



County of Fairfax, Virginia

MEMORANDUM

DATE: September 21, 2016

TO: Board of Supervisors

FROM: Edward L. Long Jr.
County Executive

SUBJECT: Lines of Business Phase 2 – September 27 Meeting

The 2016 Lines of Business (LOBs) exercise was the first step of a multi-year process to shape the County's strategic direction and validate County priorities. The LOBs process was designed to consist of two phases. Phase 1 of LOBs was intended to educate readers on the array of services provided by Fairfax County and to begin discussions at the Board of Supervisors (Board) and community levels regarding which programs/services should be more closely evaluated. The first phase has been successfully completed, as the final LOBs presentations were made by County staff to the Board in July and results from the 2016 LOBs Community Survey were released last month and are available at http://www.fairfaxcounty.gov/dmb/lob_survey_results.pdf.

Based on the discussions that took place during the initial educational phase of LOBs, Phase 2 will focus on programs/services to be reviewed for improved efficiency and effectiveness. At the direction of the Board, County staff will develop project plans to further evaluate these programs and provide recommendations for the Board's consideration and approval. Ultimately, the Board will be better positioned to approve a sustainable financial plan to invest in the County's future success.

The direct impact of the Phase 2 projects is anticipated to include budget savings from both service redesign/elimination and operational efficiencies, redirection of existing resources to meet workload demands, and additional resource requirements based on identification of service delivery expansions that are necessary given Board priorities.

It should be noted that a number of the projects stemming from LOBs will intersect with Fairfax County Public School (FCPS) services. In these cases, County staff will coordinate with FCPS staff on the project work, and project presentations will be made before joint meetings of the Board of Supervisors and the School Board.

The project list below is a compilation of issues that arose during the Phase 1 LOBs exercise, primarily discussed during staff presentations to the Board, but also noted during the staff-driven LOBs Committee and community input from the LOBs Survey and online comments. LOBs prompted a significant level of interest in the community, and the number of questions and comments received was substantial. As a result, the list may not directly address every comment received; however, the listing is representative of common themes discussed throughout Phase 1, including improving the efficiency of County operations through exploring redesign and collaboration opportunities. Projects resulting from the LOBs discussions are anticipated to be handled in a number of ways to allow the Board to focus on priority issues in the most efficient manner. Staff has developed recommendations regarding which issues could be addressed as LOBs Phase 2 projects, which can be addressed during the course of other Board activities, and which may

want to be evaluated at a later date for further study. Discussion of this potential project list, including the topics included, the approach, and the timeframes, will be part of the agenda at the Budget Committee/LOBs meeting on September 27.

The first grouping includes issues anticipated to be addressed as Phase 2 projects over the coming year, based on the potential benefit to the efficiency of County operations and/or the opportunity for near-term cost savings. These projects are expected to have the greatest impact on the development of a sustainable financial plan. The second grouping includes topics which may be better suited for discussion as part of other Board committees or through the course of normal budget activities. The third grouping includes issues that may be evaluated by the Board at the conclusion of the initial Phase 2 projects to determine next steps. Please note that, in some circumstances, there was feedback from or direction by the Board during the LOBs presentations which is being addressed directly by the respective agencies and not included in the listings below.

LOBs Phase 2 Projects

The following topics are recommended for further discussion and analysis as part of LOBs Phase 2. Projects in this list were selected as they are anticipated to have a significant benefit to County operations or taxpayers and some offer the potential for near-term budgetary savings. Additionally, based on the scope of the projects listed below, it is expected that these projects can be completed during the current fiscal year. Once the listing of Phase 2 projects is finalized, project plans/timelines will be developed by staff in October and disseminated to the Board, with presentations to the Board beginning in the fall and concluding by July 2017.

1. Coordination of activities between the Office of Public Private Partnerships (OP³), Volunteer Fairfax, and FCPS Community and Business Partnerships.
2. Review of opportunities for expansion of the Community Labor Force.
3. Review current space provided by the County to community groups, as well as other resource agreements such as memorandums of understanding, and develop a policy for decisions about the allocation of space to make it more equitable.
4. Review the possible consolidation of the design/build function currently residing in multiple agencies.
5. Develop options for redesigning the Systems of Care/Children's Services Act funding to incentivize both County and FCPS efficiencies in placement.
6. Review coordination opportunities between the Infant and Toddler Connection and other early childhood services provided by the County and FCPS, including Healthy Families.
7. Review privatization options for CSB day treatment and residential services.
8. Review privatization options for the Adult Day Health Care program.
9. Explore and develop opportunities to bring a modern, private-sector experience to the County's information technology infrastructure in support of the Economic Success Strategic Plan.

Projects to be addressed outside of LOBs Process

The following topics are recommended for further discussion and analysis as part of Board committees, other special workgroups, or during the course of the normal budget process. Some of the work related to these projects may already be underway by County staff as a result of discussions that have taken place at the Board level. Although work on many of these projects may be completed over the next fiscal year, others may be longer-term in nature.

10. Review opportunities for expansion of Real Estate Tax Relief, consistent with Board direction in the FY 2017-2018 Budget Guidance. *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*
11. Review General Fund operating budgets for potential flexibility. *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*
12. Metrics – Review of performance measurement program and recommendations for updating and benchmarking to assess program effectiveness. All services and programs supported by the General Fund will be included, as well as the efforts associated with the Economic Development Authority, the County’s Economic Success Strategic Plan, and One Fairfax. *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*
13. Review and comparison of the County’s compensation policies and practices. *Recommended for referral to the Personnel and Reorganization Committee.*
14. Review opportunities for refining County retirement benefits for new hires. *Recommended for referral to the Personnel and Reorganization Committee.*
15. Identify additional opportunities for transportation coordination between the County and FCPS, including the use of a photo identification card with cross-service application. *Recommended for referral to the Transportation Committee.*
16. Review of vehicle fleet to validate current replacement assumptions. *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*
17. Further review of centralized versus decentralized administrative service delivery opportunities (Department of Administration for Human Services and others). *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*
18. Develop plan for expansion of early childhood services, consistent with direction given at the Board’s retreat and in the FY 2017-2018 Budget Guidance. *Recommended for referral to the Human Services Committee.*
19. Develop options for Intellectual Disability (ID)/Developmental Disability (DD) service delivery given continuing changes. *Recommended for referral to the Human Services Committee.*
20. Update the Housing blueprint. *Recommended for referral to the Housing Committee.*
21. Capital Improvement Program – develop plan for increasing level of paydown and annual FCPS bond level. *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*
22. Review record digitization and multi-system integration opportunities. *Recommended for referral to the Information Technology Committee.*

23. Review issues for inclusion in the County's Legislative Program (i.e., prioritization of strategies to maximize Medicaid resources, behavioral health supports for military families).
Recommended for referral to the relevant agencies and the Legislative Committee.
24. Align the County's development process to support the County's Economic Success Strategic Plan. *Recommended for inclusion as part of the Fairfax First initiative.*
25. Review potential revenue opportunities to ensure maximization of non-county resources.
Recommended for discussion as part of the normal budget process and Budget Committee meetings.
26. Review maintenance issues at heavily used facilities, such as parks. *Recommended for discussion as part of the normal budget process and Budget Committee meetings.*

Projects for Future Consideration

The following topics are recommended for further consideration by the Board at the conclusion of LOBs Phase 2.

27. Develop a plan for the preservation and display of County history.
28. Review possibilities for coordination of County and FCPS library services.
29. Review the options for making library hours more consistent.
30. Review the capacity of non-profits with Leadership Fairfax as a partner.
31. Continue to review both current and future facilities for multi-functional uses (County and FCPS).
32. Develop funding plan for FCPS bus replacement fund.
33. Review operational and service delivery redesigns for the continuum of housing and homeless services.

If you have any questions, please let me know. Otherwise, I look forward to discussing the next phase of LOBs on September 27.

cc: Patricia Harrison, Deputy County Executive
David J. Molchany, Deputy County Executive
David M. Rohrer, Deputy County Executive
Robert A. Stalzer, Deputy County Executive
Joseph Mondoro, Chief Financial Officer