

Fire and Rescue Department

LOB #240:

FISCAL SERVICES

Purpose

The Fiscal Services LOB within the Business Services Bureau provides financial oversight to the department through budget management, governance of accounting processes, grants coordination and administration of the EMS Transport Billing Program. Fiscal Services' goal is to ensure the availability of appropriate and adequate financial resources so department personnel can provide the highest quality public safety services to the public.

Description

The Fiscal Services Division is comprised of four sections.

Budget Section coordinates the Department's annual budget process. Staff works closely with each FRD Division or Section to plan for both immediate and long-term needs. Throughout the year, Fiscal Services regularly monitors expenditure and revenue activities; coordinating with cost center management to initiate corrective action should trends indicate any potential over-expenditures or revenue shortfalls. The section provides day-to-day oversight for requisition of major capital equipment and various large expenditures.

Accounting Section ensures compliance with County fiscal policies and procedures for contractual, utility, and inter/intra fund billings. This section supports the Procurement Card Program, oversees the Department's gift fund, prepares documents necessary to seek reimbursement for Presidential Disaster Declarations or any other billable deployments in response to requests from outside organizations, and manages the travel and training program.

Grants Section serves as financial manager for more than \$10 million in State and Federal Grant funds and is the Department's liaison with grantor organizations, ensuring adherence to application development, financial reporting and programmatic requirements. Grants staff process award documents to obtain acceptance, authorization and spending authority in compliance with actions required by the Board of Supervisors, ensure compliance with financial and program reporting requirements, issue grant adjustment notices, and close out grants in accordance with established procedures. Current funding sources include Virginia Department of Fire Programs - Aid to Localities, Virginia Department of Emergency Services - Four for Life Grant, U.S. Federal Emergency Management Agency (FEMA) for the Assistance to Firefighter Grant Programs (AFG), Urban Areas Security Initiatives (UASI), State Homeland Security Grant Program (SHSGP), and Public Safety Interoperability Communications (PSIC). Fiscal Services grant staff work closely with the Urban Search and Rescue financial managers, under the Operations Bureau, to coordinate annual County grant budget processes.

EMS Transport Billing Section administers a highly successful program generating revenue of approximately \$17 million dollars annually. Transport Billing staff manages the multi-million dollar billing services contract, oversees all revenue accounting and reconciliation processes, establishes and maintains business relationships with insurance companies and hospitals, and provides public outreach, and assistance to Fairfax County residents on all aspects of the billing program. Since the inception of the program Transport Billing staff has actively engaged with surrounding jurisdictions to share information and coordinate billing processes whenever feasible.

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Benefits

The Fiscal Services Division exists to ensure taxpayer monies are expended in a responsible manner in order to provide the best emergency response capability to residents and visitors of Fairfax County. This includes ensuring FRD follows all financial County policies and procedures, Board of Supervisors guidance, and federal, state and local financial reporting requirements.

Management of the EMS Transport Billing program affords the County with a consistent revenue collection of approximately \$17 million each year. The staff is able to adjust to changes in federal and state billing requirements for billing and privacy while providing a direct contact for the citizens.

Mandates

This Line of Business is not mandated.

Trends and Challenges

While FRD struggles to maintain existing service levels as a result of budget challenges, this struggle is further compounded by substantial increases to the cost of goods and services essential to daily operations. FRD continues to absorb costs of several new programs as well as the cost increases associated with existing programs.

Additionally, the ability to support equipment replacement and training initiatives through the use of entitlement grant funds has significantly decreased as a result of shifting funding for critical programs to grants in response to budget challenges. This is a concern as grant funding sources have been repeatedly threatened during the Commonwealth of Virginia's annual legislative process with proposals to reduce or eliminate programs for redirection to other state initiatives.

Competitive grant funding opportunities have begun to decline as the federal government authorizes less funding to support homeland security. FRD depends on funding from the Urban Areas Security Initiative (UASI) to support several regional initiatives; without this funding source the National Capital Region (NCR) Incident Management Team, NCR Radio Cache Team, and Regional Intelligence Analyst would no longer be able to operate.

Dependence on these funding sources for basic operational needs places the department at risk as the funding to support grant programs is reduced or eliminated.

Moving forward the EMS Transport Billing program faces both challenges and opportunities. The impact of the Patient Protection and Affordable Care Act (PPACA), commonly called the Affordable Care Act (ACA), is still unknown in terms of revenue collection. Although the program has allowed more people to have insurance, many of the plans have high deductibles. FRD's challenge will be to adjust and transform to meet the changing healthcare environment while sustaining Transport Billing collection levels, cost effectively, without sacrificing the program's values.

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Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #240: Fiscal Services			
FUNDING			
Expenditures:			
Compensation	\$909,058	\$892,405	\$894,005
Operating Expenses	652,519	689,002	1,011,650
Total Expenditures	\$1,561,577	\$1,581,407	\$1,905,655
General Fund Revenue	\$16,623,967	\$17,927,017	\$17,879,225
Net Cost/(Savings) to General Fund	(\$15,062,390)	(\$16,345,610)	(\$15,973,570)
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	10 / 10	10 / 10	10 / 10
Total Positions	10 / 10	10 / 10	10 / 10

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
EMS Billing Revenue collected	\$16.6M	\$16.6M	\$17.9	\$17.9M	\$17.9M
EMS Billing Program costs as a percentage of revenue	6.7%	5.5%	5.5%	5.5%	5.5%
Accounts Receivable (AR) dollars collected annually excluding fees for service	\$3.8M	\$4.9M	\$7.1M	\$7.1M	\$7.1M
Value of Grants awarded	\$7.9M	\$10.0M	\$11.5M	\$10M	\$8M
Percent variance between adopted and actual expenditures	1%	0%	0%	0%	0%

Transport billing staff manages the multi-million dollar billing services contract, oversees all revenue accounting and reconciliation processes, establishes and maintains business relationships with insurance companies and hospitals, and provides public outreach and assistance to Fairfax County residents on all aspects of the billing program. Success of the program is visible through the annual revenue generated and the low overhead cost associated with administering the program.

Accounts Receivable (AR's) are money owed by customers to the Fire and Rescue department for services that have been delivered but not yet paid for. Examples include funding from other entities for positions such as FRD's Intel Analyst position, usage of FRD's WelFit Center for candidate testing by other jurisdictions, and reimbursement for grant fund obligations such as the departments Incident Management Team and Radio Cache. This metric reflects dollars billed annually by the Fiscal Services Division Accounting section to recuperate FRD costs. Projections remain constant as additional reimbursement opportunities have not been identified.

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FRD's highly successful grants program manages more than \$10 million dollars in state and federal grant programs in addition to private foundation grants. Funding over the past few fiscal years has increased as a result of being awarded three consecutive Staffing for Adequate Fire and Emergency Response (SAFER) grants. The FY 2017 projection was reduced as it is unclear at this time if FRD will apply for the next SAFER grant.

The Fiscal Services division strives to ensure FRD's budget is in balance and it allocates its resources in a manner consistent with the department's priorities and goals. FRD's goal is to have a percent variance no more than 1 percent between adopted and actual expenditures. This continues to prove challenging as a result of shrinking budget and increasing demands. In FY 2013 and prior, FRD was averaging a variance of 1 percent, this figure decreased in FY 2014 and is projected to remain constant as FRD continues to struggle with meeting its public safety obligations while remaining within budget.

Grant Support

Assistance to Firefighters Grant Program

The Federal Emergency Management Agency (FEMA) manages the Firefighters Grant Program that has been providing assistance to fire departments for over a decade. Firefighter grants were originally authorized under the Defense Authorization Bill of 2001, Public Law 106-398, which amended Section 33 of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. 2201 et seq. This program supports the Country's national preparedness goal to prevent, protect, respond, and recover from both terrorist attacks and catastrophic natural disasters. The purpose of the Firefighters Grant program is to enhance, through financial assistance, the safety of the public and firefighters regarding fire and fire-related hazards.

There are three distinct programs authorized under the auspices of the Firefighters Grant Program. Assistance to Firefighters Grant (AFG), Fire Prevention and Safety (FPS), and Staffing for Adequate Fire and Emergency Response (SAFER) Grant. The Fire and Rescue Department has been the recipient of multiple awards, since the program's inception, that have helped sustain training, hiring, and prevention and life safety efforts.

Since 2002, FRD has received in excess of \$1.9 million from AFG to support critical training programs and purchase training equipment. Most recently the department was awarded funding for a multi-story burn container, functional training systems, and to increase the number of trained peer fitness trainers in order to improve safety, performance and quality of life for fire service personnel.

FPS supports projects that enhance the safety of the public and firefighters from fire and fire-related hazards. The primary goal is to reduce injury and prevent death among high-risk populations.

Since 2007, FRD has received \$324,676 to support and promote Safety In Our Community (SIOC). To support the SIOC campaign, FRD purchased and distributed door hangers with seasonal life safety messages; purchased and installed smoke alarms and carbon monoxide detectors. FPS funding also was utilized to expand the Visual Smoke Alarm program that furnishes and installs visual alarms in households with hearing-impaired residents. Additionally, FPS funding ensured all operational firefighters and fire marshals are properly trained at the Fire Alarm and Sprinkler Systems Training (FASST) Lab. This training is designed to teach operational firefighters and inspectors how to properly inspect alarm and sprinkler systems throughout the County.

SAFER, created in 2005, provides funding to assist local fire departments with staffing and deployment capabilities in order to respond to emergencies, assuring communities have adequate protection from fire and fire-related hazards as prescribed by the National Fire Protection Association (NFPA) standards. Achieving industry standard staffing levels will increase firefighter safety, reduce injuries and provide citizens with the best chance of rescue and survival. NFPA 1710, section 5.2.2.2.1, states truck companies shall be staffed with a minimum of four firefighters, yet FRD's trucks were only staffed with three firefighters.

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In consecutive years, FY 2012, FY 2013, and FY 2014, FRD received nearly \$10 million from SAFER to staff trucks with a fourth firefighter paramedic. FRD added the fourth member to the truck to accomplish critical fire ground tasks on-scene safely, efficiently, and effectively. Additionally, the fourth on the truck has resulted in increased Advanced Life Support (ALS) capacity, providing on-scene ALS care more quickly.

Virginia Department of Fire Programs

FRD receives an annual entitlement, through the Virginia Department of Fire Programs (VDFP) - Aid to Localities (ATL). For over a decade, FRD has received in excess of \$32 million for fire services training; constructing, improving, and expanding regional fire service training facilities; public fire safety education; purchasing firefighting equipment or firefighting apparatus; purchasing protective clothing and protective equipment for firefighting personnel. Program revenues may not be used to supplant County funding for these activities. This program serves residents of Fairfax County as well as the Towns of Clifton and Herndon. Fire Programs supports 10/8.8 FTE positions and provides funding for several critical programs, including:

- Basic Training Program - Responsible for the training of all new members through 24 to 26 weeks of classroom studies, fire ground practice, and physical fitness training.
- Command Competency Program - Implemented to provide officers with real-life emergency scenarios so they can enhance their fire ground incident command skills.
- Life Safety Education - Plays the important role of presenting life safety education programs to members of at-risk populations, including over 20,000 preschool and kindergarten students, 11,000 students enrolled in the Fairfax County School-Age Child Care Program, and 11,000 or more senior citizens.
- Fire Alarm Systems and Sprinkler Testing (FASST) Lab - Program designed to teach operational firefighters and inspectors how to properly inspect alarm and sprinkler systems throughout the County.
- Apparatus Replacement Program - Fire Programs has been leveraged more recently to offset the increased expenses associated with purchasing and maintaining apparatus.
- Self-Contained Breathing Apparatus (SCBA) Program - FRD's current SCBA equipment and components cannot be retro-fitted to achieve compliance with the latest standards and will require complete replacement. Funding has been designated to assist with the purchase of new SCBA equipment.
- Career Development Program - Career Development is designed to ensure firefighters achieve necessary higher education in order to promote to senior levels of leadership and management. Fire Programs funds 100 percent of FRD's career development program.

Return to Locality - Four for Life

This funding is legislated by the Code of Virginia § 46.2-694 which stipulates that an additional \$4 per year is charged and collected at the time of vehicle registration and set aside as a special fund to be used only for emergency medical services (EMS) purposes. These funds support a variety of medical response and training programs, however the primary stream of funding received by Fairfax County is derived from the 26 percent of funds collected that are allocated to the "Return to Locality" fund. As required by the Code of Virginia, Return to Locality funds, usually referred to as Four for Life, are returned to the locality in which the passenger vehicle is registered. There are 134 recognized localities throughout Virginia (95 counties and 39 cities). Annually, as required by Code, each locality must submit a report to Office of Emergency Medical Services on the use/distribution of those funds prior to receiving additional funds. The purpose of the fund is to provide funding for training of volunteer or salaried emergency medical service (EMS) personnel of licensed, nonprofit emergency medical services agencies and for the purchase of necessary equipment and supplies for use in such locality by licensed, non-profit emergency medical services agencies. The funds may not be used to supplant local funds.

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Annually the County receives slightly over \$900,000. The funding is typically utilized to support purchase of medical equipment such as defibrillators, automatic chest compression devices, and power operated cots to transport patients. Training initiatives range from ongoing mandated, basic EMS continuing education to advanced paramedic certification training for both career and volunteer first responders. The Police Department Helicopter Squadron is allocated a portion of the funds to support ongoing equipment purchases and EMS training for the police medical crews assigned to the County's helicopter squad. More recently funds have been leveraged to offset the increased expenses associated with medic units in an effort to assist the County with stabilizing the Ambulance Replacement Fund.

Homeland Security Grant Program

The purpose of the Homeland Security Grants Program (HSGP) is to support state and local efforts to prevent terrorism and other catastrophic events and to prepare the nation for the threats and hazards that pose the greatest risk to the security of the United States. Two programs under HSGP, Urban Areas Security Initiative (UASI) and State Homeland Security Grant Program (SHSGP) have primarily funded initiatives benefitting the County.

The UASI Program assists high-threat, high-density urban areas in efforts to build and sustain the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from acts of terrorism. The UASI program is intended to provide financial assistance to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and to assist these areas in building and sustaining capabilities to prevent, protect against, mitigate, respond to, and recover from threats or acts of terrorism using the Whole Community approach. Fairfax County, located within the National Capital Region, is designated as one of the top 10 Tier One areas, which makes it one of the regions in the Country most at risk of suffering a terrorist attack.

Since 2003, FRD has received funding in excess of \$42 million to support and maintain several important regional and local initiatives focusing on Personal Protective Equipment (PPE), ongoing radio interoperability, ongoing training for the National Capital Region (NCR) Incident Management Team (IMT), and ongoing funding for an intelligence analyst at the Northern Virginia Regional Intelligence Center.

The State Homeland Security Grant Program (SHSGP) assists state, tribal and local preparedness activities that address high-priority preparedness gaps across all core capabilities where a nexus to terrorism exists. All supported investments are based on capability targets and gaps identified during the Threat and Hazard Identification and Risk Assessment (THIRA) process, and assessed in the State Preparedness Report (SPR).

Since 2004, FRD has received over \$4.2 million in funding for ongoing support of communications interoperability and hazmat and technical rescue response.