

Department of Management and Budget



FY 2010 LOBS Presentation

Agency Mission



- ◆ To provide financial and analytical consultant services; develop, implement and monitor a financial plan; and produce information for Fairfax County agencies, the Board of Supervisors, the County Executive and citizens in order to maintain the County's fiscal integrity and accountability, as well as to support effective decision-making.

Agency Growth Since FY 2001



- ◆ **Growth in Expenditures:**
 - FY 2009: \$3.07 million - FY 2001: \$2.95 million
 - an increase of \$0.12 million or 4.06%
 - an average annual increase of 0.50%

- ◆ **Growth in Positions/Staff Year Equivalency (SYE):**
 - FY 2009: 38/38.0 - FY 2001: 41/41.0
 - a decrease of 3/3.0

- ◆ Growth in expenditures is primarily attributable to compensation increases

- ◆ Operating expenses have declined by 5.5% since FY 2001

Agency Initiatives

Since FY 2001

- Based on direction from the Board of Supervisors, DMB took steps to develop an even more robust mandates program in order to collect and share information regarding the impact of federal and state mandates on Fairfax County's budget.
- DMB began posting all budget documents online, allowing many members of the public, both within and outside Fairfax County, to access a wide array of information provided by DMB. The agency also reduced the number of printed volumes and began disseminating budget documents in CD-ROM format.
- DMB developed a web-based database to manage County agencies' performance measurement data.

Agency Strategic Focus



- ◆ As a growing and increasingly diverse community, Fairfax County faces significant budget challenges regarding increasing demands for services, as well as how to fund them. The County's population exceeds that of seven states, while its budget is larger than four states. In addition to requirements associated with population growth, Fairfax County's budget has been impacted by external factors such as restrictions on revenue diversification that severely limit the County's flexibility in addressing budget requirements and also continue to place a disproportionate burden on property owners, particularly residential taxpayers. In addition, the County faces the dual challenges of maintaining an aging infrastructure, while addressing the needs of a growing population that requires additional facilities.
- ◆ As a result of budget reductions in the past decade, DMB's authorized staffing level has been reduced by over 17 percent since FY 1996, presenting additional challenges to formulate the budget given the increasingly complex fiscal environment. To meet those challenges, DMB has leveraged technology extensively, redesigned and streamlined the budget process, and has also focused resources on expanding public access to essential information in order to afford residents a better understanding of their County government, as well as the services it offers and the role they can play in the budget process.

LOBS Summary Table:

FY 2008 Adopted Budget Plan Data

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<i>Number</i>	<i>LOB Title</i>	<i>Net LOB Cost</i>	<i>LOB Number of Positions</i>	<i>LOB SYE</i>
20-01	Fiscal Planning, Monitoring and Analysis	\$2,332,562	29	29.0
20-02	Economic, Legislative and Management Analysis	\$856,936	9	9.0
TOTAL		\$3,189,498	38	38.0

LOBS Highlights:

LOB 20-01: Fiscal Planning, Monitoring, and Analysis

◆ What We Do:

- Administer fiscal policy and coordinate the County's annual budget process, which includes development of budget guidelines, review of agency requests, presentation of recommendations to the County Executive, preparation of the Advertised Budget Plan, support of deliberations by the Board of Supervisors (including Add-On and reduction packages), and preparation of the Adopted Budget Plan.
- Annually review over 200 agency budget requests and prepare estimates for over 300 tax and revenue categories. DMB is responsible for the County-wide budget review at Third Quarter to ensure conformance with spending limits and revenue estimates. DMB also conducts a budgetary review at the close of each fiscal year to carry appropriations into the next fiscal year in support of continuing financial obligations (Carryover Review).
- Provide day-to-day oversight for requisitions for major capital equipment purchases and adjustments to positions, and review approximately 200 Board items with a fiscal impact each year.
- Administer Fund 002, Revenue Stabilization. DMB's responsibility is to monitor the balances in the fund and projected interest earnings to insure that the fund remains its fully funded status.
- Maintain the County's budgeted position count, project personnel costs for all agencies, including projections associated with pay for performance, merit increments for public safety and other compensation related adjustments along with analyzing the fiscal impact of benefit and retirement changes, and other cross-County issues.
- Provide oversight of County contributions to various nonsectarian, nonprofit, or quasi-governmental organizations whose mission is to improve the general health and welfare of the community.
- Coordinate and develop the County's Capital Improvement Program (CIP).
- Develop the County's Official Bond Offering Statements, coordinating all bond sales and conducting analyses of the County's bonding capacity and capital construction cashflow requirements.

◆ Who We Serve:

- Board of Supervisors, County Executive, County agencies

LOBS Highlights:

LOB 20-02: Economic, Legislative and Management Analysis

◆ What We Do:

- Monitor and forecast over 300 tax and revenue categories using various statistical methods; track and analyze trends in local and national economic data; produce two key monthly economic reports: the "Fairfax County Economic Index" newsletter, and the "Economic Indicators Bulletin" and conduct economic, statistical and quantitative analyses.
- Determine the fiscal impact of legislative initiatives before the Virginia General Assembly, as well as proposals brought forward by commissions and other bodies associated with the Virginia legislature. In addition, analysis of federal legislation is conducted whenever a bill is introduced that will have a fiscal impact on Fairfax County. During the 2007 General Assembly session, staff reviewed over 300 House and Senate bills referred to DMB.
- Working with the Department of Human Resources (DHR), provide technical support for pay for performance, monitoring expenditures by agency, projecting fiscal impacts of trends in and modifications to the program, and serving a key role on the Compensation Steering Committee. In addition, DMB works with DHR to provide management analysis support to agencies to integrate workforce planning into County business operations in order to ensure that appropriate staffing resources are available to achieve strategic goals and objectives.
- Another key function of this program area is Reports Control, which includes data collection, compilation and document preparation tasks associated with monitoring the adopted and revised budget plans, quality control and data integrity of the appropriations and budget information contained in FAMIS, the County's online computer system for accounting.

LOBS Highlights:

LOB 20-02: Economic, Legislative and Management Analysis

◆ What We Do:

- Respond to numerous requests for information from citizens, civic associations, commissions, bond rating agencies, other jurisdictions, the Commonwealth of Virginia, Federal Government, and all County agencies. DMB responds to requests for information and performs analyses for members of the Board of Supervisors and County senior management. Agency staff also conducts presentations and briefings for interested groups. The agency fully supports public hearings by making staff available at all times to assist the Board of Supervisors with information needs.
- In addition, based on direction from the Board of Supervisors, DMB took steps to develop an even more robust mandates program in order to collect and share information regarding the impact of federal and state mandates on Fairfax County's budget. The trend continues to be one of increasing directives from the federal and state governments, with no corresponding increase in revenue to support those mandates. For FY 2007, the total program expenditure level impacted by federal and state mandates is \$1,268 million, with offsetting revenue of \$553 million, for a net cost to the County of \$715 million.
- Coordinate the County's performance measurement program, the County's comprehensive performance measurement program which links performance (results) to resources (the budget), and other managing for results activities. This includes overseeing the County's participation in the International City/County Management Association's (ICMA) comparative data initiative where 14 service areas are benchmarked annually and comparisons of efficiency and effectiveness are included in the annual budget document.

◆ Who We Serve:

- Board of Supervisors, County Executive, County agencies

Agency Reduction Priorities

Reduction Summary

Priority Ranking	Reduction Description	Positions	SYE	Net Reduction
1	Eliminate non-essential contracts and operating expenses	0	0.00	\$61,800
2	Reduce number of copies of printed budget and type of binding	0	0.00	\$30,000
3	Eliminate all travel and training	0	0.00	\$25,000
4	Suspend College-Level Internships for Youth Leadership Program Graduates	0	0.00	\$39,000
5	Eliminate payment to teacher sponsors in Youth Leadership Program	0	0.00	\$10,000
6	Eliminate 3 Budget Analyst Positions and associated Operating Expenses	3	3.00	\$313,186
				\$478,986

LOBS Reduction Impact



Reduction 1: Eliminate non-essential contracts and subscriptions and utilize alternative resources

LOB 20-02: Economic, Legislative and Management Analysis

- ◆ **Reduction:** \$61,800, 0/0.0 SYEs
- ◆ Contracts for consultative services, such as the Economic Index, will be eliminated. Additionally, subscriptions for various periodicals, such as Congressional Quarterly, will be eliminated.
- ◆ **Impact:** DMB will utilize economic data available at no charge from the state and federal governments. Other demographic and economic data will be gathered from free online resources.

LOBS Reduction Impact



Reduction 2: Reduce number of copies of printed budget and type of binding

LOB 20-01: Fiscal Planning, Monitoring and Analysis

- ◆ **Reduction:** \$30,000, 0/0.0 SYEs
- ◆ The number of printed copies of the budget volumes will be reduced by up to 45 percent, maintaining printed copies for distribution to the Board of Supervisors and County libraries for use by residents. In addition, alternative and cost-efficient binding methods will be utilized.
- ◆ **Impact:** DMB will continue providing all budget document online and on CD-ROMs. Durability of budget volumes may be impacted with use of alternative binding methodologies.

LOBS Reduction Impact



Reduction 3: Eliminate all agency travel and external training

LOB 20-01: Fiscal Planning, Monitoring and Analysis

- ◆ **Reduction:** \$25,000, 0/0.0 SYEs
- ◆ Agency employees will not be allowed to travel or attend external training unless critical.
- ◆ **Impact:** In the past, agency travel expenses were minimal and significantly less than budgeted. Agency employees will utilize online and internal County resources to expand knowledge and improve skills.

LOBS Reduction Impact



Reduction 4: Suspend College-Level Internships for Youth Leadership Program Graduates

LOB 20-01: Fiscal Planning, Monitoring and Analysis

- ◆ **Reduction: \$39,000, 0/0.0 SYEs**
- ◆ The college level internship is an 8-week internship in a County agency offered only to graduates of the Youth Leadership Program. The interns work 40 hours a week at an hourly rate of \$16.00 per hour.
- ◆ The appeal of this program has grown over the years based on the highly successful internships that have been completed. In FY 2006, 4 interns participated in the program and 9 interns participated in both FY 2007 and FY 2008.
- ◆ **Impact:** This reduction would suspend all college-level internships, but would maintain the internships performed by high school students as a core piece of the Youth Leadership Program.

LOBS Reduction Impact



Reduction 5: Eliminate teacher sponsor payments as part of Youth Leadership Program

LOB 20-01: Fiscal Planning, Monitoring and Analysis

- ◆ **Reduction: \$10,000, 0/0.0 SYEs**
- ◆ Students in the Youth Leadership Program are assigned a teacher sponsor who is responsible for publicizing the program at their school, monitoring the student application process, reviewing student assignments related to the program, attending monthly meetings, helping the students prepare for and often accompanying them to their interview with Board members, and providing the appropriate recognition of the student at their high school.
- ◆ **Impact:** The reduction of these payments to teachers may result in a decrease of applicants for the program and an increase in administrative workload for County staff; however, it is anticipated that some teacher sponsors will continue with the program in a volunteer capacity.

LOBS Reduction Impact



Reduction 6: Eliminate 3/3.0 SYE Budget Analyst Positions and associated Operating Expenses

LOB 20-01: Fiscal Planning, Monitoring and Analysis and

LOB 20-02: Economic, Legislative and Management Analysis

- ◆ **Reduction: \$313,186, 3/3.0 SYEs**
- ◆ Three Budget Analyst positions will be eliminated. These positions are responsible for the analysis of various General Fund and Other Funds budgets, as well as specific projects such as mandates and federal legislation tracking.

LOBS Reduction Impact

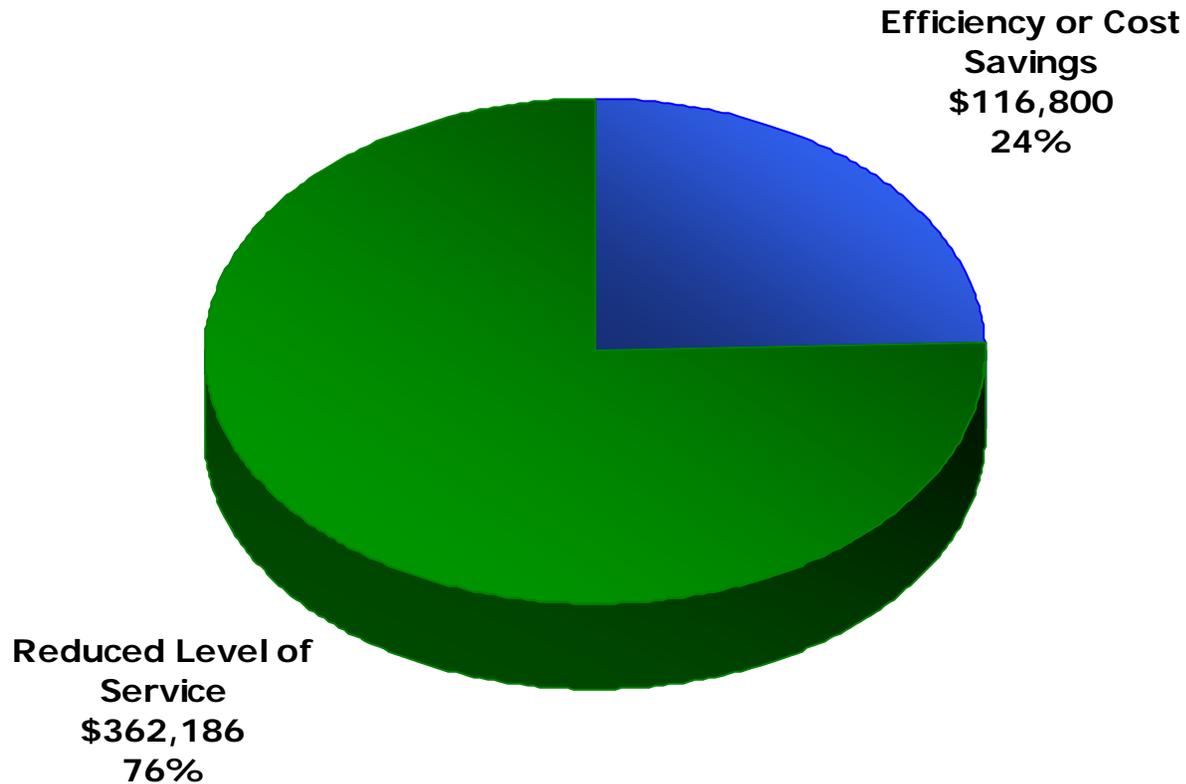


Reduction 6: Eliminate 3/3.0 SYE Budget Analyst Positions and associated Operating Expenses

- ◆ **Impact:** The ability of the agency to determine the fiscal impact of state and federal mandates, state and federal budgets, and state legislation on the County's budget will be significantly impacted. DMB will no longer have the capacity to complete the yearly mandates study. In FY 2008, the net cost to the County to comply with state and federal mandates was \$751 million. DMB will have limited capacity to perform in-depth analyses of the state and federal budgets and will need to rely on resources available from national organizations for general analysis and information. DMB will have limited capacity to determine the fiscal impact of Legislative initiatives before the Virginia General Assembly, as well as proposals brought forward by commissions and other bodies associated with the Virginia legislature. During the 2007 General Assembly session, staff reviewed over 300 House and Senate bills referred to DMB.
- ◆ Elimination of positions will also result in diminished ability to respond to agency questions regarding performance measures, and capacity to support strategic planning initiatives will be compromised. Furthermore, loss of these positions would hinder oversight capabilities, requiring other agencies to take on additional quality control responsibilities. DMB's ability to respond to ad-hoc analytical requests would also be impacted.

Agency Reduction Priorities

Reductions by Classification



Questions and Answers

