

# Advertised Budget Summary

## ECONOMIC OVERVIEW

### Nationally

The U. S. economy expanded at rates of 4.2 and 3.4 percent in the second and third quarters of 2018, respectively, and economic growth likely remained robust in the last quarter of 2018. As the economy continued to add jobs at a solid clip throughout 2018 and the beginning of 2019, with 304,000 jobs added in January, the unemployment rate dipped to levels not seen since 1969. The current economic expansion, buttressed by strong consumer spending thanks to rising wage growth and strong labor market gains, is the second longest in history at 116 months. Economists expect a slowdown in growth in 2019 due to tighter financial conditions and a fading fiscal stimulus from the federal tax reform approved in 2018.

With continued strength in the labor market and economic activity rising at a healthy rate, the Federal Reserve raised the federal funds rate four times throughout 2018. The rate now stands at a range of 2.25 percent to 2.5 percent and the Fed has indicated that two interest rate hikes are possible in 2019. The Federal Open Market Committee, which sets the rates, assured that it will "continue to monitor global economic and financial developments and assess their implications for the economic outlook."

### Fairfax County

After a slow recovery from the Great Recession and sequestration, Virginia's economic performance picked up the pace in 2018. The increase in federal government contract spending as a result of the Bipartisan Budget Agreement of 2018 bodes well for Virginia's economy in the short-term. In addition, attracting Amazon's HQ2 to Northern Virginia is expected to provide a boost to the region's economic performance, spur innovation and further diversify the economy away from federal spending dependency.

Employment gains in the Washington region were above the historical average in 2018. Three sectors – professional and business services, education and health services, and leisure and hospitality – outperformed their historic job growth pattern in 2018. In Fairfax County, the unemployment rate fell to 2.2 percent as of November 2018, down from 2.8 percent in November 2017. According to estimates from IHS Markit, the County's Gross County Product (GCP), adjusted for inflation, increased at a rate of 2.1 percent in 2017, and growth accelerated to an estimated 2.7 percent in 2018.

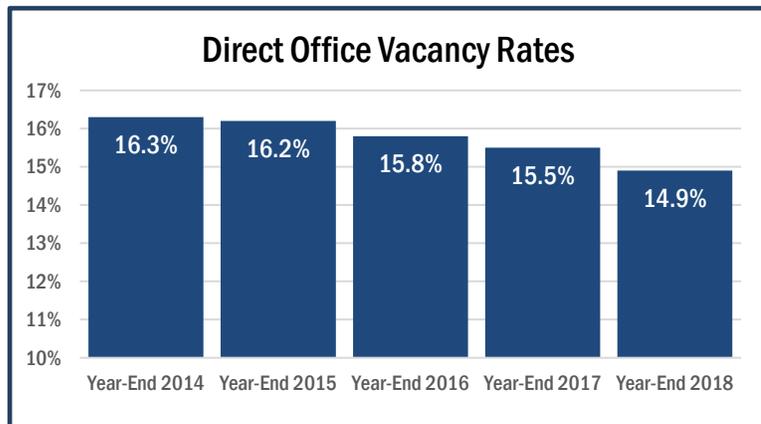
The region's economic outlook for 2019 became a lot more uncertain due to the 35-day partial government shutdown in the beginning of the year. According to Dr. Stephen Fuller, a George Mason University professor, 40 percent of the region's 360,000 federal workers were furloughed or worked without pay and 25 percent of the federal contractor workforce was laid off during the shutdown. While the full impact of the shutdown in the long-term is unclear and hard to quantify, it did impact the economy negatively in the short-term as a result of reduced spending by federal workers. Some of the costs were also transferred to local governments in the form of higher public assistance expenditures and lower tax revenues. Further headwinds for the local

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and national economy during 2019 include the decelerating global markets, higher interest rates, increased market volatility and trade policy uncertainty. In addition, what adds to future uncertainty is a divided Congress that will need to tackle the expiration of the debt ceiling suspension on March 1, 2019, and the return of the sequester-level discretionary spending caps on October 1, 2019.

Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose 1.9 percent from \$567,829 in 2017 to \$578,723 in 2018. Home prices continue to increase primarily as a result of tight inventory of homes for sale. Since 2009, the average home sales price has risen 38.7 percent, or an average annual growth of 3.7 percent. MRIS also reported that 15,683 homes sold in the County in 2018, down 2.6 percent from 2017. Homes that sold during 2018 were on the market for an average of 52 days, down from 61 days in 2017.

In the County's nonresidential market, according to the Fairfax County Economic Development Authority, the direct office vacancy rate at year-end 2018 was 14.9 percent, down from 15.5 percent at year-end 2017. The overall office vacancy rate, which includes empty sublet space, was 15.5 percent at year-end 2018, down from 16.3 percent recorded at year-end 2017. The amount of empty office space fell to 18.4 million square feet. Industry experts expect vacancy rates to remain relatively stable through 2019 as tenants monitor economic conditions and the direction of the federal budget.



At year-end 2018, office development continued around Metro stations in the Silver Line corridor and in other areas of the County as well. Six office buildings totaling more than 1.5 million square feet were underway in three submarkets in December 2018. The amount of new space delivered in 2018 – more than 1.5 million square feet – exceeded the roughly 870,000 square feet delivered in 2017. Office leasing activity topped 9.6 million square feet by the end of 2018. As has been the case for the past several years, the overwhelming majority of leasing activity during 2018 involved renewals and consolidations. Lease rates for new space are adjusting to market conditions as many tenants are taking advantage of favorable rates, and others are looking to capitalize on market conditions by consolidating operations in newer space near Metro stations. Submarkets along and near the Silver Line – Tysons, Reston and the Herndon area – are especially well-positioned to take advantage of this trend.

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## FY 2020 GENERAL FUND BUDGET SUMMARY

Based on the current Real Estate Tax rate of \$1.15 per \$100 of assessed valuation, \$162.83 million in revenue was generated over FY 2019 levels. With a decrease in Transfers In of \$1.09 million, \$161.74 million is available for FY 2020 requirements. The FY 2020 Advertised Budget Plan allocates \$86.46 million of these available resources for Schools priorities and \$77.02 million for County requirements, with a net decrease of \$1.74 million in reserve requirements.

The following table summarizes the FY 2020 Advertised Budget Plan.

<b>FY 2020 Advertised Budget Summary</b>	
(Amounts shown are in millions, net change over <u>FY 2019 Adopted Budget Plan</u> )	
<b>Available Revenue Increase</b>	
Revenue Increase at Current Real Estate Tax Rate	\$162.83
Net Impact of Transfers In	(\$1.09)
<b>Total Available</b>	<b>\$161.74</b>
<b>FY 2019 Requirements</b>	
<b>Schools Support</b>	<b>\$86.46</b>
School Operating Transfer	\$84.36
School Debt Service Transfer	\$4.60
School Construction	(\$2.50)
<b>County Requirements</b>	<b>\$77.02</b>
Employee Pay and Benefits	\$38.05
Debt Service and Capital	(\$15.91)
Public Safety	\$7.67
Human Services	\$19.69
Community Development	\$31.45
County Operations and Facilities	(\$0.39)
Operational Efficiencies	(\$3.54)
<b>Reserve Adjustments</b>	<b>(\$1.74)</b>
<b>Total Uses</b>	<b>\$161.74</b>
<b>Available Balance</b>	<b>\$0.00</b>

## FY 2020 General Fund Revenue

FY 2020 General Fund revenues are projected to be \$4,444,476,198, an increase of \$130,999,646, or 3.04 percent, over the *FY 2019 Revised Budget Plan*, which contains the latest FY 2019 revenue estimates, and an increase of \$162,832,110, or 3.80 percent, over the FY 2019 Adopted Budget Plan.

On the County's real estate front, residential equalization reflects a 2.36 percent increase in FY 2020, while non-residential equalization is up 2.71 percent. The overall Real Estate tax base grew 3.60 percent.

The value of a penny on the Real Estate Tax rate is \$25.53 million in FY 2020. Each penny change in the tax rate equals \$56.26 on a taxpayer's bill. Given an average value of a residential unit of

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\$562,601, the “typical” residential annual tax bill will rise, on average, \$149.16 in FY 2020 at the proposed Real Estate tax rate of \$1.15 per \$100 of assessed value.

The *General Fund Revenue Overview* in the FY 2020 Overview volume has additional details on General Fund revenues.

## **FY 2020 General Fund Disbursements**

FY 2020 General Fund disbursements are \$4,437,862,887, an increase of \$156,947,245, or 3.67 percent, over the FY 2019 Adopted Budget Plan and an increase of \$77,872,796, or 1.79 percent, over the *FY 2019 Revised Budget Plan*. The increase over the Adopted budget is based on an increase of \$86.46 million for Fairfax County Public Schools for Operating, Debt, and Construction; and an increase of \$77.02 million for County requirements, discussed in more detail below; partially offset by a decrease of \$6.53 million as a result of required contributions to the Revenue Stabilization Fund. In addition, \$15.69 million is added to the Managed Reserve, an increase of \$4.79 million over the contribution included in the FY 2019 Adopted Budget Plan. It should also be noted that 109 new positions, some outside of the General Fund, are included in the FY 2020 Advertised Budget Plan, and are detailed below.

Increases over the FY 2019 Adopted Budget Plan are explained in the following pages, grouped into the following main categories:

- ◆ Fairfax County Public School (FCPS) Support
- ◆ County Requirements
- ◆ Reserve Requirements

## **Fairfax County Public School (FCPS) Support** **\$86.46 million**

County support to Fairfax County Public Schools – including County transfers to the School Operating, Debt Service, and Capital Contribution funds – totals \$2.35 billion. This level of funding represents an increase of \$86.46 million, or 3.82 percent, over FY 2019 Adopted Budget Plan levels. Schools support represents 52.9 percent of total General Fund disbursements in FY 2020.

### ◆ **Operating Fund Support**

The General Fund transfer to the Public School Operating Fund reflects an increase of \$84.36 million, or 4.11 percent, over the funding level in the FY 2019 Adopted Budget Plan. This level of support meets the full operating request from the Fairfax County Public Schools.

### ◆ **Debt Service Support**

The General Fund transfer to the School Debt Service Fund is increased by \$4.60 million, or 2.38 percent, over the FY 2019 level. This amount includes support for increased debt service requirements resulting from the \$25 million increase in annual School bond capacity, from

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\$155 to \$180 million, that was approved by the Board of Supervisors as part of the FY 2019 Adopted Budget Plan.

### ◆ School Construction/Capital Support

The General Fund transfer to the School Construction Fund is decreased by \$2.50 million, or 16.03 percent, from the FY 2019 level, reflecting the planned redirection of these funds to the School Debt Service Fund to support increased Schools bond sales.

Not included in the transfers noted above is County support for Schools funded using County dollars. In FY 2020, this support totals \$94.3 million for programs such as Head Start, School Health, Behavioral Health Services, School Resource Officers, School Crossing Guards, after-school programming, field maintenance, and recreational programs, among others.

## County Requirements

**\$77.02 million**

Overall, County disbursements (excluding Schools transfers) total \$2.09 billion, an increase of \$77.02 million, or 3.82 percent, over the FY 2019 Adopted Budget Plan. Details for the most significant adjustments are provided below.

## Employee Compensation (Pay and Benefits)

**\$38.05 million**

The FY 2020 Advertised Budget Plan includes funding for a market rate adjustment, as well as performance and longevity increases for general County employees and merit and longevity increases for uniformed public safety employees. Additionally, salary increases targeted for specific job classes as a result of market benchmark studies are accommodated. Total funding for employee pay and benefits equals \$38.05 million.

### ◆ 1.00% Market Rate Adjustment

Funding of \$13.25 million is included for the full-year impact of a 1.00 percent Market Rate Adjustment (MRA) increase effective July 2019 for all employees. The MRA provides a guide to the amount of pay structure adjustment needed to keep County pay rates competitive with the market. In FY 2020, the calculated MRA, based on a formula approved by the Board of Supervisors, is 2.51 percent. However, due to the constraints of available funding, the FY 2020 MRA is limited to 1.00 percent in the FY 2020 Advertised Budget Plan. This is consistent with the policy on compensation approved by the Board which indicated that, if compensation could not be fully funded, the MRA should be adjusted first and full funding should be provided for the remainder of compensation items if possible.

### County's Living Wage

The FY 2020 Advertised Budget Plan includes an increase to keep the County's Living Wage competitive in relation to the market. Consistent with the methodology used to adjust County pay scales, the Living Wage will be increased by the approved Market Rate Adjustment each year. For FY 2020, this will result in a 1.00 percent increase from the current rate of \$14.83 per hour to \$14.98 per hour. There is no fiscal impact anticipated, and staff will continue to monitor other local jurisdictions for competitiveness.

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The calculation of the MRA consists of the following components:

- Consumer Price Index (CPI) for the Washington-Arlington-Alexandria area. The U.S. Department of Labor's Bureau of Labor Statistics prepares this index. The CPI closely monitors changes in the cost of living. The CPI represents 40 percent of the index.
- Employment Cost Index (ECI). The U.S. Department of Labor's Bureau of Labor Statistics prepares the ECI. The ECI measures the rate of change in employee compensation (wages and salaries). The index used by the County measures changes in employee compensation for "Civilian" workers. This includes private sector, state, and local government employees. Federal employees are not included in this index. The ECI represents 50 percent of the index.
- Federal Wage Adjustment for the Washington-Baltimore area. The Federal Office of Personnel Management prepares this wage adjustment. Fairfax County will use the most current approved wage adjustment in budget calculations. However, because of the timing of the approval of the Federal Wage Adjustment and Fairfax County's budget cycle, Fairfax County will use the wage adjustment from the previous January. The Federal Wage Adjustment represents 10 percent of the index.

◆ **General County Performance/Longevity Increases**

Funding of \$13.37 million supports General County employee pay increases included in the budget reflecting the performance and longevity program for all eligible General County employees approved by the Board of Supervisors in fall 2014 and implemented in FY 2016.

The funding reflects increases effective July 2019 for graduated performance increases, based on where employees are on the pay scale, and the 4 percent longevity increases provided to employees who reach 20 or 25 years of service. In FY 2020, all employees reaching 20 or 25 years of service as of June 30, 2019, will receive a 4 percent increase. Employees receiving a longevity award do not also receive a performance award. The performance increases range from 3 percent for employees within 15 percent of the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the pay scale. The average increase in FY 2020 is 2 percent.

<b>Average Projected Employee Increases in FY 2020</b>		
	General County	Uniformed Public Safety*
<b>Market Rate Adjustment</b>	<b>1.00%</b>	<b>1.00%</b>
<b>Steps/Longevities</b>	--	<b>2.25%</b>
<b>Performance/Longevities</b>	<b>2.00%</b>	--
<b>Average Increase (Range of Increases)</b>	<b>3.00% (1.00%-5.00%)</b>	<b>3.25% (1.00%-6.00%)</b>

\*Uniformed Public Safety pay increases do not include the impact of pay scale leveling for uniformed Fire and Rescue employees (which vary by job class) or the 3 percent across-the-board increase to the Sheriff pay scales implemented in January 2019.

◆ **Public Safety Merit/Longevity Increases**

Funding of \$8.66 million is included for public safety pay increases which reflect merit and longevity increases for all eligible public safety employees. The funding reflects the full-year

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impact of merit and longevity increases provided to uniformed employees in FY 2019 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2020 since all increases are effective on the employee's anniversary date. Merit increases are awarded to public safety employees as they progress through the pay scale. Public safety employees who have reached a length of service (15 and 20 years) milestone are eligible for longevity. Merit and longevity increases are each 5 percent for public safety employees. In any given year between 40 and 50 percent of public safety employees are eligible for one or the other. As a result, the average increase is approximately 2.25 percent.

### ◆ Increases resulting from Benchmark Studies

Analyses are performed annually to determine if job class midpoints are inconsistent with the market midpoint average.

- For General County employees, external market reviews were performed for 81 benchmark job classes, and additional reviews were performed for specific job series based on recruitment and retention issues. Based on the results of the analysis, 4 benchmark classes require adjustment. Including job classes linked to the benchmarks studied, a total of 11 job classes are recommended for adjustment. Employees in these job classes receive increases of 1.5 or 3.0 percent of the new salary grade midpoint, depending on their current position relative to the midpoint salary for their grade. There is no General Fund impact in FY 2020 for these adjustments, as increases in salary expenses can be absorbed within existing appropriation levels.
- For each of the major public safety groups – Police, Fire and Rescue, and Sheriff – three agreed-upon benchmark classes are compared to local comparators. Recommendations for adjustments are made when at least two of the benchmark classes are below 95 percent of the market midpoint average. Based on the results of the analysis, no increases are recommended for uniformed public safety job classes in FY 2020.
- An analysis is performed annually to determine if shift differential premium pay rates are consistent with the market average. As a result of this analysis, it was determined that the evening and night shift differential rates for sworn police officers fell below 95 percent of the market average. An increase of \$0.09 million is included to support the cost of an increase in the shift differential rates for sworn police officers from \$0.90 to \$0.95 per hour for the evening shift and from \$1.30 to \$1.35 per hour for the night shift.

### ◆ Fire and Rescue Department Compensation and Organizational Review

As part of their adoption of the FY 2018 budget, the Board directed staff to conduct a comprehensive study of the rank, organizational and pay structure of the Fire and Rescue Department. The Department of Human Resources contracted with an outside consultant to perform the study, which will be presented to the Board of Supervisors at an upcoming Personnel Committee meeting. The FY 2020 Advertised Budget Plan includes an increase of \$2.68 million to implement several recommendations of the study, as summarized below.

- Differentials between adjacent steps and grades within the F-scale pay plan are inconsistent, ranging from 2.9 to 6.4 percent for each increment. In order to correct

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- this inconsistency, the F-scale pay plan will be modified so that uniformed fire staff experience more consistent salary increases at each step or grade increase. These modifications result in pay increases for uniformed fire staff ranging from 0.0 to 1.6 percent, varying by step and grade. These adjustments are consistent with those made for the Police and Sheriff pay scales in FY 2018.
- The inclusion of the Fire Apparatus Mechanic job series in the F-scale pay plan is inconsistent with the treatment of similar job series in the County and other jurisdictions. As a result, the Fire Apparatus Mechanic job series will be moved to the S-scale pay plan to be consistent with other civilian mechanic job series. Current incumbents in the Fire Apparatus Mechanic job series will continue to receive merit and longevity increases based on the current F-scale pay plan while they remain in their current positions.
  - It is uncommon among other jurisdictions for 24-hour uniformed fire personnel to receive shift differential premium pay. The application of the current shift differential rate also creates a difference in pay between field and staff positions that makes it difficult to attract candidates for staff positions. In order to better align County pay practices for uniformed fire personnel with those of other local jurisdictions and reduce the discrepancy in pay between staff and field assignments, the 24-hour shift differential rate of \$0.73 per hour will be included in the F-scale pay plan base pay rates for all uniformed fire personnel.

In addition to the actions noted above, the consultant study includes recommendations related to the expansion of job share opportunities in operations and the administration of overtime. Although no funding adjustments are included in the FY 2020 Advertised Budget Plan for these recommendations, they will be reviewed for implementation by the Fire and Rescue Department.

### ◆ **Sheriff's Office Organizational Structure and Pay Policies**

As a result of an internal review of the Sheriff's Office organizational structure and pay policies, the agency implemented a 3.0 percent increase across the Sheriff's C-scale pay plan effective January 5, 2019. It is important to note that no additional funding is included in the FY 2020 Advertised Budget Plan as the reorganization and pay plan adjustment is offset by the elimination of the environmental pay stipend, as well as savings identified in Personnel Services.

### ◆ **Circuit Court**

An increase of \$0.12 million is the result of a review of pay structures and workloads within the Circuit Court.

### ◆ **Retirement Funding**

The FY 2020 budget includes a net increase of \$3.16 million in Employee Benefits for employer contributions to the retirement systems. Of this amount, an increase of \$6.49 million is related to employer contribution rate adjustments based on fiduciary requirements and the County's pension funding policy approved by the Board of Supervisors in April 2015. The increase is offset by \$3.33 million in savings based on year-to-date experience.

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The employer contribution rates for all three systems include the impact of a change to the amortization schedule to increase the amortization of the unfunded actuarial accrued liability from 99 percent to 100 percent, meeting the policy set by the Board in 2015 to increase the employer contribution rates to include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for each of the systems by FY 2020. This change results in an increase in the employer contribution rate for the Employees and Police Officers systems. However, savings resulting from FY 2018 experience fully offset the required increase from this change in the Uniformed system, resulting in no net increase in the employer contribution rates for that system.

Two of the three systems' investment returns exceeded the 7.25 percent assumed rate of investment return in FY 2018, while one returned slightly under this assumed rate of return. The Employees' system was up 7.3 percent, the Uniformed system was up 8.1 percent, and the Police Officers system returned 7.0 percent, all net of fees. The FY 2018 investment results, contribution levels, and liability experience affected the funding ratios as demonstrated in the table below. The table below displays the market value of each system's assets as a percentage of the total plan liability as published in the County's Comprehensive Annual Financial Report (CAFR) and as required under new GASB requirements.

	June 30, 2016	June 30, 2017	June 30, 2018*
<b>Employees'</b>	70.2%	69.9%	70.5%
<b>Uniformed</b>	77.2%	80.9%	82.8%
<b>Police Officers</b>	81.4%	83.2%	83.8%
<b>Total</b>	73.8%	74.8%	75.7%

\* The June 30, 2018 funding ratios will be included in the FY 2019 County CAFR

It should be noted that since these calculations utilize asset figures as of a point in time (not smoothed as under previous methodologies), the funding ratios calculated are subject to volatility based on market returns.

### ◆ **Health Insurance and Other Benefits**

A net decrease of \$3.28 million in Employee Benefits is primarily due to projected savings in fringe benefits of \$6.69 million based on year-to-date experience. It should be noted that additional savings of \$1.93 million are included below in the Operational Efficiencies section, which are attributable to a concerted educational campaign to encourage migration out of the County's high-cost copay plan into other more cost-effective co-insurance and consumer-directed health plans. These decreases are partially offset by an increase of \$3.42 million to reflect the full-year impact of calendar year 2019 premium increases and costs associated with a projected 5.0 percent premium increase for all health insurance plans, effective January 1, 2020. It should be noted that these premium increases are budgetary projections only, and final premium decisions will be made in the fall based on updated claims experience.

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## Capital Construction and Debt Service

**(\$15.91) million**

A net decrease of \$15.91 million in funding is included for Debt Service and Capital Construction. This decrease is primarily due to reduced debt service requirements in FY 2020 as a result of the retirement of past bond issuances for County administration buildings and a Capital Renewal loan. General Fund support for the Capital Program is increased by \$1.38 million as described below.

The FY 2020-FY 2024 Capital Improvement Program (CIP) totals \$10.5 billion. The total bond program within the CIP is \$2.1 billion (includes both General Obligation and Economic Development Authority bonds), and the CIP bond program is managed within the County's debt ratios. CIP highlights include the review and analysis associated with the long-range Bond Referendum Plan and the County's debt capacity, efforts underway to identify potential FCPS/County shared-use facility sites and other co-location opportunities, and the identification of estimated operational budget impacts for both current and future CIP projects.

### ◆ Debt Service

In addition to requirements associated with School debt service, FY 2020 General Fund support of County debt service requirements is \$131.76 million, a decrease of \$17.29 million from the FY 2019 Adopted Budget Plan. The FY 2020 funding level supports existing debt service requirements, including the \$247.36 million in General Obligation bonds sold in January 2019. During FY 2020 it is anticipated that a General Obligation bond sale of \$300.00 million will be conducted to fund cash requirements for on-going capital projects for School and County purposes. This bond sale estimate is consistent with the FY 2020-FY 2024 Advertised Capital Improvement Program (With Future Fiscal Years to 2029).

### ◆ Capital Construction

Capital Construction is primarily financed by the General Fund, General Obligation bonds, fees, and service district revenues. General Fund support in FY 2020 totals \$18.14 million. This represents an increase of \$1.38 million primarily associated with increased support for Environmental Improvement Program projects, annual requirements associated with Americans with Disabilities Act (ADA) compliance, and increased annual funding for walkway and roadway repairs consistent with established multi-year plans.

Due to budget constraints, there is no funding included for County infrastructure replacement and upgrade projects in FY 2020; however, an amount of \$8.54 million is anticipated to be funded as part of the *FY 2019 Third Quarter Review* or *FY 2019 Carryover Review*. In recent years, it has been the Board of Supervisors' practice to fund some or all of the infrastructure replacement and upgrade projects using one-time funding as available as part of quarterly reviews.

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FY 2020 Capital Construction/Paydown Summary <sup>1</sup>			
	Commitments, Contributions, and Facility Maintenance	Paydown	Total General Fund Support
Athletic Field Maintenance and Sports Projects	\$4,435,338	\$1,700,000	\$6,135,338
Park Authority Inspections, Maintenance, and Infrastructure Upgrades	\$960,000	\$1,740,000	\$2,700,000
Environmental Initiatives	\$916,615	\$0	\$916,615
Revitalization Maintenance	\$1,410,000	\$0	\$1,410,000
Payments and Contributions/On-going Development Efforts	\$4,631,738	\$200,000	\$4,831,738
County Infrastructure Replacement and Upgrades	\$0	\$0	\$0
ADA Improvements	\$0	\$650,000	\$650,000
Reinvestment, Repairs of County Roads and Walkways	\$0	\$1,500,000	\$1,500,000
<b>Total General Fund Support</b>	<b>\$12,353,691</b>	<b>\$5,790,000</b>	<b>\$18,143,691</b>

<sup>1</sup> Reflects General Fund support. Other funding sources such as dedicated revenue and bond funding are not included in these totals.

Details about the Capital program are available in the *Capital Projects Overview* of the Overview volume.

### Public Safety

**\$7.67 million and 35 Positions**

Public safety priorities for FY 2020 include continued support for multi-year initiatives such as positions to continue staffing the new South County Police Station, funding for the fourth year of the implementation of the Diversion First initiative, funding to address the opioid epidemic, and funding to respond to and prevent gangs in the County. In addition, resources are included to support animal services, expand E-911 capacity, and support regional public safety initiatives.

#### ◆ South County Police Station

An increase of \$3.45 million is required to support 17/17.0 FTE positions to continue the process of staffing the South County Police Station. These positions, which are in addition to 37/37.0 FTE positions added in previous year budgets, are required as a recent Public Safety bond referendum included a new police station located in South County. Current estimates indicate that 16 additional uniformed positions will be required in FY 2021 to fully staff this station. Based on the large number of staff required, and the significant lead time associated with hiring and training new recruits, additional staff are being provided over a multi-year period. This phased-in approach will allow the Police Department to gradually hire and train new recruits and will allow for continued analysis to ensure that current staffing estimates are accurate.

#### ◆ Diversion First

Diversion First is a multiagency collaboration between the Police Department, Office of the Sheriff, Fire and Rescue Department, Fairfax County Court System, and the Fairfax-Falls Church Community Services Board to reduce the number of people with mental illness in the

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County jail by diverting low-risk offenders experiencing a mental health crisis to treatment rather than bring them to jail. Consistent with the Board's FY 2019 Budget Guidance, this is the second year of a five-year, fiscally-constrained implementation plan, representing the most critical needs for FY 2020. This plan is designed to strengthen operations at the Merrifield Crisis Response Center, provide ongoing funding for a Community Response Team, provide resources to the Court systems, provide needed housing and other resources, and strengthen behavioral health services at needed intercepts. A total increase of \$2.22 million and 12/12.0 FTE positions is included to support the Diversion First initiative in FY 2020. Of this amount, \$0.99 million and 6/6.0 FTE new positions are included for public safety programs, and \$1.23 million and 6/6.0 FTE new positions are included for human services programs. Public safety funding added in FY 2020 will:

- Allow the Juvenile and Domestic Relations District Court to provide increased supervision of the pretrial cases requiring mental health services and further align practices with the General District Court;
- Allow the Juvenile and Domestic Relations District Court to support Multi-Systemic Therapy which is an intensive family- and community-based treatment program that focuses on addressing all environmental systems that impact chronic and violent juvenile offenders;
- Allow the Commonwealth's Attorney to support the Mental Health Docket and workload requirements;
- Allow the General District Court to address caseload growth; and
- Allow the Police Department, Office of the Sheriff and Fire and Rescue Department to support diversion services at the Merrifield Crisis Response by providing ongoing funding for a Community Response Team.

### ◆ Police Department Organizational Review

An increase of \$0.89 million is associated with adjustments resulting from a consultant study related to the operational and administrative structure of the Police Department and uniformed Police Department salaries. Recommendations were presented at the Personnel Committee meeting on October 4, 2016, to create additional relief Sergeant positions to provide a regular resource to fill operational vacancies as well as some adjustments to the Department's O-scale pay plan. As part of the FY 2018 Adopted Budget Plan, 18/18.0 FTE positions were included to support relief Sergeants and funding of \$1.25 million was included in FY 2018 and FY 2019. This additional funding of \$0.89 million is required as part of the FY 2020 budget to complete this initiative.

### ◆ Urban Areas Security Initiative (UASI)

An increase of \$0.73 million is associated with the transition of Urban Areas Security Initiative (UASI) programs from federal funding to local government funding. Supported programs that will transition to County funding in FY 2020 include:

- The Automated Fingerprint Identification System (AFIS) database, which provides a secure platform to rapidly search and compare latent fingerprints from crime scenes against a criminal database of more than two million arrest records that include fingerprints, palm prints, mugshots, and demographic information;

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- The License Plate Reader (LPR) program, which allows law enforcement to collect license plate data and compare it to data related to stolen cars, wanted persons, unregistered vehicles, and other databases;
- The National Capital Region Geospatial Data Exchange (NCRGDX) platform, which allows for the exchange of contextual and emergency event related geospatial data for emergency management and response; and
- The Identity and Access Management Services (IAMS) project, which allows first responders and other emergency support functions in the national capital region to access regional and shared applications.

### ◆ Opioid Task Force

An increase of \$0.71 million is required to address the growing opioid epidemic. As part of the *FY 2018 Third Quarter Review*, 5/5.0 FTE positions were approved in the Police Department to begin implementing the Fairfax County Opioid Task Force Plan. The Task Force Plan has the dual goals to reduce deaths from opioids through prevention, treatment, and harm reduction, as well as to use data to describe the problem, target interventions, and evaluate effectiveness. It should be noted that an additional \$2.09 million is included in the human services program area to address the opioid epidemic, for a total increase of \$2.80 million in FY 2020.

### ◆ Animal Services

An increase of \$0.50 million and 2/2.0 FTE positions will support additional Animal Protection Police staff in the Police Department to address workload requirements and to provide appropriate managerial oversight.

### ◆ Gang Prevention

An increase of \$0.35 million is associated with costs to provide Intervention, Prevention and Education (IPE) services, as well as for intensive services for reunifying families, both in partnership with Northern Virginia Family Service. Gang prevention is a multiagency collaboration between the Police Department, Office of Public Affairs, Juvenile and Domestic Relations District Court, Department of Neighborhood and Community Services, and Fairfax County Public Schools. Funding is designed to help the County better provide education, prevention, enforcement, and coordination in responding to gangs.

### ◆ Pets for Life

An increase of \$0.05 million will support the Pets for Life program in the Department of Animal Sheltering. Pets for Life is a multiagency collaboration with Health and Human Services agencies and the Animal Services Division of the Fairfax County Police Department to provide pet-related services, information, and assistance in underserved communities to help families access those critical services.

### ◆ E-911 Call Capacity

An increase of 10/10.0 FTE positions is required to increase 9-1-1 call capacity as a result of changing the dispatch model to single dispatch with the opening of the new South County Police Station and the greater demand on dispatching as a result of the Next Generation 9-1-1 telephony system. It should be noted that this adjustment results in a reduction of \$1.16

## Advertised Budget Summary

million to General Fund revenue, which is associated with a redirection of revenue to Fund 40090, E-911, to offset related expenses in that fund.

### ◆ **McConnell Public Safety and Transportation Operations Center**

An increase of \$0.03 million is required for ongoing costs associated with maintaining the McConnell Public Safety and Transportation Operations Center. This adjustment does not impact General Fund disbursements but results in a redirection of \$0.03 million of General Fund revenue to Fund 40090, E-911, to offset related expenses in that fund.

## **Human Services**

**\$19.69 million and 62 Positions**

Human services priorities in FY 2020 include funding to combat the growing opioid epidemic, continue implementation of the Diversion First initiative, support early childhood education programs, and expand Opportunity Neighborhoods. Additionally, support is included for school health programs and Healthy Minds Fairfax. Contract rate increases are also funded for several Human Services agencies.

### ◆ **Contract Rate Increases**

An increase of \$3.22 million supports contract rate increases for a variety of programs and providers in Health and Human Services agencies. The expenditure increase is partially offset by \$0.52 million in revenue, for a net cost to the County of \$2.70 million.

### ◆ **Support for the Fairfax-Falls Church Community Services Board**

A net increase of \$3.06 million in the transfer to Fund 40040, Fairfax-Falls Church Community Services Board includes the following adjustments:

- An increase of \$2.47 million to support 148 of the 187 June 2019 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services.
- An increase of \$0.50 million to support increased fringe benefit requirements in FY 2020 based on projected health insurance premium increases and increases in employer contribution rates to the retirement systems.
- An increase of \$0.32 million and 5/5.0 FTE positions to provide support coordination services to individuals with developmental disabilities (DD) in the community and comply with current state and federal requirements, primarily those pursuant to the Department of Justice Settlement Agreement and implementation of Virginia's Medicaid Waiver redesign, effective July 1, 2016. Expenditure requirements in Fund 40040 are partially offset by Medicaid Waiver revenue.
- A decrease of \$0.23 million reflects reduced requirements for General Fund support as a result of increased revenue from the City of Fairfax and the City of Falls Church.

It should be noted that total support for the Fairfax-Falls Church Community Services Board is increased by \$10.00 million in FY 2020, which reflects the impact of other adjustments discussed in this summary such as employee compensation increases, the Diversion First initiative, efforts to address the opioid epidemic, contract rate increases, and lease savings from the consolidation of space.

## Advertised Budget Summary

### ◆ Opioid Task Force

An increase of \$2.09 million is required to continue addressing the growing opioid epidemic. In response to the opioid crisis facing our nation and local communities in Northern Virginia, the Board of Supervisors established an Opioid Task Force to help address the opioid epidemic locally. The primary goal is to reduce death from opioids through prevention, treatment, and harm reduction strategies. Funding is included as a transfer to the Fairfax-Falls Church Community Services Board primarily to provide medical detoxification services, to expand the use of Medication Assisted Treatment, and to provide Substance Abuse Prevention programming in Fairfax County Public Schools. It should be noted that an additional \$0.71 million is included in the public safety program area to address the opioid epidemic, for a total increase of \$2.80 million in FY 2020.

### ◆ Diversion First

Diversion First is a multiagency collaboration between the Police Department, Office of the Sheriff, Fire and Rescue Department, Fairfax County Court System, and the Fairfax-Falls Church Community Services Board to reduce the number of people with mental illness in the County jail by diverting low-risk offenders experiencing a mental health crisis to treatment rather than bring them to jail. Consistent with the Board's FY 2019 Budget Guidance, this is the second year of a five-year, fiscally-constrained implementation plan, representing the most critical needs for FY 2020. This plan is designed to strengthen operations at the Merrifield Crisis Response Center, provide ongoing funding for a Community Response Team, provide resources to the Court systems, provide needed housing and other resources, and strengthen behavioral health services at needed intercepts. A total increase of \$2.22 million and 12/12.0 FTE positions is included to support the Diversion First initiative in FY 2020. Of this amount, \$0.99 million and 6/6.0 FTE new positions are included for public safety programs, and \$1.23 million and 6/6.0 FTE new positions are included for human services programs. Human services funding added in FY 2020 will allow the Fairfax-Falls Church Community Services Board to support 6 positions for the Jail-Diversion Team; provide mental health case management services; and provide funding for housing assistance, medical screening, and specialty docket evaluation.

### ◆ Early Childhood and School Readiness

An increase of \$1.39 million and 2/1.5 FTE positions is included to support early childhood care and school readiness initiatives in the Department of Neighborhood and Community Services, including the following adjustments:

- An increase of \$0.67 million and 1/1.0 FTE position is required to replace grant funding for Early Childhood Education programming. This position and operating costs to provide early childhood education and family services for 36 at-risk preschoolers were originally funded through the Virginia Preschool Initiative (VPI) Plus grant with federal pass-through funding from the Virginia Department of Education. Beginning in FY 2020 the County will no longer receive this grant funding.
- An increase of \$0.54 million is included to support early childhood care education services for 36 at-risk preschoolers in comprehensive early childhood programs in community-based settings. Early childhood education programs support the development of children's cognitive, social, emotional and physical skills which are

## Advertised Budget Summary

strong predictors of success in kindergarten and beyond. These programs provide early childhood education, as well as health and behavioral health services for at-risk preschoolers whose families with low to moderate income may not qualify for a childcare subsidy, as well as three year olds who are not yet eligible for the Virginia Preschool Initiative (VPI). The expansion of the Early Childhood Education Program is part of the Equitable School Readiness Strategic Plan.

- An increase of \$0.18 million and 1/0.5 FTE position is required to implement an Early Childhood Mental Health Consultation System. The program will provide coordination and consultative services to community early childhood education programs with the goal of promoting children's successful social and emotional development, and positive child interactions.

### ◆ Expanded Capacity at Artemis House

An increase of \$1.01 million is included in the Department of Family Services to expand the capacity of Artemis House from 56 beds to 86 beds. Artemis House, the County's only 24-hour crisis shelter for victims (and their children) of domestic and sexual violence, stalking and human trafficking, provides a safe and secure environment for those who are fleeing violence and are in imminent danger. Funding of \$0.50 million was approved by the Board of Supervisors as part of the *FY 2018 Carryover Review* to support expanded shelter capacity, reflecting the partial-year costs in FY 2019 beginning in December 2018. FY 2020 funding of \$1.01 million will support a full year of operations.

### ◆ School Health

An increase of \$0.67 million and 2/2.0 positions is required to support school health programs. This increase includes funding to allow the Health Department to fill two new and two existing Public Health Nurse positions to meet the growing demand for services as a result of the increasing student population and number of students with health conditions that require care plans and treatments throughout the school day.

### ◆ Support for the New Bailey's Crossroads Homeless Shelter

An increase of \$0.64 million and 2/2.0 FTE positions is required to support the new Bailey's Crossroads Homeless Shelter, which is scheduled to open during FY 2020. The new expanded facility includes increased emergency shelter capacity, a new four-bed medical respite unit, and 18 new permanent supportive housing unit apartments. This funding will support increased contract and operating costs associated with the increased facility size, service capacity and program requirements. Services will be provided at the shelter jointly by the Office to Prevent and End Homelessness, the Department of Family Services, and the Health Department.

### ◆ New Lewinsville Multi-Service Center

An increase of \$0.55 million and 3/3.0 FTE positions is required to support the opening of the new Lewinsville Multi-Service Center, which includes a senior center, an Adult Day Health Care Center (ADHC), and an expanded number of apartments. The senior center has increased in size and will be able to serve twice as many participants.

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### ◆ **Healthy Minds Fairfax**

An increase of \$0.45 million and 1/1.0 FTE position is included to support Healthy Minds Fairfax program initiatives in the Department of Family Services, and includes the following adjustments:

- An increase of \$0.13 million is included to expand contracted multicultural mental health services for youth. These services provide outpatient therapy in a flexible combination of office-based, telehealth, and home-based options to address barriers to services such as language and transportation that make it difficult for underserved populations in the County to access services.
- An increase of \$0.12 million and 1/1.0 FTE position is included to support the Children's Services Act (CSA) provider evaluation process and enhance the ability to monitor the quality and effectiveness of purchased behavioral health services. The position will monitor contract compliance, evaluate provider outcomes, and promote quality service delivery through oversight activities.
- An increase of \$0.10 million is included to implement a contracted Psychiatric Consultation Program for pediatricians and family doctors who treat children with behavioral health issues and are in need of psychiatric services, in order to assist the physicians with making accurate diagnoses and appropriate use of medications.
- An increase of \$0.10 million is included to expand contracted mental health crisis response services in order to increase the number of youth served. Services, which include 24-hour intervention; screening and triage; clinical assessments, including lethality; and psychiatric assessments and services, provide children age 17 and younger with intensive mental health support to bridge them through an immediate crisis.

### ◆ **Epidemiologist Positions**

An increase of \$0.43 million and 3/3.0 FTE positions is required to support the Epidemiology and Population Health program in the Health Department. The three new Epidemiologist positions will enhance the County's ability to prevent and control infectious diseases, develop the capability to monitor the health status of the community, and guide new approaches to the delivery of population-based health services in order to reduce health inequities.

### ◆ **Opportunity Neighborhoods**

An increase of \$0.22 million is included to support the continued expansion of the Opportunity Neighborhood (ON) initiative into the Annandale area of Human Services Region 2. ON is a Department of Neighborhood and Community Services initiative that coordinates the efforts of multiple County agencies and community-based programs and services to promote positive outcomes for children and youth by aligning available programming with identified needs, interests, and gaps in a particular community. Major outcomes include ensuring that children are prepared for school entry; that children succeed in school; that youth graduate from high school and continue onto postsecondary education and careers; and that ON families, schools, and neighborhoods support the healthy development and academic success of the community's children and youth. ON is currently operated in Mount Vernon and Lee Districts in Human Services Region 1, the Bailey's/Culmore area of Human Services Region 2, and the Herndon and Reston areas of

## Advertised Budget Summary

Human Services Region 3. The existing ON efforts have led to positive trends across several key measures including school attendance, discipline, parent engagement, and volunteerism.

### ◆ Homeless Healthcare Program

An increase of \$0.13 million is included in the Health Department to increase the number of contracted hours for Homeless Outreach Workers from 20 to 40 hours per week in order to expand capacity to conduct more street outreach and increase the team's presence in the community.

### ◆ Position to Support the Rabies Program

An increase of \$0.12 million and 1/1.0 FTE position is required to address the growing workload associated with the Rabies Program. Fairfax County has one of the highest incidences of rabies in the nation. This Health Department position is necessary to monitor domestic pets for potential rabies exposure, collect animals for testing, and track patients.

### ◆ Parks Social Equity

An increase of \$0.10 million is required to support the County's mission for advancing racial and social equity in Fairfax County. Funding will provide for reduced membership rates at RECenters and additional scholarship programs for classes and programs to help create equitable opportunity for all residents.

### ◆ Mediation Services

An increase of \$0.05 million in the Juvenile and Domestic Relations District Court is required to support restorative justice programs and services for juvenile offenders and participating agencies, in partnership with Northern Virginia Family Service. Mediation services is a court-ordered program that is provided to the clients.

### ◆ Parenting Education Programs

An increase of \$0.05 million and 1/1.0 FTE position is included to convert a limited-term position to a merit position in the Parenting Education Program (PEP) in the Department of Family Services. The PEP is a group-based educational experience for parents and children that teaches positive and effective ways parents can interact with their children at every stage of development using evidence-based curricula. The conversion of this position to a merit position will allow the position to work additional hours to address the increasing workload associated with program growth.

### ◆ Rec-PAC Extended Hours

An increase of \$0.04 million is required to support extended hours for the Park Authority's Rec-PAC Program. The Rec-PAC Program for elementary school age children is located at more than 40 Fairfax County Public School sites across the County, with more than 16,000 registrations. Rec-PAC provides an affordable, quality summer enrichment option for children of working families with affordable weekly fees and a sliding scale based on family income.

### ◆ Contract Savings Associated with Transition to Federally Qualified Health Centers

A decrease of \$0.75 million is associated with contract savings as a result of the transition of the Health Department's Community Health Care Network to Federally Qualified Health

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Centers. A contract in the Department of Family Services with Northern Virginia Family Services supported the case management for the Medical Care for Children Partnership program, which will be absorbed by DFS staff as part of the transition.

### ◆ Conversion of Positions

An increase of \$0.67 million and 34/33.5 FTE positions reflects the conversion of existing part-time limited-term positions to full-time merit positions, as well as the transfer of positions from Fund 50000, Federal-State Grant Fund, to the General Fund, and includes the following adjustments:

- A net increase of \$0.67 million is required to support the transfer of 19/18.0 FTE positions from Fund 50000, Federal-State Grant Fund, to the General Fund in the Department of Family Services, as the positions are more appropriately aligned with the General Fund. These positions are fully supported by General Fund dollars in the form of Local Cash Match, in addition to state and federal revenue. The positions support various programs in the Adult and Aging Division and the Promoting Safe and Stable Families program in the Children, Youth and Families Division. It should be noted that the net disbursement increase of \$0.67 million is offset by the redirection of revenue from Fund 50000 to the General Fund, for no net cost to the County.
- An increase of 15/15.0 FTE positions reflects the conversion of 15 part-time benefits eligible positions to full-time merit positions in the Department of Neighborhood and Community Services. This adjustment will allow existing benefits-eligible positions in the Office for Children the ability to work additional hours.

### ◆ Other Adjustments

A net increase of \$4.32 million supports baseline adjustments that are necessary as a result of actions taken as part of the *FY 2018 Carryover Review*, such as support for Public Assistance and Adult and Aging caseloads, increased capacity in the School-Age Child Care (SACC) program, an increase in custodial overtime hourly rates charged by Fairfax County Public Schools (FCPS) to the County for the community use of FCPS facilities, and funding to support the Innovation Fund; as well as an increase in Local Cash Match requirements in Fund 50000, Federal-State Grants. In addition, it should be noted that 2/2.0 FTE new positions supported by Fund 40080, Integrated Pest Management Program, with no net cost to the General Fund, are included to assist in assessing environmental exposures that contribute to or protect against illness, increase continuity and support quality improvement activities, and respond to citizen concerns about mosquito issues.

## Community Development

**\$31.45 million and 1 Position**

Community Development priorities include transportation funding for Metro, Fairfax Connector, and the Virginia Railway Express.

### ◆ Metro Requirements

A net increase of \$26.38 million for Metro is required to meet FY 2020 expenditure requirements. In prior fiscal years, a portion of Metro funding increases has been accommodated by maximizing one-time available balances in State Aid to the County held at the Northern Virginia Transportation Commission (NVTC). However, these balances have

## Advertised Budget Summary

been drawn down and must be replaced with General Fund support. More information is available in the Fund 30000, Metro Operations and Construction, narrative in Volume 2 of the FY 2020 Advertised Budget Plan.

### ◆ County Transit

An increase of \$4.48 million in General Fund support is included for Fairfax Connector requirements and for the County share of the subsidy for commuter rail services operated by the Virginia Railway Express (VRE). More information is available in the Fund 40000, County Transit Systems, narrative in Volume 2 of the FY 2020 Advertised Budget Plan.

### ◆ Permit Education and Outreach

An increase of \$0.11 million and 1/1.0 FTE position is included to provide proactive education and outreach to businesses and residents engaging in activities requiring permits and inspections. It should be noted that these costs are fully offset by a revenue increase of \$0.11 million associated with increased permit activity, resulting in no net impact to the General Fund.

### ◆ Other Adjustments

An increase of \$0.48 million includes support for increases in Real Estate taxes for properties owned by non-tax-exempt Housing Partnerships, as well as support for a Deputy Director position, approved by the Board of Supervisors as part of the *FY 2018 Carryover Review*, that was created to provide continuity of leadership and direction for the Department of Planning and Zoning on important initiatives including the Economic Success Strategic Plan, Fairfax Forward, Fairfax First, zMOD, and the development of PLUS.

## County Operations and Facilities

**(\$0.39) million and 17 Positions**

A net decrease in this category is primarily attributable to actions taken to balance the FY 2020 Advertised Budget Plan, which include a decrease in support for IT projects and the use of the Reserve for Ad-Hoc Police Practices Review Commission Recommendations to fund the Diversion First initiative. Other adjustments include the establishment of a new Office of Environmental and Energy Coordination, IT support for several agencies, and lease and maintenance costs for County facilities.

### ◆ IT Projects

A decrease of \$2.05 million is associated with a reduction of baseline funding for IT projects. This reduction is necessary to balance the FY 2020 Advertised Budget Plan. It is anticipated that additional funding will be directed to IT projects as part of the *FY 2019 Third Quarter Review* and the *FY 2019 Carryover Review*.

### ◆ Reserve for Ad-Hoc Police Practices Review Commission Recommendations

A decrease of \$1.97 million in the Reserve for Ad-Hoc Police Practices Review Commission Recommendations reflects the use of the reserve to fund continued implementation of the Diversion First initiative. While this action utilizes the recurring balance of the reserve, one-time funding of \$5.57 million is still available in the reserve for non-recurring expenses.

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## ◆ **Contributory Fund**

A net increase of \$0.69 million in the General Fund transfer to Fund 10030, Contributory Fund, reflects adjustments associated with contributions based primarily on legal requirements, per capita calculations, contractual or regional commitments or based on membership dues.

## ◆ **Payment Card Industry Compliance**

An increase of \$0.49 million is required in the Department of Information Technology to support recurring costs for software used to scan, monitor, and secure unmanaged assets without disrupting other networks, and to ensure compliance with card data security and monitor for vulnerabilities.

## ◆ **Office of Environmental and Energy Coordination**

An increase of \$0.46 million and 1/1.0 FTE position is associated with the creation of the new Office of Environmental and Energy Coordination in the Office of the County Executive. The office will support environmental policy and legislative issues, organization-wide energy use and community engagement, and education on environmental and sustainability issues.

## ◆ **Lease Adjustments**

A net decrease of \$0.36 million is included for lease requirements and savings in FY 2020. This adjustment includes savings from leases associated with temporary facilities that are no longer required. These leased facilities were used during renovations at the McLean Community Center, the Lewinsville Senior Center, the Lewinsville Adult Day Health Care Center, and the Tysons-Pimmit Regional Library. These savings are partially offset by an estimated 2.5 to 3 percent escalation on existing leases. It should be noted that additional lease savings of \$1.43 million are included below in the Operational Efficiencies section.

## ◆ **Department of Tax Administration Service Enhancements**

An increase of \$0.25 million is associated with targeted investments in the Department of Tax Administration, including stipends for licenses and certifications. As Fairfax County continues to grow and change, the work staff performs has become increasingly complex, making it important to hire and retain highly qualified employees. The funding will be used with several initiatives to combat the challenges associated with these trends. The expenditure increase is completely offset by an increase in revenues for no net impact to the General Fund.

## ◆ **Capital Project Workload**

An increase of \$0.25 million and 6/6.0 FTE positions is provided to address growing workload requirements associated with the planned projects in the Capital Improvement Program (CIP) and to improve workplace safety during construction.

## ◆ **Court Management System**

An increase of \$0.23 million and 2/2.0 FTE positions is required to support the new Court Management System (CMS). The CMS offers real-time case document imaging, electronic filing, an electronic-certifying and payment system portal, and the ability to develop digital trial practice, as well as real-time judicial dashboard capabilities.

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### ◆ Security Expenses

An increase of \$0.21 million in the Facilities Management Department is required for additional security expenses based on an increase in actual hourly work. The increased hours are associated with agency security demands due to workplace violence concerns, fire alarm failures and special events.

### ◆ Elections IT Requirements

An increase of \$0.20 million in the Office of Elections is associated with funding to support the maintenance and upgrades of licenses and software necessary for election functions.

### ◆ New Facilities

An increase of \$0.11 million in the Facilities Management Department is required to support utility, custodial, repair, maintenance, and landscaping costs associated with partial-year costs for new or expanded facilities in FY 2020. These facilities include the Lewinsville Center and the John Marshall Library Renovation. Partial funding was included in FY 2019 for each of these facilities and FY 2020 funding will provide for the full-year costs. These facilities will provide an additional 33,400 square feet to the current square footage maintained by the Facilities Management Department.

### ◆ Real Estate IT Requirements

An increase of \$0.02 million in the Department of Tax Administration is associated with funding to support the maintenance of licenses and software necessary for the real estate reporting and analytics tool.

### ◆ Other Adjustments

A net increase of \$1.08 million includes support TARGET program enhancements in the Department of Tax Administration as previously approved by the Board of Supervisors as part of the *FY 2018 Carryover Review*. In addition, it should be noted that 8/8.0 FTE new positions supported by other funding sources, with no net cost to the General Fund, are included to support the McLean Community Center, Stormwater operations, and Sewer operations.

## Operational Efficiencies

**(\$3.54) million and (6) Positions**

Operational efficiencies identified in the FY 2020 Advertised Budget Plan total \$3.54 million. These reductions include fringe benefit savings from the sustained effort to encourage migration to lower-cost health plans, savings resulting from the elimination of existing leases and consolidation of programs into other locations, and the consolidation of staff from several agencies into a new Department of Clerk Services.

### ◆ Fringe Benefit Savings

A decrease of \$1.93 million is the result of a concerted educational campaign that has resulted in migration out of the County's high-cost copay plan into other more cost-effective co-insurance and consumer-directed health plans. In addition to savings for the County, these movements also result in out-of-pocket savings to County employees.

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### ◆ Elimination of Existing Leases

A decrease of \$1.43 million and 4/4.0 FTE positions is associated with the elimination of the existing leases for the East County Probation Office on Old Lee Highway, the Fairfax-Falls Church Community Services Board's Springfield Office at Traford Lane and the City Square property at Page Avenue. Programs at these facilities have been relocated and consolidated into County-owned space, and this decrease includes savings realized as a result of staff reorganizations and efficiencies.

### ◆ Consolidation of the Clerk to the Board of Supervisors and Planning Commission

A decrease of \$0.18 million and 2/2.0 FTE positions is associated with the consolidation of functions currently performed by the Office of the Clerk and support staff in Agency 01, Board of Supervisors, and Agency 02, Office of the County Executive, as well as staff in Agency 36, Planning Commission, in a new agency, Agency 03, Department of Clerk Services. Staff in the new agency will continue to provide administrative support to both the Board of Supervisors and the Planning Commission. Given the functional similarities and overlap that currently exist, operational efficiencies are generated by the consolidation.

## Reserve Requirements

**(\$1.74) million**

Per the Reserve Policy approved by the Board of Supervisors in April 2015 and included in the County's *Ten Principles of Sound Financial Management*, 10 percent of the disbursement increases included in the FY 2020 Advertised Budget Plan are set aside in the County's Revenue Stabilization and Managed Reserves.

General Fund Disbursements are increased \$156.95 million over the FY 2019 Adopted Budget Plan. As a result, \$15.69 million – or 10 percent of this increase – is included as contributions to reserves.

### ◆ Revenue Stabilization Reserve

The Revenue Stabilization Reserve reached its target level of funding of 5 percent of General Fund disbursements at the end of FY 2018 and is projected to remain at that level in FY 2019. No General Fund contribution is required in FY 2020, as interest earnings are anticipated to be sufficient to maintain the reserve at its target level. This represents a decrease of \$6.53 million from the FY 2019 Adopted Budget Plan transfer.

### ◆ Managed Reserve

A contribution of \$15.69 million is included and held in balance in the General Fund. This contribution is an increase of \$4.79 million over the FY 2019 Adopted Budget Plan contribution. The Managed Reserve is projected to reach its target level of 4 percent of General Fund disbursements by FY 2020.

Under the Reserve Policy, the target funding level for the County's primary reserves is 10 percent of General Fund Disbursements. Totals in the Revenue Stabilization Reserve and Managed Reserve have increased from 5 percent in FY 2014 to a projected 9 percent in FY 2020, meeting the target levels for the County's two existing primary reserves. In addition, a new Economic Opportunity Reserve will be established with a target funding level of 1 percent of General Fund

## Advertised Budget Summary

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Disbursements. It is anticipated that funding will be directed to the Economic Opportunity Reserve as part of the *FY 2019 Carryover Review*.

### **FY 2020 BUDGET: ALL FUNDS**

All appropriated fund revenues in the FY 2020 Advertised Budget Plan total \$8.86 billion. This County revenue total is an increase of \$447.86 million, or 5.33 percent, over the FY 2019 Adopted Budget Plan. On the expenditure side, the FY 2020 Advertised Budget Plan for all appropriated funds totals \$8.41 billion and reflects an increase of \$447.45 million, or 5.62 percent, over the FY 2019 Adopted Budget Plan.

Additional details concerning non-General Fund revenues, expenditures, and positions for appropriated funds are available in the *Financial and Statistical Summary Tables* section of the Overview. Information on non-appropriated funds is located in Volume 2 of the County Budget.

# Advertised Budget Summary

## FY 2020 Advertised Summary General Fund Statement (in millions)

	FY 2018 Actual	FY 2019 Adopted Budget Plan	FY 2019 Revised Budget Plan <sup>1</sup>	FY 2020 Advertised Budget Plan	Inc/(Dec) Over Adopted	% Inc/(Dec) Over Adopted
<b>BEGINNING BALANCE</b>	\$212.81	\$126.15	\$234.06	\$164.15	\$38.00	30.12%
<b>REVENUE <sup>2</sup></b>	\$4,146.27	\$4,281.64	\$4,313.48	\$4,444.48	\$162.83	3.80%
<b>TRANSFERS IN</b>	\$10.07	\$10.17	\$10.17	\$9.08	(\$1.09)	(10.73%)
<b>TOTAL AVAILABLE</b>	\$4,369.15	\$4,417.97	\$4,557.71	\$4,617.71	\$199.74	4.52%
<b>SCHOOL DISBURSEMENTS</b>						
<b>Transfers Out</b>						
School Operating	\$1,966.92	\$2,051.66	\$2,051.66	\$2,136.02	\$84.36	4.11%
School Construction	13.10	15.60	15.60	13.10	(2.50)	(16.03%)
School Debt Service	189.13	193.38	193.38	197.98	4.60	2.38%
<b>SUBTOTAL SCHOOLS</b>	<b>\$2,169.15</b>	<b>\$2,260.64</b>	<b>\$2,260.64</b>	<b>\$2,347.10</b>	<b>\$86.46</b>	<b>3.82%</b>
<b>COUNTY DISBURSEMENTS</b>						
<b>Direct Expenditures <sup>2</sup></b>	<b>\$1,483.13</b>	<b>\$1,580.31</b>	<b>\$1,631.95</b>	<b>\$1,634.70</b>	<b>\$54.39</b>	<b>3.44%</b>
<b>Transfers Out</b>						
Contributory Fund	\$13.79	\$13.67	\$14.17	\$14.37	\$0.69	5.07%
Information Technology	9.49	3.25	5.67	1.20	(\$2.05)	(63.13%)
County Debt Service	146.04	149.05	147.05	131.76	(17.29)	(11.60%)
County Transit	34.43	36.15	36.15	40.63	4.48	12.40%
Metro Operations and Construction	13.56	20.70	20.70	47.08	26.38	127.49%
Community Services Board	130.43	135.45	135.33	145.44	10.00	7.38%
County Insurance	26.53	24.24	24.24	24.27	0.04	0.15%
Capital Program	50.69	16.76	39.40	18.14	1.38	8.25%
Other Post-Employment Benefits	10.49	10.49	10.49	10.49	0.00	0.00%
Other Transfers	22.60	23.68	23.68	22.68	(1.00)	(4.21%)
<b>Subtotal County Transfers Out</b>	<b>\$458.55</b>	<b>\$433.44</b>	<b>\$456.92</b>	<b>\$456.06</b>	<b>\$22.63</b>	<b>5.22%</b>
<b>SUBTOTAL COUNTY</b>	<b>\$1,941.68</b>	<b>\$2,013.75</b>	<b>\$2,088.87</b>	<b>\$2,090.76</b>	<b>\$77.01</b>	<b>3.82%</b>
<b>RESERVE DISBURSEMENTS</b>						
<b>Transfers Out</b>						
Revenue Stabilization <sup>3</sup>	\$24.26	\$6.53	\$10.48	\$0.00	(\$6.53)	(100.00%)
<b>Total Disbursements</b>	<b>\$4,135.09</b>	<b>\$4,280.92</b>	<b>\$4,359.99</b>	<b>\$4,437.86</b>	<b>\$156.95</b>	<b>3.67%</b>
<b>Total Ending Balance</b>	<b>\$234.06</b>	<b>\$137.05</b>	<b>\$197.72</b>	<b>\$179.85</b>	<b>\$42.79</b>	<b>31.22%</b>
Less:						
Managed Reserve <sup>4</sup>	\$126.03	\$136.93	\$164.15	\$179.85	\$42.91	31.34%
Reserve for Potential FY 2019 One-Time Requirements <sup>5</sup>	0.12	0.12	4.61		(0.12)	(100.00%)
FY 2018 Audit Adjustments <sup>2</sup>	1.94		1.94		0.00	--
FY 2019 Mid-Year Revenue Adjustments <sup>1</sup>			27.02		0.00	--
<b>Total Available</b>	<b>\$105.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>--</b>

## Advertised Budget Summary

<sup>1</sup> *FY 2019 Revised Budget Plan* revenues reflect a net increase of \$27,020,741 based on revised revenue estimates as of fall 2018. The *FY 2019 Third Quarter Review* will contain a detailed explanation of these changes. This amount has been held in reserve for one-time FY 2019 requirements and is not carried forward into FY 2020.

<sup>2</sup> In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2018 revenues are increased \$3,363,907 and FY 2018 expenditures are increased \$1,424,937 to reflect audit adjustments as included in the FY 2018 Comprehensive Annual Financial Report (CAFR). As a result, the *FY 2019 Revised Budget Plan* Beginning Balance reflects a net increase of \$1,938,970. Details of the FY 2018 audit adjustments will be included in the FY 2019 Third Quarter package. This one-time funding is expected to be utilized as part of the *FY 2019 Third Quarter Review* and, as a result, is not carried forward into FY 2020.

<sup>3</sup> Target funding for the Revenue Stabilization Fund is 5.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. The FY 2020 projected balance in the Revenue Stabilization Fund is \$224.00 million, or 5.05 percent of total General Fund disbursements.

<sup>4</sup> Target funding for the Managed Reserve is 4.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the *FY 2020 Advertised Budget Plan*, the FY 2020 projected balance in the Managed Reserve is \$179.85 million, or 4.05 percent of total General Fund disbursements.

<sup>5</sup> As part of the *FY 2018 Third Quarter Review*, an amount of \$118,679 was set aside in reserve to address potential FY 2019 one-time requirements. As part of the *FY 2018 Carryover Review*, an amount of \$4,486,631 was added to the reserve for a total of \$4,605,310. This one-time funding is expected to be utilized as part of the *FY 2019 Third Quarter Review* and, as a result, is not carried forward into FY 2020.

## Advertised Budget Summary

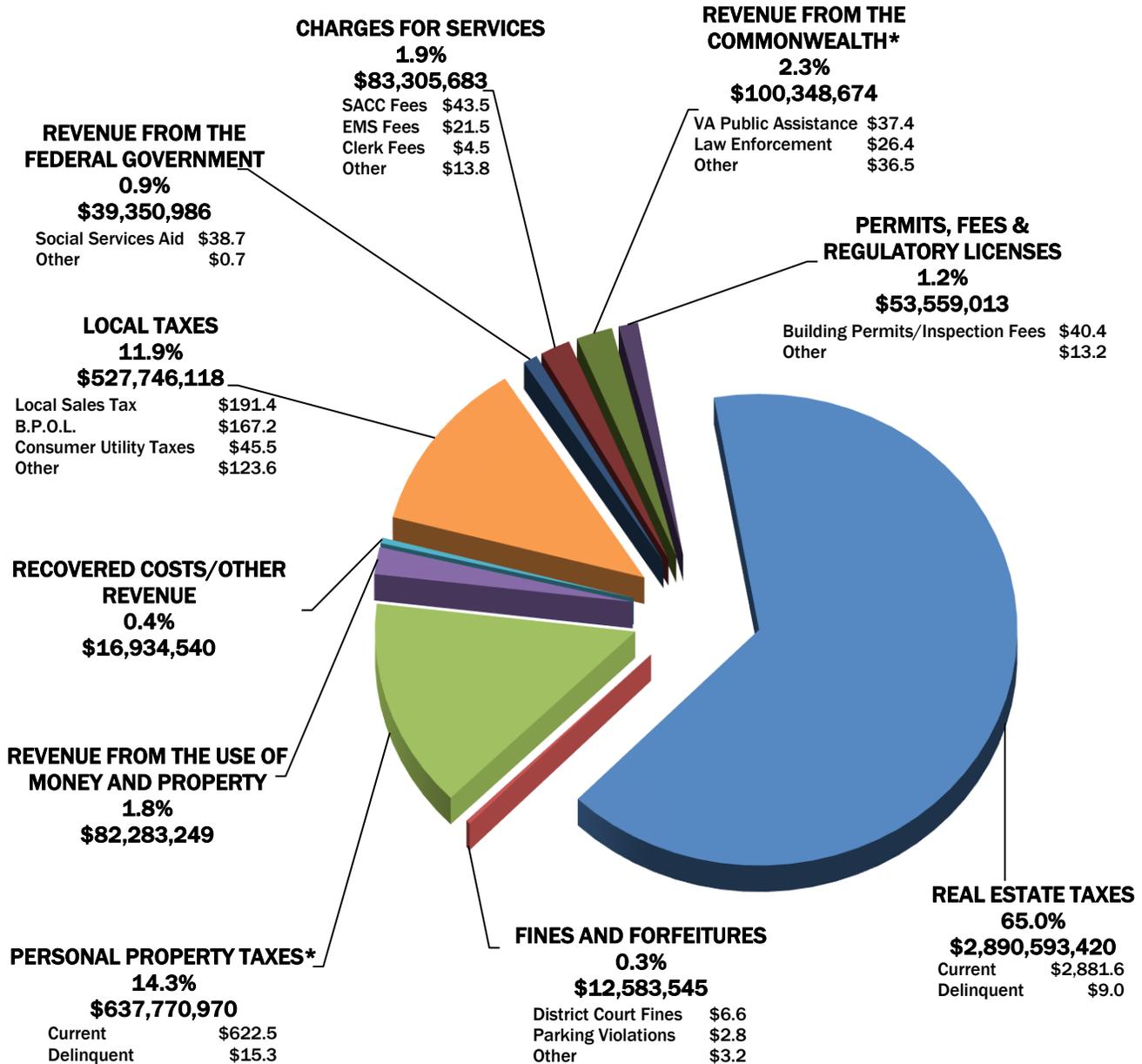
FY 2020 and FY 2021 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS					
Type	Unit	FY 2018 Actual Rate	FY 2019 Actual Rate	FY 2020 Recommended Rate	FY 2021 Planned Rate
<b>GENERAL FUND TAX RATES</b>					
Real Estate	\$100/Assessed Value	\$1.13	\$1.15	\$1.15	\$1.15
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57	\$4.57
<b>NON-GENERAL FUND TAX RATES</b>					
<b>REFUSE RATES</b>					
<i>Refuse Collection (per unit)</i>	<i>Household</i>	<i>\$345</i>	<i>\$350</i>	<i>\$385</i>	<i>\$400</i>
<i>Refuse Disposal (per ton)</i>	<i>Ton</i>	<i>\$64</i>	<i>\$66</i>	<i>\$68</i>	<i>\$70</i>
<i>Leaf Collection</i>	<i>\$100/Assessed Value</i>	<i>\$0.013</i>	<i>\$0.013</i>	<i>\$0.012</i>	<i>\$0.012</i>
<b>SEWER CHARGES</b>					
<i>Sewer Base Charge</i>	<i>Quarterly</i>	<i>\$27.62</i>	<i>\$30.38</i>	<i>\$32.91</i>	<i>\$36.20</i>
<i>Sewer Availability Charge</i>	<i>Residential</i>	<i>\$8,100</i>	<i>\$8,100</i>	<i>\$8,340</i>	<i>\$8,340</i>
<i>Sewer Service Charge</i>	<i>Per 1,000 Gallons</i>	<i>\$6.75</i>	<i>\$7.00</i>	<i>\$7.28</i>	<i>\$7.64</i>
<b>COMMUNITY CENTERS</b>					
McLean Community Center	\$100/Assessed Value	\$0.023	\$0.023	\$0.023	\$0.023
Reston Community Center	\$100/Assessed Value	\$0.047	\$0.047	\$0.047	\$0.047
<b>OTHER</b>					
Stormwater Services District	\$100/Assessed Value	\$0.0300	\$0.0325	\$0.0325	\$0.0325
Route 28 Corridor	\$100/Assessed Value	\$0.18	\$0.18	\$0.18	\$0.18
Dulles Rail Phase I	\$100/Assessed Value	\$0.15	\$0.13	\$0.13	\$0.13
Dulles Rail Phase II	\$100/Assessed Value	\$0.20	\$0.20	\$0.20	\$0.20
Integrated Pest Management Program	\$100/Assessed Value	\$0.001	\$0.001	\$0.001	\$0.001
Commercial Real Estate Tax for Transportation	\$100/Assessed Value	\$0.125	\$0.125	\$0.125	\$0.125
Tysons Service District	\$100/Assessed Value	\$0.05	\$0.05	\$0.05	\$0.05
Reston Service District	\$100/Assessed Value	\$0.021	\$0.021	\$0.021	\$0.021

Rates *italicized and in bold* are proposed to be adjusted in FY 2020.

# FY 2020 ADVERTISED BUDGET PLAN

## GENERAL FUND RECEIPTS "WHERE IT COMES FROM"

(Subcategories in millions)



**FY 2020 GENERAL FUND RECEIPTS = \$4,444,476,198\*\***

\* For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

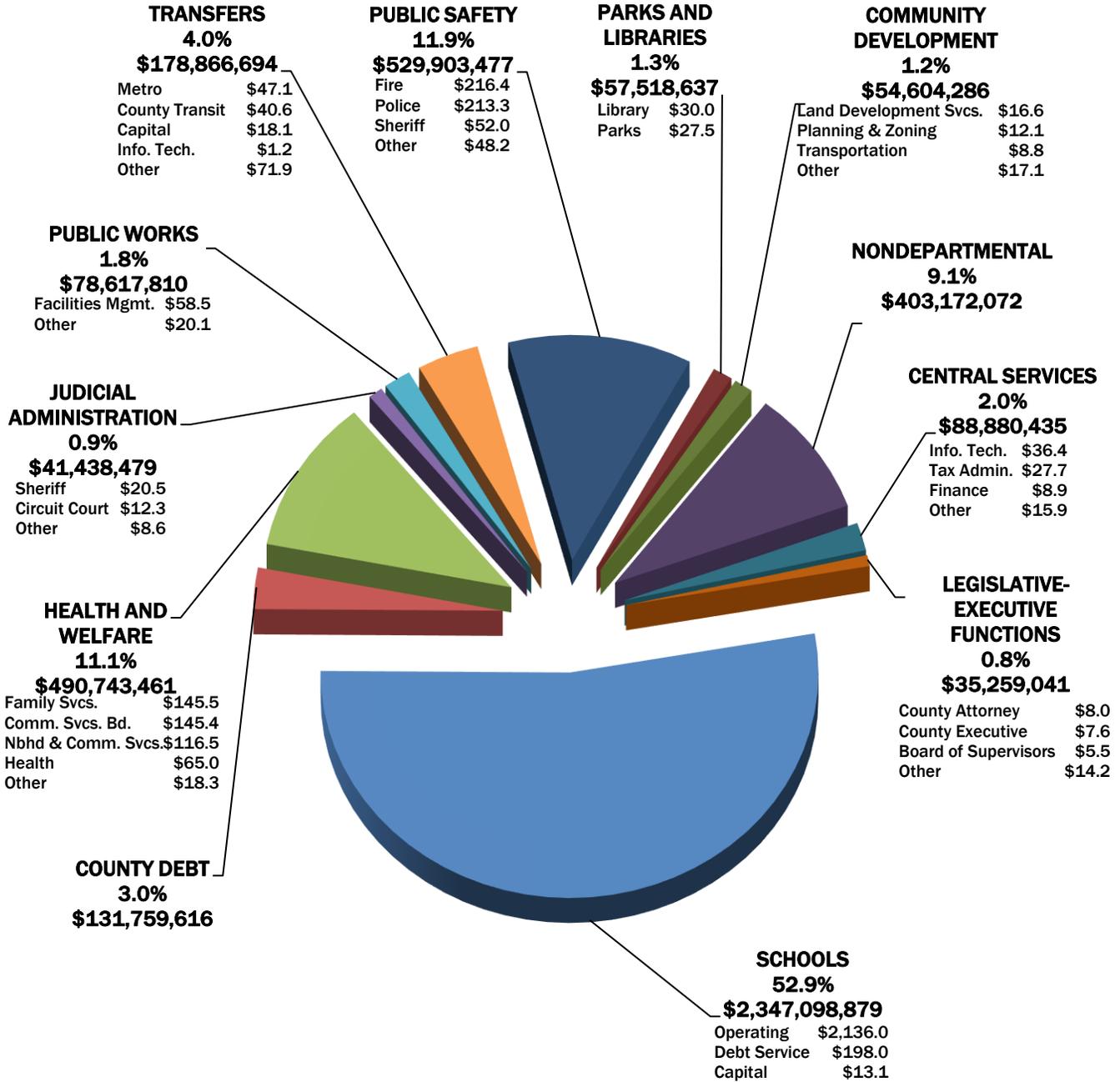
\*\* Total County resources used to support the budget include the revenues shown here, as well as a beginning balance and transfers in from other funds.

# FY 2020 ADVERTISED BUDGET PLAN

## GENERAL FUND DISBURSEMENTS

### "WHERE IT GOES"

(Subcategories in millions)

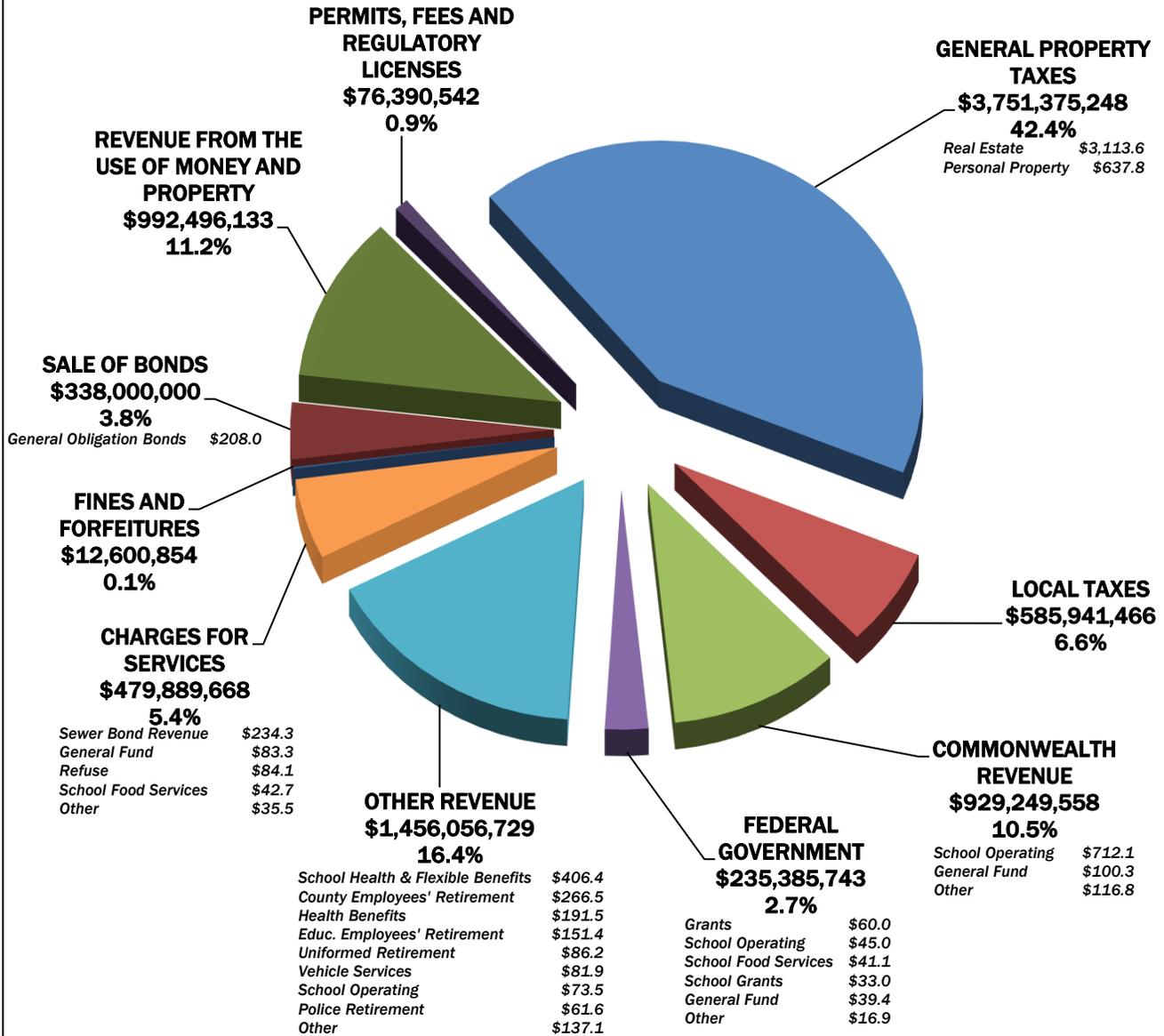


**FY 2020 GENERAL FUND DISBURSEMENTS = \$4,437,862,887**

In addition to FY 2020 revenues, available balances and transfers in are also utilized to support disbursement requirements.

# FY 2020 ADVERTISED BUDGET PLAN REVENUE ALL FUNDS

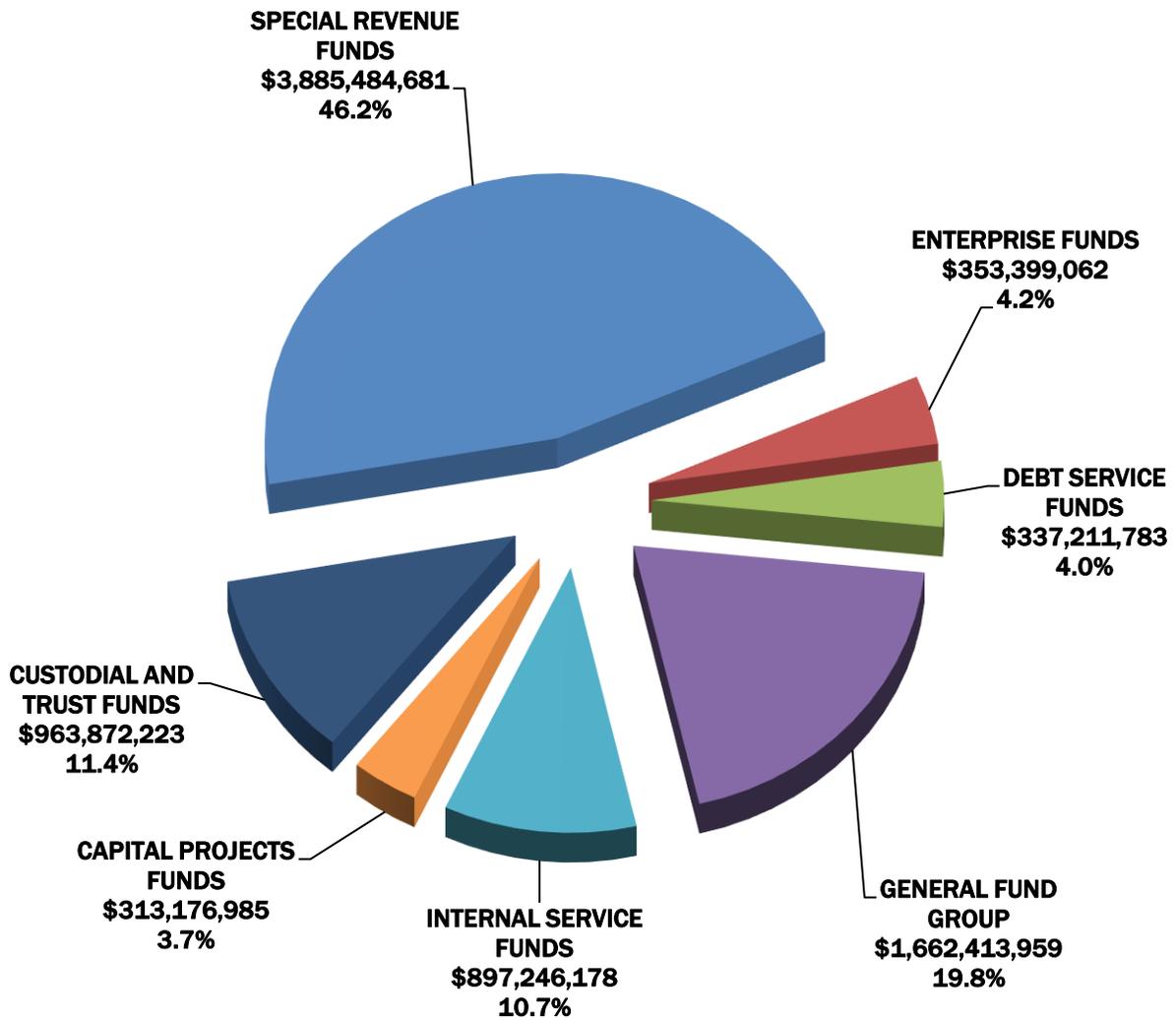
(subcategories in millions)



**TOTAL REVENUE = \$8,857,385,941**

For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

# FY 2020 ADVERTISED BUDGET PLAN EXPENDITURES ALL FUNDS



**TOTAL EXPENDITURES = \$8,412,804,871**