



# County of Fairfax, Virginia

## MEMORANDUM

DATE: January 12, 2016

TO: Board of Supervisors

FROM: Edward L. Long Jr.  
County Executive

SUBJECT: Lines of Business

As you know, the 2016 Lines of Business (LOBs) exercise is the first step of a multi-year process to shape the County's strategic direction and validate County priorities. The LOBs process will cross multiple years and consist of two phases. Initially, LOBs are anticipated to be used to educate readers on the array of services provided by Fairfax County and to begin discussions at the Board of Supervisors (Board) and community levels regarding which programs/services should be more closely evaluated. Phase 2 will focus on programs/services to be reviewed for improved efficiency and effectiveness and direction of staff to create project plans around implementation of recommendations from the Board. Ultimately, the Board will be better positioned to approve a sustainable financial plan to invest in the County's future success.

In summary, the timeline for the LOBs process is as follows:

Phase 1

- Presentation and discussion of LOBs (January – April 2016)

Phase 2

- Next steps identified by the Board (January – April 2016)
- Project plans/timelines developed by staff (April – June 2016)
- Reports to the Board on projects (Fall 2016 – July 2017)

As we begin the discussion, I want to put the LOBs process in context. The \$7 billion budget of the County includes a vast array of programs and services to support the diverse population of more than one million people. Essentially, LOBs is one way in which to inventory, catalog and examine these programs and services. It is important to note that LOBs are typically more discrete than the County budget and provide more information on specific functions of the County.

The ultimate linkage of this discussion to the budget is in the context of eight years of budget reductions that have resulted in the elimination of more than 700 positions and \$300 million. More detail on recent budget reductions can be found at: <http://www.fairfaxcounty.gov/dmb/budget-reductions.htm>. Any additional reductions will need to be made with the recognition that the County's priorities will be impacted and, thus, thorough evaluation is needed. As a result of the LOBs discussion, I am confident that the community and the Board will be fully informed of the impacts associated with specific decisions. We anticipate that the discussions generated as a result of LOBs will result in projects that will inform the multi-year budget processes in the near future. Staff will present the recaps from the discussions as part of the wrap-up meeting on April 1, 2016.

The County has 390 Lines of Business covering all funding sources focusing on the approximately 47 percent of the General Fund that is non-school, as well as all other non-General Fund County services. The complete list of LOBs from #1-390, as well as completed LOBs documents, are available at <http://www.fairfaxcounty.gov/budget/2016-lines-of-business.htm>. This information is typically organized by County department; however, it is also available in a number of different ways to attempt to customize access to a variety of readers, many of whom may not be inclined to read through the entire narrative for a department but may only be interested in a specific program within a department or a category of service provided by the County. A detailed explanation of the ways to access the information may also be found on the website. Two complete sets of LOBs documents will be delivered to Board offices on January 14, 2016. We have produced a limited number of documents anticipating that the majority of readers will utilize the online tools discussed above. In order to facilitate dissemination of information on the online tools, we have printed LOBs Citizen's Guides to provide a brief overview of the process and lay out the means of accessing the LOBs information online. Copies of the Citizen's Guide are attached. If you need more copies of the Citizen's Guide, please contact Bill Yake at [William.Yake@fairfaxcounty.gov](mailto:William.Yake@fairfaxcounty.gov).

The other 53 percent of the General Fund is directly utilized in support of the Fairfax County Public Schools (FCPS). The intersection of the County LOBs process with FCPS is joint work on several cross-cutting areas to identify opportunities:

- Transportation services
- School Health services
- Behavioral Health services

This joint work with FCPS is also anticipated to cross multiple years. Staff will present first phase recommendations at a joint meeting of the respective Boards in March 2016.

The development of the LOBs is a monumental task involving staff throughout County government. Staff has been working on the process since 2014. One of the important objectives of providing information such as an inventory of services is to present information comprehensively and in a consistent manner. However, one of the primary goals of the LOBs process is to have County departments tell their respective and collective stories. Therefore, the framework of the LOBs is consistent from department to department, but depending on the specific LOBs, departments have taken different approaches to laying out the information and have chosen which sections on which to focus. In addition, in the case of services that cross multiple funds, such as Housing, Transportation, Parks, Solid Waste, Wastewater, and Benefits to Employees and Retirees, some LOBs have been consolidated across multiple funds and funding streams to tell the story more comprehensively and to aid in telling the story more clearly for readers.

To assist in the development of the LOBs process this year, I appointed a committee of 18 employees from across the organization. The committee was not intended to represent every department, but instead to provide a wide breadth of experience and expertise in the County. The committee has provided valuable input on the details of the process, as well as served as a link to the wider County organization to ensure inclusion of all departments.

#### **LOBs DOCUMENTS:**

The LOBs documents include a brief department/fund overview as well as detailed information about each individual line of business.

#### **Department/Fund-Level Information**

Each narrative in the LOBs volumes begins with department/fund-wide information before drilling down into information specific for each line of business.

*Department/Fund Overview* – A statement of what the department does and the department’s relationship to the County Vision Elements.

*Resources* – A summary table of funding and positions for the entire department/fund, including FY 2014 and FY 2015 Actuals and the FY 2016 Adopted Budget.

*Lines of Business Summary* – A listing of all of the individual LOBs, including FY 2016 Adopted Budget summary level funding and position information for each LOB.

### **LOB-Specific Information**

*Purpose* – A statement of why the LOB is performed.

*Description* – A statement of what the LOB is and how it is performed.

*Benefits* – An explanation of the benefits of the LOB.

*Mandates* – A presentation of relevant mandates.

*Trends and Challenges*

- Trends: changes in demographics, urbanization of the County, application of new technologies to service delivery, service trends and demand, business area trends
- Challenges (both past and future): Funding constraints, funding streams (e.g., Federal and State), changing rules and regulations (e.g. Federal and State mandates), operational impacts driven by funding reductions, recruitment issues, infrastructure issues, constraints on service delivery, demand for services, state technology systems, anticipated changes in demographics

*Resources* – A summary table of funding and positions for the LOB, including FY 2014 and FY 2015 Actuals and the FY 2016 Adopted Budget.

*Metrics* – Metrics to illustrate how efficiently and effectively the LOB is performed in the context of the Trends and Challenges. This information is provided in a table and with a summary explanation. If available, metrics are provided for 5 years, including FY 2013 Actuals, FY 2014 Actuals, FY 2015 Actuals or Estimates, FY 2016 Estimates, and FY 2017 Estimates. Metrics focus on Service Quality, Efficiency, and Outcome measures.

### **Alignment with County Vision Elements**

In addition to summarizing the services that are provided, the initial phase of the LOBs discussion has also aligned all County LOBs to the County’s Vision Elements. Fairfax County has been working on a number of initiatives over the last ten years to strengthen decision making and infuse a more strategic approach into the way business is performed. These initiatives include developing an employee Leadership Philosophy and Vision Statement which was designed to help employees focus on the same core set of concepts.

As a result, seven “Vision Elements” for the County were developed and have been a part of the budget process for over a decade. These Vision Elements are intended to describe what success will look like as a result of the County’s efforts to protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County. The Vision Elements were chosen since they were designed to include the entire universe of what the County does (outside of the support to FCPS).

It is important to note that the alignment process is not a scorecard but rather is designed to show how important LOBs are to achieving the Vision Elements. Individual LOB alignments also show how resources

are allocated in relation to the Vision Elements. In the aggregate, LOB alignments demonstrate how programs support the County's Vision Elements as currently defined. The intent of the alignments is to promote a more structured discussion of the LOBs, to provide yet another means of accessing the LOBs, and to assist in navigating the next phases of the LOB process, including reviewing LOBs for efficiencies and effectiveness and framing a long-term funding strategy. Summary information from this alignment is also provided in the LOBs documents.

#### **LOBs DISCUSSION:**

The Board of Supervisors will receive presentations of the LOBs beginning on January 19, 2016. The complete schedule of LOBs presentations can be found at <http://www.fairfaxcounty.gov/budget/2016-lines-of-business.htm>. Prior to each day of presentations, the PowerPoint documents will be made available on the website as well.

The focus of the presentations will be departments telling their stories. There will be a detailed discussion with focus on trends, challenges, metrics, and issues facing the department and its LOBs. These presentations are an opportunity for discussion with the Board, to have questions answered, and for the identification of items for the next steps. In addition to the discussion of LOBs we will also discuss other issues of importance to the Board such as General Fund Revenues and Compensation and Benefits. In advance of the General Fund Revenue discussion we have scheduled for January 19, I have attached an updated copy of the "Fairfax County Revenue Sources Guide."

At the same time, input from the community will be solicited. The goal is for a very broad-based community involvement. There will be online opportunities for detailed review of documents and submission of questions. In addition there will be meetings throughout the County to share the details of the first phase of the process and direct the community to the online opportunities. Details will be shared not only as part of the budget meetings that occur in February, March, and April sponsored by Board members, civic associations, and community groups, but there will also be three focused presentations in the community to respond to Frequently Asked Questions (FAQs) and to solicit input. The focused presentations will be held on March 12 at the South County Government Center (9-11:30 am) and on March 19 at the Providence Community Center (9-11:30 am) and the Government Center (1-3:30 pm) and will provide more detailed discussions on LOBs.

Finally, a survey instrument is being developed to solicit additional ideas and input. It is anticipated to go live in mid-February.

If a member of the community has a particular comment or question as they are reading a LOB, they can submit that information to the County. From these submissions, staff will develop FAQs and responses will be placed online. Suggestions for areas of review will be forwarded to the Board. Staff will also manage a LOB Q&A process for the Board and will provide responses in written form as they are compiled. In addition, staff will maintain a list of all Board comments so that when the Board is ready to define the next steps, they can refer to points that were made early in the discussion, as well as all the responses to FAQs, LOB Q&As, and suggestions from the community and the results of the survey.

The goal for this first phase of LOBs is that the Board will focus the input and give direction to staff to lay out next steps. Staff will then develop phase 2 calendars and a work plan based on this input. Ultimately, the Board will discuss a sustainable financial plan to pay for services and invest in Fairfax in future years based on the discussion that begins with LOBs. I look forward to this discussion with the Board. If you have any questions as we get started, please give me a call.

Attachments

cc: David P. Bobzien, County Attorney, Office of the County Attorney  
Joseph M. Mondoro, Chief Financial Officer and Director, Department of Management and Budget  
Patricia D. Harrison, Deputy County Executive  
David J. Molchany, Deputy County Executive  
David M. Rohrer, Deputy County Executive  
Robert A. Stalzer, Deputy County Executive  
Tony Castrilli, Director, Office of Public Affairs  
Catherine A. Chianese, Assistant County Executive and Clerk to the Board of Supervisors  
Christina Jackson, Deputy Director, Department of Management and Budget  
Ellicia Seard-McCormick, Deputy Director, Department of Management and Budget