 2) the agency from which the employee was transferred; 3) the employee's salary when transferred to FOCUS; 4) the period of time the employee was assigned to FOCUS; 5) the employee's salary when transferred from FOCUS; 6) the agency to which the employee was transferred immediately following their assignment with FOCUS; 7) the employee's title immediately following their assignment to FOCUS; 8) the employee's salary immediately following their assignment to FOCUS.

Response: The following list comprises County resources that were reassigned to support the implementation of FOCUS at least 95 percent of their time.

Last Name	First Name	Home Agency
Andrews	Sherry	DHR
Brown	Dawn	DHR
Emerson	Barbara	DHR
Ferritto	Joyce	DHR
Grieve	Evelyn	DHR
Hohmann	Emily	DHR
Marshall	Betty	DHR
Martin	Stephanie	DHR
Mundy	Millie	DHR
Pollack	Anne	DHR
Soto	Shenise	DHR
Spage	Cathy	DHR
Strike	Nonie	DHR
Suh	Anne	DHR
Yakel	Kristin	DHR
Bhatia	Pretti	DIT
Coulter	George	DIT
Creller	Randy	DIT
Dalby	Dianne	DIT
Friello	Dave	DIT
Goggin	John	DIT
Hallauer	Ron	DIT
Ho	Son	DIT
Klinger	Brodrick	DIT

Liu	Chang	DIT
Marfa	Ramoncito	DIT
Mukku	Sree	DIT
Reed	Charmaine	DIT
Sudeswaran	Ganapathi	DIT
Trainor	Julia	DIT
Zorger	Joan	DIT
Barr	Rob	DMB
Dunbar	Debra	DMB
Lee	Gray	DMB
Purks	Debbie	DMB
Wells	Mel	DMB
Oh	Deborah	DOF
Cummings	Karen	DOF
Finneran	Deirdre	DOF
Fout	Franklin	DOF
Lambert	Hal	DOF
Nguyen	Ngan	DOF
Oh	MiSook	DOF
Sampathkumar	Geetha	DOF
Slade	Diane	DOF
Summers	Erin	DOF
Zhi	Wendy	DOF
Comer	Joel	DOF
Comly	Mary Jane	DPSM
Dillow	Charles	DPSM
Lujan	Chris	DPSM
McMahon	Mary	DPSM
Roper	D'Arcy	DPSM
Sharma	Rita	DPSM

Response to Questions on the FY 2014 Budget

Request By: Supervisor Gross

Question: Provide an initial high-level summary of the potential fiscal impacts of the Report of the Bi-Partisan Election Improvement Commission.

Response: In late November 2012, the Board of Supervisors established the Bi-Partisan Election Process Improvement Commission to review operations during the 2012 Presidential election and to identify improvements and efficiencies to ensure access and convenience for voters in future elections. On March 19, 2013, the Commission forwarded its report to the Board of Supervisors. Included in the report are numerous recommend improvements that will require additional funding to implement in FY 2014 and/or future years.

In anticipation of the Commission's report, one-time funding of $720,000 which was provided as part of the FY 2013 Adopted Budget Plan for staffing and operating costs associated with the 2012 Presidential election was left in the agency's FY 2014 baseline Advertised budget. This funding has not yet been earmarked for a specific purpose within the Office of Elections in FY 2014 and is available to be used for any of the following recommendations the Board of Supervisors wishes to implement.

In addition, as part of the multi-year budget, an amount of $6.0 million has been identified for FY 2015 to begin the process of replacing voting machine equipment. Additional details on this are included below. Further, it should be noted that in the FY 2015 multi-year proposal, an amount of $575,000 and 7/ 7.0 FTE positions, including 2 election officer recruiters, an absentee voting position, a language coordinator, a supervisor, a technical position, and an administrative position are included as a placeholder pending recommendations from the Election Commission. None of these specific position increases were included in the Commission report and the determination of whether positions will be added to the Office of Elections will be considered as part of the FY 2015 budget development process.

Commission Recommendations with Estimated Fiscal Impact Range:

- *Purchase of Additional Electronic Pollbooks (EPBs):* Currently, the County owns approximately 620 EPBs. In order to meet the Commission's recommendation of 3 per precinct with a reasonable cache of spares, an additional 280 pollbooks are recommended, at an individual unit cost of $400-$600 apiece. Thus the high end hardware cost for securing pollbooks similar to what is currently in use is approximately **$168,000**. Currently, pollbook software licenses are covered by a State Board of Elections contract. This contract is due to expire this summer. While it is hoped that this cost will not be passed down to localities, in light of state budget challenges, this could add an additional $100-$200 per machine. In addition, given the Commission's recommendation for improved software, if alternative pollbooks are required, this would require significant additional funding. In future years, there will need to be planned equipment replacement (likely in the $100-$150K range annually) on an approximately four to five year cycle to replace pollbooks as they age.

- *Scanning Voter Registration Applications and Absentee Applications:* There is already $225,000 in the baseline FY 2014 budget for the multi-year process to scan/image voter registration applications into an electronic retrieval system. This was initially funded in the FY 2013 Adopted Budget; however, because of the challenges of the just concluded Presidential election, the front end work on this project will be commencing late in FY 2013. The FY 2013 funds will allow for the equipment purchase, start-up, and training-related costs. It was always anticipated that the significant work of scanning/imaging both existing records as well as all new ones would begin in FY 2014 and the baseline funding level will allow this project to proceed; however, the Office of Elections requested an additional **$100,000** on top of the baseline funding to expedite the process of scanning the approximately one million existing voter registration records. It should be noted that additional future-year funding would be required to expand this project to cover absentee applications as well (as recommended by the commission). There are several challenges that absentee applications present that would likely need to be worked through prior to commencing the scanning/imaging of absentee applications.

- *Explore Increased Election Officer Compensation:* The commission recommended that this be considered after investigating whether increased compensation would have a significant impact on recruiting additional Election Officers. The Commission noted that a survey of former election officers might provide useful information. For a frame of reference, in their FY 2014 budget submission, the Office of Elections stated that to stay competitive with peer jurisdictions, an increase in the range of 25-50 percent is needed (base pay needs to increase from the current $100 to $125 - $150, chiefs need to receive $250-$300 for the day, and assistant chiefs would go up accordingly. In addition, rover pay should also be increased, though they are paid on an hourly basis so there would not be such a dramatic percentage impact.) For primary and general elections annually, this would require funding of approximately **$400,000**; special and other non-routine elections would increase this cost.

- *Acquire Sufficient Privacy Booths for Voting:* Using an estimate of an additional 10 per precinct, roughly 2,400 would be required. The question here is whether to purchase more of the cardboard tabletops currently in use with a very short shelf life at roughly $10/each, or a total first-year cost of **$24,000**; more elaborate cardboard booths at roughly $20/each, or a first-year total of $48,000; or whether to purchase hard-case booths, which cost roughly $200 each, or $480,000 total. The latter option would likely not be recommended as the increased durability comes at a significantly higher cost. It should be noted that the cardboard tabletop (first) option does not allow for those who would prefer to stand while marking the ballot, as the tabletop cardboard privacy booths are placed on whatever tables are available within the precinct.

- *Ballot-On-Demand Printing at Satellite Locations:* This recommendation would enable satellite in-person absentee voting locations to print ballots on site as needed. It is not yet clear what would be required to implement, since different vendors have very different approaches to the ballot-on-demand technology. Each satellite location would likely require a minimum of two specialized machines. Just using one vendor's example, a total of sixteen machines for the satellite locations, plus two backups, at a cost of roughly $10,000 apiece, results in a cost estimate of approximately **$180,000**. It should be noted that this is a *very* rough estimate. Another vendor's solution would result in a lower machine cost, but a higher number of machines needed. Many of these ballot-on-demand machines do not incorporate high speed printing, so print time may delay voters significantly if there are not sufficient machines. There may be some partial offsetting savings in ballot printing as enough ballots have to be printed and sent to each satellite location to account for whatever ballot may be needed depending on the address of the voter who shows up to vote absentee. Finally, the ballot-on-demand system would best be incorporated into the purchase of the one, integrated voting system, not only to ensure a system that will work well together, but also because it is more likely to result in a better price for the system as a whole than could be achieved by purchasing such a system separately.

It should be noted that the total cost of the five bullets above is $872,000. Any portion of this amount can be supported with the $720,000 which was originally provided as part of the FY 2013 budget for staffing and operating costs associated with the 2012 Presidential election which still remains in the agency's FY 2014 baseline budget.

FY 2015/FY 2016: Replacement of Voting Machines:

- Fairfax County currently uses a hybrid voting system consisting of an optical scan unit combined with two or more accessible direct recording electronic voting machines (DREs) for each precinct. The average lifecycle of DREs is 5-7 years. The DREs in use in Fairfax County were purchased 8 years ago, and additional units cannot be purchased as 2007 changes in Virginia law now require a voter verified paper audit trail. The existing DRE units were "grandfathered" but the law does not allow for the purchase of additional units. Moreover, the company is no longer in business, so even if state law changed, the County is unable to purchase enough additional units to meet voter demand.

  The average lifecycle of optical scan equipment is 10-15 years. Some of the scanners in use in Fairfax were purchased new in 1996. The bulk of the scanners were purchased as used equipment in 2008 and the Office of Elections is uncertain how old these machines are. The optical scan system is able to last longer, but as long as the DRE system is being replaced it would be significantly preferable to buy one integrated system to be used throughout the County. Unlike the DREs, these scanners are likely to have quite a number of interested purchasers in a resale.

  Whatever new system is procured by Fairfax County will be required by Federal law (Help America Vote Act of 2002) to contain an electronic solution that allows access for disabled voters, as well as those for whom English is not their primary language, to vote without assistance by another. It is anticipated that the new system should utilize electronically scanned ballots, and be an integrated system that is fully accessible to voters with disabilities. The Commission report recommended having the equipment purchased and in place in time for the November 2015 election, so that voters and Election Officers will gain experience using the new voting equipment before the next Presidential election in 2016.

  In order to meet this timeline, funding would be needed in FY 2015/2016 to procure a new system. Until the bid process and negotiations are further along, it is difficult to give a specific cost total; however, the Office of Elections has estimated an initial cost of $10 - $12 million, with some ongoing maintenance and contractual/licensing costs on top of that. Whatever amount for which the existing equipment can be sold will be used to partially offset these costs. As noted above, as part of the multi-year budget, an amount of $6.0 million has been identified for FY 2015 to begin the process of replacing voting machine equipment. A similar amount will likely be required in FY 2016, depending on final specifications and negotiations.

<u>Other Commission Recommendations with Long Term Fiscal Implications:</u>

- *Voting Equipment Replacement Fund:* In order to mitigate the need for large one or two year totals to replace voting equipment, consideration should be given to establishing a Voting Equipment Replacement Fund, similar to those for vehicles. In order to calculate how much would be needed on an annual basis it would be necessary to know the anticipated life cycle of the equipment and the estimated cost of replacement at the end of that time period. For example if equipment had a ten year life cycle and the replacement cost at the end of that period was estimated at $15 million, it would be necessary to put aside $1.5 million per year for 10 years.

- *Increase Satellite Voting Times:* The main costs associated with this recommendation are staff costs and the main need is in Presidential election years; however there may be some minimal costs in FY 2014 if the decision is made to extend satellite voting hours in the fall 2013 elections.

- *Support Agency Costs:* Rapidly changing technology, legal requirements, space requirements, and communication needs in this field will likely require the support of the County's Department of Information Technology, County Attorney's Office, the Facilities Management Department, the Office of Public Affairs, and the Fairfax County Public Schools as well as other support agencies. Cost implications still need to be determined.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: Please list the annual revenue for each of the affordable housing programs in the County for 2011 and 2012. Please identify each housing program, its revenue, its operating cost, and its current debt.

Response: The Department of Housing and Community Development (HCD) has provided the FY 2011 and FY 2012 audited CAFR documents that display revenues, operating expenses and current debt for the five affordable housing programs: Public Housing; Housing Choice Voucher; Fairfax County Rental Program; Elderly Housing and the Partnership Program. It should be noted that the audited CAFR figures submitted by HCD may differ from those figures published in Fairfax County Budget Plans for the affordable housing programs primarily because those financials include not only FCRHA-managed properties, but also third-party contract managed properties as well.

Please see the attached spreadsheets with the requested information.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
FY 2011 Statement of Revenues, Expenses and Changes in Net Assets
June 30, 2011

	Public Housing Program	HCV Program	Fairfax County Rental Program	Elderly Housing	Partnership Program	FCRHA Total
Revenues:						
Rent and Other	$ 5,419,101	$ 57,357	$ 17,276,891	$ 4,558,969	9,917,589	$ 37,229,907
Federal Contributions	4,798,195	49,325,122	814,365 [1]	-	186,878	54,310,195
County Contributions	-	-		1,989,225	627,341	3,430,931
Total Revenues	**10,217,296**	**49,382,479**	**18,091,256**	**6,548,194**	**10,731,808**	**94,971,033**
Operating Expenses:	**9,157,409**	**49,169,752**	**12,501,183**	**6,166,878**	**10,331,978**	**87,327,200**
Operating income/(loss)	**$ 1,059,887**	**$ 212,727**	**$ 5,590,073**	**$ 381,316**	**$ 399,830**	**$ 7,643,833**
Non-operating expenses						
Contribution to Bridging Affordability Program	-	-	(4,118,400)	-	-	(4,118,400)
Contribution to Crescent Debt Service	-	-	(900,000)	-	-	(900,000)
Total Non-operating Expenses	**$ -**	**$ -**	**$ (5,018,400)**	**$ -**	**$ -**	**$ (5,018,400)**
						-
Income/(loss) before depreciation	$ 1,059,887	$ 212,727	$ 571,673	$ 381,316	$ 399,830	$ 2,625,433
Depreciation Expense	1,788,998	-	1,053,955	648,677	2,445,778	5,937,408
Bonds, notes, loans and other payables [2]						
Current	-	-	485,286	275,000	11,502,671	12,262,957
Long Term	-	-	6,382,125	6,235,000	56,251,987	68,869,112
Total	**$ -**	**$ -**	**$ 6,867,411**	**$ 6,510,000**	**$ 67,754,658**	**$ 81,132,069**

[1] Federal Contribution reflects CDBG funding for property renovations

[2] Debt does not include Crescent or Wedgewood Apartments.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
FY 2012 Statement of Revenues, Expenses and Changes in Net Assets
June 30, 2012

	Public Housing Program	HCV Program	Fairfax County Rental Program	Elderly Housing	Partnership Program	FCRHA Total
Revenues:						
	$ 5,713,862	$ 98,230	$ 17,664,564	$ 5,599,914 [5]	$ 10,318,687	$ 39,395,260
Federal Contributions	3,169,543 [1]	52,524,498	-	-	176,214	55,870,256
County Contributions	-	-	-	2,004,183	690,934	2,695,117
Total Revenues	**8,883,405**	**52,622,728**	**17,664,564**	**7,604,097**	**11,185,835**	**97,960,633**
Operating Expenses:	**$ 9,041,826**	**$ 51,775,620**	**$ 11,961,267**	**$ 6,327,687** [3]	**$ 10,842,141**	**$ 89,948,541**
Operating income/(loss)	**$ (158,421)**	**$ 847,108**	**$ 5,703,297**	**$ 1,276,410**	**$ 343,694**	**$ 8,012,092**
						-
Non-operating expenses						
Contribution to Bridging Affordability Program	-	-	(4,318,400)	-	-	(4,318,400)
Contribution to Crescent debt service	-	-	(900,000)	-	-	(900,000)
Total Non-operating Expenses	**$ -**	**$ -**	**$ (5,218,400)**	**$ -**	**$ -**	**$ (5,218,400)**
One-Time Non-operating Expense/Contribution [2, 3]	**$ -**	**$ -**	**$ (5,000,000)**	**$ -**	**$ 5,338,673**	**$ 338,673**
Income/(loss) before depreciation	$ (158,421)	$ 847,108	$ (4,515,103)	$ 1,276,410	$ 5,682,367	$ 3,132,365
Depreciation Expense	$ 1,724,545	$ -	$ 1,024,590	$ 648,376	$ 3,029,089	$ 6,426,600
Bonds, notes, loans and other payables: [4]						
Current	$ -	$ -	$ 413,192	$ 283,000	$ 4,284,901	$ 4,981,093
Long Term	-	-	6,000,653	5,777,000	55,087,007	66,864,660
Total	**$ -**	**$ -**	**$ 6,413,845**	**$ 6,060,000**	**$ 59,371,908**	**$ 71,845,753**

[1] Federal Contributions reflects reduction as compared with prior fiscal year due to HUD reserve recapture.

[2] One-time Non-operating expense in support of Fund 319.

[3] One-time capital contribution received by the Olley Glen partnership from its limited partner.

[4] Debt does not include Crescent or Wedgewood Apartments.

[5] In FY 2012, HCD entered into a contract with CSM for the management of the Lincolnia senior property. Both revenues and expenses reflect increases associated with this initial funding.