



County of Fairfax, Virginia

MEMORANDUM

DATE: February 28, 2017
TO: Board of Supervisors
FROM: Joseph M. Mondoro, Chief Financial Officer
SUBJECT: Responses to BOS Budget Questions – Package 3

Attached for your review is Package 3 of responses to Board questions on the FY 2018 budget. If you have any questions or need additional information, please do not hesitate to contact me. The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	<i>Budget Questions 1-5 answered in package 1 dated November 18, 2016</i>		<i>1-7</i>
	<i>Budget Questions 6-7 answered in package 2 dated January 18, 2017</i>		<i>8-9</i>
Budget-8	Provide current staffing levels for Private-Public Partnership/Joint Venture Projects.	Herrity	10-11
Budget-9	Please provide a summary of the impact on Fairfax-Falls Church Community Services Board (CSB) employment and day service consumers with intellectual (ID) and developmental disabilities (DD) for the remainder of FY 2017 and in the transition year of FY 2018. How will staff disseminate this information to impacted consumers and the community?	Bulova	12-13
Budget-10	Referencing the Nonresidential Equalization chart on slide 27 of the County Executive's budget presentation, please provide additional information on the cause of decreasing values in the "Industrial" category.	McKay	14

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 2018 Budget

Request By: Supervisor Herrity

Question: Provide current staffing levels for Private-Public Partnership/Joint Venture Projects.

Response: In Fairfax County, there are six primary agencies that have lead responsibility for Public-Private Partnerships and Joint Ventures (P3/JV) projects: Department of Public Works and Environmental Services, Department of Transportation, Department Housing and Community Development, Department of Planning and Zoning, the Fairfax County Park Authority, and the Office of Community Revitalization. Many other County agencies are involved as well, including: Office of the County Attorney, Office of Public Affairs, Neighborhood and Community Services, Office of the County Executive, and the Department of Purchasing and Supply Management.

The County is currently managing approximately 30 pending, under development, or recently completed projects. Each project is a unique confluence of resources which vary depending upon the desired outcome, partnership, and desired deliverable. On average a project team consists of a core team of five staff members, an extended team of 20 additional staff which provide subject area expertise and skills, and an executive leadership team consisting of senior County management to provide policy recommendations as required.

There are a number of staff who provide support for P3/JV projects. The level of staff involvement and time commitment varies based upon project requirements. Staff that are working on P3/JV projects and related activities for 50% or greater of their position hours include:

- Department of Public Works and Environmental Services – Public Private Partnerships Branch within the Building Design and Construction Division (7 Full Time Equivalent (FTE) positions). These positions support economic development and revitalization goals, improve development process timelines, and respond to development opportunities.
- Department of Housing and Community Development – Design, Development and Construction Division (2 FTE). These positions foster the creation of affordable and workforce housing by the private sector and support economic development and revitalization goals. Staff support the acquisition, preservation, development, and redevelopment of affordable housing through public-private partnerships.
- Office of the County Attorney – Public Private Partnership Section (4 FTE). These positions assist in the planning and negotiation of P3/JV projects and staff the increased volume of these complicated transactions. These positions also provide significant support to the Fairfax County Redevelopment and Housing Authority and the Department of Housing and Community Development.

- Office of the County Executive – P3/Joint-Ventures Policy Coordinator (1 FTE). This position reviews the overall P3/JV process within Fairfax, coordinates information and shares knowledge and practices across the organization, and assists with development of new policies and practices to ensure ongoing process improvement to create value for the County and community.

Response to Questions on the FY 2018 Budget

Request By: Chairman Bulova

Question: Please provide a summary of the impact on Fairfax-Falls Church Community Services Board (CSB) employment and day service consumers with intellectual (ID) and developmental disabilities (DD) for the remainder of FY 2017 and in the transition year of FY 2018. How will staff disseminate this information to impacted consumers and the community?

Response: On July 16, 2016, the Board of Supervisors directed CSB to provide equal access to services to individuals with Developmental Disabilities (DD) as to individuals with Intellectual Disabilities (ID) per Medicaid Waiver Redesign and the Department of Justice Settlement Agreement. Given the projected number of individuals newly eligible for services and the projected fiscal impact, the Board also directed CSB to develop specific options for creating an equitable and sustainable service model that could be implemented in a phased approach. At the February 21, 2017, Board of Supervisors Health, Housing and Human Services Committee meeting, CSB presented the primary components of an equitable and sustainable service model to be phased in over the FY 2017-2018 period as follows.

Mandated Support Coordination Services

In addition to \$0.4 million and 4/4.0 FTE positions included in the FY 2017 Adopted Budget Plan, the FY 2018 Advertised Budget Plan includes funding of \$2.3 million and 22/22.0 FTE positions for mandated support coordination services. Barring any changes to the latter and based on current information, CSB anticipates no additional resources will be required in FY 2018 to provide equal access to mandated support coordination services in compliance with Federal/State requirements. To project resource needs past FY 2018, CSB is developing a staffing model based on volume, intensity, scope and duration of mandated services provided to mandated populations as well as ancillary services provided to non-mandated populations.

Non-Mandated Services

Given that the current program design for non-mandated services is unsustainable, CSB will implement priority access guidelines *for new participants only* for residential as well as employment and day services effective no later than July 1, 2018, the beginning of FY 2019.

Residential Services

Under the new guidelines for residential services, including drop-in and respite, new participants with a Medicaid Waiver will have priority access. New participants without a Medicaid Waiver who demonstrate exceptional hardship will be served within current appropriations for this specific level of service based on risk to the individual's health, safety and current level of independence. As available funding is exhausted, individuals will be waitlisted for services using the same criteria.

Employment and Day Services

Likewise, under the new guidelines for employment and day services, new participants with a Medicaid Wavier will have priority access. New participants without a Medicaid Waiver who demonstrate exceptional hardship will be served through funding set aside by the Board of Supervisors based on objective determinations of need by the CSB Employment Services Panel within corridors of service level. As available funding is exhausted, individuals will be waitlisted for services in order of individual/family need and in programs incentivizing less restrictive/more integrated services.

To ensure sufficient advance notice of the new guidelines so that families and providers may prepare, the new guidelines will apply as follows:

Recipients	Application of New Guidelines
Current Service Recipients	No change
June 2017 FCPS Graduates	No change
June 2018 FCPS Graduates	Subject to New Priority Access Guidelines
All Other Individuals Applying for Services	Subject to New Priority Access Guidelines <u>no later than July 1, 2018</u>

Based on current estimates, CSB anticipates up to 609 new participants will be eligible for services between now and July 1, 2018, including June 2017 special education graduates of Fairfax County Public Schools (FCPS), at an estimated total annual cost of up to \$6.7 million in FY 2018. Since CSB and FCPS staff began transition planning for June 2017 graduates in early FY 2017, the June 2017 graduates will not be affected by the new priority access guidelines. As mentioned on February 21, referrals for services from adults in the community began recently. Assuming demand for services grows marginally and given the length of time required to develop a service plan, identify an appropriate placement, and for services to begin, CSB anticipates being able to serve all eligible new participants in FY 2018 by utilizing the existing Medicaid Waiver Redesign Reserve. It should be noted that CSB anticipates additional non-recurring funding will be available to supplement the current \$2.5 million Medicaid Waiver Redesign Reserve at the close of FY 2017. As part of the *FY 2017 Carryover Review*, CSB will provide additional details on the effective date of the new priority access guidelines for all other individuals.

Communication Plan

CSB will communicate the new priority access guidelines primarily through the following: CSB Support Coordinators, the FCPS Department of Special Services, Department of Aging and Rehabilitative Services, the CSB IDD Committee, and email distribution lists to DD case management, residential and employment and day service providers, advocacy groups and other health and human services Boards, Authorities and Commissions. In addition, CSB will post information on its website and Facebook page.

Response to Questions on the FY 2018 Budget

Request By: Supervisor McKay

Question: Referencing the Nonresidential Equalization chart on slide 27 of the County Executive's budget presentation, please provide additional information on the cause of decreasing values in the "Industrial" category.

Response: Overall, the industrial properties decreased by 0.26 percent between January 1, 2016 and January 1, 2017. The figure is made up of the values from three industrial property types: Industrial-Warehouse, Special Use Industrial and Industrial-Flex.

The Industrial-Warehouse properties increased overall from January 1, 2016 to January 1, 2017 by 3.12 percent and are comprised of the traditional warehouse product. They account for approximately 60 percent of the total January 1, 2017 Industrial equalization value.

In the same period, the Special Use Industrial properties decreased overall by 1.27 percent. Due to lack of reliable income and expense data these properties are typically valued using the cost approach and decreased due to depreciation. They account for approximately 4 percent of the total January 1, 2017 Industrial equalization value.

The Industrial-Flex properties decreased overall by 5.36 percent and are comprised of properties that may have more of an office component than standard warehouse properties. They account for approximately 36 percent of the total January 1, 2017 Industrial equalization value. These properties are appraised using rates that are more comparable to office buildings in terms of vacancy, expenses, and cap rates. The cap rates for the flex properties are approximately 100 basis points higher than the traditional warehouse properties. If they had vacancy above 50 percent, they were also given an additional 100 to 150 basis point increase on their capitalization rate this year along with office properties. Higher cap rates result in lower assessments.