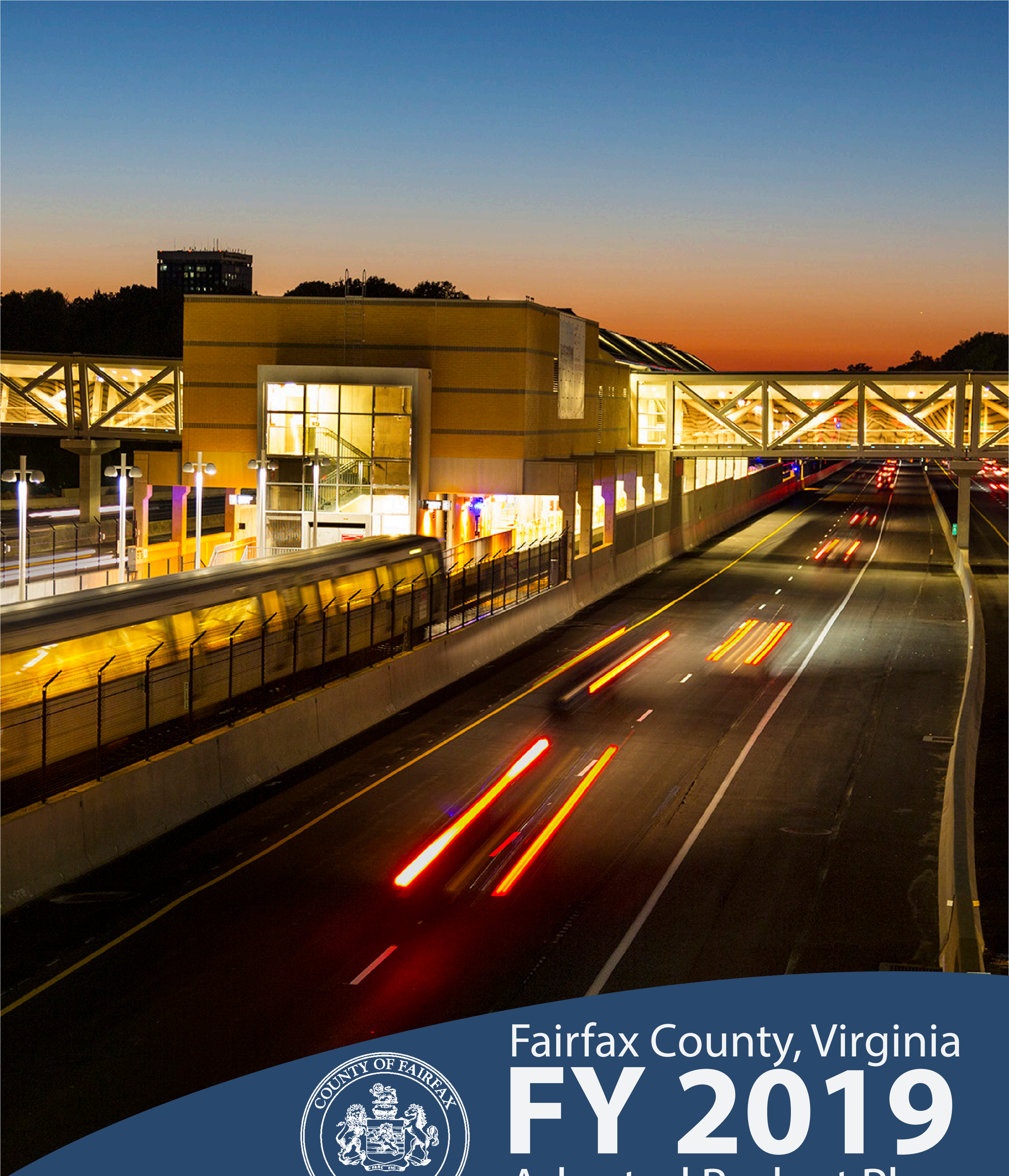


Fairfax County, Virginia
FY 2019
Adopted Budget Plan
Overview

Fairfax County Board of Supervisors

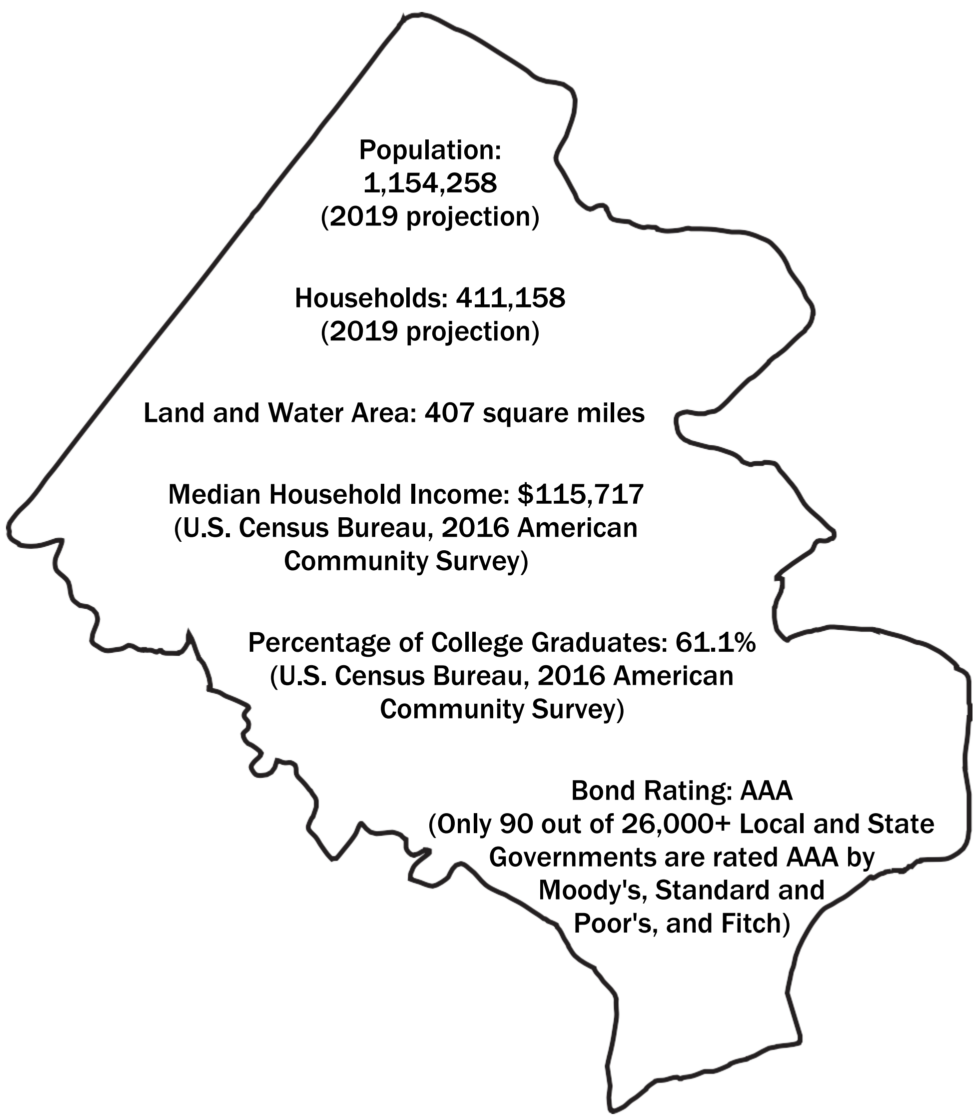
Sharon Bulova, Chairman

John C. Cook	Braddock District
John W. Foust	Dranesville District
Catherine M. Hudgins	Hunter Mill District
Jeffrey C. McKay	Lee District
Penelope A. Gross, Vice Chairman	Mason District
Daniel G. Storck	Mount Vernon District
Linda Q. Smyth	Providence District
Pat Herrity	Springfield District
Kathy L. Smith	Sully District

Bryan Hill, County Executive

Tisha Deeghan	Deputy County Executive
David J. Molchany	Deputy County Executive
David M. Rohrer	Deputy County Executive
Robert A. Stalzer	Deputy County Executive
Joseph M. Mondoro	Chief Financial Officer

Fairfax County, Virginia… At a Glance



Fairfax County, Virginia

Fiscal Year 2019
Adopted Budget Plan

Overview

1742

Prepared by the
Fairfax County Department of Management and Budget
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035
703-324-2391

https://www.fairfaxcounty.gov/budget/

The County of Fairfax is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations, call 703-324-2391, TTY 711. Special accommodations/alternative information formats will be provided upon request. Please allow five working days in advance of events in order to make the necessary arrangements.

FARE FAC

1742

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Fairfax County

Virginia

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Fairfax County, Virginia for its annual budget for the fiscal year beginning July 1, 2017.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

BUDGET CALENDAR

For Preparation of the FY 2019 Budget

2017

July	**July 1:** Fiscal Year 2018 begins.
November	**November 28:** County Executive and FCPS superintendent provide FY 2019 budget forecasts at joint meeting of Board of Supervisors and School Board.

2018

January	**January 11:** Superintendent releases FCPS FY 2019 proposed budget. **January 29-31:** School Board holds public hearings on budget.
February	**February 8:** School Board adopts FCPS FY 2019 Advertised Budget. **February 20:** County Executive releases FY 2019 Advertised Budget.
March	**March 6:** Board of Supervisors authorizes advertisement of proposed real estate tax rate for FY 2019.
April	**April 10-12:** Board of Supervisors holds public hearings on County budget. **April 20:** Board of Supervisors Budget Committee meeting for pre-markup to discuss changes to County Executive's FY 2019 Advertised Budget Plan. **April 24:** Board of Supervisors mark-up of County Executive's FY 2019 Advertised Budget Plan.
May	**May 1:** Board of Supervisors adopts FY 2019 budget and tax rate, including transfer to FCPS. **May 10:** School Board FY 2019 Approved Budget presented for new business. **May 15-16:** School Board holds public hearings on budget. **May 24:** School Board adopts FY 2019 Approved Budget.
July	**July 1:** Fiscal Year 2019 begins.

Fairfax County is committed to nondiscrimination on the basis of disability in all County programs, services and activities. Reasonable accommodations will be provided upon request. For information, call the Department of Management and Budget at 703-324-2391, TTY 711 (Virginia Relay Center).

Board of Supervisors' Goals & Priorities

Adopted by the Board of Supervisors in December 2009. Reaffirmed by the Board of Supervisors in February 2012.

By **engaging** our residents and businesses in the process of addressing these challenging times, **protecting investment** in our **most critical priorities**, and by **maintaining strong responsible fiscal stewardship**, **<u>we must ensure</u>:**

✓ **<u>A quality educational system</u>**

Education is Fairfax County's highest priority. We will continue the investment needed to protect and enhance this primary community asset. Our children are our greatest resource. Because of our excellent schools, businesses are eager to locate here and our children are able to find good jobs. A well-educated constituency is best able to put back into their community.

✓ **<u>Safe streets and neighborhoods</u>**

Fairfax County is the safest community of our size in the U.S. We will continue to invest in public safety to respond to emergency situations, as well as efforts to prevent and intervene in destructive behaviors, such as gang activity and substance abuse.

✓ **<u>A clean, sustainable environment</u>**

Fairfax County will continue to protect our drinking water, air quality, stream valleys and tree canopy through responsible environmental regulations and practices. We will continue to take a lead in initiatives to address energy efficiency and sustainability and to preserve and protect open space for our residents to enjoy.

✓ **<u>Livable, caring and affordable communities</u>**

As Fairfax County continues to grow we will do so in ways that address **environmental** and **mobility** challenges. We will encourage housing that is affordable to our children, seniors and members of our workforce. We will provide compassionate and efficient services to members of our community who are in need. We will continue to protect and support our stable lower density neighborhoods. We will encourage and support participation in community organizations and other activities that address community needs and opportunities.

✓ **<u>A vibrant economy</u>**

Fairfax County has a well-earned reputation as a business-friendly community. We will vigorously pursue **economic development** and **revitalization** opportunities. We will support the business community and encourage this healthy partnership. We will continue to be sensitive and responsive to the needs of our corporate neighbors in the areas of **workforce development** and **availability, affordable housing, regulation and taxation.**

✓ **<u>Efficient transportation network</u>**

Fairfax County makes it a priority to connect People and Places. We will continue to plan for and invest in transportation improvements to include comprehensive bicycle and pedestrian initiatives, bus and para transit, road and intersection improvements and expansion of Metrorail and VRE.

✓ **<u>Recreational and cultural opportunities</u>**

A desirable community is one where there is a lot going on that residents can enjoy. Fairfax County will continue to provide for athletic, artistic, intellectual and recreational activities, in our communities, parks, libraries and schools.

✓ **<u>Taxes that are affordable</u>**

The property tax is Fairfax County's primary source of revenue to provide services. We will ensure that taxes are affordable for our residents and businesses, and we will seek ways to diversify County revenues in order to make our tax base more equitable. We will ensure that County programs and services are efficient, effective and well run.

Fairfax County Vision Elements

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County by:

Maintaining Safe and Caring Communities -
The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Building Livable Spaces -
Together, we encourage distinctive “built environments” that create a sense of place, reflect the character, history and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play and connect with others.

Connecting People and Places -
Transportation, technology and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe and convenient manner.

Maintaining Healthy Economies -
Investments in the workforce, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Practicing Environmental Stewardship -
Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County’s natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

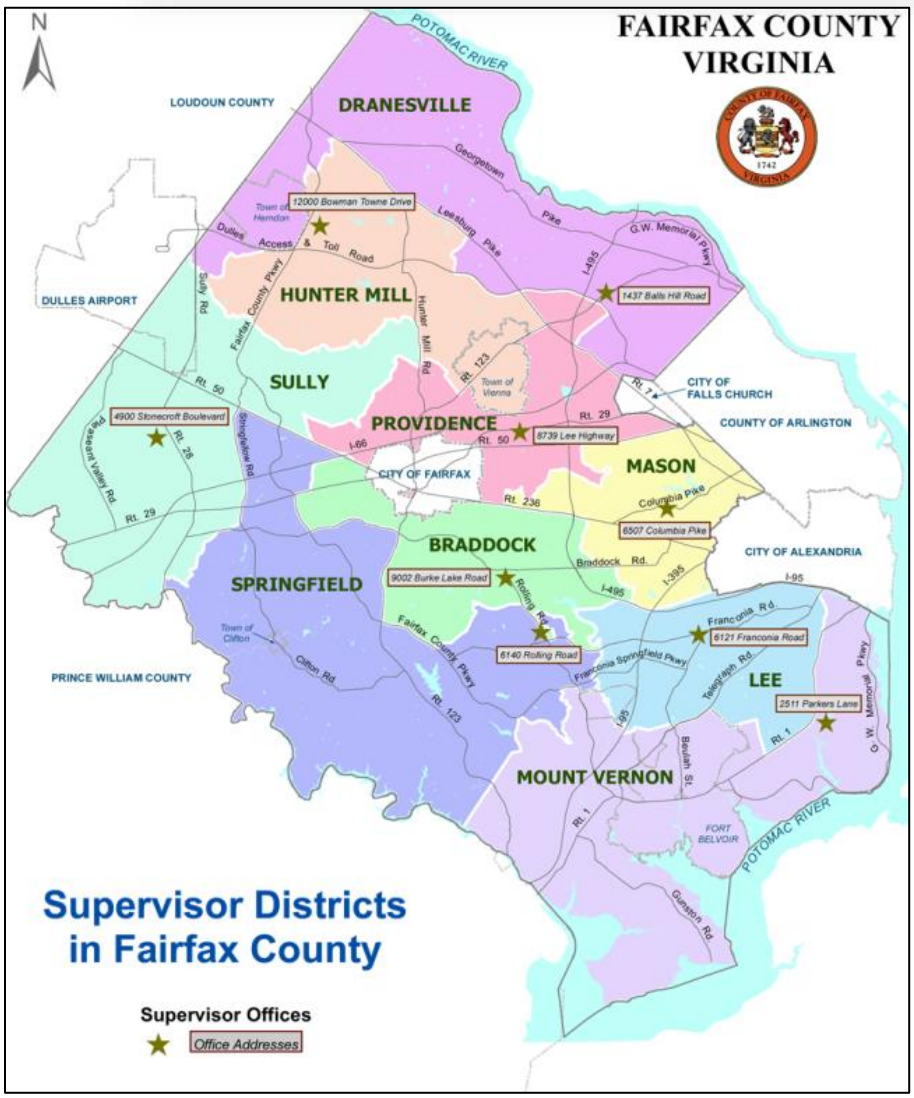
Creating a Culture of Engagement -
Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Exercising Corporate Stewardship -
Fairfax County government is accessible, responsible and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Fairfax County Government

In Virginia, cities and counties are distinct units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. However, pursuant to agreements with these cities, the County does provide certain services to their residents.

In Fairfax County, there are three incorporated towns - Clifton, Herndon and Vienna - which are overlapping units of government within the County. With certain limitations prescribed by the Code of Virginia, the ordinances and regulations of the County are generally effective in them. Property in these towns is subject to County taxation and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County.



The Fairfax County government is organized under the Urban County Executive form of government as defined under the Code of Virginia. The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County.

County Organization

The Board of Supervisors consists of ten members: the Chairman, elected at large, and one member from each of nine supervisory districts, elected for four-year terms by the voters of the district in which the member resides.

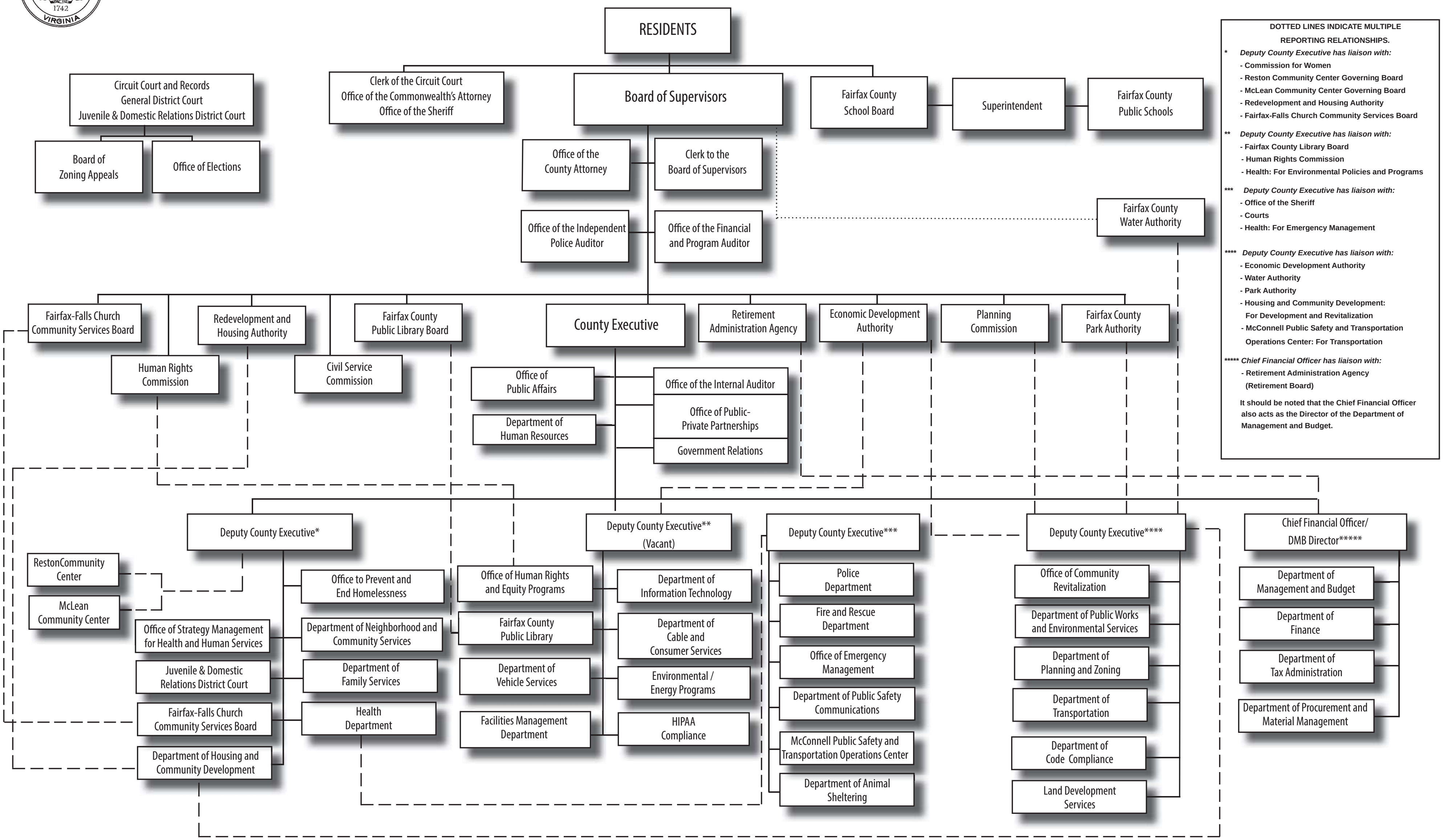
The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The Fairfax County Board of Supervisors

From left to right: Daniel G. Storck (Mount Vernon District); John C. Cook (Braddock District); Catherine M. Hudgins (Hunter Mill District); Jeffrey C. McKay (Lee District); Sharon Bulova (Chairman, At-Large); Penelope A. Gross (Mason District, Vice Chairman); John W. Foust (Dranesville District); Kathy L. Smith (Sully District); Linda Q. Smyth (Providence District); and Pat Herrity (Springfield District).

An organizational chart of Fairfax County government is provided on the next page.

ORGANIZATION OF FAIRFAX COUNTY GOVERNMENT



BOARDS, AUTHORITIES AND COMMISSIONS

Appeal Groups

Board of Building and Fire Prevention Code Appeals
Board of Equalization of Real Estate Assessments (BOE)
Board of Zoning Appeals[1]
Civil Service Commission
Human Rights Commission
Police Civilian Review Panel

Management Groups

Audit Committee (4 Board Members, 2 Citizens)
Burgundy Village Community Center Operations Board
Celebrate Fairfax, Inc. Board of Directors
Economic Development Authority
Electoral Board
Fairfax County Convention & Visitors Corporation Board of Directors
Fairfax County Employees' Retirement System Board of Trustees
Fairfax County Park Authority
Fairfax County Public Library Board of Trustees
Fairfax County Water Authority
Fairfax-Falls Church Community Services Board
Industrial Development Authority
McLean Community Center Governing Board
Police Officers Retirement System Board of Trustees
Redevelopment and Housing Authority
Reston Community Center Board
Uniformed Retirement System Board of Trustees
Water Authority

Regional Agencies to which Fairfax County Contributes

Health Systems Agency Board
Metropolitan Washington Airports (MWA) Policy Committee
Metropolitan Washington Council of Governments
National Association of Counties
Northern Virginia Community College Board
Northern Virginia Regional Park Authority
Northern Virginia Transportation Commission
Northern Virginia Transportation Coordinating Council
Route 28 Highway Transportation District Advisory Board
Upper Occoquan Sewage Authority (UOSA)
Virginia Association of Counties
Washington Metropolitan Area Transit Authority (WMATA)

[1] The members of this group are appointed by the 19th Judicial Circuit Court of Virginia.

BOARDS, AUTHORITIES AND COMMISSIONS

Advisory Groups

A. Heath Onthank Award Selection Committee
Advisory Plans Examiner Board
Advisory Social Services Board
Affordable Dwelling Unit Advisory Board
Agricultural and Forestal Districts Advisory Board
Airports Advisory Committee
Alcohol Safety Action Program Local Policy Board
Animal Services Advisory Commission
Architectural Review Board
Athletic Council
Barbara Varon Volunteer Award Selection Committee
Chesapeake Bay Preservation Ordinance Exception Review Committee
Child Care Advisory Council
Citizen Corps Council, Fairfax County
Commission for Women
Commission on Aging
Commission on Organ and Tissue Donation and Transplantation
Community Action Advisory Board (CAAB)
Community Criminal Justice Board (CCJB)
Community Policy and Management Team, Fairfax-Falls Church
Consumer Protection Commission
Criminal Justice Advisory Board (CJAB)
Dulles Rail Transportation Improvement District Advisory Board, Phase I
Dulles Rail Transportation Improvement District Advisory Board, Phase II
Economic Advisory Commission
Engineering Standards Review Committee
Environmental Quality Advisory Council (EQAC)
Fairfax Area Disability Services Board
Fairfax Community Long Term Care Coordinating Council
Geotechnical Review Board
GMU Fairfax Campus Advisory Board
Health Care Advisory Board

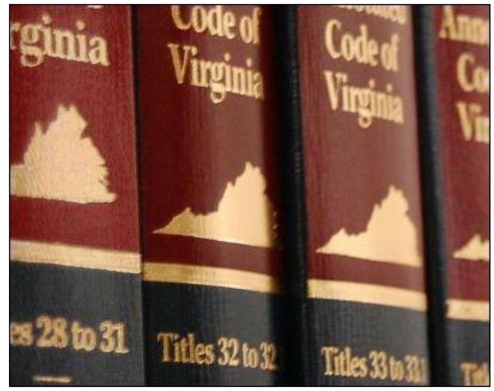
BOARDS, AUTHORITIES AND COMMISSIONS

Advisory Groups

History Commission
Human Services Council
Information Technology Policy Advisory Committee (ITPAC)
Juvenile & Domestic Relations District Court Citizens Advisory Council
Mosaic District Community Development Authority
Oversight Committee on Distracted and Impaired Driving
Planning Commission
Reston Transportation Service District Advisory Board
Road Viewers Board
Route 28 Highway Transportation Improvement District Advisory Board
Small Business Commission, Fairfax County
Southgate Community Center Advisory Council
Tenant Landlord Commission
Trails and Sidewalks Committee
Transportation Advisory Commission
Tree Commission
Trespass Towing Advisory Board
Tysons Transportation Service District Advisory Board
Volunteer Fire Commission
Wetlands Board
Youth Basketball Council Advisory Board

THE BUDGET

Each year, Fairfax County publishes sets of budget documents or fiscal plans: the Advertised Budget Plan and the Adopted Budget Plan. Submission and publication of the budget is contingent upon criteria established in the Code of Virginia. The County prepares and approves an annual budget in compliance with sound financial practices, generally accepted accounting principles, and the provisions of the Code of Virginia which control the preparation, consideration, adoption, and execution of the County budget. As required by the Code of Virginia (§ 15.2-2503), the County Executive must submit to the Board of County Supervisors a proposed budget, or fiscal plan, on or before April 1 of each year for the fiscal year beginning July 1. A budget is balanced when projected total funds available equal total disbursements, including established reserves. All local governments in the Commonwealth of Virginia must adopt a balanced budget as a requirement of state law no later than by July 1. The Advertised Budget Plan is the annual budget proposed by the County Executive for County general government operations for the upcoming fiscal year, which runs from July 1 through June 30. The Advertised Budget Plan is based on estimates of projected expenditures for County programs and it provides the means for paying for these expenditures through estimated revenues. According to the Code of Virginia, the Board of Supervisors must approve a tax rate and adopt a budget for informative and planning purposes no later than the beginning of the fiscal year (July 1). Following extensive review, deliberation and public hearings to receive input from County residents, the Board of Supervisors formally approves the Adopted Budget Plan typically in late April/early May in order to satisfy the requirement that the Board of Supervisors approve a transfer to the Fairfax County School Board by May 15, or within 30 days of receiving state revenue estimates from the state, whichever is later. The transfer amount has traditionally been included in the Board's Adopted Budget, requiring that the Board adopt the budget on or before May 15, not July 1 as the Code allows.



The County's Budget Documents

The Fairfax County Budget Plan (Advertised and Adopted) is presented in several volumes. A brief description of each document is summarized below:

The Citizen's Guide for the Advertised Budget includes a summary of the key facts, figures, and highlights of the budget.

The Budget Overview summarizes the budget, thereby allowing a complete examination of the budget through this document. The Overview contains the County Executive's message to the Board of Supervisors; budget highlights; a summary of the County's fiscal condition, allocation of resources, and financial history; and projections of future revenues and expenditure requirements. Also included is information on the County's taxes and fees; fiscal, demographic, and economic trends; direct spending by County departments; transfers to other public organizations, such as the Fairfax County Public Schools and Metro; and funded construction projects.

Volume 1 – General Fund details the budgets for County departments and agencies funded from general tax revenue such as real estate and personal property taxes. Included are summary budget schedules and tables organized by accounting classification and program area summaries. Detailed budget information is presented by program area and by department/agency. Also included are organizational charts, strategic issues, and performance indicators for each department/agency.

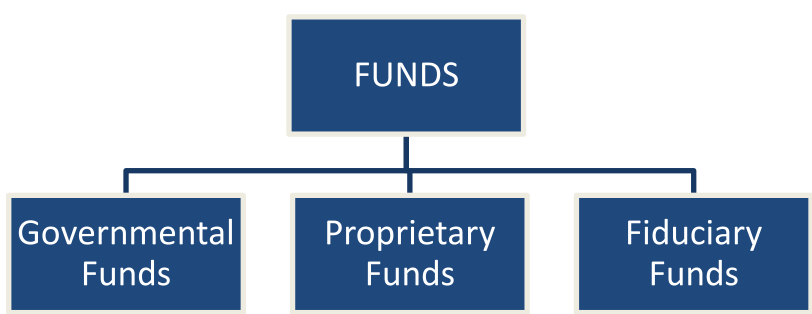
Volume 2 – Capital Construction and Other Operating Funds details budgets for County departments, agencies, construction projects, and programs funded from non-General Fund revenue sources, or from a mix of General Fund and non-General Fund sources, such as federal or state grants, proceeds from the sale of bonds, user fees, and special tax districts. Included are detailed budget schedules and tables organized by accounting classification, as well as budget summaries by fund group. This volume also details information associated with Fairfax County funding for Contributory Agencies.

Capital Improvement Program – The County also prepares and publishes a 5-year Capital Improvement Program (CIP) – separate from the budget – which is also adopted by the Board of Supervisors and published as a separate document. The CIP specifies capital improvements and construction projects which are scheduled for funding over the next five years in order to maintain or enhance the County's capital assets and delivery of services. In addition, the CIP also describes financing instruments or mechanisms for those projects. Financial resources used to meet priority needs as established by the CIP are accounted for in the Capital Project Funds. The primary type of operating expenditure included in the budget relating to the CIP is funding to cover debt service payments for General Obligation Bonds or other types of debt required to fund specific CIP projects. In addition, the cost of opening and operating new facilities is closely linked to the CIP.

BASIS OF ACCOUNTING AND BUDGETING

A budget is a formal document that enables the County to plan for the future, measure the performance of County services, and help the public to understand where revenues come from and how they are spent on County services. The budget reflects the estimated costs of operation for the County's programs, services, and activities. The budget serves many purposes and addresses different needs depending on the "audience" including County residents, federal and state regulatory authorities, elected officials, other local governments, taxpayers or County staff.

The budget must comply with the Code of Virginia and regulatory requirements. Fairfax County is required to undergo an annual financial audit by independent auditors. Thus, the budget outlines the required information to serve legal and financial reporting requirements. The budget is prepared and organized within a defined basis of budgeting and financial structure to meet regulatory and managerial reporting categories of expenditures and revenues.



The Commonwealth of Virginia requires that the County budget be based on fund accounting, which is a system that matches the sources of revenue (such as taxes or service fees) with the uses (program costs) of that revenue. Therefore, the County budgets and accounts for its revenues and expenditures in various funds. Financially, the County budget is composed of three primary fund types:

- **Governmental Funds** (General Fund, Debt Service Fund, Special Revenue Funds and Capital Project Funds)
- **Proprietary Funds** (Enterprise Funds and Internal Service Funds)
- **Fiduciary Funds** (Trust Funds and Custodial Funds)

How to Read the Budget

Accounting Basis

The County's governmental functions and accounting system are organized and controlled on a fund basis. Each fund is considered a separate accounting entity, with operations accounted for in a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate.

Governmental and agency funds are accounted for on a modified accrual basis of accounting. Revenue is considered available and recorded if it is collectible within the current period or within 45 days thereafter, to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred, with the exception of certain liabilities recorded in the General Long-Term Obligations Account Group.

Proprietary, pension and non-expendable trust funds utilize the full accrual basis of accounting which requires that revenues be recognized in the period in which service is given and that expenses be recorded in the period in which the benefit is received. A description of the fund types is provided:

- **General Fund Group:** The largest fund in the General Fund Group, the General Fund, is the County's primary operating fund, and it is used to account for all revenue sources and expenditures which are not required to be accounted for in other funds. Revenues are derived primarily from real estate and personal property taxes as well as other local taxes, federal and state distributions, license and permit fees, charges for services, and interest from investments. A significant portion of General Fund revenues are transferred to other funds to finance the operations of the County's public schools, Community Services Board (CSB), and debt service, among others. The General Fund group also includes funds which are primarily funded through transfers from the General Fund.

- **Debt Service Funds:** The debt service funds are used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. Included in this fund type is the School Debt Service Fund as the County is responsible for servicing the general obligation debt it has issued on behalf of Fairfax County Public Schools (FCPS).

- **Special Revenue Funds:** These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

- **Capital Project Funds:** These funds are used to account for financial resources to be used for the acquisition or construction of any major capital facilities (other than those financed by Proprietary Funds), and are used to account for financial resources used for all general construction projects other than enterprise fund construction. The Capital Project Funds account for all current construction projects, including improvements to and the construction of schools, roads and various other projects.

- **Fiduciary Funds:** These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds or in a trustee capacity. Custodial Funds are used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments. Also included in Fiduciary Funds are Trust Funds, which include the funds used to account for the assets held in trust by the County for the employees and beneficiaries of its defined pension plans – the Employees' Retirement System, the Police Officers Retirement System, and the Uniformed Retirement System, as well as assets held to meet the County's Other Post-Employment Benefit obligations.

- **Proprietary Funds:** These funds account for County activities, which operate similarly to private sector businesses. Consequently, these funds measure net income, financial position, and changes in financial position. The two primary types of Proprietary Funds are Internal Service Funds and Enterprise Funds. Internal Service Funds are used to account for the provision of general liability, malpractice, and workers' compensation insurance, health insurance for County employees and retirees, vehicle services, the County's print shop operations, and technology infrastructure support that are provided to County departments or agencies on an allocated cost recovery basis. The Fairfax County Integrated Sewer System reflects the only enterprise funds of the County. These funds are used to account for the financing, construction, and operations of the countywide sewer system.

Accounting Standards

During FY 2019 the County will continue to use the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, financial reporting model, otherwise known as GASB 34. These standards changed the entire reporting process for local governments, as they require new entity-wide financial statements, in addition to current fund statements and other additional reports such as management discussion and analysis. Infrastructure values are now reported, and various changes in accounting have been implemented. It should be noted that, beginning in FY 2008, the County's financial statements were required to implement GASB Statement Number 45 for post-employment benefits including health care, life insurance, and other non-retirement benefits offered to retirees. This standard addresses how local governments account for and report their costs related to post-employment healthcare and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis. GASB 45 required that the County accrue the cost of these post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension/retirement benefits. The County decided to follow guidance provided by GASB 45 and established a trust fund as part of the FY 2008 Adopted Budget Plan to pre-fund the cost of post-employment healthcare and other non-pension benefits. For further details please refer to the Fund 73030, OPEB Trust Fund, narrative in Volume 2.

Budgetary Basis

Annual budgets spanning the fiscal year (July 1 – June 30) are prepared on an accounting basis, with certain exceptions. Please refer to the table in the Financial Structure portion of this section for information regarding the purpose of various types of funds, supporting revenues and budgeting and accounting bases.

The budget is controlled at certain legal and managerial/administrative levels. The Code of Virginia requires that the County adopt a balanced budget. The adopted Supplemental Appropriation Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained and controlled at the fund, department, superior commitment item (Compensation, Benefits, Operating Expenses, etc.), or Funded Program (project) level. It should be noted that funding information included in the budget volumes consolidates superior commitment items into four primary categories: Personnel Services, Operating Expenses, Capital Equipment, and Recovered Costs. Personnel Services include regular pay, fringe benefits (for non-General Fund agencies only), and extra compensation. Operating Expenses are the day-to-day costs involved in the administration of an agency. Capital Equipment reflects items that have a value of more than $5,000 and an expected life of more than one year, and Recovered Costs are reimbursements from other County agencies for specific services that have been provided.

There are also two built-in provisions for amending the adopted budget – the *Carryover Review* and the *Third Quarter Review*. During the fiscal year, quarterly budget reviews are the primary mechanism for revising appropriations. Once approved, the budget can be amended by a supplemental appropriation resolution. A supplemental appropriation ordinance amends the budget for grant programs to reflect actual revenue received and to make corresponding balancing adjustments to grant program expenditures. A supplemental appropriation ordinance may, therefore, either increase or reduce the County's total budget from the original approved budget appropriation. The budget for any fund, agency, program grant, or project can be increased or decreased by formal Board of Supervisors action (budget and appropriation resolution). According to the Code of Virginia any budget amendment which involves a dollar amount exceeding one percent of total expenditures from that which was originally approved may not be enacted without the County first advertising the amendment and without conducting a public hearing. The advertisement must be published at least once in a newspaper with general County circulation at least 7 days prior to the public hearing. It should be noted that, any amendment greater than 1.0 percent of expenditures requires that the Board advertise a synopsis of the proposed changes. After obtaining input from residents at the public hearing, the Board of Supervisors may then amend the budget by formal action.

The *Carryover Review* represents the analysis of balances remaining from the prior year and provision for the appropriation of funds to cover the prior year's legal obligations (encumbered items) in the new fiscal year without loss of continuity in processing payments. *Carryover* extends the prior year funding for the purchase of specific items previously approved in the budget process, but for which procurement could not be obtained for various reasons. All agencies and funds are reviewed during the *Carryover Review* and adjustments are made to the budget as approved by the Board of Supervisors.

All annual appropriations lapse at the end of the fiscal year. Under the County's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

In addition, the County's Department of Management and Budget is authorized to transfer budgeted amounts between superior commitment items, grants, or projects within any agency or fund. The budget process is controlled at the superior commitment item or project level by an appropriations system within the automated financial accounting system. Purchase orders are encumbered prior to release to vendors, and those that exceed superior commitment item level appropriations are not released until additional appropriations are available.

DEPARTMENTS AND PROGRAM AREAS

The County's departments and program areas are easiest to understand if compared to a filing cabinet. Each drawer of the filing cabinet is a separate fund type/fund, such as Special Revenue, and within each drawer or fund there are many file folders which represent County agencies, departments or funds. County organizations in the General Fund are called agencies or departments, while organizations in the other funds are called funds. For example, the Health Department, which is a General Fund agency, is one agency or folder in the General Fund drawer.

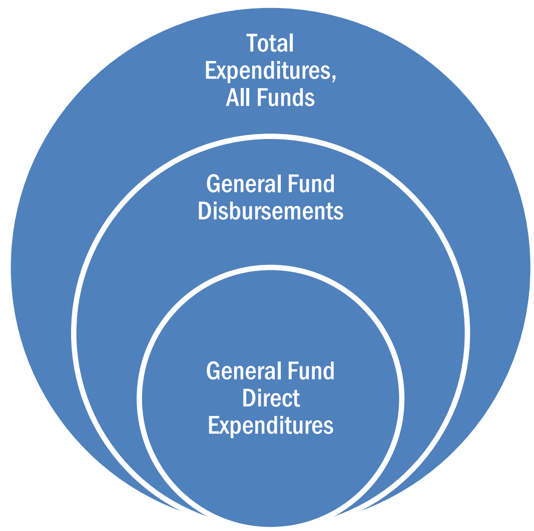
For reporting purposes, all agencies and departments in the General Fund are grouped into "program areas." A program area is a grouping of County agencies or departments with related countywide goals. Under each program area, individual agencies and departments participate in activities to support the program area goals. The Public Safety Program Area, for example, includes the Police Department and the Fire and Rescue Department, among others.

While most of the information in the budget is focused on an agency or fund, there are several summary schedules that combine different sources of information such as General Fund receipts and expenditures, County position schedules, and other summary schedules.

COUNTY EXPENDITURES AND REVENUES

County Expenditures

Expenditures for Fairfax County services and programs can be categorized as three concentric circles. Each circle encompasses the funds inside it:



- In the smallest circle are the General Fund Direct Expenditures that support the day-to-day operations of most County agencies.
- The second largest circle is General Fund Disbursements. This circle includes General Fund Direct Expenditures as well as General Fund transfers to other funds, such as the Fairfax County Public Schools, Metro transportation system, and the County's debt service.
- The largest circle is Total Expenditures. It represents expenditures from all appropriated funds.

County Revenues

The General Fund portion of Total Revenues consists of several major components, the two largest being Real Estate Tax revenues and Personal Property Tax revenues. Please note that a portion of the Personal Property Taxes is paid to the County by the state. These funds are included in the aforementioned Personal Property Tax total, rather than in Revenue from the Commonwealth. Local Taxes include Local Sales Tax receipts, Consumer Utility Taxes, and Business Professional and Occupational License Taxes. The remaining revenue categories include Revenue from the Federal Government, Fines and Forfeitures, Revenue from the Use of Money and Property, Revenue from the Commonwealth, Recovered Costs, Charges for Services, and Permits, Fees and Regulatory Licenses. Total Revenues consist of all revenues received by all appropriated funds in the County. Total Revenues include all General Fund revenues, as well as sewer bond revenue, refuse collection and disposal fees, and revenue from the sale of bonds.

FINANCIAL STRUCTURE

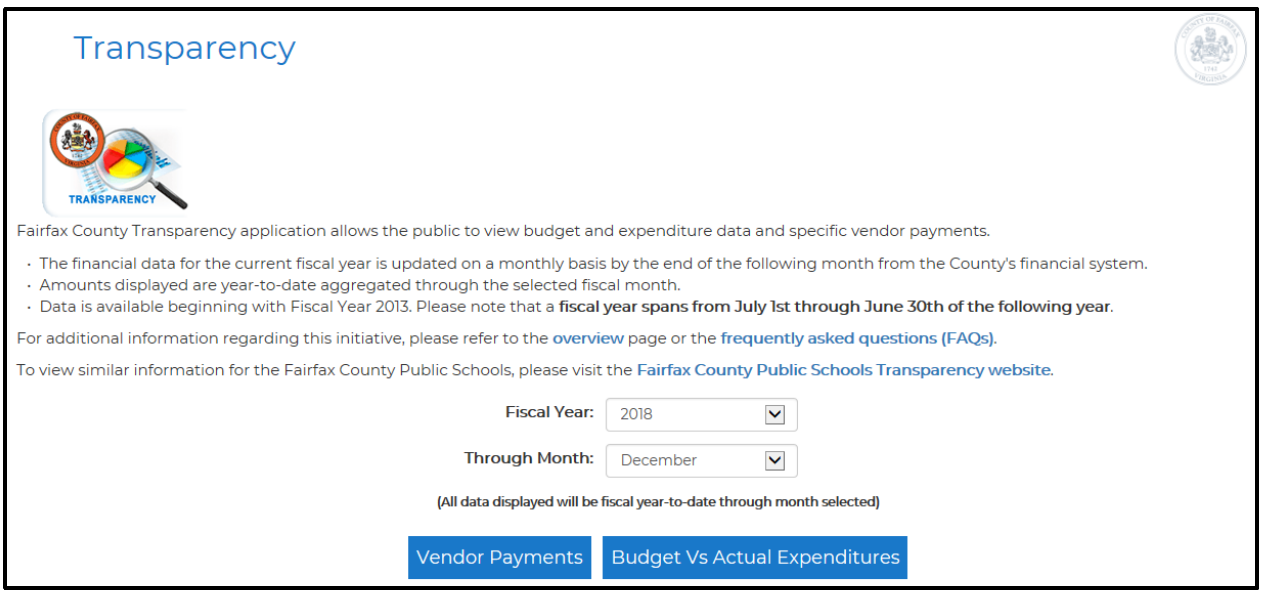
Fund/Fund Type Title	Purpose	Revenue	Budgeting Basis	Accounting Basis
GOVERNMENTAL FUNDS				
General Fund (Volume 1)	Accounts for the cost of general County government.	Primarily from general property taxes, other local taxes, revenue from the use of money and property, license and permit fees, and state shared taxes.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
General Fund Group: (Volume 2)	Account for the County's Revenue Stabilization Reserve, awards provided to community organizations through the Consolidated Community Funding Pool, contributions to County organizations through the Contributory Fund, and County Information Technology projects.	General Fund transfers, transfers from other County funds, and interest earnings.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Debt Service Funds (Volume 2)	Account for the accumulation of resources for and the payments of general obligation bond principal, interest and related expenses.	General Fund transfers and special assessment bond principal and interest from special assessment levies.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Capital Project Funds (Volume 2)	Account for financial resources used for all general County and School construction projects other than Enterprise Fund construction.	General Fund transfers, bond proceeds revenue from the real estate penny, and miscellaneous contributions.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Special Revenue Funds (Volume 2)	Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.	A variety of sources including fees for service, General Fund transfers, federal and state grant funding, cable franchise fees, and special assessments.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
PROPRIETARY FUNDS				
Internal Service Funds (Volume 2)	Account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a reimbursement basis.	Reimbursement via various inter-governmental payments, including the General Fund, for services and goods provided.	Accrual, depreciation expenses not included	Accrual
Enterprise Funds (Wastewater Management Program) (Volume 2)	Account for operations financed and operated in a manner similar to the private sector. The County utilizes Enterprise Funds for the Wastewater Management Program, which provides construction, maintenance, and operation of the countywide sewer system.	User charges to existing customers for continuing sewer service and availability fees charged to new customers for initial access to the system.	Accrual, depreciation expenses not included	Accrual
FIDUCIARY FUNDS				
Custodial Funds (Volume 2)	Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Modified Accrual	Modified Accrual
Trust Funds (Volume 2)	Account for assets held by the County in a trustee or agency capacity. Trust funds are usually established by a formal trust agreement.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Accrual	Accrual

ADDITIONAL BUDGET RESOURCES

In addition to the availability online of all of the County's published budget volumes, additional budgetary information including quarterly reviews, budget calendars, economic data, and historical files is available on the Department of Management and Budget's website at www.fairfaxcounty.gov/budget/. The department has focused resources on expanding public access to essential information at all stages of the budget formulation process in order to afford residents a better understanding of their County government, the services it offers, and the role they can play.

Transparency Website

The County has a useful transparency website at www.fairfaxcounty.gov/transparency/ which enables the public to view amounts paid to County vendors. Visitors can view budgetary data and actual expenditures by Fund or General Fund agency each month. Fairfax County Public Schools also hosts its own transparency website - https://www.fcps.edu/about-fcps/performance-and-accountability/transparency – where data specific to FCPS funds, departments, and schools, can be viewed. Used in collaboration with information already available to residents, such as the County's budget and the Comprehensive Annual Financial Report, the transparency initiative provides residents with an additional tool to learn more about the County's overall finances or focus on specific areas of interest.



THE BUDGET CYCLE

The Code of Virginia (Sections 15.2-516 and 2503) requires that the County Executive submit a proposed budget to the Board of County Supervisors no later than April 1 for the upcoming fiscal year. Sections 15.2-2506, 58.1-3007, and 58.1-3321 of the Code of Virginia govern the public notice requirements that guide the County's budget review and public comment period. After receipt of the proposed budget, the first action by the Board of Supervisors (BOS) is to authorize the advertisement of the proposed tax and levy rates. Once the proposed rate is advertised, the BOS can adopt lower tax and levy rates, but cannot, without additional advertisement, adopt higher rates. The timing of the advertisement is tied to the amount of increased revenue anticipated by the proposed rate. The Code of Virginia also requires the BOS to hold public hearings on the proposed budget and the proposed tax and levy rates to collect public comment. Once the budget has been adopted by the Board of Supervisors, it becomes a work plan of objectives to be accomplished during the next fiscal year.

The County's budget has two major elements: the operating budget and the capital budget. The operating budget includes all projected expenditures not included in the capital budget, including the operating transfer to Fairfax County Public Schools (FCPS). The operating budget funds the service delivery of County programs. Excluding the General Fund Transfer to FCPS, the largest expenditure category is employee compensation.

Fairfax County follows a series of policies, including its Ten Principles of Sound Financial Management, (see the *Long-Term Financial Tools and Policies* section in this volume) and approved practices to guide the development of the annual budget. For examples, these policies govern practices for the following:

- Capital Improvement Program
- Cash Management
- Debt Management
- Fund Balances
- Procurement
- Property Tax Collection
- Real Property Assessments
- Replacement Schedules
- Reserves
- Revenues
- Risk Management

By adhering to these policies and practices, the County promotes and ensures a consistent approach to budgeting that allows the Board of Supervisors and the community to compare the proposed budget to previous budgets.

The budget has several major purposes. It converts the County's long-range plans and policies into services and programs; serves as a vehicle to communicate these plans to the public; details the costs of County services and programs; and outlines the revenues (taxes and fees) that support the County's services, including the rate of taxation for the coming fiscal year.

The annual Fairfax County budget process is an ongoing cyclical process simultaneously looking at two fiscal years (current and future). The budget year officially starts on July 1; however, the budget process itself is a continuum which involves both the current year budget and the next fiscal year's budget. Changes to the current year budget are made at the *Third Quarter Review* and the *Carryover Review*. The *Carryover Review* closes out the previous year in addition to revising the expenditure level for the current year. These changes must be approved by the Board of Supervisors. During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the Department of Management and Budget, and any necessary adjustments are made to the budget. On the basis of these reviews, the Board of Supervisors revises appropriations. Public hearings are held prior to Board action when potential appropriation increases are greater than 1.0 percent of expenditures.

Citizen involvement and understanding of the budget are a key part of the review process. The County Executive presented the FY 2019 Advertised Budget Plan (including the FY 2019 – FY 2020 Multi-Year Budget) on February 20, 2018. Public hearings for the County Executive's FY 2019 Advertised Budget Plan and the FY 2019 – FY 2023 Advertised Capital Improvement Program (CIP) were held on April 10, 11 and 12, 2018 at the Government Center. The mark-up of the FY 2019 budget was held on Tuesday, April 24, 2018, and the Board of Supervisors adopted the FY 2019 Adopted Budget Plan on Tuesday, May 1, 2018.

The chart below illustrates the roles, responsibilities, and tasks in which both County staff and the Board of Supervisors engage during the course of a typical fiscal year. These efforts include budget adjustments for the current fiscal year, budget development for the next fiscal year, and budgetary projections for the following fiscal year.

Current Fiscal Year		Future Fiscal Year
	July	Agencies prepare annual budget requests
	Aug	
Board approves Carryover Review	**Sept**	Agencies submit annual budgets to the Department of Management and Budget (DMB)
	Oct	DMB reviews agency budget requests
	Nov	
	Dec	County Executive reviews DMB recommendations
	Jan	
DMB prepares and County Executive submits Third Quarter Review	**Feb**	County Executive submits Advertised Budget Plan (including Multi-Year Budget) to Board
	Mar	
Board approves Third Quarter Review	**Apr**	Public Hearings on Advertised Budget
	May	Board approves Tax Rates and Adopted Budget Plan
	June	
DMB prepares and County Executive submits Carryover Review	**July**	

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COMMONWEALTH OF VIRGINIA

County of Fairfax

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SHARON BULOVA
CHAIRMAN

June 15, 2018

Dear Fairfax County residents and corporate neighbors,

I am pleased to present to you the Fiscal Year 2019 Adopted Budget Plan.

The process for adopting the County Budget every year is all about community engagement. Fiscal Year 2019 is no exception, with Budget Forums and Town Hall Meetings hosted throughout the County and in each of our nine Districts. Since February, our offices have received hundreds, if not thousands, of letters, e-mail messages, phone calls and personal visits from our constituents. This year much work was done well in advance of the Advertised Budget through joint Budget Development Committee meetings with our partners on the School Board.

I would describe the Budget "mood" this year as **harmonic**, thanks to an Advertised Budget that I believe hit all the right notes. Very few changes have been made to County Executive Bryan Hill's Advertised Budget. With a two-cent increase in the tax rate, coupled with increased State funding for the Schools, Fairfax County is able to invest in our Community's highest priorities.

The Fiscal Year 2019 Budget adopted by the Board of Supervisors on May 1st, 2018, is based on a tax rate of $1.15. Highlights include:

- Fully funding the School Board's Request, focusing on bringing teachers' salaries into closer competitive alignment with our sister jurisdictions in the Region, after recognizing additional state revenue,

- Overall support for our School system is increased by $91.49 million or 4.22% over Fiscal Year 2018, with 52.8% of our General Fund Budget going to Schools,

- Fully funding compensation for our County employees with a 2.25% Market Rate Adjustment, Performance, Merit and Longevity increases,

- Funding for Fairfax First, Gang Prevention, the expansion of Diversion First and Opportunity Neighborhoods, additional slots for Early Childhood programs, and funding to address the Opioid Crisis,

- Increased funding for Metro (pending a long-term solution), VRE and our Connector Bus System.

While the budget is based on a 2-cent increase in the real estate tax rate, (an increase of $241 on the average annual tax bill) I believe the additional revenue is an important investment needed to **shore up the foundation** on which our quality of life rests.

The FY 2019 Adopted Budget Plan is the result of much hard work and advocacy from my colleagues on the Board of Supervisors, the School Board, our General Assembly delegation, County staff, and local residents.

Adopting the budget is the most important thing our Board does throughout the year. When we adopt the budget, we are investing in our community's priorities and it has been critical to have the community at the table with us. Thank you to everyone who called, emailed and testified at town hall meetings and budget public hearings to share your views and guidance on County spending priorities.

I believe an informed and engaged community is a well-served community and this budget is a reflection of what our Board heard from the community this year.

Sincerely,

Sharon Bulova

Adopted Budget Summary

FY 2019

Adopted Budget Plan

FY 2019 Fairfax County Budget Facts

Disbursements

- **General Fund Direct Expenditures** total $1.58 billion, an increase of $20.2 million, or 1.29 percent, over the *FY 2018 Revised Budget Plan.* It is an increase of $67.5 million, or 4.46 percent, over the FY 2018 Adopted Budget Plan.
- **General Fund Disbursements** total $4.28 billion, an increase of $68.8 million, or 1.63 percent, over the *FY 2018 Revised Budget Plan*, and an increase of $174.3 million, or 4.24 percent, over the FY 2018 Adopted Budget Plan. These figures include the transfers for School Operating, Debt Service, and Construction.
- **The County General Fund transfer for School operations in FY 2019** is $2.05 billion, a 4.31 percent increase over the FY 2018 Adopted Budget Plan. In addition, $193.4 million is transferred to School Debt Service and $15.6 million is transferred to School Construction. The total County transfer to support School Operating, Debt Service, and Construction is $2.26 billion, or 52.8 percent, of total County disbursements.
- **Expenditures for All Appropriated Funds** total $7.97 billion.
- General Fund Support for **Information Technology (IT) Projects** is $3.3 million, which is a decrease of $1.5 million.
- **General Fund-Supported Capital Construction** totals $16.8 million, which is a decrease of $2.7 million.

Tax Base

- **Total FY 2019 General Fund Revenue** is $4.28 billion, an increase of $166.3 million, or 4.04 percent, over the *FY 2018 Revised Budget Plan*.
- **One Real Estate Penny** is equivalent to approximately $24.6 million in tax revenue.
- **One Personal Property Penny** is equivalent to approximately $1.3 million in tax revenue.
- **The Mean Residential Assessed Property Value** is $547,219, an increase of $11,622, or 2.2 percent, over the FY 2018 value of $535,597. On average, residential annual Real Estate tax bills will increase $240.77 in FY 2019 based on the adopted Real Estate Tax rate of $1.15 per $100 of assessed value.
- **The Commercial/Industrial percentage** of the County's Real Estate Tax base is 19.43 percent, an increase of 0.31 percentage points over the FY 2018 level of 19.12 percent.
- **The Main Assessment Book Value** of all real property is projected to increase $8.5 billion, or 3.59, percent over FY 2018.
- **Real Estate and Personal Property Taxes** (including the Personal Property portion being reimbursed by the Commonwealth) account for approximately 79.7 percent of General Fund Revenues.

Population and Positions

- **Fairfax County's population** is projected to be 1,154,258 in CY 2019. This is an increase of 41.0 percent over the 1990 census count of 818,584.
- **Authorized Positions** for all funds are increasing by a net 77 to 12,672 positions. The **ratio of authorized positions per 1,000 residents** is 11.00 in FY 2019.

Tax Rates

- **Real Estate Tax rate** increases from $1.13 to $1.15 per $100 of assessed value.
- **Personal Property Tax Rate** remains at $4.57 per $100 of assessed value.
- **Stormwater Services District Levy** for County stormwater operating/capital projects increases from $0.0300 to $0.0325 per $100 of assessed value.
- **Leaf Collection Rate** remains at $0.013 per $100 of assessed value.
- **Refuse Collection Rate** for County collection districts increases from $345 to $350 per household and the **Refuse Disposal Rate** increases from $64 to $66 per ton.
- **Refuse Disposal Rate** increases from $25.50 to $26.50 per ton.
- **Integrated Pest Management Program,** a countywide Special Tax, remains at $0.001 per $100 of assessed value.
- The special Real Estate Tax rate collected on all properties within Small District 1, Dranesville, for the **McLean Community Center** remains at $0.023 per $100 of assessed value, and the rate collected on all properties within Small District 5, Hunter Mill, for the **Reston Community Center** remains at $0.047 per $100 of assessed value.
- **Sewer Service Rate** increases from $6.75 to $7.00 per 1,000 gallons of water consumption and the **Sewer Availability Charge** for new single family homes remains at $8,100 per unit. The **Sewer Base Charge** increases from $27.62 to $30.38 per quarter.
- **Commercial Real Estate Tax rate** for County transportation projects remains at $0.125 per $100 of assessed value. This tax is levied on all commercial and industrial properties in the County.
- A special Real Estate Tax rate collected on all properties within the **Tysons Service District** remains at $0.05 per $100 of assessed value.
- A special Real Estate Tax rate collected on all properties within the **Reston Service District** remains at $0.021 per $100 of assessed value.

Budget Development Process

The County Executive formulated the Advertised budget plan utilizing guidance provided by the Board of Supervisors, input received from the community, information provided by agency staff, and analysis from the Department of Management and Budget. The FY 2019 Advertised Budget Plan was released by the County Executive on February 20, 2018, beginning a two-month period during which the Board closely examined the budget, asked additional budget questions of staff, and gathered community feedback. Public hearings on the budget took place April 10-12, 2018. On April 16, 2018, the County Executive submitted the FY 2019 Add-On Package to the Board. The Add-On package includes recommended adjustments to the Advertised budget based on updated information received since the Advertised budget was developed. Utilizing this additional information and feedback received as part of public hearings, the Board marked-up, or recommended adjustments to, the budget on April 24, 2018 and adopted the budget on May 1, 2018.

The FY 2019 budget also featured a multi-year budget plan for the General Fund. During budget development, staff utilized a two-year framework in developing the FY 2019 budget, taking into consideration the economic outlook for FY 2020 and the impact of FY 2019 decisions on the next fiscal year. This comprehensive approach allowed for more informed decision-making by the County Executive and the Board of Supervisors. For all adjustments made to the FY 2019 Advertised Budget Plan, including those adjustments recommended by the County Executive in the Add-On Package and those made by the Board, the impact to the projected FY 2020 budget was clearly delineated. The updated FY 2020 projected budget is outlined in the section entitled *Multi-Year Budget: FY 2019 and FY 2020* in this volume.

County Budget in Brief

Fiscal year 2019 begins on July 1, 2018 and runs through June 30, 2019. The approved General Fund disbursement budget totals $4,280,915,642, an increase of $68,819,735, or 1.63 percent, over the *FY 2018 Revised Budget Plan*, and an increase of $174,293,478, or 4.24 percent, over the FY 2018 Adopted Budget Plan. The expenditure total for all Appropriated Funds is $7,965,356,756.

FY 2019 General Fund revenues are projected to be $4,281,644,088, an increase of $166,278,437, or 4.04 percent, over the *FY 2018 Revised Budget Plan*, and an increase of $180,903,911, or 4.41 percent, over the FY 2018 Adopted Budget Plan.

In summary, the budget approved by the Board:

- Provides a County General Fund transfer to the Public School Operating Fund of $2,051,659,207, reflecting an increase of $84,739,607, or 4.31 percent over the FY 2018 Adopted Budget Plan. In addition, the County's transfer for School Debt Service is $193,381,033, an increase of $4,250,080 over the FY 2018 level, and the County transfer for School Construction is $15,600,000, an increase of $2,500,000 over the FY 2018 level. The combined transfer for School Operations, Debt Service, and Construction is $2.26 billion, which represents 52.8 percent of total County General Fund Disbursements.

- Increases the Real Estate Tax rate 2 cents to $1.15 per $100 of assessed value. Combined with rising residential assessments, the average homeowner will experience an increase in their tax bill of approximately $241.

- Utilizes no one-time funding in order to balance the budget.

- Provides a 2.25 percent market rate adjustment for all employees effective July 2018 based on a calculation approved by the Board of Supervisors.

- Provides an average 2.00 percent pay increase for General County employees. These performance and longevity increases, effective July 2018, are based on the new compensation program approved by the Board of Supervisors in Fall 2014. Employees are eligible for graduated performance increases, based on where they fall on the pay scale (starting at 3.00 percent at the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the scale). Employees reaching 20 or 25 years of service receive a 4.00 percent longevity increase instead of the performance increase.

- Provides an average 2.25 percent pay increase for uniformed public safety employees. Merit increments and longevity increases are provided on employees' anniversary dates for those eligible. Uniformed public safety employees who have reached a length of service (15 and 20 years) milestone and have reached the top step of their pay scale are eligible for longevities. Approximately 45 percent of uniformed public safety employees are eligible for a 5.00 percent merit or longevity increase each year.

FY 2019 Adopted Budget Overview

(Amounts shown are in millions over the FY 2018 Adopted Budget Plan)

Additional Resources	
Increases generated by increases in Real Estate Assessments and all other Revenue Categories	$131.62
Revenue associated with 2 cent Real Estate Tax Rate Increase	$49.28
Total Increase in Revenues	**$180.90**
Net Impact of Transfers In	$0.11
Total Available	**$181.01**
How Additional Resources Were Spent	
School Requirements	$91.49
School Operating Transfer	*$84.74*
School Debt Service Transfer	*$4.25*
School Construction Transfer	*$2.50*
County Requirements	$81.50
Employee Pay and Benefits	*$55.72*
Capital and Debt Service	*$1.32*
Public Safety	*$7.48*
Human Services	*$8.78*
Community Development	*$11.36*
Cost of County Operations	*$0.24*
Reductions/Savings	*($3.40)*
Total Disbursements (Not Including Revenue Stabilization Reserve)	**$172.99**
Reserve Adjustments	$8.02
Revenue Stabilization	*$1.30*
Managed Reserve	*$6.72*
Total Uses	**$181.01**
Available Balance	**$0.00**

More information regarding adjustments included in the FY 2019 budget is provided on the following pages.

FY 2019 Budget Highlights

General Fund Revenue

FY 2019 General Fund revenues are projected to be $4,281,644,088, a decrease of $11,420,466 from the FY 2019 Advertised Budget Plan. The decrease is primarily the result of the adoption of a Real Estate tax rate of $1.15 per $100 of assessed value, a half-cent decrease from the proposed rate of $1.155.

The FY 2019 revenue represents an increase of $166,278,437, or 4.04 percent, over the *FY 2018 Revised Budget Plan*, which contains the latest FY 2018 revenue estimates, and an increase of $180,903,911, or 4.41 percent, over the FY 2018 Adopted Budget Plan. The net increase is primarily the result of a $140.3 million increase over the *FY 2018 Revised Budget Plan* in Real Estate Tax revenue due to a rise in FY 2019 real estate assessments and an increase in the Real Estate Tax rate from $1.13 to $1.15 per $100 of assessed value. Most other County revenue categories are projected to experience moderate growth over FY 2018.

On the County's real estate front, residential equalization reflects a 2.17 percent increase in FY 2019, while non-residential equalization is up 3.79 percent. The overall Real Estate tax base grew 3.59 percent.

The value of a penny on the Real Estate Tax rate is $24.64 million in FY 2019. Each penny change in the tax rate equals $54.72 on a taxpayer's bill. Given an average value of a residential unit of $547,219, the "typical" residential annual tax bill will rise, on average, $240.77 in FY 2019.

The *General Fund Revenue Overview* in the FY 2019 Overview volume has additional details on General Fund revenues.

General Fund Disbursements

The adopted General Fund disbursement budget of $4,280.92 million is an increase of $174.29 million over the FY 2018 Adopted Budget Plan. The increase is based on an increase of $91.49 million for Fairfax County Public Schools for Operating, Debt, and Construction requirements; an increase of $81.50 million for County requirements, discussed in more detail below; and an increase of $1.30 million as a result of required contributions to the Revenue Stabilization Fund. It should be noted that 77 new positions, some outside of the General Fund, are included in the FY 2019 Adopted Budget Plan, and are detailed below.

Increases over the FY 2018 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) Requirements $91.49 million

Transfers to the Fairfax County Public Schools (FCPS) total $2.26 billion, an increase of $91.49 million, or 4.22 percent over the FY 2018 Adopted Budget Plan. This level of funding represents 52.8 percent of all General Fund disbursements, the same level as FY 2018. The County provides funding to the Schools through transfers for operations, debt service, and capital construction.

- **Operating Fund Support**
  The General Fund transfer to the School Operating Fund of $2.05 billion reflects a 4.31 percent increase over the funding level in the FY 2018 Adopted Budget Plan. This funding would support salary adjustments for teachers and School employees, including enhancements to the teacher salary scales; benefits and health insurance increases; increases related to enrollment and demographics changes; and contractual increases.

- **Debt Service Support**
  The transfer in support of School debt service is $193.38 million, an increase of $4.25 million or 2.25 percent over the FY 2018 level.

- **School Construction/Capital Support**
  The FY 2019 Adopted Budget Plan includes an increase in the annual School bond capacity from its current level of $155 million to $180 million. Debt service requirements are projected to increase $2.5 million to accommodate this $25 million increase in School bond sales. However, as increased sales would not result in increased debt service requirements until FY 2020, the $2.5 million is included as a one-time increase to the School Construction Fund in FY 2019. In FY 2020, the transfer to School Construction will return to its previous level and School Debt Service support will increase.

The County also provides additional support for the Schools in the amount of $88.1 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 $46.91 million

Overall, County disbursements (excluding Schools transfers and the transfer to the Revenue Stabilization Fund) total $2.01 billion, an increase of $81.50 million, or 4.22 percent, over the FY 2018 Adopted Budget Plan. Details for the most significant adjustments are provided below.

Employee Compensation (Pay and Benefits) $55.72 million

The FY 2019 Adopted 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 funded. Total funding for employee pay equals $49.96 million. The FY 2019 Adopted Budget Plan also includes net funding of $5.76 million in the General Fund for employee benefits, primarily associated with requirements for the County's retirement systems and projected health insurance premium adjustments.

- **2.25% Market Rate Adjustment**

  Funding of $27.85 million is included for the full-year impact of a 2.25 percent Market Rate Adjustment (MRA) increase effective July 2018 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. It is based on a calculation approved by the Board of Supervisors and includes the following components:

  - Consumer Price Index (CPI) for the Washington-Baltimore 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 $12.61 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 2018 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 2019, all employees reaching 20 or 25 years of service as of June 30, 2018, will receive a 4 percent increase. Employees receiving a longevity award do not also receive

Average Projected Employee Increases in FY 2019

	General County	Uniformed Public Safety
Market Rate Adjustment	2.25%	2.25%
Steps/Longevities	--	2.25%
Performance/Longevities	2.00%	--
Average Increase (Range of Increases)	**4.25%** (2.25%-6.25%)	**4.50%** (2.25%-7.25%)

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 2019 is 2 percent.

- **Public Safety Merit/Longevity Increases**
  Funding of $9.41 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 impact of merit and longevity increases provided to uniformed employees in FY 2018 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2019 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 and have reached the top step of their pay scale are eligible for longevities. 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**
  A net increase of $0.09 million is included for salary increases as a result of the County's benchmark class review and market studies. Analyses are performed annually to determine if job class midpoints fall below 95 percent of the market midpoint average. For General County employees, external market reviews were performed for 75 benchmark job classes, and additional reviews were performed for specific job classes based on recruitment and retention issues. Based on the results of the analysis, 5 job classes fell below the 95 percent threshold. Including job classes linked to the specific job classes studied, a total of 17 job classes will be adjusted. 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. The total General Fund impact in FY 2019 is $0.66 million, which includes expenditure increases of $0.09 million as well as a revenue reduction of $0.57 million (associated with a redirection of revenue to Fund 40090, E-911, to offset related expenses in that fund).

County's Living Wage

Effective in FY 2019, the County's Living Wage will be increased by the approved Market Rate Adjustment each year to remain competitive in relation to the market. This is consistent with the methodology used to adjust County pay scales. For FY 2019, this will result in a 2.25 percent increase from the current rate of $14.50 per hour to $14.83 per hour. There is no fiscal impact anticipated, and staff will continue to monitor other local jurisdictions for competitiveness.

Additional market analyses were conducted for uniformed public safety job classes. 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 2019.

- **Retirement Funding**

The FY 2019 budget includes a net increase of $5.51 million in Employee Benefits for employer contributions to the retirement systems. Of this amount, an increase of $8.11 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 $2.60 million in savings based on year-to-date experience.

As a result of the County's policy 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, 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 98 percent to 99 percent. This change results in an increase in the employer contribution rate for the Employee's and Police Officers systems. However, savings resulting from FY 2017 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 2017, while one returned slightly under this assumed rate of return. The Employees' system was up 6.8 percent, the Uniformed system was up 10.8 percent, and the Police Officers system returned 9.3 percent. The FY 2017 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*
Employees'	70.2%	69.9%
Uniformed	77.2%	80.9%
Police Officers	81.4%	83.2%

* The June 30, 2017 funding ratios will be included in the FY 2018 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.

In addition, this is the final year of a Board-directed 3-year plan to enhance benefits for service-connected disability retirees by eliminating the Social Security offset in the Employees' and Uniformed systems. The elimination of the 5 percent offset in FY 2019 will not impact the FY 2019 employer contribution rates. However, following Board of Supervisors policy to fully fund any increase in liability that results from a benefit enhancement in the year that the enhancement is approved, an increase of $1.5 million was approved as part of the *FY 2018 Third Quarter Review* to fund the increased liability resulting from this decrease in the Social Security offset for service-connected disability retirees.

♦ **Health Insurance and Other Benefits**

A net increase of $0.25 million in Employee Benefits is primarily due to $4.73 million to reflect the full-year impact of calendar year 2018 premium increases and costs associated with a projected 5.5 percent premium increase for all health insurance plans, effective January 1, 2019. 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. The increase also reflects a $0.50 million adjustment to the County transfer to Fund 40040, Fairfax-Falls Church Community Services Board, for fringe benefit support. These increases are partially offset by projected savings in fringe benefits of $4.98 million based on year-to-date experience.

Capital Construction and Debt Service $1.32 million

The increase in funding for Capital Construction and Debt Service is $1.32 million. This increase represents increased debt service requirements of $3.02 million in FY 2019, partially offset by a decrease in the Capital Program of $1.70 million due to the elimination of funding for infrastructure replacement and updates. General Fund support for the Capital Program is also decreased by $0.98 million based on a shift of operational expenses from the Capital Program to the General Fund operational budget, as described below.

The FY 2019-FY 2023 Capital Improvement Program (CIP) totals $10.7 billion. The total bond program within the CIP is $1.9 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, as well as the efforts underway due to the establishment of the capital sinking reserve funds.

♦ **Debt Service**

In addition to requirements associated with School debt service, FY 2019 General Fund support of County debt service requirements is $149.05 million, an increase of $3.02 million over the FY 2018 Adopted Budget Plan. The FY 2019 funding level supports existing debt service requirements, including the $251.78 million in General Obligation bonds sold in January 2018. During FY 2019 it is anticipated that a General Obligation bond sale of $302.73 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 2019-FY 2023 Advertised Capital Improvement Program (With Future Fiscal Years to 2028).

♦ **Capital Construction**

Capital Construction is primarily financed by the General Fund, General Obligation bonds, fees, and service district revenues. General Fund support in FY 2019 totals $16,761,476. This represents a decrease of $2,680,400 based on a shift of operational expenses from the Capital Program to the General Fund operational budget and elimination of funding for infrastructure replacement and updates. The shift to operational expenses is associated with operational expenses related to the management of the Laurel Hill and Workhouse Arts Foundation properties. Funding for capital improvements and other property management expenses had previously been funded in Fund 30010, County Construction and Contributions. In recent years, funding has supported staffing and maintenance in the Park Authority and Facilities Management Department, and funding no longer supports capital improvements projects. There is no net impact to the General Fund. In addition, during their deliberations on the FY 2019 Advertised Budget Plan, the Board of Supervisors eliminated funding in the amount of $1,700,600 for infrastructure replacement and upgrade projects. This funding is anticipated to be included in the *FY 2018 Carryover Review*.

Based on the Board of Supervisor's FY 2018 Budget Guidance to "increase funding for infrastructure both in the use of one-time balances and by increasing the level of funding in the annual budget", additional funding of $8,237,400 was included as part of the *FY 2018 Third Quarter Review*.

FY 2019 Capital Construction/Paydown Summary[1]

	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	$1,690,000	$2,650,000
Environmental Initiatives	$535,000	$0	$535,000
On-Going Development, Infrastructure Maintenance and Revitalization	$1,560,000	$0	$1,560,000
Payments and Contributions	$4,381,138	$0	$4,381,138
Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways	$0	$1,300,000	$1,300,000
Developer Default Improvements	$0	$200,000	$200,000
Total General Fund Support	**$11,871,476**	**$4,890,000**	**$16,761,476**

[1] 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 $7.48 million and 32 Positions

Public safety priorities for FY 2019 include support for multi-year initiatives such as positions to continue staffing the new South County Police Station, funding for the third year of the implementation of the Diversion First initiative, funding related to recommendations of a Board-directed review of the Police organizational structure, and funding to replace expiring grant funding for the Fire and Rescue Department. In addition, resources are included to respond to and prevent gangs in the County.

- **South County Police Station**
  An increase of $3.40 million and 17/17.0 FTE positions in the Police Department is required to continue the process of staffing the South County Police Station. These positions, which are in addition to 20/20.0 FTE positions added in the FY 2017 and FY 2018 budgets, are required as a recent Public Safety bond referendum included a new police station located in South County. Current estimates indicate that 33 additional uniformed positions will be required (spread out between Fiscal Years 2020 and 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 Department to gradually hire and train new recruits and will allow for continued analysis to ensure that current staffing estimates are accurate.

- **Diversion First**
  An increase of $1.93 million and 14/14.0 FTE positions is required to support the third year of the County's successful Diversion First initiative. 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. Funding added in FY 2019 will:

  - Allow the Juvenile and Domestic Court to provide increased supervision of the pretrial cases requiring mental health services and further align practices with the General District Court.

  - Allow the Police Department to support diversion services at the Merrifield Crisis Response Center on a 24 hour per day, 7 days per week basis which is a foundational aspect of Diversion First and is recognized as a best practice in crisis intervention;

  - Allow the Office of the Sheriff to provide consistent supervision for the officer assigned at the Merrifield Crisis Response Center on a 24/7 basis and provide secure transportation for psychiatric hospitalizations.

  - Allow the Community Services Board to establish a third Mobile Crisis Unit, increase staffing on the Jail Diversion Team, and strengthen behavioral health services at needed intercepts.

- **Police Department Organizational Review**
  An increase of $0.73 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, funding of $0.53

million and 18/18.0 FTE positions were included to support relief Sergeants. Additional funding of $0.73 million is estimated to be required as part of the FY 2020 budget to complete this initiative.

- **Gang Prevention**

  An increase of $0.65 million is associated with the County's efforts to respond to and prevent gangs in Fairfax County. 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. Funding supports expansion of the Intervention, Prevention and Education (IPE) program, as well as intensive services for reunifying families, both in partnership with Northern Virginia Family Services.

- **Partial-Year Funding for Fire and Rescue SAFER Staffing**

  An increase of $0.43 million is required to cover the partial-year costs associated with 18/18.0 FTE positions previously funded by a Staffing for Adequate Fire and Emergency Response (SAFER) grant which expired in FY 2018. These positions have allowed the department to complete the initiative of having a fourth person on all 14 ladder truck companies. Four-person truck staffing has enhanced the Fire and Rescue Department's ability to establish on-scene firefighting, rescue, and medical emergency services in a more timely and efficient manner, with the right amount of personnel, thus reducing property loss and firefighter injury risks or death.

- **Violent Crimes Task Force Position**

  An increase of $0.17 million and 1/1.0 FTE position in the Police Department is required to support long-term complex investigations related to stolen property, narcotics, murder for hire, and document fraud in the Criminal Intelligence Division (CID). This position was supported by a grant from the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) which expired in FY 2018.

- **Fairfax County Volunteer Fire and Rescue Association**

  An increase of $0.10 million is included for operational support of the Fairfax County Volunteer Fire and Rescue Association, a nonprofit organization of 12 independent volunteer fire departments that partner with the career firefighters of the Fairfax County Fire and Rescue Department to provide emergency services.

- **Animal Sheltering Position**

  An increase of $0.08 million in the Department of Animal Sheltering is required to support a position redirected to the agency in FY 2018 to continue staffing the department since its establishment as an independent agency.

Human Services — $8.78 million and 18 Positions

Human Services priorities in FY 2019 include funding to combat the growing opioid epidemic, support early childhood education programs, expand Opportunity Neighborhoods, and add School-Age Child Care rooms. Additionally, support is included for programs which assist expectant low-income mothers and medically fragile students in schools. Contract rate increases are also funded for a number of Human Services agencies.

- **Contract Rate Increases**
  An increase of $3.32 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 $0.50 million in revenue, for a net cost to the County of $2.82 million.

- **Opioid Task Force**
  An increase of $1.47 million is required to address 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 Task Force outlined a multiyear plan to reduce deaths from opioids through prevention, treatment, and harm reduction strategies. The multiyear plan also focuses on enhanced data strategies to identify trends, target interventions and evaluate effectiveness. Funding will support increased education and awareness, the expanded use of Medication Assisted treatment, and epidemiological support.

- **Funding for Public Assistance Eligibility Workers**
  An increase of $1.10 million is included to appropriate additional revenue from the state to support additional positions in the Public Assistance program. The positions will continue to address the increase in caseloads in the Self-Sufficiency Division. The expenditure increase is fully offset by an increase in federal and state revenue for no net impact to the General Fund. This adjustment is commensurate with funding approved by the Board of Supervisors as part of the *FY 2017 Carryover Review.*

- **Consolidated Community Funding Pool**
  An increase of $0.56 million is included to support the community organizations providing Human Services in the County. FY 2019 is the first year of a two-year funding cycle. The Consolidated Community Funding Advisory Committee (CCFAC) has organized the FY 2019/FY 2020 funding priorities according to six areas and adopted corresponding outcome statements. The Board of Supervisors approved these funding priorities on June 20, 2017.

- **Early Childhood Care Slots**
  An increase of $0.54 million is included to support 36 new early childhood care slots to serve 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 development skills which are strong predictors of success in kindergarten and beyond. These programs include education programming 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).

- **Opportunity Neighborhoods**
  An increase of $0.44 million is included to support the continued expansion of the Opportunity Neighborhood (ON) initiative into the Bailey's/Culmore area of Human Services Region 2, and to Herndon in Region 3. ON is a Department of Neighborhood and Community Services (NCS) 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 on to 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 operating in two regions of the County. Region 1 ON in the Mount Vernon and Lee Districts was established in 2011, and as part of the FY 2017 Adopted Budget Plan, funding was included to support the first phase of expanding ON into the Reston area of Region 3. The existing ON efforts have led to positive trends across several key measures including school attendance, discipline, parent engagement, and volunteerism.

- **Two New School-Age Child Care (SACC) Rooms**
  An increase of $0.43 million and 2/1.6 FTE positions are associated with the opening of two new SACC rooms at White Oaks Elementary School. The expenditure increase is partially offset by an increase of $0.34 million in SACC revenue for a total net impact to the County of $0.09 million. Funding and positions reflect the continuation of the standard SACC staffing plan implemented for new rooms in FY 2010.

- **Expand Nurse Family Partnership Program**
  An increase of $0.25 million and 2/2.0 FTE positions in the Health Department are included to expand the Nurse Family Partnership Program into the Herndon and Reston areas of the County. The program is an evidence-based nurse home-visiting program that works with low-income mothers who are pregnant with their first child and are at the highest risk for poor birth outcomes, to achieve healthier pregnancies and births, stronger child development, and a path toward economic self-sufficiency. This funding will be used to expand the service to an estimated 50 new families in the Reston and Herndon areas. The Nurse Family Partnership Program is part of the Equitable School Readiness Strategic Plan and funding is consistent with the presentation to the Board of Supervisors in January 2018.

- **Nursing Services for Medically Fragile Students**
  An increase of $0.13 million is included to address the increase in one-on-one nursing services for medically fragile students enrolled in Fairfax County Public Schools. The Medically Fragile program serves both full-time and pre-school students, and if a student is found eligible, services are mandated under federal law. Cases are reviewed by a multidisciplinary team of experts who recommend services based on the medical need of a student. The Health Department coordinates, manages, and financially supports these nursing services. Over the last several years there has been an increase in demand for one-on-one nursing services and the demand is expected to continue to grow in the coming years as more medically fragile students are entering the school system at pre-school age and remaining in the system until

the completion of their school years. Additionally, the complexity of care and the number of hours required per student continues to grow.

- **Anti-Parasitic Medication**

  An increase of $0.12 million is included to allow the Health Department to dispense anti-parasitic medication to clients in the Refugee Program. The Centers for Disease Control (CDC) recommends that refugees are presumptively treated with the medication. Currently the Health Department only provides a prescription, which has to be filled at an outside pharmacy. Given that the medication is difficult to obtain in the community, by directly dispensing the medication on-site at the Health Department locations, it will save time and effort spent to ensure that outside pharmacies are able to provide the medication in a timely manner, and will reduce delays in treatment. It should be noted that these costs will be completely recovered through Medicaid billing for no net impact to the General Fund.

- **Support Coordination**

  An increase of 14/14.0 FTE positions is required 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 DOJ Settlement Agreement and implementation of Virginia's Medicaid Waiver redesign, effective July 1, 2016. Expenditure requirements in Fund 40040, Fairfax-Falls Church Community Services Board, are offset by Medicaid Option revenue, for no net cost to the County.

- **Other Adjustments**

  A net increase of $0.43 million supports an increase of $0.38 million in Local Cash Match requirements in Fund 50000, Federal/State Grants, primarily associated with the Area Agency on Aging grants, and an additional $0.05 million to support requirements in Fund 83000, Alcohol Safety Action Program.

Community Development — $11.36 million and 4 Positions

Community Development priorities include transportation funding for Metro and Fairfax Connector, as well as support for the County's parks. Additionally, funding is included for the Fairfax First initiative, consistent with actions taken by the Board as part of the *FY 2017 Carryover Review*.

- **Metro Requirements**

  A net increase of $7.14 million for Metro includes increased operating support of $1.44 million, as well as increased capital support of $5.70 million. Based on anticipated system-wide increases in fuel, labor, maintenance, and other services, a 9.6 percent increase is projected in the FY 2019 operating subsidy requirement for Metrorail and Metro Access from local jurisdictions. The County anticipates meeting this need through additional General Fund support as well as increased application of state aid. Additional funding for the Capital Construction program supports the acquisition of facilities, equipment, rail cars, and buses, and provides general infrastructure support to the 117-mile Metrorail system. It also funds debt service on the County's share of Metro bonds sold in FY 2018. The County's final subsidy requirement for the FY 2019 Adopted WMATA operating expenses will be incorporated as part of the *FY 2018 Carryover Review*. More information is available in the Fund 30000, Metro Operations and Construction, narrative in Volume 2 of the FY 2019 Adopted Budget Plan.

- **Fairfax First and Elevator and Escalator Inspections**
  An increase of $1.73 million addresses growing residential inspection workloads and enhanced customer service as part of the Fairfax First initiative, as well as higher elevator and escalator inspection activity. This adjustment is commensurate with funding approved by the Board of Supervisors as part of the *FY 2017 Carryover Review.* These costs are completely offset by revenues for no net cost to the General Fund.

- **County Transit**
  An increase of $1.72 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 2019 Adopted Budget Plan.

- **Parks Support**
  An increase of $0.41 million is included for increased support of the County's parks, including $0.20 million to replace outdated critical capital equipment; $0.11 million to support contracted services for cleaning portable toilets and permanent restroom facilities; $0.05 million for the Summer Entertainment Series Program to continue to support the free concert series; and $0.05 million for the Resident Curator Program to support operational costs associated with the implementation phase of the program including advertisements, program signage and open houses that have been underway at the first three selected pilot properties. Most of these adjustments are commensurate with funding approved by the Board of Supervisors as part of the *FY 2017 Carryover Review.*

- **Housing and Community Development**
  An increase of $0.31 million is included for the Department of Housing and Community Development to align expenses with Fund 30300, The Penny for Affordable Housing Fund, as well as to support a position action in FY 2018.

- **Community Business Partnership**
  An increase of $0.05 million is included for the Community Business Partnership, funded through the Economic Development Authority, to address a projected budget shortfall in FY 2019 due to increasing personnel and operating budget expenses. The Community Business Partnership is a non-profit, tax exempt organization working in collaboration with local, regional, and national organizations to promote small business growth in Fairfax County.

- **Transportation Positions**
  An increase of 4/4.0 FTE new positions, with no net funding impact to the General Fund, are included to support Transportation operations. These positions include two positions in Fund 40010, County and Regional Transportation Projects, to manage the growing number of traffic engineering requests received and to conduct traffic-based analyses for a variety of purposes, including long-range land use planning, corridor and spot analyses, general travel

demand forecasting, and traffic data analysis. Another two positions are included in the General Fund but will be charged to Fund 40000, County Transit Systems. These include a position in the Facilities Management Department to assist with the annual infrastructure replacement and upgrade efforts at Fairfax Connector garage facilities, and a position in the Department of Transportation to serve as a technical expert in all Fairfax Connector system operations and performance to automate, improve, upgrade and adapt functionality for equipment and locations.

Cost of County Operations — $0.24 million and 23 Positions

Funding in this category is primarily attributable to enhanced services in the Department of Tax Administration as well as lease and maintenance costs for County facilities, partially offset by a net decrease in information technology support.

♦ **Service Enhancements in the Department of Tax Administration**

An increase of $0.47 million is associated with 5/5.0 FTE positions to add capacity in the Real Estate Division, enhance Personal Property and Business tax audit operations, and improve service quality in the call center. The continued urbanization of the County is leading to redevelopment of areas newly served by Metro rail along the Silver Line Corridor. These areas are seeing new office and complex mixed use development, which presents new challenges to the Real Estate Division. To capture the value of high density rezonings and new construction, the department needs enhanced staff capacity. In addition, the Personal Property and Business License Division needs to be properly staffed to ensure compliance and to handle increased workload for audit staff because of anticipated growth in the number of businesses in redevelopment areas. Also, additional capacity in DTA's customer service call center will allow it to be properly staffed, mitigating the need to pull staff from other divisions, particularly staff from the Revenue Collection Division, whose main focus should be revenue generation. The expenditure increase is fully offset by an increase in revenue generated as a result of the service enhancements for no net impact to the General Fund.

♦ **IT Support**

A net decrease of $1.09 million in IT support is primarily associated with a decrease of $1.52 million in the General Fund transfer to Fund 10040, Information Technology. It is anticipated that funding for IT projects in Fund 10040 will be included in the *FY 2018 Carryover Review*. This decrease is partially offset by an increase of $0.43 million that is associated with recurring costs related to several IT initiatives, such as the learning management module, position description software, travel module, and Payment Card Industry (PCI) compliance.

♦ **Lease Adjustments**

A net increase of $0.17 million has been included for lease requirements in FY 2019.

♦ **Contributory Fund**

A net increase of $0.21 million in the General Fund transfer to Fund 10030, Contributory Fund, is primarily attributable to an increase for the Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence, known collectively as Birmingham Green, based on actual costs and utilization rates at the facility. Other increases in the fund are based on legal requirements, per capita calculations, contractual or regional commitments, or membership dues.

- **Other Adjustments**
  A net increase of $0.48 million includes adjustments to support required utility, custodial, repair/maintenance, and grounds maintenance costs associated with partial or full-year costs for new or expanded facilities in FY 2019; security expenses at the Gum Springs Community Center; and position actions taken during FY 2018. In addition, it should be noted that 18/18.0 FTE new positions supported by other funding sources, with no net cost to the General Fund, are included to support Capital Facilities, Stormwater and Sewer operations, Cable Communications, and Business Planning and Support.

Reductions and Savings ($3.40) million

Disbursement savings included in the FY 2019 Adopted Budget Plan total $3.40 million. These reductions are possible based on trends in Personnel Services spending, due to position vacancies and turnover, and trends in Operating Expenses. Reductions are included in the Department of Family Services, Health Department, Juvenile and Domestic Relations District Court, Office of the Sheriff, and Fire and Rescue Department.

Reserve Requirements $8.02 million

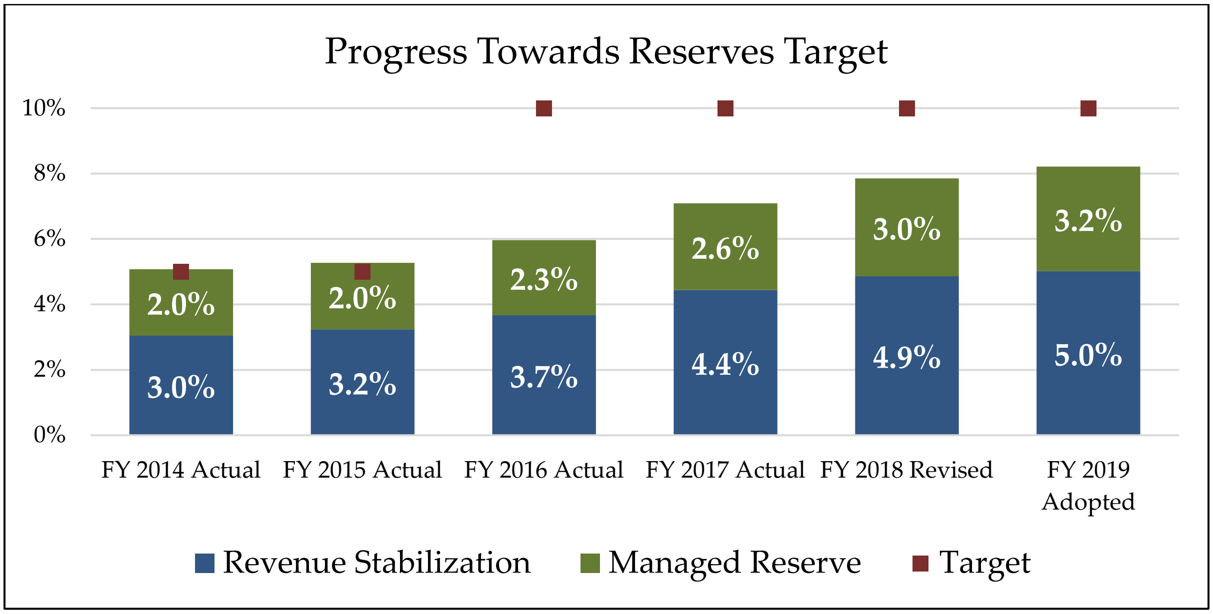
Per the Reserve Policy approved by the Board of Supervisors in April 2015 and included in the County's *Ten Principles of Sound Financial Management*, 10 percent of the disbursement increases included in the FY 2019 Adopted Budget Plan are set aside in the County's Revenue Stabilization and Managed Reserves.

General Fund Disbursements are increased $174.29 million over the FY 2018 Adopted Budget Plan. As a result, $17.43 million – or 10 percent of this increase – is included as contributions to reserves.

- **Revenue Stabilization Reserve**
  A contribution of $6.53 million is included as a transfer from the General Fund to Fund 10010, Revenue Stabilization. This contribution is an increase of $1.30 million over the FY 2018 Adopted Budget Plan transfer. The Revenue Stabilization Reserve is projected to be at its target level of funding of 5 percent of General Fund disbursements in FY 2019.

- **Managed Reserve**
  A contribution of $10.90 million is included and held in balance in the General Fund. This contribution is an increase of $6.72 million over the FY 2018 Adopted Budget Plan contribution. The Managed Reserve is projected to be at 3.20 percent of General Fund disbursements in FY 2019, below its target of 4 percent.

Totals in the Revenue Stabilization Reserve and Managed Reserve have increased from 5 percent in FY 2014 to over 8 percent in FY 2019. It should be noted that the Economic Opportunity Reserve, with a target of 1 percent of General Fund Disbursements, will not be funded until the other two reserves reach their respective targets.



Positions

The FY 2019 budget includes a net increase of 77 positions over the FY 2018 level. New positions include 17 positions associated with a multi-year plan to staff a new police station in South County, 14 positions to support the third year of the Diversion First initiative, and 14 positions to provide support coordination in the Community Services Board. The remaining new positions support a variety of initiatives and requirements such as the Nurse Family Partnership Program, new School-Age Child Care (SACC) Rooms, transportation and capital projects, stormwater and wastewater activities, and the Violent Crimes Task Force. County positions in FY 2019 total 12,672. More information on County positions can be found in the *Compensation and Positions* section of this volume.

FY 2019 Budget: All Funds

All appropriated fund revenues in the FY 2019 Adopted Budget Plan total $8.41 billion. This County revenue total is an increase of $426.98 million, or 5.35 percent, over the FY 2018 Adopted Budget Plan. On the expenditure side, the FY 2019 Adopted Budget Plan for all appropriated funds totals $7.97 billion and reflects an increase of $374.56 million, or 4.93 percent, over the FY 2018 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.

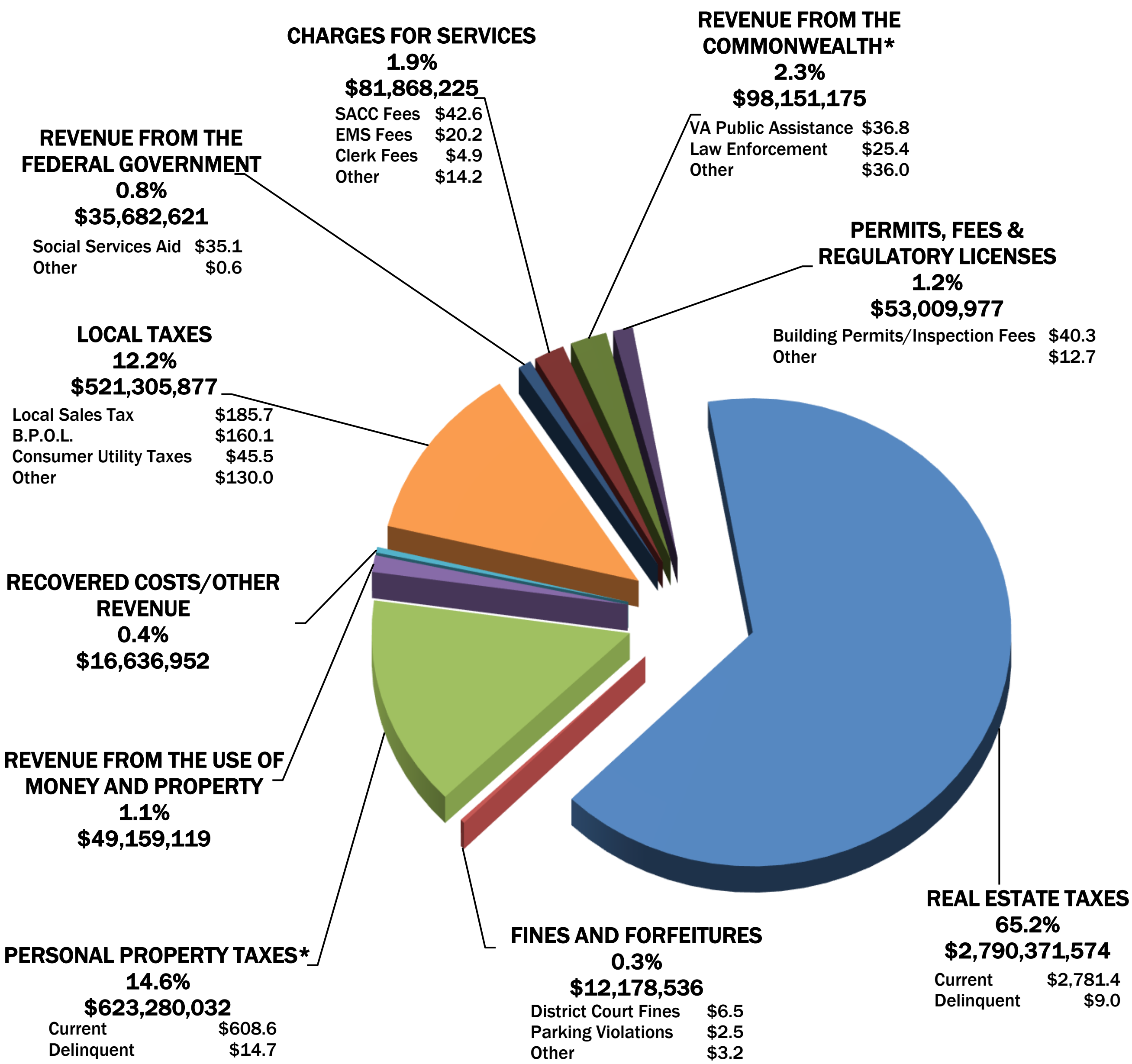
FY 2019 and FY 2020 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS

Type	Unit	FY 2017 Actual Rate	FY 2018 Actual Rate	FY 2019 Adopted Rate	FY 2020 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	$100/Assessed Value	$1.13	$1.13	$1.15	$1.15
Personal Property	$100/Assessed Value	$4.57	$4.57	$4.57	$4.57
NON-GENERAL FUND TAX RATES					
REFUSE RATES					
Refuse Collection (per unit)	Household	$345	$345	$350	$350
Refuse Disposal (per ton)	Ton	$62	$64	$66	$66
Leaf Collection	$100/Assessed Value	$0.015	$0.013	$0.013	$0.013
SEWER CHARGES					
Sewer Base Charge	Quarterly	$24.68	$27.62	$30.38	$33.42
Sewer Availability Charge	Residential	$7,750	$8,100	$8,100	$8,100
Sewer Service Charge	Per 1,000 Gallons	$6.68	$6.75	$7.00	$7.34
COMMUNITY CENTERS					
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
OTHER					
Stormwater Services District Levy	$100/Assessed Value	$0.0275	$0.0300	$0.0325	$0.0350
Route 28 Corridor	$100/Assessed Value	$0.18	$0.18	$0.18	$0.18
Dulles Rail Phase I	$100/Assessed Value	$0.17	$0.15	$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

FY 2019 ADOPTED BUDGET PLAN

GENERAL FUND RECEIPTS
"WHERE IT COMES FROM"

(Subcategories in millions)



FY 2019 GENERAL FUND RECEIPTS = $4,281,644,088**

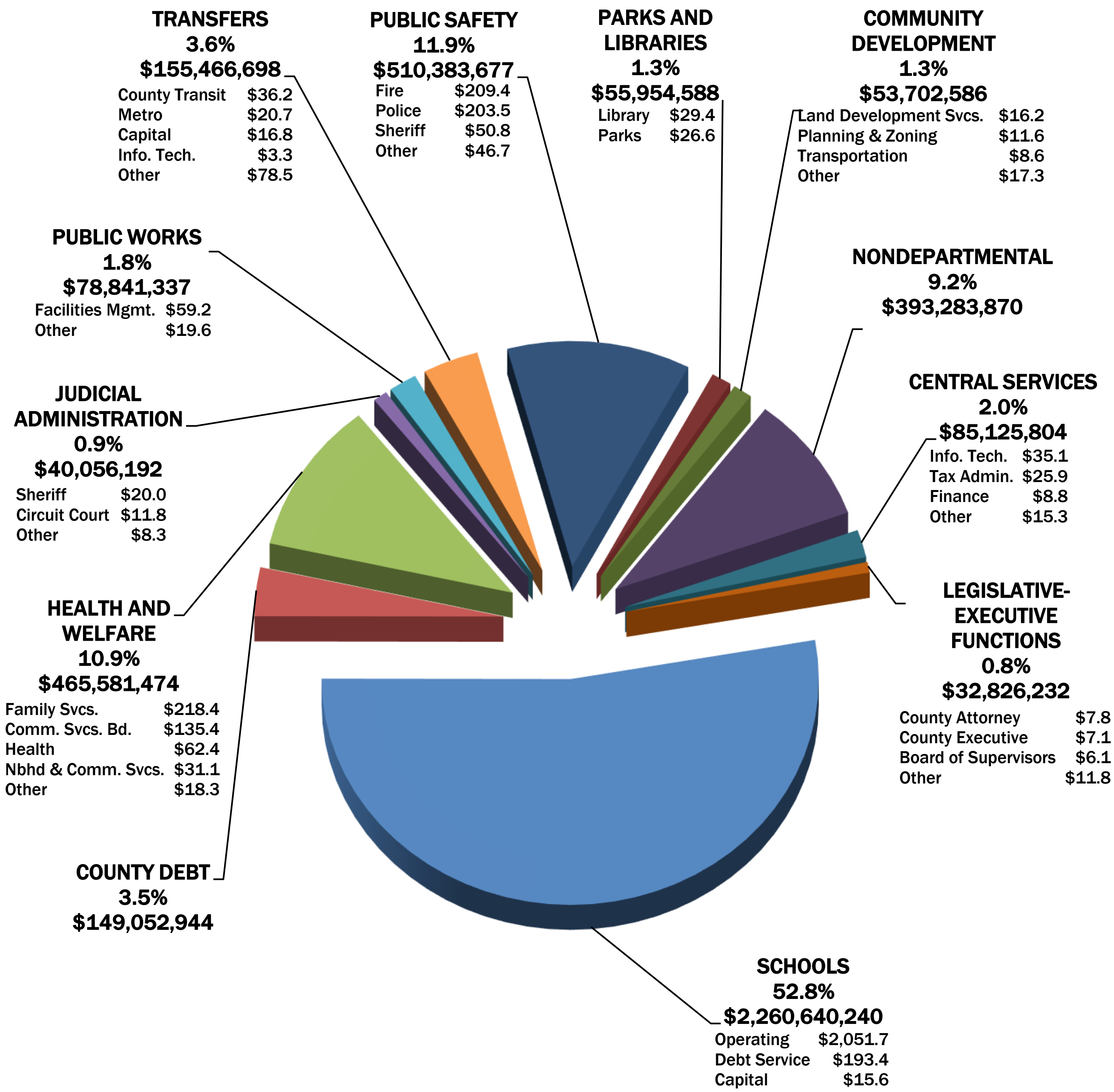
* For presentation purposes, Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

** 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 2019 ADOPTED BUDGET PLAN

GENERAL FUND DISBURSEMENTS
"WHERE IT GOES"

(Subcategories in millions)

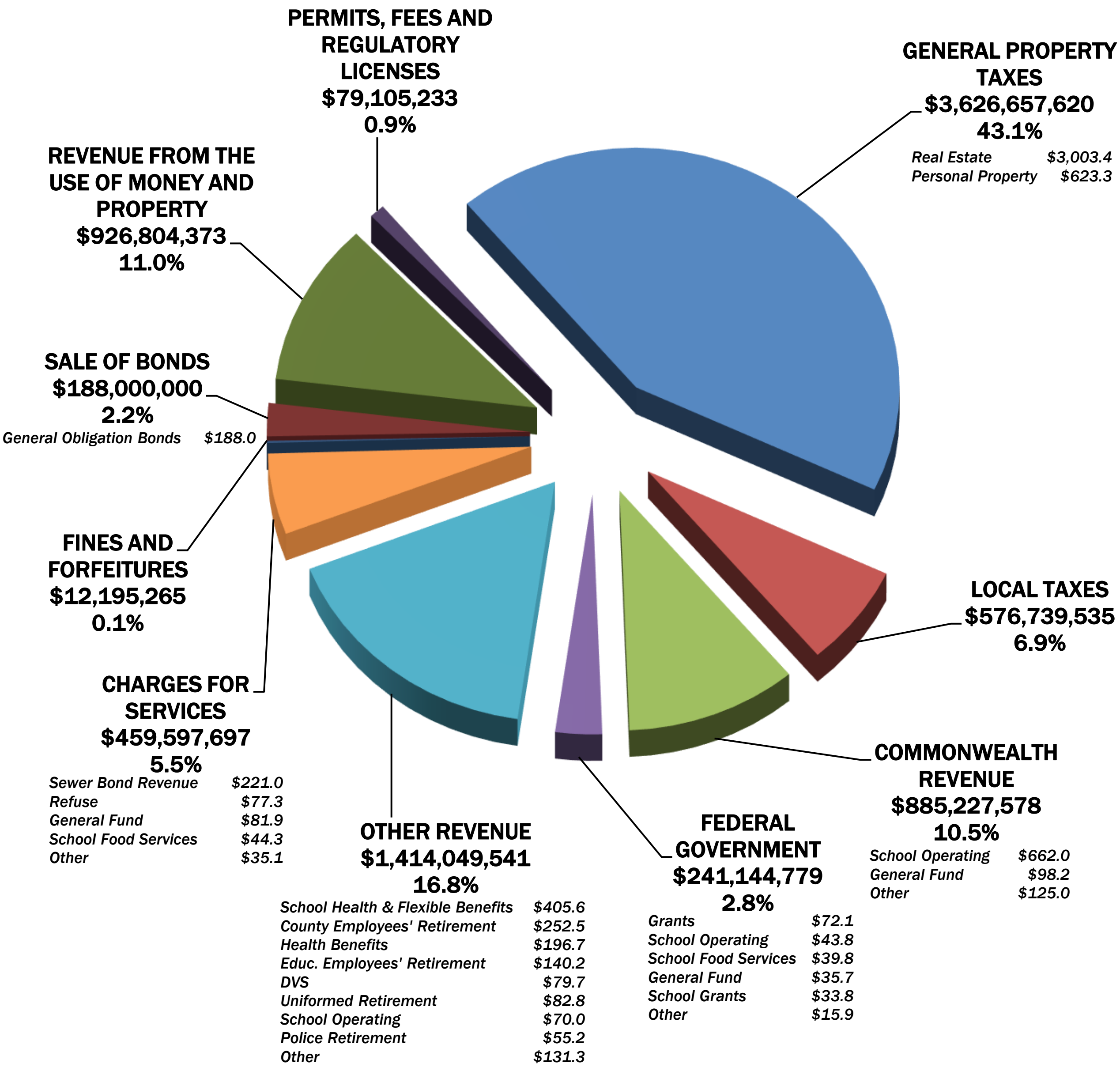


FY 2019 GENERAL FUND DISBURSEMENTS = $4,280,915,642

In addition to FY 2019 revenues, available balances and transfers in are also utilized to support disbursement requirements.

FY 2019 ADOPTED BUDGET PLAN
REVENUE ALL FUNDS

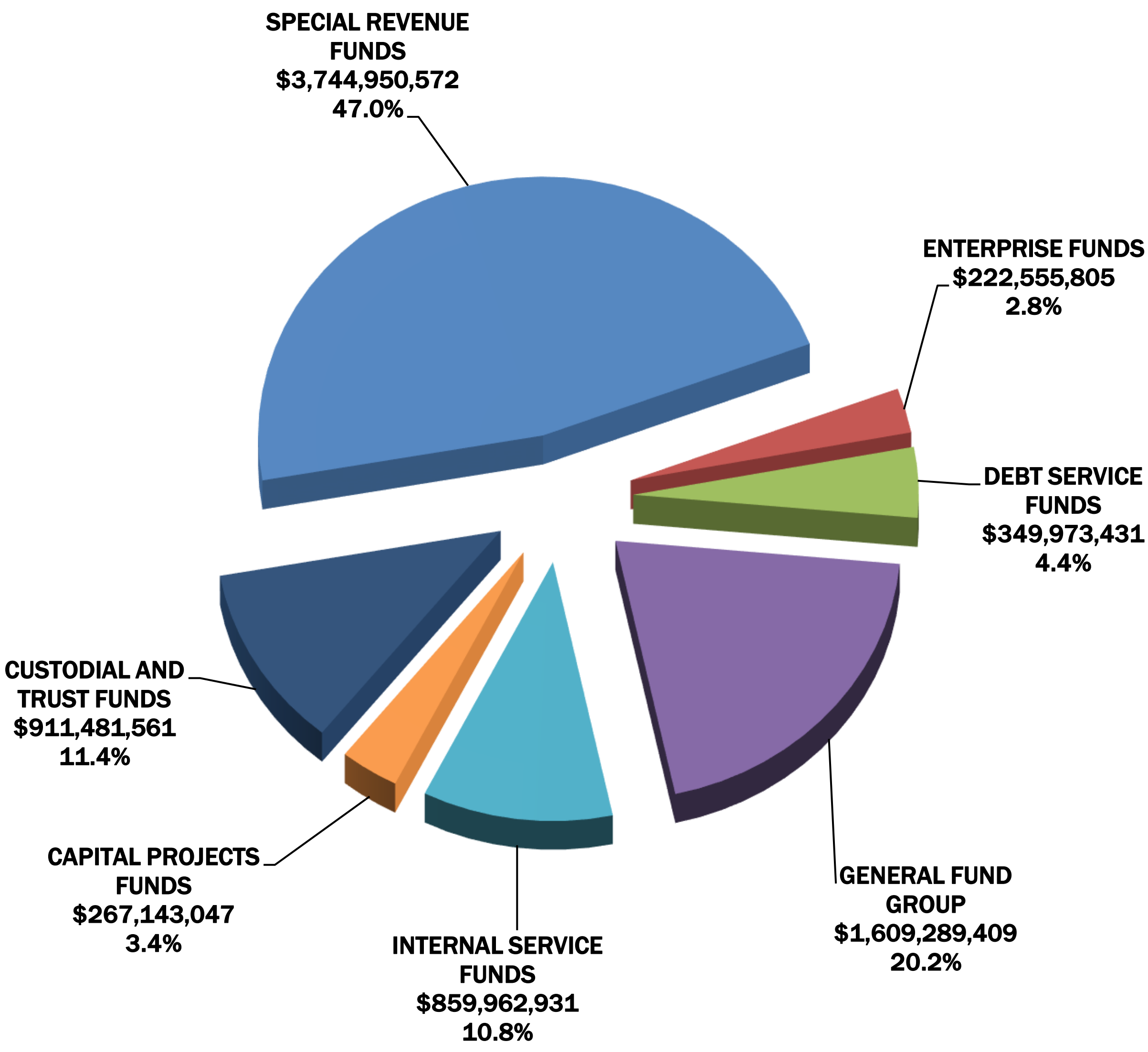
(subcategories in millions)



TOTAL REVENUE = $8,409,521,621

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 2019 ADOPTED BUDGET PLAN
EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = $7,965,356,756

1742

County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax

February 20, 2018

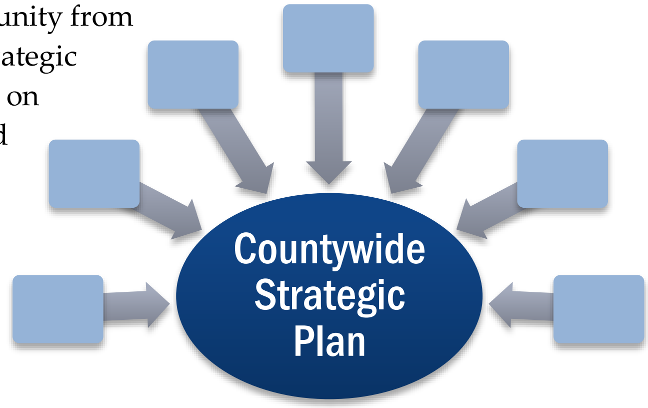
Honorable Board of Supervisors
County of Fairfax
Fairfax, Virginia

Chairman and Board Members:

I am pleased to present the FY 2019 Advertised Budget Plan, which includes a projection for FY 2020. As we move forward to deliver a structurally-sound budget for FY 2019, it will be imperative for our community to work towards common goals while we develop enhanced strategies for the future. To the Board of Supervisors and our County residents, Team Fairfax is poised to deliver a strategic budget process that will look for efficiencies, as well as opportunities, to increase our commercial base while creating a balance with our residential assessments. Over time, the County has developed a plethora of established financial policies and multi-year funding plans that we are incorporating into this year's budget. The Board's budget priorities and guidance, the One Fairfax policy initiative, and the County's Economic Success Strategic Plan, have all helped provide a framework for this coming budget year. As I begin my tenure as the County Executive I am excited for the challenges and opportunities that lie ahead.

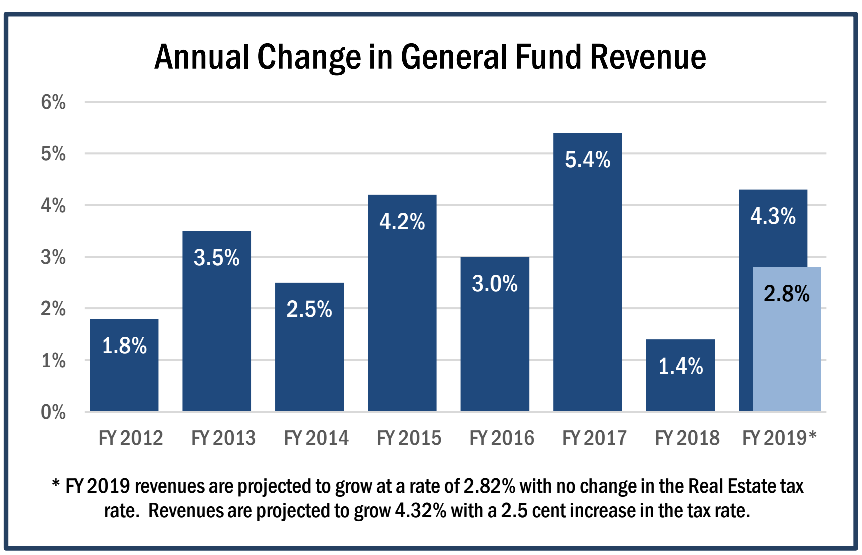
While Fairfax County is a great place to live, learn, work, and play, as our population continues to grow and diversify, we are seeing persistent disparities within a host of indicators such as employment, income, wealth, and education. Our community remains economically strong and resilient; however, it is better to acknowledge and address these trends than to ignore them. Inequity is the thread that runs through many of the core problems we face as a community. Through your leadership in adopting the One Fairfax Race and Social Equity policy, our workforce and community have a growing understanding that Fairfax County's future will be even brighter if we ensure the full inclusion of the economic, social, civic, and creative contributions of all County residents.

The key to a strong team is the ability to listen to, as well as develop a strategic framework with, our partners to move Fairfax forward. Establishing a solid working relationship with the leadership at Fairfax County Public Schools (FCPS), our Economic Development Authority (EDA), and our residents, to name a few, will be a charge going forward as we as Team Fairfax must remain cutting-edge, as well as the nation's premier community. These partnerships, in combination with the strengthened relations happening between the Boards over the past couple of years, have contributed to a more collaborative and cooperative budget approach. This was evident in the joint fiscal forecast presentation in November. With the understanding that the County recently undertook an extensive Lines of Business review, I am aware of the community support for the County's existing programs and services. The goal for my first budget was to maintain the solid budgetary baseline while focusing on fiscally-constrained adjustments to meet the top priorities of our residents and the Board. At the same time, I intend to focus the conversation for our future on a countywide strategic planning effort that builds on the solid foundation that we already have in place. This effort will include collaboration with our partners like FCPS and the EDA and involve the community from the outset. I feel strongly that this added strategic layer will be critical for our future as we focus on our priorities in the fiscally-constrained environment ahead of us. This strategic approach, with clearly defined and measurable goals, supplemented by a renewed focus on data, will be designed to frame all of our conversations about future opportunities and how the budget supports our success in taking advantage of them.



In November, County and Schools staff presented a joint fiscal forecast for FY 2019 which painted a mixed picture. At the national level, the stock market was booming (and has since contracted) and consumer confidence was high, but the potential for additional sequestration cuts still lingered. In Virginia, revenues were growing modestly, but sales tax growth had been lower than projected. At that time, local revenues were projected to grow 2.6 percent over FY 2018, with the growth primarily generated in Real Estate – and the largest projected increase in non-residential equalization since FY 2013. A strong commercial Real Estate market is a positive sign for a strong local economy, but there are concerns about the long-term impact on the local real estate market of the tax reform bill passed at the end of the year. The joint fiscal forecast showed a projected budgetary shortfall of almost $99 million.

Since that forecast was presented, there have been slight improvements in the real estate estimates for both residential and non-residential properties. The overall message is consistent, which shows revenue projected to increase at a moderate rate of 2.82 percent in FY 2019 at the current Real Estate Tax rate. This level of growth is insufficient to meet the needs of our government as outlined in the budget guidelines approved by the Board on April 25, 2017. After funding the County's requirements for debt service, transportation, benefits, and prior commitments, the remaining balance would only partially fund the County's compensation program for our employees. Investments in priorities such as Diversion First, school readiness, gang prevention, and the opioid epidemic would need to be limited or deferred without an



* FY 2019 revenues are projected to grow at a rate of 2.82% with no change in the Real Estate tax rate. Revenues are projected to grow 4.32% with a 2.5 cent increase in the tax rate.

increase in revenue, and we would be unable to meet the proposed needs of our School system. We are keenly aware of this delicate balance of providing the appropriate level of services to our residents while minimizing the financial impact to our taxpayers. In order to address Board priorities such as the ongoing requirements of Metro and employee compensation requirements for County and Schools employees, the budget team is recommending a Real Estate tax rate increase of 2.5 cents for FY 2019 from $1.130 to $1.155 per $100 of assessed value. When you factor in the growth in residential equalization, the average taxpayer would see an increase in their Real Estate tax bill of $131 per year. With this proposed tax rate adjustment, the overall increase is approximately $268. Fairfax County has a myriad of challenges that our team will be facing in the future. We will explore every funding opportunity, as each and every priority deserves an informed decision.

The priorities described below include details on what could be funded with no Real Estate tax rate increase as well as the direct benefit of the recommended 2.5 cent increase:

- Full funding of the Schools Operating transfer request, offset by the anticipated $8.7 million in increased state revenues due to re-benchmarking and a decrease in the Local Composite Index. In total, a 4.49 percent increase, or $88.35 million, is proposed for the County transfer to support the School Operating Fund. This amount is consistent with the request from the School Board as approved on February 8, 2018. In addition, requirements for School Debt Service are funded, as well as a one-time increase of $2.5 million for School Capital requirements. This amount is associated with an assumed increase of $25 million in school bond sale capacity – from $155 to $180 million – beginning in FY 2019, which would require an additional $2.5 million in annual debt requirements beginning in FY 2020. The final bond sale level will be approved by the Board of Supervisors after discussions with the School Board. County budget staff is working with their counterparts at FCPS to develop a comprehensive understanding of both organization's capital needs and how increased bond sales impact our debt capacity in 2020 and beyond. *With no increase in the Real Estate tax rate, the School Operating transfer would be reduced by more than $25 million from the proposed level and no additional funding would be provided for School Capital Improvement Plans. It should be noted that FCPS requested an increase of $50 million in additional bond sales over current levels to accelerate planning and capital project completion. Decisions on increased capital funding should occur in the context of a fully informed discussion which includes review of all options, to include possible boundary changes and multi-use of facilities, as we look ahead to the long-term affordability of our capital program.*

- Full funding of the County's compensation plan, which includes a 2.25 percent Market Rate adjustment for all employees, performance and longevity increases averaging 2.00 percent for merit non-uniformed employees, and merit and longevity increases averaging 2.25 percent for merit uniformed public safety employees. This would mark only the third year over the past 10 years where the County's full compensation program has been funded. *With no increase in the Real Estate tax rate, the Market Rate Adjustment would be partially funded at 1.26 percent.*

- Funding for Board priorities such as Diversion First and gang prevention, as well as funding to battle the opioid epidemic. In addition, resources dedicated to school readiness initiatives and Opportunity Neighborhoods, in line with the One Fairfax policy agenda, help to align and leverage existing investments. *With no increase in the Real Estate tax rate, it is likely that these investments would need to be deferred.*

- Funding and positions for the continued phase-in of priorities in the Public Safety Staffing Plan, primarily associated with staffing for the new South County Police Station, scheduled to open July 2021. *With no increase in the Real Estate tax rate, it is likely that this funding would be deferred for several years.*

- Funding for transportation requirements in the County, including Metro and Fairfax Connector. As detailed during our Legislative Committee meetings, there remains a significant gap of funding for Metro. We will be monitoring legislation and providing updates throughout the state budget approval process.

- Funding for benefits requirements, including contributions to the County's retirement systems per the funding policies adopted by the Board in 2015 and estimated health insurance premium increases.

- Contributions to the County's reserves in accordance with the new 10 percent reserve target and funding policies adopted by the Board in 2015.

FY 2019 Advertised Summary

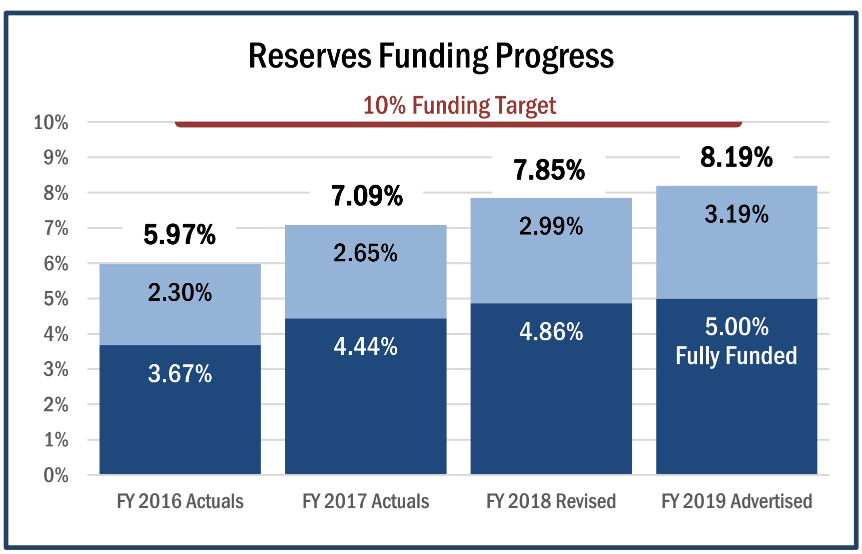
	County Requirements	Schools Support
Increased Revenues	$192.32	
Transfer In Adjustment	$0.11	
Available Resources	**$192.43 million**	
Employee Pay	$49.96	$86.90
Employee Benefits	$5.76	$7.00
Capital/Debt Service	$3.02	$6.75
Public Safety	$7.48	--
Human Services	$8.78	--
Community Development	$11.36	--
Cost of County Operations	$1.75	--
Reductions/Savings	($3.40)	--
Enrollment and Other Requirements	--	$21.65
Net Additional Schools Revenue	--	($27.20)
Total Uses	**$84.71**	**$95.10**
Combined Uses	**$179.81 million**	
Revenue Stabilization	$1.67	
Managed Reserve	$7.07	
Reserve Requirements	**$8.74 million**	
Available Balance	**$3.88 million**	

Our proposal includes equal growth rates for both School transfers and County requirements (excluding reserves) at 4.38 percent over the FY 2018 Adopted Budget Plan level. This budget also maintains the Schools as a percentage of General Fund Disbursements at 52.8 percent. In order to achieve a balanced budget and equal growth rates, reductions to County agencies of $3.4 million are also included. The proposed budget includes a net increase of 77 positions, many included at no cost to the General Fund. After funding the priorities outlined above, plus the full-year impact of prior commitments and other adjustments (all detailed in the following *Advertised Budget Summary* section), a balance of $3.88 million is available for the Board's consideration. We believe it is important to provide the Board with some flexibility to address additional priorities or issues raised by residents at community meetings and/or public hearings.

General Fund Disbursements
(in $millions)

	FY 2018 Adopted	FY 2019 Advertised	Growth $	Growth %
Schools	$2,169.15	$2,264.25	*$95.10*	*4.38%*
County	$1,932.25	$2,016.96	*$84.71*	*4.38%*
Revenue Stabilization	$5.22	$6.89	*$1.67*	*31.99%*
TOTAL DISBURSEMENTS	$4,106.62	$4,288.10	*$181.48*	*4.42%*
Schools as % of Disbursements	52.8%	52.8%		

The importance of our proposed budget today continues the County's commitment to our taxpayers and the bond rating agencies regarding adequate funding of pensions and reserves, as well as the appropriate use of one-time funding. Based on the County's consistent financial discipline and progress in meeting pension and reserve funding targets, all three rating agencies reaffirmed the County's AAA bond rating last month. The FY 2019 Advertised Budget Plan continues the County's adherence to the *Ten Principles of Sound Financial Management* and the funding policies established by the Board. Funding is included to increase the County's contributions to its retirement systems in order to amortize at least 99 percent of the unfunded actuarial accrued liability. This is consistent with our target to achieve 100 percent amortization by FY 2020. An amount equivalent to 10 percent of all General Fund disbursement increases are set aside in our Revenue Stabilization and Managed Reserves. Based on reserve contributions included in this proposal, reserves are estimated to be approximately 8.19 percent of General Fund disbursements in FY 2019. Based on estimated investment earnings, *it is anticipated that the Revenue Stabilization Fund will reach its target of five percent of General Fund Disbursements in FY 2019*, with the Managed Reserve funded at 3.19 percent of its four



percent target. The increased reserve levels are an indication of the significant progress the County has made towards its 10 percent target since the funding strategy was adopted in 2015. Additionally, for the fifth straight year, the County's budget is balanced with no use of one-time funds.

This budget also continues the progress made in funding strategies outside of the General Fund. FY 2019 marks the final year of the five-year stormwater plan developed in FY 2015. In accordance with the plan, the stormwater service rate will increase from $0.0300 to $0.0325 per $100 of assessed real estate value in FY 2019. This levy is estimated to generate over $77 million for operating and capital costs, including infrastructure reinvestment, regulatory requirements, and dam safety. Over the course of the next year, staff will be evaluating the results of the 5-year program, analyzing future stormwater requirements, and developing the next 5-10-year plan. It is anticipated that the next multi-year plan will continue to include ¼ cent increases per year until such time as the rate is at the target level of 4 cents.

Although I believe that this budget proposal meets many of our County's needs, there are still several important priorities that are not funded due to a lack of resources. For the third straight year, the budget team will be unable to include an increase in baseline funding for capital paydown. Paydown includes infrastructure replacement and upgrades, athletic field improvements, projects required for compliance with the Americans with Disabilities Act, and other capital improvements. Based on the recommendations from the Infrastructure Financing Committee, the County's goal is to reach a level of $15 million annually to address infrastructure replacement and upgrades. Unfortunately, the FY 2019 proposed budget does not include this level of funding even for the entire paydown program. Additionally, since the Great Recession, we have struggled to rebuild our baseline funding for information technology needs. For example, in FY 2008, General Fund support for IT projects was over $12 million. In the FY 2019 Advertised Budget Plan, General Fund support stands at $4.77 million – an amount that has remained unchanged for three years. Consistent with actions that have been taken in previous years, I have deferred additional spending for both capital paydown and information technology projects until the *FY 2018 Third Quarter Review*. While I estimate that funding available at the quarterly review will serve as a stop-gap for the coming year, it is imperative that we begin to rebuild our baseline funding in future budget years.

There is much work that is still ongoing throughout the County regarding issues for which, based on timing, we are unable to include recommendations in this FY 2019 proposal. The Board's review of the County's retirement systems is continuing through a joint workgroup with employee representatives. Following the investment impact of the Great Recession and changes in comparator pension plans (especially the Virginia Retirement System) since the County's last comprehensive review, and on the heels of the multi-year funding strategy approved in 2015, this review is necessary to continue to strengthen the long-term viability of the systems. The workgroup is exploring possible adjustments to benefit levels, employee contributions, and eligibility requirements based on demographics of the County's systems and trends nationwide. The Board has committed that any changes will not impact current employees. The group's work is expected to wrap up by mid-March, with recommendations anticipated to be made to the Board's Personnel Committee in the spring. Although no short-term budgetary savings are expected, adjustments for new hires should place downward pressure on future pension liability calculations, allowing the County to move towards full funding of its systems at a faster pace.

Several compensation and organization studies are also underway. Consistent with the study previously undertaken to examine the rank, organizational and pay structure of the Police Department and Office of the Sheriff, a similar study is currently ongoing for the Fire and Rescue Department. Recommendations from the study, which is being coordinated by the Department of Human Resources (DHR) with the assistance of an outside consultant and with the cooperation of employee representatives, are expected to be presented to the Board of Supervisors in the spring. As with the Police and Sheriff study, recommendations are anticipated to be implemented in a phased approach over several fiscal years. In addition, DHR is also utilizing the consultant to perform market studies of the County's environmental and trades job classes as well as executive and mid-level management job classes. Depending on the timing and scope of recommendations coming out of these studies, adjustments could be included as part of the FY 2019 or FY 2020 budgets. As the County focuses on its strategic priorities, our pay and benefits need to be evaluated over the long term to ensure that they, along with other priorities, are designed to meet our long-term strategic objectives rather than meeting individual objectives that are not viewed comprehensively across all categories of compensation. This means a better understanding of the current market and the shifting paradigm in pay and benefits. A multi-year implementation of any approved adjustments will also need to be identified in the context of constrained resources. In this way, we shift from reacting to specific changes in our competitive positon and instead move more deliberately and strategically as a result of data review and analysis and, ultimately, Board decisions.

As has been done in prior years, as part of the development of the FY 2019 budget, staff examined potential areas for savings and/or efficiencies. This included analyzing budgetary trends to determine if there was flexibility in budgets based on hiring, turnover, and spending trends. As a result of this work, a total of $3.4 million in personnel services or operating savings were identified among a number of agencies. In addition, the FY 2019 proposal includes several reorganizations which will provide more efficient County services. As a follow-on to the Lines of Business discussions, administrative functions in the Department of Administration for Human Services are proposed to be moved to individual agencies to ensure regulatory, financial, and program compliance, and to more effectively support each agency's specialized service needs. Remaining functions, including management of the organization's strategic resources and inter-agency work related to integration of business processes, information management and data analytics, performance measurement, resource allocation, strategic planning, service transformation, and planning for facility needs will be incorporated into a new Office of Strategy Management for Health and Human Services. Also, included in the FY 2019 budget is the movement of the Infant and Toddler Connection (ITC) program from the Fairfax-Falls Church Community Services Board to the Department of Family Services (DFS). Based on the Lines of Business Phase 2 review, this move will allow the ITC program to be more closely coordinated with other early childhood programs managed by DFS.

The FY 2020 forecast is similar to what the Board has seen over the last several years, with revenue growth insufficient to fund a full array of Board priorities. The forecast currently assumes revenue growth of 2.60 percent. With this level of additional resources, and assuming equal growth for County and Schools, $55.5 million would be available to fund County priorities and $62.4 million would be available for Schools support. Full funding of the County's compensation program and benefit requirements is estimated at $60.5 million. This assumes a 1.5 percent Market Rate Adjustment and includes the last change in the amortization schedule for the County's retirement systems to amortize 100 percent of the unfunded liability. Thus, the County is already facing a projected shortfall of $5 million before taking into consideration other important priorities. If other major budget drivers are included, the projected budgetary shortfall increases to $60 million. These drivers include investments in public safety (such as the South County Police Station, Diversion First, and apparatus replacement) and human services (including the FY 2020 funding needs included in the Health and Human Services Resource Plan). The $60 million projection also includes increased baseline funding for capital paydown and IT projects. This level of expenditure growth, as experienced in FY 2019, is not sustainable without increased funding in the form of Real Estate Tax rate increases. As the conversation on the FY 2019 budget unfolds, we will need to clearly identify our priorities for FY 2020 so that we can manage the expectations of the community and employees and begin the strategic plan development process I referenced above. More details on the FY 2020 forecasted budget are included in the section entitled *Multi-Year Budget: FY 2019 and FY 2020*.

As the budget was being developed, we attempted a no-tax-rate-increase approach, as well as structuring our recommendation as outlined in the FY 2019 Advertised Budget Plan. The second approach affords the Board of Supervisors flexibility to align budget priorities with the moderate revenue growth we are experiencing. We arrived at this recommendation based on the significant number of important funding priorities which out-paced our current growth projections. I am certain some of our residents will not be pleased with a proposed increase in the Real Estate tax rate; however, I am confident that there is much in this proposal which will generate community, employee, and bond rating agency support as we begin to recalibrate our operations during the next 5 years and embrace the current climate of change in our nation. Full funding of our Schools budget request, new Police Officer positions, funding to combat gangs and opioid addiction, and increased support for school readiness initiatives are all positive contributions towards a safer, smarter, and stronger community. Additionally, employees should be pleased to see full funding of the compensation plan and continued support of the retirement systems as part of this budget. There is much work to do along the journey to achieve One Fairfax, but with your continued leadership and through a process of action planning and community engagement, Fairfax County government can proactively and collectively, with schools and partners, design and implement policies, practices, and programs to strategically and intentionally shape the structure of opportunity across the County. The proposed focus for One Fairfax in year one is two-fold – building organizational capacity and mobilizing action. The identified organizational-capacity-building strategies establish the foundational structures, processes, and practices to enable shared accountability across our organization and among our partners, and institutionalizes the consideration of equity in decision-making and actions.

As I submit the FY 2019 Advertised Budget Plan for your consideration, I would be remiss not to recognize the knowledge and expertise of County staff which I found to be incredibly helpful during this budget development process. Strong leadership and guidance from the Board, combined with sound assistance from staff, have helped make my transition to the Fairfax County

Executive position a smooth one. Full details of adjustments included in this proposal are included on the following pages in the Advertised Budget Summary. I look forward to working with you and our residents over the coming months to craft a final budget which helps contribute to the reputation of Fairfax County as a model of fiscal stewardship and responsibility.

Respectfully submitted,

Bryan J. Hill
County Executive

FY 2019 Budget Development Calendar

February 2018	• February 20	County Executive presents FY 2019 Advertised Budget Plan
	• February 27	Joint Board of Supervisors/School Board Budget Committee Meeting
March 2018	• March 6	Board of Supervisors advertises FY 2019 tax rates
	• March 13	Budget Committee Meeting
	• March 20	Board of Supervisors advertises *FY 2018 Third Quarter Review*
April 2018	• April 3	Budget Committee Meeting
	• April 10-12	Board of Supervisors holds Public Hearings on FY 2019 Budget, *FY 2018 Third Quarter Review*, and FY 2019-FY 2023 Capital Improvement Program
	• April 24	Board of Supervisors marks-up FY 2019 Budget, adopts FY 2019-FY 2023 Capital Improvement Program and *FY 2018 Third Quarter Review*
May 2018	• May 1	Board of Supervisors adopts FY 2019 Adopted Budget
	• May 15-16	School Board holds public hearings on FY 2019 budget
	• May 24	School Board adopts FY 2019 Approved Budget
July 2018	• July 1	FY 2019 Budget Year Begins

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Advertised Budget Summary

FY 2019

Adopted Budget Plan

Economic Overview

Nationally

In 2017, the U.S. economy experienced faster growth than it had in 2016. For all of 2017, real Gross Domestic Product (GDP) grew at a preliminary rate of 2.3 percent, up from 1.5 percent in 2016. Consumer spending, which makes up more than two-thirds of economic activity, grew 3.8 percent in the fourth quarter, compared to 2.2 percent in the third quarter. Overall government expenditures increased 3.0 percent.

At the end of 2017, the unemployment rate was 4.1 percent, matching the lowest level in 17 years. In December, 148,000 jobs were added, which was the 87th consecutive month of gains. The U.S. economy added 2.1 million jobs in 2017, another solid year of job gains after 2.2 million jobs were added in 2016. Economists believe that this performance will be hard to repeat in 2018 as the economy has steadily improved, adding jobs at a brisk pace for one of the longest consecutive streaks on record and as the availability of qualified workers is reduced. Signs of a tightening labor market appeared when the Labor Department announced in its latest report that average hourly earnings grew 2.9 percent in January compared to a year ago, the best gain since June 2009. While it remains to be seen if accelerating wage growth is here to stay, the report caused some to be concerned about the prospect of higher inflation and faster Fed tightening to prevent the overheating of the economy.

After increasing the target range for the federal funds rate for the first time in almost a decade back in December 2015, the Federal Reserve raised the rate again in December 2016 and continued raising it at a gradual pace throughout 2017. Most economists expect three rate hikes in 2018; however, the pace of tightening may accelerate if inflation rises abruptly.

Home prices nationwide continued their rise in 2017. According to the S&P/Case-Shiller home price index, home prices were up 6.4 percent for the 12 months ending November 2017. Demand is not the primary factor in rising home prices. Since 2010, construction of single family homes has been substantially below the long-term average of about one million new homes annually. According to the National Association of Realtors, the available inventory of homes for sale is at its lowest level since 2005 at approximately 4-months' supply compared to a "normal" market of 6-months' supply. Without more supply, and supported by low mortgage interest rates, home prices are likely to continue to rise. Home prices in the Washington Metropolitan area posted a more modest 3.3 percent gain during the same period.

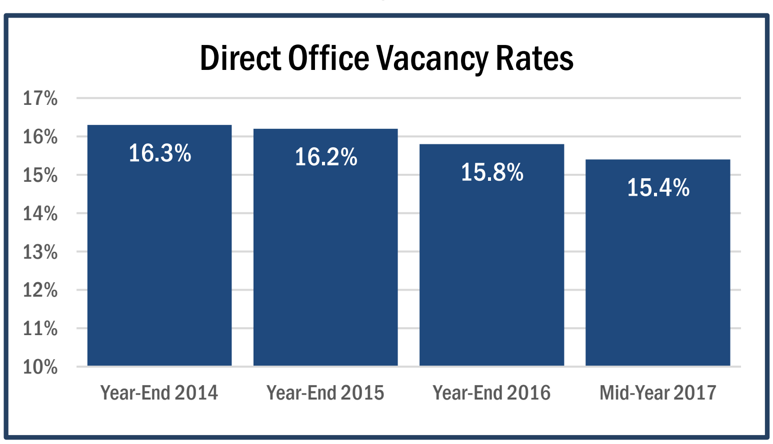
Fairfax County

The Washington region's economy has been expanding since the contraction experienced in 2013 and 2014 as a result of the sequester. In 2017, the level of growth was almost on par with that of the national economy in spite of the absence of federal spending increases and the diminishing share of the federal sector in the regional economy. According to Dr. Stephen Fuller, a George Mason University professor, federal government spending in the region, which accounted for almost 40 percent of the Gross Regional Product back in 2010, declined to an estimated 30 percent by 2017. Dr. Fuller expects a positive economic trajectory for the Washington region in 2018.

The labor market in Fairfax County has shown continued improvement and has recovered from the job losses in 2013 and 2014, when employment fell 0.6 percent and 1.2 percent, respectively. In June 2017, there were almost 7,000 more jobs in the County compared to June 2016, an increase of 1.2 percent. Employment in the Professional and Business Services sector, which includes most federal contractors, lost almost 12,600 jobs in 2013 and 2014 and remained flat in 2015. In 2016, employment in this sector increased by more than 2,300 jobs and growth has extended through the first half of 2017. However, as of June 2017, the number of jobs in the sector is still 3.3 percent below the 2012 level. Other industry sectors that created new jobs through mid-year 2017 include Education and Health Services, Financial Activities, and Leisure and Hospitality. The County's unemployment rate is 2.6 percent as of December 2017, down from 3.0 percent in December 2017, the lowest level since 2008.

According to estimates from IHS, the County's Gross County Product (GCP), adjusted for inflation, increased at a preliminary rate of 1.7 percent in 2017, after growing a modest 0.4 percent in 2016. Growth is projected to accelerate to 2.6 percent in 2018. The positive 2018 outlook is supported by strong job growth, personal earnings growth, and high consumer confidence. While its impact will not be immediate, the added stimulus by the recently approved federal tax reform is expected to also reinforce the economy. However, uncertainty associated with the direction of the federal budget could impact the County's ability to grow its economy in the coming years. A budget deal which would eliminate the threat of sequestration and increase funding for defense and domestic programs would go a long way in providing stability for the regional economy. On the national level, potential risks for the future performance of the economy include the extended business cycle, which is almost in its ninth year of expansion, structural imbalances, volatility in the stock market and rising interest rates. Still, most economists expect above average year for the U.S. economy.

Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose 4.3 percent from $544,416 in 2016 to $567,829 in 2017. Home prices continue to increase primarily as a result of tight inventory of homes for sale and low mortgage interest rates. Since 2009, the average home sales price has risen 36.1 percent, or an average annual growth of 3.9 percent. MRIS also reported that 16,109 homes sold in the County in 2017, up 2.3 percent over 2016. Homes that sold during 2017 were on the market for an average of 45 days, down from 52 days in 2016. In the County's nonresidential market, according to the Fairfax County Economic Development Authority, the direct office vacancy rate was 15.4 percent at mid-year 2017, down from 15.8 percent at year-end 2016. The overall office vacancy rate, which includes empty sublet space, was 16.2 percent at mid-year 2017, down

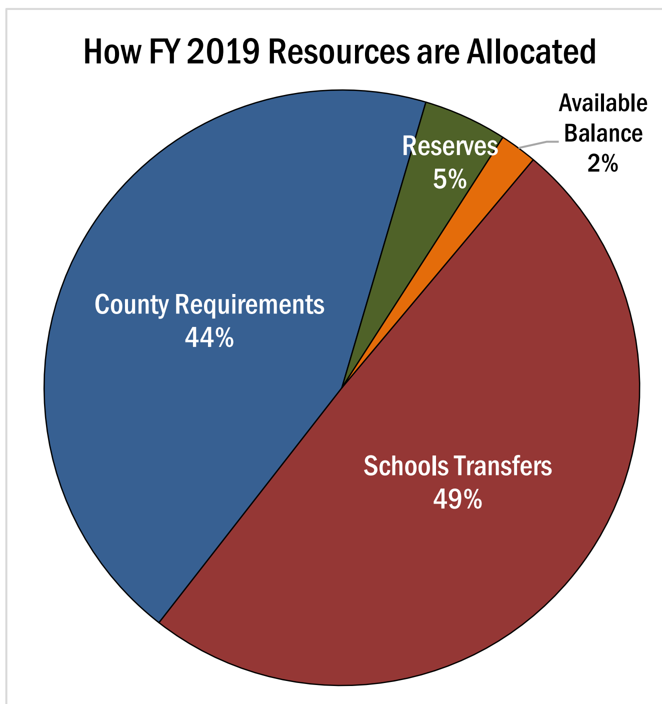


from 16.8 percent recorded at year-end 2016. The amount of empty office space dropped to 18.9 million square feet. Industry experts anticipate vacancy rates to remain relatively stable through 2018 as tenants monitor economic conditions and the direction of the federal budget.

Fairfax County ranks as the 17th most active office construction market nationally. At mid-year 2017, office development continued around Metro stations in the Silver Line corridor and in other areas of the County as well. Nine office buildings totaling more than 3.1 million square feet were underway in six submarkets in June 2017. More than 70 percent of the office space being built is leased or will be owner-occupied. Office leasing activity topped 5.6 million square feet in the first half of 2017, and is on pace to exceed 11 million by year-end. As has been the case for the past several years, the overwhelming majority of leasing activity during the first half of 2017 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. This "flight to quality," however, results in vacancies in office space that is older and often farther from transit and amenities.

FY 2019 General Fund Budget Summary

Based on the current Real Estate Tax rate of $1.13 per $100 of assessed valuation, $130.72 million in revenue was generated over FY 2018 levels. However, as noted in the County Executive's message, this level of revenue is insufficient to fund important priorities such as compensation, debt service, and transportation, as well as public safety and human services priorities. A 2.5 cent increase in the Real Estate Tax rate generates an additional $61.60 million. With the small impact of Transfers In adjustments of $0.11 million, $192.43 million is available for FY 2019 requirements.



As noted in the pie chart, of the available FY 2019 resources, 49 percent are allocated for Schools priorities, while 44 percent are allocated for County requirements. Another 5 percent is allocated for reserve requirements per the County's reserve policy approved in 2015, while the remaining 2 percent, or $3.88 million is available for the Board's consideration as decisions are made on the budget.

The following table summarizes the FY 2019 Advertised Budget Plan.

FY 2019 Advertised Budget Summary (Amounts shown are in millions, net change over FY 2018 Adopted Budget Plan)	
Available Revenue Increase	
Revenue Increase at Current Real Estate Tax Rate	$130.72
Revenue associated with 2.5 cent Real Estate Tax Rate Increase	$61.60
Net Impact of Transfers In	$0.11
Total Available	**$192.43**
FY 2019 Requirements	
Schools Support	**$95.10**
School Operating Transfer	$88.35
School Debt Service Transfer	$4.25
School Construction	$2.50
County Requirements	**$84.71**
Employee Pay and Benefits	$55.72
Capital and Debt	$3.02
Public Safety	$7.48
Human Services	$8.78
Community Development	$11.36
Cost of County Operations	$1.75
Reductions/Savings	($3.40)
Reserve Adjustments	**$8.74**
Total Uses	**$188.55**
Available for Other Critical Requirements	**$3.88**

FY 2019 General Fund Revenue

FY 2019 General Fund revenues are projected to be $4,293,064,554, an increase of $177,698,903, or 4.32 percent, over the *FY 2018 Revised Budget Plan*, which contains the latest FY 2018 revenue estimates, and an increase of $192,324,377, or 4.69 percent, over the FY 2018 Adopted Budget Plan.

On the County's real estate front, residential equalization reflects a 2.17 percent increase in FY 2019, while non-residential equalization is up 3.79 percent. The overall Real Estate tax base grew 3.59 percent.

The value of a penny on the Real Estate Tax rate is $24.64 million in FY 2019. Each penny change in the tax rate equals $54.72 on a taxpayer's bill. Given an average value of a residential unit of $547,219, the "typical" residential annual tax bill will rise, on average, $268.13 in FY 2019 at the proposed Real Estate tax rate of $1.155 per $100 of assessed value.

The *General Fund Revenue Overview* in the FY 2019 Overview volume has additional details on General Fund revenues.

FY 2019 General Fund Disbursements

FY 2019 General Fund disbursements are $4,288,101,414, an increase of $181,479,250, or 4.42 percent, over the FY 2018 Adopted Budget Plan and an increase of $88,903,902, or 2.12 percent, over the *FY 2018 Revised Budget Plan*. The increase over the Adopted budget is based on an increase of $95.10 million for Fairfax County Public Schools for Operating, Debt, and Construction; an increase of $84.71 million for County requirements, discussed in more detail below; and an increase of $8.74 million as a result of required contributions to the Revenue Stabilization and Managed Reserves. It should also be noted that 77 new positions are included in the FY 2019 Advertised Budget Plan, which are detailed below.

Increases over the FY 2018 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 $95.10 million

Total County support to Fairfax County Public Schools – including County transfers to the School Operating, Debt Service, and Capital Contribution funds – total $2.26 billion. This level of funding represents an increase of $95.10 million, or 4.38 percent, over FY 2018 Adopted Budget Plan levels. Schools support remains at 52.8 percent of total General Fund disbursements in FY 2019.

- Operating Fund Support
  The General Fund transfer to the Public School Operating Fund reflects an increase of $88.35 million, or 4.49 percent, over the funding level in the FY 2018 Adopted Budget Plan. This level of support is consistent with the transfer request approved by the Fairfax County School Board on February 8, 2018 after accounting for increased state revenues anticipated from re-benchmarking and a decrease in the Local Composite Index. This funding would support salary adjustments for teachers and School employees, including enhancements to the teacher salary scales; benefits and health insurance increases; increases related to enrollment and demographics changes; and contractual increases.

- Debt Service Support
  The General Fund transfer to the School Debt Service fund is increased by $4.25 million, or 2.25 percent from the FY 2018 level.

- School Construction/Capital Support
  Over the past few years, there has been significant discussion between the Board of Supervisors and the School Board regarding School capital needs and the possibility of increasing the annual bond sales limit from its current level of $275 million to accommodate a potential increase in the annual School bond capacity from its current

accommodate a potential increase in the annual School bond capacity from its current level of $155 million. As part of their approval of the Schools Capital Improvement Program on January 25, 2018, the School Board requested a $50 million increase in School bond capacity to $205 million. Although no decision has been made by the Board of Supervisors, and additional conversations are anticipated as part of the FY 2019 budget adoption process, the FY 2019 Advertised Budget Plan includes an increase of $2.5 million to accommodate a potential $25 million increase in School bond sales. However, as increased sales would not result in increased debt service requirements until FY 2020, the $2.5 million is included as a one-time increase to the School Construction Fund in FY 2019. If an increase to School bond sales is approved by the Board, it is anticipated that the FY 2020 transfer to School Construction would return to its previous level and School Debt Service support would increase.

Not included in the transfers noted above is County support for Schools funded using County dollars. In FY 2019, this support totals $88.1 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 $84.71 million

Overall, County disbursements (excluding Schools transfers and the transfer to the Revenue Stabilization Fund) total $2.02 billion, an increase of $84.71 million, or 4.38 percent, over the FY 2018 Adopted Budget Plan. Details for the most significant adjustments are provided below.

Employee Compensation (Pay and Benefits) $55.72 million

The FY 2019 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 funded. Total funding for employee pay equals $49.96 million.

- **2.25% Market Rate Adjustment**

  Funding of $27.85 million is included for the full-year impact of a 2.25 percent Market Rate Adjustment (MRA) increase effective July 2018 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. It is based on a calculation approved by the Board of Supervisors and includes the following components:

  - Consumer Price Index (CPI) for the Washington-Baltimore 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 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 $12.61 million support 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 2018 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 2019, all employees reaching 20 or 25 years of service as of June 30, 2018, 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 2019 is 2 percent.

Average Projected Employee Increases in FY 2019

	General County	Uniformed Public Safety
Market Rate Adjustment	2.25%	2.25%
Steps/Longevities	--	2.25%
Performance/Longevities	2.00%	--
Average Increase (Range of Increases)	**4.25%** (2.25%-6.25%)	**4.50%** (2.25%-7.25%)

♦ **Public Safety Merit/Longevity Increases**

Funding of $9.41 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 impact of merit and longevity increases provided to uniformed employees in FY 2018 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2019 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 and have reached the top step of their pay scale are eligible for longevities. 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**

  A net increase of $0.09 million is included for salary increases as a result of the County's benchmark class review and market studies. Analyses are performed annually to determine if job class midpoints fall below 95 percent of the market midpoint average. For General County employees, external market reviews were performed for 75 benchmark job classes, and additional reviews were performance for specific job classes based on recruitment and retention issues. Based on the results of the analysis, 5 job classes fell below the 95 percent threshold. Including job classes linked to the specific job classes studied, a total of 17 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. The total General Fund impact in FY 2019 is $0.66 million, which includes expenditures increases of $0.09 million as well as a revenue reduction of $0.57 million (associated with a redirection of revenue to Fund 40090, E-911 Fund, to offset related expenses in that fund).

County's Living Wage

The FY 2019 Advertised Budget Plan includes a recommendation to keep the County's Living Wage competitive in relation to the market. Consistent with the methodology used to adjust County pay scales, it is recommended that the Living Wage be increased by the approved Market Rate Adjustment each year. For FY 2019, this would result in a 2.25 percent increase from the current rate of $14.50 per hour to $14.83 per hour. There is no fiscal impact anticipated, and staff will continue to monitor other local jurisdictions for competitiveness.

- **Retirement Funding**

  The FY 2019 budget includes a net increase of $5.51 million in Employee Benefits for employer contributions to the retirement systems. Of this amount, an increase of $8.11 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 $2.60 million in savings based on year-to-date experience.

  As a result of the County's policy 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, 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 98 percent to 99 percent. This change results in an increase in the employer contribution rate for the Employee's and Police Officers systems. However, savings resulting from FY 2017 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 2017, while one returned slightly under this assumed rate of return. The Employees' system was up 6.8 percent, the Uniformed system was up 10.8 percent, and the Police Officers system returned 9.3 percent. The FY 2017 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*
Employees'	70.2%	69.9%
Uniformed	77.2%	80.9%
Police Officers	81.4%	83.2%

* The June 30, 2017 funding ratios will be included in the FY 2018 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.

In addition, this is the final year of a Board-directed 3-year plan to enhance benefits for service-connected disability retirees by eliminating the Social Security offset in the Employees' and Uniformed systems. The elimination of the 5 percent offset in FY 2019 will not impact the FY 2019 employer contribution rates. However, following Board of Supervisors policy to fully fund any increase in liability that results from a benefit enhancement in the year that the enhancement is approved, an increase of $1.5 million will be included as part of the *FY 2018 Third Quarter Review* to fund the increased liability resulting from this decrease in the Social Security offset for service-connected disability retirees.

- **Health Insurance and Other Benefits**

  A net increase of $0.25 million in Employee Benefits is primarily due to $4.73 million to reflect the full-year impact of calendar year 2018 premium increases and costs associated with a projected 5.5 percent premium increase for all health insurance plans, effective January 1, 2019. 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. The increase also reflects a $0.50 million adjustment to the County transfer to Fund 40040, Fairfax-Falls Church Community Services Board, for fringe benefit support. These increases are partially offset by projected savings in fringe benefits of $4.98 million based on year-to-date experience.

Capital Construction and Debt Service — $3.02 million

The increase in funding for Capital Construction and Debt Service is $3.02 million. This increase represents increased debt service requirements in FY 2019. General Fund support for the Capital Program is decreased by $0.98 million based on a shift of operational expenses from the Capital Program to the General Fund operational budget, as described below.

The FY 2019-FY 2023 Capital Improvement Program (CIP) totals $10.7 billion. The total bond program within the CIP is $1.9 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, as well as the efforts underway due to the establishment of the capital sinking reserve funds.

- **Debt Service**

  In addition to requirements associated with School debt service, FY 2019 General Fund support of County debt service requirements is $149.05 million, an increase of $3.02 million over the FY 2018 Adopted Budget Plan. The FY 2019 funding level supports existing debt service requirements, including the $251.78 million in General Obligation bonds sold in January 2018. During FY 2019 it is anticipated that a General Obligation bond sale of $302.73 million will be conducted to fund cash requirements for on-going capital projects for School and County purposes. This figure is above the current County limit of $275 million due mainly to the assumption of additional bond funds ($25 million) provided to the Fairfax County Public Schools. Discussions will occur with the Board of Supervisors as part of budget committee meetings in spring 2018 to review and potentially revise annual bond sale limits. This bond sale estimate is consistent with the FY 2019-FY 2023 Advertised Capital Improvement Program (With Future Fiscal Years to 2028).

- **Capital Construction**

  Capital Construction is primarily financed by the General Fund, General Obligation bonds, fees, and service district revenues. General Fund support in FY 2019 totals $18,462,076. This represents a decrease of $979,800 based on a shift of operational expenses from the Capital Program to the General Fund operational budget. This shift is associated with operational expenses related to the management of the Laurel Hill and Workhouse Arts Foundation properties. Funding for capital improvements and other property management expenses had previously been funded in Fund 30010, County Construction and Contributions. In recent years, funding has supported staffing and maintenance in the Park Authority and Facilities Management Department, and funding no longer supports capital improvements projects. There is no net impact to the General Fund.

  Based on the Board of Supervisor's FY 2018 Budget Guidance to "increase funding for infrastructure both in the use of one-time balances and by increasing the level of funding in the annual budget", additional funding for Paydown projects is anticipated to be included as part of the *FY 2018 Third Quarter Review*. This approach is consistent with the one taken as part of the FY 2018 Adopted Budget Plan.

FY 2019 Capital Construction/Paydown Summary*			
	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	$1,690,000	$2,650,000
Environmental Initiatives	$535,000	$0	$535,000
On-Going Development, Infrastructure Maintenance and Revitalization	$1,560,000	$0	$1,560,000
Payments and Contributions	$4,381,138	$0	$4,381,138
County Infrastructure Replacement and Upgrades	$0	$1,700,600	$1,700,600
Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways	$0	$1,300,000	$1,300,000
Developer Default Improvements	$0	$200,000	$200,000
Total General Fund Support	**$11,871,476**	**$6,590,600**	**$18,462,076**

[1] 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 — $7.48 million and 32 Positions

Public safety priorities for FY 2019 include continued support for multi-year initiatives such as positions to continue staffing the new South County Police Station, funding for the third year of the implementation of the Diversion First initiative, funding related to recommendations of a Board-directed review of the Police organizational structure, and funding to replace expiring grant funding for the Fire and Rescue Department. In addition, resources are included to respond to and prevent gangs in the County.

- **South County Police Station**

  An increase of $3.40 million and 17/17.0 FTE positions in the Police Department is required to continue the process of staffing the South County Police Station. These positions, which are in addition to 20/20.0 FTE positions added in the FY 2017 and FY 2018 budgets, are required as a recent Public Safety bond referendum included a new police station located in South County. Current estimates indicate that 33 additional uniformed positions will be required (spread out between Fiscal Years 2020 and 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 Department to gradually hire and train new recruits and will allow for continued analysis to ensure that current staffing estimates are accurate.

- **Diversion First**

  An increase of $1.93 million and 14/14.0 FTE positions is required to support the third year of the County's successful Diversion First initiative. 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. Funding added in FY 2019 will:

- Allow the Juvenile and Domestic Court to provide increased supervision of the pretrial cases requiring mental health services and further align practices with the General District Court.
- Allow the Police Department to support diversion services at the Merrifield Crisis Response Center on a 24 hour per day, 7 days per week basis which is a foundational aspect of Diversion First and is recognized as a best practice in crisis intervention;
- Allow the Office of the Sheriff to provide consistent supervision for the officer assigned at the Merrifield Crisis Response Center on 24/7 basis and provide secure transportation for psychiatric hospitalizations.
- Allow the Community Services Board to establish a third Mobile Crisis Unit with a co-responder model and strengthen behavioral health services at needed intercepts.

♦ **Police Department Organizational Review**

An increase of $0.73 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, funding of $0.53 million and 18/18.0 FTE positions were included to support relief Sergeants. Additional funding of $0.73 million is estimated to be required as part of the FY 2020 budget to complete this initiative.

♦ **Gang Prevention**

An increase of $0.65 million is associated with the County's efforts to respond to and prevent gangs in Fairfax County. 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. Funding supports expansion of the Intervention, Prevention and Education (IPE) program, as well as intensive services for reunifying families, both in partnership with Northern Virginia Family Services.

♦ **Partial-Year Funding for Fire and Rescue SAFER Staffing**

An increase of $0.43 million is required to cover the partial-year costs associated with 18/18.0 FTE positions previously funded by a Staffing for Adequate Fire and Emergency Response (SAFER) grant which expired in FY 2018. These positions have allowed the department to complete the initiative of having a fourth person on all 14 ladder truck companies. Four-person truck staffing has enhanced the Fire and Rescue Department's ability to establish on-scene firefighting, rescue, and medical emergency services in a more timely and efficient manner, with the right amount of personnel, thus reducing property loss and firefighter injury risks or death.

- **Violent Crimes Task Force Position**
  An increase of $0.17 million and 1/1.0 FTE position in the Police Department is required to support long-term complex investigations related to stolen property, narcotics, murder for hire, and document fraud in the Criminal Intelligence Division (CID). This position was supported by a grant from the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) which expired in FY 2018.

- **Fairfax County Volunteer Fire and Rescue Association**
  An increase of $0.10 million is included for operational support of the Fairfax County Volunteer Fire and Rescue Association, a nonprofit organization with 12 independent volunteer fire departments that partner with the career firefighters of the Fairfax County Fire and Rescue Department to provide emergency services.

- **Animal Sheltering Position**
  An increase of $0.08 million in the Department of Animal Sheltering is required to support a position redirected to the agency in FY 2018 to continue staffing the department since its establishment as an independent agency.

Human Services — $8.78 million and 18 Positions

Human Services priorities in FY 2019 include funding to combat the growing opioid epidemic, support early childhood education programs, expand Opportunity Neighborhoods, and add School-Age Child Care rooms. Additionally, support is included for programs which assist expectant low-income mothers and medically fragile students in schools. Contract rate increases are also funded for a number of Human Services agencies.

- **Contract Rate Increases**
  An increase of $3.32 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 $0.50 million in revenue, for a net cost to the County of $2.82 million.

- **Opioid Task Force**
  An increase of $1.47 million is required to address 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 Task Force outlined a multiyear plan to reduce deaths from opioids through prevention, treatment, and harm reduction strategies. The multiyear plan also focuses on enhanced data strategies to identify trends, target interventions and evaluate effectiveness. Funding will support increased education and awareness, the expanded use of Medication Assisted treatment, and epidemiological support.

- **Funding for Public Assistance Eligibility Workers**
  An increase of $1.10 million is included to appropriate additional revenue from the state to support additional positions in the Public Assistance program. The positions will continue

to address the increase in caseloads in the Self-Sufficiency Division. The expenditure increase is fully offset by an increase in federal and state revenue for no net impact to the General Fund. This adjustment is commensurate with funding approved by the Board of Supervisors as part of the *FY 2017 Carryover Review.*

- **Consolidated Community Funding Pool**
  An increase of $0.56 million is included to support the community organizations providing Human Services in the County. FY 2019 is the first year of a two-year funding cycle. The Consolidated Community Funding Advisory Committee (CCFAC) has organized the FY 2019/FY 2020 funding priorities according to six areas and adopted corresponding outcome statements. The Board of Supervisors approved these funding priorities on June 20, 2017.

- **Early Childhood Care Slots**
  An increase of $0.54 million is included to support 36 new early childhood care slots to serve 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 development skills which are strong predictors of success in kindergarten and beyond. These programs include education programming 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).

- **Opportunity Neighborhoods**
  An increase of $0.44 million is included to support the continued expansion of the Opportunity Neighborhood (ON) initiative into the Bailey's/Culmore area of Human Services Region 2, and to Herndon in Region 3. ON is a Department of Neighborhood and Community Services (NCS) 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 on to 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 operating in two regions of the County. Region 1 ON in the Mount Vernon and Lee Districts was established in 2011, and as part of the FY 2017 Adopted Budget Plan, funding was included to support the first phase of expanding ON into the Reston area of Region 3. The existing ON efforts have led to positive trends across several key measures including school attendance, discipline, parent engagement, and volunteerism.

- **Two New School-Age Child Care (SACC) Rooms**
  An increase of $0.43 million and 2/1.6 FTE positions are associated with the opening of two new SACC rooms at White Oaks Elementary School. The expenditure increase is partially offset by an increase of $0.34 million in SACC revenue for a total net impact to the County of $0.09 million. Funding and positions reflect the continuation of the standard SACC staffing plan implemented for new rooms in FY 2010.

- **Expand Nurse Family Partnership Program**
  An increase of $0.25 million and 2/2.0 FTE positions in the Health Department are included to expand the Nurse Family Partnership Program into the Herndon and Reston areas of the County. The program is an evidence-based nurse home-visiting program that works with low-income mothers who are pregnant with their first child and are at the highest risk for poor birth outcomes, to achieve healthier pregnancies and births, stronger child development, and a path toward economic self-sufficiency. This funding will be used to expand the service to an estimated 50 new families in the Reston and Herndon areas. The Nurse Family Partnership Program is part of the Equitable School Readiness Strategic Plan and funding is consistent with the presentation to the Board of Supervisors in January 2018.

- **Nursing Services for Medically Fragile Students**
  An increase of $0.13 million is included to address the increase in one-on-one nursing services for medically fragile students enrolled in Fairfax County Public Schools. The Medically Fragile program serves both full-time and pre-school students, and if a student is found eligible, services are mandated under federal law. Cases are reviewed by a multidisciplinary team of experts who recommend services based on the medical need of a student. The Health Department coordinates, manages, and financially supports these nursing services. Over the last several years there has been an increase in demand for one-on-one nursing services and the demand is expected to continue to grow in the coming years as more medically fragile students are entering the school system at the age of pre-school and remaining in the system until the completion of their school years. Additionally, the complexity of care and the number of hours required per student continues to grow.

- **Anti-Parasitic Medication**
  An increase of $0.12 million is included to allow the Health Department to dispense anti-parasitic medication to clients in the Refugee Program. The Centers for Disease Control (CDC) recommends that refugees are presumptively treated with the medication. Currently the Health Department only provides a prescription, which has to be filled at an outside pharmacy. Given that the medication is difficult to obtain in the community, by directly dispensing the medication on-site at the Health Department locations, it will save time and effort spent to ensure that outside pharmacies are able to provide the medication in a timely manner, and will reduce delays in treatment. It should be noted that these costs will be completely recovered through Medicaid billing for no net impact to the General Fund.

- **Support Coordination**
  An increase of 14/14.0 FTE positions is required 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 DOJ Settlement Agreement and implementation of Virginia's Medicaid Waiver redesign, effective July 1, 2016. Expenditure requirements in Fund 40040, Fairfax-Falls Church Community Services Board, are offset by Medicaid Option revenue, for no net cost to the County.

- **Other Adjustments**
  A net increase of $0.43 million supports an increase of $0.38 million in Local Cash Match requirements in Fund 50000, Federal/State Grants, primarily associated with the Area Agency

on Aging grants, and an additional $0.50 million to support requirements in Fund 80000, Alcohol Safety Action Program.

Cost of County Operations — $1.75 million and 23 Positions

Funding in this category is primarily attributable to enhanced services in the Department of Tax Administration and information technology support, as well as lease and maintenance costs for County facilities.

- **Service Enhancements in the Department of Tax Administration**
  An increase of $0.47 million is associated with 5/5.0 FTE positions to add capacity in the Real Estate Division, enhance Personal Property and Business tax audit operations, and improve service quality in the call center. The continued urbanization of the County is leading to redevelopment of areas newly served by Metro rail along the Silver Line Corridor. These areas are seeing new office and complex mixed use development, which presents new challenges to the Real Estate Division. To capture the value of high density rezonings and new construction, the department needs enhanced staff capacity. In addition, the Personal Property and Business License Division needs to be properly staffed to ensure compliance and to handle increased workload for audit staff because of anticipated growth in the number of businesses in redevelopment areas. Also, additional capacity in DTA's customer service call center will allow it to be properly staffed, mitigating the need to pull staff from other divisions, particularly staff from the Revenue Collection Division, whose main focus should be revenue generation. The expenditure increase is fully offset by an increase in revenue generated as a result of the service enhancements for no net impact to the General Fund.

- **IT Software Support**
  An increase of $0.43 million is associated with recurring costs related to several IT initiatives, such as the learning management module, position description software, travel module, and Payment Card Industry (PCI) compliance.

- **Lease Adjustments**
  A net increase of $0.17 million has been included for lease requirements in FY 2019.

- **Contributory Fund**
  A net increase of $0.21 million in the General Fund transfer to Fund 10030, Contributory Fund, is primarily attributable to an increase for the Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence, known collectively as Birmingham Green, based on actual costs and utilization rates at the facility. Other increases in the fund are based on legal requirements, per capita calculations, contractual or regional commitments, or membership dues.

- **Other Adjustments**
  A net increase of $0.48 million includes adjustments to support required utility, custodial, repair/maintenance, and grounds maintenance costs associated with partial or full-year costs for new or expanded facilities in FY 2019; security expenses at the Gum Springs Community Center; and position actions taken during FY 2018. In addition, it should be noted that 18/18.0 FTE new positions supported by other funding sources, with no net cost to the General Fund,

are included to support Capital Facilities, Stormwater and Sewer operations, Cable Communications, and Business Planning and Support.

Community Development $11.36 million and 4 positions

Community Development priorities include transportation funding for Metro and Fairfax Connector, as well as support for the County's parks. Additionally, funding is included for the Fairfax First initiative, consistent with actions taken by the Board as part of the *FY 2017 Carryover Review*.

- **Metro Requirements**
  A net increase of $7.14 million for Metro includes increased operating support of $1.44 million, as well as increased capital support of $5.7 million. Based on anticipated system-wide increases in fuel, labor, maintenance, and other services, a 9.6 percent increase is projected in the FY 2019 operating subsidy requirement for Metrorail and Metro Access from local jurisdictions. The County anticipates meeting this need through additional General Fund support as well as increased application of state aid. Additional funding for the Capital Construction program supports the acquisition of facilities, equipment, rail cars, and buses, and provides general infrastructure support to the 117-mile Metrorail system. It also funds debt service on the County's share of Metro bonds sold in FY 2018. As the Metro budget will not be finalized until Spring 2018, the County's subsidy requirement for the FY 2019 Adopted WMATA operating expenses will be incorporated as part of the *FY 2018 Carryover Review*. More information is available in the Fund 30000, Metro Operations and Construction, narrative in Volume 2 of the FY 2019 Advertised Budget Plan.

- **Fairfax First and Elevator and Escalator Inspections**
  An increase of $1.73 million addresses growing residential inspection workloads and enhanced customer service as part of the Fairfax First initiative, as well as higher elevator and escalator inspection activity. This adjustment is commensurate with funding approved by the Board of Supervisors as part of the *FY 2017 Carryover Review.* These costs are completely offset by commensurate revenues for no net cost to the General Fund.

- **County Transit**
  An increase of $1.72 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 2019 Advertised Budget Plan.

- **Parks Support**
  An increase of $0.41 million is included for increased support of the County's parks, including $0.2 million to replace outdated critical capital equipment; $0.11 million to support contracted services for cleaning portable toilets and permanent restroom facilities; $0.50 million for the Summer Entertainment Series Program to continue to support the free concert series; and $0.05 million for the Resident Curator Program to support operational costs associated with the implementation phase of the program including advertisements, program signage and open houses that have been underway at the first three selected pilot properties. Most of

these adjustments are commensurate with funding approved by the Board of Supervisors as part of the *FY 2017 Carryover Review*

- **Housing and Community Development**
  An increase of $0.31 million is included for the Department of Housing and Community Development to align expenses with Fund 30300, The Penny for Affordable Housing Fund, as well as to support a position action in FY 2018.

- **Community Business Partnership**
  An increase of $0.05 million is included for the Community Business Partnership, funded through the Economic Development Authority, to address a projected budget shortfall in FY 2019 due to increasing personnel and operating budget expenses. The Community Business Partnership is a non-profit, tax exempt organization working in collaboration with local, regional, and national organizations to promote small business growth in Fairfax County.

- **Transportation Positions**
  An increase of 4/4.0 FTE new positions, with no net funding impact to the General Fund, are included to support Transportation operations. These positions include two positions in Fund 40010, County and Regional Transportation Projects, to manage the growing number of traffic engineering requests received and to conduct traffic-based analyses for a variety of purposes, including long-range land use planning, corridor and spot analyses, general travel demand forecasting, and traffic data analysis. Another two positions are included in the General Fund but will be charged to Fund 40000, County Transit Systems. These include a position in the Facilities Management Department to assist with the annual infrastructure replacement and upgrade efforts at Fairfax Connector garage facilities, and a position in the Department of Transportation to serve as a technical expert in all Fairfax Connector system operations and performance to automate, improve, upgrade and adapt functionality for equipment and locations.

Reductions and Savings ($3.40) million

Total disbursement savings included in the FY 2019Advertised Budget Plan total $3.40 million. These reductions are possible based on trends in Personnel Services spending, due to position vacancies and turnover, and trends in Operating Expense expenditures. Reductions are included in the Department of Family Services, Health Department, Juvenile and Domestic Relations District Court, Office of the Sheriff, and Fire and Rescue Department.

Reserve Requirements $8.74 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 2019 Advertised Budget Plan are set aside in the County's Revenue Stabilization and Managed Reserves.

General Fund Disbursements are increased $181.48 million over the FY 2018 Adopted Budget Plan. As a result, $18.15 million – or 10 percent of this increase – is included as contributions to reserves.

- **Revenue Stabilization Reserve**
  A contribution of $6.89 million is included as a transfer from the General Fund to Fund 10010, Revenue Stabilization. This contribution is an increase of $1.67 million from the FY 2018 Adopted Budget Plan transfer. The Revenue Stabilization Reserve is projected to be at its target level of funding of 5 percent of General Fund disbursements in FY 2019.

- **Managed Reserve**
  A contribution of $11.26 million is included and held in balance in the General Fund. This contribution is an increase of $7.07 million from the FY 2018 Adopted Budget Plan contribution. The Managed Reserve is projected to be at 3.19 percent of General Fund disbursements in FY 2019, below its target of 4 percent.

Totals in the Revenue Stabilization Reserve and Managed Reserve have increased from 5 percent in FY 2014 to over 8 percent in FY 2019. It should be noted that the Economic Opportunity Reserve, with a target of 1 percent of General Fund Disbursements, will not be funded until the other two reserves reach their respective targets.

FY 2019 BUDGET: ALL FUNDS

All appropriated fund revenues in the FY 2019 Advertised Budget Plan total $8.42 billion. This County revenue total is an increase of $441.55 million, or 5.53 percent, over the FY 2018 Adopted Budget Plan. On the expenditure side, the FY 2018 Advertised Budget Plan for all appropriated funds totals $7.97 billion and reflects an increase of $381.39 million, or 5.02 percent, over the FY 2018 Adopted Budget Plan.

Additional detail concerning non-General Fund revenues, expenditures, and positions for appropriated funds is 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.

FY 2019 Advertised Summary General Fund Statement

(in millions)

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan [1]	FY 2019 Advertised Budget Plan	Inc/(Dec) Over Adopted	% Inc/(Dec) Over Adopted
BEGINNING BALANCE	**$166.09**	**$106.71**	**$212.81**	**$125.39**	**$18.68**	**17.51%**
REVENUE [2]	**$4,058.97**	**$4,100.74**	**$4,115.37**	**$4,293.06**	**$192.33**	**4.69%**
TRANSFERS IN	**$10.17**	**$10.07**	**$10.07**	**$10.17**	**$0.10**	**0.99%**
TOTAL AVAILABLE	**$4,235.23**	**$4,217.52**	**$4,338.25**	**$4,428.63**	**$211.11**	**5.01%**
SCHOOL DISBURSEMENTS						
Transfers Out						
School Operating [3]	$1,913.52	$1,966.92	$1,966.92	$2,055.27	$88.35	4.49%
School Construction	13.10	13.10	13.10	15.60	2.50	19.08%
School Debt Service	189.87	189.13	189.13	193.38	4.25	2.25%
SUBTOTAL SCHOOLS	**$2,116.49**	**$2,169.15**	**$2,169.15**	**$2,264.25**	**$95.10**	**4.38%**
COUNTY DISBURSEMENTS						
Direct Expenditures [2]	**$1,451.73**	**$1,512.84**	**$1,557.91**	**$1,580.31**	**$67.47**	**4.46%**
Transfers Out						
Contributory Fund	$13.30	$13.47	$13.47	$13.67	$0.20	1.48%
Information Technology	4.77	4.77	6.29	4.77	0.00	0.00%
County Debt Service	136.75	146.04	146.04	149.05	3.01	2.06%
County Transit	34.93	34.43	34.43	36.15	1.72	5.00%
Community Services Board	126.08	130.43	130.43	135.45	5.02	3.85%
County Insurance	27.89	24.18	24.18	24.24	0.06	0.25%
Capital Program	37.07	19.44	47.04	18.46	(0.98)	(5.04%)
Other Post-Employment Benefits	14.50	10.49	10.49	10.49	0.00	0.00%
Other Transfers	36.59	36.16	36.16	44.37	8.21	22.70%
Subtotal County Transfers Out	**$454.19**	**$424.63**	**$472.14**	**$443.53**	**$18.90**	**4.45%**
SUBTOTAL COUNTY	**$1,883.61**	**$1,932.25**	**$2,006.43**	**$2,016.96**	**$84.71**	**4.38%**
RESERVE DISBURSEMENTS						
Transfers Out						
Revenue Stabilization [4]	$22.32	$5.22	$23.62	$6.89	$1.67	31.99%
Total Disbursements	**$4,022.41**	**$4,106.62**	**$4,199.20**	**$4,288.10**	**$181.48**	**4.42%**
Total Ending Balance	**$212.81**	**$110.90**	**$139.05**	**$140.52**	**$29.62**	**26.71%**
Less:						
Managed Reserve [5]	$106.47	$110.66	$125.39	$136.65	$25.99	23.49%
Reserve for Potential FY 2018 One-Time Requirements [6]	0.24	0.24	1.04		(0.24)	(100.00%)
FY 2017 Audit Adjustments [2]			0.85		0.00	--
FY 2018 Mid-Year Revenue Adjustments [1]			11.78		0.00	--
Reserve for Board Adjustments [7]				3.88	3.88	--
Total Available	**$106.10**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**--**

[1] *FY 2018 Revised Budget Plan* revenues reflect a net increase of $11,778,881 based on revised revenue estimates as of fall 2017. The *FY 2018 Third Quarter Review* will contain a detailed explanation of these changes. This amount has been held in reserve for one-time FY 2018 requirements and is not carried forward into FY 2019.

[2] In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2017 revenues are increased $974,647 and FY 2017 expenditures are increased $127,413 to reflect audit adjustments as included in the FY 2017 Comprehensive Annual Financial Report (CAFR). As a result, the *FY 2018 Revised Budget Plan* Beginning Balance reflects a net increase of $847,234. Details of the FY 2017 audit adjustments will be included in the FY 2018 Third Quarter package. This one-time funding is expected to be utilized as part of the *FY 2018 Third Quarter Review* and, as a result, is not carried forward into FY 2019.

[3] The proposed County General Fund transfer for school operations in FY 2019 totals $2,055,269,600, an increase of $88,350,000, or 4.5 percent, over the FY 2018 Adopted Budget Plan. The Fairfax County Public Schools Superintendent's Proposed Budget reflected a General Fund transfer increase of $96,882,200, or 4.9 percent, over the FY 2018 Adopted Budget Plan. In their action on the Superintendent's Proposed Budget on February 8, 2018, the School Board increased the transfer request by $250,000 to $97,132,200, an increase of 4.9 percent over the FY 2018 Adopted Budget Plan. It should be noted that, after accounting for increased state revenues as a result of re-benchmarking and a decrease in the Local Composite Index, the proposed County transfer fully funds the Schools request.

[4] 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. As a result of reserve adjustments included in the FY 2019 Advertised Budget Plan, the FY 2019 projected balance in the Revenue Stabilization Fund is $214.41 million, or 5.00 percent of total General Fund disbursements.

[5] 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 2019 Advertised Budget Plan, the FY 2019 projected balance in the Managed Reserve is $136.65 million, or 3.19 percent of total General Fund disbursements.

[6] As part of the *FY 2017 Carryover Review*, an amount of $1,035,878 was set aside in reserve to address potential FY 2018 one-time requirements. This one-time funding is expected to be utilized as part of the *FY 2018 Third Quarter Review* and, as a result, is not carried forward into FY 2019.

[7] As part of the FY 2019 Advertised Budget Plan, an amount of $3,875,406 is available for the consideration of the Board of Supervisors during their deliberations on the FY 2019 budget.

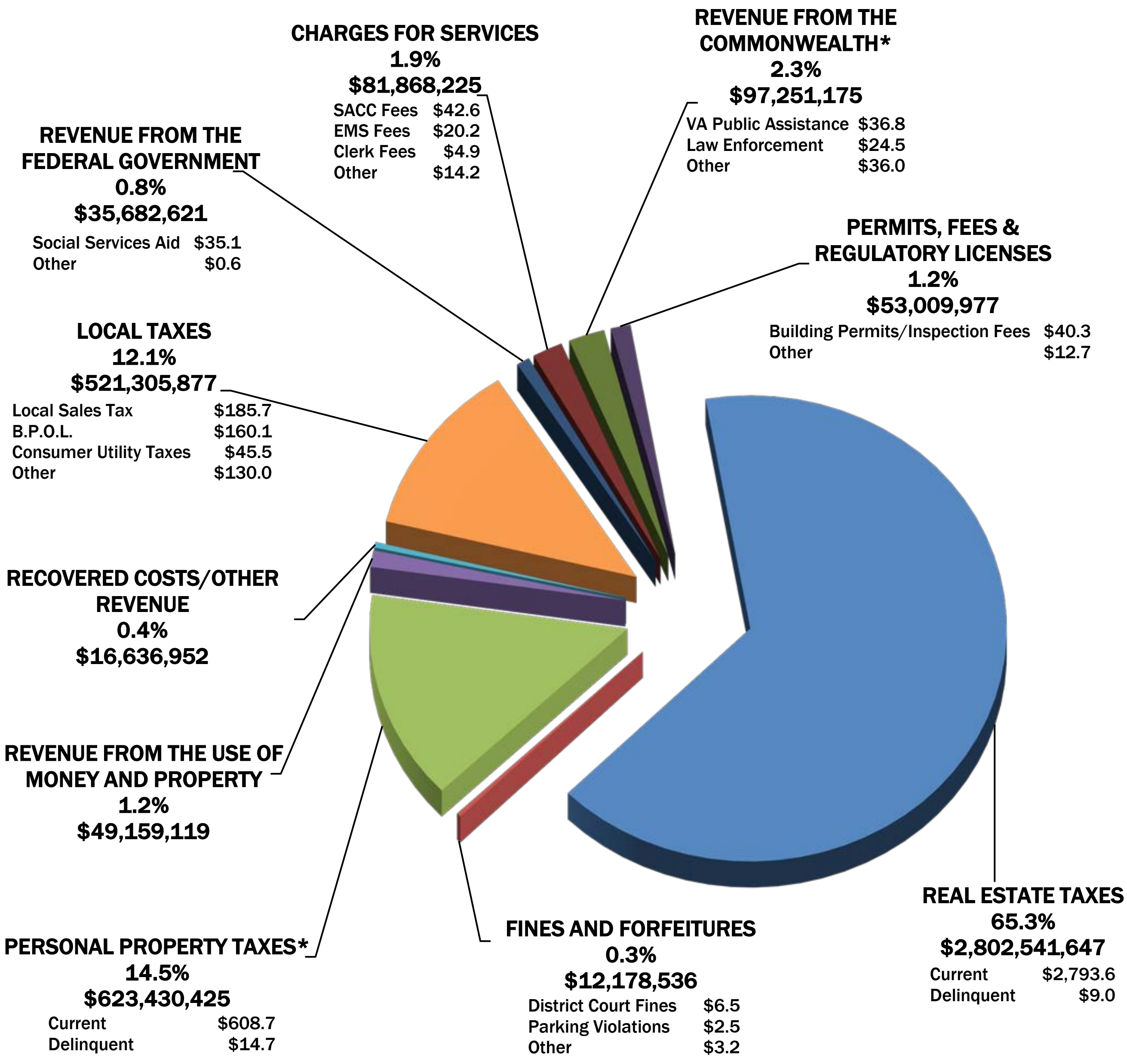
FY 2019 and FY 2020 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS					
Type	Unit	FY 2017 Actual Rate	FY 2018 Actual Rate	FY 2019 Recommended Rate	FY 2020 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	***$100/Assessed Value***	***$1.13***	***$1.13***	***$1.155***	***$1.155***
Personal Property	$100/Assessed Value	$4.57	$4.57	$4.57	$4.57
NON-GENERAL FUND TAX RATES					
REFUSE RATES					
Refuse Collection (per unit)	***Household***	***$345***	***$345***	***$350***	***$350***
Refuse Disposal (per ton)	***Ton***	***$62***	***$64***	***$66***	***$66***
Leaf Collection	$100/Assessed Value	$0.015	$0.013	$0.013	$0.013
SEWER CHARGES					
Sewer Base Charge	***Quarterly***	***$24.68***	***$27.62***	***$30.38***	***$33.42***
Sewer Availability Charge	Residential	$7,750	$8,100	$8,100	$8,100
Sewer Service Charge	***Per 1,000 Gallons***	***$6.68***	***$6.75***	***$7.00***	***$7.34***
COMMUNITY CENTERS					
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
OTHER					
Stormwater Services District	***$100/Assessed Value***	***$0.0275***	***$0.0300***	***$0.0325***	***$0.0350***
Route 28 Corridor	$100/Assessed Value	$0.18	$0.18	$0.18	$0.18
Dulles Rail Phase I	$100/Assessed Value	$0.17	$0.15	$0.15	$0.15
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

Rates ***italicized and in bold*** are proposed to be adjusted in FY 2019.

FY 2019 ADVERTISED BUDGET PLAN

GENERAL FUND RECEIPTS
"WHERE IT COMES FROM"

(Subcategories in millions)



FY 2019 GENERAL FUND RECEIPTS = $4,293,064,554**

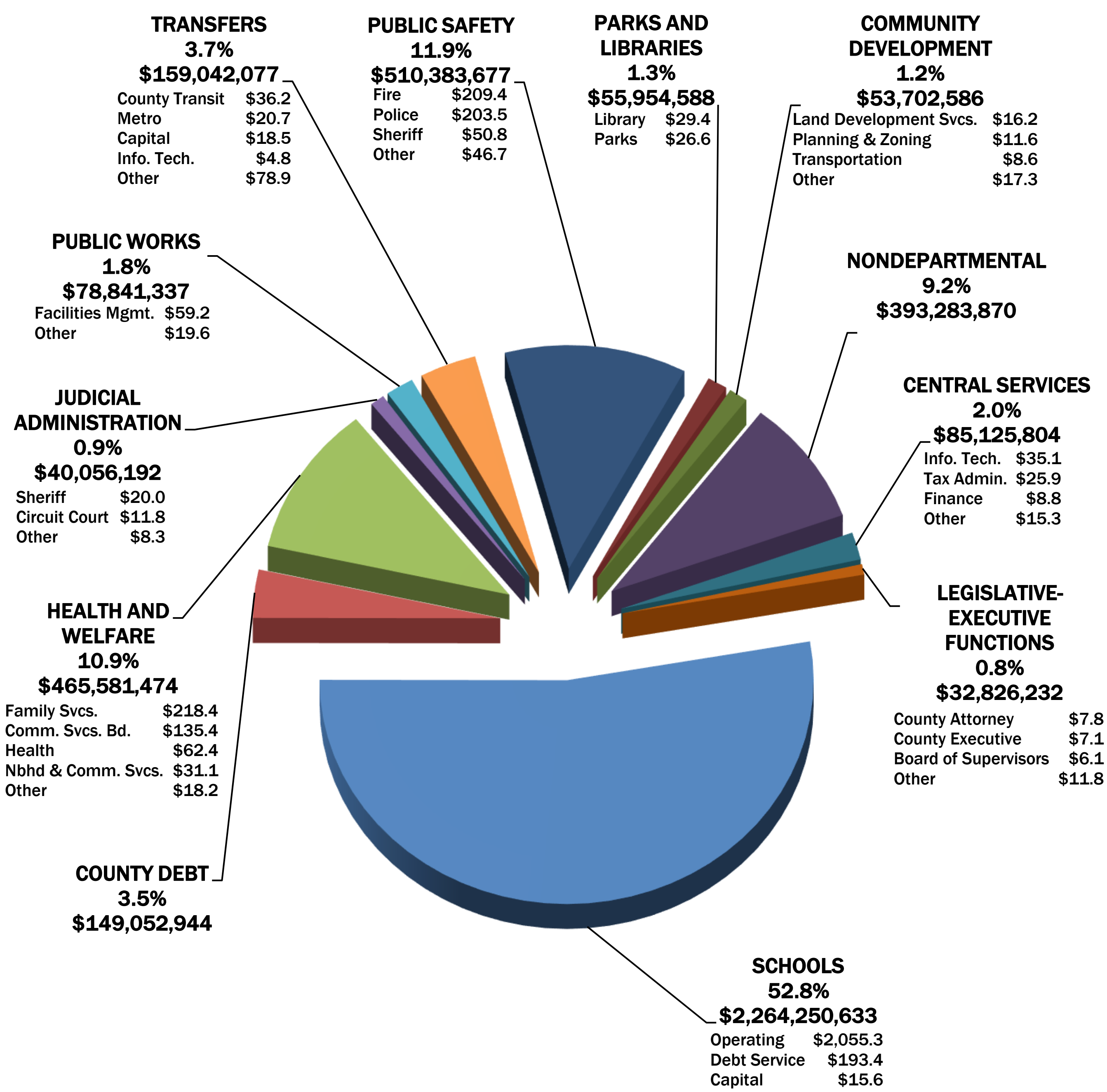
* For presentation purposes, Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

** 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 2019 ADVERTISED BUDGET PLAN

GENERAL FUND DISBURSEMENTS
"WHERE IT GOES"

(Subcategories in millions)

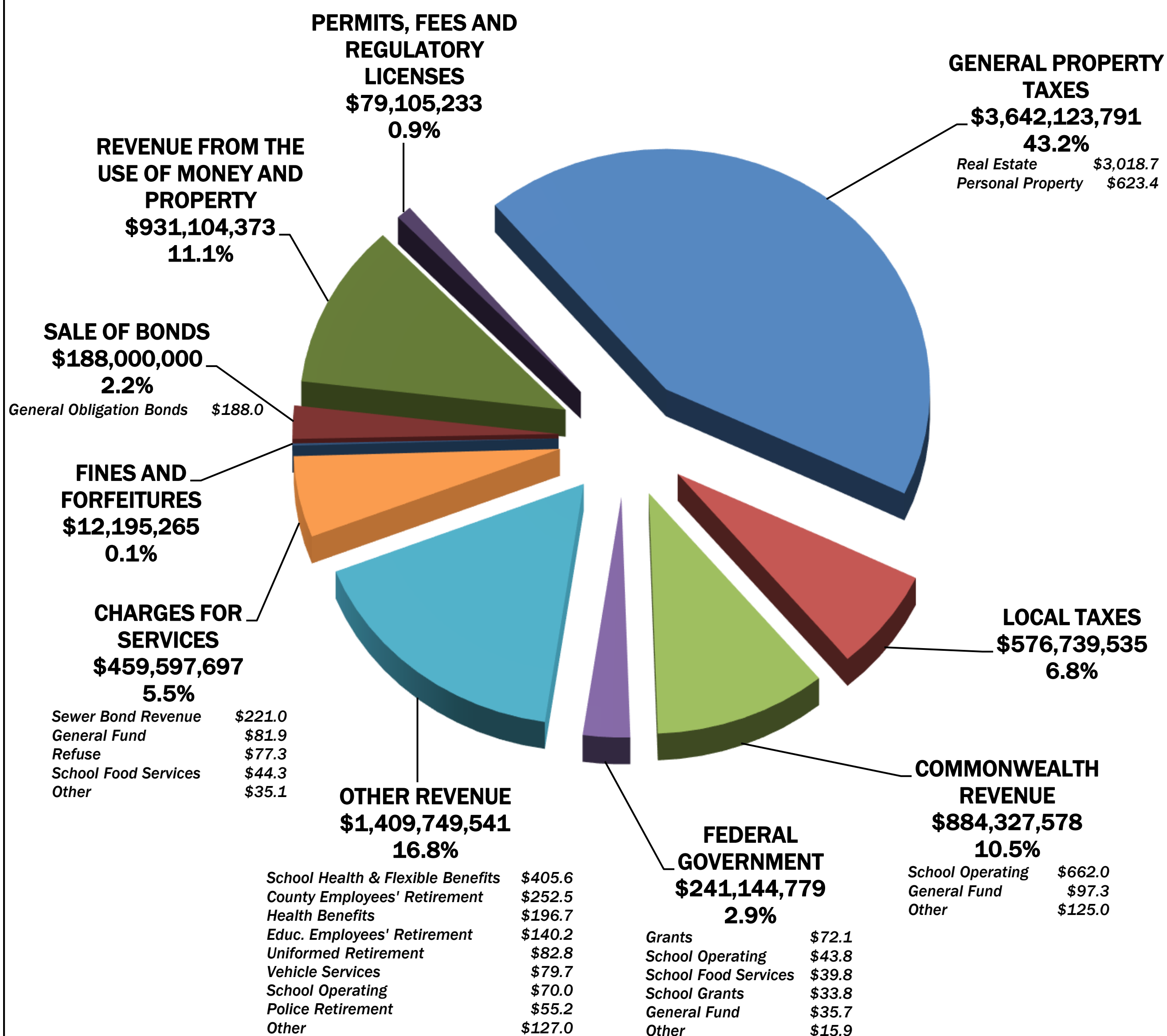


FY 2019 GENERAL FUND DISBURSEMENTS = $4,288,101,414

In addition to FY 2019 revenues, available balances and transfers in are also utilized to support disbursement requirements.

FY 2019 ADVERTISED BUDGET PLAN
REVENUE ALL FUNDS

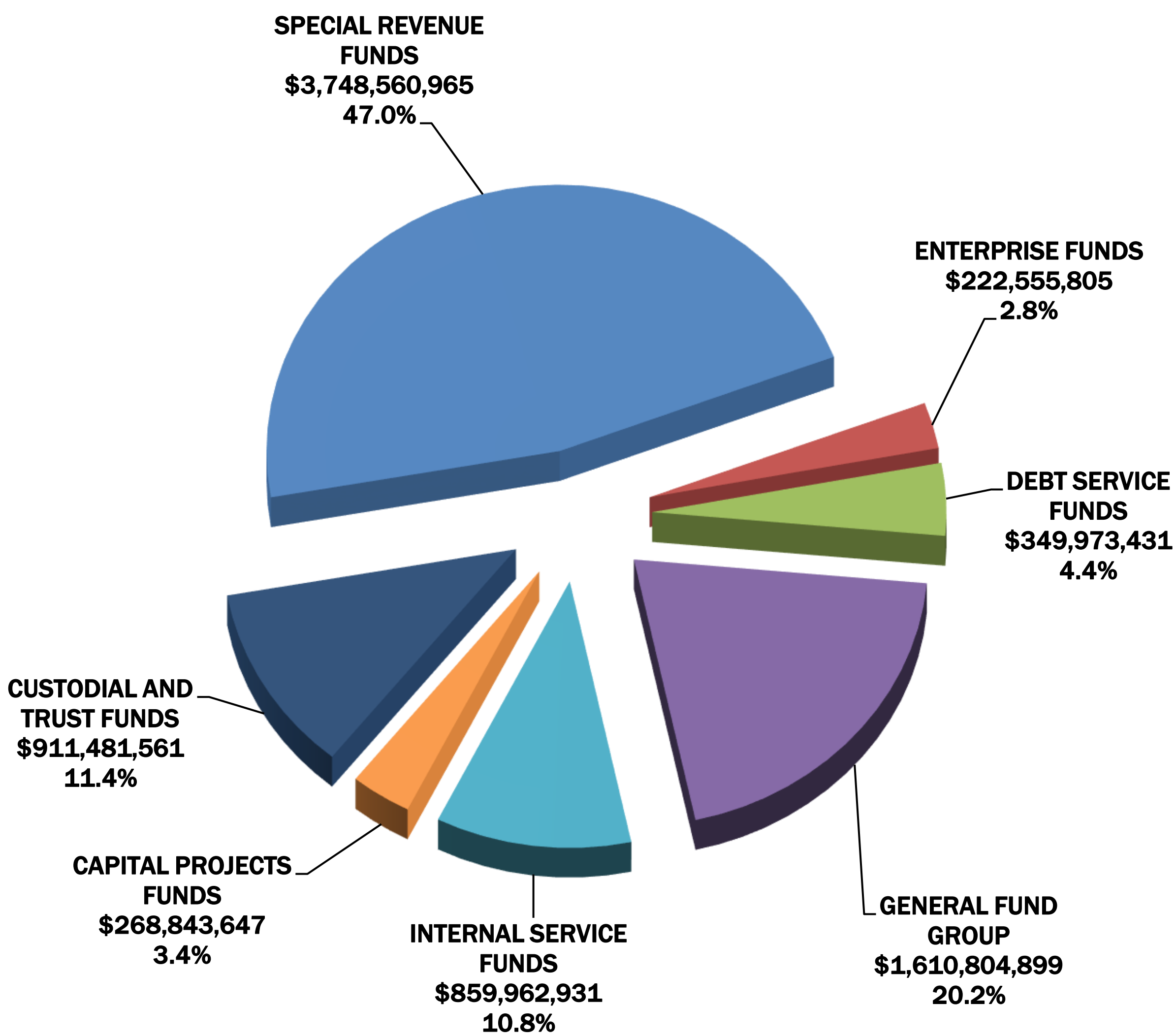
(subcategories in millions)



TOTAL REVENUE = $8,424,087,792

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 2019 ADVERTISED BUDGET PLAN
EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = $7,972,183,239

1742

Multi-Year Budget: FY 2019 and FY 2020

FY 2019

Adopted Budget Plan

MULTI-YEAR FINANCIAL PLANNING PROCESS/FINANCIAL FORECAST

Beginning in FY 2014, the County undertook a more comprehensive multi-year General Fund budgeting process - the development of a two-year budget framework. The two years include the budget proposed to the Board of Supervisors (FY 2019) and the subsequent year framework (FY 2020). In this way, County staff throughout the organization will be able to more completely outline the prospective issues that will need to be addressed as part of the budget process for the following year, more clearly demonstrate the impact of decisions in the budget being adopted, and lay out a more accurate projection for the next year as well as any associated options for balancing that budget. The process will culminate in the adoption each year of the annual budget, as required by State Code.

SUMMARY OF THE FY 2019 AND FY 2020 MULTI-YEAR BUDGET

The current forecast for FY 2020 indicates a challenging budget environment similar to FY 2019. Revenue growth is projected at a modest 2.60 percent assuming no tax rate increases. Between this revenue growth and savings as a result of reserve adjustments, available resources would allow County disbursements and support for the Fairfax County Public Schools to increase by approximately 2.74 percent. As a result, $55.08 million would be available for County funding priorities and total County support for the Schools would increase by $61.84 million.

	County	$ in Millions	Schools
Available Funding	$52.34	Additional County Base Revenue ($111.11)	$58.77
	$2.74	Reserve Savings ($5.81)	$3.07
	$55.08	Total Available	$61.84

The Schools continue to be the County's top funding priority, and the division of available resources shown in the table above would maintain total support for the Schools at 52.8 percent of disbursements, the same share as in the FY 2019 Adopted Budget Plan. School debt service requirements are projected to increase $4.60 million, due in part to the increase in the annual School bond sale limit from $155 million to $180 million. This increase would be partially funded by a decrease of $2.50 million in the transfer for School construction, as the FY 2019 Adopted Budget Plan includes a one-time increase in construction support that will be shifted to debt service beginning in FY 2020. The transfer for School operations would increase by $59.74 million, as shown in the table below. As a result, FY 2020 support for the Schools would include transfers of $2.11 billion for operations, $198.0 million for debt service, and $13.1 million for construction.

	FY 2020 (in millions)
School Allocation	$61.84
Debt Service	$4.60
Construction	($2.50)
Increase in School Operations Transfer	$59.74

Meanwhile, disbursement requirements continue to increase both as a result of the factors that drive expenses in the County and Schools budgets, such as population growth and employee compensation increases, and as a result of the need to address the priorities of the community, including reductions in class sizes and continued implementation of the Diversion First program. The available resources identified for FY 2020 will fund only a small subset of these priorities. The projected increase in the transfer for School operations of $59.74 million will only be sufficient to fund enrollment growth and partially fund employee compensation increases. Similarly, the priorities that have been identified by County agencies exceed the projected resources available. As shown in the table below, employee compensation increases and increases in employer costs for fringe benefits exceed the County allocation of $55.08 million by $5.42 million. In total, the priorities that have been identified by County agencies for consideration in the FY 2020 budget exceed projected resources by $60.14 million. Therefore, balancing the FY 2020 budget will require difficult decisions regarding which priorities to fund, which to exclude or delay, and whether programmatic reductions should be made in other areas or revenue enhancements should be considered. It should be noted that reserve requirements have been included in the figures below for the amount of disbursement increase that is supportable by projected revenue growth, but have not been included for the identified disbursement increases that exceed projected available resources.

	FY 2020 (in millions)
County Allocation	$55.08
Employee Pay	$46.50
Employee Benefits	$14.00
Net Balance	($5.42)
Other Priorities	$54.72
Net Balance	($60.14)

The projections for revenues and expenditure requirements included in the following sections are an early forecast of the challenges that will be faced in the coming budget cycle. Other funding priorities are likely to develop prior to the release of the FY 2020 Advertised Budget Plan.

Development of the FY 2020 budget will span the majority of the next year. The next step in the process will be a series of joint meetings between the Board of Supervisors and School Board in the fall. Updated projections will be presented at those meetings to provide a better picture of anticipated revenues based on the most recent data, and the inventory of County and School priorities will be refined based on input from the two boards.

REVENUE ASSUMPTIONS

Based on the assumptions and estimates detailed below, General Fund revenues are projected to experience an increase of 4.04 percent in FY 2019 as a result of a 3.59 percent rise in real estate assessments and a 2 cent increase in the adopted Real Estate tax rate from $1.13 to $1.15 per $100 of assessed value, as well as growth in other revenue categories. **General Fund revenue growth of 2.60 percent is currently projected in FY 2020.** Revenue growth rates for individual categories are shown in the following table:

Category	Actual FY 2017[1]	FY 2018	Projections FY 2019[2]	FY 2020
Real Estate Tax – Assessment Base	2.98%	1.89%	3.59%	3.00%
Equalization	1.94%	0.97%	2.58%	2.00%
Residential	1.64%	0.68%	2.17%	1.75%
Nonresidential	2.87%	1.85%	3.79%	2.70%
Normal Growth	1.04%	0.92%	1.01%	1.00%
Personal Property Tax – Current[3]	3.09%	0.24%	1.60%	1.50%
Local Sales Tax	(1.23%)	2.56%	2.50%	2.50%
Business, Professional and Occupational License (BPOL) Taxes	1.20%	1.50%	1.50%	1.50%
Recordation/Deed of Conveyance Taxes	6.41%	(4.06%)	1.00%	1.00%
Interest Rate Earned on Investments	1.14%	1.65%	1.95%	2.25%
Building Plan and Permit Fees	8.86%	1.83%	0.00%	0.00%
Charges for Services	2.87%	(0.48%)	0.95%	1.05%
State/Federal Revenue[3]	4.07%	(3.92%)	1.02%	0.00%
Total General Fund Revenue	**5.43%**	**1.39%**	**4.04%**	**2.60%**

1 FY 2017 growth rate of 5.43% includes the impact of a $0.04 increase in the Real Estate tax. Excluding the Real Estate tax rate increase, the FY 2017 growth rate would have been 3.00%.

2 FY 2019 growth rate of 4.04% includes the impact of a $0.02 increase in the Real Estate tax. Excluding the Real Estate tax rate increase, the FY 2019 growth rate would be 2.84%.

3 The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

Economic Indicators and Assumptions

Economic projections for the national and local economies were reviewed from a variety of sources in the development of these revenue estimates including IHS, the Congressional Budget Office and the National Association of Realtors. Projections specific to Fairfax County are obtained from economic forecaster IHS.

According to estimates from IHS, the County's Gross County Product (GCP), adjusted for inflation, increased at a rate of 1.5 percent in 2017, after essentially being level in 2016. Growth is projected to accelerate in 2018. The positive 2018 outlook is supported by continued job growth, personal earnings growth, and high consumer confidence. While its impact will not be immediate, the added stimulus by the federal tax reform approved in early 2018 is expected to also reinforce the economy. The federal budget deal approved in early February eliminated the threat of sequestration and increased federal funding for defense and domestic programs. It should pave the way for a measure of stability for the regional economy through at least September 2019. On the national level, potential risks for the future performance of the economy include the extended business cycle, which is almost in its ninth year of expansion, structural imbalances, volatility in the stock market and rising interest rates. Still, most economists expect an above average year for the U.S. economy.

Real Estate Taxes

Based on the assumptions below, the total Real Estate Tax base is expected to rise 3.59 percent in FY 2019 and 3.00 percent in FY 2020.

Local Housing Market

Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose 4.3 percent from $544,416 in 2016 to $567,829 in 2017. Home prices continue to increase primarily as a result of tight inventory of homes for sale and low mortgage interest rates. Since 2009, the average home sales price has risen 36.1 percent, or an average annual growth of 3.9 percent. MRIS also reported that 16,109 homes sold in the County in 2017, up 2.3 percent over 2016. Homes that sold during 2017 were on the market for an average of 45 days, down from 52 days in 2016.

After increasing 0.68 percent in FY 2018, residential values rose 2.17 percent in FY 2019 to a mean assessed value for residential property of $547,219. An increase of 1.75 percent is anticipated in FY 2020.

Local Nonresidential Market

According to the Fairfax County Economic Development Authority, the direct office vacancy rate was 15.5 percent at year-end 2017, down from 15.8 percent at year-end 2016. The overall office vacancy rate, which includes empty sublet space, was 16.3 percent at the end of 2017, down from 16.8 percent recorded at year-end 2016. The amount of empty office space dropped to 19.1 million square feet. Industry experts anticipate vacancy rates to remain relatively stable through 2018 as tenants monitor economic conditions and the direction of the federal budget.

Office leasing activity topped 11.7 million square feet by the end of 2017, exceeding the 11 million projected pace. As has been the case for the past several years, the overwhelming majority of leasing activity during 2017 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 Corner, Reston and the Herndon area – are especially well-positioned to take advantage of this trend. More than 54 million square feet of new office space is in the development pipeline countywide. This “flight to quality,” however, results in vacancies in office space that is older and often farther from transit and amenities.

In FY 2019, nonresidential values increased 3.79 percent due to equalization compared to 1.85 percent growth in FY 2018. The main cause for the higher FY 2019 increase in nonresidential values compared to the growth experienced in FY 2018 is the increase in the values of Office Elevator properties. Office Elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at 32.0 percent, experienced an increase of 2.82 percent in FY 2019 after declining 1.39 percent in FY 2018. In FY 2020, the overall value of all types of nonresidential properties is projected to increase 2.70 percent over FY 2019.

New Construction

The Real Estate Tax base will also be impacted by new construction in the County. Fairfax County ranks as the 19th most active office construction market nationally. At year-end 2017, 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 2.2 million square feet were underway in three submarkets in December 2017. More than 70 percent of the office space being built is leased or will be owner-occupied. The amount of new space delivered in 2017 – more than 870,000 square feet – slightly exceeded the roughly 850,000 square feet delivered in 2016. Based on current activity, total new construction is projected to add 1.00 percent to the overall real estate base in FY 2020, a rate on par with FY 2019.

Personal Property Taxes

Current Personal Property Tax revenue, which represents nearly 15 percent of total General Fund revenue, is anticipated to experience an increase of 1.6 percent in FY 2019 due to a projected increase in the vehicle levy, as well as an increase in the Business Personal Property levy. The vehicle component comprises almost 77 percent of the total Personal Property tax levy. Personal Property Tax revenue is projected to increase a similar 1.5 percent in FY 2020.

Other Major Revenue Categories

Sales tax receipts decreased 1.2 percent in FY 2017 primarily due to a $2.5 million refund of taxes paid in previous years based on a state audit and a $2.2 million audit increase received in FY 2016, which made the annual comparison less favorable. Adjusted for misallocations and refunds, FY 2017 collections would have increased 1.5 percent. Growth of 2.6 percent is projected in FY 2018. Both FY 2019 and FY 2020 are projected to increase a similar 2.5 percent. BPOL (Business, Professional and Occupational License) tax receipts are sensitive to economic conditions and are particularly impacted by federal procurement spending in the County as the Consultant and Professional Business Services categories comprise almost 42 percent of total BPOL receipts. Total BPOL receipts are anticipated to increase 1.5 percent annually from FY 2018 through FY 2020. Recordation and Deed of Conveyance revenues, which are paid for recording deeds, are anticipated to be down 4.1 percent in FY 2018 primarily due to declines in mortgage refinancings. A modest growth of 1.0 percent is projected in FY 2019 and FY 2020 based on continued growth in home sales.

Building permit fee revenue is forecasted to be level in FY 2019 and FY 2020. Other permits, licenses, and user fees are expected to experience modest growth throughout the forecast period.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. After increasing the target range for the federal funds rate for the first time in almost a decade back in December 2015, the Federal Reserve raised the rate again in December 2016 and continued raising it at a gradual pace throughout 2017. The Fed has indicated that two more interest rate hikes are likely in 2018 on top of the one already approved in March. The average annual yield on County investments is anticipated to be 1.95 percent in FY 2019 and 2.25 percent in FY 2020.

State and federal revenue categories are expected to increase 1.0 percent in FY 2019 and then remain level in FY 2020. Staff will continue to monitor the impact of state and federal spending on County funding streams.

DISBURSEMENT PRIORITIES

The disbursement requirements and priorities that have been identified through the FY 2019 and FY 2020 multi-year budget process are discussed below. Among these items are basic requirements such as funding of County and School debt service, employee pay increases and benefit cost increases, increases resulting from budget drivers such as increased workloads and School enrollment, and implementation of programs that have been identified as Board priorities. In addition to the costs noted below, the County's reserve policy requires that an amount equal to ten percent of any increase in General Fund disbursements be allocated between the Managed Reserve and the Revenue Stabilization Fund.

The items identified below and associated expenditure levels will be revalidated during the FY 2020 and FY 2021 multi-year budget development process in light of updated data and revenue projections. However, the increases that could be accommodated within the modest revenue growth that is currently projected are limited to funding of benefit cost increases and funding increases resulting from School enrollment growth, with partial funding of employee pay increases. Therefore, in order to develop a balanced budget and address Board priorities, it will be necessary to consider revenue enhancement options and programmatic reductions or to defer some of these items to FY 2021 or beyond.

Fairfax County Public Schools (FCPS)

An increase in the transfer to the Fairfax County Public Schools for operations will be required to support increased expenses resulting from enrollment growth and demographic changes, employee compensation increases including support to continue the teacher scale enhancement, implementation of nonteacher salary scales for school-based administrators and unified salary scales, and benefit cost increases. In addition, FCPS' strategic plan will require additional, long-term investments, and previously identified unfunded needs include reducing class sizes at middle and high schools, special education needs for elementary enhanced autism, investing in additional psychologists and social workers, eliminating pre-k waitlists, replacing instructional systems supporting teaching and learning, computers and buses, providing students with computers, and investing in aging infrastructure needs including preventive and major maintenance. It is anticipated that guidance regarding the increase in the County transfer for operations will be developed during the joint meetings of the Board of Supervisors and the School Board. It should be noted that each one percent increase in the transfer for operations is approximately $20.52 million.

For the purposes of this projection, it has been assumed that County disbursements and County support for the Schools will both increase at the same rate in FY 2020. As a result, total County support for the Schools is projected to increase by approximately 2.74 percent, or $61.84 million. This amount comprises an increase of $59.74 million for school operations and an increase of $4.60 million for debt service based on the size of bond sales for School facilities, including the increase in the Schools bond sale limit from $155 million to $180 million. The County transfer to the School Construction Fund is expected to decrease from $15.6 million to $13.1 million, as the one-time increase of $2.5 million in FY 2019 is expected to be used to fund debt service requirements related to the increase in School bond sales in FY 2020.

Employee Pay

For purposes of the FY 2020 plan a $46.50 million placeholder for employee pay increases is used. It is based on:

1) Market rate increases (MRA) for all employees are assumed at an estimated cost of $19.90 million which assumes a 1.5 percent MRA. The actual MRA, based on the previously agreed to funding calculation, will be calculated in the fall of 2018. The MRA increase in funding is applied to

employee salaries at the beginning of the fiscal year. The MRA provides a guide to the amount of pay structure adjustment needed to keep County pay rates competitive with the market.

2) Funding of $13.50 million is required for General County employee pay increases, which reflects 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 as of June 30 each year. 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 projected to be 2.0 percent.

3) Funding of $10.60 million is required for public safety pay increases which reflect merit and longevity increases for all eligible public safety employees. The funding reflects the full-year 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 combination of length of service (15 and 20 years) and have otherwise reached the top step of their pay scale are eligible for longevities. 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.

4) A placeholder of $2.50 million is included in FY 2020 for compensation adjustments that would result from the annual review of County job classifications. The process for review uses representative job classes from among job families and compares pay levels with competitors in the local job market.

Fringe Benefits

A total increase of $14.00 million is required for benefits for FY 2020, primarily as a result of increases for health insurance ($6.00 million) and retirement ($8.00 million). These amounts include the projected impact of increases in employer contribution requirements for General Fund employees as well as adjustments required to support fringe benefit costs in General Fund supported funds.

Health insurance cost increases are primarily the result of actual experience in the County self-insured health plans. The estimated increases in FY 2020 total $6.00 million, based on projected 5.5 percent premium increases for all health insurance plans in plan years 2019 and 2020. It should be noted that these premium increases are budgetary projections only, and final premium decisions are made in the fall prior to the beginning of each plan year based on updated claims experience.

Also required in FY 2020 is a net $8.00 million increase for fiduciary requirements associated with the County's retirement systems and as a modest investment to strengthen the systems' funding ratios. The County is committed to further strengthening the financial position of the systems, and has established a goal to reach a 90 percent funded status for all plans by FY 2025. In order to meet this goal, the County has established a multi-year strategy that includes increases in the employer contribution rates so that the County will amortize 100 percent of the unfunded liability by FY 2020 at the latest. Due to the consistent progress made since the Board established its retirement funding policy, the final increase in the amortization level is expected in FY 2020, from 99 percent to 100 percent. The County will continue to use a conservative 15-year amortization period.

Other Funding Requirements

In addition to pay and benefit requirements for County employees, other priorities included in the forecast total $63.92 million. These priorities are outlined by funding category below.

Staffing requirements identified for FY 2020 include 141 additional positions. These positions are identified based on current and planned conditions and service requirements. As part of the FY 2020 budget development process, all position requirements will be reviewed thoroughly and workload requirements analyzed prior to inclusion in the FY 2020 budget. As new information becomes available additional positions may be identified.

Capital Construction and Debt Service

A significant increase in capital construction funding is needed in order to meet the County's backlog of requirements, primarily infrastructure upgrades and replacements at County-owned facilities. An increase of $10.00 million is identified at this time for FY 2020. As capital requirements are refined over the upcoming year this amount will be revisited and priority projects will be identified for its use.

A decrease in debt service of $8.97 million is identified for FY 2020 to reflect the required costs for County bond projects supporting the County's Capital Improvement program (CIP). The estimate for FY 2020 is consistent with the projects outlined in the CIP and will be refined based on the timing of bond sales and cash flow requirements at the time of the sale. The actual debt service requirement will be based on the size and timing of the sale and the interest rate received by the County.

Public Safety

Multi-Year Public Safety Staffing Plan

In an effort to strategically plan for the continued increase in demands placed on public safety resources, public safety agencies were tasked with developing a five-year staffing plan. The plan included a total of 352 new positions to be added over the five-year period from FY 2016 to FY 2020 at a cost of $52,579,649. Significant investments have been made in public safety staffing over the past few years, including 134 positions for a total cost of $14.44 million. However, many of these investments have focused on new priorities that have emerged since the development of the staffing plan, such as the Division First initiative, the recommendations of the Ad-Hoc Police Practices Review Commission, and staffing of the South County Police Station. In addition to these new priorities, constraints in available funding during recent budget processes have required delays in the implementation of the original staffing plan.

As part of its budget guidance for the development of the FY 2019 budget, the Board of Supervisors directed staff to develop a revised five-year, fiscally-constrained public safety staffing plan that meets the most pressing public safety needs of the County. The revised FY 2019 – FY 2023 plan includes priorities divided between two tiers. Tier One priorities identify the most critical and immediate staffing needs, while Tier Two priorities represent other critical needs. In total, the revised plan identifies 241 additional positions at a cost of $40.55 million. Tier One priorities include 141 positions at a cost of $25.11 million and Tier Two priorities include 100 positions at a cost of $15.44 million.

Funding in the amount of $5.51 million for 18 positions is included in the FY 2019 Adopted Budget Plan for Tier One priorities. Tier One priorities totaling $6.37 million and 35 positions have been identified for FY 2020. FY 2020 funding and position increases associated with Tier One priorities, as well as other Public Safety priorities for FY 2020, are outlined by agency below.

South County Police Station

An increase of $4.3 million is identified for FY 2020 to support 17/17.0 FTE positions, reflecting the fourth year of a multi-year process to staff the South County Police Station. The station is scheduled to open in July 2021, and it is estimated that 70/70.0 FTE uniformed positions and 10/10.0 FTE associated support staff will be required to fully staff the station. A phased staffing approach was adopted based on the large number of staff required and the significant lead time associated with hiring and training new recruits. This approach also allows for continued analysis to ensure that current staffing estimates are accurate. A total of 20/20 FTE positions were added in FY 2017 and FY 2018 to begin the staffing process. The FY 2019 Adopted Budget Plan includes an additional 17/17.0 FTE positions. The remaining 33 uniformed positions are proposed to be spread across two fiscal years, with 17 positions included in FY 2020 and 16 positions included in FY 2021. It is anticipated that the 10 support positions will be included in FY 2022.

Body-Worn Cameras

Based on the recommendations of the Ad-Hoc Police Practices Review Commission, the Board of Supervisors approved funding for a pilot body-worn camera program. The pilot is designed to provide the Police Department with the opportunity to review police and community member encounters as they occur, as well as provide an additional degree of safety for officers as they patrol the streets. Cameras will be worn on the outside of the officer's uniform or ballistic vest on a full-time basis to evaluate the technical merits of the software and equipment. In addition to the technical evaluation of the equipment, the Police Department is partnering with researchers to gather and study data over the course of the pilot program. Researchers will conduct a comprehensive evaluation of the effects the pilot body-worn camera program will have on use of force statistics, the number of community member complaints, changes in policing activities and the community members' assessment of police legitimacy. If the pilot is successful and the Police Department moves forward with full implementation, $1.1 million and 8/8.0 FTE positions will be required to support the program, as identified in the Public Safety Staffing Plan. This amount is available in the remaining reserve established to implement the recommendations of the Ad-Hoc Police Practices Review Commission. In addition, funding will be needed for equipment, data storage and other requirements. Staff will develop estimates of these additional costs based on the experience of the pilot program.

Department of Public Safety Communications

As a result of the transition to Next Generation 911, the Department of Public Safety Communications anticipates increases in call volume and the complexity of 911 calls. The Public Safety Staffing Plan proposes to increase call taking dispatching capacity by 20 positions over a two-year period, with 10/10.0 FTE positions at a cost of $1.0 million identified for FY 2020.

Police Department

Consultant Recommendations after Review of the Police Department's Organizational Structure

Based on the FY 2016 budget guidelines, the PFM Group provided recommendations for reorganizing the operational and administrative structure of the Police Department to adequately address the growing needs of the County.

As part of the FY 2018 Adopted Budget Plan, funding of $0.8 million was included to support 18/18.0 FTE Relief Sergeants in the Police Department and $2.7 million was included for pay scale adjustments in the Police Department and Office of the Sheriff. It is important to note that due primarily to operational requirements including the significant lead time to hire new staff, approximately two-thirds of the full-year funding amount required to implement the Relief Sergeant effort was not required in FY 2018. As a result, funding of $0.47 million is included as part of the FY 2019 Adopted Budget Plan and additional funding of $0.73 million will be required as part of the FY 2020 budget to complete this initiative.

Fire and Rescue Department

An increase of $2.0 million is required to support a multi-year process to gradually increase the annual contributions to the Large Apparatus Replacement Fund and the Ambulance Replacement Fund. It should be noted that $1.775 million in baseline funding was included for this purpose in the FY 2017 Adopted Budget Plan. Due to budget constraints, no additional funds have been available for this purpose in the FY 2018 Adopted Budget Plan or in the FY 2019 Adopted Budget Plan.

This funding would be in addition to the department dedicating additional grant funds, additional baseline funds and one-time contributions in support of this effort. Additional contributions are required due to the increasing cost of vehicles and fleet growth. Without additional funding, the replacement reserves will be depleted in the near future. Starting in FY 2014, the Fire and Rescue Department (FRD) has increased its baseline contribution to the Large Apparatus Reserve by $250,000 and has supported some ambulance purchases through the use of Four-for-Life grant funds. FRD, with the assistance of the Department of Management and Budget, has developed several scenarios with the goal of stabilizing the replacement reserve and ensuring sufficient funding is available in future years.

Department of Animal Sheltering

As part of the FY 2019 Adopted Budget Plan, funding is included for 1/1.0 FTE position for the newly established Department of Animal Sheltering. In FY 2020, 2/2.0 FTE positions for a cost of $0.20 million are included to perform administrative functions such as budgeting, human resources, purchasing, information technology support, and other related functions. The Department of Animal Sheltering currently relies on the Police Department to perform these critical functions as administrative support positions were not included when the department was created as an independent agency.

Department of Code Compliance

An increase of $0.07 million and 1/1.0 FTE position is included in FY 2020 to provide additional support to the Illegal Signs in the Right of Way Program by converting a non-merit position dedicated to the program to full-time merit status. This program monitors 99 roadways in the County for illegal signs, which are ultimately removed by the Community Labor Force (CLF) in collaboration with the Office of the Sheriff. The Department of Code Compliance works to identify the person or entity responsible for the illegal signs and imposes fines at $100 per sign for egregious offenders. A position was added in FY 2018, with the cost fully offset by revenue generated by the fines, to address the workload associated with the program given the complexities associated with invoicing, revenue collection and data collection and analysis. Additional support of the program is needed.

Diversion First

Funding of $2.2 million and 13/13.0 FTE positions has been identified in FY 2020 to support the continued implementation of the multi-year Diversion First initiative. This amount is included in the Health and Human Services Resource Plan total, which is listed below in the Human Services section. Diversion First is a multi-agency effort to redirect individuals with mental illness, developmental disabilities, and co-occurring substance use disorders from the judicial system into the health care system to improve public safety, promote a healthier community, and maximize public resources in the most cost-effective manner. FY 2020 requirements include 1/1.0 FTE position for the Police Department and 1/1.0 FTE position for the Office of the Sheriff to increase the availability of officers/deputies to provide security and assume custody of diverted individuals at the Merrifield Center. An additional 1/1.0 FTE position for the Police Department and 1/1.0 FTE position for the Fire and Rescue Department are identified for the implementation of a third

Mobile Crisis Unit with a co-responder team design. A mental health docket, if established, will require the support of 1/1.0 FTE new position in the Office of the Commonwealth's Attorney. The remaining 8/8.0 FTE positions will be deployed to the Fairfax-Falls Church Community Services Board for Merrifield Center, participation in the co-responder response model, and increased support at the Adult Detention Center. Finally, funding is identified to allow the Juvenile and Domestic Relations District Court to maintain manageable and safe caseload levels for counselors as program participation is projected to continue to increase considerably.

Human Services

Health and Human Services Resource Plan

A Health and Human Services Resource Plan (Resource Plan) was developed in the fall of 2017 through a collaborative effort with Health and Human Services (HHS) staff, the Department of Management and Budget, and the Human Services Council. The Resource Plan is intended to be a "living" document with multiple versions throughout the year. The Resource Plan:

- Identifies priority funding needs and, per Board of Supervisors guidance, is a fiscally constrained document; it is not intended to be a wish list of funding items.
- Captures new funding needs, it does not include funding currently in the budget.
- Is not a funding commitment but a planning document to help inform funding decisions as they relate to the budget process. It is not intended to replace the budget process.
- Takes into account the priorities already established by the Board of Supervisors and the Health and Human Services System.

The initial draft identifies funding priorities for the next three fiscal years, FY 2019 through FY 2021, and is aligned with the Human Services Needs Assessment (2016). The current Resource Plan only includes new funding needs which are supported by the General Fund. Many programs, such as Bridging Affordability, rely on significant non-General Fund resources. This document has not yet taken these non-General Fund resources into account but will do so in a later version. Additionally, the Resource Plan will be extended to include five years, as directed by the Board of Supervisors, once the initial three-year plan is tested and refined. Future versions of the document will also incorporate the Capital Improvement Program (CIP) and facility costs required to fully support service delivery objectives.

Items listed on the Resource Plan that are funded by the Board of Supervisors will be integrated into the Adopted Budget Plan and therefore, will become part of the baseline budget. Items that are not funded will be integrated into the out years of the Resource Plan or removed if funding needs and priorities change. Staff will reconcile items that are funded, moved to out years of the Resource Plan or removed throughout the budget process. For purposes of the multi-year budget, the January 30, 2018, version of the Health and Human Resources Plan identified FY 2020 funding needs of $22.3 million and 84/82.6 FTE positions. For a complete listing of specific funding requirements by program, please see the Health and Human Services Resource Plan, FY 2019-FY 2021, which is available online.

Fairfax-Falls Church Community Services Board (CSB)

Medicaid Waiver Redesign
Pursuant to DOJ settlement implementation, the Commonwealth of Virginia has redesigned the previously separate service delivery systems for people with intellectual disability (ID) and developmental disabilities (DD) into one Developmental Disabilities (DD) services system. The term "developmental disabilities" is now understood to include intellectual disability as well as disorders on the autism spectrum and other developmental disabilities. In FY 2017, CSBs throughout the Commonwealth, including the Fairfax-Falls Church CSB, became the single point of eligibility determination and case management not only for people with intellectual disability, but also for individuals with other developmental disabilities. CSB's role and oversight responsibility have grown larger, and the number of people served is increasing. As of October 2017, there were more than 2,000 Fairfax residents on the state waiting list for Medicaid Waivers. The U.S. Department of Justice ordered the Commonwealth to develop waivers to address those waiting for services at the time of the settlement. An increase of $1.9 million has been identified as a placeholder for FY 2020 to serve newly eligible individuals. This amount is included in the Health and Human Services Resource Plan total.

In addition, an increase of $3.8 million would support the June 2019 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services and currently do not have a funding source for such services, as well as provide baseline funding for June 2018 special education graduates funded as part of previous quarterly reviews. This funding would be required to maintain the program as currently designed, with no cut to program enhancement or local support, and would prevent any special education graduates from being without services.

Parks and Libraries

Park Authority

Park Authority Operations and Maintenance
Funding of $1.50 million is identified for Park operations and maintenance in each of the seven area maintenance districts. Funding would also provide for increased contracted arboreal work to provide the ability to respond to tree complaints promptly, additional contracted mowing, a natural vegetation classification project and ecological restoration activities, support for the development process, energy management and support for an Encroachment Prevention Plan to address encroachment violations on park land.

Social Equity
Funding of $0.60 million has been identified to advance the County's mission of social equity. The Park Authority is taking steps to offer equitable access to classes and RECenters to align with the Board of Supervisors Social Equity Resolution adopted on July 12, 2016. In order to meet the scholarship demands of the growing number of County residents living in poverty so that they may enjoy access to recreational amenities, the Park Authority has identified a level of funding that current resources are unable to bear without General Fund assistance.

Capital Equipment
Funding of $0.50 million has been identified for replacement grounds maintenance equipment which is beyond its life expectancy. Approximately 16 percent of the grounds maintenance equipment has been rated as being in very poor condition.

Community Development

Department of Housing and Community Development

Public-Private Education and Infrastructure Act (PPEA) Projects – Affordable Housing

A net increase of $0.03 million and 1/1.0 FTE position is identified to leverage private sector development capacity, private equity and non-local funding for critical affordable housing projects. The total cost is $0.14 million, but 80 percent can be charged to projects, resulting in an annual net cost to the General Fund of $0.03 million. This amount is included in the Health and Human Services Resource Plan total, which is listed above in the Human Services section. PPEA projects are a relatively new and sophisticated real estate arrangement which can increase the amount of non-County capital/private equity available for critical affordable housing projects. This position will be critical in overseeing affordable housing PPEA projects to include resource identification and feasibility reviews, project planning and design with multiple stakeholders, financing plan development, contract negotiations and oversight, site development and overall project management, and coordination with private developers. Given constrained FCRHA and County resources, the additional private sector capital and expertise made available through such arrangements is critical to addressing the County's affordable housing gap.

Transportation

As part of the 2018 Virginia General Assembly, legislation was adopted to provide for annual dedicated funding sources to Metro to address long-term capital needs. Current revenue sources dedicated to the Northern Virginia Transportation Authority for the Transient Occupancy Tax and Grantor's Tax, in addition to two statewide revenue sources (state recordation tax currently used to pay bonds from the Northern Virginia Transportation District Fund and motor vehicle rental tax revenues), will be redirected to Metro. Also, a price floor on the regional gas tax was established to provide further dedicated funds to Metro. Additional elements of the legislation focus on the membership of the Metro board, require Virginia operating assistance for Metro to increase by no more than 3 percent annually, and require proper reform measures are addressed. The implementation of all these components is ongoing with coordination between the County, Metro and NVTC.

In FY 2019, the County has a $96 million capital requirement to Metro to be offset by $30 million in General Obligation Transportation Bonds and $10 million in State Aid. For the $56 million net remaining, staff is requesting that Metro sell this portion on the County's behalf as part of their larger bond sale programmed for FY 2019. The County's share of that debt, estimated at $5.6 million, is due annually beginning in FY 2020. Additionally, General Fund increases of $1.5 million and $2 million for Metro and Connector operating requirements, respectively, are identified as placeholders for FY 2020. As a result, a total increase of $9.1 million for transportation requirements is included at this time for FY 2020.

Cost of County Operations

Facilities Management Department

Lease Costs
Funding of $0.20 million is identified for increased lease requirements. Annual lease escalation rates are projected to be in the 2.5 to 3 percent range.

Information Technology

IT Security
An increase of $0.42 million is identified to address evolving IT security needs. Funding will provide resources to continue to ensure the health and viability of the infrastructure protecting against cyber-attacks while also securing the county's most sensitive data – public safety and legal data, Social Security numbers and HIPAA information.

IT Project Support
Funding of $7.0 million is identified to support critical IT investments designed to improve access to County services, promote government operational efficiencies and effectiveness, and increase performance and security capabilities. A significant portion of this increase will support the Planning Land Use System (PLUS) project and the Circuit Court Management System. The PLUS project will consolidate a number of legacy and disparate land use systems that support zoning and development plan review, building permit/license issuance, code enforcement, inspection, and cashiering activities into an integrated adaptable enterprise solution. The Circuit Court Management System project will result in a fully-integrated system which allows for e-filling case pleadings, digital evidence submission, electronic orders, digital audio recordings, electronic signatures, and e-appeals.

NEXT STEPS IN THE MULTI-YEAR PROCESS

Balancing the FY 2020 Budget

Although the revenue projections and inventory of disbursement priorities included above set the stage for the FY 2020 budget, significant effort will be required to build and balance the budget. While some of the necessary changes will occur naturally over the next year before the release of the FY 2020 and FY 2021 Multi-Year Budget, others will require policy decisions to be made. Adjustments to develop a balanced FY 2020 budget could include efficiencies, reduction options, revenue enhancement options or deferral of a number of the items that have been outlined above. It is anticipated that these decisions will be guided by input received from the Board of Supervisors and School Board through their joint meetings in the fall.

The FY 2020 budget forecast presents a challenging picture as a result of projections that the County will continue to experience constrained revenue growth. The disbursement increases that could be accommodated within the projected revenue growth are limited, and would not address a number of County and Schools items that have been identified based on information available today. However, there is also the potential for changes as more information is available over the course of the next year. The items that need to be funded in FY 2020 will therefore be considered in the context of Board priorities, and decisions will be made by the County Executive on what specific items to recommend for FY 2020 and which items to exclude or delay until FY 2021 or beyond.

1742

Strategic Linkages

FY 2019

Adopted Budget Plan

Strategic Linkages

Context and Background

Fairfax County has been working on a number of initiatives over the last 16 years to strengthen decision making and infuse a more strategic approach into the way business is performed. These initiatives include developing an employee Leadership Philosophy and Vision Statement, identifying the priorities of the Board of Supervisors, incorporating Performance Measurement and benchmarking into the budget process, implementing a countywide Workforce Planning initiative, increased transparency and a review and inventory of County programs and services (Lines of Business Review), among other things. The process has been challenging and has required a shift in organizational culture; however, the benefit of these efforts is a high-performing government in Fairfax County, which is more accountable, forward-thinking and better able to further its status as one of the premier local governments in the nation.

Employee Leadership Philosophy

We, the employees of Fairfax County, are the stewards of the County's resources and heritage. We are motivated by the knowledge that the work we do is critical in enhancing the quality of life in our community. We value personal responsibility, integrity, and initiative. We are committed to serving the community through consultative leadership, teamwork, and mutual respect.

Strategic Thinking

Among the first steps Fairfax County took to improve strategic thinking was to build and align leadership and performance at all levels of the organization through discussions and workshops among the County Executive, senior management and County staff. This initiative included the development of an employee Leadership Philosophy and Vision Statement to help employees focus on the same core set of concepts. This dialogue among the County Executive, senior management and staff has continued over several years and culminated in the development of seven "Vision Elements" for the County, which are consistent with the priorities of the Board of Supervisors. These Vision Elements are intended to describe what success will look like as a result of the County's efforts to protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:

Employee Vision Statement

As Fairfax County Employees we are committed to excellence in our work. We celebrate public service, anticipate changing needs, and respect diversity. In partnership with the community, we shape the future.

We inspire integrity, pride, trust and respect within our organization. We encourage employee involvement and creativity as a source of new ideas to continually improve service. As stewards of community resources, we embrace the opportunities and challenges of technological advances, evolving demographics, urbanization, revitalization, and the changing role of government. We commit ourselves to these guiding principles: Providing Superior Service, Valuing Our Workforce, Respecting Diversity, Communicating Openly and Consistently, and Building Community Partnerships.

Strategic Linkages

Maintaining Safe and Caring Communities: The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Building Livable Spaces: Together, we encourage distinctive "built environments" that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Connecting People and Places: Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe, and convenient manner.

Maintaining Healthy Economies: Investments in the workforce, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Practicing Environmental Stewardship: Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Creating a Culture of Engagement: Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Exercising Corporate Stewardship: Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Vision Element posters are prominently placed in County facilities to continue to foster the adoption of these concepts at all levels of the organization and to increase their visibility to citizens as well.

Strategic Linkages

Strategic Planning

Strategic planning furthers the County's commitment to high performance by helping agencies focus resources and services on the most strategic needs. The County process directs all agencies to strengthen the linkage between their individual missions and goals, as well as to the broader County vision laid out in the seven countywide vision elements.

Lines of Business (LOBs)

The County completed Phase 1 of its comprehensive Lines of Business (LOBs) initiative in 2016, the first step of a multi-year process to shape the County's strategic direction and validate County priorities. The LOBs process crosses multiple years and consists of two phases. The initial phase of LOBs served to educate readers on the array of services provided by Fairfax County and to begin discussions at the Board of Supervisors and community levels regarding which programs/services should be more closely evaluated. Phase 2, which began in September 2016, focuses on programs/services to be reviewed for improved efficiency and effectiveness and direction of staff to create project plans around implementation of recommendations from the Board. Ultimately, the Board will be better positioned to approve a sustainable financial plan to invest in the County's future success.

The County budget includes a vast array of programs and services to support the diverse population of more than one million people. Essentially, LOBs is one way in which to inventory, catalog and examine all these programs and services. The County offers a full range of municipal services in exchange for taxes or other fees paid. These services include, but are not limited to, public education; public safety such as police, fire, emergency medical services, 9-1-1, and correctional facilities; human services such as public assistance, child and adult protective services, childcare, health; public works; transportation; planning and zoning; parks and libraries; and stormwater and sanitary sewer, among other functions deemed necessary by the government. Many of the programs and services are primarily funded from revenue collected from residential real estate taxes and personal property revenues. These funding streams are referred to as the General Fund. Other significant revenue sources support specific programs such as Solid Waste, Wastewater and are referred to as Other Funds.

The County has 390 Lines of Business covering all funding sources. The Lines of Business discussion focused on the approximately 47 percent of the General Fund that is non-school, as well as all other non-General Fund services. The complete list of LOBs from #1-390, as well as completed LOBs documents, are available at https://www.fairfaxcounty.gov/budget/lines-business-lobs-2016. This information is typically organized by County department; however, it is also accessible in a number of different ways to attempt to customize access to a variety of readers.

Economic Success Strategic Plan

The Board of Supervisors' Economic Advisory Commission (EAC) worked collaboratively with County executive leadership and staff to develop The Strategic Plan to Facilitate the Economic Success of Fairfax County, ("Strategic Plan") an update of the 2011 EAC Strategic Plan. In March 2015 a broad spectrum of stakeholders in the community participated in validating the Strategic Plan goals and strategies, including representatives in business, higher education, transportation, land development, housing, tourism, arts, health, human services, the Fairfax County Economic Development Authority, among others.

Fairfax boasts one of the strongest and largest economies in the region. However, the county needs to continue expanding its economic efforts as the region confronts:

- Fewer federal jobs due to the recession and sequestration;
- Slowing wage growth;
- Differential job recovery rates that have focused on new employment sectors; and
- Higher office vacancy rates.

The resulting EAC Strategic Plan focuses on six policy recommendation goal areas to support economic vibrancy:

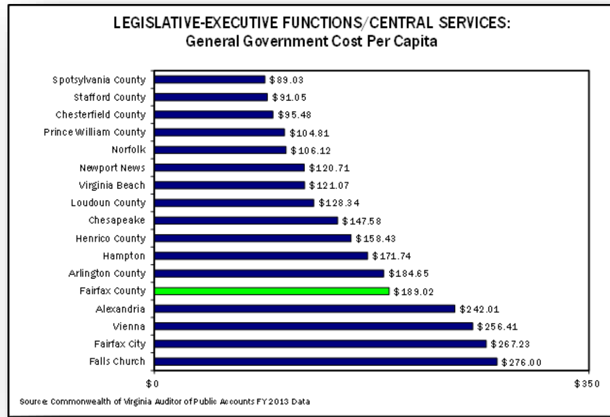
- Further diversifying our economy
- Creating places where people want to be
- Improving the speed, consistency, and predictability of the County's development review process
- Investing in natural and physical infrastructure
- Achieving economic success through education and social equity
- Increasing the agility of county government

Success of the Strategic Plan will require broad participation from numerous county agencies as well as the participation of our private sector partners on item-specific Action Teams. These Action Teams will review actions; propose prioritization; determine metrics; and lead implementation of individual actions. Oversight of the Action Teams will be managed by the Office of the County Executive. Additional resources will be required for implementation of these recommendations and will be identified through the Action Teams.

Performance Measurement

Since 1997, Fairfax County has used performance measurement to gain insight into, and make judgments about, the effectiveness and efficiency of its programs, processes and employees. While performance measures do not in and of themselves produce higher levels of effectiveness, efficiency and quality, they do provide data that can help to reallocate resources or realign strategic objectives to improve services. Each Fairfax County agency decides which indicators will be used to measure progress toward strategic goals and objectives, gathers and analyzes performance measurement data, and uses the results to drive improvements in the agency.

In July 2017, Fairfax County was one of only 25 jurisdictions to receive ICMA's highest recognition for performance measurement, the "Certificate of Excellence."



Fairfax County also uses benchmarking, the systematic comparison of performance with other jurisdictions, in order to discover best practices that will enhance performance. The County has participated in the International City/County Management Association's (ICMA) benchmarking effort since 2000. According to ICMA, approximately 35 cities and counties provide comparable data annually in the following service areas: Police, Fire/EMS, Library, Parks and Recreation, Youth Services, Code Enforcement, Refuse Collection/Recycling, Housing, Facilities, Information Technology, Human Resources, Risk Management and Purchasing, although not every participating jurisdiction completes every template. ICMA performs extensive data cleaning to ensure the greatest accuracy and comparability of data. In service areas that are not covered by ICMA's effort, agencies rely on various sources of comparative data prepared by the state, professional associations and/or nonprofit/research organizations. It is anticipated each year that benchmarking presentations will be enhanced based on the availability of information. Cost per capita data for each program area, (e.g., public safety, health and welfare, community development) has also been included at the beginning of each program area summary in Volume 1 of the FY 2019 Adopted Budget Plan. The Auditor of Public Accounts for the Commonwealth of Virginia collects this data and publishes it annually. The jurisdictions selected for comparison are the Northern Virginia localities, as well as those with a population of 100,000 or more elsewhere in the state.

The FY 2019 Adopted Budget Plan features an "agency dashboard" for every General Fund and General Fund Supported agency. These dashboards identify key drivers for these agency budgets. These dashboards are not replacing agency performance measures, but rather provide an additional snapshot of relevant statistics that pertain directly to why agencies are funded as they are. The purpose of these drivers is to keep County decision-makers aware of this key data and how it is changing over time. Drivers will change over time and these drivers will be built into the annual budget process and into needs discussions with the community. This visual representation of what is driving the County's budget will improve the communications with the public and the Board as it relates to specific budget requests. The County Executive also developed a countywide dashboard to provide a snapshot of data, including commercial and residential real estate data, projected School enrollment data, and increases in employee compensation.

AGENCY DASHBOARD				
	Key Data	FY 2015	FY 2016	FY 2017
1.	Number of screenings, investigations, and treatment for selected communicable diseases	32,485	30,949	29,445
2.	Number of vaccines administered to children	34,417	31,559	37,659
3.	Number of primary care visits provided through the Community Health Care Network	48,100	37,365	30,925
4.	Number of student visits to school health rooms	793,252	768,676	807,229
5.	Number of Environmental Health community-protection activities: inspections, permits, and service requests	29,543	29,885	31,423
6.	Number of community members served through outreach and health promotion activities	42,477	86,882	40,831

Agency Dashboard for the Health Department

Workforce Planning

The County's workforce planning effort began in FY 2002 to anticipate and integrate the human resources response to agency strategic objectives. Changes in agency priorities such as the opening of a new facility, increased demand for services by the public, the receipt of grant funding, or budget reductions can greatly affect personnel needs. Given these varying situations, workforce planning helps agency leadership to retain employees and improve employee skill sets needed to accomplish the strategic objectives of the agency. Effective workforce planning is a necessary component of an organization's strategic plan, to provide a flexible and proficient workforce able to adapt to the changing needs of the organization.

In FY 2008, Fairfax County added a Succession Planning component to workforce planning. The Succession Planning process provides managers and supervisors with a framework for effective human resources planning in the face of the dramatic changes anticipated in the workforce over the next five to ten years. It is a method for management to identify and develop key employee competencies, encourage professional development and contribute to employee retention. Approximately 12 percent of current employees will be eligible for retirement by the end of FY 2019, and nearly 30 percent will be eligible within the next five years. To address this challenge, the County plans to re-tool and strengthen existing succession planning and knowledge transfer efforts–to build the capacity to support a "promote from within" when appropriate philosophy.

The County will recruit externally when strategically advantageous and will strengthen recruitment effectiveness by encouraging employee referrals and deepening the County Executive's leadership team's engagement with executive level recruitments. Shifting the performance evaluation focus from "the amount of the pay increase" to better communication and employee development will also help the County address the exit of many tenured County employees.

Information Technology (IT) Initiatives

The County is committed to providing the necessary investment in IT, realizing the critical role it plays in improving business processes and customer service. Fund 10040, Information Technology Fund, was established to accelerate the redesign of business processes to achieve large-scale improvements in service quality and to provide adequate enterprise-wide technological infrastructure. Consequently, the County is consolidating its investments to accommodate and leverage technological advancements and growth well into the 21st century. Constrained funding will impact the number of new IT projects that can be undertaken in the next year. However, the County continues to explore and monitor all areas of County government for IT enhancements and/or modifications which will streamline operations and support future savings.

In FY 2019, funding of $3.6 million, which includes a General Fund transfer of $3.25 million, a transfer from Fund 40030, Cable Communications, of $0.25 million, and interest income of $0.1 million, is provided for initiatives that meet one or multiple priorities established by the Senior Information Technology Steering Committee. These initiatives include a mix of projects that provide benefits for both residents and employees and that adequately balance new and continuing initiatives with the need for securing and strengthening the County's technology infrastructure. Funded projects will support initiatives in general County services, public safety, human services and enterprise technology security and infrastructure. Although many initiatives meet more than one of the technology priorities, for simplicity, projects have been grouped into only one priority area.

Strategic Planning Links to the Budget

The annual budget includes links to the comprehensive strategic initiatives described above. To achieve these links, agency budget narratives include discussions of County Vision Elements and agency strategic planning efforts; program area summaries include cross-cutting efforts and benchmarking data; and the Key County Indicator presentation in this section demonstrates how the County is performing as a whole. As a result, the budget information is presented in a user-friendly format and resource decisions are more clearly articulated to Fairfax County residents.

- ***Agency Narratives***: Individual agency narratives identify strategic issues, which were developed during the agency strategic planning efforts, link core services to the Vision Elements and expand the use of performance measures to clearly define how well the agency is delivering a specific service. Agency narratives are included in budget Volumes 1 and 2.

- ***Program Area Summaries***: Summaries by Program Area (such as Public Safety, Health and Welfare, Judicial Administration) provide a broader perspective of the strategic direction of several related agencies and how they are supporting the County Vision Elements. This helps to identify common goals and programs that may cross over departments. In addition, benchmarking information is included on program area services to demonstrate how the County performs in relation to other comparable jurisdictions. Program area summaries are included in budget Volumes 1 and 2.

- ***Key County Indicators***: The Key County Indicator presentation provides several performance measurement indicators for each Vision Element. The presentation gives the reader a high-level perspective on how the County is doing as a whole to reach its service vision. The presentation of Key County Indicators will continue to be refined to ensure that the measures best represent the needs of the community. A detailed presentation and discussion of the Key County Indicators is included following this discussion on the next page.

► *Schools*: The Fairfax County Public Schools provide an enormous contribution to the community and in an effort to address the County's investment in education and the benefits it provides, a list of Fairfax County School Student Achievement Goals are included following the Key County Indicator presentation.

Next Steps

The development of the County's leadership philosophy and emphasis on strategic planning is an ongoing process that will continue to be refined in the coming years. The County budget is extremely well received within the County and nationally. As a measure of the quality of its budget preparation, Fairfax County was awarded the Government Finance Officers Association's Distinguished Budget Presentation Award by meeting rigorous criteria for the budget as a policy document, financial plan, operations guide, and communications device for the 33rd consecutive year. The County will continue to build on this success for future budget documents in order to enhance the accountability, transparency, and usefulness of the budget documents.

Key County Indicators

Introduction

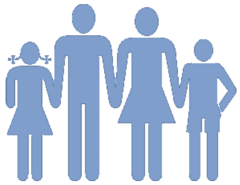
The Key County Indicator presentation communicates the County's progress on each of the Vision Elements through key measures. The Indicators were compiled by a diverse team of Fairfax County senior management and agency staff through a series of meetings and workshops. Indicators were chosen if they are reliable and accurate, represent a wide array of County services, and provide a strong measure of how the County is performing in support of each Vision Element. The County also compiles Benchmarking data, providing a high-level picture of how Fairfax County is performing compared to other jurisdictions of its size. Benchmarking data is presented within the program area summaries in budget Volumes 1 and 2.

Key County Indicators—How is Fairfax County performing on its seven Vision Elements?

- ✓ Maintaining Safe and Caring Communities
- ✓ Practicing Environmental Stewardship
- ✓ Building Livable Spaces
- ✓ Maintaining Healthy Economies
- ✓ Connecting People and Places
- ✓ Creating a Culture of Engagement
- ✓ Exercising Corporate Stewardship

The following presentation lists the Key County Indicators for each of the Vision Elements, provides actual data from FY 2015, FY 2016, and FY 2017, and includes a discussion of how the Indicators relate to their respective Vision Elements. In addition, the Corporate Stewardship Vision Element includes FY 2018 and FY 2019 estimates in order to present data related to the current budget. For some indicators, FY 2016 is the most recent year in which data are available, and FY 2017 Actuals will be included in the following year's budget document. All of the indicator data are for Fairfax County only, listed by Fiscal Year, unless otherwise noted in the text. The County plans to expand its benchmarking initiative as part of a LOBs Phase 2 initiative.

Strategic Linkages



Maintaining Safe and Caring Communities: The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Ratio of Crimes Against Persons Offenses to 100,000 County Population (Calendar Year)	685.3	700.9	715.3
Clearance rate of Crimes Against Persons Offenses (Calendar Year)[1]	58.6%	56.5%	53.2%
Percent of time Advanced Life Support (ALS) transport units on scene within 9 minutes	90.0%	89.6%	89.4%
Fire suppression response rate for engine company within 5 minutes, 20 seconds	51.9%	50.7%	50.9%
Percent of low birth weight babies (under 5 lbs 8 oz)[1]	7.0%	NA	NA
Immunizations: completion rates for 2 year olds	62%	57%	62%
Virginia Department of Education (VDOE) On-Time Graduation Rate	92.7%	92.3%	91.4%
Children in foster care per 1,000 in total youth population[2]	0.77	0.76	NA
Percent of seniors, adults with disabilities and/or family caregivers who express satisfaction with community-based services that are provided by Fairfax County to help them remain in their home/community	93.5%	93.5%	91%
Percent of food service establishments found to be in compliance, at the completion of the inspection cycle, with control measures that reduce the occurrence of foodborne illness	90%	93%	95%

[1] Prior year actuals on the percent of low birth weight babies are provided by the Virginia Department of Health, and FY 2015 is the most recent data available in time for budget publication.

[2] Prior year actuals on Children in foster care per 1,000 in total youth population are provided by the American Community Survey (ACS) of the United States Census Bureau, and FY 2015 is the most recent data available in time for budget publication.

Fairfax County is one of the nation's safest jurisdictions in which to live and work. In CY 2017, the Fairfax County **ratio of 715.3 Crimes Against Persons Offenses** per 100,000 residents reflected one of the lowest rates of any large jurisdiction in the United States. It is important to note that Crimes Against Persons Offenses includes all Forcible and Non Forcible Sex Offenses, Kidnappings/Abductions, Homicides and Assaults that were reported to the Police Department. In the past, this indicator reported on the ratio of "Violent" Group A Offenses per 100,000 residents that were assigned to the Criminal Investigations Bureau. The Crimes Against Persons indicator will be used in the future to be consistent with Fairfax County Police Department's annual report on Group A Offenses which can be accessed via the following link https://www.fairfaxcounty.gov/police/chief/crimestatistics

In CY 2017, the case **clearance rate of Crimes Against Persons Offenses** was 53.2 percent. This rate remained high when compared to similar jurisdictions across the nation.

The Fairfax County Fire and Rescue Department Advanced Life Support (ALS) and fire unit measures are standards set by the National Fire Protection Association (NFPA). The **five minute and 20 seconds fire suppression response standard** of the NFPA was met 50.9 percent of the time in FY 2017. **Advanced Life Support transport units arrived on the scene within 9 minutes** 89.4 percent of the time in FY 2017.

The health and well-being of children in Fairfax County is evident in the low percentage of children born with **low birth weight** and the high **immunization completion rates** for two-year-olds. The County's FY 2015 incidence rate of 7.0 percent of low birth weight babies compares favorably against the state average of 7.9 percent. The FY 2017 immunization completion rate of 62 percent for two-year olds was slightly lower than in FY 2016. It is important to note that by the time of school entry, many children are adequately immunized, although they may have lacked these immunizations at the age of two.

The Fairfax County Health Department is committed to protecting the health of County residents by ensuring restaurants operate safely.

Fairfax County also funds numerous programs to help children stay in school and provides recreational activities in after-school programs. These services contributed to the County's FY 2017 **Virginia Department of Education (VDOE) On-Time Graduation rate** of 91.4 percent. In FY 2016, the **ratio of children in foster care per 1,000** in the total population of children 0–18 years old was 0.76. Fairfax County remains committed to further decreasing the number of children in foster care as well as reducing the time spent in foster care through intensive prevention and early intervention efforts and a stronger emphasis on permanent placements of children in foster care who are unable to return safely to their families.

The County continues to be successful in **caring for older adults and persons with disabilities by helping them stay in their homes** as indicated by the 91 percent combined satisfaction rating for two support programs: Adult Day Health Care (ADHC) and Congregate Meals programs. ADHC satisfaction was 92 percent in FY 2017. Department of Family Services staff regularly solicits input from Congregate Meal clients, including the growing ethnic client population, and constantly works with food vendors to revise food options accordingly. Client satisfaction increased slightly in FY 2017 to 90 percent.

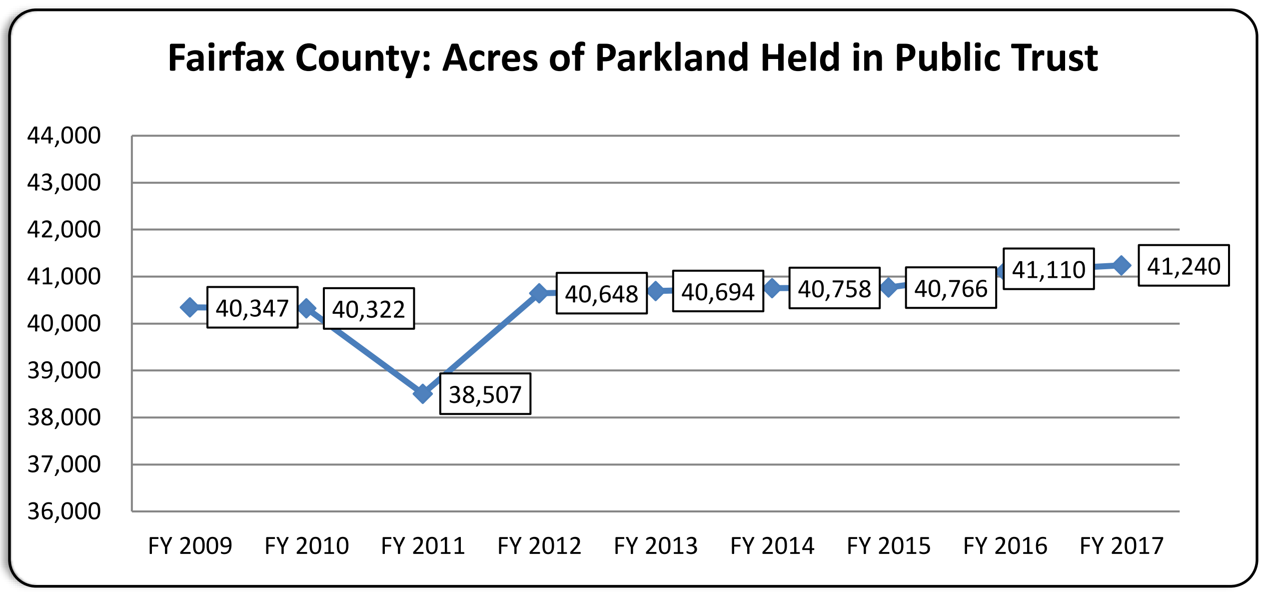
In FY 2015, the Fairfax County Health Department (FCHD) implemented a new process to categorize food establishments and conduct inspections on a risk and performance based frequency. Depending on its assigned risk category, food establishments were inspected one, two, or three times. In FY 2016, inspections were conducted based on both risk and performance. Based on the compliance history of each food establishment, FCHD provided tailored services (e.g., inspection, onsite training, and risk control plan) to help the establishment achieve long-term compliance with the regulations. In FY 2017, FCHD found that 95 percent of all food establishments were in compliance with FDA risk factor control measures to reduce foodborne illness.

Strategic Linkages

Building Livable Spaces: Together, we encourage distinctive "built environments" that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Acres of parkland held in public trust	40,766	41,110	41,240
Miles of trails and sidewalks maintained by the County	669	658	665
Annual number of visitations to libraries, park facilities and recreation and community centers	11,100,982	11,011,123	11,013,129
Value of construction authorized on existing residential units	$124,263,353	$122,368,210	$130,298,774
Annual percent of new dwelling units within business or transit centers as measured by zoning approvals	90.2%	99.0%	97.0%
Percent of people in the labor force who both live and work in Fairfax County	54.5%	54.4%	54.5%
Number of affordable rental senior housing units	3,135	3,113	3,113

Many of the indicators above capture some aspect of quality of life for Fairfax County residents and focus on the sustainability of neighborhoods and the community. The amount of **acres of parkland held in public trust** is a preservation of open space that enhances the County's appeal as an attractive place to live. This indicator measures parkland in the County held by the Fairfax County Park Authority, the Northern



Regional Park Authority, state and federal governments, and other localities. In FY 2017, there was a net increase in acres due to revised calculations related primarily to Fairfax County parkland. This adjustment brought the FY 2017 total acreage to 41,240. In addition, the availability of trails and sidewalks supports pedestrian friendly access, and accessibility for non-motorized traffic. This indicator is measured by the **miles of trails and sidewalks** that are maintained by the Department of Public Works and Environmental

The County maintains 665 miles of trails and sidewalks in addition to the nearly 1,682 miles of trails and sidewalks maintained by the Virginia Department of Transportation within Fairfax County's boundaries.

Services (DPWES). A GIS-based walkway inventory now provides a more accurate estimate of miles. In FY 2018, DPWES maintained 665 miles of trails and sidewalks. In addition to miles maintained by the County, approximately 1,682 miles are maintained by the Virginia Department of Transportation (VDOT) and approximately 331 miles are contained within County parks. In addition, approximately 1,130 miles of walkway are maintained by private homeowners associations. The number of walkways in the County contributes to the sense of community and connection to places. The County will continue to improve pedestrian access and develop walkways through the use of funding support from a variety of sources, including bond funding and the commercial and industrial real estate tax for transportation.

Availability and **use of libraries, parks and recreation facilities** is often used as a "quality-of-life" indicator and is cited as a major factor in a family's decision for home location and a company's decision for site location. In the fall of 2012, the voters approved a bond referendum in the amount of $25 million to renovate four priority library facilities. These libraries include Pohick, Tysons Pimmit, Reston and John Marshall. The renovations will provide for upgrades to all of the building systems, including roof and HVAC replacement, which have outlived their useful life and will be designed to accommodate current operations and energy efficiency. In addition, the renovations will provide a more efficient use of the available space, meet customers' technological demands and better serve students and young children. The quiet study areas and group study rooms will be improved, the space to accommodate a higher number of public computers will be increased, and wireless access will be enhanced. In FY 2017, the number of visits to all libraries, parks and recreation facilities increased to 11,013,129.

Resident investment in their own residences reflects the perception of their neighborhood as a "livable community." The **value of construction authorized on existing residential units** in FY 2017 increased 6.5 percent over to FY 2016. It is projected that the total value of issued construction permits will remain high as the economy and housing market strengthen and consumer confidence remains high. As of November 2017, the Consumer Confidence Index was at a 17-year high. When the economy improves, home values start to rise and consumer confidence increases, homeowners start to increase their spending on their home.

The measure for the **percent of dwelling units within business or transit centers as measured by zoning approvals** provides a sense of the quality of built environments in the County and the County's annual success in promoting mixed use development. The Comprehensive Plan encourages built environments suitable for work, shopping and leisure activities. The County encourages Business Centers to include additional residential development to facilitate an appropriate mix of uses. In FY 2017, 97 percent or 4,491 dwelling units were approved within business or transit centers, including 1,940 in Tysons and 2,131 in Reston. Thus far in FY 2018, almost all dwelling units that have been approved are within the business or transit centers.

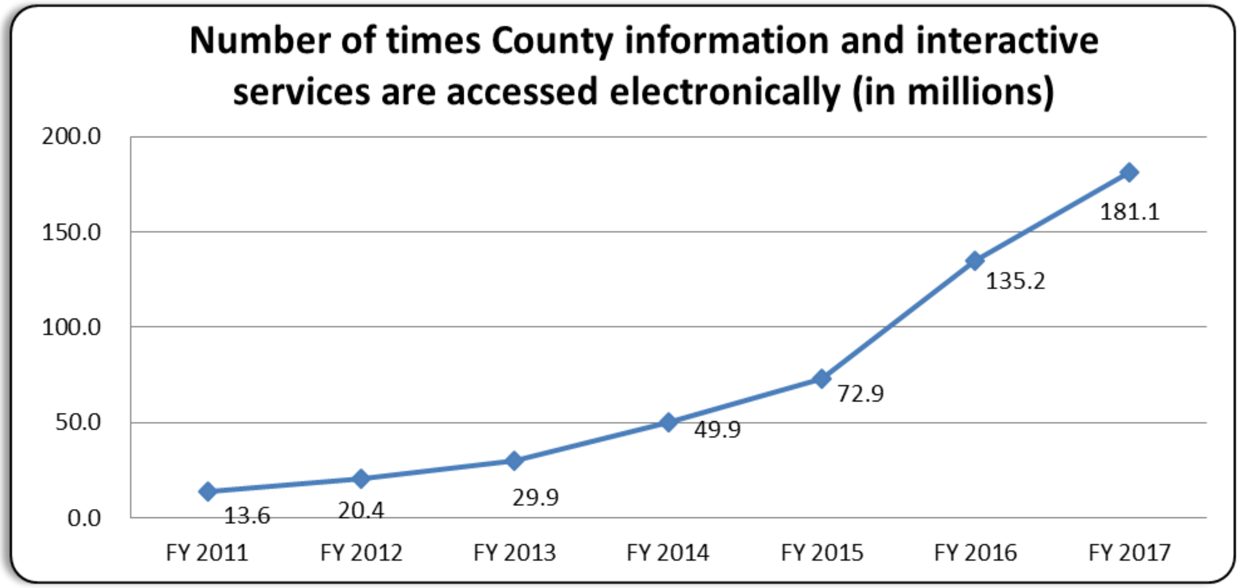
The **percentage of employed people who both live and work in Fairfax County** is currently above 54 percent and may be linked to both quality of life and access to mixed use development in the County. Additional residential development in business centers also increases the potential for the members of the workforce to live in proximity to their place of work. In addition, the County is actively promoting the creation and preservation of affordable dwelling units to support those who both live and work within the County.

Continued production of affordable senior housing by the Fairfax County Redevelopment and Housing Authority (FCRHA) and others, as well as FCRHA preservation efforts, are helping to offset the loss of affordable senior rental units on the market. As of the close of 2017, there was an inventory of 3,113 affordable senior housing units, including both publicly and privately owned rental apartment complexes.

Connecting People and Places: Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe and convenient manner.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Number of times County information and interactive services are accessed electronically (millions)	72.9	135.2	181.1
Library materials circulation per capita	10.6	10.5	9.8
Percent of library circulation represented by materials in languages other than English	1.5%	1.4%	1.3%
Percent change in transit passengers (Metrobus and Metrorail)	(1.36%)	(11.19%)	(9.02%)

Fairfax County also has a robust and nationally-known social media program that encourages interaction with and sharing of County information so residents can serve as information ambassadors to friends, neighbors and co-workers who may not otherwise have access (this is especially important during emergencies). By using tools like Facebook, Twitter, Nextdoor, YouTube and an emergency blog, Fairfax County delivers a high quality experience for residents on those platforms with relevant, timely and actionable information. The County also interacts directly with residents and reaches people in ways that were not possible a few short years ago. These efforts are paying dividends both for the exchange of information and improving awareness of County resources. For example, ongoing surveys of County Facebook page fans and County Twitter followers showed that more than 80 percent of respondents said Fairfax County's use of those tools has helped them learn more about their local government, programs and services. Evidence of the County's success in providing useful and convenient access to information and services can also be found in the FY 2017 measure of 181.1 million total interactions with key County online platforms (website visits, emergency blog views, Facebook daily total reach, Twitter impressions, YouTube video views, and SlideShare presentation views). These numbers will continue to grow as residents increasingly consume, create and interact with official County information.



For residents of Fairfax County who do not have access to a computer at home or at work, or who do not possess the technical skills or are not able to utilize technology due to language barriers, the County utilizes other methods and media to connect them with information and services. Libraries, for example, are focal points within the community and offer a variety of brochures, flyers and announcements containing information on community activities and County services. One indicator of used by the library industry to demonstrate utilization of libraries is **library materials circulation per capita**, which was 9.8 in FY 2017. This high circulation rate demonstrates the availability of an extensive selection of materials and a desire for library resources among Fairfax County residents. In addition, interest in library resources can be seen in the number of unique visitors to the Library's website, which totaled 3,868,125 in FY 2017. For additional information on benchmarks, please refer to the Parks and Libraries Program Area Summary in Volume 1.

As previously mentioned, Fairfax County is becoming an increasingly diverse community in terms of culture and language. As of 2009, 35.0 percent of Fairfax County residents spoke a language other than English at home. In an attempt to better serve the non-English speaking population, the Fairfax County Public Library has dedicated a portion of its holdings to language appropriate materials for this portion of the community. With a circulation of nearly 11.5 million items by Fairfax County Public Library (FCPL) in FY 2017, the 1.3 percent reported for the circulation of non-English materials represents a significant number of materials being used by a multi-language population.

Another important aspect of connecting people and places is actually moving them from one place to another. The County operates the FAIRFAX CONNECTOR bus service; provides FASTRAN services to seniors; and contributes funding to Metro and the Virginia Railway Express (VRE). The **percent change in transit passengers** measures the impact of County efforts as well as efforts of Metro and the VRE. The County experienced a significant decrease of 9.8 percent in Fairfax County transit passengers (Metrorail, Metrobus) in FY 2017, down from 33.6 million in FY 2016 to 30.6 million in FY 2017.

FAIRFAX CONNECTOR ridership decreased 3.9 percent in FY 2017 which mirrors declines throughout the WMATA system and is comparable to declines experienced by regional peers and is attributable to several factors, including:

- WMATA's accelerated maintenance program (SafeTrack)
- Low average fuel prices that encourage automobile use
- A mode shift from bus to rail in response to completion of the Silver Line Phase 1
- Possible effects of employment shifts due to sequestration and the economy
- Increases in teleworking and alternative work schedules

In FY 2019, the County will continue its support of Metro Operations and Construction, CONNECTOR bus service, and the VRE subsidy. For more information, please see Fund 30000, Metro Operations and Construction, and Fund 40000, County Transit Systems, in Volume 2.

While transportation funding and improvements to date have been largely a state function, the County also has supported a large portion of local transportation projects in an effort to reduce congestion and increase safety. The County continues to broaden its effort to improve roadways, enhance pedestrian mobility, and support mass transit through funding available from the 2007 Transportation Bond Referendum and from the commercial and industrial real estate tax for transportation. This tax was first adopted by the Board of Supervisors in FY 2009, pursuant to the General Assembly's passage of the Transportation Funding and Reform Act of 2007 (HB 3202). Commercial and Industrial (C&I) real estate tax revenue is posted to Fund 40010, County and Regional Transportation Projects, and then a portion is transferred to the County Transit Systems budget. In FY 2019, this amount totals $35.1 million and will provide continued support for West Ox Division rush hour and midday service, enable the continuation of increased frequencies on overcrowded priority bus routes (Routes 171, 401/402, and 950), and continues support for service expansions at all three operating divisions. Beginning in FY 2014, the County benefits from approximately $125 million annually in regional revenues dedicated to transportation as a result of the State Transportation funding plan approved during the 2013 Session by the General Assembly (HB 2313). On January 28, 2014, the Board approved a list of nearly 230 priority local roadway and transit projects that require various amounts of staff management, oversight, and review over the foreseeable future. Fund 40010, County and Regional Transportation Projects, provides funding and support for the implementation of projects and services funded with the State Transportation funding plan (HB 2313).

Maintaining Healthy Economies: Investments in the work force, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Total employment (Total All Industries, All Establishment Sizes, equaling the total number of jobs in Fairfax County)	596,878	603,348	610,155
Growth rate	1.4%	1.1%	1.1%
Unemployment rate (not seasonally adjusted)	3.6%	3.3%	3.0%
Commercial/Industrial percent of total Real Estate Assessment Base	19.01%	18.67%	18.89%
Percent change in Gross County Product (adjusted for inflation)	1.4%	-0.2%	1.5%
Percent of persons living below the federal poverty line (Calendar Year)	6.6%	6.1%	5.9%
Percent of homeowners that pay 30.0 percent or more of household income on housing (Calendar Year)	26.0%	26.6%	25.3%
Percent of renters that pay 30.0 percent or more of household income on rent (Calendar Year)	46.1%	44.4%	45.6%
Direct (excludes sublet space) office space vacancy rate (Calendar Year)	16.2%	15.8%	15.5%

Maintaining a healthy economy is critical to the sustainability of any community. In addition, many jurisdictions have learned that current fiscal health does not guarantee future success. Performance in this area affects how well the County can respond to the other six Vision Elements. The above nine indicators shown for the Healthy Economies Vision Element were selected because they are perceived as providing the greatest proxy power for gauging the overall health of Fairfax County's economy.

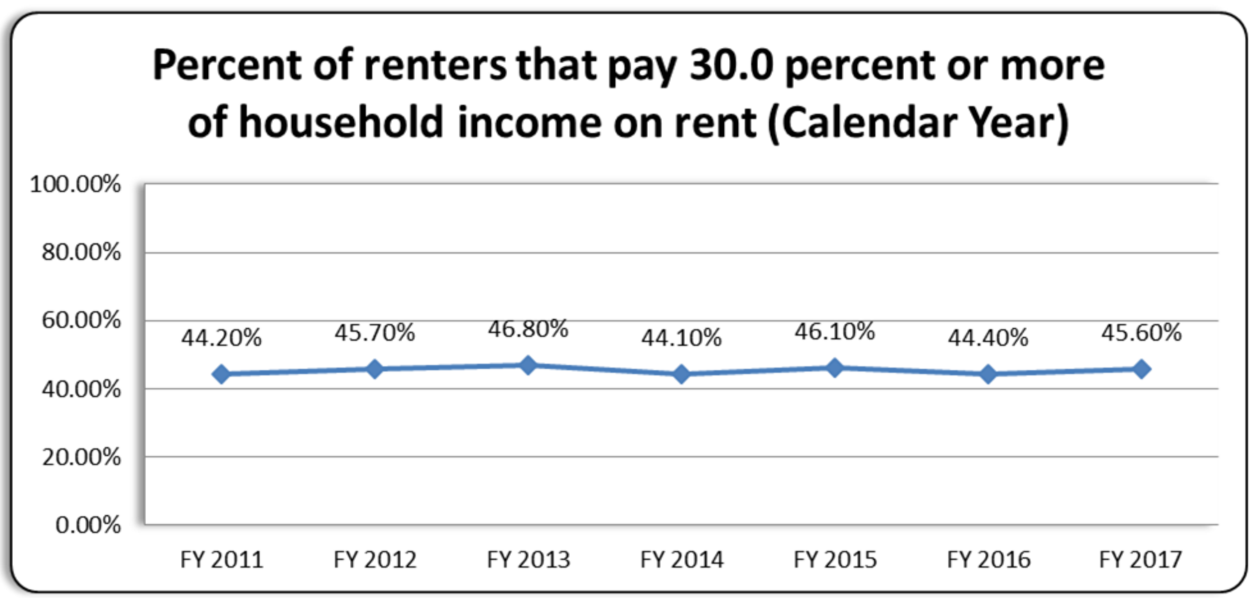
For years, Fairfax County has benefited from its proximity to the federal government. During the recession, the region was an anomaly in that it shed fewer jobs than most other areas in the country as the federal government increased spending and hiring to prop the economy. In 2013 and 2014, however, the local economy underperformed, as the ripple effects from sequestration cuts proved more long-lasting than initially expected. The cornerstone sectors – the federal government and professional services – lost jobs during this time. However, beginning in 2015, the negative trend in total employment reversed itself and growth continued in 2016 and 2017.

Total employment illustrates the magnitude of Fairfax County's jobs base. In FY 2017, the number of jobs increased for the third straight year. In June 2017, employment was 1.1 percent above the June 2016 level. While related to the number of jobs, the **unemployment rate** is also included because it shows the proportion of the County's population out of work. The County's unemployment rate was 3.0 percent in 2017, down slightly from 3.3 percent in 2016.

The **Commercial/Industrial percent of total Real Estate Assessment Base** is a benchmark identified by the Board of Supervisors, which places priority on a diversified real estate revenue base. The target is 25 percent of the assessment base. From FY 2001 to FY 2007, the Commercial/Industrial percentage declined from 25.37 percent to 17.22 percent, in part due to vacant office space early in this period and further exacerbated by the booming housing market attributable to record low mortgage rates that resulted in double-digit residential real estate assessment increases for several consecutive years. This imbalance increased the burden on the residential component to finance government services. Starting in FY 2008, when the housing market began to slow down, the Commercial/Industrial percentage increased for three consecutive years, reaching 22.67 percent in FY 2010 as a result of declining residential values. From its peak in FY 2010, the Commercial/Industrial percentage decreased to 19.12 percent in FY 2018, mainly because of a steep decline in nonresidential values in the early part of the decade, and the gradual recovery of the residential real estate market. The Commercial/Industrial percentage of the County's FY 2019 Real Estate Tax base is 19.43 percent, an increase of 0.31 percentage points over the FY 2018 level. Commercial/Industrial property values as a percentage of the Real Estate Tax base increased in FY 2019 as a result of new office construction and a slower increase experienced in the residential portion of the Real Estate Tax base.

Gross County Product (GCP) is an overall measure of the County's economic performance. The percentage change in the GCP indicates whether the economy is expanding or contracting. Based on estimates from IHS, Gross County Product (GCP), adjusted for inflation, increased 1.5 percent in 2017 after decreasing 0.2 percent in 2016.

While it was recognized that **percent of persons living below the federal poverty line** is an imperfect measure due to the unrealistic level set by the federal government, i.e., $24,250 for a family of four, it is a statistic that is regularly collected and presented in such a way that it can be compared to other jurisdictions, as well as tracked over time to determine improvement. In relative terms, Fairfax County's 5.9 percent poverty rate in FY 2017 is better than most, yet it still translates to over 67,000 persons living below the federal poverty level. *(Note: Census data are reported based upon the calendar year (CY) rather than the fiscal year and are typically available on a one-year delay. FY 2017 data represent CY 2016 data.)*



The next two measures, **percent of homeowners that pay 30 percent or more of household income on housing** and **percent of renters that pay 30 percent or more of household income on rent,** relate the cost of housing to income and provide an indication of the relative affordability of living in Fairfax County. That capacity has an effect on other aspects of the County's economy. For example, if housing is so expensive that businesses cannot attract employees locally, they may choose to relocate from Fairfax County, thus resulting in a loss of jobs. In FY 2017, 25.3 percent of homeowners paid 30 percent or more of their household income on housing, while a substantially greater number of renters, 45.6 percent, paid 30 percent or more of their household income on rent. *(Note: Census data are reported based upon the calendar* *year rather than the fiscal year and are typically available on a one-year delay. FY 2017 data represent CY 2016 data.)*

Finally, the **direct (excludes sublet space) office space vacancy rate** reflects yet another aspect of the health of the business community. The direct office vacancy rate decreased from 15.8 percent in 2016 to 15.5 percent as of year-end 2017. Including sublet space, the overall office vacancy rate as of year-end 2017 was 16.3 percent, a decrease from the 16.8 percent recorded as of year-end 2016. The amount of empty office space stood at approximately 19.1 million square feet. Industry experts anticipate vacancy rates to remain stagnant through 2018 as tenants monitor economic conditions and the direction of the federal budget. A further obstacle to filling office space is that employers today are leasing substantially less space per employee than in the past. Total office leasing activity during 2017 was over 11.7 million square feet, an increase over the 10.7 million square feet leased in 2016. Demand for newer space, and space near Metro rail stations, remained strong while many older buildings experienced an increase in vacancy.

Fairfax County devotes considerable resources to attracting and maintaining businesses that will contribute to the revenue base through income and jobs, which helps to ensure a healthy local economy. It should be noted that income growth does not affect Fairfax County tax revenues directly because localities in Virginia do not tax income; however, revenues are indirectly affected because changes in income impact the County's economic health.

Practicing Environmental Stewardship: Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Unhealthy Air Days as reported by Metropolitan Washington Council of Governments (Calendar Year)	14	13	8
Overall Level of Stream Quality as a weighted index of overall watershed/ stream conditions on a scale of 5 (Excellent) to 1 (Very Poor)	2.7	2.6	2.6
Percent of Tree Coverage in County[1]	54%	54%	54%
Number of homes that could be powered as a result of County alternative power initiatives[2]	42,618	38,878	27,542
Solid Waste Recycled as a percentage of the waste generated within the County (Calendar Year)	50%	50%	49%

(1) Prior estimates of 50% tree cover in FY 2015 and FY 2016 have been revised based on an analysis of satellite imagery
(2) The Energy-from-Waste Facility was shut down for 5 months during FY 2017, impacting alternative energy generation

The Environmental Stewardship Vision Element demonstrates the County's continued commitment to the environment. Fairfax County has long recognized the need for proactive policies and initiatives to address its environmental challenges. Environmental considerations are embedded into the County's policy and regulatory documents, and the County has pursued a myriad of environmental initiatives that continue to grow in number and complexity. The Board of Supervisors adopted the Environmental Excellence 20-year Vision Plan, also known as the Environmental Agenda, in 2004, and following an extensive review by both County staff and the public, the Board adopted an updated Environmental Vision on June 20, 2017. As articulated in the preface, the updated Environmental Vision document establishes, *"an overarching vision to attain a quality environment that provides for a high quality of life and is sustainable for future generations. These aspects of a quality of environment are essential for everyone living and working in Fairfax County. No matter what* *income, age, gender, ethnicity, or address, everyone has a need and a right to breathe clean air, to drink clean water and to live and work in a quality environment."*

The updated Environmental Vision is premised on the same two principles originally adopted by the Board in 2004. First, that "conservation of our limited resources must be interwoven into all government decisions", and, second, that "the Board must be committed to providing the necessary funds and resources to protect and improve our environment for better quality of life now and for future generations."

Major changes to the Environmental Vision include the addition of a new section addressing Climate and Energy, refinements to the scope of the initial six core sections and the addition of environmental vision statements and supporting objectives. The Vision now includes sections on Land Use, Transportation, Water, Waste Management, Parks and Ecological Resources, Climate and Energy, and Environmental Stewardship. The Board of Supervisors' updated Environmental Vision is available online at https://www.fairfaxcounty.gov/environment/environmental-vision.

In support of the regional goal of attaining the federal ambient air quality standard for ozone levels, Fairfax County is committed to minimizing **unhealthy air days** as measured and defined by all criteria pollutants. Fairfax County has implemented air quality improvement strategies that include reducing County vehicle emissions through the purchase of hybrid vehicles, diesel retrofits and the use of ultra-low sulfur fuel, not allowing refueling of County vehicles except emergency vehicles on Code Red Days, encouraging County residents to use the FAIRFAX CONNECTOR bus on Code Red Days, teleworking, not allowing mowing of grass at County properties on Code Red Days, use of low Volatile Organic Compound (VOC) paints, promoting County building energy efficiency programs, tree canopy and planting activities, green building actions, community outreach and maintaining standards and procedures that promote healthy air. In addition, the Fairfax County Department of Transportation has a number of initiatives supporting transit and other forms of alternative transportation in Fairfax County, including transportation demand management strategies, ridesharing incentives, and infrastructure improvements to improve pedestrian and bicycle safety and connectivity. Please see Agency 40, Department of Transportation, Fund 40000, County Transit Systems, and Fund 40010, County and Regional Transportation Projects, for additional information.

Air quality monitoring in the County is conducted by the Virginia Department of Environmental Quality (DEQ). The EPA calculates the Air Quality Index (AQI) for five major air pollutants regulated by the Clean Air Act: ground-level ozone, particulate matter, carbon monoxide, sulfur dioxide, and nitrogen dioxide. The Air Quality Index for the criteria pollutants assigns colors to levels of health concern, code orange indicating unhealthy for sensitive groups; code red – unhealthy for everyone and purple - very unhealthy. The County uses the same color indicator on unhealthy air days. Air quality, although reported as a key County indicator, should be distinguished in a regional context. The number of unhealthy air days for sensitive groups in the Metropolitan area in calendar year 2017 was 8, down from 13 in calendar year 2016, as reported by Metropolitan Washington Council of Governments (MWCOG). The County continues to work with MWCOG and the Clean Air Partners, a volunteer, non-profit organization chartered by the MWCOG, and the Baltimore Metropolitan Council (BMC) to examine the adequacy of current air pollution control measures and practices, education and notification processes, and codes and regulations to make further progress.

Stream quality in Fairfax County may affect residents' recreational use of streams and other water bodies as well as the quality of drinking water. Monitoring the health of waterways and preparing watershed management plans provide a head start for the County in satisfying the federal and state regulatory requirements as dictated by the County's MS4 permit and Total Maximum Daily Loads (TMDLs) already established for several streams. Since 2006, significant resources have been expended towards the watershed improvement program which implements water quality improvement projects such as retrofits to existing stormwater management facilities, new stormwater management facilities, low impact development (LID) practices and stream restorations. Fairfax County has taken significant steps toward meeting the goal of improving stream conditions countywide and contributing to the restoration of the Chesapeake Bay.

Since 2004, a stratified random selection procedure has been used to identify monitoring sites used for assessing and reporting the overall ecological condition of the County's streams each year. A stream quality indicator (SQI) was developed from the annual benthic macroinvertebrate monitoring data to establish overall watershed/stream conditions countywide. The SQI is an index value ranging from 5 to 1, with the following qualitative interpretations associated with the index values: 5 (Excellent), 4 (Good), 3 (Fair), 2 (Poor) to 1 (Very Poor). The SQI had fluctuated over the last eleven years between 2.0 at its low and 2.9 at its highest level as the County strives to meet the goal of a future average stream quality index value of 3 or greater (Fair to Good stream quality). Fluctuations in the SQI score are to be expected as sites are selected randomly and could result in more good or bad sites being selected year to year. Variability in annual weather patterns (i.e. drought or snowfall) may also affect these fluctuations. In FY 2017, the SQI held steady from the previous year at 2.6.

Fairfax County's urban forest is critical to enhancing the livability and sustainability of our community. Tree canopy (**Tree Coverage**) improves air quality, water quality, stormwater management, carbon sequestration, energy conservation and human health and well-being. Management of the trees within urban forests to maximize the multitude of benefits they provide to residents is an essential step in successfully reaching the commitments and goals of the Board of Supervisor's Environmental Agenda, the Tree Action Plan, the Cool Counties Climate Stabilization Initiative, and other County public health, livability and sustainability initiatives and programs. Tree coverage in the County is expressed as the percent of the County's land mass covered by the canopies of trees.

Tree cover data is not collected each year; high resolution satellite imagery studies were conducted in 2011 and 2015 and analyzed by the University of Vermont's Geospatial Laboratory. Analysis published in March of 2017 which utilized state-of-the-art urban tree canopy detection techniques estimated that the County has a tree canopy level of approximately 54 percent and estimated that the actual increase in tree canopy between 2011 and 2015 to be about 1 percent. Please note that prior conservative estimates of 50 percent tree cover for FY 2015 and FY 2016 have been revised to 54 percent tree cover based on the University of Vermont analysis. Similarly, tree cover is projected to remain at approximately 54 percent in FY 2017 and beyond. These estimates will be revised following the next data collection and analysis cycle, tentatively planned for 2019.

Alternative power initiatives highlight County efforts to contribute to pollution prevention through the use of cleaner, more efficient energy sources. These initiatives are expressed through the actions of the Fairfax County Solid Waste Management Program (SWMP) by its ability to generate or harness energy from municipal solid waste (MSW). Electrical energy generated by combusting MSW in an Energy-from-Waste Facility (EfW) and combusting landfill gas captured by decomposing MSW in reciprocating internal combustion engines can be expressed as the equivalent number of homes that could be powered by energy realized from alternative sources. In FY 2017, the equivalent number of homes powered by alternatively generated electrical energy was 27,542 homes. The EfW was shut down with no electric generation from February through June FY 2017 due to a catastrophic fire. For the seven months of operation in FY 2017, the household equivalence increased from the two prior years, but the five month outage resulted in an overall decrease in generation. Landfill gas is also used as an alternative fuel to natural gas to generate heat for several County facilities and to operate pollution control equipment at the Noman Cole Pollution Control Plant. In FY 2017, that use was the equivalent of 200,000 therms of natural gas.

Solid waste management is a key environmental responsibility of Fairfax County. Fairfax County manages trash and **recycling** according to the solid waste hierarchy that prefers reduction, reuse and recycling before incineration or landfilling. The County's Solid Waste Management Program (SWMP) has responsibility for providing a system for municipal solid waste generated as documented in the 20-Year Solid Waste Management Plan approved by the Board of Supervisors in May 2015. This plan, mandated by state law and administered by the Virginia Department of Environmental Quality (DEQ), documents the County's integrated management system and provides long-range planning for waste disposal and recycling for the next 20 years. The County's solid waste program provides opportunities for both residents and businesses to properly manage waste that they generate. Residents can recycle bottles, cans, paper, cardboard, motor oil, antifreeze, and used cooking oil at the County's two solid waste management complexes. Fairfax County continues to administer and enforce requirements to recycle paper, cardboard, glass, plastic and metal food and beverage containers from all residential properties. Non-residential properties are required to have paper and cardboard recycling. The County's recycling rate is calculated on a calendar year basis according to a procedure defined by state regulations and is due to the Virginia Department of Environmental Quality on April 30 of each calendar year. The annual countywide recycling rate, as reported to the Department of Environmental Quality, was 49 percent for calendar year 2017, which exceeds the state-mandated requirement of 25 percent.

Creating a Culture of Engagement: Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual
Volunteerism for Public Health and Community Improvement (Medical Reserve Corps and Volunteer Fairfax)[1]	23,609	15,799	16,666
Volunteer hours leveraged by the Consolidated Community Funding Pool	440,351	463,571	383,738
Residents completing educational programs about local government (includes Citizens Police Academy and Fairfax County Youth Leadership Program)	142	180	214
Percent of registered voters who voted in general and special elections	45.7%	30.3%	76.0%
Percent of Park Authority, Fairfax County Public Schools, and Community and Recreation Services athletic fields adopted by community groups	28.6%	29.0%	29.2%

[1] FY 2015 indicators increase associated with a Volunteer Fairfax contract to provide recruitment for the World Police & Fire Games – Fairfax 2015. Output indicators include directly placed volunteers and hours.

Volunteerism for Public Health and Community Improvement is strongly evident in two local programs: the **Medical Reserve Corps (MRC) and Volunteer Fairfax.** Fairfax County benefits greatly from citizens who are knowledgeable about and actively involved in community programs and initiatives. Nationally, the Medical Reserve Corps (MRC) consists of more than 200,000 volunteers organized into 1,000 individual units, whose purpose is to build strong, healthy, and prepared communities. At the local level, over 500 active medical and non-medical volunteers serve in the Fairfax MRC. Volunteers participate in trainings, exercises and response activities to augment local resources that serve Fairfax residents prior to, during, and after a public health emergency. To be classified as an "active" MRC volunteer, individuals must complete three mandatory trainings (total time commitment is about 10 hours) – MRC orientation, introduction to the National Incident Management System (NIMS), and introduction to the Incident Command System (ICS) in their first year with the program. In addition, they must participate in at least one activity in subsequent years to maintain "active" status.

During FY 2017, more than 35 training and exercise opportunities were provided to Fairfax MRC volunteers for a total of 1,894 training hours. New training opportunities were also provided, such as the Adult Mental Health Training, Active Shooter Training, STOP the BLEED and the Pediatric Care in Disasters Training. Also, the Office of Emergency Preparedness (OEP) kicked-off the Medical Countermeasure Training and Exercise Series in early 2017. In less than one year, 83 MRC volunteers were trained in the 4 hours hands-on Point-of-Dispensing Training and 46 volunteers dedicated 167 hours to support three Setup/Demobilization Drills conducted at Centreville High School, Robinson High School, and Mclean High School, the Language Drill and the full-scale Dispensing Exercise at the Centreville High School. In addition, 51 volunteers dedicated 563 hours supporting Fairfax County Public Schools by conducting vision and hearing screenings at 38 various schools across the county; 23 medical and non-medical volunteers were also involved in the Tuberculosis response, with 160 hours dedicated to support the Point-of-Testing clinics and Call Center; 14 medical volunteers contributed 121 hours during regional deployments in support of our federal partners for the 58th Presidential Inauguration - BLS Medical Operations and the Tour de Cure event organized by the American Diabetes Association. During FY 2017, Fairfax MRC volunteers contributed 4,428 hours for a total value of $125,285. Current and future efforts are focused on enhancing volunteer skills and capabilities by increasing the number of volunteers that have completed their required training, increasing volunteer engagement in emergency preparedness and response-related as well as routine public health and outreach activities, and recruiting diverse volunteers that better-represent the population of the County. The Fairfax MRC will continue to engage volunteers with beneficial training and exercise opportunities to better prepare them to support the Fairfax County Health Department in responding to natural and man-made disasters and emergencies.

Volunteer Fairfax, a private, nonprofit corporation (created in 1975) to promote volunteerism through a network of over 500 nonprofit agencies, has mobilized people and other resources to meet regional community needs. Volunteer Fairfax connects individuals, youth, seniors, families and corporations to volunteer opportunities, honors volunteers for their hard work and accomplishments, and educates the nonprofit sector on best practices in volunteer and nonprofit management. To make volunteering easy and accessible for all who wish to serve, Volunteer Fairfax uses an easy-to-use online database that provides immediate information and referral to individuals, civic groups, and corporations. People of all ages can access between 250 and 400 active volunteer opportunities by searching by mission type and geographic location as well as requested skills. They also offer board member matching through this system.

Volunteer Fairfax is also active in disaster preparation and response. In Fairfax County's Emergency Operation Plan they are responsible for the Volunteer and Donation Management annexes coordinating spontaneous volunteers in a disaster situation. Over the past three years they have worked to make Fairfax County a more resilient community by bringing together faith communities, homeowner and civic associations, nonprofits, businesses and the county government to create district-specific Community Resiliency Groups (CRGs). These CRGs have been trained and conducted exercises to further enhance pre-disaster preparation. Volunteer Fairfax is one of 250 local volunteer centers affiliated with the national Points of Light.

Through various programs and services, Volunteer Fairfax has referred or connected 15,961 individuals in FY 2017 which equates to 43,162 hours volunteers contributed to Fairfax County with a value of $1.1 million. Volunteer Fairfax specially recognized 217 volunteers who have given outstanding service to the County during their annual Volunteer Service Awards program.

Volunteerism not only reflects a broad-based level of engagement with diverse organizations and residents throughout Fairfax County, but also greatly benefits County residents through the receipt of expertise and assistance at minimal cost to the County. As indicated by the number of volunteer hours garnered by the **Consolidated Community Funding Pool** (CCFP), there is a strong nucleus and core of invested volunteers who participate in vital community programs, and they make a difference in the community. Numbers fluctuate from year to year since new and revamped programs are funded every two years.

In addition to its many volunteer opportunities, Fairfax County has designed several programs to educate citizens about local government. The **Citizens Police Academy** is an educational outreach program designed to provide a unique "glimpse behind the badge" as participants learn about police department policies, procedures, and the men and women who compose an organization nationally recognized as a leader in the law enforcement community. Participants learn about the breadth of resources involved in preventing and solving crime and the daily challenges faced by Fairfax County police officers. The Fairfax County Police Department hosts five programs under the CPA concept. Academies for adults are held twice a year and are ten weeks in duration. Classes meet one night a week for 3.5 hours and are a combination of lecture, tour, and hands-on activities. In 2016 the FCPD launched a series of three-hour forums around the county to provide a brief overview of the FCPD and its use of force policies. The FCPD also hosts three programs for young adults each summer. Police Leaders of Tomorrow is a week-long program for young adults (18-24 years of age) of ethnic and racial diversity who are interested in law enforcement careers. The Teen Police Academy is a week-long program for high school students enrolled in criminal justice classes and provides scenario-based training. Future Women Leaders in Law Enforcement is a week-long program for high school girls who are interested in exploring careers in law enforcement. The Fairfax County Citizens Police Academy was selected "best in the nation" in 2009 by the National Citizens Police Academy Association (NCPAA). In FY 2017, 183 residents completed a CPA course.

The **Fairfax County Youth Leadership Program** is designed to educate and motivate high school students to become engaged citizens and leaders in the community. This is a very selective program with one to two students from each of the County's 25 high schools represented. The students are chosen based on a range of criteria including student activities and awards, written essays and recommendations. During a one-year period, the program includes a series of monthly sessions about County government, work assignments related to each session, a summer internship in a County agency and a presentation to 8th grade civics students. The goal of this initiative is to inspire young people to become citizens who will share their ideas and bring their energy to local government.

Fairfax County has a civic-minded population. Voter participation levels in Fairfax County reflect a community that is well informed, engaged, and involved with local government to address community needs and opportunities. The percent of Fairfax County residents voting in recent elections generally exceeds state averages. Turnout for the November 2016 General Election for federal offices (FY 2017) was 76.0 percent; the increase in voter turnout is due to the presidential election. The County's 76.0 percent turnout represents 432,111 citizens who voted at the polls on Election Day and 131,618 voters who applied for absentee ballots. In addition, more than 3,600 civic minded citizens volunteered at County polling places to conduct the 2016 Election.

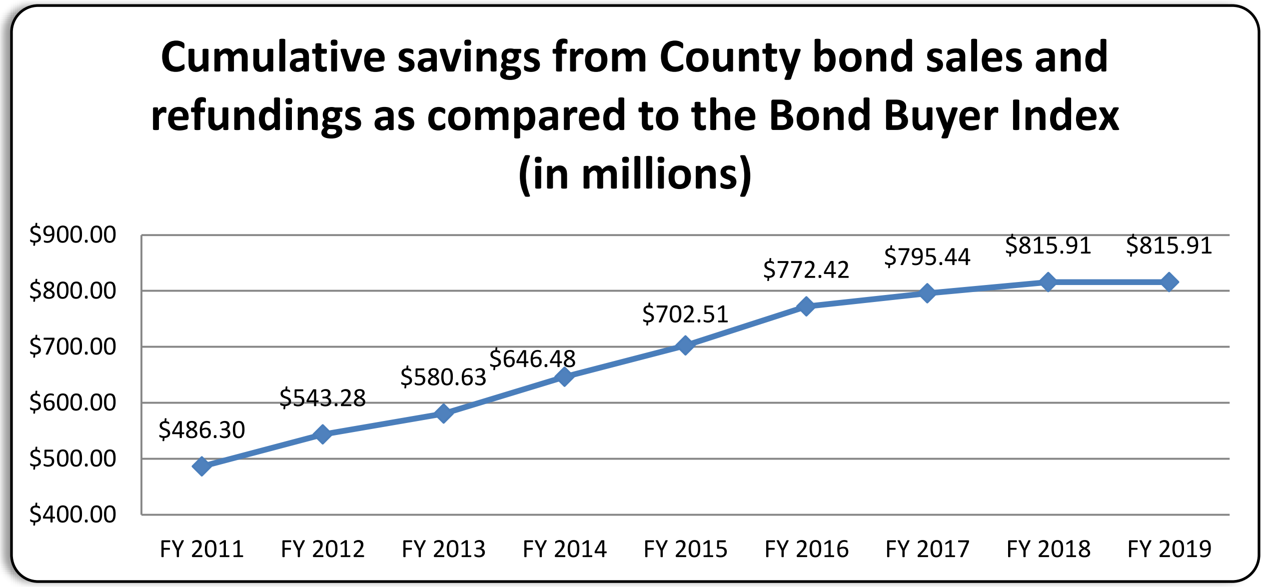
Another aspect of an engaged community is the extent to which residents take advantage of opportunities to improve their physical surroundings and to maintain the facilities they use. Community groups have adopted 29.2 percent athletic fields.. Athletic field adoptions reduce the County's financial burden to maintain these types of public facilities and improve their quality. Analysis indicates that organizations in Fairfax County annually provide over $4 million in support for facility maintenance and development. In addition to natural turf field maintenance, community organizations continue to develop synthetic turf fields by partnering with the County and funding the development independently. New incentives have recently been put into place to encourage groups to maintain and increase adoptions despite the current economic climate. The Department of Neighborhood and Community Services, Fairfax County Park Authority (FCPA), and Fairfax County Public Schools (FCPS) continue to work with a very involved athletic community to design and implement the FCPS diamond field maintenance plan. This plan established an enhanced level of consistent and regular field maintenance at school softball and baseball fields. This benefits both scholastic users as well as community groups that are reliant upon use of these fields to operate their sports programs throughout the year.

Exercising Corporate Stewardship: Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Key County Indicators	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
Average tax collection rate for Real Estate Taxes, Personal Property Taxes and Business, Professional, and Occupational License Taxes	99.69%	99.65%	99.58%	99.49%	99.49%
County direct expenditures per capita	$1,196	$1,242	$1,276	$1,361	$1,371
Percent of household income spent on residential Real Estate Tax	4.82%	4.92%	5.09%	5.04%	5.10%
County (merit regular) positions per 1,000 citizens	11.02	10.97	10.97	10.99	11.00
Number of consecutive years receipt of highest possible bond rating from major rating agencies (Aaa/AAA/AAA)	37	38	39	40	41
Cumulative savings from both County bond sales as compared to the Bond Buyer Index and County refundings (in millions)	$702.51	$772.42	$795.44	$815.91	$815.91
Number of consecutive years receipt of unqualified audit	34	35	36	37	38

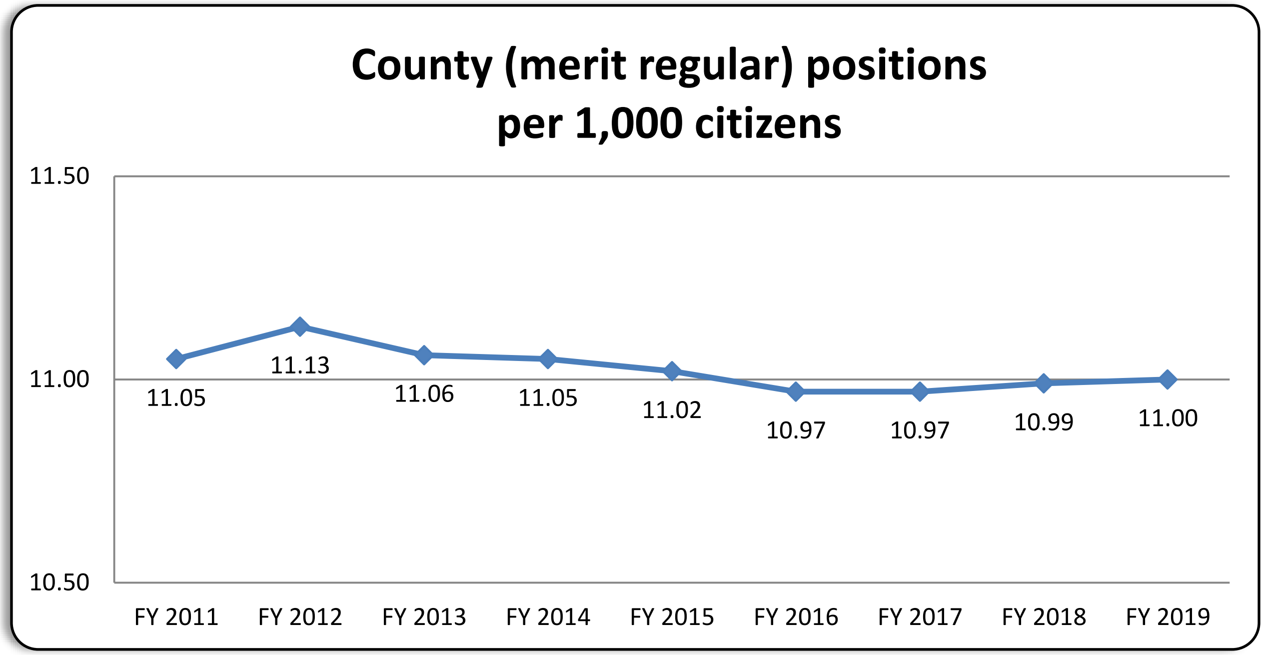
The Corporate Stewardship Vision Element is intended to demonstrate the level of effort and success that the County has in responsibly and effectively managing the public resources allocated to it. The County is well regarded for its strong financial management as evidenced by its long history of high quality financial management and reporting (See chart above for "**number of consecutive years receipt of highest possible bond rating" and "unqualified audit"**). The Board of Supervisors adopted *Ten Principles of Sound Financial Management* on October 22, 1975, to ensure prudent and responsible allocation of County resources. These principles, which are reviewed, revised and updated as needed to keep County policy and practice current, have resulted in the County receiving and maintaining a Aaa bond rating from Moody's Investors Service since 1975, AAA from Standard and Poor's Corporation since 1978 and AAA from Fitch Investors Services since 1997. Maintenance of the highest rating from the major rating agencies has resulted in significant flexibility for the County in managing financial resources generating **cumulative savings from County**

bond sales and refundings of $815.91 million since 1978. This savings was achieved as a result of the strength of County credit compared to other highly rated jurisdictions on both new money bond sales and refundings of existing debt at lower interest rates. This means that the interest costs that need to be funded by County revenues are significantly lower than they would have been if the County was not so highly regarded in financial circles as having a thoughtful and well implemented set of fiscal policies.



Recent recognitions of sound County management include continuing annual recognition by the Government Finance Officers Association (GFOA) for excellence in financial reporting and budgeting, and receipt of the International City/County Management Association (ICMA) 2017 Certificate of Excellence for the County's use of performance data from 15 different government service areas (such as police, fire and rescue, libraries, etc.) to achieve improved planning and decision-making, training, and accountability. Only 25 jurisdictions participating in ICMA's Center for Performance Measurement earned this prestigious award in 2017.

The success in managing County resources has been accompanied by the number of **merit regular positions per 1,000 citizens** being managed very closely. Since FY 1992 the ratio has declined from 13.57 to 11.00 in FY 2019. The ratio has declined since FY 2014 due to limited position growth while the County population has increased at a faster rate. The long-term decline in the positions to citizen ratio indicates a number of efficiencies and approaches - success in utilizing technology, best management processes and success in identifying public-private partnerships and/or contractual provision of service.



The County consistently demonstrates success in maintaining high **average tax collection rates,** which results in equitable distribution of the burden of local government costs to fund the wide variety of County programs and services beneficial to all residents.

County direct expenditures per capita of $1,371 in FY 2019 represent a slight increase from FY 2018. Recent budgets have accommodated operating adjustments for new facilities, critical infrastructure requirements, population growth and workload increases with modest expenditure increases by enduring significant budget reductions in recognition of the delicate balance between providing an appropriate level of services to residents while minimizing the financial impact to taxpayers. More cost per capita data, including data showing how much Fairfax County spends in each of the program areas, is included at the beginning of each program area section in Volume 1 of the FY 2019 Adopted Budget Plan. The jurisdictions selected for comparison are the Northern Virginia localities as well as those with a population of 100,000 or more elsewhere in the state (the Auditor of Public Accounts for the Commonwealth of Virginia collects this data and publishes it annually). Fairfax County's cost per capita in each of the program areas is highly competitive with others in the state.

The **percent of household income spent on residential Real Estate Tax** reflects an increase from FY 2018 primarily due to an increase in the Real Estate Taxes per "typical' household resulting from growth in the mean assessed value of residential properties within the County and an increase in the Real Estate Tax rate. It should be noted that Fairfax County continues to rely heavily on the Real Estate Tax at least in part due to the lack of tax diversification options for counties in Virginia. In FY 2019, real property taxes represent **65.2** percent of total General Fund revenues.

Ignite: Fairfax County Public Schools (FCPS) Strategic Plan

The School Board's Strategic Plan was prepared to Ignite the hearts and minds of the community to ensure that every student receives the best possible education, preparing them for their best possible futures. Each year, the School Board is updated on the four Ignite goals, which include:

Ignite Goals
- Student Success
- Caring Culture
- Premier Workforce
- Resource Stewardship

Mission
Fairfax County Public Schools, a world-class school system, inspires and empowers students to meet high academic standards, lead ethical lives, and be responsible and innovative global citizens.

Beliefs
- We Believe in Our Children.
- We Believe in Our Teachers.
- We Believe in Our Public Education System.
- We Believe in Our Community.

Vision
- Looking to the Future
- Commitment to Opportunity
- Community Support
- Achievement
- Accountability

Portrait of a Graduate
1. Communicator
2. Collaborator
3. Ethical and Global Citizen
4. Creative and Critical Thinker
5. Goal-Directed and Resilient Individual

School system performance is monitored regularly throughout the year by the School Board to assure that reasonable progress is being made toward achieving the student achievement goals and that the system is complying with the Board's operational expectations.

Fairfax County PUBLIC SCHOOLS
ENGAGE • INSPIRE • THRIVE

FCPS Overview
- **In FY 2018, FCPS' total approved membership is 189,022; nation's 10th largest school district.**
- **198 schools and centers.**
- **Full-day kindergarten at all elementary schools.**
- **Needs-based staffing at all schools.**
- **Over ninety-one percent of FCPS graduates plan to continue to post-secondary education.**
- **In 2017, Thomas Jefferson High School of Science and Technology was ranked by *U.S. News and World Report* as the number six gold medal school and number two for the best STEM school in the nation.**

FCPS is Efficient
- **FCPS ranks 5th when compared to other local districts in average cost per pupil (FY 2018 WABE Guide).**

FCPS students scored an average of 1187 on the SAT, exceeding both the state and national average for 2016-2017 school year:

FCPS	1187
VA	1095
Nation	1044

General Fund Statement

FY 2019

Adopted Budget Plan

FY 2019 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Beginning Balance	**$166,089,457**	**$106,708,719**	**$212,812,947**	**$125,387,744**	**$126,151,342**	**($86,661,605)**	**(40.72%)**
Revenue							
Real Property Taxes	$2,601,545,806	$2,649,504,731	$2,650,038,663	$2,802,541,647	$2,790,371,574	$140,332,911	5.30%
Personal Property Taxes [1]	401,593,500	400,452,300	402,370,716	412,116,481	411,966,088	9,595,372	2.38%
General Other Local Taxes	513,759,923	515,390,893	514,949,763	521,305,877	521,305,877	6,356,114	1.23%
Permit, Fees & Regulatory Licenses	52,201,079	50,891,047	52,950,742	53,009,977	53,009,977	59,235	0.11%
Fines & Forfeitures	12,725,041	11,684,270	12,089,035	12,178,536	12,178,536	89,501	0.74%
Revenue from Use of Money & Property	29,542,600	32,280,345	41,761,989	49,159,119	49,159,119	7,397,130	17.71%
Charges for Services	81,485,018	81,370,947	81,097,289	81,868,225	81,868,225	770,936	0.95%
Revenue from the Commonwealth [1]	306,236,265	310,510,318	310,510,318	308,565,119	309,465,119	(1,045,199)	(0.34%)
Revenue from the Federal Government	42,957,562	32,175,146	33,279,913	35,682,621	35,682,621	2,402,708	7.22%
Recovered Costs/Other Revenue	16,923,470	16,480,180	16,317,223	16,636,952	16,636,952	319,729	1.96%
Total Revenue	**$4,058,970,264**	**$4,100,740,177**	**$4,115,365,651**	**$4,293,064,554**	**$4,281,644,088**	**$166,278,437**	**4.04%**
Transfers In							
Fund 40030 Cable Communications	$3,869,872	$3,772,651	$3,772,651	$3,877,319	$3,877,319	$104,668	2.77%
Fund 40080 Integrated Pest Management	141,000	141,000	141,000	141,000	141,000	0	0.00%
Fund 40100 Stormwater Services	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	0	0.00%
Fund 40140 Refuse Collection and Recycling Operations	548,000	548,000	548,000	548,000	548,000	0	0.00%
Fund 40150 Refuse Disposal	577,000	626,000	626,000	626,000	626,000	0	0.00%
Fund 40160 Energy Resource Recovery (ERR) Facility	49,000	0	0	0	0	0	-
Fund 40170 I-95 Refuse Disposal	186,000	186,000	186,000	186,000	186,000	0	0.00%
Fund 69010 Sewer Operation and Maintenance	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	0	0.00%
Fund 80000 Park Revenue	820,000	820,000	820,000	820,000	820,000	0	0.00%
Total Transfers In	**$10,165,872**	**$10,068,651**	**$10,068,651**	**$10,173,319**	**$10,173,319**	**$104,668**	**1.04%**
Total Available	**$4,235,225,593**	**$4,217,517,547**	**$4,338,247,249**	**$4,428,625,617**	**$4,417,968,749**	**$79,721,500**	**1.84%**
Direct Expenditures							
Personnel Services	$781,231,428	$829,082,703	$819,991,788	$865,206,541	$865,206,541	$45,214,753	5.51%
Operating Expenses	356,484,148	349,315,086	398,244,486	362,769,688	362,769,688	(35,474,798)	(8.91%)
Recovered Costs	(35,621,117)	(36,588,399)	(37,475,592)	(37,942,821)	(37,942,821)	(467,229)	1.25%
Capital Equipment	2,143,040	116,058	4,838,027	354,744	354,744	(4,483,283)	(92.67%)
Fringe Benefits	347,497,198	370,918,880	374,536,830	389,922,233	389,922,233	15,385,403	4.11%
Total Direct Expenditures	**$1,451,734,697**	**$1,512,844,328**	**$1,560,135,539**	**$1,580,310,385**	**$1,580,310,385**	**$20,174,846**	**1.29%**

FY 2019 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Transfers Out							
Fund S10000 School Operating	$1,913,518,902	$1,966,919,600	$1,966,919,600	$2,055,269,600	$2,051,659,207	$84,739,607	4.31%
Fund S31000 School Construction	13,100,000	13,100,000	13,100,000	15,600,000	15,600,000	2,500,000	19.08%
Fund 10010 Revenue Stabilization [2]	22,316,221	5,221,570	24,264,285	6,886,872	6,527,583	(17,736,702)	(73.10%)
Fund 10020 Community Funding Pool	11,141,700	11,141,700	11,141,700	11,698,785	11,698,785	557,085	5.00%
Fund 10030 Contributory Fund	13,298,773	13,467,254	13,794,771	13,674,778	13,674,778	(119,993)	(0.87%)
Fund 10040 Information Technology	4,770,240	4,770,240	9,485,617	4,770,240	3,254,750	(6,230,867)	(65.69%)
Fund 20000 County Debt Service	136,752,654	146,035,225	146,035,225	149,052,944	149,052,944	3,017,719	2.07%
Fund 20001 School Debt Service	189,870,099	189,130,953	189,130,953	193,381,033	193,381,033	4,250,080	2.25%
Fund 30000 Metro Operations and Construction	13,557,955	13,557,955	13,557,955	20,695,098	20,695,098	7,137,143	52.64%
Fund 30010 General Construction and Contributions	25,516,384	17,115,923	37,256,048	16,161,476	16,161,476	(21,094,572)	(56.62%)
Fund 30020 Infrastructure Replacement and Upgrades	10,503,138	1,825,953	11,390,244	1,700,600	0	(11,390,244)	(100.00%)
Fund 30060 Pedestrian Walkway Improvements	1,045,571	500,000	1,693,507	600,000	600,000	(1,093,507)	(64.57%)
Fund 30070 Public Safety Construction	0	0	350,000	0	0	(350,000)	(100.00%)
Fund 40000 County Transit Systems	34,929,649	34,429,649	34,429,649	36,151,131	36,151,131	1,721,482	5.00%
Fund 40040 Fairfax-Falls Church Community Services Board	126,077,551	130,429,318	130,429,318	135,445,375	135,445,375	5,016,057	3.85%
Fund 40330 Elderly Housing Programs	1,923,159	1,837,024	1,837,024	1,862,722	1,862,722	25,698	1.40%
Fund 50000 Federal/State Grants	5,480,836	5,106,999	5,106,999	5,486,978	5,486,978	379,979	7.44%
Fund 60000 County Insurance	27,888,115	24,184,081	26,533,081	24,236,650	24,236,650	(2,296,431)	(8.65%)
Fund 60020 Document Services Division	3,941,831	3,941,831	3,941,831	3,941,831	3,941,831	0	0.00%
Fund 60030 Technology Infrastructure Services	0	0	500,000	0	0	(500,000)	(100.00%)
Fund 73030 OPEB Trust	14,500,000	10,490,000	10,490,000	10,490,000	10,490,000	0	0.00%
Fund 83000 Alcohol Safety Action Program	545,171	572,561	572,561	684,916	684,916	112,355	19.62%
Total Transfers Out	**$2,570,677,949**	**$2,593,777,836**	**$2,651,960,368**	**$2,707,791,029**	**$2,700,605,257**	**$48,644,889**	**1.83%**
Total Disbursements	**$4,022,412,646**	**$4,106,622,164**	**$4,212,095,907**	**$4,288,101,414**	**$4,280,915,642**	**$68,819,735**	**1.63%**
Total Ending Balance	**$212,812,947**	**$110,895,383**	**$126,151,342**	**$140,524,203**	**$137,053,107**	**$10,901,765**	**8.64%**
Less:							
Managed Reserve [3]	$106,471,193	$110,657,857	$126,032,663	$136,648,797	$136,934,428	$10,901,765	8.65%
Reserve for Potential FY 2018 One-Time Requirements [4]	237,526	237,526				0	-
Reserve for Board Adjustments [5]				3,875,406		0	-
Reserve for Potential FY 2019 One-Time Requirements [6]			118,679		118,679	0	0.00%
Total Available	**$106,104,228**	**$0**	**$0**	**$0**	**$0**	**$0**	**-**

FY 2019 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised

[1] 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 Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

[2] 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. As a result of reserve adjustments included in the FY 2019 Adopted Budget Plan, the FY 2019 projected balance in the Revenue Stabilization Fund is $214.69 million, or 5.02 percent of total General Fund disbursements.

[3] 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 2019 Adopted Budget Plan, the FY 2019 projected balance in the Managed Reserve is $136.93 million, or 3.20 percent of total General Fund disbursements.

[4] As part of the FY 2018 Adopted Budget Plan, an amount of $237,526 was set aside in reserve to address potential FY 2018 one-time requirements. As part of the *FY 2017 Carryover Review*, an amount of $798,352 was added to the reserve for a total of $1,035,878. This one-time funding was utilized as part of the *FY 2018 Third Quarter Review*.

[5] As part of the FY 2019 Advertised Budget Plan, an amount of $3,875,406 was available for the consideration of the Board of Supervisors during their deliberations on the FY 2019 budget. This funding, along with additional funding identified during the mark-up process, is utilized as part of the FY 2019 Adopted Budget Plan.

[6] As part of the *FY 2018 Third Quarter Review*, an amount of $118,679 was set aside in reserve to address portential FY 2019 one-time requirements.

FY 2019 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

#	Agency Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
	Legislative-Executive Functions / Central Services							
01	Board of Supervisors	$5,119,620	$5,925,237	$5,966,713	$6,126,534	$6,126,534	$159,821	2.68%
02	Office of the County Executive	6,144,887	6,713,575	6,780,758	7,061,851	7,061,851	281,093	4.15%
06	Department of Finance	8,133,917	8,610,967	9,373,508	8,782,805	8,782,805	(590,703)	(6.30%)
11	Department of Human Resources	7,445,747	7,454,411	7,490,566	7,693,713	7,693,713	203,147	2.71%
12	Department of Procurement and Material Management	4,605,772	4,792,666	5,029,628	7,164,763	7,164,763	2,135,135	42.45%
13	Office of Public Affairs	1,355,375	1,563,193	1,741,870	1,722,104	1,722,104	(19,766)	(1.13%)
15	Office of Elections	5,110,511	4,073,433	4,559,584	4,169,525	4,169,525	(390,059)	(8.55%)
17	Office of the County Attorney	7,336,650	7,537,381	8,980,530	7,825,694	7,825,694	(1,154,836)	(12.86%)
20	Department of Management and Budget	4,405,080	4,897,568	4,987,365	5,203,443	5,203,443	216,078	4.33%
37	Office of the Financial and Program Auditor	304,006	385,525	385,490	400,704	400,704	15,214	3.95%
41	Civil Service Commission	403,690	442,846	469,846	454,134	454,134	(15,712)	(3.34%)
42	Office of the Independent Police Auditor	31,566	305,992	304,625	316,377	316,377	11,752	3.86%
57	Department of Tax Administration	24,372,328	24,570,373	24,633,363	25,942,250	25,942,250	1,308,887	5.31%
70	Department of Information Technology	33,033,566	32,945,658	33,546,893	35,088,139	35,088,139	1,541,246	4.59%
	Total Legislative-Executive Functions / Central Services	**$107,802,715**	**$110,218,825**	**$114,250,739**	**$117,952,036**	**$117,952,036**	**$3,701,297**	**3.24%**
	Judicial Administration							
80	Circuit Court and Records	$11,188,953	$11,375,052	$11,448,412	$11,763,757	$11,763,757	$315,345	2.75%
82	Office of the Commonwealth's Attorney	3,645,935	3,923,319	3,943,739	4,083,927	4,083,927	140,188	3.55%
85	General District Court	3,437,878	4,135,049	4,573,472	4,231,416	4,231,416	(342,056)	(7.48%)
91	Office of the Sheriff	19,842,293	19,466,601	20,492,992	19,977,092	19,977,092	(515,900)	(2.52%)
	Total Judicial Administration	**$38,115,059**	**$38,900,021**	**$40,458,615**	**$40,056,192**	**$40,056,192**	**($402,423)**	**(0.99%)**
	Public Safety							
04	Department of Cable and Consumer Services	$784,119	$831,288	$831,288	$860,438	$860,438	$29,150	3.51%
31	Land Development Services	11,221,116	10,585,413	11,833,782	12,265,578	12,265,578	431,796	3.65%
81	Juvenile and Domestic Relations District Court	22,497,461	23,185,328	23,607,637	24,479,926	24,479,926	872,289	3.69%
90	Police Department	188,739,414	192,718,611	196,245,133	203,479,070	203,479,070	7,233,937	3.69%
91	Office of the Sheriff	44,259,060	49,280,493	50,693,957	50,763,097	50,763,097	69,140	0.14%
92	Fire and Rescue Department	197,564,768	202,961,036	208,101,069	209,376,423	209,376,423	1,275,354	0.61%
93	Office of Emergency Management	1,621,214	1,853,283	2,555,417	1,903,057	1,903,057	(652,360)	(25.53%)
96	Department of Animal Sheltering	1,059,204	2,478,434	2,518,460	2,625,643	2,625,643	107,183	4.26%
97	Department of Code Compliance	4,280,255	4,471,929	4,462,826	4,630,445	4,630,445	167,619	3.76%
	Total Public Safety	**$472,026,611**	**$488,365,815**	**$500,849,569**	**$510,383,677**	**$510,383,677**	**$9,534,108**	**1.90%**

FY 2019 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Public Works							
08 Facilities Management Department	$56,926,000	$58,047,741	$60,267,249	$59,200,956	$59,200,956	($1,066,293)	(1.77%)
25 Business Planning and Support	1,229,661	1,070,611	1,110,399	1,015,756	1,015,756	(94,643)	(8.52%)
26 Office of Capital Facilities	13,564,334	14,186,577	14,443,985	14,675,931	14,675,931	231,946	1.61%
87 Unclassified Administrative Expenses	3,183,977	3,948,694	4,517,035	3,948,694	3,948,694	(568,341)	(12.58%)
Total Public Works	**$74,903,972**	**$77,253,623**	**$80,338,668**	**$78,841,337**	**$78,841,337**	**($1,497,331)**	**(1.86%)**
Health and Welfare							
67 Department of Family Services	$195,786,482	$203,879,132	$206,736,191	$218,353,739	$218,353,739	$11,617,548	5.62%
68 Department of Administration for Human Services[1]	12,968,369	13,685,589	13,899,489	0	0	(13,899,489)	(100.00%)
71 Health Department	56,929,531	59,315,897	61,656,448	62,427,094	62,427,094	770,646	1.25%
73 Office to Prevent and End Homelessness	12,716,696	12,779,820	13,765,266	14,354,529	14,354,529	589,263	4.28%
77 Office of Strategy Management for Health and Human Services	0	0	0	3,863,769	3,863,769	3,863,769	--
79 Department of Neighborhood and Community Services	29,108,033	29,800,759	30,665,098	31,136,968	31,136,968	471,870	1.54%
Total Health and Welfare	**$307,509,111**	**$319,461,197**	**$326,722,492**	**$330,136,099**	**$330,136,099**	**$3,413,607**	**1.04%**
Parks and Libraries							
51 Fairfax County Park Authority	$24,242,804	$24,604,681	$25,216,740	$26,590,585	$26,590,585	$1,373,845	5.45%
52 Fairfax County Public Library	27,393,934	28,444,876	30,193,097	29,364,003	29,364,003	(829,094)	(2.75%)
Total Parks and Libraries	**$51,636,738**	**$53,049,557**	**$55,409,837**	**$55,954,588**	**$55,954,588**	**$544,751**	**0.98%**
Community Development							
16 Economic Development Authority	$7,570,637	$7,638,060	$7,873,060	$7,840,615	$7,840,615	($32,445)	(0.41%)
31 Land Development Services	15,640,328	15,474,075	16,987,654	16,160,968	16,160,968	(826,686)	(4.87%)
35 Department of Planning and Zoning	10,939,825	11,200,554	13,763,597	11,618,294	11,618,294	(2,145,303)	(15.59%)
36 Planning Commission	792,008	829,747	831,316	857,046	857,046	25,730	3.10%
38 Department of Housing and Community Development	6,111,477	6,370,366	6,664,147	6,845,003	6,845,003	180,856	2.71%
39 Office of Human Rights and Equity Programs	1,571,750	1,581,246	1,703,855	1,797,169	1,797,169	93,314	5.48%
40 Department of Transportation	8,179,714	8,220,725	9,103,453	8,583,491	8,583,491	(519,962)	(5.71%)
Total Community Development	**$50,805,739**	**$51,314,773**	**$56,927,082**	**$53,702,586**	**$53,702,586**	**($3,224,496)**	**(5.66%)**
Nondepartmental							
87 Unclassified Administrative Expenses	$19,812	$1,973,787	$8,796,784	$1,973,787	$1,973,787	($6,822,997)	(77.56%)
89 Employee Benefits	348,914,940	372,306,730	376,381,753	391,310,083	391,310,083	14,928,330	3.97%
Total Nondepartmental	**$348,934,752**	**$374,280,517**	**$385,178,537**	**$393,283,870**	**$393,283,870**	**$8,105,333**	**2.10%**
Total General Fund Direct Expenditures	**$1,451,734,697**	**$1,512,844,328**	**$1,560,135,539**	**$1,580,310,385**	**$1,580,310,385**	**$20,174,846**	**1.29%**

[1] As part of a Health and Human Services realignment, administrative functions provided by Agency 68, Department of Administration for Human Services (DAHS), are decentralized to individual agencies to ensure regulatory, financial and program compliance and to more effectively support each agency's specialized service needs. DAHS is replaced by a new agency, Agency 77, Office of Strategy Management for Health and Human Services.

General Fund Revenue Overview

FY 2019

Adopted Budget Plan

SUMMARY OF GENERAL FUND REVENUE AND TRANSFERS IN

Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Change from the FY 2019 Advertised Budget Plan Increase/ (Decrease)	Change from the FY 2019 Advertised Budget Plan Percent Change
Real Estate Taxes - Current and Delinquent	$2,601,545,806	$2,649,504,731	$2,650,038,663	$2,802,541,647	$2,790,371,574	($12,170,073)	(0.43%)
Personal Property Taxes - Current and Delinquent[1]	612,907,444	611,766,244	613,684,660	623,430,425	623,280,032	(150,393)	(0.02%)
Other Local Taxes	513,759,923	515,390,893	514,949,763	521,305,877	521,305,877	0	0.00%
Permits, Fees and Regulatory Licenses	52,201,079	50,891,047	52,950,742	53,009,977	53,009,977	0	0.00%
Fines and Forfeitures	12,725,041	11,684,270	12,089,035	12,178,536	12,178,536	0	0.00%
Revenue from Use of Money/Property	29,542,600	32,280,345	41,761,989	49,159,119	49,159,119	0	0.00%
Charges for Services	81,485,018	81,370,947	81,097,289	81,868,225	81,868,225	0	0.00%
Revenue from the Commonwealth and Federal Government[1]	137,879,883	131,371,520	132,476,287	132,933,796	133,833,796	900,000	0.68%
Recovered Costs / Other Revenue	16,923,470	16,480,180	16,317,223	16,636,952	16,636,952	0	0.00%
Total Revenue	**$4,058,970,264**	**$4,100,740,177**	**$4,115,365,651**	**$4,293,064,554**	**$4,281,644,088**	**($11,420,466)**	(0.27%)
Transfers In	10,165,872	10,068,651	10,068,651	10,173,319	10,173,319	0	0.00%
Total Receipts	**$4,069,136,136**	**$4,110,808,828**	**$4,125,434,302**	**$4,303,237,873**	**$4,291,817,407**	**($11,420,466)**	**(0.27%)**

[1] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

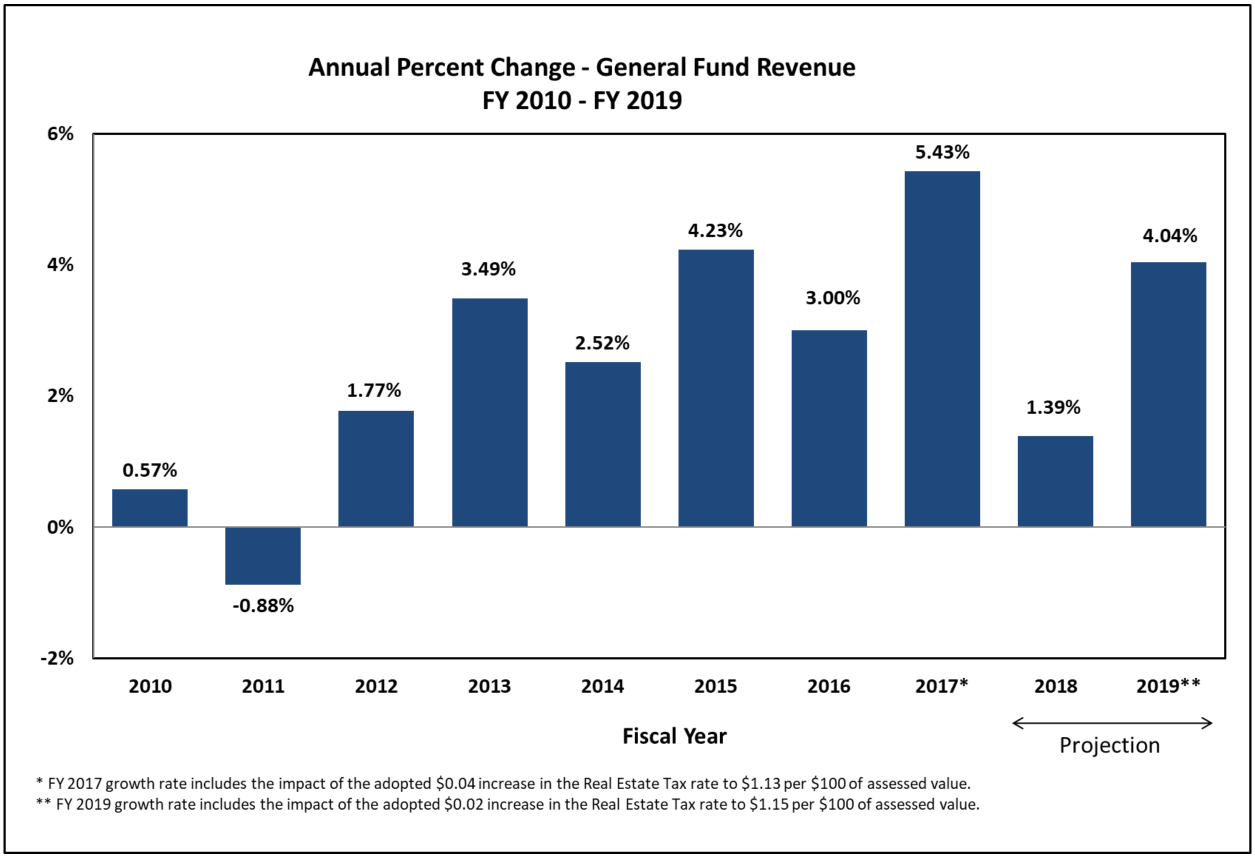
As reflected in the preceding table, FY 2019 General Fund revenues are projected to be $4,281,644,088, a decrease of $11,420,466 or 0.3 percent from the FY 2019 Advertised Budget Plan. The decrease is primarily the result of the adoption of a Real Estate tax rate of $1.15 per $100 of assessed value, a half-cent decrease from the proposed rate of $1.155. Partially offsetting the decrease is an increase in Revenue from the Commonwealth.

The FY 2019 General Fund revenue represents an increase of $166,278,437, or 4.04 percent, over the *FY 2018 Revised Budget Plan*, which contains the latest FY 2018 revenue estimates, and an increase of $180,903,911, or 4.41 percent, over the FY 2018 Adopted Budget Plan. The net increase is primarily the result of a $140.3 million increase over the *FY 2018 Revised Budget Plan* in Real Estate Tax revenue due to a rise in FY 2019 real estate assessments and an increase in the Real Estate Tax rate from $1.13 to $1.15 per $100 of assessed value. Most other County revenue categories are projected to experience moderate growth over FY 2018.

Incorporating Transfers In, FY 2019 General Fund receipts are anticipated to be $4,291,817,407. The Transfers In to the General Fund total $10.2 million and reflect $3.9 million from Fund 40030, Cable Communications, $2.9 million from Fund 69010, Sewer Operation and Maintenance, $1.1 million from Fund 40100, Stormwater Services, and $2.3 million from various other funds for indirect support provided by the County's General Fund agencies.

The following chart shows General Fund revenue growth since FY 2010. Revenues have risen at a modest rate, averaging annual increases of 2.3 percent in the period from FY 2010 to FY 2016. General Fund revenue in FY 2017 increased 5.43 percent primarily as a result of a 2.98 percent rise in real estate assessments and a 4-cent increase in the Real Estate tax rate. FY 2018 revenue is expected to increase 1.39 percent as a result of a 1.89 percent rise in real estate assessments, as well as modest growth in other revenue categories. General Fund revenue growth of 4.04 percent is projected in FY 2019.

General Fund Revenue Overview



Economic Indicators

In 2017, real Gross Domestic Product (GDP) grew at a rate of 2.3 percent, which outperformed the 1.5 percent growth experienced in 2016. The U.S. economy continued to expand during the first quarter of 2018 at a rate of 2.3 percent.

In May, the unemployment rate fell to 3.8 percent, the lowest level since April 2000. The U.S. economy also continued to add jobs at a solid clip, with 223,000 jobs added in May, the 92nd consecutive month of job creation. The closely watched average hourly earnings metric rose at an annualized rate of 2.7 percent. Most economists expect the momentum to continue; however, a further decrease in the unemployment rate, particularly if coupled with accelerated wage growth, is a cause for some to be concerned about the prospect of higher inflation and faster Fed tightening to prevent the overheating of the economy.

After increasing the target range for the federal funds rate for the first time in almost a decade back in December 2015, the Federal Reserve raised the rate again in December 2016 and continued raising it at a gradual pace throughout 2017. The Fed has indicated that two more interest rate hikes are likely in 2018 on top of the one already approved in March.

Home prices nationwide continued their rise in 2018. According to the S&P/Case-Shiller home price index, home prices were up 6.8 percent for the 12 months ending March. Since 2010, construction of single family homes has been substantially below the long-term average of about one million new homes annually. According to the National Association of Realtors, the available inventory of homes for sale is at its lowest level since 2005 at less than 4-months' supply compared to a "normal" market of 6-months' supply. Until supply increases faster than home sales, or the economy slows significantly, home prices are likely to continue to rise. Home prices in the Washington Metropolitan area posted a more modest 3.0 percent gain in March compared to a year ago.

The Washington region's economy has been expanding since the contraction experienced in 2013 and 2014 as a result of the sequester. In 2017, the level of growth was almost on par with that of the national economy in spite of the absence of significant federal spending increases and the diminishing share of the federal sector in the regional economy. According to Dr. Stephen Fuller, a George Mason University professor, federal government spending in the region, which accounted for almost 40 percent of the Gross Regional Product back in 2010, declined to an estimated 30 percent by 2017. Dr. Fuller expects a positive economic trajectory for the Washington region in 2018.

The labor market in Fairfax County has shown continued improvement and has recovered from the job losses in 2013 and 2014, when employment fell 0.6 percent and 1.2 percent, respectively. In September 2017, there were almost 4,400 more jobs in the County compared to September 2016, an increase of 0.7 percent. Employment in the Professional and Business Services sector, which includes most federal contractors, lost almost 12,600 jobs in 2013 and 2014 and remained flat in 2015. In 2016, employment in this sector increased by more than 2,300 jobs and growth has extended through the first three quarters of 2017. However, as of September 2017, the number of jobs in the sector is still 3.3 percent below the 2012 level. The County's unemployment rate is 2.7 percent as of March 2018, down from 3.1 percent in March 2017.

According to estimates from IHS, the County's Gross County Product (GCP), adjusted for inflation, increased at a rate of 1.5 percent in 2017, after essentially being level in 2016. Growth is projected to accelerate in 2018. The positive 2018 outlook is supported by continued job growth, personal earnings growth, and high consumer confidence. While its impact will not be immediate, the added stimulus by the federal tax reform approved in early 2018 is expected to also reinforce the economy. The federal budget deal approved in early February eliminated the threat of sequestration and increased federal funding for defense and domestic programs. It should pave the way for a measure of stability for the regional economy through at least September 2019. On the national level, potential risks for the future performance of the economy include the extended business cycle, which is almost in its ninth year of expansion, structural imbalances, volatility in the stock market and rising interest rates. Still, most economists expect an above average year for the U.S. economy.

Local Housing Market

Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose 4.3 percent from $544,416 in 2016 to $567,829 in 2017. Home prices continue to increase primarily as a result of tight inventory of homes for sale and low mortgage interest rates. Since 2009, the average home sales price has risen 36.1 percent, or an average annual growth of 3.9 percent.

MRIS also reported that 16,109 homes sold in the County in 2017, up 2.3 percent over 2016. Homes that sold during 2017 were on the market for an average of 45 days, down from 52 days in 2016.

Local Nonresidential Market
According to the Fairfax County Economic Development Authority, the direct office vacancy rate was 15.5 percent at year-end 2017, down from 15.8 percent at year-end 2016. The overall office vacancy rate, which includes empty sublet space, was 16.3 percent at the end of 2017, down from 16.8 percent recorded at year-end 2016. The amount of empty office space dropped to 19.1 million square feet. Industry experts anticipate vacancy rates to remain relatively stable through 2018 as tenants monitor economic conditions and the direction of the federal budget.

Fairfax County ranks as the 19th most active office construction market nationally. At year-end 2017, 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 2.2 million square feet were underway in three submarkets in December 2017. More than 70 percent of the office space being built is leased or will be owner-occupied. The amount of new space delivered in 2017 – more than 870,000 square feet – exceeded the roughly 850,000 square feet delivered in 2016.

Office leasing activity topped 11.7 million square feet by the end of 2017, exceeding the 11 million projected pace. As has been the case for the past several years, the overwhelming majority of leasing activity during 2017 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 Corner, Reston and the Herndon area – are especially well-positioned to take advantage of this trend. More than 54 million square feet of new office space is in the development pipeline countywide. This “flight to quality,” however, results in vacancies in office space that is older and often farther from transit and amenities.

Revenue
In FY 2019, current and delinquent Real Estate Tax revenue comprises 65.2 percent of total County General Fund revenues. FY 2019 Real Estate property values were established as of January 1, 2018, and reflect market activity through calendar year 2017. The Real Estate Tax base is projected to increase 3.59 percent in FY 2019, and is made up of a 2.58 percent increase in total equalization (reassessment of existing residential and nonresidential properties), and an increase of 1.01 percent for new construction.

The FY 2018 and FY 2019 General Fund revenue estimates discussed in this section are based on a review of Fairfax County economic indicators, actual FY 2017 receipts, and FY 2018 year-to-date collection trends. Forecasts of economic activity in the County are provided by IHS and a variety of national economic forecasts are considered. Based on analysis of projected trends, revenue categories are expected to experience moderate growth through FY 2019.

MAJOR REVENUE SOURCES

The following major revenue categories discussed in this section comprise 98.6 percent of total FY 2019 General Fund revenue. Unless otherwise indicated, comparative data are presented relative to the FY 2019 Advertised Budget Plan. The revenue estimates for all General Fund Revenue categories are shown in the Summary Schedule of General Fund Revenues in the section of this volume titled "Financial, Statistical and Summary Tables."

						Change from the FY 2019 Advertised Budget Plan	
Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase / (Decrease)	Percent Change
Real Estate Tax - Current	$2,591,563,405	$2,640,543,716	$2,641,077,648	$2,793,580,632	$2,781,410,559	($12,170,073)	(0.44%)
Personal Property Tax							
Current[1]	597,493,770	598,013,157	598,944,181	608,689,946	608,539,553	(150,393)	(0.02%)
Paid Locally	386,179,826	386,699,213	387,630,237	397,376,002	397,225,609	(150,393)	(0.04%)
Reimbursed by Commonwealth	211,313,944	211,313,944	211,313,944	211,313,944	211,313,944	0	0.00%
Business, Professional and Occupational License Tax-Current	155,389,830	157,402,272	157,720,677	160,086,487	160,086,487	0	0.00%
Local Sales Tax	176,640,592	183,310,657	181,157,888	185,686,835	185,686,835	0	0.00%
Recordation/Deed of Conveyance Taxes	32,190,772	30,466,027	30,885,051	31,193,902	31,193,902	0	0.00%
Gas & Electric Utility Taxes	45,204,598	44,926,992	45,307,162	45,533,698	45,533,698	0	0.00%
Communications Sales Tax	14,265,995	14,825,739	12,966,249	10,528,299	10,528,299	0	0.00%
Vehicle License Fee	26,988,613	27,278,010	27,327,470	27,464,107	27,464,107	0	0.00%
Transient Occupancy Tax	22,578,980	21,581,091	21,581,091	22,120,618	22,120,618	0	0.00%
Cigarette Tax	6,838,274	6,968,664	6,594,603	6,561,630	6,561,630	0	0.00%
Permits, Fees and Regulatory Licenses	52,201,079	50,891,047	52,950,742	53,009,977	53,009,977	0	0.00%
Investment Interest	27,536,705	30,233,911	39,637,147	46,992,592	46,992,592	0	0.00%
Charges for Services	81,485,018	81,370,947	81,097,289	81,868,225	81,868,225	0	0.00%
Fines and Forfeitures	12,725,041	11,684,270	12,089,035	12,178,536	12,178,536	0	0.00%
Recovered Costs / Other Revenue	16,923,470	16,480,180	16,317,223	16,636,952	16,636,952	0	0.00%
Revenue from the Commonwealth and Federal Government[1]	137,879,883	131,371,520	132,476,287	132,933,796	133,833,796	900,000	0.68%
Total Major Revenue Sources	**$3,997,906,025**	**$4,047,348,200**	**$4,058,129,743**	**$4,235,066,232**	**$4,223,645,766**	**($11,420,466)**	**(0.27%)**

[1] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

REAL ESTATE TAX-CURRENT

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$2,591,563,405	$2,640,543,716	$2,641,077,648	$2,793,580,632	$2,781,410,559	($12,170,073)	(0.4%)

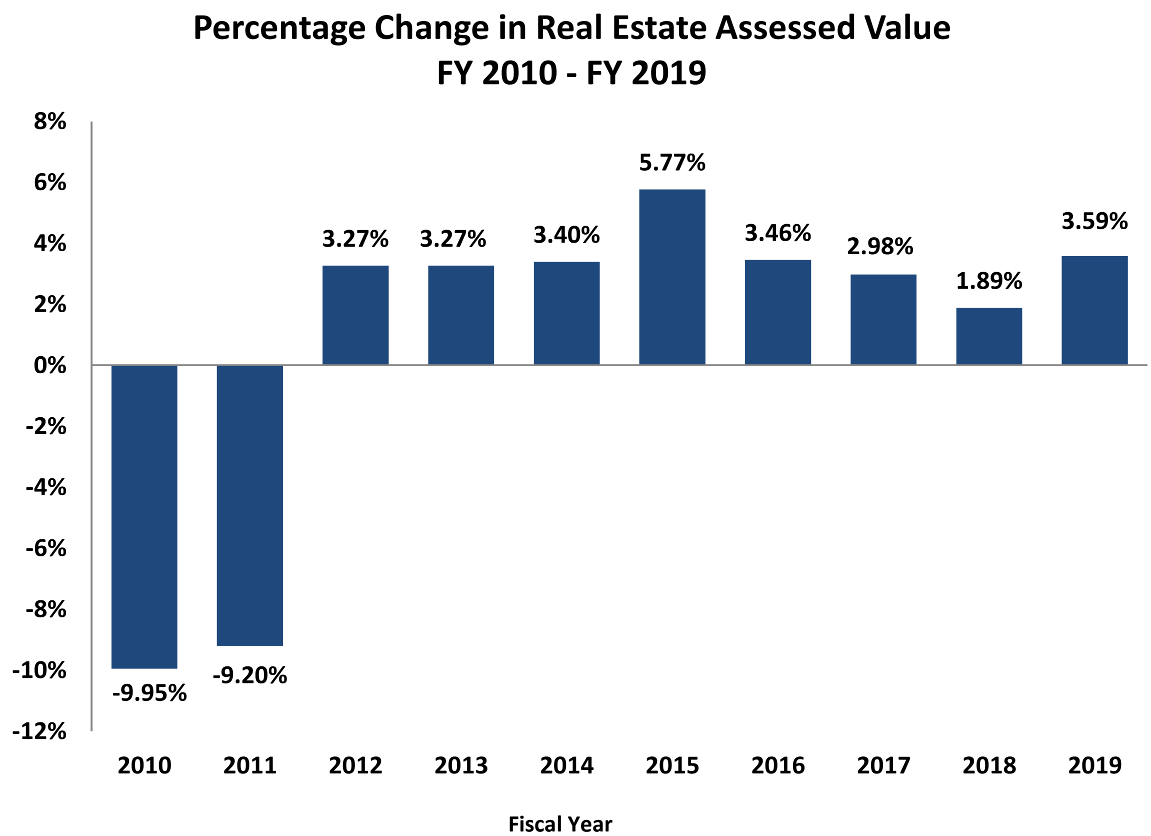
The FY 2019 Adopted Budget Plan estimate for Current Real Estate Taxes is $2,781,410,559 and represents a decrease of $12,170,073 or 0.4 percent from the FY 2019 Advertised Budget Plan estimate. The decrease is the result of the adoption of a Real Estate tax rate of $1.15 per $100 of assessed value, a half-cent decrease from the proposed rate of $1.155. Because the Real Estate tax rate impacts two classes of personal property, mobile homes and non-vehicle Public Service Corporation property, the FY 2019 Personal Property Tax estimate is also decreased by $0.15 million.

The FY 2019 value of assessed real property represents an increase of 3.59 percent, as compared to the FY 2018 Real Estate Land Book, and is comprised of an increase in equalization of 2.58 percent and an increase of 1.01 percent associated with new construction. The FY 2019 figures reflected in this document are based on final assessments for Tax Year 2018 (FY 2019), which were established as of January 1, 2018. In addition to the revenue shown in the table above, the projected value of one-half penny on the Real Estate Tax rate ($12.3 million) is allocated to The Penny for Affordable Housing Fund and $5.4 million is allocated to Fund 70040, Mosaic District Community Development Authority. Throughout FY 2019, Real Estate Tax revenues will be adjusted as necessary to reflect changes in exonerations, tax abatements, and supplemental assessments, as well as any differences in the projected collection rate of 99.70 percent.

The FY 2019 **Main Assessment Book Value** is $246,334,332,150 and represents an increase of $8,543,169,950, or 3.59 percent, over the FY 2018 main assessment book value of $237,791,162,200.

From FY 2005 through FY 2007, the assessment base experienced double digit advances. Deceleration began in FY 2008, when the assessment base rose just 4.15 percent, and continued in FY 2009 with a modest increase of 0.51 percent. Following the financial crisis and a general decline in economic conditions, the FY 2010 assessment base declined 9.95 percent, which was the largest drop on record. The assessment base decreased for a second consecutive year in FY 2011, declining 9.20 percent. Since then, the assessment base increased 3.27 percent in both FY 2012 and FY 2013, 3.40 percent in FY 2014, 5.77 percent in FY 2015, 3.46 percent in FY 2016, 2.98 percent in FY 2017, and 1.89 percent in FY 2018.

The following chart shows changes in the County's assessed value base from FY 2010 to FY 2019.



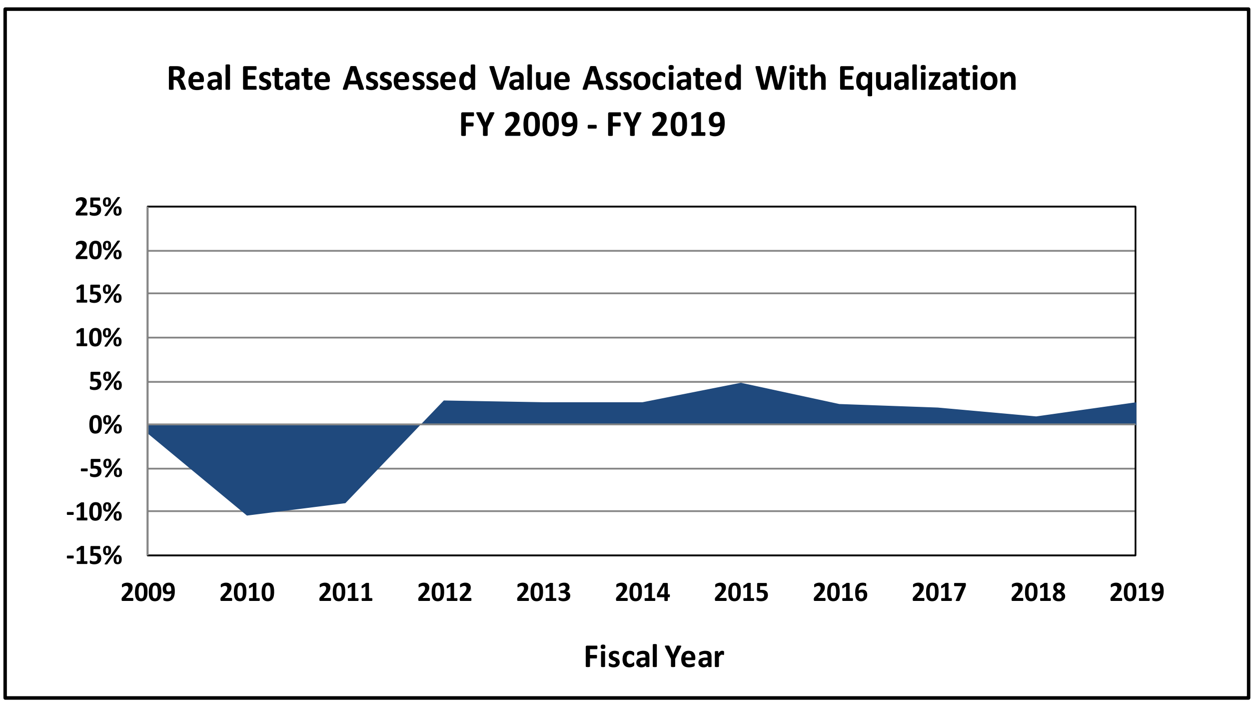
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equalization	-10.52%	-8.98%	2.67%	2.53%	2.63%	4.84%	2.40%	1.94%	0.97%	2.58%
Res	-12.55	-5.56	2.34	0.71	3.50	6.54	3.39%	1.64%	0.68%	2.17%
NonRes	-4.51	-18.29	3.73	8.21	0.14	-0.10	-0.60%	2.87%	1.85%	3.79%
Growth	0.57%	-0.22%	0.60%	0.74%	0.77%	0.93%	1.06%	1.04%	0.92%	1.01%
TOTAL	-9.95%	-9.20%	3.27%	3.27%	3.40%	5.77%	3.46%	2.98%	1.89%	3.59%

The overall change in the assessment base is comprised of **equalization** and **normal growth.** For reporting purposes, individual properties are identified as being in either the equalization category or the growth category, but not both. Equalization properties are those whose values change due to market fluctuations. Growth is a category of properties whose value changes are also influenced by new construction, remodeling or rezonings. Once growth factors are identified, *the entire property value* is shown in the growth category, even though the property is also influenced by equalization. The FY 2019 assessment base reflects a total equalization increase of 2.58 percent and an increase of 1.01 percent associated with the growth component. As a result of changes in equalization and growth, the residential portion of the total assessment base decreased from 74.43 percent in FY 2018 to 73.81 percent in FY 2019. The following table reflects changes in the Real Estate Tax assessment base from FY 2013 through FY 2019.

Main Real Estate Assessment Book Value and Changes
(in millions)

Assessed Base Change Due To:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Equalization	**$4,904.1**	**$5,259.4**	**$10,026.1**	**$5,269.7**	**$4,401.5**	**$2,269.9**	**$6,140.1**
% Change	2.53%	2.63%	4.84%	2.40%	1.94%	0.97%	2.58%
Residential	0.71%	3.50%	6.54%	3.39%	1.64%	0.68%	2.17%
Nonresidential	8.21%	0.14%	(0.10%)	(0.60%)	2.87%	1.85%	3.79%
Normal Growth	**$1,440.4**	**$1,550.4**	**$1,922.0**	**$2,318.0**	**$2,362.6**	**$2,148.1**	**$2,403.1**
% Change	0.74%	0.77%	0.93%	1.06%	1.04%	0.92%	1.01%
Residential	0.26%	0.42%	0.51%	0.51%	0.56%	0.36%	0.57%
Nonresidential	2.26%	1.79%	2.13%	2.74%	2.54%	2.61%	2.29%
Total Change	**$6,344.5**	**$6,809.8**	**$11,948.1**	**$7,587.7**	**$6,764.2**	**$4,418.0**	**$8,543.2**
% Change	3.27%	3.40%	5.77%	3.46%	2.98%	1.89%	3.59%
Total Book	$200,263.3	$207,073.1	$219,021.3	$226,609.0	$233,373.1	$237,791.1	$246,334.3

Equalization, or reassessment of existing residential and nonresidential property, represents an increase in value of $6,140,093,010, or 2.58 percent, in FY 2019. Both residential and non-residential property values rose in FY 2019. Growth in non-residential equalization has been higher than that of residential equalization in the last three years. Overall, residential equalization reflects a 2.17 percent increase in FY 2019, compared to a 0.68 percent increase in FY 2018. Nonresidential equalization rose 3.79 percent. Changes in the assessment base as a result of equalization are shown in the following graph.



Residential equalization rose at double digit rates from FY 2002 through FY 2007 due to high demand but a limited supply of housing. Strong job growth, the easy availability of credit and profit-led speculation contributed to price appreciation in the local housing market. In FY 2008, FY 2009, FY 2010, and FY 2011, overall residential equalization declined 0.33 percent, 3.38 percent, 12.55 percent, and 5.56 percent, respectively, as the inventory of homes for sale grew and home prices fell in the County, as they did throughout the Northern Virginia area. After falling four consecutive years, the value of residential properties in the County increased in the last eight years: 2.34 percent in FY 2012, a slight 0.71 percent in FY 2013, 3.50 percent in FY 2014, 6.54 percent in FY 2015, 3.39 percent in FY 2016, 1.64 percent in FY 2017, 0.68 percent in FY 2018, and 2.17 percent in FY 2019. The total value of residential properties including new construction in FY 2019 is $181.9 billion.

The County's median assessment to sales ratio is in the mid-90 percent range, well within professional standards that assessments should be between 90 percent to 110 percent of the sales prices experienced in a neighborhood.

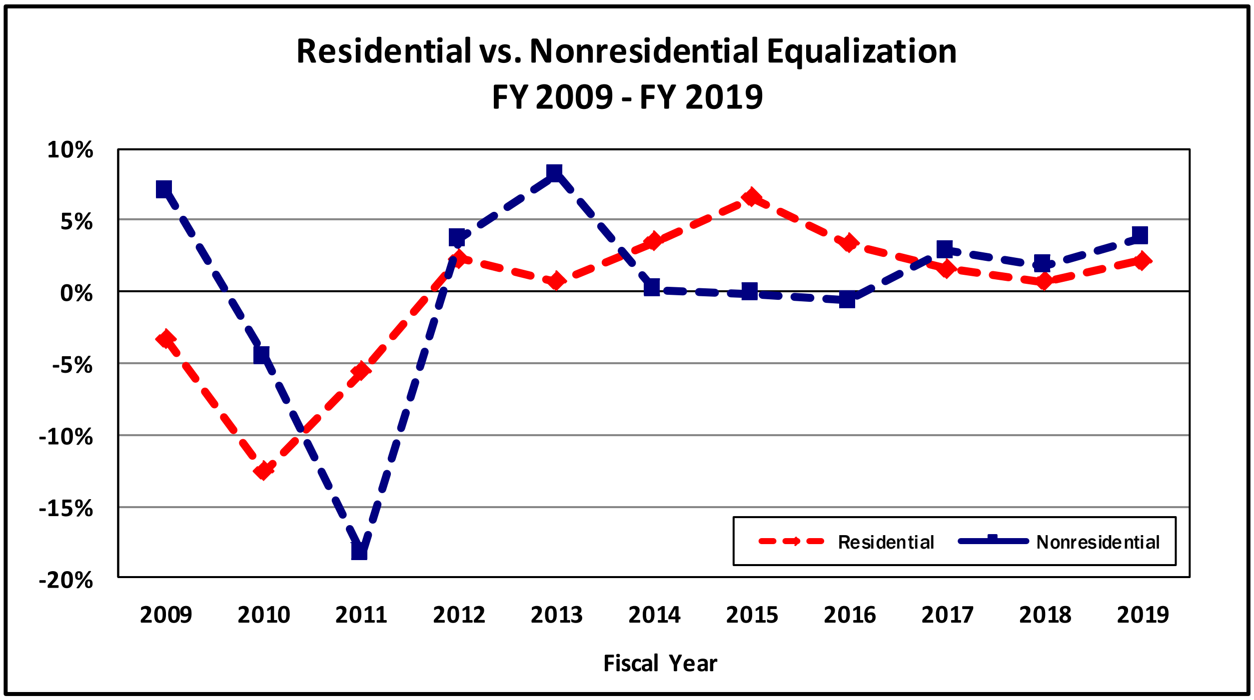
Overall, single family property values increased 2.11 percent in FY 2019. The value of single family homes has the most impact on the total residential base because they represent nearly 72 percent of the total. The value of townhouse properties increased 2.86 percent in FY 2019, while that of condominium properties increased 1.68 percent. Changes in residential equalization by housing type since FY 2014 are shown in the following table. Changes represented in this chart are for the category as a whole. Individual neighborhoods and properties may have increased or decreased by different percentages based on neighborhood selling prices.

Residential Equalization Changes

Housing Type/ (Percent of Base)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Single Family (71.7%)	3.13%	5.82%	3.27%	1.69%	0.62%	2.11%
Townhouse/Duplex (19.8%)	4.50%	8.39%	3.81%	2.05%	1.37%	2.86%
Condominiums (8.0%)	5.42%	10.51%	4.48%	0.73%	(0.32%)	1.68%
Vacant Land (0.4%)	2.89%	3.38%	3.03%	0.92%	0.03%	2.01%
Other (0.1%)[1]	4.74%	3.42%	2.56%	6.42%	9.52%	9.70%
Total Residential Equalization (100%)	**3.50%**	**6.54%**	**3.39%**	**1.64%**	**0.68%**	**2.17%**

[1] Includes, for example, affordable dwelling units, recreational use properties, and agricultural and forestal land use properties.

As a result of the increase in residential equalization, the mean assessed value of all residential property in the County is $547,219. This is an increase of $11,622 over the FY 2018 value of $535,597. At the adopted Real Estate tax rate of $1.15 per $100 of assessed value, the typical residential annual tax bill will rise, on average, $240.77 in FY 2019 to $6,293.02.



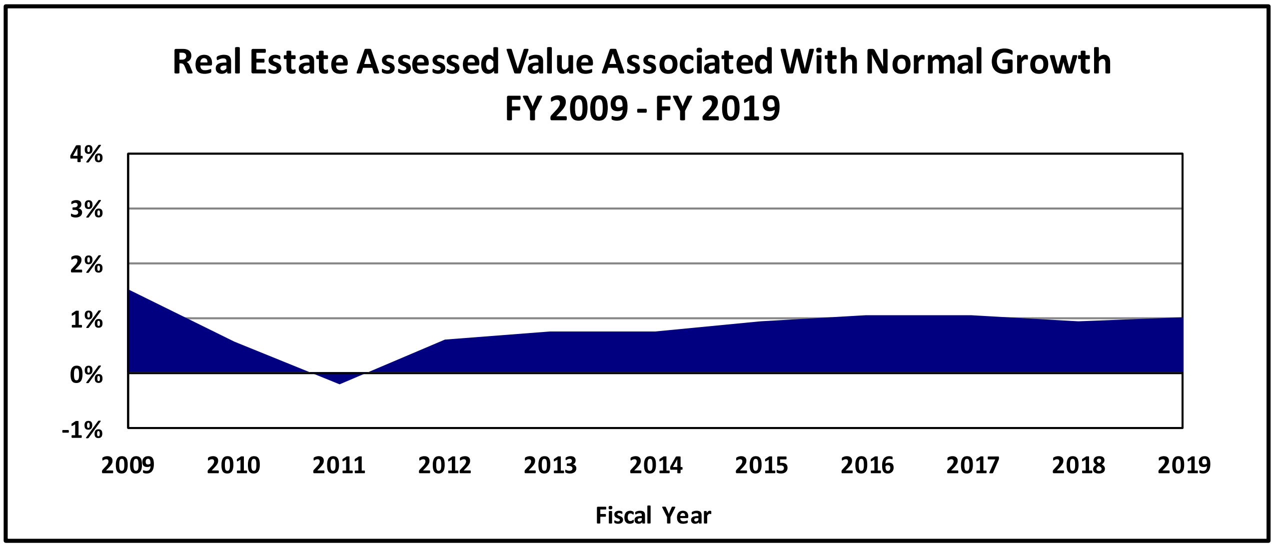
After experiencing a record decline of 18.29 percent in FY 2011, **nonresidential equalization** rebounded 3.73 percent in FY 2012, and a strong 8.21 percent in FY 2013. In FY 2014, nonresidential values stayed essentially level with FY 2013, increasing only 0.14 percent. In FY 2015 and FY 2016, nonresidential values decreased a slight 0.10 percent and another 0.60 percent, respectively, before increasing 2.87 percent in FY 2017 and 1.85 percent in FY 2018. In FY 2019, nonresidential values increased 3.79 percent due to equalization. The total value of nonresidential properties including new construction in FY 2019 is $64.5 billion.

The main cause for the higher FY 2019 increase in nonresidential values compared to the growth experienced in FY 2018 is the increase in the values of Office Elevator properties. Office Elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at 32.0 percent, experienced an increase of 2.82 percent in FY 2019 after declining 1.39 percent in FY 2018. Apartment values, which represent 24.3 percent of the total nonresidential base, rose 2.40 percent in FY 2019. Retail properties increased a strong 7.00 percent in FY 2019. Nonresidential equalization changes by category since FY 2014 are presented in the following table.

Nonresidential Equalization Changes

Category (Percent of Base)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Apartments (24.3%)	4.90%	3.59%	1.20%	2.92%	3.37%	2.40%
Office Condominiums (3.7%)	(0.66%)	(0.07%)	0.58%	1.86%	0.49%	1.19%
Industrial (6.7%)	0.69%	1.77%	5.83%	7.43%	(0.26%)	9.61%
Retail (17.6%)	1.18%	1.52%	2.46%	1.60%	7.39%	7.00%
Office Elevator (32.0%)	(2.41%)	(2.93%)	(4.67%)	3.42%	(1.39%)	2.82%
Office - Low Rise (2.8%)	(1.72%)	(2.41%)	(5.00%)	1.73%	1.39%	1.11%
Vacant Land (3.4%)	(0.74%)	(1.19%)	(4.62%)	1.50%	(1.17%)	(0.35%)
Hotels (3.3%)	(3.94%)	(4.82%)	0.26%	3.61%	(0.12%)	8.13%
Other (6.2%)	1.17%	2.37%	5.26%	3.70%	6.73%	6.13%
Nonresidential Equalization (100%)	**0.14%**	**(0.10%)**	**(0.60%)**	**2.87%**	**1.85%**	**3.79%**

The **Growth** component increased the FY 2019 assessment base by $2,403,076,940, or 1.01 percent, over the FY 2018 assessment book value. New construction increased the residential property base by 0.57 percent and nonresidential properties by 2.29 percent.



In addition to the final equalization and normal growth adjustments in the Main Assessment Book, the following projected adjustments were made to the FY 2019 Real Estate Tax revenue estimate:

Exonerations, Certificates and Tax Abatements are anticipated to reduce the Real Estate assessment base by $1,047.1 million in FY 2019, resulting in a reduction in levy of $12.0 million.

Additional Assessments expected to be included in the new Real Estate base total $500.0 million, or a levy increase of $5.8 million, and include both prorated assessments and additional supplemental assessments. Prorated assessments are supplemental assessments that include assessments which are made during the year for new construction that is completed subsequent to finalizing the original assessment book.

The Real Estate Tax Relief Program is projected to reduce the Real Estate assessment base in FY 2019 by $2,655.0 million. The reduction in tax levy due to the Tax Relief program is approximately $30.5 million at the adopted Real Estate tax rate of $1.15 per $100 of assessed value. In FY 2019, the income limits of the Tax Relief program provide 100 percent exemption for elderly and disabled taxpayers with incomes up to $52,000; 50 percent exemption for eligible applicants with income between $52,001 and $62,000; and 25 percent exemption if income is between $62,001 and $72,000. The allowable asset limit in FY 2019 is $340,000 for all ranges of tax relief. Veterans, who have a 100 percent permanent and total disability related to military service, or their surviving spouse, are eligible for full Real Estate Tax relief regardless of income or assets. In addition, the surviving spouse of a veteran who has been killed in action may be eligible for a full or partial exemption of real estate taxes for their principal residence and up to one acre of land. The table below shows FY 2019 income and asset thresholds for the Real Estate Tax Relief Program.

FY 2019 Real Estate Tax Relief Program	Income Limit	Asset Limit	Percent Relief
Elderly and Disabled	Up to $52,000	$340,000	100%
	Over $52,000 to $62,000		50%
	Over $62,000 to $72,000		25%
100% Disabled Veterans or Surviving Spouse	No Limit	No Limit	100%
Surviving Spouse of Veteran Killed in Action	No Limit	No Limit	full or partial based on mean assessed value

The FY 2019 local assessment base of $243,132,225,990 is derived from the main assessment book and subsequent adjustments discussed above. From this local assessment base, a local tax levy of $2,796,020,599 is calculated using the adopted Real Estate Tax rate of $1.15 per $100 of assessed value. Based on an expected local collection rate of 99.70 percent, revenue from local assessments is estimated to be $2,787,632,537. In FY 2019, every 0.01 percentage point change in the collection rate on the locally assessed Real Estate Tax levy yields a revenue change of $0.3 million, while every penny on the tax rate yields $24.6 million in revenue.

Added to the local assessment base is an estimated $998,645,367 in assessed value for Public Service Corporations (PSC) property. Using the adopted Real Estate tax rate of $1.15 per $100 of assessed value, the tax levy on PSC property is $11,484,422. The collection rate on PSC property is expected to be 100.0 percent.

The total assessment base, including Public Service Corporations, is $244,130,871,357, with a total tax levy of $2,807,505,021 at the adopted Real Estate Tax rate of $1.15 per $100 of assessed value. Estimated FY 2019 revenue from the Real Estate Tax, including receipts from Public Service Corporations totals $2,799,116,959. Of this amount, the approximate value of one-half cent on the Real Estate Tax rate, $12,300,000, has been directed to Fund 30300, The Penny for Affordable Housing Fund.

Mosaic District Community Development Authority (CDA) was created to assist commercial investment in the Merrifield area of the County. The Mosaic CDA issued bonds, the proceeds from which are to be used to finance certain public infrastructure improvements within the Mosaic District to support mixed-use development within the District. The CDA bonds are payable primarily from certain incremental real estate tax revenues collected by the County in the District. The Mosaic District Tax Increment Financing (TIF) assessed value is based on the difference between the 2007 Base Assessed Value and the Current Assessed Value, which in FY 2019 is $576,556,110, with a tax levy of $6,630,395 at the adopted Real Estate Tax rate of $1.15 per $100 of assessed value. Based on an expected collection rate of 99.70 percent, revenue from the Mosaic TIF tax assessment is estimated to be $6,610,504. Per the bond documents, the County is to transfer to the CDA only those tax increment revenues required for debt service payments, which equates to $5,406,400 in FY 2019. Accordingly, the difference of $1,204,104 will be retained in the General Fund. For more information, see Fund 70040, Mosaic District Community Development Authority, in Volume 2 of the budget.

FY 2019 Estimated Real Estate Assessments and Tax Levy

	Assessed Value	FY 2019 Tax Levy at $1.15/$100 of Assessed Value
FY 2018 Real Estate Book	$237,791,162,200	$2,734,598,365
FY 2019 Equalization	6,140,093,010	70,611,070
FY 2019 Growth	2,403,076,940	27,635,385
TOTAL FY 2019 REAL ESTATE BOOK	**$246,334,332,150**	**$2,832,844,820**
Exonerations	($990,000,000)	($11,385,000)
Certificates	(4,000,000)	(46,000)
Tax Abatements	(53,106,160)	(610,721)
Subtotal Exonerations	($1,047,106,160)	($12,041,721)
Supplemental Assessments	$500,000,000	$5,750,000
Tax Relief	(2,655,000,000)	(30,532,500)
Local Assessments	**$243,132,225,990**	**$2,796,020,599**
Public Service Corporation	$998,645,367	$11,484,422
TOTAL[1]	**$244,130,871,357**	**$2,807,505,021**

[1] Includes the Mosaic District Tax Increment Financing (TIF) assessed value based on the difference between the 2007 Base Assessed Value and the Current Assessed Value, which in FY 2019 is $576,556,110, with a tax levy of $6,630,395.

Total General Fund revenue from the Real Estate Tax is $2,781,410,559. The total local collection rates experienced in this category since FY 2004 are shown in the following table:

Real Estate Tax Local Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
2004	99.61%	**2012**	99.69%
2005	99.62%	**2013**	99.71%
2006	99.62%	**2014**	99.74%
2007	99.64%	**2015**	99.77%
2008	99.66%	**2016**	99.75%
2009	99.66%	**2017**	99.79%
2010	99.71%	**2018 (estimated)**[1]	99.70%
2011	99.67%	**2019 (estimated)**[1]	99.70%

[1] In FY 2019, every 0.1 percentage point change in the collection rate yields a revenue change of $2.8 million.

The Commercial/Industrial percentage of the County's FY 2019 Real Estate Tax base is 19.43 percent, an increase of 0.31 percentage point over the FY 2018 level of 19.12 percent. Commercial/Industrial property values as a percentage of the Real Estate Tax base increased in FY 2019 as a result of new office construction and a slower increase experienced in the residential portion of the Real Estate Tax base. The Commercial/Industrial percentage is based on Virginia land use codes and includes all nonresidential property except multi-family rental apartments, which make up 6.76 percent of the County's Real Estate Tax base in FY 2019. Fairfax County's historical Commercial/Industrial percentages are detailed in the following table:

Commercial/Industrial Percentages

Fiscal Year	Percentage	Fiscal Year	Percentage
2004	19.14%	**2012**	19.64%
2005	18.20%	**2013**	20.77%
2006	17.36%	**2014**	19.96%
2007	17.22%	**2015**	19.01%
2008	19.23%	**2016**	18.67%
2009	21.06%	**2017**	18.89%
2010	22.67%	**2018**	19.12%
2011	19.70%	**2019**	19.43%

PERSONAL PROPERTY TAX-CURRENT

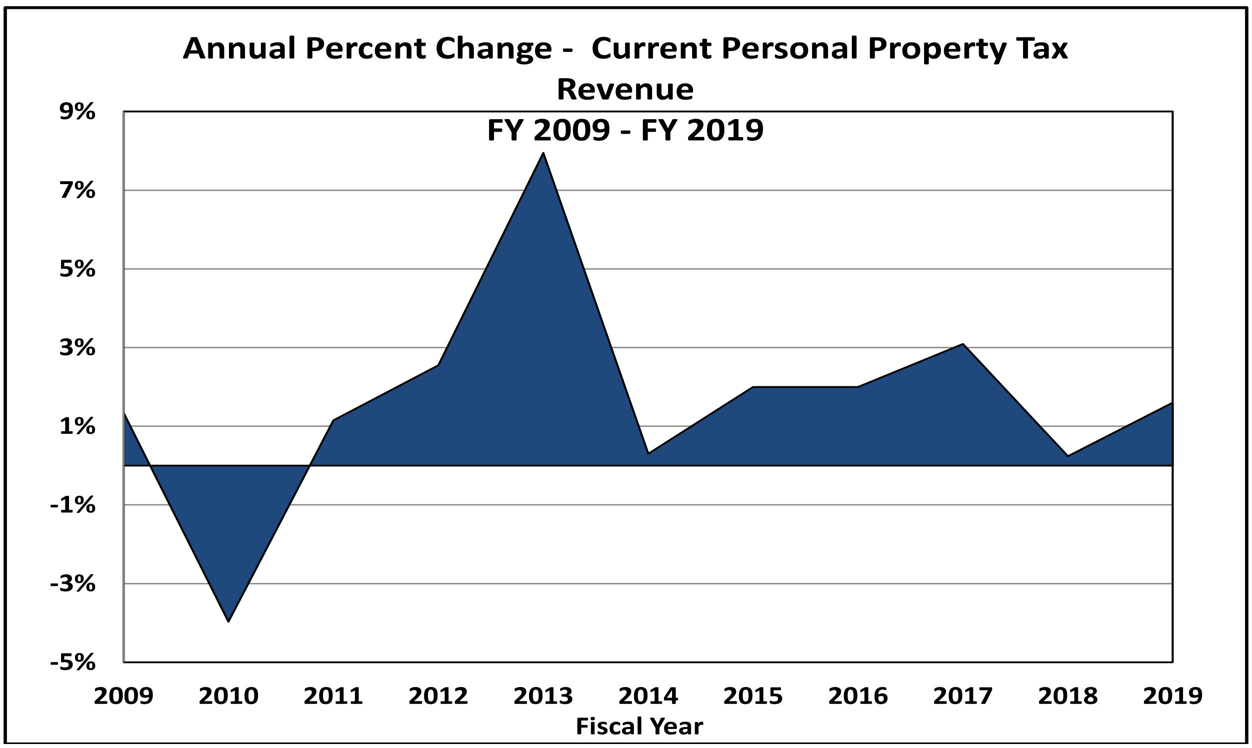
	FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
Paid Locally	$386,179,826	$386,699,213	$387,630,237	$397,376,002	$397,225,609	($150,393)	(0.0%)
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
Total	$597,493,770	$598,013,157	$598,944,181	$608,689,946	$608,539,553	($150,393)	(0.0%)

The FY 2019 Adopted Budget Plan estimate for Personal Property Tax revenue of $608,539,553 represents a decrease of $150,393 from the FY 2019 Advertised Budget Plan estimate. The decrease is the result of the adoption of a Real Estate tax rate of $1.15 per $100 of assessed value, a half-cent decrease from the proposed rate of $1.155. This tax rate is applied to the valuation of mobile homes and non-vehicle Public Service Corporations properties.

The Personal Property Tax on vehicles represents 76.6 percent of the total assessment base in FY 2019. The vehicle component is comprised of two parts, that which is paid locally and that which is reimbursed by the Commonwealth of Virginia to the County as a result of the Personal Property Tax Relief Act (PPTRA) of 1998. The PPTRA reduces the Personal Property Tax paid on the first $20,000 of the value for vehicles owned by individuals. In FY 1999, the first year of implementation, taxpayers were billed for the entire amount of tax levy and received a refund of 12.5 percent of the tax on the first $20,000 of the value of their personal vehicle from the Commonwealth of Virginia. Vehicles valued less than $1,000 were refunded 100 percent. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by citizens by 27.5 percent, 47.5 percent, and 70 percent, respectively, with an offsetting reimbursement paid to the County by the Commonwealth. Under the original approved plan, taxes paid by individuals were to be reduced by 100 percent in FY 2003. However, due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement rate remained at 70 percent in FY 2003 through FY 2006. The

2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at $950 million in FY 2007 and beyond. Fairfax County's allocation has been set at $211.3 million based on the County's share of statewide tax year 2004 collections. Each year County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage attributed to the state will vary. Based on a County staff analysis, the effective state reimbursement percentage was 66.67 percent, 67.0 percent, and 68.5 percent in FY 2007, FY 2008 and FY 2009, respectively. The reimbursement percentage was set at 70.0 percent in both FY 2010 and FY 2011, and at 68.0 percent in FY 2012. Due to a continued increase in vehicle volume and average levy, the reimbursement percentage was lowered to 63.0 percent in FY 2013 where it remained in FY 2014. In FY 2015, FY 2016, and FY 2017, the reimbursement percentage was lowered again to 62.0 percent and to 60.5 percent in FY 2018. Based on an estimate of the number and value of vehicles that will be eligible for tax relief in FY 2019, the reimbursement percentage is set at 60.0 percent.

Annual percentage changes in total Personal Property Tax revenues are shown in the following graph.



As the economy began to slow, Personal Property Tax receipts rose modestly in FY 2009 at a rate of 1.3 percent. In FY 2010, receipts decreased 4.0 percent mainly as a result of a significant decline of 10.8 percent in average vehicle levy reflecting the downturn in the economy in calendar year 2009. FY 2011 Personal Property Tax receipts increased 1.1 percent due to an increase in the average vehicle levy, partially offset with a decrease in business volume and average business levy. FY 2012 Personal Property Tax receipts increased 2.6 percent due to an increase in both the average vehicle and business levies. FY 2013 receipts increased a solid 7.9 percent mainly as a result of a rise of 7.1 percent in total vehicle levy. A reduction in the supply of new vehicles increased prices of both new and used automobiles. The decrease in supply was a result of a decline in U.S. auto production due to the slowdown in the economy and the earthquake and tsunami in Japan, which not only impacted Japanese automakers but also U.S. automakers that rely on parts from Japan. This situation caused the value of many used vehicles to depreciate less than what traditionally has been experienced and resulted in some vehicles actually appreciating over the year. This was not unique to Fairfax County, but was experienced nationwide. Total FY 2014 Personal Property Tax revenue increased a slight 0.3 percent as the depreciation of vehicles returned to more normal levels, followed by an increase of 2.0 percent in both FY 2015 and FY 2016 and 3.1 percent in FY 2017. Personal Property Tax receipts are expected to increase a modest 0.2 percent in FY 2018, and growth of 1.6 percent is projected in FY 2019. The vehicle component, which comprises almost 77 percent of total Personal Property levy, is expected to increase 1.6 percent based on analysis of vehicles in the County valued with information from the National Automobile Dealers Associations (NADA). Total vehicle volume is forecast to increase 0.6 percent in FY 2019.

Changes in vehicle volume and average vehicle levy since FY 2009 are shown in the following table.

Fairfax County
Personal Property Vehicles

Fiscal Year	% Change in Vehicle Volume	Average Vehicle Levy	% Change in Average Levy
FY 2009	0.8%	$434	2.4%
FY 2010	0.1%	$387	(10.8%)
FY 2011	0.9%	$397	2.6%
FY 2012	0.7%	$411	3.5%
FY 2013	0.7%	$437	6.3%
FY 2014	0.9%	$445	1.8%
FY 2015	0.0%	$451	1.3%
FY 2016	0.0%	$457	1.3%
FY 2017	0.7%	$468	2.4%
FY 2018 (est.)	0.4%	$469	0.2%
FY 2019 (est.)	0.6%	$474	1.1%

Business Personal Property is primarily composed of assessments on furniture, fixtures and computer equipment. Business levy is impacted by the number of new businesses and whether existing businesses are expanding or contracting. As government contractors cut back employment due to lower federal procurement spending, they delayed business expansions. Business levy rose a modest 0.8 percent in FY 2014 and 1.0 percent in FY 2015. Growth accelerated in FY 2016 to 1.2 percent and a strong 4.4 percent in FY 2017. Based on business filings through December 2017, business levy is projected to decrease a slight 0.6 percent in FY 2018, likely due to depreciating value of newly acquired business personal property one year after acquisition, particularly given the strong growth experienced in FY 2017. Business levy is anticipated to resume growing at 1.0 percent in FY 2019 based on the expectation that economic conditions will be stable.

In accordance with assessment principles and the Code of Virginia, which require that property is taxed at fair market value, the Department of Tax Administration (DTA) reviews the depreciation rate schedule for computer hardware due to the speed with which computer values change. The current schedule depreciates computer equipment 50 percent, one year after acquisition. In subsequent years, the percent of the original purchase price taxed is 35 percent, 20 percent, and 10 percent, in year two, three and four, respectively. After five or more years, computer equipment is valued at 2 percent of its original acquisition price.

Personal Property Tax revenue estimates are based on a tax rate of $4.57 per $100 of valuation for vehicles and business property, and a tax rate of $1.15 per $100 of valuation for mobile homes and non-vehicle Public Service Corporations properties. The following table details the estimated assessed value and associated levy for components of the Personal Property Tax.

FY 2019 Estimated Personal Property Assessments and Tax Levy

Category	FY 2019 Assessed Value	Tax Rate (per $100)	FY 2019 Tax Levy	Percent of Total Levy
Vehicles				
Privately Owned	$9,983,730,409	$4.57	$398,754,963	64.7%
Business Owned	575,292,034	4.57	22,953,183	3.7%
Leased	1,302,244,335	4.57	50,729,151	8.2%
Subtotal	$11,861,266,778		$472,437,297	76.6%
Business Personal Property				
Furniture and Fixtures	$1,928,882,727	$4.57	$88,729,005	14.4%
Computer Equipment	842,290,714	4.57	38,624,676	6.3%
Machinery and Tools	31,827,930	4.57	1,457,505	0.2%
Research and Development	825,427	4.57	37,722	0.0%
Subtotal	$2,803,826,798		$128,848,908	20.9%
Other Personal Property				
Boats, Trailers, Miscellaneous	$17,038,758	$4.57	$804,537	0.1%
Mobile Homes	14,952,397	1.15	179,282	0.1%
Subtotal	$31,991,155		$983,819	0.2%
Exonerations	($84,935,763)	$4.57	($27,102,011)	-4.4%
Omitted Assessments	270,833,585	4.57	6,022,669	1.0%
Total Local Assessed Value and Levy	$14,882,982,553		$581,190,682	94.4%
Public Service Corporations				
Equalized	$2,992,459,004	$1.15	$34,413,279	5.6%
Vehicles	7,292,981	4.57	333,289	0.1%
Subtotal	$2,999,751,985		$34,746,568	5.7%
TOTAL	**$17,882,734,538**		**$615,937,250**	**100.0%**

FY 2019 Personal Property Tax assessments including Public Service Corporations are $17,882,734,538, with a total tax levy of $615,937,250. Personal Property Tax revenue collections are projected to be $608,539,553, of which $211.3 million will be reimbursed from the state. The collection rate associated with the taxpayer's share is estimated to be 98.0 percent. Total collection rates experienced in this category since FY 2004 are shown in the following table:

Personal Property Tax Collection Rates

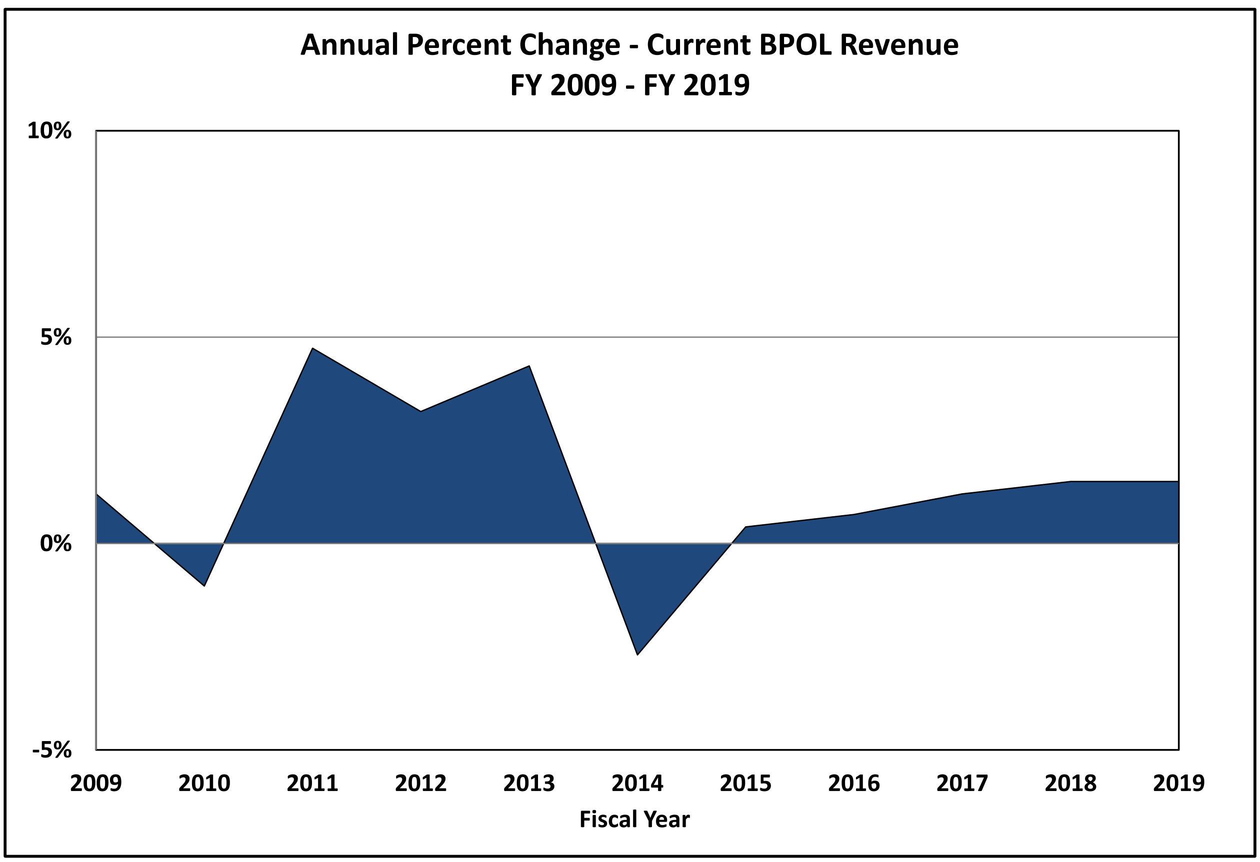
Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
2004	96.9%	**2012**	98.2%
2005	97.9%	**2013**	98.4%
2006	98.1%	**2014**	97.4%
2007	98.3%	**2015**	98.4%
2008	98.0%	**2016**	98.5%
2009	97.9%	**2017**	98.4%
2010	97.8%	**2018 (estimated)[1]**	98.0%
2011	97.9%	**2019 (estimated)[1]**	98.0%

[1] Each 0.1 percentage point change in the collection rate on the local tax levy will impact revenues by approximately $0.4 million, and each penny on the tax rate yields a revenue change of $1.3 million.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$155,389,830	$157,402,272	$157,720,677	$160,086,487	$160,086,487	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Business, Professional, and Occupational License Taxes (BPOL) of $160,086,487 reflects no change from the FY 2019 Advertised Budget Plan and an increase of $2,365,810 or 1.5 percent over the *FY 2018 Revised Budget Plan* estimate. As shown in the following chart, FY 2009 BPOL receipts were up just 1.2 percent over FY 2008. This modest rate of growth reflected the downturn in the local economy late in 2008. In FY 2010, BPOL receipts, which were based on the gross receipts of businesses in calendar year 2009, fell 1.0 percent. Growth of 4.7 percent in FY 2011 BPOL receipts reflected the improvement in local economic conditions. Receipts increased a moderate 3.2 percent in FY 2012, and 4.3 percent in FY 2013, but decreased 2.7 percent in FY 2014 likely due to lower federal government procurement spending. Due to anemic job growth, BPOL receipts were essentially flat in FY 2015, increasing only 0.4 percent over FY 2014. BPOL receipts increased 0.7 percent in FY 2016 and 1.2 percent in FY 2017 as job growth resumed. The combined Consultant and Business Service Occupations categories, which represent almost 42 percent of total BPOL receipts, increased 0.5 percent over the FY 2016 level. The remaining categories rose a combined 1.7 percent. The Retail category, which represents 20 percent of total BPOL receipts, rose 0.4 percent in FY 2017.



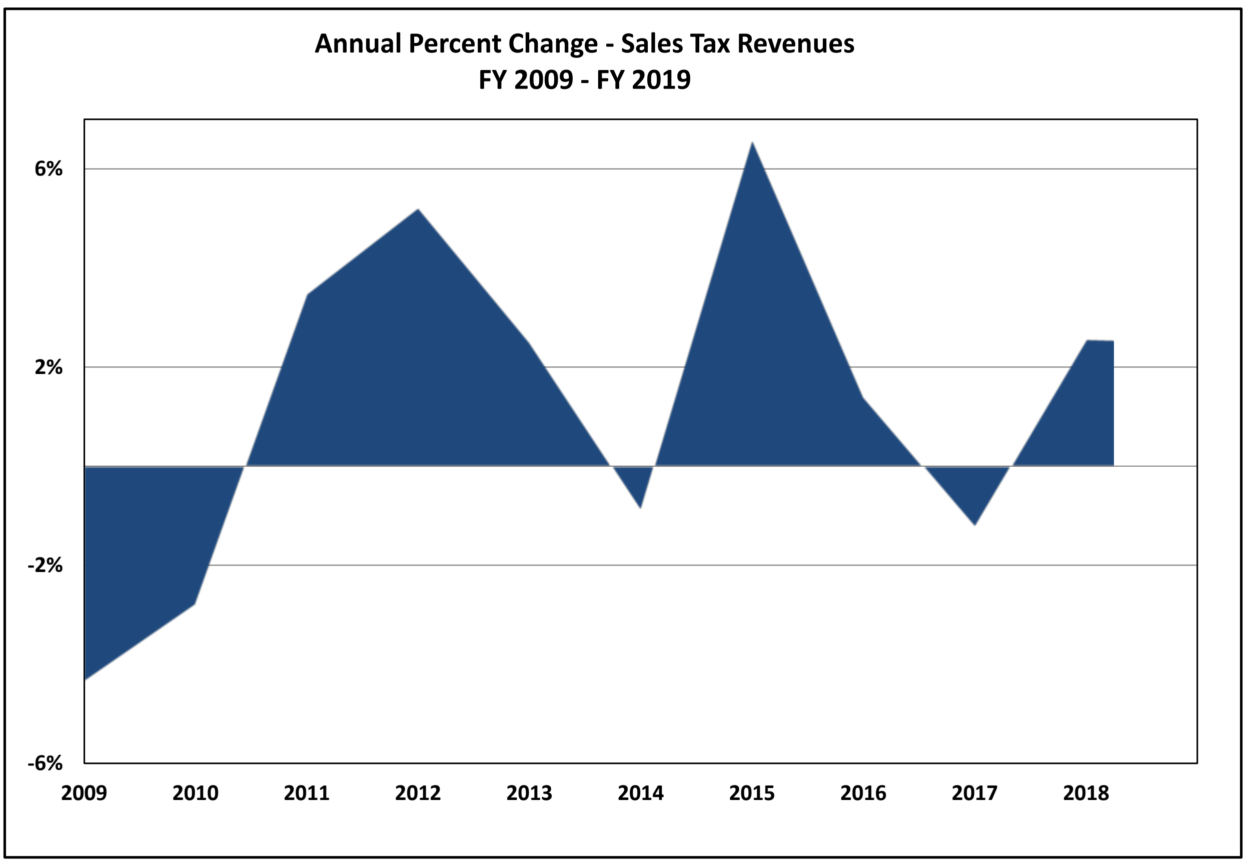
Based on actual FY 2017 receipts and an econometric model using calendar year Sales Tax receipts and employment as predictors, the FY 2018 BPOL estimate was increased $0.3 million during the fall 2017 revenue review, representing an increase of 1.5 percent over FY 2017. Since County businesses file and pay their BPOL taxes simultaneously on March 1 each year based on their gross receipts during the previous calendar year, little actual data was available during the Third Quarter Review; therefore, the FY 2018 BPOL estimate was not adjusted further. A 1.5 percent growth in BPOL receipts is projected in FY 2019.

In January 2015, the Virginia Supreme Court affirmed a Virginia Commissioner of the Revenue formula to deduct gross receipts from out-of-state operations for the purposes of determining the BPOL tax basis. Fairfax County had eight appeals based on the new formula. These appeals are for multiple years and total approximately $37.5 million including interest. The Board of Supervisors established a litigation reserve in FY 2014 for the refunds. So far, a portion of the refunds in the amount of $25.3 million has been processed. Several of the cases currently remain under review with the Department of Tax Administration.

LOCAL SALES TAX

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$176,640,592	$183,310,657	$181,157,888	$185,686,835	$185,686,835	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Sales Tax receipts of $185,686,835 reflects no change from the FY 2019 Advertised Budget Plan and an increase of $4,528,947 or 2.5 percent over the *FY 2018 Revised Budget Plan* estimate. The following chart illustrates that the level of Sales Tax receipts has varied with economic conditions.



FY 2009 Sales Tax revenue declined 4.4 percent due to the national recession which began in December 2007. This was the first decline since FY 2002 and only the third decrease in over 30 years. Although the national recession was reported to have reached its trough in December 2009, job losses continued and Sales Tax collections fell 2.8 percent in FY 2010. Sales Tax receipts rose 3.5 percent in FY 2011, the first increase since FY 2008. Growth continued in FY 2012 with Sales taxes rising 5.2 percent, the strongest rate of growth since FY 2005. In FY 2013, Sales Tax receipts continued to grow but at a more modest rate of 2.5 percent. Total FY 2014 Sales Tax receipts were down 0.9 percent, the first decline in four years. The decline was primarily due to the severe winter weather, as well as federal sequestration and refunds for prior year's receipts totaling $2.0 million. After increasing a strong 6.6 percent in FY 2015, Sales Tax receipts in FY 2016 grew a modest 1.4 percent. Growth would have been weaker absent a transfer of $2.2 million that the County received in FY 2016 as the result of a state audit. FY 2017 receipts ended the fiscal year 1.2 percent down from FY 2016. The decline was primarily due to a $2.5 million refund during the year and the $2.2 million audit increase received in FY 2016, which made the annual comparison less favorable. Adjusted for misallocations and refunds, FY 2017 collections would have increased 1.5 percent. During the fall 2017 revenue review, the FY 2018 estimate was decreased $2.2 million based on year-to-date collections, representing growth of 2.6 percent over the FY 2017 actual receipts. FY 2018 Sales Tax receipts through February, representing retail sales through December, were up 3.0 percent. February collections for sales during the holiday shopping season in December were up a modest 0.9 percent. No change in the FY 2018 Sales Tax estimate was made during the Third Quarter Review. Sales Tax receipts in FY 2019 are projected to rise a similar 2.5 percent over the FY 2018 estimate based on the anticipation that consumer spending will increase moderately throughout FY 2019.

RECORDATION/DEED OF CONVEYANCE TAXES

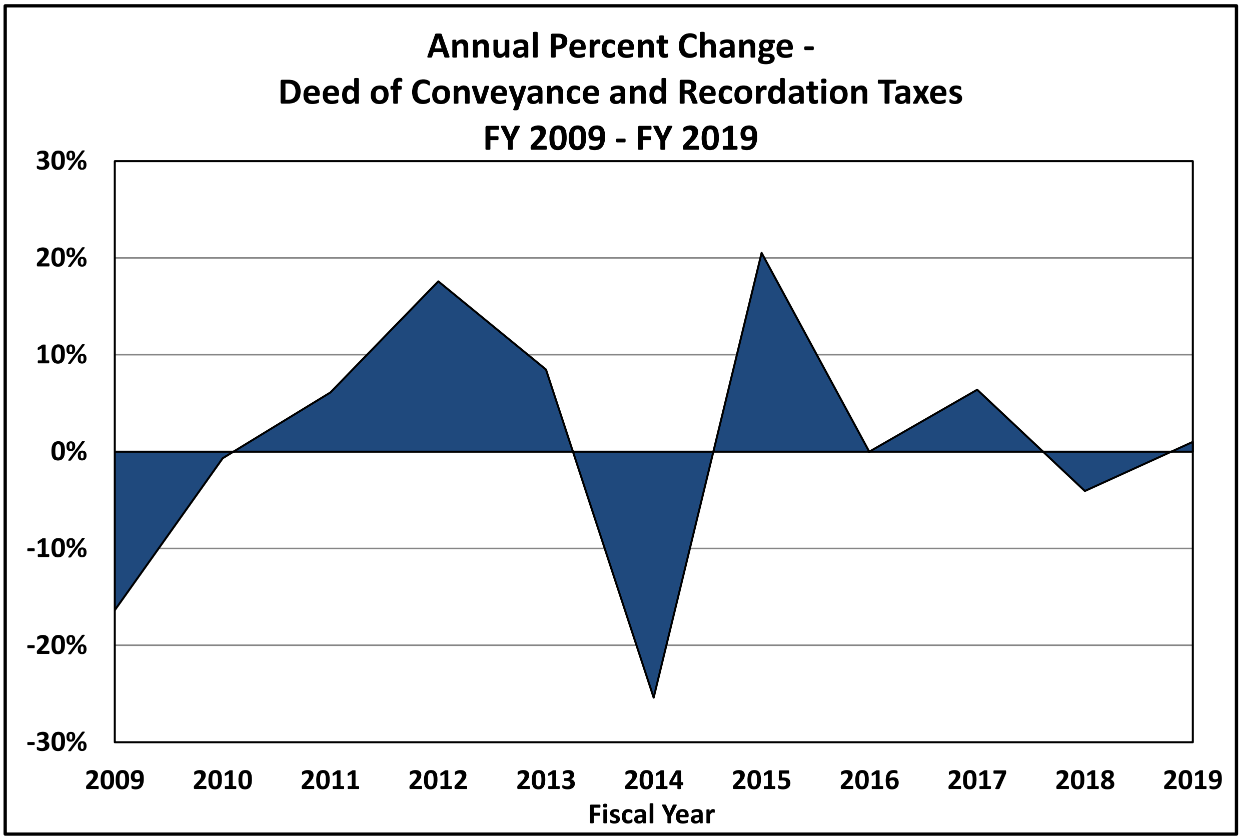
FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$32,190,772	$30,466,027	$30,885,051	$31,193,902	$31,193,902	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Recordation and Deed of Conveyance Taxes of $31,193,902 represents no change from the FY 2019 Advertised Budget Plan and an increase of $308,851 or 1.0 percent over the *FY 2018 Revised Budget Plan* estimate. The FY 2019 estimate is comprised of $24,196,659 in Recordation Tax revenues and $6,997,243 in Deed of Conveyance Tax revenues. Recordation and Deed of Conveyance Taxes are levied in association with the sale or transfer of real property located in the County. Recordation Taxes are also levied when mortgages on property located in the County are refinanced, making Recordation Tax revenues more sensitive to interest rate fluctuations than Deed of Conveyance Taxes. Home values and interest rate projections are used in an econometric model that assists in developing estimates for these categories.

Fairfax County's Deed of Conveyance Tax is assessed at a rate of $0.05 per $100. Local Recordation Taxes are set at one-third the State's Tax rate. From September 2004 through FY 2012, the State Recordation Tax was $0.25 per $100 of value. The rate was lowered on mortgage refinancing transactions to $0.18 per $100 of value effective July 1, 2012; however, all refinancing transactions are now taxable, whereas previously refinancing with the same lender was exempt from the tax. The State Recordation Tax rate on home purchases was not reduced and remained at $0.25 per $100. Therefore, as of FY 2013, the County's Recordation Tax rate on home purchases is $0.0833 per $100 of value, while the tax rate on mortgage refinancing is $0.06 per $100 of value.

During the housing slump, revenue from these categories decreased a combined 16.4 percent in FY 2009 and a slight 0.7 percent in FY 2010. Primarily due to increased mortgage refinancing activity as a result of historically low mortgage interest rates, revenues increased 6.1 percent in FY 2011, 17.6 percent in FY 2012, and 8.5 percent in FY 2013. FY 2014 receipts declined a combined 25.4 percent due to a decline in mortgage refinancing as a result of higher interest rates, as well as a decline in the number of home sales. After increasing a strong 20.5 percent in FY 2015, receipts in FY 2016 remained level. FY 2017 collections grew 6.4 percent over the FY 2016 level. Based on year-to-date collection trends during FY 2018, the Recordation

Tax estimate remains unchanged and reflects a decrease of 5.7 percent as a result of decreasing volume of mortgage refinancing activity. The Deed of Conveyance Tax estimate was increased $0.4 million during the fall 2017 revenue review, reflecting an increase of 2.0 percent over the FY 2017 level. The FY 2019 estimate for Recordation and Deed of Conveyance Taxes assumes a growth rate of 1.0 percent. Home values are anticipated to increase in FY 2019 and the number of home sales is expected to be stable.



CONSUMER UTILITY TAXES - GAS AND ELECTRIC

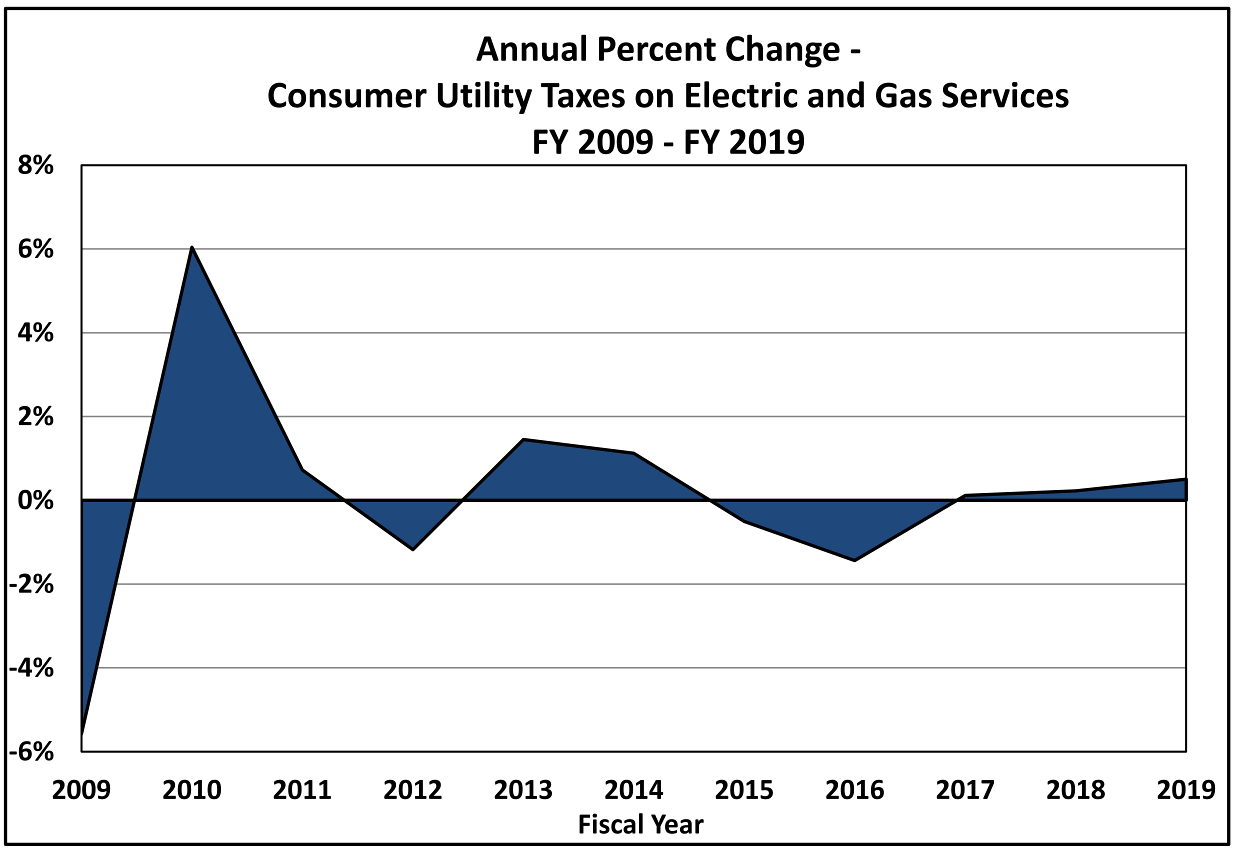
FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$45,204,598	$44,926,992	$45,307,162	$45,533,698	$45,533,698	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Consumer Utility Taxes on gas and electric services of $45,533,698 represents no change from the FY 2019 Advertised Budget Plan and an increase of $226,536 over the *FY 2018 Revised Budget Plan* estimate. The FY 2019 estimate is comprised of $36,349,049 in taxes on electric service and $9,184,649 in taxes on gas service. County residents and businesses are subject to Consumer Utility Taxes based on their consumption of electricity and gas services. Tax rates by customer class are shown in the following table.

Revenue from Consumer Utility Taxes on gas and electric services from FY 2008 to FY 2014 grew at an average annual rate of just 0.4 percent. Receipts in FY 2015 fell 0.5 percent and another 1.5 percent in FY 2016, but increased a modest 0.1 percent in FY 2017. Based on actual FY 2017 collections and year-to-date trends, the FY 2018 revenue estimate was increased $0.4 million during the fall 2017 revenue review and reflects an increase of 0.2 percent over FY 2017. Receipts in FY 2019 are expected to increase 0.5 percent over the FY 2018 estimate.

CONSUMER UTILITY TAXES ON ELECTRICITY AND NATURAL GAS

ELECTRICITY		NATURAL GAS	
Electric Power Customer Class	Monthly Tax FY 2001 - FY 2019	Natural Gas Customer Class	Monthly Tax FY 2001 - FY 2019
Residential	$0.00605 per kWh	**Residential**	$0.05259 per CCF
Minimum	+$0.56 per bill	Minimum	+$0.56 per bill
Maximum	$4.00 per bill	Maximum	$4.00 per bill
Master Metered Apartments	$0.00323 per kWh	**Master Metered Apartments**	$0.01192 per CCF
Minimum	+$0.56 / dwelling unit	Minimum	+$0.56 / dwelling unit
Maximum	$4.00 / dwelling unit	Maximum	$4.00 / dwelling unit
Commercial	$0.00594 per kWh	**Nonresidential**	$0.04794 per CCF
Minimum	+ $1.15 per bill	Minimum	+ $0.845 per bill
Maximum	$1,000 per bill	Maximum	$300 per bill
Industrial	$0.00707 per kWh	**Nonresidential Interruptible**	$0.00563 per CCF
Minimum	+$1.15 per bill	Minimum	+$4.50 per meter
Maximum	$1,000 per bill	Maximum	$300 per meter



COMMUNICATIONS SALES TAX

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$14,265,995	$14,825,739	$12,966,249	$10,528,299	$10,528,299	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for the General Fund portion of the Communications Sales Tax of $10,528,299 reflects no change from the FY 2019 Advertised Budget Plan and a decrease of $2,437,950 or 18.8 percent from the *FY 2018 Revised Budget Plan* estimate. The Communications Tax is a statewide tax that was first implemented in January 2007, after the 2006 Virginia General Assembly session approved legislation that changed the way in which taxes are levied on communications services. Based on this legislation, local taxes on land line and wireless telephone services were replaced with a 5 percent statewide Communication Sales Tax. In addition to the communications services previously taxed, the 5 percent Communication Sales Tax applies to satellite television and radio services, internet calling and long-distance telephone charges. As part of this legislation, local E-911 fees were repealed and replaced with a statewide $0.75 per line fee. These rates were meant to provide revenue neutrality with FY 2006 receipts, which were $85.5 million for Fairfax County. All communications taxes are remitted to the state for distribution to localities based on the locality's share of total statewide FY 2006 collections of these taxes. Fairfax County's share is determined by the state and is set at 18.89 percent. Of the total tax, the Cable Franchise portion is directed to Fund 40030, Cable Communications. Prior to FY 2015, the percentage of the remaining revenue was directed to Fund 40090, E-911 and the General Fund based on their relative share of the tax in FY 2006. However, to cover all the expenses in the E-911 Fund, a transfer from the General Fund was still required. To eliminate the need for a General Fund transfer, beginning in FY 2015, more Communications Sales Tax revenue is directed to Fund 40090, E-911. The FY 2018 General Fund estimate was reduced $1.9 million as part of the fall 2017 revenue review based on actual receipts during FY 2017 and collection trends during FY 2018. In FY 2019, total Communications Sales Taxes are projected to be $73.7 million. Of the total tax, Cable Franchise Fees of $18.7 million will be directed to Fund 40030, Cable Communications. Of the remaining tax, $44.5 million will be posted in Fund 40090, E-911 and $10.5 million to the General Fund in FY 2019.

The distribution of the tax since FY 2017 is shown below. The table illustrates that this tax has eroded significantly over the years compared to the $85.5 million collected by the County in FY 2006.

Communications Sales Tax Revenue

Fund	FY 2017	FY 2018 Projected	FY 2019 Projected
Fund 40030, Cable Communications	$18,967,760	$18,350,000	$18,718,835
Fund 40090, E-911	42,012,354	42,012,354	44,450,304
General Fund	14,265,995	12,966,249	10,528,299
Total	$75,246,109	$73,328,603	$73,697,438

VEHICLE REGISTRATION LICENSE FEE

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$26,988,613	$27,278,010	$27,327,470	$27,464,107	$27,464,107	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Vehicle Registration Fee revenue of $27,464,107 reflects no change from the FY 2019 Advertised Budget Plan and an increase of $136,637 or 0.5 percent over the *FY 2018 Revised Budget Plan* estimate based on projected increase in vehicle volume. Fairfax County levies the fee at $33 for passenger vehicles that weigh 4,000 pounds or less and $38 on passenger vehicles that weigh more than 4,000 pounds. In addition, fees are $18 for motorcycles and $25 for buses used for transportation to and from church. The County does not require the display of a decal on the vehicle. The FY 2018 estimate was increased $49,460 during the fall 2017 revenue review based on actual collections year-to-date and reflects an increase of 1.3 percent over the FY 2017 level. Payment of Vehicle Registration License Fees is linked to the payment of Personal Property Taxes on October 5 each year. Vehicles owned by disabled veterans, members of volunteer fire departments and auxiliary police officers are exempt from the fee.

TRANSIENT OCCUPANCY TAX

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$22,578,980	$21,581,091	$21,581,091	$22,120,618	$22,120,618	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Transient Occupancy Tax of $22,120,618 represents no change from the FY 2019 Advertised Budget Plan and an increase of $539,527 or 2.5 percent over the *FY 2018 Revised Budget Plan* estimate. Transient Occupancy Taxes are charged as part of a hotel bill and remitted by the hotel to the County. The Transient Occupancy Tax has been levied at 4 percent since the Virginia General Assembly permitted the Board of Supervisors to levy an additional 2.0 percent Transient Occupancy Tax in FY 2005. A portion, 25 percent, of the additional 2.0 percent must be appropriated to a nonprofit convention and visitors' bureau located in the County. The remaining 75 percent must be used by the County to promote tourism.

During FY 2013 and FY 2014, business travel was reported to have been down in the region due to federal spending reductions and Transient Occupancy Tax revenue declined for two consecutive years. After rising a robust 9.3 percent in FY 2015, Transient Occupancy receipts increased 2.3 percent in FY 2016. FY 2017 collections increased a strong 6.6 percent, partially due to the Presidential Inauguration in January 2017. Based on year-to-date collection trends, as well as data on room and occupancy rates, the FY 2018 estimate is unchanged and reflects a decrease of 4.4 percent from the FY 2017 level. FY 2019 estimate reflects a growth of 2.5 percent based on the assumption that tourism and business travel will improve.

CIGARETTE TAX

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$6,838,274	$6,968,664	$6,594,603	$6,561,630	$6,561,630	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Cigarette Tax of $6,561,630 represents no change from the FY 2019 Advertised Budget Plan and a decrease of $32,973 or 0.5 percent from the *FY 2018 Revised Budget Plan* estimate. Fairfax County and Arlington County are the only counties in Virginia authorized to levy a tax on cigarettes. The maximum rate authorized is the greater of 5.0 cents per pack or the rate levied by the Commonwealth. The County's rate is 30 cents per pack, the same as the state rate.

Cigarette Tax receipts fell for a fifth consecutive year, decreasing 4.6 percent in FY 2017. During the fall 2017 revenue review, the FY 2018 estimate was decreased $0.4 million, reflecting a decline of 3.6 percent, based on actual receipts during FY 2017 and current collections trends. FY 2019 Cigarette Tax receipts are anticipated to decline 0.5 percent.

PERMITS, FEES AND REGULATORY LICENSES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$52,201,079	$50,891,047	$52,950,742	$53,009,977	$53,009,977	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Permits, Fees, and Regulatory Licenses of $53,009,977 represents no change from the FY 2019 Advertised Budget Plan and a net increase of $59,235 or 0.1 percent over the *FY 2018 Revised Budget Plan* estimate. This increase compared to FY 2018 is primarily due to an increase in Zoning fees revenue, which is projected to grow 1.6 percent.

Land Development Service (LDS) fees for building permits, site plans, and inspection services make up over three-quarters of the Permits, Fees, and Regulatory Licenses category. Changes in LDS fee revenue typically track closely to the current condition of the real estate market, as well as the size and complexity of projects submitted to LDS for review. As part of the *FY 2017 Carryover Review*, LDS fee revenue was increased $1.7 million to $40.3 million based on projected development activity. The revenue increase is offset by an expenditure increase for no net cost to the County to support investments in ongoing efforts to improve the speed, transparency, and consistency of the land development process. FY 2019 receipts are expected to be flat with the FY 2018 projected level.

During the fall 2017 revenue review, various other permits and fees were reviewed and, based on actual FY 2017 receipts and year-to-date collections, FY 2018 estimates were increased a net $0.3 million.

INVESTMENT INTEREST

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$27,536,705	$30,233,911	$39,637,147	$46,992,592	$46,992,592	$0	0.0%

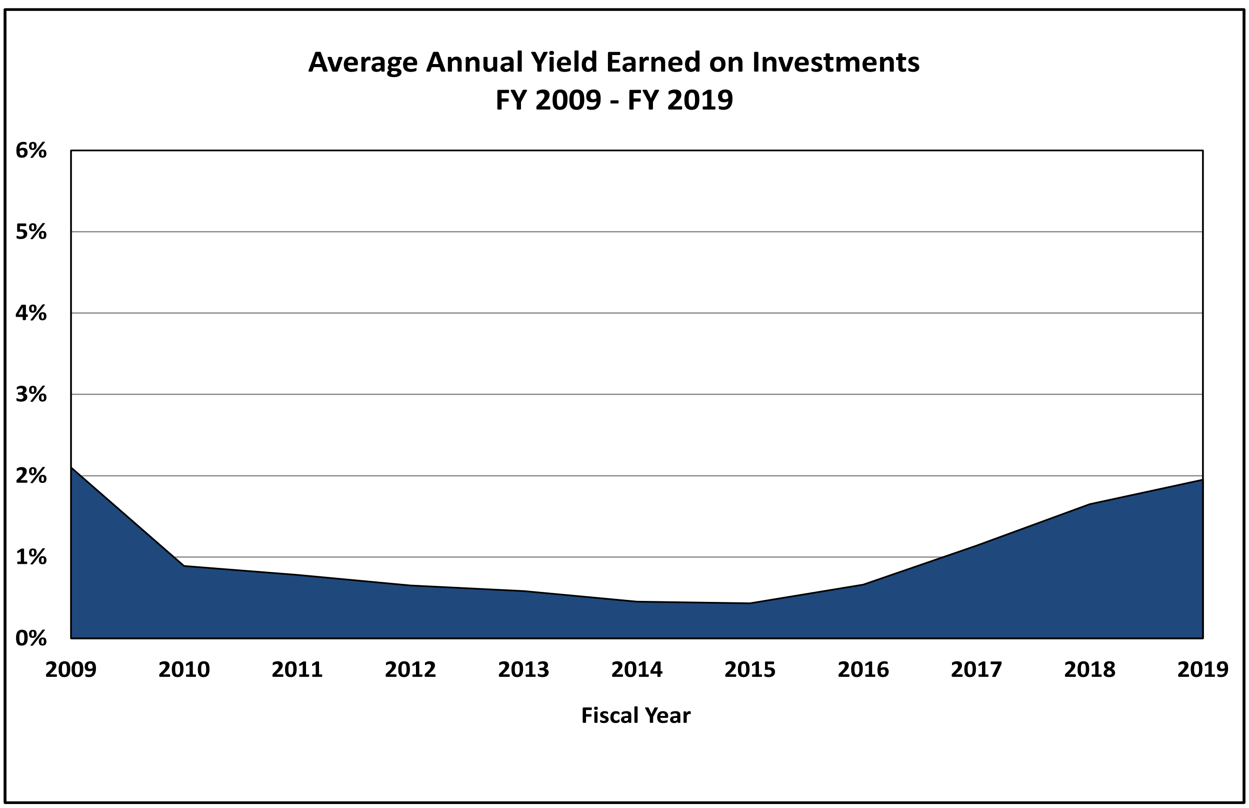
The FY 2019 Adopted Budget Plan estimate for Investment Interest of $46,992,592 represents no change from the FY 2019 Advertised Budget Plan and an increase of $7,355,445 or 18.6 percent over the *FY 2018 Revised Budget Plan* estimate. Revenue from this category is a function of the amount invested, the prevailing interest rates earned on investments, and the percentage of the total pooled investment portfolio attributable to the General Fund.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. From 2004 to 2006, the Federal Reserve increased interest rates from 1.0 percent to 5.25 percent in an effort to stem inflation. As a result of higher rates, the annual average yield on County investments was 5.1 percent in FY 2007, and revenue from Interest on Investments was a record high of $92.1 million. In FY 2008, the County's portfolio generated $78.2 million for the General Fund, with an average annual yield of 4.46 percent. The federal funds rate remained unchanged from the end of 2008 to December 2015. During this period, it was set at 0.0 to 0.25 percent, its lowest in history, "to promote the resumption of sustainable economic growth" in the wake of the Great Recession. As a result, the Investment Interest revenue trended down for several years and dropped to as little as $10.7 million in FY 2015, with an average annual yield of 0.43 percent.

In December 2015, the Federal Reserve raised the target range for the federal funds rate by a quarter-percentage point for the first time in almost a decade as policy makers cited the improved labor market conditions and the solid pace of economic activity. As a result, FY 2016 Interest on Investments increased $5.5 million to $16.2 million at an annual yield of 0.66 percent. The Fed raised the interest rate again in December 2016 and continued raising it at a gradual pace throughout 2017. FY 2017 revenue was $27.5 million at an average annual yield of 1.14 percent. The FY 2018 Adopted Budget Plan estimate had assumed an average annual yield of 1.25 percent. Based on the actual FY 2017 level and the assumption that the Fed will continue raising the federal funds rate, the FY 2018 estimate of Interest on Investments was increased $9.4 million during the fall 2017 revenue review to $39.6 million. The projected annual yield for FY 2018 is 1.65 percent.

The Fed has indicated that two more interest rate hikes are likely in 2018 on top of the one already approved in March. The federal funds rate now stands at 1.75 percent. The FY 2019 Adopted Budget Plan estimate for Investment Interest of $47.0 million is based on a projected average yield of 1.95 percent, a portfolio size of $3.2 billion and a General Fund percentage net of administrative fees of 77.19 percent. All available resources are pooled for investment purposes and the net interest earned is distributed among the various County funds, based on the average dollars invested from each fund as a percentage of the total pooled investment. Staff will continue to monitor the impact of the Fed actions on County investment earnings.

The following table shows the yield earned on investments since FY 2009.



CHARGES FOR SERVICES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$81,485,018	$81,370,947	$81,097,289	$81,868,225	$81,868,225	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Charges for Services revenue of $81,868,225 represents no change from the FY 2019 Advertised Budget Plan and a net increase of $770,936 or 1.0 percent over the *FY 2018 Revised Budget Plan* estimate. This increase compared to FY 2018 is primarily the result of revenue from School Age Child Care (SACC) fees, Health Department fees, and County Clerk fees.

SACC fees of $42.6 million comprise 52 percent of the total Charges for Services category. The projected FY 2019 increase in SACC revenue is $0.6 million or 1.4 percent and is primarily the result of the opening of two new SACC rooms at White Oaks Elementary School. In addition, revenue from the Health Department Pharmacy fees is projected to increase $115,000 as a result of Medicaid reimbursement for anti-parasitic medication. Clerk fees are projected to increase $48,538 or 1.0 percent in FY 2019.

Since the adoption of the FY 2018 budget, estimated Charges for Services revenue has been decreased a net $0.3 million based on a review of actual FY 2017 receipts and year-to-date collections.

FINES AND FORFEITURES

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$12,725,041	$11,684,270	$12,089,035	$12,178,536	$12,178,536	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Fines and Forfeitures of $12,178,536 represents no change from the FY 2019 Advertised Budget Plan and a net increase of $89,501 or 0.7 percent over the *FY 2018 Revised Budget Plan* estimate. The increase compared to FY 2018 is primarily the result of higher General District Court Fines and Parking Violations, both of which are projected to increase 1.0 percent in FY 2019.

The FY 2018 estimate for Fines and Forfeitures was increased a net $0.4 million during the fall 2017 revenue review. The increase is primarily the result of adjusting the estimate for Parking Violations revenue based on actual FY 2017 receipts and year-to-date collection trends in FY 2018.

RECOVERED COSTS / OTHER REVENUE

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$16,923,470	$16,480,180	$16,317,223	$16,636,952	$16,636,952	$0	0.0%

The FY 2019 Adopted Budget Plan estimate for Recovered Costs/Other Revenue of $16,636,952 represents no change from the FY 2019 Advertised Budget Plan and a net increase of $319,729 or 2.0 percent over the *FY 2018 Revised Budget Plan* estimate. This increase compared to FY 2018 is primarily the result of projected increases in the reimbursement for governmental services from the City of Fairfax.

During the fall 2017 revenue review, the FY 2018 estimate for Recovered Costs/Other Revenue was decreased a net $0.2 million. The decrease is primarily due to adjusting the estimate for the City of Fairfax Shared Governmental Expenses reimbursement, which was reduced $0.5 million as a result of the reconciliation of the City's share based on actual utilization and expenses during FY 2017.

General Fund Revenue Overview

The FY 2019 estimate for the City of Fairfax reimbursement for governmental services is expected to increase 2.0 percent absent the adjustment described above, resulting in an increase of $0.4 million.

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT[1]

FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted	Increase/ (Decrease)	Percent Change
$137,879,883	$131,371,520	$132,476,287	$132,933,796	$133,833,796	$900,000	0.7%

[1] Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998. See the "Personal Property Tax - Current" heading in this section.

The FY 2019 Adopted Budget Plan estimate for Revenue from the Commonwealth and Federal Government of $133,833,796 reflects an increase of $900,000 or 0.7 percent over the FY 2019 Advertised Budget Plan estimate. The revenue increase is based on increased funding for State Aid to Localities with Police Departments (HB 599) included in the state budget. Statutory policy requires that HB 599 funding increase at the rate of General Fund revenue growth. The projected increase for Fairfax County is $900,000, for a total estimated HB 599 funding of $25.4 million in FY 2019. It should be noted that the FY 2019 Adopted Budget Plan estimates include a realignment between the Revenue from the Commonwealth and the Revenue from the Federal Government categories based on the actual source of receipts in previous years.

The *FY 2018 Revised Budget Plan* estimate for Revenue from the Commonwealth and Federal Government represents an increase of $1.1 million over the FY 2018 Adopted Budget Plan estimate as a result of adjustments made during the *FY 2017 Carryover Review*. The revenue increase is associated with additional positions in the Public Assistance program. The positions will continue to address the increase in caseloads in the Self-Sufficiency Division within the Department of Family Services. The revenue increase is fully offset by an expenditure increase for no net impact to the General Fund.

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General Fund Disbursement Overview

FY 2019

Adopted Budget Plan

SUMMARY OF GENERAL FUND DIRECT EXPENDITURES

Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised	Percent Increase/ (Decrease)
Positions / Full-Time Equivalents	**9,872 / 9,751.93**	**9,922 / 9,801.93**	**9,965 / 9,846.72**	**10,007 / 9,888.32**	**42 41.6**	**0.42% 0.42%**
Personnel Services	$781,231,428	$829,082,703	$819,991,788	$865,206,541	$45,214,753	5.51%
Operating Expenses	356,484,148	349,315,086	398,244,486	362,769,688	(35,474,798)	(8.91%)
Recovered Costs	(35,621,117)	(36,588,399)	(37,475,592)	(37,942,821)	(467,229)	1.25%
Capital Equipment	2,143,040	116,058	4,838,027	354,744	(4,483,283)	(92.67%)
Fringe Benefits	347,497,198	370,918,880	374,536,830	389,922,233	15,385,403	4.11%
Total Direct Expenditures	**$1,451,734,697**	**$1,512,844,328**	**$1,560,135,539**	**$1,580,310,385**	**$20,174,846**	**1.29%**

Details of program and staffing adjustments are provided in the individual agency narratives in Volume 1. Major changes are summarized by category in the narrative description. Additional information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

The FY 2019 Adopted Budget Plan direct expenditure level of $1,580,310,385 represents an increase of $20,174,846 or 1.29 percent over the *FY 2018 Revised Budget Plan* direct expenditure level of $1,560,135,539. The FY 2019 funding level reflects an increase of $67,466,057, or 4.46 percent, over the FY 2018 Adopted Budget Plan direct expenditure level of $1,512,844,328.

Personnel Services

In FY 2019, funding for Personnel Services totals $865,206,541, an increase of $45,214,753 or 5.51 percent over the *FY 2018 Revised Budget Plan* funding level of $819,991,788. Personnel Services increased $36,123,838, or 4.36 percent, over the FY 2018 Adopted Budget Plan funding level of $829,082,703. The net FY 2019 General Fund agency positions represent an increase of 42/41.60 FTE positions over the *FY 2018 Revised Budget Plan*. For agency-level detail, the FY 2019 Adopted Personnel Services by Agency chart in the Overview Volume under the *Financial, Statistical and Summary Tables* tab breaks out Personnel Services funding by each agency. The changes for each category of Personnel Services expenditures are provided as follows:

- **Regular Salary** funding (net of Position Turnover) of $782,094,072 reflects a net increase of $34,213,413 or 4.57 percent over the FY 2018 Adopted Budget Plan. This increase primarily reflects funding for a 2.25 percent market rate adjustment for all employees and performance-based and longevity increases for non-uniformed merit employees, both effective July 2018; merit and longevity increases (including the full-year impact of FY 2018 increases) for uniformed employees awarded on the employees' anniversary dates; and employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions.

- **Limited Term** position funding (temporary and part-time employees) reflects an increase of $1,296,555 or 6.29 percent over the FY 2018 Adopted Budget Plan. This increase primarily reflects funding for a 2.25 percent market rate adjustment for all employees, as well as increases in the Department of Family Services associated with the realignment of the Infant and Toddler Connection (ITC) program and increasing capacity at elementary schools located throughout the County in the School-Age Child Care (SACC) program.

- **Overtime Pay** funding reflects an increase of $613,870 or 1.10 percent over the FY 2018 Adopted Budget Plan primarily due to compensation adjustments in Public Safety agencies, effective July 2018.

- **Position Adjustments** in the FY 2019 Adopted Budget Plan reflect a net increase of 42/41.6 FTE positions over the *FY 2018 Revised Budget Plan* due to the following:

  - A decrease of 39/39.0 FTE positions from the General Fund transferred to the Fairfax-Falls Church Community Services Board (CSB), as part of the Health and Human Services realignment;

  - An increase of 43/42.16 FTE positions in the Department of Family Services; 41/41.0 FTE positions associated with the realignment of the Infant and Toddler Connection (ITC) program, and 2/1.6 FTE positions associated with the opening of two new School-Age Child Care rooms.

  - An increase of 18/18.0 FTE positions in the Police Department; 17/17.0 FTE to support staffing in the South County Police Station, and 1/1.0 FTE to support the Criminal Intelligence Unit;

  - An increase of 6/6.0 FTE positions required to the support the third year of the County's Diversion First initiative, which is a multiagency collaboration. 3/3.0 FTE went to the Office of the Sheriff, 2/2.0 FTE to the Juvenile and Domestic Relations District Court, and 1/1.0 FTE to the Police Department.

  - An increase of 5/5.0 FTE positions in the Department of Tax Administration to add capacity in the Real Estate Division, enhance Personal Property and Business tax audit operations, and improve service quality in the call center;

  - An increase of 4/4.0 FTE positions in Capital Facilities to address the growing workload associated with planned projects in the Capital Improvement Program (CIP);

  - An increase of 2/2.0 FTE positions in the Health Department to expand the Nurse Family Partnership Program;

  - An increase of 1/1.0 FTE position in the Facilities Management Department to support the annual infrastructure replacement and upgrade efforts at Fairfax Connector garage facilities;

  - An increase of 1/1.0 FTE position in Business Planning and Support to provide ongoing oversight and maintenance for the Capital Project Information Management System (CPMIS); and,

  - An increase of 1/1.0 FTE position in the Department of Transportation to support transit-related programs.

Fringe Benefits

In FY 2019, funding for Fringe Benefits totals $389,922,233, an increase of $15,385,403 or 4.1 percent over the *FY 2018 Revised Budget Plan* level of $374,536,830 and an increase of $19,003,353 or 5.1 percent over the FY 2018 Adopted Budget Plan level of $370,918,880. The increase over the FY 2018 Adopted Budget Plan is primarily due to the following increases, partially offset by net savings in other areas.

- An increase of $12,097,592 reflects the impact of employee compensation adjustments, including a 2.25 percent market rate adjustment (MRA) for all employees and performance-based and longevity increases for non-uniformed merit employees, both effective July 2018, as well as merit and longevity increases (including the full-year impact of FY 2018 increases) for uniformed employees awarded on the employees' anniversary dates. These increases impact Social Security and Retirement.

- An increase of $5,513,355 in employer contributions to the retirement systems is due to adjustments to the employer contribution rates, partially offset by savings based on year-to-date FY 2018 experience. Based on the results of the annual actuarial valuation, and a change in the amortization schedule to increase the amortization of the unfunded actuarial accrued liability from 98 to 99 percent, there is a net increase to the employer contribution rates for the Employee's and Police Officers systems and no net change in the employer contribution rate for the Uniformed system.

- An increase of $2,359,175 in Fringe Benefits is based on funding for new positions added in FY 2019 and funding required for the full-year impact of positions added in FY 2018. This increase impacts Health, Dental and Life Insurance, Social Security, and Retirement.

- A decrease of $716,214 in Fringe Benefits is based on realignments of existing positions in FY 2019 within the Health and Human Services system. This increase impacts Health, Dental and Life Insurance, Social Security, and Retirement.

Operating Expenses

In FY 2019, Operating Expenses total $362,769,688, a decrease of $35,474,798 or 8.91 percent from the *FY 2018 Revised Budget Plan* funding level of $398,244,486. Operating Expenses increased by $13,454,602 or 3.85 percent over the FY 2018 Adopted Budget Plan funding level of $349,315,086. Major adjustments from the FY 2018 Adopted Budget Plan are as follows:

- A net increase of $6,200,000 in the Department of Family Services is primarily associated with the transfer of 88/87.6 FTE positions to support the realignment of the Infant and Toddler Connection (ITC) program, as well as the realignment of Health and Human Services. This increase also supports the contract rate increases, the expansion of Early Childhood education programs, and the addition of new School-Age Child Care (SACC) rooms;

- A net increase of $2,400,000 in the Police Department is primarily associated with the establishment of 19/19.0 FTE positions to support staffing the South County Police Station, the Diversion First initiative, the Gang Prevention initiative, and the Opioid Task Force;

- A net increase of $850,000 in the Department of Neighborhood and Community Services to support the expansion of the Opportunity Neighborhood initiative, contract rate increases, and the Gang Prevention initiative;

- A net increase of $820,000 in the Department of Information Technology, primarily associated with Technology Infrastructure support and compensation related chargebacks for staff supporting Fund 60020, Document Services, and Fund 60030, Technology Infrastructure Services;

- A net increase of $756,000 in the Health Department to support multiple initiatives related to Anti-Parasitic medication and the Opioid Task Force, nursing services for medically fragile students, and to support contract rate increases;

- A net increase of $700,000 in the Fairfax County Park Authority primarily associated with the management of the Laurel Hill property and the Workhouse Arts Foundation property;

- A net increase of $560,000 in Land Development Services to address growing residential inspection workloads and enhanced customer service as part of the Fairfax First initiative, and to support elevator and escalator inspection activity.

- A net increase of $522,000 in the Fire and Rescue Department to support recruitment and retention efforts, as well as for increased Department of Vehicle Services charges based on anticipated billings for fuel, vehicle replacement, and maintenance-related charges.

Capital Equipment

In FY 2019, Capital Equipment funding for General Fund agencies totals $354,744, a decrease of $4,483,283 or 92.67 percent from the *FY 2018 Revised Budget Plan* funding level of $4,838,027. Capital Equipment funding increased by $238,686 over the FY 2018 Adopted Budget Plan funding level of $116,058. Major adjustments are primarily associated with the Fairfax County Park Authority to replace outdated critical capital equipment.

Recovered Costs

In FY 2019, Recovered Costs total $37,942,821, an increase of $1,354,422 or 3.70 percent over the FY 2018 Adopted Budget Plan level of $36,588,399, and an increase of $467,229 or 1.25 percent over the *FY 2018 Revised Budget Plan* level of $37,475,592. This is primarily associated with an adjustment made to Personnel Services and Recovered costs in the Department of Public Works and Environmental Services (DPWES), to align costs with the DPWES reorganization which centralized IT and communications functions.

SUMMARY OF GENERAL FUND TRANSFERS

The FY 2019 Transfers Out from the General Fund total $2,700,605,257, an increase of $48,644,889, or 1.8 percent, over the *FY 2018 Revised Budget Plan* Transfers Out of $2,651,960,368. These transfers support programs and activities that reflect the Board of Supervisors' priorities.

Adjustments are summarized below.

	Increase/ (Decrease) Over FY 2018 Revised
Fund S10000, Public School Operating	$84,739,607
Fund S31000, Public School Construction	2,500,000
Fund 10010, Revenue Stabilization Fund	(17,736,702)
Fund 10020, Consolidated Community Funding Pool	557,085
Fund 10030, Contributory Fund	(119,993)
Fund 10040, Information Technology	(6,230,867)
Funds 20000 and 20001, Consolidated Debt Service	7,267,799
Fund 30000, Metro Operations and Construction	7,137,143
Fund 30010, General Construction and Contributions	(21,094,572)
Fund 30020, Infrastructure Replacement and Upgrades	(11,390,244)
Fund 30060, Pedestrian Walkway Improvements	(1,093,507)
Fund 30070, Public Safety Construction	(350,000)
Fund 40000, County Transit Systems	1,721,482
Fund 40040, Fairfax-Falls Church Community Services Board	5,016,057
Fund 40330, Elderly Housing Programs	25,698
Fund 50000, Federal-State Grant Fund	379,979
Fund 60000, County Insurance Fund	(2,296,431)
Fund 60030, Technology Infrastructure Services	(500,000)
Fund 83000, Alcohol Safety Action Program	112,355
Total	**$48,644,889**

Fund S10000, Public School Operating

The FY 2019 General Fund transfer to Fund S10000, Public School Operating, is $2,051,659,207, an increase of $84,739,607, or 4.3 percent, over the *FY 2018 Revised Budget Plan* transfer of $1,966,919,600. The greatest share of the County budget is dedicated to Fairfax County Public Schools (FCPS), which underscores that education continues to be the highest priority. The transfer to Public School Operating, the School Construction Fund, and School Debt Service represents 52.8 percent of total General Fund Disbursements.

Fund S31000, Public School Construction

The FY 2019 General Fund transfer to Fund S31000, Public School Construction, is $15,600,000, an increase of $2,500,000, or 19.1 percent, over the *FY 2018 Revised Budget Plan* transfer of $13,100,000. The increase is associated with an increase of $25 million in school bond sale capacity – from $155 to $180 million – beginning in FY 2019, which would require an additional $2.5 million in annual debt requirements in FY 2020. It is anticipated that the FY 2020 transfer to School Construction would return to its previous level and School Debt Service support would increase.

Fund 10010, Revenue Stabilization Fund

The FY 2019 General Fund transfer to Fund 10010, Revenue Stabilization, is $6,527,583, a decrease of $17,736,702, or 73.1 percent, from the *FY 2018 Revised Budget Plan* transfer of $24,264,285. This adjustment is based on the total change in General Fund Disbursements, as an amount equal to 10 percent of the increase in General Fund disbursements is allocated between the Managed Reserve and the Revenue Stabilization Fund. It should be noted that a significant one-time increase was made in the *FY 2018 Revised Budget Plan* transfer in accordance with the Board's new reserve policy.

Fund 10020, Consolidated Community Funding Pool

The FY 2019 General Fund transfer to Fund 10020, Consolidated Community Funding Pool, is $11,698,785, an increase of $557,085, or 5.0 percent, over the *FY 2018 Revised Budget Plan* transfer of $11,141,700. The increase is associated with performance and leverage requirements for non-profit organizations, and provides additional funding to community organizations to meet human services needs in the County.

Fund 10030, Contributory Fund

The FY 2019 General Fund transfer to Fund 10030, Contributory Fund, is $13,674,778, a decrease of $119,993, or 0.9 percent, from the *FY 2018 Revised Budget Plan* transfer of $13,794,771. More detail on the Contributory Fund follows the General Fund Disbursement Overview.

Fund 10040, Information Technology

The FY 2019 General Fund transfer to Fund 10040, Information Technology, is $3,254,750, a decrease of $6,230,867, or 65.7 percent, from the *FY 2018 Revised Budget Plan* transfer of $9,485,617. Required funding is dependent on the costs associated with new projects that are selected each year, the remaining costs associated with completing or implementing prior planned projects, and available balances in the fund, therefore the required transfer may fluctuate each year. The FY 2019 transfer is provided for initiatives that meet one or multiple priorities established by the Senior Information Technology Steering Committee. These initiatives include a mix of projects that provides benefits for both citizens and employees and that adequately balance new and continuing initiatives with the need for securing and strengthening the County's technology infrastructure. Detailed information on the Information Technology program may be found in the Fund 10040, Information Technology, narrative in Volume 2 of the FY 2019 Adopted Budget Plan.

Funds 20000 and 20001, Consolidated Debt Service

The FY 2019 General Fund transfer to Funds 20000 and 20001, Consolidated Debt Service, is $342,433,977, an increase of $7,267,799, or 2.2 percent, over the *FY 2018 Revised Budget Plan* transfer of $335,166,178. This increase is primarily attributable to scheduled requirements for existing debt service.

Fund 30000, Metro Operations and Construction

The FY 2019 General Fund transfer to Fund 30000, Metro Operations and Construction, is $20,695,098, an increase of $7,137,143, or 52.6 percent, over the *FY 2018 Revised Budget Plan* transfer of $13,557,955, based on anticipated subsidy requirements from local jurisdictions in FY 2019 and the cost of debt service associated with opting in to WMATA issued debt in FY 2018.

Fund 30010, General Construction and Contributions

The FY 2019 General Fund transfer to Fund 30010, General Construction and Contributions, is $16,161,476, a decrease of $21,094,572, or 56.6 percent, from the *FY 2018 Revised Budget Plan* transfer of $37,256,048. *The FY 2018 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. FY 2019 funding is limited to only the most critical priority projects.

Fund 30020, Infrastructure Replacement and Upgrades
The FY 2019 General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is $0, a decrease of $11,390,244, or 100 percent, from the *FY 2018 Revised Budget Plan* transfer of $11,390,244. *The FY 2018 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. During their deliberations on the FY 2019 Advertised Budget Plan, the Board of Supervisors eliminated funding in FY 2019 in this fund. However, funding is anticipated to be included as part of the *FY 2018 Carryover Review*.

Fund 30060, Pedestrian Walkway Improvements
The FY 2019 General Fund transfer to Fund 30060, Pedestrian Walkway Improvements, is $600,000, a decrease of $1,093,507, or 64.6 percent, from the *FY 2018 Revised Budget Plan* transfer of $1,693,507. The *FY 2018 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. FY 2019 funding is limited to only the most critical priority projects.

Fund 30070, Public Safety Construction
The FY 2019 General Fund transfer to Fund 30070, Public Safety Construction, is $0, a decrease of $350,000, or 100 percent, from the *FY 2018 Revised Budget Plan* transfer of $350,000. The *FY 2018 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. FY 2019 funding is limited to only the most critical priority projects.

Fund 40000, County Transit Systems
The FY 2019 General Fund transfer to Fund 40000, County Transit Systems, is $36,151,131, an increase of $1,721,482, or 5.0 percent, over the *FY 2018 Revised Budget Plan* transfer of $34,429,649, due to increasing operating costs and decreasing state aid balances.

Fund 40040, Fairfax-Falls Church Community Services Board
The FY 2019 General Fund transfer to Fund 40040, Fairfax-Falls Church Community Services Board, is $135,445,375, an increase of $5,016,057, or 3.9 percent, over the *FY 2018 Revised Budget Plan* transfer of $130,429,318. This net increase is primarily due to a 2.25 percent market rate adjustment for all employees and performance-based and longevity increases for non-uniformed merit employees, both effective July 2018, the Health and Human Services (HHS) realignment, additional funding to combat the opioid use epidemic, additional funding and positions to support the third year of the County's successful Diversion First initiative, additional funding and positions to provide support coordination services to individuals with developmental disabilities in the community, and increased fringe benefit requirements in FY 2019. These increases are partially offset by decreases associated with savings and efficiencies as a result of realignments within the Human Services system. Detailed information can be found in the Fund 40040, Fairfax-Falls Church Community Services Board, narrative in Volume 2 of the FY 2019 Adopted Budget Plan.

Fund 40330, Elderly Housing Programs
The FY 2019 General Fund transfer to Fund 40330, Elderly Housing Programs, is $1,862,722, an increase of $25,698, or 1.4 percent, over the *FY 2018 Revised Budget Plan* transfer of $1,837,024. This increase is due to a 2.25 percent market rate adjustment (MRA) for all employees and performance-based and longevity increases for non-uniformed merit employees, both effective July 2018. Detailed information can be found in the Fund 40330, Elderly Housing Programs, narrative in Volume 2 of the FY 2019 Adopted Budget Plan.

Fund 50000, Federal-State Grant Fund

The FY 2019 General Fund transfer to Fund 50000, Federal-State Grant Fund, is $5,486,978, an increase of $379,979, or 7.4 percent, over the *FY 2018 Revised Budget Plan* transfer of $5,106,999. The transfer reflects the anticipated Local Cash Match needed to maximize the County's ability to leverage Federal and State grant funding. The Reserve for Local Cash Match is a projection of the County contributions required for anticipated and unanticipated grant awards. This increase in Local Cash Match requirements is primarily due to an increase in requirements associated with the Area Agency on Aging grants in the Department of Family Services.

Fund 60000, County Insurance Fund

The FY 2019 General Fund transfer to Fund 60000, County Insurance, is $24,236,650, a decrease of $2,296,431, or 8.7 percent, from the *FY 2018 Revised Budget Plan* transfer of $26,533,081. This decrease is primarily associated with one-time increases during the *FY 2018 Third Quarter Review* for accrued liability adjustments. Accrued liability adjustments are based on actuarial analysis that is performed every year by an outside actuary to estimate the ultimate value of losses for which the County is liable. Detailed information on the County Insurance Fund can be found in the Fund 60000, County Insurance, narrative in Volume 2 of the FY 2019 Adopted Budget Plan.

Fund 60030, Technology Infrastructure Services

The FY 2019 General Fund transfer to Fund 60030, Technology Infrastructure Services, is $0, a decrease of $500,000 or 100 percent from the *FY 2018 Revised Budget Plan* transfer of $500,000. As part of the *FY 2018 Third Quarter Review,* the Board of Supervisors approved a one-time General Fund transfer of $500,000 to support increasing costs in the PC Replacement Program.

Fund 83000, Alcohol Safety Action Program

The FY 2019 General Fund transfer to Fund 83000, Alcohol Safety Action Program, is $684,916, an increase of $112,355 or 19.6 percent over the *FY 2018 Revised Budget Plan* transfer of $572,561. This increase is associated with a 2.25 percent market rate adjustment for all employees, as well as performance-based and longevity increases for non-uniformed merit employees, both effective July 2018; higher fringe benefit costs based on projected health insurance premiums and employer contribution rates for retirement; and additional funding to partially address a structural imbalance caused by declining revenues.

Fund 10030
Summary of Contributory Agencies

Summary of Contributory Agencies

Fund 10030, Contributory Fund, was established in FY 2001 to reflect General Fund support for agencies or organizations that receive County contributions. FY 2019 funding totals $13,675,489 and reflects an increase of $182,524 or 1.4 percent over the FY 2018 Adopted Budget Plan funding level of $13,492,965. The required Transfer In from the General Fund is $13,674,778. Individual contributions are described in detail in the narrative of Fund 10030, Contributory Fund, in Volume 2 of the FY 2019 Adopted Budget Plan.

Contributory funding is in compliance with the Board of Supervisors' policy to make General Fund appropriations of specified amounts to various nonsectarian, nonprofit, or quasi-governmental entities for the purpose of promoting the general health and welfare of the community. Since public funds are being appropriated, contributions provided to designated agencies are currently made contingent upon submission and review of quarterly, semiannual and/or annual reports. This oversight activity includes reporting requirements prescribed by the County Executive, which require designated agencies to accurately describe the level and quality of services provided to County residents. Various County agencies may be tasked with oversight of program reporting requirements. Contributory agencies that do not file reports as requested, may, at the discretion of the County Executive, have payments withheld until appropriate reports are filed and reviewed.

The following chart summarizes the funding for the various contributory organizations.

Fairfax County	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Legislative-Executive Functions/Central Service Agencies:					
Dulles Area Transportation Association	$15,000	$15,000	$15,000	$15,000	$15,000
Metropolitan Washington Council of Governments	992,555	1,039,064	1,039,064	1,064,441	1,064,441
National Association of Counties	21,635	21,635	21,635	21,635	21,635
Northern Virginia Regional Commission	725,462	734,481	734,481	739,381	739,381
Northern Virginia Transportation Commission	170,160	173,721	173,721	169,598	169,598
Virginia Association of Counties	237,159	239,446	239,446	243,608	243,608
Washington Airports Task Force	50,000	50,000	50,000	50,000	50,000
Subtotal Legislative-Executive	**$2,211,971**	**$2,273,347**	**$2,273,347**	**$2,303,663**	**$2,303,663**
Public Safety:					
NOVARIS	$9,577	$9,577	$9,577	$9,577	$9,577
NVERS	10,000	15,000	115,000	10,000	10,000
Subtotal Public Safety	**$19,577**	**$24,577**	**$124,577**	**$19,577**	**$19,577**
Health and Welfare:					
Health Systems Agency of Northern Virginia	$108,200	$108,200	$108,200	$108,200	$108,200
Medical Care for Children	237,000	237,000	237,000	237,000	237,000
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence	2,452,456	2,605,826	2,605,826	2,700,168	2,700,168
Volunteer Fairfax	405,772	405,772	405,772	405,772	405,772
Subtotal Health and Welfare	**$3,203,428**	**$3,356,798**	**$3,356,798**	**$3,451,140**	**$3,451,140**

Fund 10030
Summary of Contributory Agencies

Fairfax County	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Parks, Recreation and Cultural:					
Arts Council of Fairfax County	$331,694	$331,694	$387,894	$331,694	$331,694
Arts Council of Fairfax County - Arts Groups Grants	96,900	96,900	96,900	96,900	96,900
Challenge Grant Funding Pool for the Arts	444,125	444,125	444,125	444,125	444,125
Dulles Air and Space Museum	100,000	100,000	100,000	100,000	100,000
Fairfax Symphony Orchestra	261,032	261,032	301,032	261,032	261,032
Fort Belvoir Army Museum	150,000	150,000	150,000	150,000	150,000
Northern Virginia Regional Park Authority	2,149,947	2,158,822	2,158,822	2,152,052	2,152,052
Reston Historic Trust	16,150	16,150	16,150	16,150	16,150
Town of Herndon	40,000	40,000	40,000	40,000	40,000
Town of Vienna Teen Center	32,300	32,300	32,300	32,300	32,300
Turning Point Suffragist Memorial	0	0	200,000	0	0
Wolf Trap Foundation for the Performing Arts	125,938	125,938	125,938	125,938	125,938
Subtotal Parks, Recreation & Cultural	**$3,748,086**	**$3,756,961**	**$4,053,161**	**$3,750,191**	**$3,750,191**
Community Development:					
Architectural Review Board	$3,500	$8,200	$8,200	$8,200	$8,200
Commission for Women	6,916	6,916	6,916	6,916	6,916
Convention and Visitors Corporation	2,728,925	2,797,148	2,828,465	2,867,077	2,867,077
Earth Sangha	16,150	16,150	16,150	16,150	16,150
Fairfax County History Commission	21,013	21,013	21,013	21,013	21,013
Fairfax ReLeaf	41,990	41,990	41,990	41,990	41,990
Greater Reston Incubator	24,225	24,225	24,225	24,225	24,225
Inova Translational Medicine Institute	500,000	500,000	500,000	500,000	500,000
Northern Virginia 4-H Education Center	15,000	15,000	15,000	15,000	15,000
Northern Virginia Community College	87,443	86,887	86,887	86,594	86,594
Northern Virginia Conservation Trust	227,753	227,753	227,753	227,753	227,753
Southeast Fairfax Development Corporation	183,320	183,320	183,320	183,320	183,320
Women's Center of Northern Virginia	27,023	27,023	27,023	27,023	27,023
Subtotal Community Development	**$3,883,258**	**$3,955,625**	**$3,986,942**	**$4,025,261**	**$4,025,261**
Nondepartmental:					
Employee Advisory Council	$33,000	$33,000	$33,000	$33,000	$33,000
Fairfax Public Law Library	92,657	92,657	92,657	92,657	92,657
Subtotal Nondepartmental	**$125,657**	**$125,657**	**$125,657**	**$125,657**	**$125,657**
Total County Contributions	**$13,191,977**	**$13,492,965**	**$13,920,482**	**$13,675,489**	**$13,675,489**

FARE FAC

1742

Other Funds Overview

COUNTY OF FAIRFAX
FARE FAC
1742
VIRGINIA

FY 2019

Adopted Budget Plan

OTHER FUNDS OVERVIEW

Other Funds reflect programs, services and projects funded from non-General Fund revenue sources or a mix of General Fund and non-General Fund sources. These sources include federal or state grants, specific tax districts, proceeds from the sale of bonds, and user fees and charges. Included are the following categories of Other Funds:

- General Fund Group
- Debt Service Funds
- Special Revenue Funds
- Internal Service Funds
- Enterprise Funds
- Custodial and Trust Funds

Other Funds expenditures are supported through a total available balance of $10,803,319,499 (excluding the General Fund) and total revenues of $4,127,877,533 (excluding the General Fund). The revenues are a decrease of $1,082,642,226, or 20.78 percent, from the *FY 2018 Revised Budget Plan* and an increase of $246,075,500, or 6.34 percent, over the FY 2018 Adopted Budget Plan. The decrease from the *FY 2018 Revised Budget Plan* is primarily the result of the carryover of authorized but unissued bonds for capital construction projects, County and regional transportation project revenue, Stormwater Services revenue, anticipated grant revenue, and various other changes rather than the result of changes in the revenue stream for Other Funds. The increase in revenues from the FY 2018 Adopted Budget Plan is due primarily to increased County and Fairfax County Public Schools (FCPS) retirement fund-related revenues, Stormwater Services and Sewer revenues, anticipated grant revenue and various other revenue changes. Details concerning significant changes in revenue growth are discussed for each specific fund in Volume 2, Capital Construction and Other Operating Funds, in the FY 2019 Adopted Budget Plan. Also, the FY 2019 revenues for Other Funds are summarized by revenue type and by fund type in the *Financial, Statistical and Summary Tables* section of this Overview Volume.

FY 2019 expenditures for Other Funds total $6,385,046,371 (excluding General Fund direct expenditures), and reflect a decrease of $2,167,159,568 or 25.34 percent, from the *FY 2018 Revised Budget Plan* funding level of $8,552,205,939. This decrease is primarily due to the effect of significant carryover for capital construction projects, stormwater projects, sewer construction projects, County and regional transportation projects, and grant-funded projects, and should not be perceived as a major change to programs or operations. Excluding adjustments in FY 2018, expenditures increased $307,093,951, or 5.05 percent, over the FY 2018 Adopted Budget Plan total of $6,077,952,420. Of this increase, an amount of $122,488,662 reflects an increase to the Public School Operating Fund, $8,599,784 reflects an increase to the Consolidated Debt Service Fund, and $39,101,717 reflects a net increase to both the Health Benefits Fund and the Public School Health and Flexible Benefits Fund. In addition, an amount of $108,334,230 reflects the combined increase in the Employees, Uniformed, Police, and Educational Employees Retirement Funds resulting from a higher number of retirees and higher individual payment levels.

The following is a brief summary of the various funds types. Not included in these discussions are Capital Projects Funds, which are presented in the Capital Projects Overview of this Overview Volume. A complete discussion of funding and program adjustments for all Other Funds is found in Volume 2, Capital Construction and Other Operating Funds in the FY 2019 Adopted Budget Plan. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview Volume. It should be noted that Special Revenue funding for the FCPS is discussed in further detail in the Fairfax County School Board's FY 2019 Adopted Budget.

GENERAL FUND GROUP

The General Fund Group consists of four funds in addition to the General Fund and accounts for revenue and expenditures for the Consolidated Community Funding Pool, Contributory, Revenue Stabilization, and Information Technology Funds. Prior to the FY 2014 Adopted Budget Plan, all of these funds, except for the Revenue Stabilization Fund, were part of Special Revenue Funds. In FY 2019, General Fund Group expenditures total $28,979,024 (excluding the General Fund), a decrease of $41,846,223, or 59.08 percent, from the *FY 2018 Revised Budget Plan* funding level of $70,825,247 due primarily to the carryover of ongoing IT project funds. Excluding adjustments in FY 2018, expenditures decreased $2,825,881, or 8.89 percent, from the FY 2018 Adopted Budget Plan level of $31,804,905.

DEBT SERVICE FUNDS

The Consolidated Debt Service Fund accounts for the general obligation bond debt service of the County as well as general obligation bond debt for the FCPS. In addition, debt service expenditures are included for the Economic Development Authority Lease Revenue bonds associated with County government and School facilities and payments for Fairfax County Redevelopment and Housing Authority (FCRHA) Lease Revenue bonds. Revenues for the debt service funds are derived principally from a transfer from the General Fund. Debt service on sewer revenue bonds is reflected in the Enterprise Funds. FY 2019 Debt Service expenditures total $349,973,431.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds from specific sources that are legally restricted to expenditures for a specific purpose. These proceeds include state and federal aid, income derived through activities performed by the Division of Solid Waste, special levies, program activity revenue, and operation of the public school system. In FY 2019, Special Revenue Fund expenditures total $3,744,950,572, a decrease of $734,362,201 or 16.39 percent, from the *FY 2018 Revised Budget Plan* funding level of $4,479,312,773 due primarily to the effect of significant carryover of unexpended project balances in the County and Regional Transportation Projects Fund, the Metrorail Parking System Pledged Revenues Fund and the Stormwater Services Fund as well as the carryover of unexpended grant balances previously approved by the Board of Supervisors in the Federal/State Grant Fund. Excluding adjustments in FY 2018, expenditures increased $142,128,589, or 3.94 percent, over the FY 2018 Adopted Budget Plan level of $3,602,821,983.

INTERNAL SERVICE FUNDS

Internal Service Funds account for services commonly used by most agencies, and for which centralized organizations have been established in order to achieve economies of scale necessary to minimize costs. These internal agencies provide services to other agencies on a cost reimbursement basis. Such services consist of vehicle operations, maintenance, and replacement; insurance coverage (health, workers compensation, automobile liability, and other insurance); data communications and processing; and document services. Where possible, without degradation of quality, joint County and School service delivery (printing and vehicle maintenance) or joint procurement (health insurance) activities are conducted in order to achieve economies of scale and to minimize costs. FY 2019 Internal Service expenditures total $859,962,931, a decrease of $35,837,110, or 4.00 percent, from the *FY 2018 Revised Budget Plan* level of $895,800,041 primarily due to decreases in the County Insurance, Public School Insurance and Health Benefits Funds. Excluding adjustments in FY 2018, expenditures increased $39,152,667, or 4.77 percent, over the FY 2018 Adopted Budget Plan level of $820,810,264.

ENTERPRISE FUNDS

Fairfax County's Enterprise Funds consist of five funds within the Wastewater Management Program (WWM), which account for the construction, maintenance and operational aspects of the countywide sewer system. The cost of providing sewer service to County citizens and businesses is financed or recovered primarily from user charges. FY 2019 Enterprise Funds expenditures for sewer operation and maintenance and sewer debt service total $222,555,805, a decrease of $157,163,377, or 41.39 percent, from the *FY 2018 Revised Budget Plan* total of $379,719,182 primarily due to the carryover of unexpended project balances in the Sewer Bond Construction and Sewer Construction Improvement Funds to provide funding for future treatment plant requirements. Excluding adjustments in FY 2018, expenditures increased $3,204,494, or 1.46 percent, over the FY 2018 Adopted Budget Plan level of $219,351,311.

CUSTODIAL AND TRUST FUNDS

Custodial and Trust funds account for assets held by the County in a trustee or custodial capacity and include the four pension trust funds administered by the County and Schools, as well as County and Schools trust funds to pre-fund other post-employment benefits. FY 2019 Custodial and Trust funds combined expenditures total $911,481,561, an increase of $52,960,471, or 6.17 percent, over the *FY 2018 Revised Budget Plan* funding level of $858,521,090. This increase is primarily due to increases in the four existing retirement funds resulting from a higher number of retirees and higher individual payment levels. Excluding adjustments in FY 2018, combined Custodial and Trust funds expenditures increased $111,430,342, or 13.93 percent, over the FY 2018 Adopted Budget Plan level of $800,051,219.

Capital Projects Overview

FY 2019

Adopted Budget Plan

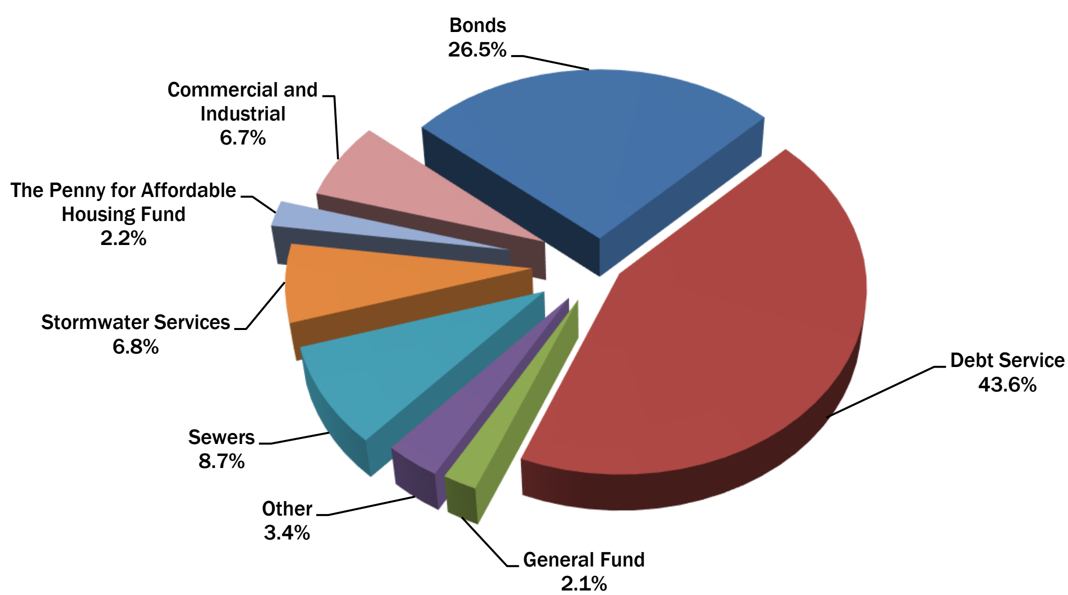
Summary of Capital Construction Program

The Capital Construction Program of Fairfax County is organized to meet the existing and anticipated future needs of the citizens of the County and to enable the County government to provide necessary services. The Capital Construction Program (other than sanitary sewer construction and resource recovery projects) is primarily financed through transfers from the General Fund and the sale of General Obligation Bonds. Supplementing the General Fund and General Obligation Bond monies are additional funding sources including federal and state grants, contributions, and tax revenues from special revenue districts.

The Fairfax County Capital Construction Program includes, but is not limited to construction of both new and renovated school facilities, park facilities, transportation facilities, libraries, trails/sidewalks, fire stations, government centers with police substations, stormwater management facilities, athletic fields, housing units to provide affordable housing opportunities to citizens, commercial revitalization initiatives and infrastructure replacement and upgrades at County facilities. In addition, the Program includes contributions and obligations in support of the capital construction.

Funding in the amount of $803,577,185 is included in FY 2019 for the County's Capital Construction Program. Of this amount, $349,973,431 is included for debt service and $453,603,754 is included for capital expenditures. The source of funding for capital expenditures includes: $16,761,476 from the General Fund; $213,000,000 in General Obligation Bonds; $70,000,000 in sewer system revenues; $18,000,000 in Real Estate revenues supporting the Affordable Housing Program; $54,672,620 in Stormwater Services revenue; $54,076,686 in Commercial and Industrial revenues; and $27,092,972 in financing from various other sources. Other sources of financing include, but are not limited to, transfers from other funds, pro rata share deposits, user fees, developer contributions and/or payments.

FY 2019 Capital Construction Program



TOTAL CAPITAL PROGRAM = $803,577,185

General Fund Support

In FY 2019, an amount of $16,761,476 is supported by the General Fund for capital projects. This includes an amount of $11,871,476 for commitments, contributions and facility maintenance and $4,890,000 for Paydown projects. The Paydown program has been redesigned at the request of the Board of Supervisors to exclude those projects that are on-going maintenance projects or annual contributions. Paydown now includes infrastructure replacement and upgrades, athletic field improvements and other capital improvements. The FY 2019 General Fund Capital Program represents a decrease of $2,680,400 based on a shift of operational expenses from the Capital Program to the General Fund operational budget and elimination of funding for infrastructure replacement and updates. The shift to operational expenses is related to the management of the Laurel Hill and Workhouse Arts Foundation properties. Funding for capital improvements and other property management expenses had previously been funded in Fund 30010, County Construction and Contributions. In recent years, funding has supported staffing and maintenance in the Park Authority and Facilities Management Department, and funding no longer supports capital improvements projects. There is no net impact to the General Fund. In addition, during their deliberations on the FY 2019 Advertised Budget Plan, the Board of Supervisors eliminated funding in the amount of $1,700,600 for infrastructure replacement and upgrade projects. This funding is anticipated to be included in the *FY 2018 Carryover Review*. Based on the Board of Supervisor's FY 2018 Budget Guidance to "increase funding for infrastructure both in the use of one-time balances and by increasing the level of funding in the annual budget", additional funding of $8,237,400 was included as part of the *FY 2018 Third Quarter Review*.

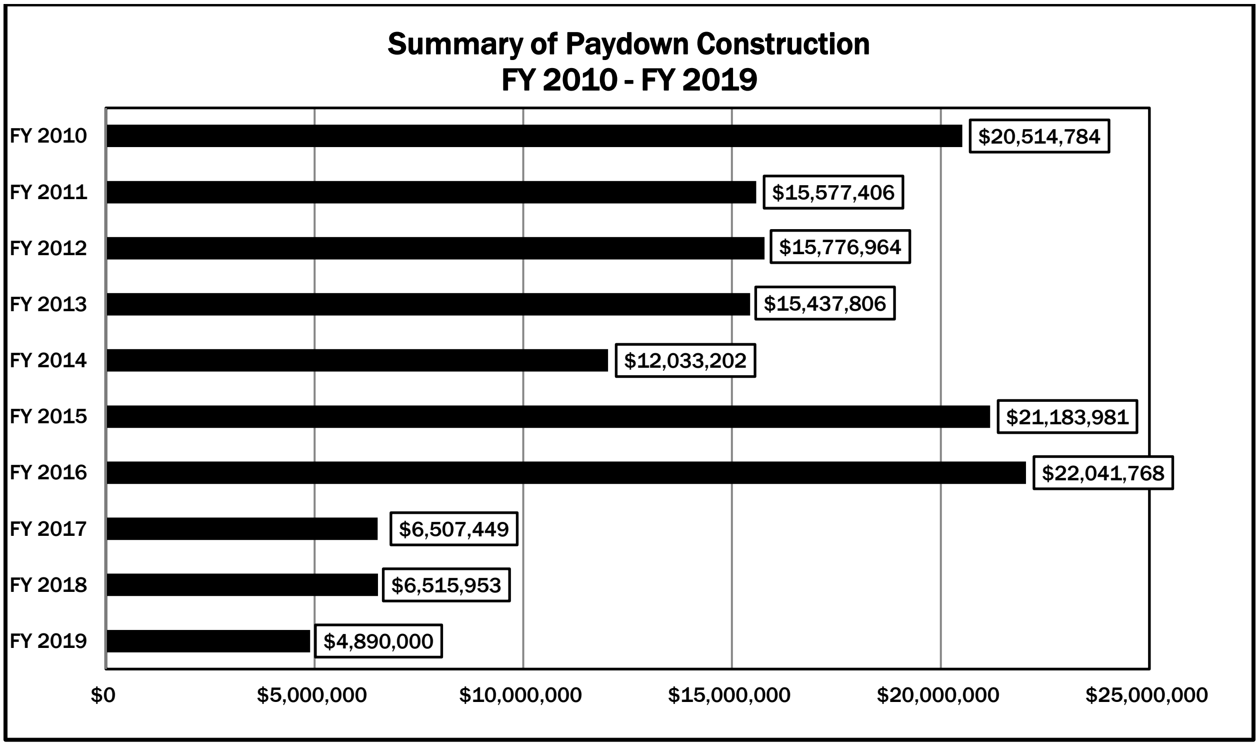
The FY 2019 General Fund Supported Program is illustrated below:

FY 2019 Capital Construction/Paydown Summary*

	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	$1,690,000	$2,650,000
Environmental Initiatives	$535,000	$0	$535,000
On-Going Development, Infrastructure Maintenance and Revitalization	$1,560,000	$0	$1,560,000
Payments and Contributions	$4,381,138	$0	$4,381,138
Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways	$0	$1,300,000	$1,300,000
Developer Default Improvements	$0	$200,000	$200,000
Total General Fund Support	**$11,871,476**	**$4,890,000**	**$16,761,476**

* Reflects General Fund support. Other funding sources such as dedicated revenue and bond funding are not included in these totals.

The graph below depicts the level of Paydown funding between FY 2010 and FY 2019. The decrease beginning in FY 2017 is associated with the revised definition of the Paydown program.



Specifics of the FY 2019 General Fund Supported Program include:

Athletic Field Maintenance and Sports Projects

FY 2019 funding in the amount of $7,610,338 has been included for the athletic field maintenance and sports program. This level of funding is supported by a General Fund transfer of $6,135,338 and revenue generated from the Athletic Services Fee in the amount of $1,475,000. Of the Athletic Services Fee total, $800,000 will be dedicated to the turf field replacement program, $275,000 will be dedicated to custodial support for indoor sports organizations, $250,000 will be dedicated to maintenance of school athletic fields, $75,000 will be dedicated to synthetic turf field development, and $75,000 will partially fund the Youth Sports Scholarship Program. The Athletic Service Fee revenue is based a rate of $5.50 per participant per season and $15 for tournament team fees for diamond field users and indoor gym users and a rate of $8.00 per participant per season and $50 tournament team fees for rectangular fields users. The increase for rectangular is specifically to pay for the turf field replacement fund.

Specific funding levels associated with maintenance include:

- An amount of $860,338 provides for specific contracted services aimed at improving the condition of athletic fields scheduled for community use at FCPS elementary schools, middle schools and centers. Maintenance responsibilities include mowing at a frequency of 29 times per year and annual aeration/over-seeding. This effort is supported entirely by the General Fund and is managed by the Park Authority.

- An amount of $1,000,000 is dedicated to the maintenance of diamond fields at Fairfax County Public Schools and is partially supported by revenue generated by the Athletic Services Fee. This funding is used for contracted maintenance aimed at High School programs, athletic field renovations, and irrigation maintenance of non-Park Authority athletic fields. This includes 417 non-Park Authority athletic fields of which 369 are located at elementary, middle schools, and centers. All field maintenance is coordinated between the Park Authority and the Department of Neighborhood and Community Services. Of the total funding, an amount of $250,000 is included for this program based on the FY 2019 projection of revenue generated from the Athletic Services Fee and $750,000 is supported by the General Fund.

- An amount of $50,000 is included for routine maintenance of girls' softball field amenities on select Fairfax County Public School sites. These amenities, such as dugouts, fencing and irrigation systems, were added or constructed by the County based on recommendations from the citizen-led Action Plan Review Team (APRT) in order to reduce disparities in the quality of fields assigned to boys' baseball and girls' softball organizations. Routine maintenance is necessary both to maintain equity and to ensure safety. For five years, funding of $200,000 was provided to support Girls' Fast Pitch Field Maintenance improvements to various girls' softball fields throughout the County as requested by the Fairfax Athletic Inequities Reform (FAIR). FY 2019 funding will provide maintenance to the improvements and amenities previously made to girls' softball fields. This project is supported entirely by the General Fund and coordinated by Department of Neighborhood and Community Services.

- An amount of $75,000 is included to support the development of synthetic turf fields. Fields are chosen through a review process based on the need in the community, projected community use and the field location and amenities. This effort is coordinated between the Park Authority and the Department of Neighborhood and Community Services and funding is provided from revenue generated from the Athletic Services Fee. It should be noted that as part of the *FY 2013 Carryover Review*, a Joint County School initiative was implemented to develop new synthetic turf fields throughout the County. This recommendation was based on the findings of the Synthetic Turf Field Task Force in its July 2013 report which determined the need for synthetic turf fields at 8 remaining high schools in the County that did not have turf fields. This program is now fully funded.

- An amount of $2,700,000 is included for athletic field maintenance and repairs, irrigation repairs, lighting repairs, turf maintenance, utility costs, and capital equipment replacement costs. The Park Authority is responsible for full service maintenance on 268 athletic fields, of which 39 are synthetic turf and 224 are natural turf. In addition, the field inventory includes 115 lighted and 115 irrigated fields. The fields are used by more than 200 youth and adult sports organizations as well as Fairfax County citizens. This effort is supported entirely by the General Fund and is managed by the Park Authority.

- An amount of $275,000 is included for custodial support for indoor gyms used by sports organizations. The use of FCPS indoor facilities on the weekend requires FCPS to schedule a school system employee to open and close the facility. Revenue generated from the Athletic Services Fee is used to provide payment for FCPS staff, eliminating the need for indoor sports organizations to pay the hourly rate previously charged. This project is entirely supported by revenue generated from the Athletic Services Fee and is managed by the Department of Neighborhood and Community Services.

- An amount of $150,000 is included for the Youth Sports Scholarship Program. The Youth Sports Scholarship Program provides support to youth from low-income families who want to participate in community-based sports programs. Of the total funding, an amount of $75,000 is included for this program based on the FY 2019 projection of revenue generated from the Athletic Services Fee, and $75,000 is supported by the General Fund.

Specific funding levels associated with Paydown capital improvements include:

- An amount of $250,000 is included to continue the replacement and upgrading of Fairfax County Public Schools (FCPS) athletic field lighting systems at middle and high schools used by many County organizations. Funding supports a replacement and repair schedule, as well as improvements to bring existing lighting systems up to new standards. The school system's Office of Design and Construction Services ensures lighting standards are maintained and FCPS annually prioritizes funding for field lighting. FY 2019 funding supports the replacement and repair for one field's existing lighting systems. This project is supported entirely by the General Fund and coordinated by the Department of Neighborhood and Community Services.

- An amount of $2,250,000 is included for the turf field replacement program in FY 2019. Funding of $800,000 is supported by Athletic Service Fee revenue and $1,450,000 is supported by the General Fund. There are a total of 91 synthetic turf fields throughout the County, of which 24 are FCPS stadium fields and 67 are County Parks/FCPS non-stadium fields. There are over 130,000 youth and adult participants (duplicated number) annually that benefit from rectangular turf fields. Funding is needed to address the growing need for field replacement and to support a replacement schedule over the next 10 years. If turf fields are not replaced when needed, they may need to be closed for safety reasons. Most manufacturers provide an 8-year warranty for a properly maintained synthetic turf field; however, it is a generally accepted practice to assume a life expectancy of the synthetic turf field of no more than 10 years. For planning purposes, the County adopted an annual budget estimate of a little more than half of the installation funding, which is a generally accepted practice for the industry. The current projected replacement cost per field is approximately $450,000. Based on a projected 10-year replacement cycle and the current 67 County field inventory, replacement funding requires a regular financial commitment. Therefore, staff developed a 10-year replacement plan for the current inventory which requires revenue from the Athletic Fee and the General Fund support.

Park Inspections, Maintenance and Infrastructure Upgrades

FY 2019 funding in the amount of $2,650,000 has been included for Park facilities and grounds. The Park facilities maintained with General Fund monies include but are not limited to: rental properties, historic properties, nature centers, maintenance facilities, sheds, shelters, and office buildings. Park priorities are based on the assessment of current repair needs including safety and health issues, facility protection, facility renewal and improved services. In addition, Park maintenance requirements are generated through scheduled preventative maintenance or from user requests for facility alterations. Without significant reinvestment in buildings and grounds, older facilities can fall into a state of ever decreasing condition and functionality, resulting in increased maintenance and repair costs in the future. Preventative and repair work is required for roofs, HVAC, electrical and lighting systems, fire alarm systems and security systems. Funding is essential to the maintenance and repair of building stabilization, including infrastructure replacement and upgrades at 551,091 square feet of non-revenue supported Park Authority structures and buildings. Maintenance is also required on over 580 pieces of grounds equipment.

Specific projects funded in FY 2019 include:

Facility Maintenance Supported by the General Fund

- An amount of $476,000 is provided to fund annual requirements for Parks grounds at non-revenue supported parks. The Park Authority is responsible for the care of a total park acreage of 23,418 acres of land, with 427 park site locations. This funding is used for mowing and other grounds maintenance, as well as arboreal services. Arboreal services are provided in response to Park staff and citizens' requests and include pruning, removal and inspections of trees within the parks. There has been a rise in staff responses to requests for the inspection and removal of hazardous or fallen trees within the parks and those that may pose a threat to private properties.

- An amount of $484,000 is included to provide corrective and preventive maintenance and inspections at over 551,091 square feet at non-revenue supported Park Authority structures and buildings. This maintenance includes the scheduled inspection and operational maintenance of HVAC, plumbing, electrical, security and fire alarm systems. This funding is critical in order to prevent the costly deterioration of facilities due to lack of preventative maintenance.

Infrastructure Replacement and Upgrades (Paydown)

- An amount of $925,000 is included for general park infrastructure replacement and upgrades at non-revenue supported Park facilities. Repairs and replacements support building systems at or beyond life expectancy which are experiencing significant annual maintenance. These requirements include: various roof replacements and/or repairs on outdoor public restrooms and picnic shelters ($200,000); replacement of fire and security systems at historic sites, nature centers, and maintenance facilities including the addition of freeze and water monitoring sensors to several historic sites ($125,000); replacement of windows, doors, and siding at picnic shelters, outdoor restrooms, and historic sites ($150,000); replacement of HVAC equipment at Nature Centers, Visitor Centers, and Maintenance Shops ($250,000) and the stabilization or repairs of buildings at properties conferred to the Park Authority ($200,000).

- An amount of $765,000 is included to provide improvements and repairs to park facilities and amenities including playgrounds, athletic courts, fences, picnic shelters, parking lots and roadways. In addition, funding will provide for annual maintenance to 326 miles of trails and replacement of un-repairable wooden bridges with fiber glass bridges to meet county code.

Environmental Initiatives

FY 2019 funding of $535,000 has been included for environmental initiatives. FY 2019 projects were selected based on the project selection process supported by the Environmental Quality Advisory Council (EQAC). The selection process includes the application of specific project criteria, review of proposals from County agencies, and identification of projects for funding. Specific funding levels include:

- An amount of $200,000 is included to continue the Invasive Management Area (IMA) program. The Park Authority manages this volunteer program, as well as other invasive removal initiatives. These programs restore hundreds of acres of important natural areas, protect tree canopy, and reach thousands of volunteers. Currently more than 12,000 trained volunteer leaders have contributed 52,700 hours of service since the program's inception in 2005, improving over 1,000 acres of parkland.

- An amount of $5,000 is included for the Green Purchasing Program. This program is designed to support limited term staff to assist in clearly specifying environmental attributes during the County's procurement process. Fairfax County has a current inventory of over 2,400 contracts and emphasizing environmental attributes such as recycling, energy efficiency, durability and reduced toxicity during the procurement process can contribute to the purchase of green products, creating fiscal and environmental savings.

- An amount of $7,115 is included for the award-winning spring outreach programs. These programs reach thousands of people in the county and have a deep impact on many youth and adults. Programs include classroom presentations, outdoor learning experiences, outreach events and festivals, high school Envirothon competitions, rain barrel workshops, Seedling Sales, high school science fair project judging, stream monitoring, Enviroscape trainings, storm drain marking, the Sustainable Garden Tour and more.

- An amount of $75,000 is included for the Watershed Protection and Energy Conservation Matching Grant Program. This program is intended to support energy education and outreach initiatives and promote community engagement around sustainability and conservation issues. Specifically, the program will provide financial incentives to empower civic associations, places of worship and homeowners through their associations to implement on-the-ground sustainability projects. The initiative will build on current programs that provide technical assistance, hands-on support, outreach and education to Fairfax County homeowners and residents. Projects will improve water quality, reduce greenhouse gas emissions and conserve energy and water. This funding level will support printing and materials, matching grants and one limited term full-time position to conduct outreach and education, site assessments, and inspections.

- An amount of $62,200 is included for stream bank and meadow restorations and the purchase of a no-till seed drill for planting native grasses and wildflower seeds. Of this amount, $1,200 will provide for Riverbend Park stream plantings to stabilize an eroding bank, $41,500 will provide for meadow restoration at Riverbend Park and Huntley Meadows Park to restore pollinator friendly habitat, and $19,500 will support the purchase of the no-till seed drill. The purchase of this equipment will save the county approximately $4,750 in contracting expenses associated with over ten acres of meadow restoration.

- An amount of $95,685 is included for LED Solar parking lot lighting and automated heating and/or cooling controls at Greenbriar Park. There are currently 30 non-staffed facilities which include irrigation sheds, pump houses and outdoor restrooms. Currently, the heating and cooling equipment can only be turned on and off manually. With the automation of heating and cooling controls, energy efficiencies and temperature control will be achieved. Funding will support installation at two non-staffed facilities. The return on investment is estimated to be 5 years. The LED solar parking lot lighting project will reduce energy use by up to 80 percent. The return on investment is estimated to be 3 years and includes substantially reduced maintenance costs.

- An amount of $90,000 is included for the purchase for propane extraction equipment to recover unused propane from cylinders that are disposed of as part of the County's Household Hazardous Waste Program. The extracted propane can then be used by propane supported county equipment and the empty tanks can be sold as scrap metal and recycled. This equipment would allow the County to eliminate paying for the disposal of propane tanks and receive the benefit of the recycled propane tanks and extracted propane.

In addition, an amount of $58,140 has been provided in Fund 10030, Contributory Fund, to continue partnering with two non-profit agencies to support tree planting efforts throughout the County.

Revitalization

- An amount of $950,000 is included to continue routine maintenance and non-routine repairs in five major commercial revitalization areas (Annandale, Route 1, Springfield, McLean and Baileys Crossroads). The goal of this program is to provide an enhanced level of infrastructure and right-of-way features in these urbanizing areas in order to facilitate pedestrian movements and create a "sense of place." Routine maintenance in the commercial revitalization areas currently includes grass mowing, trash removal, fertilization, mulching of plant beds, weed control and plant pruning. Non-routine maintenance includes asset maintenance or replacement (e.g., trees, plants, bicycle racks, area signs, street furniture, bus shelter, drinking fountains) to sustain the overall visual characteristics of the districts. FY 2019 funding represents an increase of $200,000 from the FY 2018 Adopted Budget Plan to support 2 positions to plan, manage, implement and provide some identified service enhancements as supported by the Board of Supervisors.

  In addition, staff continues to develop a multi-year implementation plan to phase in an enhanced level of service provided within Commercial Revitalization Districts (CRDs). Staff is working to develop a more sustainable maintenance and reinvestment approach by reviewing the current inventory, reviewing urban streetscape standards, researching best management practices, and developing a more rigorous review and implementation process for new projects. The goal of the program is to enhance the appearance, functionality and sustainability of the pedestrian environment in CRDs and to prevent CRD infrastructure and aesthetic improvements from falling into a state of disrepair. The proposed Plan would include expanding the areas eligible for enhanced levels of service for grass cutting, landscaping, litter control, weed control and street light inspections. In addition, the plan would include routine street sweeping and provide for the repairs and replacement of sidewalks and curbs for areas within the CRD.

- An amount of $460,000 is included to support routine maintenance, non-routine repairs and recurring landscaping associated with the Tyson's Corner Silver Line area along the Route 7 corridor, from Route 123 to the Dulles Toll Road. Routine maintenance services include landscape maintenance along the median and both sides of the road, trash removal, snow removal, and stormwater facility maintenance. The primary difference between maintenance requirements related to the Silver Line Metro system stations and other existing Metro stations is the County's maintenance requirement associated with 27 water quality swales under the raised tracks of the Silver Line located in VDOT Right-of-Way. Typical maintenance for the swales will include litter and sediment removal, vegetation care, and structural maintenance. It is anticipated that additional maintenance responsibilities may be required after the completion of Phase II of the Silver Line.

Payments and Obligations

- Funding of $840,145 is included for the annual payment associated with the Salona property based on the Board of Supervisors' approval of the purchase of this conservation easement on September 26, 2005. The total cost of the property is $18.2 million with payments scheduled through FY 2026.

- Funding of $1,000,000 is included for the County's annual contribution to offset school operating and overhead costs associated with School-Age Child Care (SACC) Centers.

- Funding of $2,540,993 is included for Fairfax County's contribution to the Northern Virginia Community College (NVCC). Funding provides for the continued construction and maintenance of various capital projects on college campuses within the NVCC system. The FY 2019 rate of $2.25 per capita is applied to the population figure provided by the Weldon Cooper Center.

County Infrastructure Replacement and Upgrades

Infrastructure Replacement and Upgrades support the long-term needs of the County's capital assets to maximize the life of County facilities, avoid their obsolescence, and provide for planned repairs, improvements and restorations to make them suitable for organizational needs. Fairfax County will have a projected FY 2019 facility inventory of over 10 million square feet of space (excluding schools, parks, and housing facilities). This inventory continues to expand with the addition of newly constructed facilities, the renovation and expansion of existing facilities and the acquisition of additional property. With such a large inventory, it is critical that a planned program of repairs and restorations be maintained. In addition, the age of a major portion of this inventory of facilities is reaching a point where major reinvestments are required in the building subsystems.

Each year, the Facilities Management Department (FMD) prioritizes and classifies infrastructure replacement and upgrade projects into five categories. Projects are classified as Category F: urgent/safety related, or endangering life and/or property; Category D: critical systems beyond their useful life or in danger of possible failure; Category C: life-cycle repairs/replacements where repairs are no longer cost effective; Category B: repairs needed for improvements if funding is available, and Category A: good condition.

The requirement for County infrastructure replacement and upgrades is estimated at $26 million per year. This estimate is based on current assessment data, as well as industry standards (2 percent of the current replacement value). Based on current staffing levels, the complexity of many of the projects, and the timeline for completing replacement and upgrade projects, it is estimated that approximately $15 million per year would be a good funding goal. During their deliberations on the FY 2019 Advertised Budget Plan, the Board of Supervisors eliminated funding in this fund. However, an amount of $1,700,600 is anticipated to be funded as part of the *FY 2018 Carryover Review.* In addition, funding in the amount of $8,237,400 was approved as part of the *FY 2018 Third Quarter Review* for a total anticipated amount of $9,938,000 in FY 2019 identified projects. These projects, all category F, will address emergency building repairs, fire alarm system replacement, parking lot and garage repairs, HVAC system upgrades, roof repairs and waterproofing, emergency generator replacement, elevator/escalator repairs, and electrical system upgrades/repairs.

Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways

- An amount of $700,000 is included for the Reinvestment, Repair, and Emergency Maintenance of County Roads. The County is responsible for 38 miles of roadways not maintained by VDOT. Funding was previously approved to build an accurate inventory and condition assessment of County-owned roads and service drives. As a result, the 2015 Rinker study identified an amount of $4 million in reinvestment funding required for the roadways with the most hazardous conditions, as well as increased annual funding for emergency repairs. On-going road maintenance includes, but is not limited to, pothole repair, drive surface overlays, subgrade repairs, curb and gutter repairs, traffic and pedestrian signage repairs, hazardous tree removal, grading, snow and ice control, patching of existing travelways, minor ditching and stabilization of shoulders, and drainage facilities. It is anticipated that the $4 million requirement for the initial reinvestment program will be funded over a 5-year period, with funding from the allocation of the Capital Sinking Fund. Once this initial backlogged reinvestment has been completed, it is anticipated that staff will re-assess the status of the program and develop the next multi-year plan to continue needed reinvestment and determine the appropriate annual funding level to sustain the Program in the future. Annual funding of $700,000 in FY 2019 is also consistent with the 5-year plan.

- An amount of $600,000 is included to meet emergency and critical infrastructure requirements for County trails, sidewalks and pedestrian bridges. In addition to the infrastructure replacement and upgrades of 675 miles of walkways, the Department of Public Works and Environmental Services (DPWES) and the Fairfax County Department of Transportation are responsible of 69 pedestrian bridges. This inventory includes 63 percent of walkways that are over 19 years old. Funding was previously approved to build an accurate inventory and condition assessment of County-owned walkways. As a result, the 2013 Rinker study identified an amount of $3 million in reinvestment funding required for 10 miles of trails in the poorest condition. On-going critical repairs include the correction of safety and hazardous conditions such as the damaged trail surfaces, retaining wall failures, handrail repairs, and the rehabilitation of pedestrian bridges. It is anticipated that the $3 million requirement for the initial reinvestment program will be funded over a 3-year period, with funding from the allocation of the Capital Sinking Fund. Once this initial backlogged reinvestment has been completed, it is anticipated that staff will re-assess the status of the program and develop the next multi-year plan to continue needed reinvestment and determine the appropriate annual funding level to sustain the Program in the future. Annual funding of $600,000 in FY 2019 is also consistent with the 3-year plan.

On-going Development Efforts

- An amount of $75,000 is included to support payments to developers for interest earned on conservation bond deposits. The County requires developers to contribute funds to ensure the conservation of existing natural resources. Upon satisfactory completion of projects, the developer is refunded the deposit with interest. This estimate is based on actual funding requirements in the past several years.

- An amount of $75,000 is included to support the maintenance of geodetic survey control points for the Geographic Information System (GIS). This project also supports the development and maintenance of an interactive, GIS-based website that will provide convenient and cost effective monumentation information to the County's land development customers.

- Funding of $300,000 is included to support the Developer Default program. This project is necessitated by economic conditions surrounding the construction industry that result in some developers not completing required public facilities, including acceptance of roads by the state, walkways and storm drainage improvements. FY 2019 funding is supported by $200,000 in General Fund monies and $100,000 in anticipated developer default revenue based on the trend of 2-3 default projects being received annually.

Capital General Obligation Bond Program

The Board of Supervisors annually reviews cash requirements for capital projects financed by General Obligation bonds to determine the ongoing schedule for construction of currently funded projects as well as those capital projects in the early planning stages. The bond capital program is reviewed annually by the Board of Supervisors in association with the Capital Improvement Program (CIP) and revisions are made to cashflow estimates and appropriation levels as needed. The CIP is designed to balance the need for public facilities as expressed by the countywide land use plan with the fiscal capability of the County to meet those needs. The CIP serves as a general planning guide for the construction of general purpose, school, and public facilities in the County. The County's ability to support the CIP is entirely dependent upon and linked to the operating budget. The size of the bond program in particular is linked to the approved General Fund disbursement level.

The Virginia Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. There is no statutory limit on the amount of debt the voters can approve. It is the County's own policy to manage debt within the guidelines identified in the *Ten Principles of Sound Financial Management*. The *Ten Principles* specifically indicate that debt service expenditures as a percentage of General Fund disbursements should remain under 10 percent and that the percentage of debt to estimated market value of assessed property should remain under 3 percent. The County continues to maintain these debt ratios with debt service requirements as a percentage of General Fund disbursements at 7.82 percent, and net debt as a percentage of market value at 1.16 percent as of June 30, 2017.

Continual monitoring and adjustments to the County's CIP have been necessary, as economic conditions have changed. The FY 2019 – FY 2023 Adopted Capital Improvement Program (With Future Fiscal Years to 2028) was approved by the Board of Supervisors on April 24, 2018. It should be noted that the operating budget is directly affected by the approval of the capital budget and its capital project components. The operating budget must support the debt service costs of all bond issues related to the capital budget, as well as the operating maintenance costs for each facility and improvement.

In FY 2019, an amount of $213,000,000 is included in General Obligation Bond funding. Specific funding levels in FY 2019 include:

- Funding in the amount of $180,000,000 is included for various school construction projects financed by General Obligation Bonds. This level of bond support reflects an increase of $25,000,000 in annual bond sales for FCPS. For several years, the School Board has requested an increase in the annual bond sales limit based on an identified gap in the level of funding to support school renovation projects. The increase from $155 million to $180 million annually is recommended based on FCPS requirements and debt service affordability. For details of the specific proposed school projects, see the Fairfax County Public School's FY 2019 Adopted Budget.

- Funding in the amount of $30,000,000 is included to support the 117-mile Metrorail system as well as to maintain and/or acquire facilities, equipment, railcars and buses.

- Funding of $3,000,000 is included for the County's annual contribution to the Northern Virginia Regional Park Authority (NVRPA) Capital program. The NVRPA Park system includes 30 parks and over 12,860 acres of land, over 100 miles of trails, numerous historic sites, five waterparks, two family campgrounds, three golf courses, a nature center, botanical gardens, rental cabins and cottages, five marinas, and over 40 miles of protected shoreline along major rivers and reservoirs.

Stormwater Management Program

Stormwater Services are essential to protect public safety, preserve property values and support environmental mandates such as those aimed at protecting the Chesapeake Bay and the water quality of other local jurisdictional waterways. Projects include repairs to stormwater infrastructure, measures to improve water quality such as stream stabilization, rehabilitation, safety upgrades of state regulated dams, repair and rehabilitation of underground pipe systems, surface channels, flood mitigation, site retrofits and best management practices (BMP), and other improvements. This funding also supports the implementation of watershed master plans, public outreach efforts, and stormwater monitoring activities as well as operational maintenance programs related to the existing storm drainage infrastructure as it pertains to stormwater conveyance and stormwater quality improvements.

As part of the FY 2010 Adopted Budget Plan, a special service district was created to support the Stormwater Management Program and provide a dedicated funding source for both operating and capital project requirements, as authorized by Code of Virginia Ann. Sections 15.2-2400. In FY 2019, the stormwater service rate will increase from $0.0300 to $0.0325 per $100 of assessed real estate value. This level is consistent with the five-year plan developed in FY 2015 as a phased approach for funding and staffing to support the anticipated regulatory increases. The five-year spending plan includes approximately $225 million in required projects and operational support. FY 2019 represents the final year of the five-year plan and during the next year, staff will be evaluating the success of the program, analyzing future stormwater rate requirements and developing the next 5-10 year Stormwater plan. It is anticipated that the next multi-year plan will continue to include ¼ cent increases per year until such time as the rate is at the target level of 4 cents.

FY 2019 funding will support $54,672,620 for capital project implementation including, infrastructure reinvestment, regulatory requirements, dam safety, and contributory funding requirements. Specific funding levels in FY 2019 include:

- Funding in the amount $6,500,000 is included for the Stormwater Regulatory Program. The County is required by federal law to operate under the conditions of a state issued MS4 Permit. Stormwater staff annually evaluates funding required to meet the increasing federal and state regulatory requirements pertaining to the MS4 Permit requirements, and State and Federal mandates associated with controlling water pollution delivered to local streams and the Chesapeake Bay. The MS4 Permit allows the County to discharge stormwater from its stormwater systems into state and federal waters. The County currently owns and/or operates approximately 6,800 regulated outfalls within the stormwater system that are governed by the permit. The current permit was issued to the County in April 2015. The permit requires the County to document the stormwater management facility inventory, enhance public outreach and education efforts, increase water quality monitoring efforts, provide stormwater management and stormwater control training to all County employees, and thoroughly document all of these enhanced efforts. The permit also requires the County to implement sufficient stormwater projects that will reduce the nutrients and sediment delivered to the Chesapeake Bay in compliance with the Chesapeake Bay TMDL implementation plan adopted by the State.

- Funding in the amount of $7,500,000 is included for Dam Safety and Facility Rehabilitation. There are currently more than 6,200 stormwater management facilities in service that range in size from small rain gardens to large state regulated flood control dams. The County is responsible for inspecting both County owned and privately owned facilities and for maintaining County owned facilities. This inventory increases annually and is projected to continually increase as new development and redevelopment sites are required to install stormwater management controls. This program maintains the control structures and dams that control and treat the water flowing through County owned facilities. This initiative also includes the removal of sediment that occurs in both wet and dry stormwater management facilities to ensure that adequate capacity is maintained to treat the stormwater. The program results in approximately 70 projects annually that require design and construction management activities as well as contract management and maintenance responsibilities.

- Funding in the amount of $7,000,000 is included for Conveyance System Inspections, Development and Rehabilitation in FY 2019, including $2.0 million for inspections and development and $5.0 million for rehabilitation and outfall restoration. The County owns and operates approximately 1,400 miles of underground stormwater pipes and improved channels with an estimated replacement value of over one billion dollars. The County began performing internal inspections of the pipes in FY 2006. The initial results showed that more than 5 percent of the pipes were in complete failure and an additional 15 percent required immediate repair. Increased MS4 Permit regulations apply to these 1,400 miles of existing conveyance systems, 62,000 stormwater structures, and a portion of the immediate downstream channel at the 6,800 pipe outlets. Acceptable industry standards indicate that one dollar re-invested in infrastructure saves seven dollars in the asset's life and 70 dollars if asset failure occurs. Once the initial internal inspections are complete, the goal of this program is to inspect pipes on a 20-year cycle and rehabilitate pipes and improved outfall channels before total failure occurs.

- Funding in the amount of $24,216,507 is included for Stream and Water Quality Improvements. This program funds water quality improvement projects necessary to mitigate the impacts to local streams and the Chesapeake Bay resulting from urban stormwater runoff. This includes water quality projects such as construction of stormwater management ponds, implementation of low impact development techniques on stormwater facilities, stream restoration, and approximately 1,700 water quality projects identified in the completed countywide Watershed Management Plans. In addition, Total Maximum Daily Load (TMDL) requirements for local streams and the Chesapeake Bay are the regulatory process by which pollutants entering impaired water bodies are reduced. The Chesapeake Bay TMDL was established by the EPA and requires that MS4 communities as well as other dischargers implement measures to significantly reduce the nitrogen, phosphorous and sediment loads entering waters draining to the Bay by 2025. Compliance with the Bay TMDL requires that the County should undertake construction of new stormwater facilities, retrofit existing facilities and properties, and increase maintenance. Based on several years of experience constructing projects, and including recent changes in the nutrient accounting guidelines, staff has reduced the estimated cost of compliance with the Bay TMDL to approximately $25 million per year. The EPA is currently updating the Bay model and it is anticipated that the update will result in changes to both the assigned targets as well as how projects are credited, which will likely impact future compliance estimates. In addition to being required to meet Bay TMDL targets, the current MS4 Permit requires the County to develop and implement action plans to address local impairments. Most of the 1,700 watershed management plan projects contribute toward achieving the bay and local stream TMDL requirements.

- Funding in the amount of $5,000,000 is included for the Emergency and Flood Control Program. This program supports flood control projects for unanticipated flooding events that impact storm systems and flood residential properties. The program provides annual funding for scoping, design, and minor construction activities related to flood mitigation projects.

- Funding in the amount of $3,000,000 is included for Flood Prevention in the Huntington area. This program will address the health and public safety concerns associated with the recurring flooding in the Huntington area by designing and constructing a levee and community drainage improvements that will ensure the safe operation and long-term sustainability of this critical piece of infrastructure. Initial funding of $30.0 million was approved as part of the 2012 Stormwater Bond Referendum. The bond amount approved by the voters was based on a preliminary design by the US Army Corps of Engineers (USACE). The current, updated total project estimate is approximately $40.0 million. To accommodate funding beyond that currently approved, a strategy was developed using a portion of revenue from the Stormwater Service District allocated to the Stream and Water Quality Improvements Program. The strategy reallocates a total of $10.0 million over a four year period. Use of the Stormwater Service District for this project is consistent with the goals of the program to address structural flooding and other critical community stormwater needs.

- Funding in the amount of $800,000 is included for the Stormwater Allocations to Towns project. On April 18, 2012, the State Legislature passed SB 227, which entitles the Towns of Herndon and Vienna to all revenues collected within their boundaries by Fairfax County's stormwater service district. An agreement was developed for a coordinated program whereby the Towns remain part of the County's service district and the County returns 25 percent of the revenue collected from properties within each town. This allows for the towns to provide services independently such as maintenance and operation of stormwater pipes, manholes, and catch basins. The remaining 75 percent remains with the County and the County takes on the responsibility for the Towns' Chesapeake Bay TMDL requirements as well as other TMDL and MS4 requirements. This provides for an approach that is based on watersheds rather than on jurisdictional lines.

- Lastly, FY 2019 funding of $656,113 is included for County contributions. An amount of $527,730 is provided for the Northern Virginia Soil and Water Conservation District (NVSWCD). The NVSWCD is an independent subdivision of the Commonwealth of Virginia that provides leadership in the conservation and protection of Fairfax County's soil and water resources. It is governed by a five-member Board of Directors, three of whom are elected every four years by the voters of Fairfax County and two who are appointed by the Virginia Soil and Water Conservation Board. Accordingly, the work of NVSWCD supports many of the environmental efforts set forth in the Board of Supervisors' Environmental Excellence 20-year Vision Plan. The goal of the NVSWCD is to continue to improve the quality of the environment and general welfare of the citizens of Fairfax County by providing them with a means of dealing with soil, water conservation and related natural resource problems. It provides County agencies with comprehensive environmental evaluations for proposed land use changes with particular attention to the properties of soils, erosion potential, drainage and the impact on the surrounding environment. NVSWCD has consistently been able to create partnerships and leverage state, federal and private resources to benefit natural resources protection in Fairfax County. In addition, an amount of $128,383 is provided for the Occoquan Watershed Monitoring Program (OWMP) to ensure that water quality is monitored and protected in the Occoquan Watershed. Given the many diverse uses of the land and water resources in the Occoquan Watershed (agriculture, urban residential development, commercial and industrial activity, water supply, and wastewater disposal), the OWMP plays a critical role as the unbiased interpreter of basin water quality information.

The Penny for Affordable Housing Fund

The Penny for Affordable Housing, formerly known as the Housing Flexibility Fund, was established in FY 2006 and is designed to serve as a readily available local funding source with the flexibility to preserve and promote the development of affordable housing. For fiscal years 2006 through 2009, the Board of Supervisors (BOS) dedicated revenue commensurate with the value of one cent from the Real Estate tax rate to the Preservation of Affordable Housing, a major County priority. In FY 2010, the BOS reduced annual funding to Fund 30300, The Penny for Affordable Housing, by 50 percent in order to balance the budget. From FY 2006 through FY 2017, the fund has provided a total of $216.8 million for affordable housing in Fairfax County.

A total of 3,000 affordable units have been preserved for both homeownership and rental purposes in a variety of large and small projects. Of that number, 252 units are preserved as affordable housing for periods of five years or less, and 2,748 units are preserved for 20 years or longer. A variety of funding sources were used to preserve these units; however, The Penny for Affordable Housing funds were critical for the preservation of several large multifamily complexes purchased by private nonprofits and for-profit organizations. These purchases represent a significant portion of the units: 319 units in Janna Lee Villages in the Hybla Valley area (Lee District), 148 units in Hollybrooke II and III in the Seven Corners area of Falls Church (Mason District), 105 units in Coralain Gardens located on Arlington Boulevard (Route 50) in Falls Church (Mason District), 90 units in Sunset Park Apartments in Falls Church (Mason District), 130 units at Mount Vernon House in Alexandria (Mount Vernon District), 216 units in Madison Ridge in Centreville (Sully District), 74 units in Wexford Manor A and B (Providence District), and 113 units in Huntington Gardens (Lee Distrcit). These funds were also instrumental in preserving two large complexes: 180 units at the Crescent apartment complex in Reston (Hunter Mill District) and 672 units at the Wedgewood Apartments complex in Annandale (Mason District). These projects were purchased by the County and are being managed by the Fairfax County Redevelopment and Housing Authority (FCRHA) as part of the low- and moderate-income rental program. Without the availability of The Penny for Affordable Housing, both of these apartment complexes may have been lost as affordable housing.

In FY 2019, funding of $18,000,000 is allocated as follows: $5,753,275 for Wedgewood for the annual debt service, $2,600,000 for Crescent Apartments annual debt service, $7,744,225 for the Housing Blueprint Project, and $1,902,500 for Affordable/Workforce Housing.

Wastewater Management System

The Fairfax County Wastewater Management Program is operated, maintained, and managed within the Department of Public Works and Environmental Services (DPWES), and includes nearly 3,242 miles of sewer lines, 63 pumping stations, and 57 flow metering stations, covering approximately 234 square miles of the County's 407-square-mile land and water area. Treatment of wastewater generated is provided primarily through six regional wastewater collection and treatment plants. One of the six regional plants is the County owned and operated Noman M. Cole, Jr. Pollution Control Plant (NCPCP), which is currently permitted to treat 67 million gallons per day (MGD) of flow. By agreement, other regional facilities include the Alexandria Renew Enterprises (AlexRenew) Treatment Plant, the Upper Occoquan Service Authority Plant, the District of Columbia Blue Plains Plant, Loudoun Water and the Arlington County Plant. Fairfax County utilizes all of these facilities to accommodate a total treatment capacity of 157 MGD.

Photo of the Noman M. Cole, Jr. Pollution Control Plant

Total FY 2019 funding is $70,000,000 including support for the following projects:

- Funding in the amount of $11,435,521 is included for facility improvements to the DC Water's Blue Plains Treatment Plant to comply with nutrient discharge limits. Projects supporting the Enhanced Nitrogen Removal Program include providing an additional 40 million gallons of new anoxic reactor capacity for nitrogen removal, a new post aeration facility, pump station, and other new facilities to store and feed methanol and alternative sources of carbon. In addition, funding will also provide for the Clean Rivers Project to prevent combined storm and sanitary overflows during major storm events by storing the overflow in tunnels until the plant has capacity to fully treat the water. This project is currently under construction. The County is responsible for 31 mgd of the 370 mgd or 8.38 percent of the capacity at the Blue Plains Treatment Plant.

- Funding in the amount of $16,086,600 will fund the County's share of the upgrades to the Alexandria Renew Enterprises Treatment Plant (AlexRenew). Funding supports the design and construction of a State of the Art Nitrogen Upgrade Program (SANUP) for nitrogen removal. FY 2019 funding is included for engineering design, construction management, landscape architecture and engineering services during construction to comply with the nutrient discharge limits. The County is responsible for 32.4 mgd of the 54 mgd or 60 percent of the capacity at the Alexandria Renew Enterprises Treatment Plant.

- Funding in the amount of $1,276,340 is included for plant upgrades at the Arlington Wastewater Treatment Plan. This funding will support annual repair and rehabilitation work for various facilities as scheduled in Arlington County's Capital Improvement Program. The County is responsible for 3.0 of the 40 mgd or 7.5 percent of capacity at the Arlington Wastewater Treatment Plant.

- Funding in the amount of $14,680,739 is included for the continuation of systematic rehabilitation of structures and equipment at the Noman M. Cole, Jr. Pollution Control Plant (NMCPCP). FY 2019 funding will provide for the rehabilitation and replacement of pumps, gates, and valves; stormwater runoff improvements, and continuation of the rehabilitation of the motor control centers/distribution centers (MCC/DC) and raw wastewater pump station facility.

- Funding in the amount of $3,000,000 is included to satisfy the annual appropriation requirement for the County's Extension and Improvement (E&I) Program as approved by the Board of Supervisors on April 12, 2011. This policy adjusts the Connection Charges such that the future cost of the E&I Program is shared equally between the County's Sewer Fund and the property owners seeking public sewer service, when the Health Department determines the properties' septic systems have failed.

- Funding in the amount of $5,616,773 is provided for the systematic rehabilitation of the County's 3,242 miles of sanitary sewer lines. Rehabilitation includes, among other things, the use of trenchless technology to rehabilitate approximately 20 miles of sewer per year.

- Funding in the amount of $5,276,333 is included to complete the rehabilitation of force mains at the Waynewood I and II, Mount Vernon, Merrywood, Tyson's Dodge, Wellington I, Langley School, Ravenwood, Riverwood and Jones Point.

- Funding in the amount of $5,673,694 is included for the regularly scheduled repair, renovation, and replacement of pumping station equipment and facilities. There will be three pump stations in the design phase and six pump stations in the construction phase in FY 2019.

- Funding in the amount of $500,000 is included for the planned replacement of sewer meters throughout the County. FY 2019 funding is provided for the continuation of replacing sewer meters used for measuring wastewater flow to and from other jurisdictions for billing and monitoring purposes as well as portable meters used in infiltration and inflow studies to measure wet weather flows.

- Funding in the amount of $1,254,000 is included for the condition assessment of 166 segments of 8 to 15 inch gravity sewer lines and provides recommendations for the rehabilitation and/or replacement alternatives. FY 2019 funding will provide for the next phase of this program, which includes construction work.

- Funding in the amount of $5,000,000 is included for the condition assessment of 49 miles of sewer lines with a diameter of 15 inches or larger and provides recommendations for the rehabilitation and/or replacement alternatives. FY 2019 funding will provide for the next phase of this program which includes construction work.

- Funding in the amount of $200,000 is included for the maintenance of the Robert P. McMath Facility that is the headquarters for the Wastewater Collection Division.

County and Regional Transportation Projects Fund

The County and Regional Transportation Projects Fund supports the County's implementation of new transportation projects and is funded by the commercial and industrial real estate tax for transportation and Northern Virginia Transportation Authority (NVTA) local tax revenues. The taxing authority for commercial and industrial real property was authorized under the Transportation Funding and Reform Act of 2007 (HB 3202), approved by the Virginia General Assembly on April 4, 2007, and implemented by the Board of Supervisors as part of the FY 2009 Adopted Budget Plan. This revenue helps accelerate the County's implementation of roadway, transit and pedestrian projects.

HB 3202 allows localities to assess a tax on the value of commercial and industrial real estate and to use the proceeds on new transportation improvements. The County's FY 2019 rate is $0.125 per $100 of assessed value (the maximum allowed per state code), which will generate approximately $54.6 million in revenue. This estimate is based on current projections in the commercial real estate market.

On April 3, 2013, the Virginia General Assembly approved HB 2313, a transportation funding package. The bill included regional components for planning districts that meet certain thresholds (population, registered vehicles, and transit ridership). Northern Virginia meets these criteria for the imposition of certain taxes, and HB 2313 is expected to generate over $300 million per year for transportation projects in the region. The bill mandates that 70 percent of this regional funding be allocated by the NVTA, with the remaining 30 percent provided to the individual localities embraced within NVTA for their determination. Fairfax County's local share of HB 2313 funds is projected to be $42.4 million in FY 2019. By adopting the commercial and industrial property tax rate of $0.125, the County qualifies to receive these 30 percent revenues.

FY 2019 funding of $54,076,686 supports for priority projects including $24,031,710 for Construction Reserve, $28,391,082 for Cost Benefit Analysis Support, $978,786 for the Town of Herndon NVTA, and $675,108 for the Town of Vienna NVTA.

Other Financing

Funding in the amount of $27,092,972 includes $1,575,000 that is associated with projects discussed above including $100,000 in developer default revenues and $1,475,000 in athletic services fees. The remaining $25,517,972 supports various other projects financed by other sources of revenue. Specific funding levels in FY 2019 include:

Housing:

- Funding of $189,954 is included for the Undesignated Housing Trust Fund project for reallocation to specific projects when identified and approved by both the Fairfax County Redevelopment and Housing Authority (FCRHA) and Board of Supervisors during FY 2019.

- Funding in the amount of $500,000 is included for the Land/Unit Acquisition project for reallocation to specific projects when identified and approved by both the FCRHA and Board of Supervisors during FY 2019.

Other:

- Funding in the amount of $24,828,018 is included for various school construction projects financed from a state construction grant, Parent Teachers Association/Parent Teacher Organization receipts, and transfers from Fund S31000, Public School Construction Fund. For more details, see the Fairfax County Public School's FY 2019 Adopted Budget.

Capital Construction and Operating Expenditure Interaction

To maintain a balanced budget, annual revenues are projected and operating and capital construction expenditures are identified to determine the County's overall requirements and funding availability. Funding levels for capital construction projects are based on the merits of a particular project together with the available funding from all financing sources, with primary reliance on General Obligation bonds. The Board of Supervisors annually reviews cash requirements for capital project financing.

The County's capital program has a direct impact on the operating budget, particularly in association with the establishment and opening of new facilities. The Board of Supervisors continues to be cognizant of the effect of the completion of capital projects on the County's operating budget. The cost of operating new or expanded facilities or infrastructure is included in the fiscal year the facility becomes operational. However, in some cases, like the construction of the expanded and renovated Courthouse, the operating impact may be absorbed gradually over several years. For example, costs associated with loose and systems furniture, moving expenses, providing for additional security and staffing, renovating existing courtrooms, implementing new courtroom technology, and setting up an Operations and Maintenance satellite shop with staff dedicated to the courthouse facility are all costs that can be phased in over time, thus spreading the operating impact over a number of years, rather than concentrating costs in the fiscal year the facility opens.

Capital projects can affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs, or by providing capacity for new programs or services. Such impacts vary widely from project to project and, as such, are evaluated individually. Operating costs resulting from the completion of a capital project differ greatly depending on the type of capital project and construction delays. A new facility, for example, will often require additional staff, an increase in utility costs, and increases in custodial, security and maintenance contracts. Conversely, a capital project that renovates an existing facility may reduce operating expenditures due to a decrease in necessary maintenance costs. For example, funding HVAC and electrical system repair or replacement projects has the potential to reduce operating expenditures by reducing costly maintenance and staff time spent addressing critical system repairs. The same is true for projects such as fire alarms, emergency generators, and carpet replacement, as well as roof repairs. Investing in aging and deteriorating building systems and components can alleviate the need for future expenditures, often resulting in significant cost avoidance. Additionally, if a system failure should occur, there is the potential that a County facility must shut down, suspending services to citizens and disrupting County business. The County's emphasis on capital renewal and preventative maintenance works to ensure these kinds of interruptions are avoided.

The opening of new County facilities results in the widest range of operating costs. For example, equipment and furniture, a book buy, additional staff, and an increase in utility costs may all be necessary to prepare for the opening of a new library or extensive library expansion/renovation. These costs are estimated as the project is developed and included in the appropriate agency budget in the year the facility becomes operational.

New, Renovated, or Expanded County Facilities in FY 2019

Facility	Fiscal Year Completion	Additional Positions	Estimated Net Operating Costs
FY 2019 New, Renovated, or Expanded Facilities			
Facilities Management Department (FMD) Operational Costs for New Facilities	FY 2019	0/0.0 FTE	$79,725
Two new SACC rooms at White Oaks	FY 2019	2/1.6 FTE	$86,403
Total FY 2019 Costs		**2/1.6 FTE**	**$166,128**

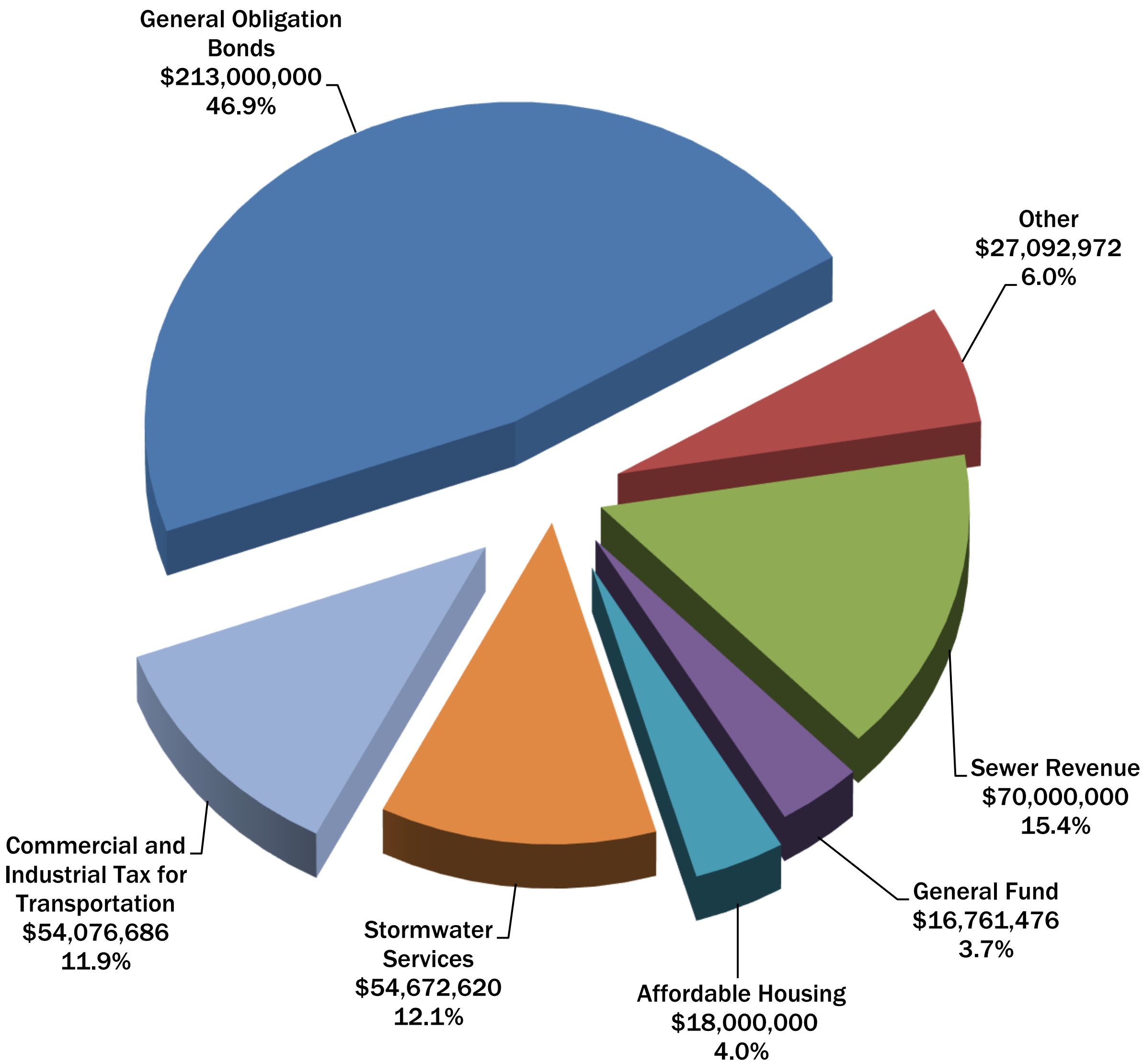
The following facilities are scheduled to open in FY 2019 or later and may require additional staffing and operating costs beginning in FY 2020. Requests for funding will be reviewed as part of the development of the annual budget in the year the facility becomes operational.

Facility	Fiscal Year Completion
Herndon Station Parking Garage	FY 2019
Innovation Center Station Parking Garage	FY 2019
John Marshall Community Library	FY 2019
Burkholder Renovations	FY 2019
Lewinsville Redevelopment	FY 2019
Lorton Fire Station	FY 2020
Bailey's Shelter	FY 2020
Jefferson Fire Station	FY 2020
Reston Fire Station	FY 2021
Eleanor Kennedy Shelter	FY 2021
Patrick Henry Shelter	FY 2021
Edsall Road Fire Station	FY 2021
Merrifield Fire Station	FY 2022
Woodlawn Fire Station	FY 2022
Penn Daw Fire Station	FY 2022
Police Tactical Operations Renovation (Pine Ridge)	FY 2022
Franconia Police Station	FY 2022
South County Police Station/Animal Shelter	FY 2022
Events Center	FY 2022
Springfield Commuter Parking Garage	FY 2022
Sully Community Center	FY 2022
Lorton Community Center	FY 2022
Courtroom Renovations Phase III and IV	FY 2022
Emergency Vehicle Operations and K9 Center	FY 2022
Embry Rucker Shelter	FY 2022
Police Heliport	FY 2022
Mount Vernon RECenter	TBD
Reston Town Center North	TBD
Reston Regional Library	TBD
Original Mt. Vernon High School Redevelopment	TBD

Summary of FY 2019 Capital Construction Program

Major segments of the County's FY 2019 Capital Construction Program are presented in several pie charts that follow to visually demonstrate the funding sources for capital expenditures. Capital construction expenditures by fund are shown in the Summary Schedule of FY 2019 Funded Capital Projects. In addition, a list of all projects funded in FY 2019 and their funding sources has been included in this section. For additional information, see the Capital Project Funds section of the Capital Construction and Other Operating Funds in Volume 2. Detailed information concerning capital projects in Fund S31000, Public School Construction, can be found in the Fairfax County Public School's FY 2019 Adopted Budget.

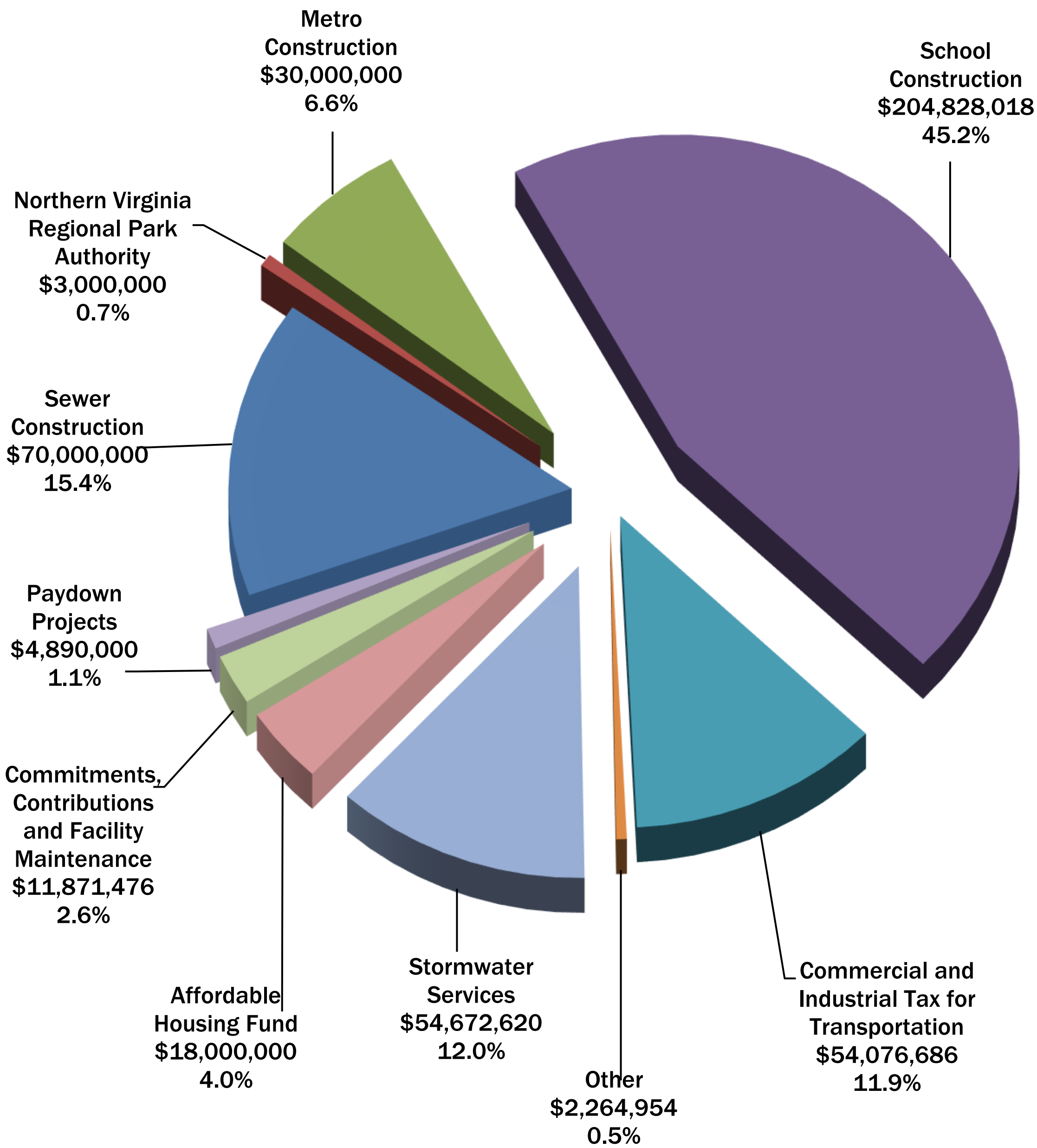
CAPITAL CONSTRUCTION PROJECTS
FY 2019 SOURCE OF FUNDS



TOTAL = $453,603,754

NOTE: This chart does not include debt service funding.

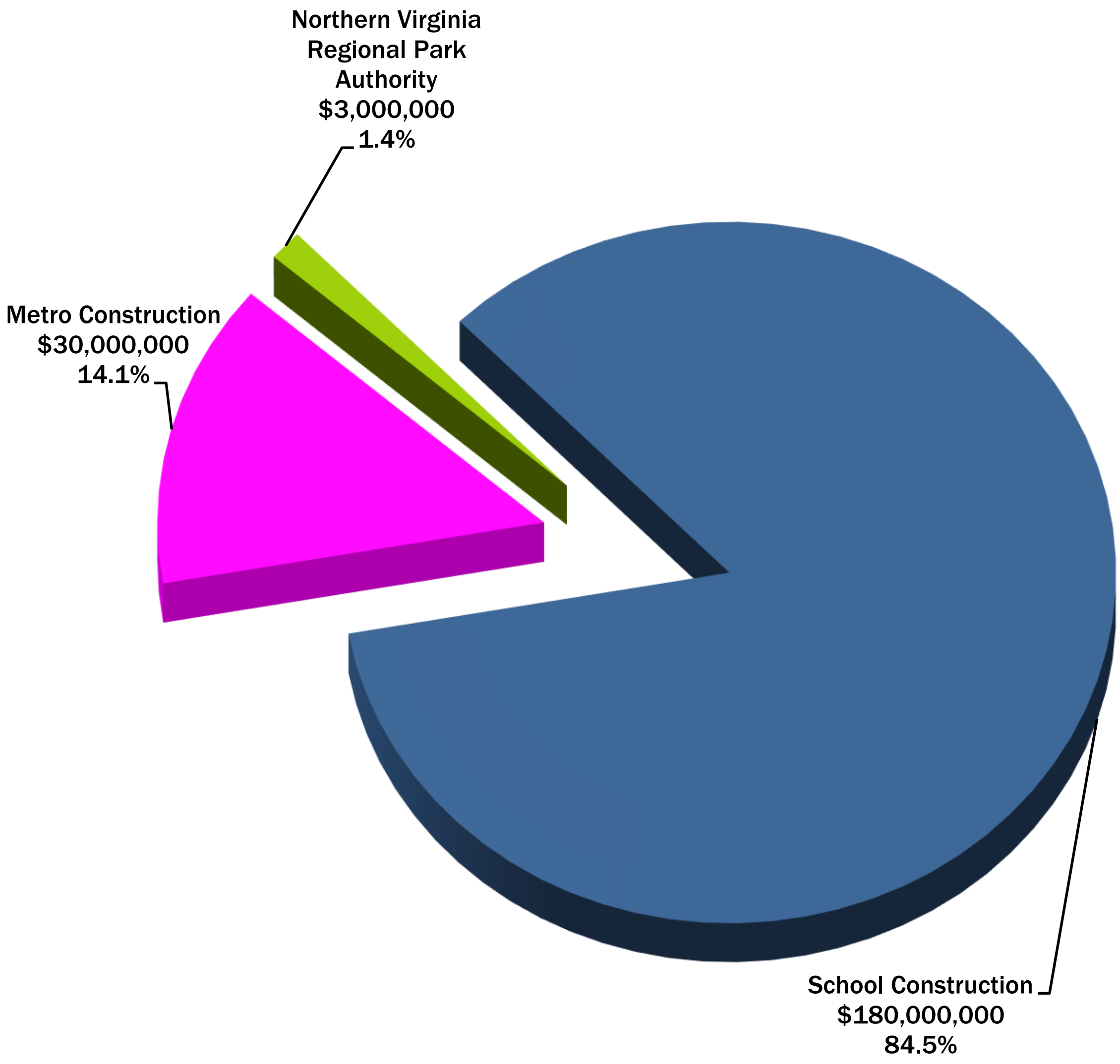
CAPITAL CONSTRUCTION PROJECTS
FY 2019 EXPENDITURES



TOTAL = $453,603,754

NOTE: This chart does not include debt service funding.

GENERAL OBLIGATION BOND FINANCED CAPITAL PROJECTS FY 2019 EXPENDITURES



TOTAL = $213,000,000

SUMMARY SCHEDULE OF FY 2019
FUNDED CAPITAL PROJECTS

					FY 2019 FINANCING			
Fund/Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Adopted Budget Plan	General Obligation Bonds[1]	General Fund	Federal/ State Aid	Other[2]
SPECIAL REVENUE FUNDS[3]								
40000 County Transit Systems	$4,992,891	$2,300,000	$9,471,809	$0	$0	$0	$0	$0
40010 County and Regional Transportation Projects	69,539,576	53,932,085	364,155,796	54,076,686	0	0	0	54,076,686
40050 Reston Community Center	420,152	1,904,000	6,254,461	0	0	0	0	0
40060 McLean Community Center	1,052,124	0	6,728,646	0	0	0	0	0
40100 Stormwater Services[4]	46,993,026	48,577,294	120,781,264	54,672,620	0	0	0	54,672,620
40140 Refuse Collection	0	0	801,915	0	0	0	0	0
40150 Refuse Disposal	242,042	0	3,436,582	0	0	0	0	0
40170 I-95 Refuse Disposal	3,376,159	2,550,000	6,847,532	0	0	0	0	0
40300 Housing Trust Fund	414,734	557,932	11,607,422	689,954	0	0	0	689,954
Subtotal	**$127,030,704**	**$109,821,311**	**$530,085,427**	**$109,439,260**	**$0**	**$0**	**$0**	**$109,439,260**
DEBT SERVICE FUNDS								
20000 Consolidated County and Schools Debt Service Fund	$311,752,440	$341,373,647	$351,346,845	$349,973,431	$0	$346,793,431	$0	$3,180,000
Subtotal	**$311,752,440**	**$341,373,647**	**$351,346,845**	**$349,973,431**	**$0**	**$346,793,431**	**$0**	**$3,180,000**
CAPITAL PROJECTS FUNDS								
30000 Metro Operations and Construction[5]	$27,759,479	$30,000,000	$30,000,000	$30,000,000	$30,000,000	$0	$0	$0
30010 General Construction and Contributions	40,911,659	21,690,923	225,546,619	20,736,476	3,000,000	16,161,476	0	1,575,000
30020 Infrastructure Replacement and Upgrades	8,416,801	1,825,953	39,106,614	0	0	0	0	0
30030 Library Construction	5,994,302	0	26,409,449	0	0	0	0	0
30040 Contributed Roadway Improvements	8,848,846	0	36,463,114	0	0	0	0	0
30050 Transportation Improvements	22,120,543	0	115,369,540	0	0	0	0	0
30060 Pedestrian Walkway Improvements	1,612,344	500,000	4,577,600	600,000	0	600,000	0	0
30070 Public Safety Construction	45,071,410	0	251,016,377	0	0	0	0	0
30080 Commercial Revitalization Program	134,341	0	1,889,425	0	0	0	0	0

SUMMARY SCHEDULE OF FY 2019
FUNDED CAPITAL PROJECTS

Fund/Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Adopted Budget Plan	FY 2019 FINANCING: General Obligation Bonds[1]	FY 2019 FINANCING: General Fund	FY 2019 FINANCING: Federal/ State Aid	FY 2019 FINANCING: Other[2]
30090 Pro Rata Share Drainage Construction	586,425	0	3,305,160	0	0	0	0	0
30300 The Penny for Affordable Housing Fund	17,687,322	17,627,927	48,033,014	18,000,000	0	0	0	18,000,000
30310 Housing Assistance Program	413,105	0	6,154,629	0	0	0	0	0
30400 Park Authority Bond Construction	16,073,651	0	126,763,522	0	0	0	0	0
S31000 Public School Construction	204,661,017	179,189,347	591,140,757	204,828,018	180,000,000	0	0	24,828,018
Subtotal	**$400,291,245**	**$250,834,150**	**$1,505,775,820**	**$274,164,494**	**$213,000,000**	**$16,761,476**	**$0**	**$44,403,018**
ENTERPRISE FUNDS								
69300 Sewer Construction Improvements	$80,712,196	$69,339,663	$111,057,689	$70,000,000	$0	$0	$0	$70,000,000
69310 Sewer Bond Construction	16,169,306	0	118,340,832	0	0	0	0	0
Subtotal	**$96,881,502**	**$69,339,663**	**$229,398,521**	**$70,000,000**	**$0**	**$0**	**$0**	**$70,000,000**
TOTAL	**$935,955,891**	**$771,368,771**	**$2,616,606,613**	**$803,577,185**	**$213,000,000**	**$363,554,907**	**$0**	**$227,022,278**

[1] The sale of bonds is presented here for planning purposes. Actual bond sales are based on cash needs in accordance with Board policy.

[2] Other financing includes developer contributions and payments, sewer system revenues, transfers from other funds, pro rata deposits, special revenue funds, and fund balances.

[3] Reflects the capital construction portion of total expenditures.

[4] As part of the FY 2010 Adopted Budget Plan, a service district was created to support stormwater management operating and capital requirements, as authorized by Code of Virginia Ann. sections 15.2-2400.

[5] Reflects capital construction portion of Metro expenses net of State Aid.

FY 2019 FUNDED CAPITAL PROJECTS
(For additional information see referenced Fund narratives)

Fund	Project Name	Project	FY 2019 Adopted Total	General Fund	General Obligation Bonds	Athletic Services Fee	Sewer Revenues	Stormwater Revenues	Penny for Affordable Housing	Commercial and Industrial Revenues	Other Revenues
30000	Metro Operations and Construction Contribution	N/A	$30,000,000		$30,000,000						
30010	Athletic Field Maintenance	2G51-002-000	$2,700,000	$2,700,000							
30010	Athletic Fields – APRT Amenity Maintenance	2G79-220-000	$50,000	$50,000							
30010	Athletic Fields - FCPS Lighting	PR-000082	$250,000	$250,000							
30010	Athletic Fields - Park Maintenance at FCPS	2G51-001-000	$860,338	$860,338							
30010	Athletic Services Fee - Custodial Support	2G79-219-000	$275,000			$275,000					
30010	Athletic Services Fee - Diamond Field Maintenance	2G51-003-000	$1,000,000	$750,000		$250,000					
30010	Athletic Services Fee - Sports Scholarships	2G79-221-000	$150,000	$75,000		$75,000					
30010	Athletic Services Fee - Turf Field Development	PR-000080	$75,000			$75,000					
30010	Athletic Services Fee - Turf Field Replacement	PR-000097	$2,250,000	$1,450,000		$800,000					
30010	Developer Defaults	2G25-020-000	$300,000	$200,000							$100,000
30010	EIP - Environmental Initiatives	2G02-001-000	$239,315	$239,315							
30010	EIP - Invasive Plant Removal	2G51-032-000	$200,000	$200,000							
30010	EIP - Park Lighting and Energy Retrofits	PR-000067	$95,685	$95,685							
30010	NOVA Community College Contribution	2G25-013-000	$2,540,993	$2,540,993							
30010	NVRPA Contribution	2G06-003-000	$3,000,000		$3,000,000						
30010	Parks-Preventative Maintenance And Inspections	2G51-007-000	$484,000	$484,000							
30010	Parks - Building/Structures Reinvestment	PR-000109	$925,000	$925,000							
30010	Parks - Infrastructure/Amenities Upgrade	PR-000110	$765,000	$765,000							
30010	Parks - Ground Maintenance	2G51-006-000	$476,000	$476,000							
30010	Payments Of Interest On Bond Deposits	2G06-002-000	$75,000	$75,000							
30010	Reinvestment and Repairs to County Roads	2G25-021-000	$700,000	$700,000							
30010	Revitalization Maintenance - CRP Areas	2G25-014-000	$950,000	$950,000							
30010	Revitalization Maintenance - Tysons	2G25-088-000	$460,000	$460,000							
30010	Salona Property Payment	2G06-001-000	$840,145	$840,145							
30010	School-Aged Child Care Contribution	2G25-012-000	$1,000,000	$1,000,000							
30010	Survey Control Network Monumentation	2G25-019-000	$75,000	$75,000							
30020	HVAC System Upgrades and Replacement	GF-000011	$0	$0							
30060	Reinvestment and Repairs to County Walkways	2G25-057-000	$600,000	$600,000							
30300	Affordable/Workforce Housing	2H38-072-000	$1,902,500						$1,902,500		
30300	Crescent Apartments Debt Service	2H38-075-000	$2,600,000						$2,600,000		

FY 2019 FUNDED CAPITAL PROJECTS
(For additional information see referenced Fund narratives)

Fund	Project Name	Project	FY 2019 Adopted Total	General Fund	General Obligation Bonds	Athletic Services Fee	Sewer Revenues	Stormwater Revenues	Penny for Affordable Housing	Commercial and Industrial Revenues	Other Revenues
30300	Housing Blueprint Project	2H38-180-000	$7,744,225						$7,744,225		
30300	Wedgewood Debt Service	2H38-081-000	$5,753,275						$5,753,275		
40010	Construction Reserve	2G40-001-000	$24,031,710							$24,031,710	
40010	Construction Reserve NVTA 30%	2G40-107-000	$28,391,082							$28,391,082	
40010	Herndon NVTA 30% Capital	2G40-105-000	$978,786							$978,786	
40010	Vienna NVTA 30% Capital	2G40-106-000	$675,108							$675,108	
40100	Conveyance System Inspection/Development	2G25-028-000	$2,000,000					$2,000,000			
40100	Conveyance System Rehabilitation	SD-000034	$5,000,000					$5,000,000			
40100	Dam Safety and Facility Rehabilitation	SD-000033	$7,500,000					$7,500,000			
40100	Emergency and Flood Response Projects	SD-000032	$5,000,000					$5,000,000			
40100	Flood Prevention-Huntington Area-2012	SD-000037	$3,000,000					$3,000,000			
40100	NVSWD Contributory	2G25-007-000	$527,730					$527,730			
40100	Occoquan Monitoring Contributory	2G25-008-000	$128,383					$128,383			
40100	Stormwater Allocation to Towns	2G25-027-000	$800,000					$800,000			
40100	Stormwater Regulatory Program	2G25-006-000	$6,500,000					$6,500,000			
40100	Stream and Water Quality Improvements	SD-000031	$24,216,507					$24,216,507			
40300	Land/Unit Acquisition	2H38-066-000	$500,000								$500,000
40300	Undesignated Housing Trust Fund	2H38-060-000	$189,954								$189,954
69300	Alexandria WWTP Upgrades and Rehabilitation	WW-000021	$16,086,600				$16,086,600				
69300	Arlington WWTP Rehabilitation	WW-000020	$1,276,340				$1,276,340				
69300	Blue Plains WWTP Upgrades and Rehabilitation	WW-000022	$11,435,521				$11,435,521				
69300	Collection System Replacement and Rehabilitation	WW-000007	$5,616,773				$5,616,773				
69300	Extension and Improvement Projects	WW-000006	$3,000,000				$3,000,000				
69300	Force Main Rehabilitation	WW-000008	$5,276,333				$5,276,333				
69300	Integrated Sewer Metering	WW-000005	$500,000				$500,000				
69300	Large Diameter Pipe Rehabilitation and Replacement	WW-000026	$5,000,000				$5,000,000				
69300	Noman Cole Treatment Plant Renewal	WW-000009	$14,680,739				$14,680,739				
69300	Pumping Station Rehabilitation	WW-000001	$5,673,694				$5,673,694				
69300	Robert P. McMath Facility Improvements	WW-000004	$200,000				$200,000				
69300	Sewer Sag Program	WW-000024	$1,254,000				$1,254,000				
S31000	Public School Construction	N/A	$204,828,018		$180,000,000						$24,828,018
		Total	**$453,603,754**	**$16,761,476**	**$213,000,000**	**$1,475,000**	**$70,000,000**	**$54,672,620**	**$18,000,000**	**$54,076,686**	**$25,617,972**

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Trends and Demographics

FY 2019

Adopted Budget Plan

HOUSEHOLD TAX ANALYSES

The following analyses illustrate the impact of selected County taxes on the "typical" household from FY 2013 to FY 2019. This period provides five years of actual data, estimates for FY 2018 based on year-to-date experience, and projections for FY 2019. Historical dollar amounts are converted to FY 2019 dollar equivalents for comparison purposes using the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Baltimore area. The Washington metropolitan area has experienced average annual inflation of 1.0 percent from FY 2013 to FY 2017. Using a forecast from the Congressional Budget Office, inflation is projected to be 2.3 percent in both FY 2018 and FY 2019.

HOUSEHOLD TAXATION TRENDS: SELECTED CATEGORIES FY 2013 - FY 2019

The charts on the following pages show the trends in selected taxes (Real Estate Taxes, Personal Property Taxes, Sales Taxes and Consumer Utility Taxes) paid by the "typical" household in Fairfax County. The Real Estate Tax analysis includes the adopted FY 2019 Real Estate tax rate of $1.15 per $100 of assessed value. It is important to note that the following data are not intended to depict a comprehensive picture of a household's total tax burden in Fairfax County.

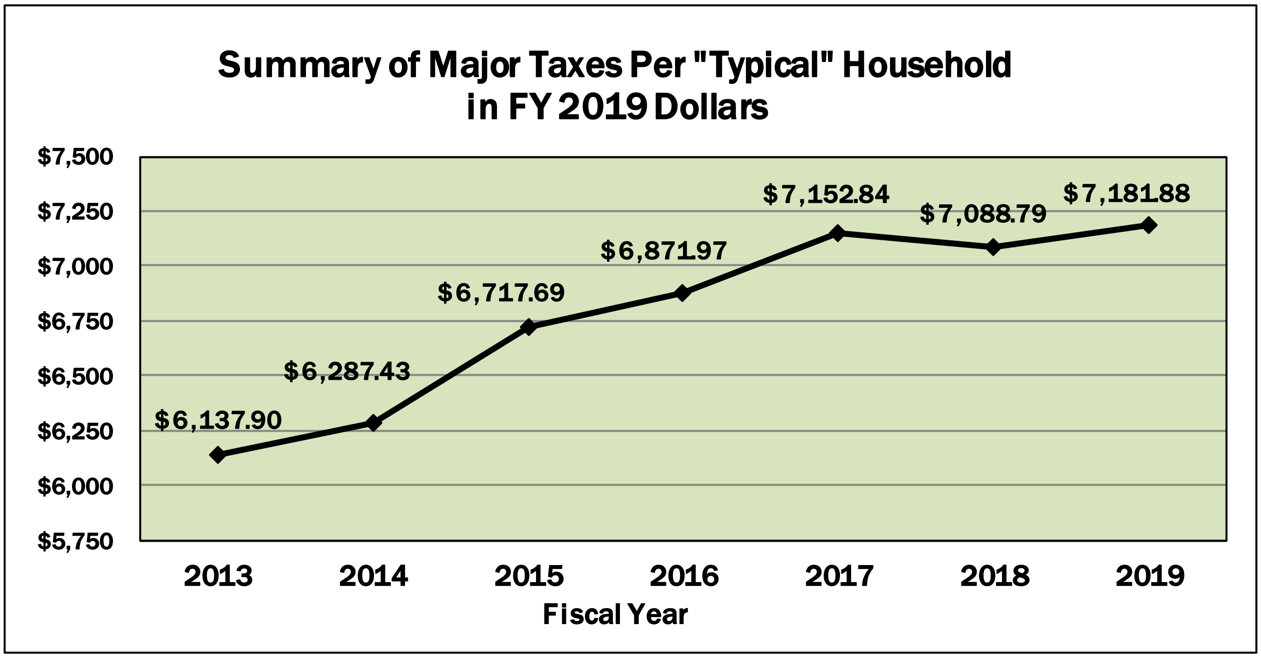
The "typical" household in Fairfax County is projected to pay $7,181.88 in selected County General Fund taxes in FY 2019, $93.09 more than in FY 2018 after adjusting for inflation. From FY 2013 to FY 2019, the inflation adjusted County taxes paid by the "typical" household have increased $1043.98. Note that taxes paid in FY 2013 through FY 2019 reflect the Commonwealth's Personal Property Tax Relief Act, which reduces an individual's Personal Property Tax liability on vehicles valued up to $20,000 (see the section entitled "Personal Property Tax per Typical Household" for more information.)

Summary of Major Taxes Per "Typical" Household

	Number of Households	Real Estate Tax in FY 2019 Dollars	Personal Property Tax in FY 2019 Dollars[1]	Sales Tax in FY 2019 Dollars	Consumer Utility Tax in FY 2019 Dollars	Total Taxes in FY 2019 Dollars[1]
FY 2013	399,500	$5,267.44	$354.47	$454.93	$61.06	$6,137.90
FY 2014	401,000	$5,431.29	$353.40	$441.92	$60.82	$6,287.43
FY 2015	403,900	$5,826.43	$364.82	$466.71	$59.73	$6,717.69
FY 2016	402,400	$5,966.01	$379.29	$468.58	$58.09	$6,871.97
FY 2017	405,800	$6,262.54	$377.64	$455.54	$57.12	$7,152.84
FY 2018[2]	408,300	$6,191.45	$387.77	$453.89	$55.68	$7,088.79
FY 2019[2]	411,200	$6,293.02	$382.97	$451.57	$54.32	$7,181.88

[1] Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the state's Personal Property Tax Relief program. The reductions were 63.0 percent in both FY 2013 and FY 2014, 62.0 percent in FY 2015, FY 2016, and FY 2017, and 60.5 percent in FY 2018. The reduction in FY 2019 is set at 60.0 percent. The difference in revenue will be paid to the County by the Commonwealth.

[2] Estimated.



Real Estate Tax
Per "Typical" Household

	Mean Assessed Value of Residential Property	Tax Rate per $100	Tax per Household	Tax per Household in FY 2019 Dollars
FY 2013	$449,964	$1.075	$4,837.11	$5,267.44
FY 2014	$467,394	$1.085	$5,071.22	$5,431.29
FY 2015	$500,146	$1.090	$5,451.59	$5,826.43
FY 2016	$519,134	$1.090	$5,658.56	$5,966.01
FY 2017	$529,567	$1.130	$5,984.11	$6,262.54
FY 2018[1]	$535,597	$1.130	$6,052.25	$6,191.45
FY 2019[1]	$547,219	$1.150	$6,293.02	$6,293.02

[1] Estimated.

As shown in the preceding table, Real Estate Taxes per "typical" household are projected to increase $240.77 between FY 2018 and FY 2019 to $6,293.02, not adjusting for inflation. This increase is the result of the 2.17 percent increase in the mean assessed value of residential properties within the County and an increase in the adopted General Fund Real Estate Tax rate from $1.13 to $1.15 per $100 of assessed value.

Since FY 2013, Real Estate Taxes have increased $1,455.91, or an average annual increase of 4.5 percent per year, not adjusting for inflation. Adjusted for inflation, Real Estate Taxes per "typical" household are $1,025.58 more than in FY 2013, an average annual increase of 3.0 percent.

Personal Property Tax
Per "Typical" Household

	Personal Property Taxes Attributed to Individuals	Number of Households	Tax per Household	Tax per Household in FY 2019 Dollars	After PPTRA: Adjusted Tax per Household[1]	After PPTRA: Adjusted Tax per Household in FY 2019 Dollars[1]
FY 2013	$351,467,917	399,500	$879.77	$958.04	$325.51	$354.47
FY 2014	$357,621,289	401,000	$891.82	$955.14	$329.97	$353.40
FY 2015	$362,819,728	403,900	$898.29	$960.06	$341.35	$364.82
FY 2016	$380,942,855	402,400	$946.68	$998.12	$359.74	$379.29
FY 2017	$385,350,570	405,800	$949.61	$993.79	$360.85	$377.64
FY 2018[2]	$391,812,132	408,300	$959.62	$981.69	$379.05	$387.77
FY 2019[2]	$393,690,775	411,200	$957.42	$957.42	$382.97	$382.97

[1] Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the state's Personal Property Tax Relief program. The reductions were 63.0 percent in both FY 2013 and FY 2014, 62.0 percent in FY 2015, FY 2016, and FY 2017,and 60.5 percent in FY 2018. The reduction in FY 2019 is set at 60.0 percent. The difference in revenue will be paid to the County by the Commonwealth.

[2] Estimated.

Personal Property Taxes paid by the "typical" household are shown in the preceding chart. Personal Property Taxes paid reflect the Commonwealth of Virginia's Personal Property Tax Relief Act (PPTRA), which reduces an individual's Personal Property Tax payment. In FY 2007, statewide reimbursements were capped at $950 million, with each locality receiving a percentage allocation from this fixed amount determined by the locality's share of statewide tax year 2004 collections. Each year, County staff must determine the reimbursement percentage based on the County's fixed reimbursement of $211.3 million and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage attributed to the state will fluctuate. Based on a County staff analysis, the effective state reimbursement percentage was 63.0 percent in both FY 2013 and FY 2014, 62.0 percent in FY 2015, FY 2016, and FY 2017, and 60.5 percent in FY 2018. The reimbursement percentage in FY 2019 is set at 60.0 percent.

The tax per household analysis shown above assumes that the "typical" household's vehicle(s) are valued at $20,000 or less in order to qualify for a reduction under the PPTRA. Adjusted for inflation, Personal Property Taxes per "typical" household are projected to decrease $4.80 between FY 2018 and FY 2019 to $382.97. The FY 2019 Personal Property Tax per "typical" household is $57.46 higher than what was paid in FY 2013, not adjusting for inflation. When adjustments are made for inflation, the "typical" household is projected to pay $28.50 more in FY 2019 than FY 2013. There have been no changes to the Personal Property Tax rate of $4.57 per $100 of assessed value for individuals during the FY 2013 to FY 2019 period, except for mobile homes and boats which are taxed at the prevailing Real Estate Tax rate each fiscal year.

The FY 2019 Adopted Budget Plan also includes an annual Vehicle Registration Fee on motor vehicles. The fee will be levied at $33 for passenger vehicles that weigh 4,000 pounds or less and $38 on passenger vehicles that weight more than 4,000 pounds. The fee for motorcycles is $18.

Sales Tax
Per "Typical" Household

	Total Sales Tax	Number of Households	Tax per Household	Tax per Household in FY 2019 Dollars
FY 2013	$166,893,847	399,500	$417.76	$454.93
FY 2014	$165,459,545	401,000	$412.62	$441.92
FY 2015	$176,374,517	403,900	$436.68	$466.71
FY 2016	$178,839,665	402,400	$444.43	$468.58
FY 2017	$176,640,592	405,800	$435.29	$455.54
FY 2018[1]	$181,157,888	408,300	$443.69	$453.89
FY 2019[1]	$185,686,835	411,200	$451.57	$451.57

[1] Estimated.

As shown in the table above, FY 2019 Sales Tax paid per household is estimated to be $451.57 or $33.81 more than FY 2013, not adjusting for inflation. This represents an average annual increase of 1.3 percent since FY 2013. Adjusting for inflation, FY 2019 Sales Tax paid per household is essentially unchanged compared to FY 2013, decreasing just $3.36 during this period.

Because this analysis assumes all Sales Taxes are paid by individuals living in Fairfax County, the impact on the typical household is somewhat overstated. A segment of the County's Sales Tax revenues are paid by businesses and non-residents who either work in the County or are visiting. As the County becomes more of a major employment hub in the region, the contribution of non-residents to the County's Sales Tax revenues will continue to expand.

Consumer Utility Taxes - Gas & Electric
Per "Typical" Household

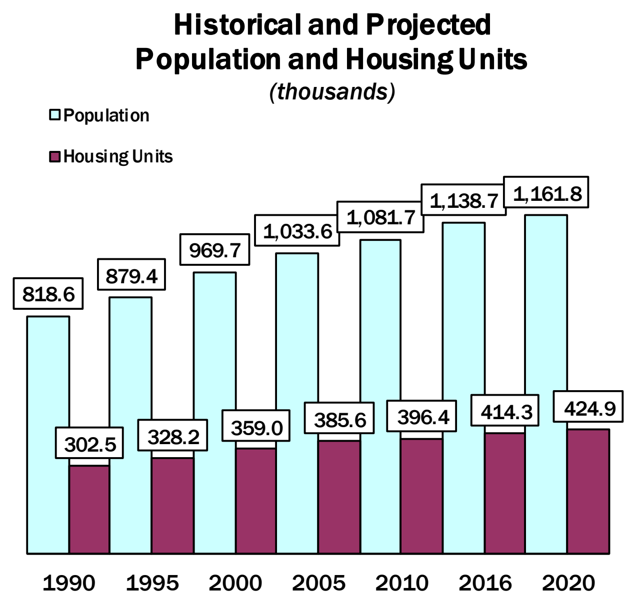
	Total Consumer Utility Taxes Paid by Residential Consumers	Number of Households	Tax per Household	Tax per Household in FY 2019 Dollars
FY 2013	$22,399,854	399,500	$56.07	$61.06
FY 2014	$22,771,865	401,000	$56.79	$60.82
FY 2015	$22,573,422	403,900	$55.89	$59.73
FY 2016	$22,171,148	402,400	$55.10	$58.09
FY 2017	$22,148,894	405,800	$54.58	$57.12
FY 2018[1]	$22,223,766	408,300	$54.43	$55.68
FY 2019[1]	$22,334,885	411,200	$54.32	$54.32

[1] Estimated.

Based on data from the utility companies, it is estimated that residential consumers pay approximately 43.0 percent of the Electric Taxes and 73.0 percent of the Gas Taxes received by the County. Utility Taxes per household have remained relatively stable from FY 2013 through FY 2019. In FY 2019, the "typical" household will pay an estimated $54.32 in Consumer Utility Taxes, $1.75 less than in FY 2013, without adjusting for inflation. From FY 2013 to FY 2019, the "typical" household has experienced an average annual decrease of 1.9 percent, or $6.74 over the period, adjusted for inflation.

DEMOGRAPHIC TRENDS

Demographic trends strongly influence Fairfax County's budget. Changing demographics or population characteristics affect both the cost of government services provided, as well as tax revenues. The descriptions and charts contained in this section provide some examples of how various demographic trends affect the Fairfax County budget. Although these trends are discussed separately, the interactions between these demographic trends ultimately influence the direction of expenditures and revenues. While certain demographic trends may suggest reduced expenditures in a program area, other demographic trends may increase program expenditures at the same time. The following information is based on the most recent data available at the time of publication.

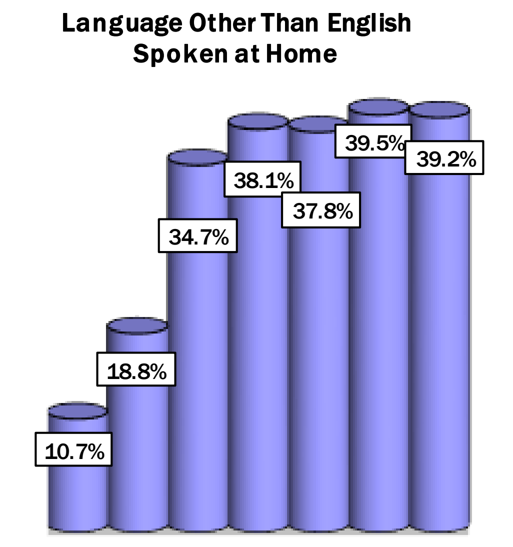


Sources: **1990, 2000 and 2010 U.S. Decennial Censuses; 2016 American Community Survey, Fairfax County Department of Management and Budget.**

Population and Housing

Some of the strongest demographic influences on Fairfax County expenditures and revenues are those associated with the growth in total population and housing units. From 1990 to 2000, the County added over 151,100 residents. This increase in Fairfax County's population between 1990 and 2000 is comparable to adding more than the entire population of the City of Alexandria to the County. The County's population growth decelerated, adding 112,000 residents between 2000 and 2010. Based on the 2016 American Community Survey, Fairfax County had a population of 1,138,652 residents in 2016. Between 2010 and 2020, the population of Fairfax County is expected to increase over 80,100 residents to 1,161,796.

Between 1990 and 2000, housing units grew 18.7 percent, just slightly above population growth of 18.5 percent. From 2000 to 2010, this trend reversed, with population growth at 11.5 percent, surpassing housing unit growth of 10.4 percent. From 2010 to 2020, population and housing units are anticipated to grow 7.4 percent and 7.2 percent, respectively. Many County programs, such as fire prevention, transit, water and sewer, are impacted by the number of housing units. Other program areas such as libraries, recreation, and schools, are impacted more by the growth in population.

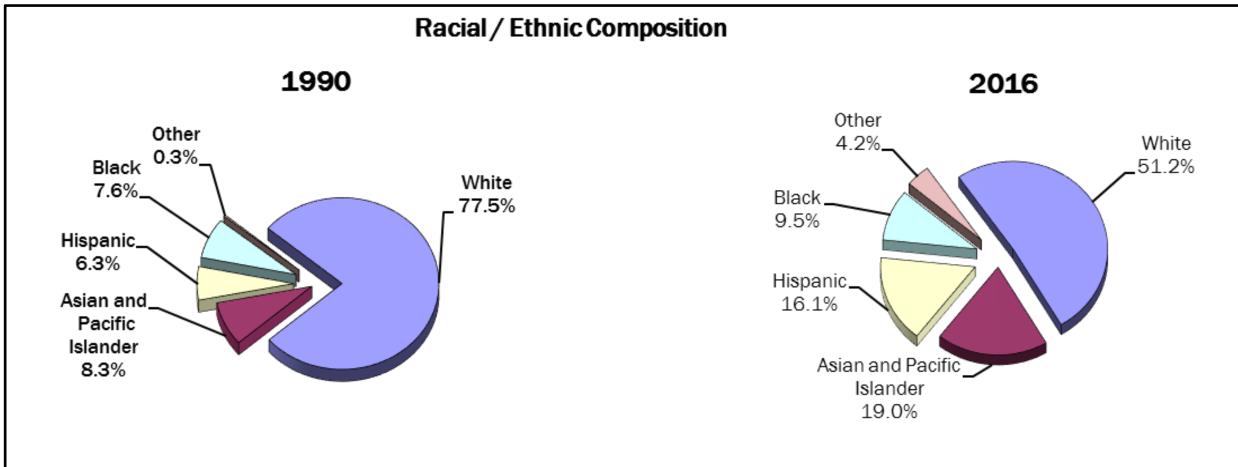


Sources: 1980, 1990, 2000 and 2010 U.S. Decennial Censuses; 2014, 2015, and 2016 American Community Surveys.

Cultural Diversity

Fairfax County's population is rich in diversity. Based on the 2016 American Community Survey, the number of persons speaking a language other than English at home is estimated to be approximately 417,469 residents, or 39.2 percent of the County's population age five years or older. In 1980, less than 11 percent of residents age five years or older spoke a language other than English at home. This percentage rose to nearly 19 percent in 1990. By 2000, it was 34.7 percent. The most frequently spoken languages other than English include Spanish, Korean, Vietnamese and Chinese.

These language trends affect many County programs. For example, the Fairfax County Public Schools have experienced rapid growth in English for Speakers of Other Languages (ESOL) programs. Between FY 2000 and FY 2017, total public school membership increased 21.3 percent, while ESOL enrollment grew 107.1 percent. Also, general government services such as the courts, police, fire and emergency medical services, as well as human service programs and tax related programs are impacted by the County's cultural and language diversity. The County continues to develop various means to effectively communicate with residents for whom English is not their native language.



Sources: 1990 U.S. Decennial Census and 2016 American Community Survey.

In 1990, racial and ethnic minorities comprised less than a quarter of Fairfax County's population. In 2016, almost 49 percent of County's population consisted of ethnic minorities. The two fastest growing groups are Hispanics and Asians and Pacific Islanders, which have both more than doubled their share of the County's population between 1990 and 2016. These two minority groups are anticipated to remain the County's most rapidly expanding racial or ethnic groups during the next five years. As the County's population continues to become more diverse, the number of persons speaking a language other than English at home is anticipated to continue to grow and impact a wide range of services provided by the County.

Population Age Distribution

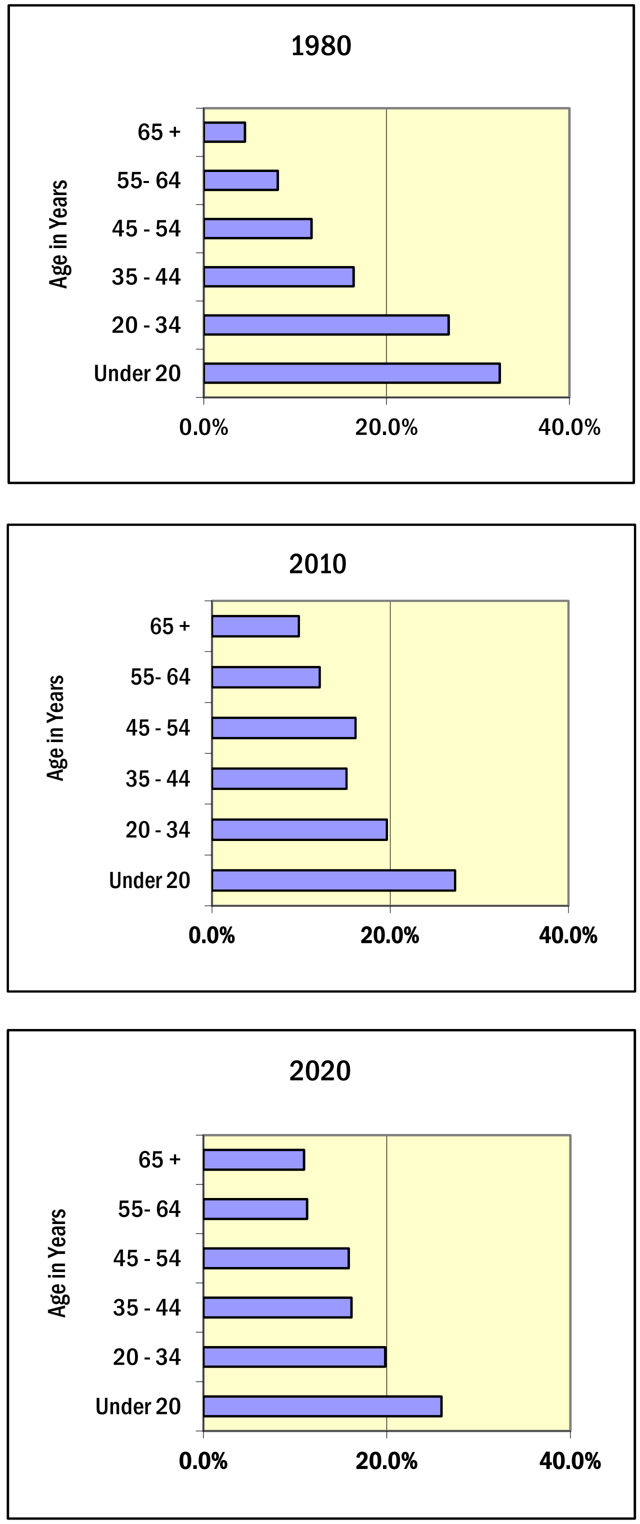
Fairfax County's population has grown steadily older since 1980. Between 1980 and 2010, the percentage of children age 19 years and younger became a smaller proportion of the total population, dropping from 32.4 percent to 26.4 percent in 2010. It is anticipated that the percentage of children will decrease somewhat through 2020, with the percentage of those 19 years old and younger decreasing slightly to 25.1 percent.

The number of adults age 45 to 54 years expanded rapidly between 1980 and 2010, as the first "baby boomers" began to enter into their fifties. This age group's sharp growth trend will begin to reverse between 2010 and 2020, as the final "baby boomers" enter this age group and the oldest of the "baby boom" generation move to the next age group.

Between 1980 and 2010, the seniors' population, those age 65 years and older, more than doubled in size and was the fastest growing segment of County residents. This age group is expected to continue increasing in size, with its share of the population reaching 15.9 percent by 2020.

The age distribution of Fairfax County's population greatly impacts the demand and, therefore, the costs of providing many local government services. For example, the number, location, and size of school and day care facilities are directly affected by the number and proportion of children. Transportation expenditures for both street maintenance and public transportation are influenced by the number and proportion of driving age adults and their work locations. The growing number of persons age 65 years and older will influence expenditures for programs such as adult day care, senior centers, and health care.

Population Age Distribution



Sources: 1980 and 2010 U.S. Decennial Censuses and 2020 Fairfax County Department of Management and Budget.

Public safety programs also are impacted by age demographics. Crime rates, for example, are highest among persons age 15 to 34. In addition, the youngest and the oldest drivers have the greatest probability of being involved in traffic accidents.

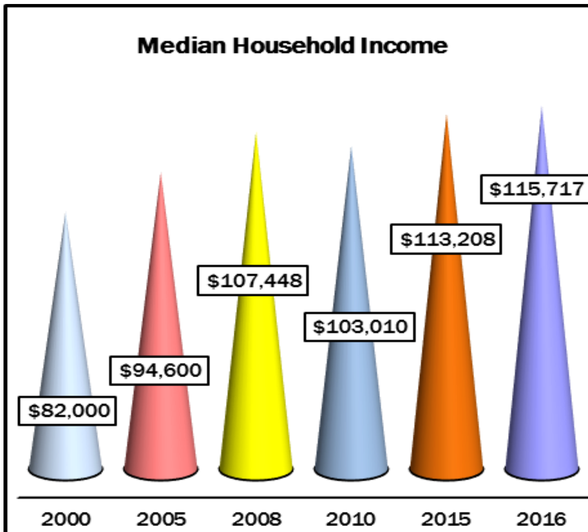
Household Income

The median household income in Fairfax County was $115,717 in 2016, one of the highest in the nation for counties with a population of 250,000 or more. Fairfax County's 2016 median household income increased 2.2 percent compared to 2015. Consequently, households in Fairfax County had more disposable income to spend or save. Since 2000, median household income in the County has risen at a rate of 2.0 percent per year.

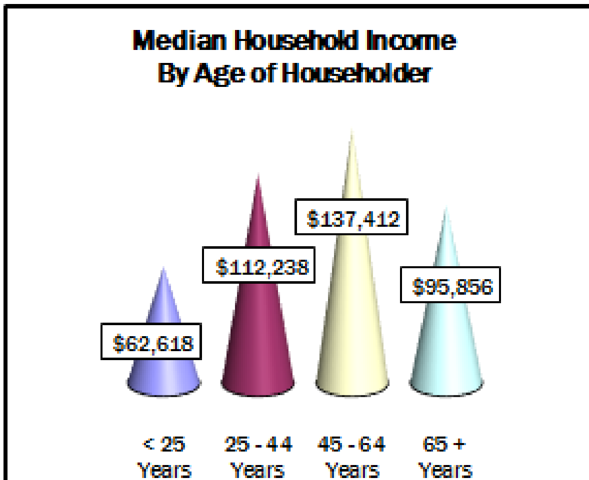
Income growth does not directly impact Fairfax County tax revenues because localities in Virginia do not tax income; however, revenues are indirectly affected because changes in income impact the County's economic health. Tax categories affected by income include Sales Tax receipts, Residential Real Estate Taxes and Personal Property Taxes.

Incomes peak among persons aged 45 to 64 years, who are in their prime earning years. As the number of households headed by this age group is projected to shrink during the next 10 years, various tax revenues may be impacted. Sales Tax revenues, for instance, may experience more modest growth. The median income for heads of households between the ages of 45 and 64 was $137,412 in 2016.

The median household income of people age 65 or older drops to $95,856. A population containing a larger number of seniors, age 65 and older, will put downward pressure on tax revenues. These senior households are typically on a fixed income and have less discretionary money to spend. In addition, persons in this age group own fewer motor vehicles and may qualify for Real Estate Tax Relief.



Sources: 2000 and 2010 U.S. Decennial Censuses; 1998 Household Survey; 2000 Fairfax-Falls Church Community Assessment Survey; 2005, 2008, 2010, 2015 and 2016 American Community Surveys.

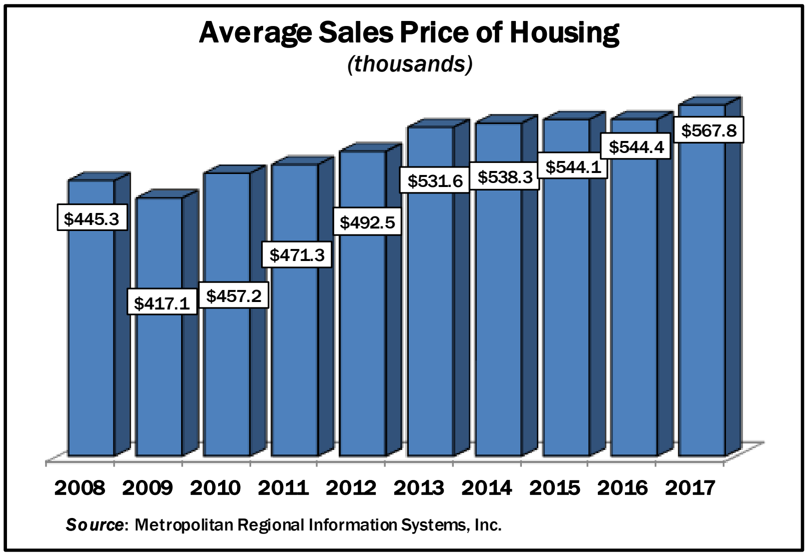


Source: 2016 American Community Survey.

ECONOMIC TRENDS

Housing Market

In FY 2019, Real Estate Tax revenue is projected to comprise over 65 percent of all General Fund Revenues and residential properties make up the majority of the value of the Real Estate Tax base. As a result, the changes in the residential housing market have a very significant impact on Fairfax County's revenues.

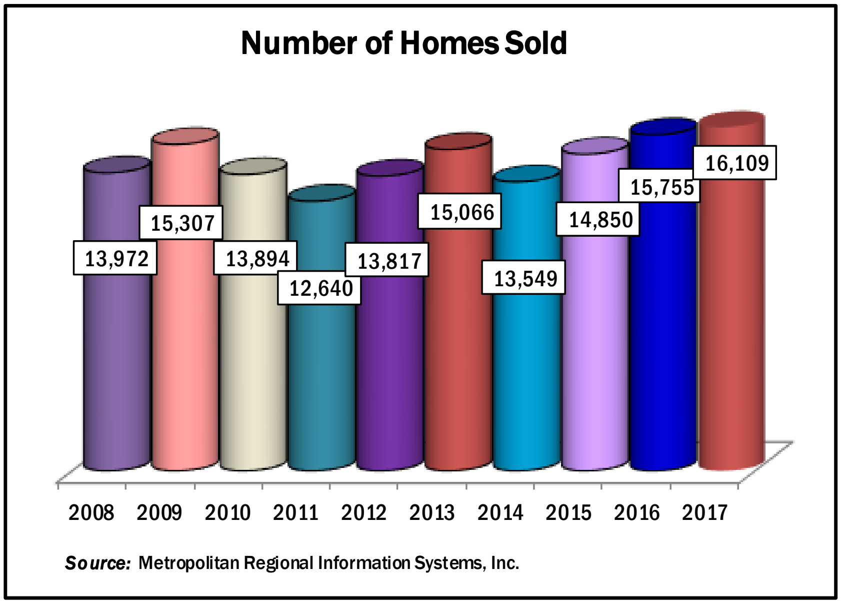


Average Sales Price of Housing

Based on data from the Metropolitan Regional Information Systems, Inc. (MRIS), the average sales price for all types of homes sold in Fairfax County increased 4.3 percent from $544,416 in 2016 to $567,829 in 2017. Due to the recession, home prices fell each year from 2006 through 2009. Since 2009, the average sales price of housing has risen 36.1 percent, or an average annual growth of 3.9 percent.

Homes Sold in Fairfax County

Based on data from MRIS, 16,109 homes were sold in Fairfax County during 2017, a 2.3 percent increase over the 15,755 sold in 2016. The number of homes sold peaked in 2004, when 25,717 homes were sold and hit a nine-year low of 12,640 in 2011. Including 2017, the number of homes sold has averaged 15,571 over the past three years. The average days on the market for active residential real estate listings in Fairfax County was 45 days for all of 2017, down from 52 days in 2016.

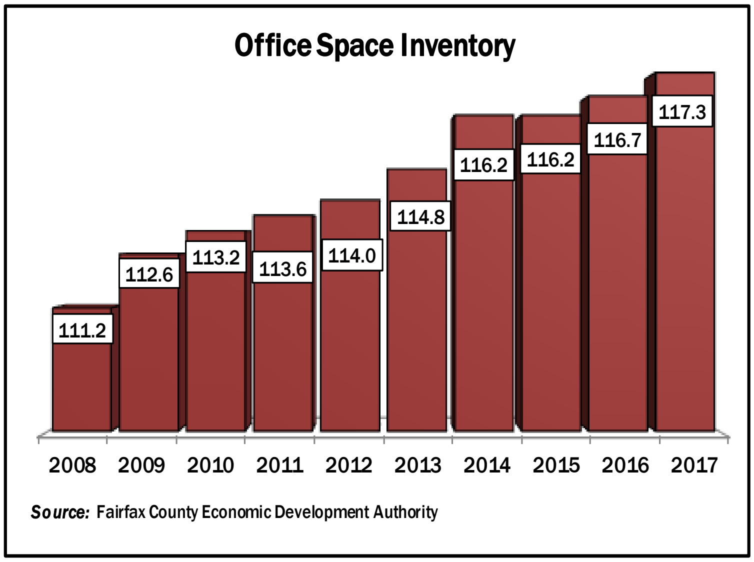


Office Market

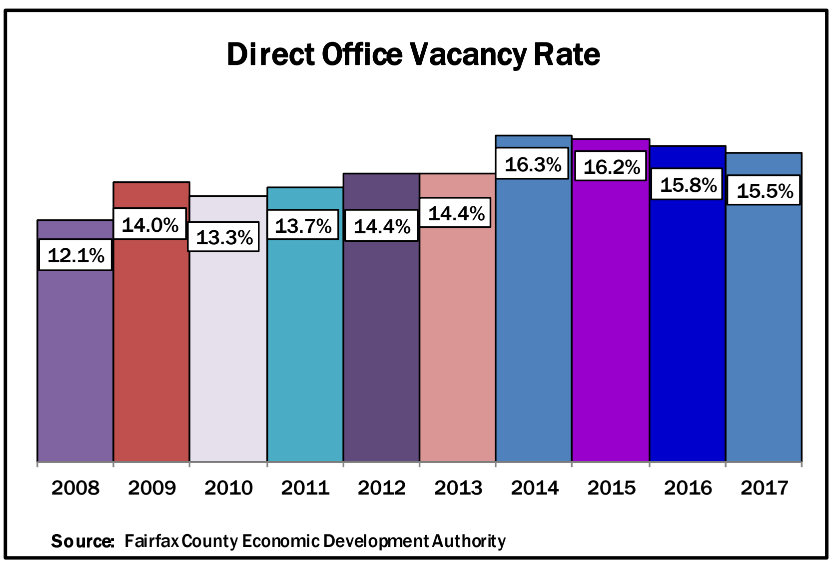
Business activity has an effect on Real Estate Taxes, business Personal Property Tax revenues and Business, Professional and Occupational License (BPOL) revenues. Business expansion also influences expenditures for water and sewer services, transportation improvements, police and fire services, and refuse disposal. According to the Fairfax County Economic Development Authority, the commercial real estate market in 2017 is gradually improving.

Office Space Inventory

The largest component of non-residential space in the County is office space. The office space inventory exceeded 117.3 million square feet as of year-end 2017, an increase of 0.7 million square feet over 2016. The increase is due to several deliveries that took place at the end of 2017. Since 2008, the total inventory of office space in Fairfax County has risen about 6.1 million square feet. As of year-end 2017, more than 2.2 million square feet of space were under construction in the County. Submarkets near Metro stations, especially Reston and Tysons on the Silver Line, have begun to see increased redevelopment activity as older buildings are demolished to make way for new development.



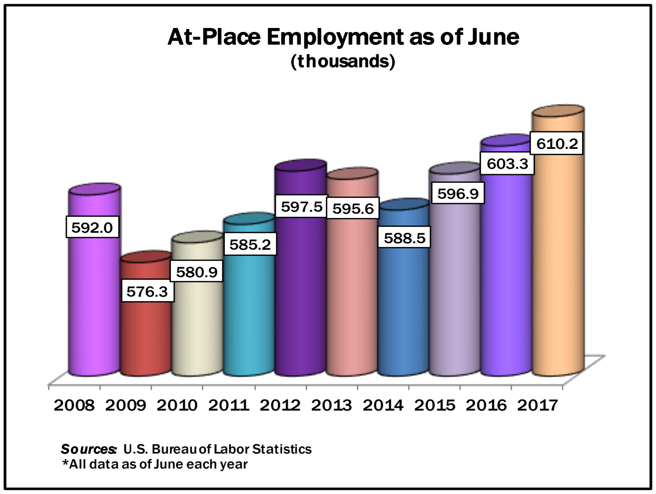
Office Vacancy Rates



The direct office vacancy rate decreased from 15.8 percent in 2016 to 15.5 percent as of year-end 2017. The rate has decreased for three years in a row. Demand for newer space, and space near Metro stations, remained strong while many older properties experienced increased vacancies. Including sublet space, the overall office vacancy rate as of year-end 2017 was 16.3 percent, down from the 16.8 percent recorded as of year-end 2016. The amount of empty office space fell to 19.1 million square feet. Industry experts anticipate vacancy rates to remain relatively stable through 2018 as tenants monitor economic conditions and the direction of the federal budget. New office space deliveries exceeded 870,000 square feet in 2017. This compares to approximately 850,000 square feet delivered in 2016. Total office leasing activity in 2017 was 11.7 million square feet, an increase of 9.5 percent over the 10.7 million square feet leased in 2016.

Employment

Employment serves as a gauge of the number of jobs created by businesses located in Fairfax County. Growth in both employment and the number of businesses generate increased tax revenues and additional expenditures for Fairfax County. Unemployment rates show the strength of the Fairfax County economy by indicating how many Fairfax County residents are actively seeking but are unable to obtain employment.

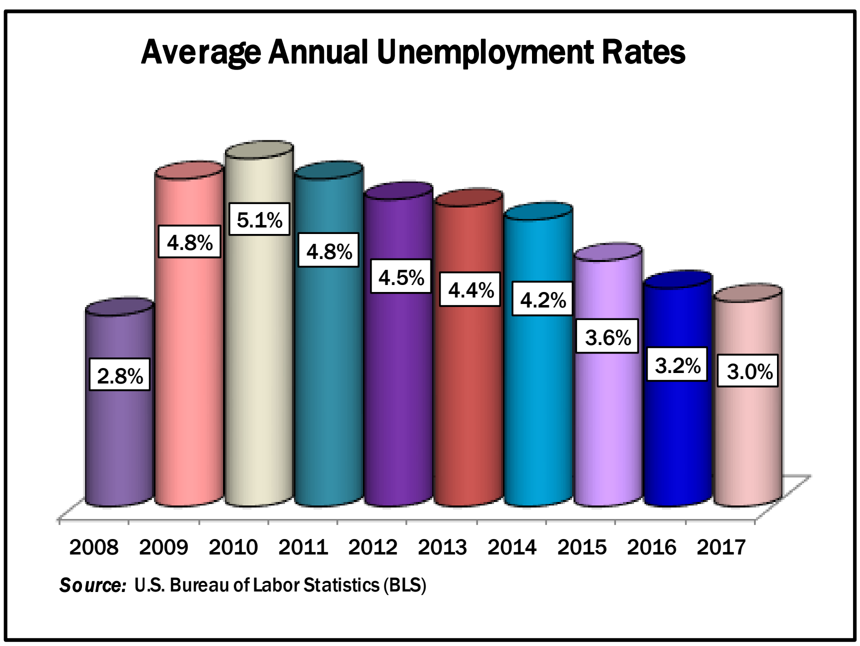


At-Place Employment

According to data from the Bureau of Labor Statistics, the number of jobs in Fairfax County remained flat in 2008 before dropping by 15,700 jobs, a 2.6 percent decline, in 2009 due to the recession. Jobs in the County expanded at modest rates of 0.8 percent and 0.7 percent in 2010 and 2011, respectively. In 2012, employment growth rose by 12,400 jobs, or 2.1 percent, and the number of jobs exceeded its pre-recession peak. However, job losses occurred in 2013 and 2014 primarily due to federal spending cuts that reduced federal employment and professional and business services employment. Employment fell 0.3 percent in 2013 and 1.2 percent in 2014. Employment increased 1.4 percent in 2015, and 1.1 percent in 2016. As of June 2017, the estimated number of jobs in the County totals 610,155. This represents an increase of about 6,800 jobs over June 2016, or 1.1 percent, and is the highest employment level ever in Fairfax County.

Unemployment Rates

During the last decade, residents of Fairfax County have experienced low unemployment rates even during economic recessions. Near the start of the economic downturn, the average unemployment rate in 2008 was 2.8 percent. Job losses accelerated in 2009 and the average unemployment rate rose two percentage points to 4.8 percent. In 2010, the unemployment rate rose again to 5.1 percent. The unemployment rate has fallen each year since 2010. In 2017, the unemployment rate of 3.0 percent was the lowest in nine years.



1742

Long-Term Financial Policies and Tools

COUNTY OF FAIRFAX
FARE FAC
1742
VIRGINIA

FY 2019

Adopted Budget Plan

This section identifies some of the major policies, long-term financial management tools and planning documents that serve as guidelines for decisions, support the strategic direction of the County and contribute directly to the outstanding fiscal reputation of the County. Adherence to these policies has enabled the County to historically borrow funds at the lowest possible interest rates available in the municipal bond market.

Fairfax County is proud to have been named "one of the best-managed jurisdictions in America" by *Governing* magazine and the Government Performance Project (GPP) during their last evaluation of counties in 2001. The GPP conducted a comprehensive study evaluating the management practices of 40 counties across the country and Fairfax County received an overall grade of "A-," one of only two jurisdictions to receive this highest grade. For the past 33 years, Fairfax County has earned the Government Finance Officer's (GFOA) Distinguished Budget Presentation Award. Fairfax County also received accolades from GFOA for "Special Performance Measures Recognition" in fiscal years 2004, 2005, 2007, 2008 and 2009. Fairfax County has been nationally recognized as a leader in performance measurement, garnering awards such as the International City and County Management Association's (ICMA) Center for Performance Measurement Certificate of Distinction for each fiscal year from 2004 through 2016. In addition, the County received ICMA's Certificate of Excellence, its newest and highest level of recognition for excellence in performance measurement from 2009 through 2017.

The keystone to the County's ability to maintain its fiscal integrity is the continuing commitment of the County's Board of Supervisors. This commitment is evidenced by the Board of Supervisors' adoption of the *Ten Principles of Sound Financial Management (Ten Principles)* in 1975, which remain the policy context within financial decisions are considered and made. These principles relate primarily to the integration of capital planning, debt planning, cash management and productivity as a means of ensuring prudent and responsible allocation of the County's resources.

In addition to the *Ten Principles*, this section includes an overview of the County's long-term financial policies with a brief description of policies relating to the budget guidelines, reserves, internal financial controls, debt management, risk management, information technology, and investments. Long-term financial management tools and planning documents used by the County are also briefly described.

Ten Principles of Sound Financial Management

The *Ten Principles*, adopted by the Board of Supervisors on October 22, 1975, endorsed a set of policies designed to contribute to the County's fiscal management and maintain the County's "triple A" bond rating. The County has maintained its superior rating in large part due to its firm adherence to these policies. The County's exceptional "triple A" bond rating gives its bonds an unusually high level of marketability and results in the County being able to borrow for needed capital improvements at low interest rates, thus realizing significant debt service savings for the residents of Fairfax County now and in the future.

From time to time the Board of Supervisors amends the *Ten Principles* in order to address changing economic conditions and management practices. In FY 2016 as a response to concerns from the bond rating agencies, the Board committed to increasing the County's reserve policies to strengthen the County's financial position. As a result, the Managed Reserve target increased from 2 to 4 percent of General Fund Disbursements and the Revenue Stabilization Reserve target increased from 3 to 5 percent of General Fund Disbursements. In addition, a new Economic Opportunity Reserve will be established at 1 percent of General Fund Disbursements (revising the total for these primary reserves from 5 to 10 percent), as well as funding other replacement reserves. Thus, the County reserve policy will be more in-line with other triple-A jurisdictions. Funding of this increase began immediately; however, it will take several years to fully fund the new target level.

In FY 2008, the Board authorized the use of variable rate debt. Variable rate obligations are debt obligations that are frequently used for short-term or interim debt financing and have an interest rate that is reset periodically, usually for periods of less than one year. Variable rate debt is typically used to take advantage of low short-term rates in anticipation of converting to longer-term fixed rate financing for complex projects or to mitigate the impact of volatile markets.

For the FY 2019 Adopted Budget Plan, the County agreed to sell an additional $25 million in general obligation bonds for the Fairfax County Public Schools, thereby increasing their annual total from $155 million to $180 million. This bond sale is targeted for January 2019 with the debt service beginning in FY 2020. Discussions on this increase occurred with the Board of Supervisors as part of budget committee meetings in spring 2018. Annual County bond sale limits will be increased by $25 million from $275 million or $1.375 billion over a five-year period to $300 million or $1.5 billion over a five-year period. These changes are now reflected in the *Ten Principles of Sound Financial Management*, and ongoing review of the debt ratio impact with respect to capacity and affordability will continue to be monitored.

In addition to the more traditional methods of long-term financing through General Obligation Bonds, the County has been able to accomplish major capital improvements through the use of alternative financing while maintaining the County's fiscal integrity as required by the *Ten Principles*. Accomplishments such as Metrorail station parking garages, construction of Route 28, the opening of a commuter rail and construction of government facilities have all been attained in addition to a robust bond construction program. In 2003, the County was able to accelerate the construction of a new high school by three years through the creative use of revenue bonds in connection with the joint development of a senior care facility and a golf course. From 1999 through 2017, the County has approved $4.56 billion of new debt via referendum, with $2.94 billion for Schools and $1.62 billion for the County.

Since 1975, the savings associated with the County's "triple-A" bond rating is estimated at $532.87 million. Including savings of $283.04 million from the various refunding sales, the total benefit to the County equates to $815.91 million. Also, implementation of a Master Lease program and judicious use of short-term lease purchases for computer equipment, copier equipment, school buses and energy efficient equipment have permitted the County and Schools to maximize available technology while maintaining budgetary efficiency.

The *Ten Principles* full text is as follows:

Ten Principles of Sound Financial Management
April 24, 2018

1. **Planning Policy**. The planning system in the County will continue as a dynamic process, which is synchronized with the capital improvement program, capital budget and operating budget. The County's land use plans shall not be allowed to become static. There will continue to be periodic reviews of the plans at least every five years. Small area plans shall not be modified without consideration of contiguous plans. The Capital Improvement Program will be structured to implement plans for new and expanded capital facilities as contained in the County's Comprehensive Plan and other facility plans. The Capital Improvement Program will also include support for periodic reinvestment in aging capital and technology infrastructure sufficient to ensure no loss of service and continued safety of operation.

2. **Annual Budget Plans**. Annual budgets shall continue to show fiscal restraint. Annual budgets will be balanced between projected total funds available and total disbursements including established reserves.

   a. Managed Reserve shall be maintained in the General Fund at a level sufficient to provide for temporary financing of critical unforeseen disbursements of a catastrophic emergency nature. The reserve will be maintained at a level of not less than four percent of total General Fund disbursements in any given fiscal year.

   b. A Revenue Stabilization Fund (RSF) shall be maintained in addition to the managed reserve at a level sufficient to permit orderly adjustment to changes resulting from curtailment of revenue. This Fund shall be maintained at five percent of total General Fund disbursements in any given fiscal year. Use of the RSF should only occur in times of severe economic stress. Accordingly, a withdrawal from the RSF will not be made unless the projected revenues reflect a decrease of more than 1.5 percent from the current year estimate and any such withdrawal may not exceed one half of the RSF fund balance in that year. A drawdown of this Fund should be accompanied with expenditure reductions.

   c. An Economic Opportunity Reserve shall be established in addition to the Managed Reserve and the Revenue Stabilization Fund. This reserve is meant to stimulate economic growth and will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors. When fully funded, this reserve will equal one percent of total General Fund disbursements in any given fiscal year. Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new levels of four percent and five percent, respectively. Criteria for funding, utilization, and replenishment of the reserve will be developed and presented to the Board of Supervisors for approval. The criteria for use will include financial modeling analysis (e.g. cost-benefit, etc.) to determine the fiscal impact to the County of the proposed investment opportunity and will require approval from the Board of Supervisors for any use.

   d. Budgetary adjustments which propose to use available general funds identified at quarterly reviews should be minimized to address only critical issues. The use of non-recurring funds should only be directed to capital expenditures to the extent possible.

   e. The budget shall include funds for cyclic and scheduled replacement or rehabilitation of equipment and other property in order to minimize disruption of budgetary planning from irregularly scheduled monetary demands.

3. **Cash Balances.** It is imperative that positive cash balances exist in the General Fund at the end of each fiscal year. If an operating deficit appears to be forthcoming in the current fiscal year wherein total disbursements will exceed the total funds available, the Board will take appropriate action to balance revenues and expenditures as necessary so as to end each fiscal year with a positive cash balance.

4. **Debt Ratios**. The County's debt ratios shall be maintained at the following levels:

   a. Net debt as a percentage of estimated market value shall be less than 3 percent.

   b. Debt service expenditures as a percentage of General Fund disbursements shall not exceed 10 percent. The County will continue to emphasize pay-as-you-go capital financing. Financing capital projects from current revenues is indicative of the County's intent to use purposeful restraint in incurring long-term debt.

   c. For planning purposes, annual bond sales shall be structured such that the County's debt burden shall not exceed the 3 and 10 percent limits. To that end sales of General Obligation Bonds and general obligation supported debt will be managed so as not to exceed a target of $300 million per year, or $1.5 billion over five years, with a technical limit of $325 million in any given year. Excluded from this cap are refunding bonds, revenue bonds or other non-General Fund supported debt.

   d. For purposes of this principle, debt of the General Fund incurred subject to annual appropriation shall be treated on a par with general obligation debt and included in the calculation of debt ratio limits. Excluded from the cap are leases secured by equipment, operating leases, and capital leases with no net impact to the General Fund.

   e. Use of variable rate debt is authorized in order to increase the County's financial flexibility, provide opportunities for interest rate savings, and help the County manage its balance sheet through better matching of assets and liabilities. Debt policies shall stipulate that variable rate debt is appropriate to use when it achieves a specific objective consistent with the County's overall financial strategies; however, the County must determine if the use of any such debt is appropriate and warranted given the potential benefit, risks, and objectives of the County. The County will not use variable rate debt solely for the purpose of earning arbitrage pending the disbursement of bond proceeds.

   f. For purposes of this principle, payments for equipment or other business property, except real estate, purchased through long-term lease-purchase payment plans secured by the equipment will be considered to be operating expenses of the County. Annual General Fund payments for such leases shall not exceed 3 percent of the annual General Fund disbursements, net of the School transfer. Annual equipment lease-purchase payments by the Schools and other governmental entities of the County should not exceed 3 percent of their respective disbursements.

5. **Cash Management**. The County's cash management policies shall reflect a primary focus of ensuring the safety of public assets while maintaining needed liquidity and achieving a favorable return on investment. These policies have been certified by external professional review as fully conforming to the recognized best practices in the industry. As an essential element of a sound and professional financial management process, the policies and practices of this system shall receive the continued support of all County agencies and component units.

6. **Internal Controls**. A comprehensive system of financial internal controls shall be maintained in order to protect the County's assets and sustain the integrity of the County's financial systems. Managers at all levels shall be responsible for implementing sound controls and for regularly monitoring and measuring their effectiveness.

7. **Performance Measurement**. To ensure Fairfax County remains a high performing organization all efforts shall be made to improve the productivity of the County's programs and its employees through performance measurement. The County is committed to continuous improvement of productivity and service through analysis and measurement of actual performance objectives and customer feedback.

8. **Reducing Duplication**. A continuing effort shall be made to reduce duplicative functions within the County government and its autonomous and semi-autonomous agencies, particularly those that receive appropriations from the General Fund. To that end, business process redesign and reorganization will be encouraged whenever increased efficiency or effectiveness can be demonstrated.

9. **Underlying Debt and Moral Obligations**. The proliferation of debt related to but not directly supported by the County's General Fund shall be closely monitored and controlled to the extent possible, including revenue bonds of agencies supported by the General Fund, the use of the County's moral obligation and underlying debt.

    a. A moral obligation exists when the Board of Supervisors has made a commitment to support the debt of another jurisdiction to prevent a potential default, and the County is not otherwise responsible or obligated to pay the annual debt service. The County's moral obligation will be authorized only under the most controlled circumstances and secured by extremely tight covenants to protect the credit of the County. The County's moral obligation shall only be used to enhance the credit worthiness of an agency of the County or regional partnership for an essential project, and only after the most stringent safeguards have been employed to reduce the risk and protect the financial integrity of the County.

    b. Underlying debt includes tax supported debt issued by towns or districts in the County, which debt is not an obligation of the County, but nevertheless adds to the debt burden of the taxpayers within those jurisdictions in the County. The issuance of underlying debt, insofar as it is under the control of the Board of Supervisors, will be carefully analyzed for fiscal soundness, the additional burden placed on taxpayers and the potential risk to the General Fund for any explicit or implicit moral obligation.

10. **Diversified Economy**. Fairfax County must continue to diversify its economic base by encouraging commercial and, in particular, industrial employment and associated revenues. Such business and industry must be in accord with the plans and ordinances of the County.

Through the application of the *Ten Principles*, careful fiscal planning and sound financial management, Fairfax County has achieved a "triple A" bond rating from the three leading rating agencies. The County has held a Aaa rating from Moody's Investors Service since 1975, a AAA rating from Standard and Poor's Corporation since 1978, and a AAA rating from Fitch Investors Services since 1997. As of January 2018, Fairfax County is 1 of only 46 counties in the country with "triple A" bond ratings from all three rating agencies.

As of January 2018, only a limited number of jurisdictions, including Fairfax County, have received a "triple A" bond rating from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Investors Services:

- **only 46 of the nation's 3,069 counties**
- **only 12 of the nation's 50 states**
- **only 32 of the nation's 35,000+ cities and towns**

Long-Term Financial Policies

The following is a description of the primary financial policies that are used to manage the County's resources and contribute to its outstanding fiscal condition.

Budget Guidance

Each year during budget adoption, the Board of Supervisors reaffirms and approves budget guidelines for the next budget year. These guidelines then serve as a future budget development tool.

Budget Guidance for FY 2019 and FY 2020

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Tuesday, April 24, 2018, the Board approved the following Budget Guidance for FY 2019 and FY 2020:

Strategic Planning

The Board of Supervisors endorses the County Executive's strategic planning initiative. As the County Executive stated in his budget message, the Fairfax Team is poised to deliver a strategic budget process that will look for efficiencies, as well as opportunities, in service delivery, and work to increase our commercial base, with a goal of creating a more favorable balance with our residential assessments.

The County Executive also has been working in collaboration with the Fairfax County Public Schools to implement operational efficiencies. The FY 2019 budget was developed with an eye on FY 2020 as well. As both organizations realize slowed growth, a concerted effort will be required to identify additional operational efficiencies that will provide the pathway for a productive and creative budget process in future years.

The County has developed many financial policies and multi-year funding plans that uphold the Board's budget priorities and annual budget guidance, the Lines of Business review, and the One Fairfax policy initiative, and all provide a framework for enhanced County service delivery. We are now ready to facilitate an opportunity to further enhance our framework to include our partners, and to collaboratively move Fairfax forward.

The County team has already begun to develop the County Strategic Planning process and a more detailed memorandum to the Board on the specific timeline is being drafted to be distributed by mid-May. Among the high-level details that are anticipated are a procurement process to engage consultant support of the initiative. It is expected that the procurement will be completed and a consultant will be selected by early Fall. The consultant, in consultation with Senior County Leadership and a Strategic Plan Team, to be named with representatives from across the organization, will oversee the work of the initiative. Simultaneously, staff will be reviewing the Lines of Business opportunities to prioritize those that are most likely to generate savings. Additional projects, currently not on the LOBs Phase 2 work plan, will also be reviewed by the County Executive to determine if additional work should begin now on them. The opportunities that will be identified are currently being reviewed by County staff and include service delivery redesigns, consolidation of space, privatization options, employment of technology and elimination of redundancies. These details will also be presented to the Board as part of the May memorandum.

Schools Operating Support and Board of Supervisors/School Board Collaboration

With limited projected revenue growth and an estimated budgetary shortfall in FY 2020, the recent collaborative approach taken in the development of prior year budgets will need to continue. Similar to this year, it is likely that many important priorities on both sides will not be able to be funded next year. However, it is important that work continue through the Joint Budget Development Workgroup and the Boards continue to hold more frequent discussions on budget issues, utilizing the joint budget development timeline presented to the Boards in February 2017. Successes such as funding for gang prevention and combating the opioid epidemic should be models for upcoming budget development. The Boards, as well as staff from both the County and Schools, should also continue collaborative work regarding shared services and joint capital initiatives (including their impact on the Capital Improvement Program). The work on school security enhancements that have been underway will also need to be reviewed for any funding requirements.

In addition, as the County continues to review its Lines of Business for efficiencies, a similarly detailed programmatic review by School staff and the School Board would be helpful in setting collaborative priorities for Fairfax County residents for FY 2020. These discussions, as well as the presentation of updated revenue projections and forecasts in the fall, are necessary to identify specific recommendations to shape the joint list of County and School priorities and provide for a more well-informed backdrop as FY 2020 budget decisions are made.

In the absence of a State budget at this point, some assumptions have been made about State revenues in FY 2019. Staff from both the County and Schools are directed to continue to report back to the Boards once the State budget is adopted to ensure that all assumptions are validated.

Employee Pensions

The next discussion on employee pensions is expected to take place at an upcoming Personnel Committee meeting on May 22. Additional discussions should focus on the narrowed list of options that had been presented to the Pension Workgroup. The discussions going forward should also be focused on maintaining the defined benefit plans but be thorough enough to preclude the need to review every few years. The Board takes its fiduciary responsibility very seriously and has made the difficult funding decisions that have resulted in the current health of the systems. However, as a reminder of why the review is essential, and to clarify misunderstandings that may still exist among employees, the funding to maintain the health of the systems and address gradual elimination of the unfunded liability has been significant. Constrained growth in future budgets requires that we ensure the most efficient provision of strong defined benefit systems into the future. It is anticipated that all decisions required to implement changes effective for new hires as of January 1, 2019, be made in the coming months. In order to meet this goal, all Board action will need to be completed by October 2018 so that future County employees to be hired after January 1, 2019, are fully informed about any changes that may affect them.

School Readiness

Significant capital and operating funding has been included in the last several years to address the array of school readiness requirements. The County's new Equitable School Readiness Strategic Plan incorporates the goals of One Fairfax and represents a deep commitment to and strategies for assuring that all children receive the support and services they need for their optimal development. County, community and school staff will continue to work together to eliminate disparities in access, affordability and quality of early childhood services. As the next step in the process it is directed that SCYPT propose a 5 plus year plan for expansion of the early childhood services with identification of requirements from both the County and Schools to ensure that future budget discussions are informed by specific requirements.

Public Safety Priority Issues

A number of compensation, staffing, operational and equipment/capital issues have been / are being worked on within Public Safety agencies. These issues need to be addressed by the County in a prioritized and phased approach. As part of a deliberate and comprehensive review, staff is directed to schedule time for discussion by the Board at appropriate upcoming Committee meetings.

As it relates to compensation, the discussions should include, but not be limited to, the Police and Sheriff pay concerns that were identified in the recent PFM study, the recommendations from the Fire and Rescue compensation and organization study that is currently underway, Sheriff environmental pay, and issues raised by employee groups such as Police pay compression and pay for Animal Protection Police.

In terms of operational priorities, issues such as body cameras, other results of the ad-hoc Police commission, and the results of the Fire and Rescue review should also be considered.

Finally, equipment and capital issues related to apparatus and facilities need to also be clearly laid out for the Board to ensure that the conversation about priorities is fully informed.

Metro

Given the urgency of Metro funding and the need for reforms, Metro has been a significant policy discussion the last several years. The Board is extremely disappointed that Northern Virginia Transportation Authority (NVTA) funds have been diverted to such a large extent as part of Virginia's Metro funding plan. It is also disappointing that the funding enhancements sought by the Governor to amend the original General Assembly Metro bill were not approved. The approach that is left on the table hinders road building and transit expansion in the Commonwealth. We will continue to advocate that other funding sources be considered in the future to prevent over reliance on NVTA funds given our very large unmet needs even before the redirection of these NVTA funds.

Health and Human Services Innovation Fund

The Innovation Fund is a new initiative proposed by the County intended to encourage businesses and non-profits to team up to implement new and innovative approaches that transform their service delivery practices, create entrepreneurial venues that support the mission of the non-profits, or utilize technology to improve customer outcomes. The fund would provide matched seed funding for up to three years to test new service methods, integrate technology with practices, evaluate approaches, meet franchise fees and outfit small business entrepreneurial services, and other areas that will result in a fundamental change in service/business.

The County Executive is directed to evaluate and report to the Board on the merits of funding the Innovation Fund as well as a process for selecting projects. This analysis should be completed in time to allow funding recommendations, if any, to be considered for inclusion in the FY 2018 Carryover Review.

Employment and Day Services for Adults with Developmental Disabilities

The County Executive is directed to coordinate staff of the Community Services Board, Human Services agencies, and the Department of Management and Budget, to work with the Welcoming Inclusion Network (WIN) in order to develop options for funding employment and day services for adults with developmental disabilities. Staff is directed to develop two to four options for various levels of services and funding and present these options to the Board of Supervisors this calendar year. At least one of these options must be designed to provide appropriate services to all eligible people without use of a significant waiting list.

Lake Accotink

The County Executive, the Park Authority and Stormwater Management are directed to develop multiple options, with the appropriate funding mechanism for each, to address the critical environmental issues at Lake Accotink. These options shall be presented to the Board of Supervisors during the Fall of 2018 with an eye toward funding decisions, including a potential bond, in 2019.

I now move the Budget Guidance that I just reviewed which will help direct the FY 2020 Budget process.

A Copy Teste:
Catherine A. Chianese
Catherine A. Chianese,
Clerk to the Board of Supervisors

Reserve Policies

The reserve policies adopted by the County are complimentary to the requirement for balanced budgets. Among the long-standing policies are that:

- Annual budgets be balanced between projected total funds available and total disbursements including funding for established reserves;
- It is imperative that positive cash balances exist in the General Fund at the end of each fiscal year; and
- If an operating deficit appears to be forthcoming in the current fiscal year wherein total disbursements will exceed the total funds available, the Board will take appropriate action to balance revenues and expenditures as necessary so as to end each fiscal year with a positive cash balance.

In FY 2016, the Board of Supervisors updated the *Ten Principles of Sound Financial Management* to increase the County's overall reserve target from 5 percent to 10 percent of General Fund Disbursements. Since the reserve targets were adjusted, the County has made significant progress in increasing reserve funding. As of the FY 2019 Adopted Budget Plan, total reserve funding is estimated at 8.20 percent of General Fund Disbursements. Additional allocations to reach the 10 percent target will be made through a combination of annual appropriations, by applying one-time resources such as bond refunding, and setting aside 40 percent of year-end balances after funding critical requirements.

There are three primary General Fund reserves:

Managed Reserve

- Policy target of four percent of General Fund Disbursements.
- Per the FY 2019 Adopted Budget Plan, funding equates to 3.20 percent or $136.93 million.
- From the *Ten Principles:* A Managed Reserve shall be maintained in the General Fund at a level sufficient to provide for temporary financing of critical unforeseen disbursements of a catastrophic emergency nature. The reserve will be maintained at a level of not less than four percent of total General Fund disbursements in any given fiscal year.

Revenue Stabilization Fund

- Policy of five percent of General Fund Disbursements.
- Per the FY 2019 Adopted Budget Plan, funding is expected to reach the target of 5.00 percent or $214.69 million.
- From the *Ten Principles:* A Revenue Stabilization Fund (RSF) shall be maintained in addition to the managed reserve at a level sufficient to permit orderly adjustment to changes resulting from curtailment of revenue. This Fund shall be maintained at five percent of total General Fund disbursements in any given fiscal year. Use of the RSF should only occur in times of severe economic stress. Accordingly, a withdrawal from the RSF will not be made unless the projected revenues reflect a decrease of more than 1.5 percent from the current year estimate and any such withdrawal may not exceed one half of the RSF fund balance in that year. A drawdown of this Fund should be accompanied with expenditure reductions.

The RSF was used for the first and only time in FY 2009. A withdrawal of $18.7 million was a small part of the total plan approved by the Board which included significant reductions, a furlough for employees and application of other balances to address a $64.7 million shortfall at the *FY 2009 Third Quarter Review*. As a result of available balances at FY 2009 year-end, the reserve was fully replenished.

Economic Opportunity Reserve

- Policy of one percent of General Fund Disbursements.
- Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new policy levels of four percent and five percent, respectively.
- From the *Ten Principles*: An Economic Opportunity Reserve shall be established in addition to the Managed Reserve and the Revenue Stabilization Fund. This reserve is meant to stimulate economic growth and will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors. When fully funded, this reserve will equal one percent of total General Fund disbursements in any given fiscal year. Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new levels of four percent and five percent, respectively. Criteria for funding, utilization, and replenishment of the reserve will be developed and presented to the Board of Supervisors for approval. The criteria for use will include financial modeling analysis (e.g. cost-benefit, etc.) to determine the fiscal impact to the County of the proposed investment opportunity and will require approval from the Board of Supervisors for any use.

In addition to the Managed Reserve, the RSF, and the Economic Opportunity Reserve, the County has many reserves maintained within various funds. Among these reserves are those designated for replacement of equipment and facilities, identified for long-term liabilities, to meet debt service requirements and as operating/rate stabilization reserves. Staff identifies potential changes to funding levels and brings to the Board policy decisions which need to be made in relation to Reserve Policies as part of the annual budget process. In addition, during the Carryover process at year end, reserve balances are often reset as a result of actual fund balances and/or actuarial analyses. More detail about the size of the reserves and the specific use for them is available in each agency narrative, but the Board policies concerning reserves are summarized below.

Replacement Reserve Policies: The Board of Supervisors has repeatedly reaffirmed the policy that the County budget shall include funds for cyclic and scheduled replacement or rehabilitation of equipment and other property in order to minimize disruption of budgetary planning from irregularly scheduled monetary demands. These reserves are necessary to provide a source of funding for planned replacement of major equipment or infrastructure over several years. For example, the County maintains a vehicle replacement reserve within the Department of Vehicle Services to plan for vehicle replacement once age, mileage and condition criteria have been met. General Fund monies are set aside each year over the life of the existing vehicle in order to pay for its replacement. Helicopter, ambulance and large apparatus replacement funds are also maintained for the Police and Fire and Rescue Departments. Fixed payments to these reserves are made annually to ensure funding is available at such time that the equipment must be replaced.

Outstanding Liability Policies: The Board of Supervisors has also consistently funded reserve requirements for outstanding liabilities as they are identified and in conformance with accounting standards and practices. It is important to note that contributions to these liability reserves have been sustained even as reductions in services have been made, demonstrating the commitment of the Board to meet its fiduciary responsibilities. An example of a liability reserve is the County's Self Insurance program, which is evaluated each year by an actuary and the liability for all self-insured programs is identified. The accrued liability reserve identified as of year-end each year is funded during a subsequent quarterly review. An additional reserve is also currently identified by County policy for catastrophic loss above and beyond the identified accrued liability. Beginning in FY 2008, the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits. Therefore, an annual required contribution (ARC) to meet the long-term liability is funded by both the County and Schools.

Debt Service Reserve Policies: The majority of debt service reserves are maintained by a trustee as stipulated by the terms of the bond documents for the bonds, which are being supported. However, as an Enterprise System of the County, Sewer Bond Debt Reserves were established in Funds: 69000, Sewer Revenue; 69030, Sewer Bond Debt Reserve; and 69040, Sewer Bond Subordinate Debt Reserve, to provide one year of principle and interest for the outstanding bond series as required by the Sewer System's General Bond Resolution.

Operating and Rate Stabilization Reserve Policies: The County has also identified reserves for potential operating adjustments that may be required and/or to help mitigate the need for significant shifts in tax rates or charges for services. The Boards of both the County and Schools have often approved set aside reserves to assist in budget development for the next year. These reserves have been established as the result of balances accumulated through expenditure savings and conservative revenue projections consistent with the policy that positive cash balances are available at year end.

In addition to its standard reserve policies, the Board regularly reviews the status of fund reserves and makes policy decisions to improve the County's reserve position based on availability and budget flexibility.

Third Quarter/Carryover Reviews

The Department of Management and Budget conducts a Third Quarter Review on the current year Revised Budget Plan, which includes a detailed analysis of expenditure requirements. All agencies and funds are reviewed during the Third Quarter Review and adjustments are made to the budget as approved by the Board of Supervisors. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to Board action when the potential increases in the appropriation are greater than 1.0 percent of expenditures. The Board's Adopted Budget guidelines indicate that any balances identified throughout the fiscal year, which are not required to support expenditures of a legal or emergency nature, must be held in reserve.

Carryover Review represents the analysis of balances remaining from the prior year and provision for the appropriation of funds to cover the prior year's legal obligations (encumbered items) in the new fiscal year without loss of continuity in processing payments. Carryover extends the prior year funding for the purchase of specific items previously approved in the budget process, but for which procurement could not be obtained for various reasons. All agencies and funds are reviewed during the Carryover Review and adjustments are made to the budget as approved by the Board of Supervisors. Again, the Code of Virginia requires that a public hearing be held prior to Board action when the potential increases in the appropriation are greater than 1.0 percent of expenditures.

Cash Management/Investments

Maintaining the safety of the principal of the County's public investment is the highest priority in the County's cash management policy. The secondary and tertiary priorities are the maintenance of liquidity of the investment and optimization of the rate of return within the parameters of the Code of Virginia, respectively. Funds held for future capital projects are invested in accordance with these objectives, and in such a manner so as to ensure compliance with U.S. Treasury arbitrage regulations. A senior interagency Investment Committee develops investment policies and oversees the effectiveness of portfolio management in meeting policy goals.

The County maintains cash and temporary investments in several investment portfolios. A general investment portfolio holds investments purchased by the County for the pooled cash and General Obligation Bond funds. Investments for this portfolio are held by a third-party custodian. Other portfolios are managed to meet the specific needs of County entities, such as, the Fairfax County Economic Development Authority Parking Revenue Bond (the Vienna Metrorail Parking Garage Project), Sewer Revenue Bonds, and Fairfax County Redevelopment and Housing Authority Bonds. Investments for all portfolios are held by a third-party custodian.

Except where prohibited by statutory or contractual constraints, the General Fund is credited with interest earned in the general investment pool. Non-General Fund activities that earn interest through centralized investment management contribute to the cost of portfolio management by way of a market-based administrative charge that accrues to the General Fund.

Debt Management/Capital Improvement Planning

The Commonwealth of Virginia Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. There is no statutory limit on the amount of debt the voters can approve. It is the County's own policy to manage debt within the guidelines identified in the *Ten Principles of Sound Financial Management*. Specifically, debt service expenditures as a percentage of General Fund disbursements should remain under ten percent and the percentage of debt to estimated market value of assessed property should remain under three percent. The County continues to maintain these debt ratios, as shown in the following tables:

Debt Service Requirements as a Percentage of Combined General Fund Disbursements

Fiscal Year Ending	Debt Service Requirements[1]	General Fund Disbursements[2]	Percentage
2015	313,968,578	3,729,624,836	8.42%
2016	323,859,385	3,860,655,340	8.39%
2017	313,389,406	4,005,844,810	7.82%
2018 (est.)	360,022,005	4,199,144,574	8.57%
2019 (est.)	364,552,763	4,280,915,642	8.52%

[1] The amount includes total principal and interest payments on the County's outstanding tax supported debt obligations, including General Obligation Bonds, economic development authority bonds, and other tax supported debt obligations budgeted in other funds. Source: FY 2015 to FY 2017 Comprehensive Annual Financial Report; FY 2018 and FY 2019 Fairfax County Department of Management and Budget.

[2] Source: Fairfax County Department of Management and Budget.

Net Debt as a Percentage of Market Value of Taxable Property

Fiscal Year Ending	Net Bonded Indebtedness[1]	Estimated Market Value[2]	Percentage
2015	2,863,139,000	233,351,721,357	1.23%
2016	2,875,166,000	241,306,896,262	1.19%
2017	2,895,516,000	248,802,572,781	1.16%
2018 (est.)	2,916,652,000	253,634,562,936	1.15%
2019 (est.)	2,990,672,000	262,013,605,895	1.14%

[1] The amount includes outstanding General Obligation Bonds and other tax supported debt obligations as of June 30 in the year shown and is from the Fairfax County Department of Management and Budget. Source: FY 2015 to FY 2017 Comprehensive Annual Financial Report and Fairfax County Department of Tax Administration; FY 2018 and FY 2019 Fairfax County Department of Management and Budget and Department of Tax Administration.

[2] Source: Fairfax County Department of Tax Administration and the Department of Management and Budget.

Per capita debt is also an important measure used in analyses of municipal credit. Fairfax County has historically had moderate to low per capita debt and per capita debt as a percentage of per capita income due to its steady population growth, growth in the assessed valuation of property and personal income of residents, combined with a record of rapid repayment of capital debt.

The *Ten Principles* establishes, as a financial guideline, a self-imposed limit on the level of the average annual bond sale. Actual bond issues are carefully sized with a realistic assessment of the need for funds, while remaining within the limits established by the Board of Supervisors. In addition, the actual bond sales are timed for the most opportune entry into the financial markets. The policy guidelines enumerated in the *Ten Principles* also express the intent of the Board of Supervisors to encourage a diversified economy in the County and to minimize the issuance of underlying indebtedness by towns and districts located within the County.

It is County policy to balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capacity of the County to provide for those needs. The five-year Capital Improvement Program (CIP), submitted annually to the Board of Supervisors, is the vehicle through which the stated need for public facilities is analyzed against the County's ability to stay within its self-imposed debt guidelines as articulated in the *Ten Principles*. The CIP is supported largely through long-term borrowing that is budgeted annually in debt service or from General Fund revenues on a pay-as-you-go basis.

Pay-as-you-go Financing

Although a number of options are available for financing the proposed CIP, including bond proceeds and grants, it is the policy of the County to balance the use of the funding sources against the ability to utilize current revenue or pay-as-you-go financing. While major capital facility projects are funded through the sale of General Obligation Bonds, the Board of Supervisors, through the *Ten Principles*, continues to emphasize the importance of maintaining a balance between pay-as-you-go financing and bond financing for capital projects. Financing capital projects from current revenues indicates the County's intent to show purposeful restraint in incurring long-term debt. No explicit level or percentage has been adopted for capital projects from current revenues as a portion of either overall capital costs or of the total operating budget. The decision for using current revenues to fund a capital project is based on the merits of the particular project in relation to an agreed upon set of criteria. It is the Board of Supervisors' policy that non-recurring revenues should not be used for recurring expenditures.

Risk Management

Continuing growth in County assets and operations perpetuates the potential for catastrophic losses resulting from inherent risks that remain unidentified and unabated. In recognition of this, the County has adopted a policy of professional and prudent management of risk exposures.

To limit the County's risk exposures, a Risk Management Steering Committee was established in 1986 to develop appropriate policies and procedures. The County Risk Manager is responsible for managing a countywide program. The program objectives are as follows:

- To protect and preserve the County's assets and workforce against losses that could deplete County resources or impair the County's ability to provide services to its citizens;

- To institute all practical measures to eliminate or control injury to persons, loss to property or other loss-producing conditions; and

- To achieve such objectives in the most effective and economical manner.

While the County's preference is to fully self-insure, various types of insurance such as workers' compensation, automobile, and general liability insurance remain viable alternatives when they are available at an affordable price.

Pension Plans

The County funds the retirement costs for three separate retirement systems, including the Police Officers Retirement System, the Fairfax County Employees' Retirement System and the Uniformed Retirement System, while the Fairfax County Public Schools funds the cost of the Educational Employees Supplementary Retirement System. These retirement systems are administered by the County and are made available to Fairfax County government and school employees to provide financial security when they become retirement eligible or cannot work due to disability. In addition, professional employees of the Fairfax County Public Schools participate in a plan sponsored and administered by the Virginia Retirement System. The Board of Supervisors reviews the three County retirement plans annually and takes action to fund the County's obligation.

At the end of FY 2001, the funding ratios for the County's three retirement systems ranged from 97 percent to 102 percent. In FY 2002, the Board of Supervisors adopted a corridor approach to employer contributions, which was designed by the County's actuaries to set annual contributions at the level necessary to maintain strong funding ratios in each of the plans while reducing the volatility in the employer contribution rates that is typical for plans that are near fully-funded. In the corridor method of funding, a fixed contribution rate is assigned to each system and the County contributes at the fixed rate unless the system's funding ratio falls outside the pre-selected corridor of 90-120 percent or if benefit enhancements are approved. If the funding ratio falls below 90 percent, the unfunded actuarial accrued liability below 90 percent is amortized over a conservative 15-year period, and this amount is included in the annual employer contribution for each fund.

The corridor approach cushioned the County from dramatic rate adjustments for several years. However, the global financial crisis during FY 2009 resulted in significant losses in the value of the invested assets of all three retirement systems. Because only 90 percent of the unfunded liability is amortized and included in the employer contribution under the corridor approach, the funding ratios have improved, but at a slower pace than desired. As a result, the County has taken multiple steps to improve the financial position of the retirement systems. These steps include increasing contribution levels and limiting increases in liabilities:

- In FY 2010, the requirements regarding the award of ad-hoc Cost-of-Living Adjustments (COLAs) were tightened. Retirees are eligible to receive an annual base COLA which is the lesser of the Consumer Price Index (CPI) for the 12 months ending on the previous year's March 31, or 4.0 percent. If certain conditions are met, an additional 1.0 percent ad-hoc COLA can be awarded at the discretion of each retirement system's Board of Trustees. This additional ad-hoc COLA is considered a benefit enhancement and results in an increase in the employer contribution rate. Staff reviewed the ad-hoc COLA policy at the Board of Supervisors' direction in FY 2010, and it was determined that the financial conditions that must be met in order for a Board of Trustees to consider granting an ad-hoc COLA should be strengthened, especially since the granting of such a COLA impacts the employer contribution rates and, thus, requires County funding. As a result, the Fairfax County Code was changed to require that the retirement system must have an actuarial surplus, demonstrated by having a funding ratio exceeding 100 percent, before an ad-hoc COLA can be considered.

- In FY 2011, the employer contribution rates were increased by adjusting the amortization level of the unfunded liability from 90 percent to 91 percent.

- In FY 2012, the Department of Human Resources, as directed by the Board of Supervisors, contracted with a benefits consultant to conduct a comprehensive review of the retirement plans. The consultant's report was presented in February and March 2012. Based on the results of this study, the Board of Supervisors adopted several modifications to the retirement systems, which apply only to new employees who are hired on or after January 1, 2013. These changes include increasing the minimum retirement age for normal service retirement from 50 to 55 in the Employees' system; increasing the rule of 80 (age plus years of service) to the rule of 85 in the Employees' system; placing a cap on the use of sick leave for purposes of determining retirement eligibility and benefits at 2,080 hours for all three retirement systems; and, for the Deferred Retirement Option Plan (DROP), removing the pre-Social Security supplement from balances accumulated during the DROP period in the Employees' and Uniformed systems. No changes were made to benefits for current employees. The savings resulting from these changes have been incorporated in the employer contribution rates. Although initial savings are minimal, savings are expected to grow as more employees are hired under these new plan provisions.

- In FY 2015, the employer contribution rates were increased by adjusting the amortization level of the unfunded liability from 91 percent to 93 percent.

- In FY 2016, the employer contribution rates were increased by adjusting the amortization level of the unfunded liability from 93 percent to 95 percent.

- In FY 2017, the employer contribution rates were increased by adjusting the amortization level of the unfunded liability from 95 percent to 97 percent.

- In FY 2018, the employer contribution rates were increased by adjusting the amortization level of the unfunded liability from 97 percent to 98 percent.

Despite the changes made both to the retirement systems and the employer funding levels, mixed investment returns in recent years have resulted in the funding ratios for each of the retirement systems decreasing slightly, and currently range from 70 percent to 82 percent. The County is committed to further strengthening the financial position of the systems, and has established a goal to reach a 90 percent funded status for all plans by FY 2025. In order to meet this goal, the Board of Supervisors approved, as part of the adoption of the FY 2016 Adopted Budget Plan, the following multi-year strategy:

- Increases in the employer contribution rates will continue so that the County will include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems by FY 2020. The County will continue to use a conservative 15-year amortization period.

- Until each system reaches 100 percent funded status, employer contributions to that system will not be reduced. Various factors, such as the historical trend of the County's investment returns exceeding the assumed rate of return, could allow employer contribution rates to be reduced from current levels. However, the County is committed to maintaining the rates and redirecting any potential savings into further improvement in the systems' funded positions.

- Any additional unfunded liability created as a result of approved benefit enhancements, such as ad-hoc COLAs, will be fully funded. It is the intent that no adjustments to benefit levels will reduce the funded status of any of the systems.

In keeping with this strategy, the employer contribution rates in the FY 2019 Adopted Budget Plan include increases to adjust the amortization level of the unfunded liability from 98 percent to 99 percent. Additional increased funding required because of this multi-year approach will be included in the County's financial forecasts. The County continues to use conservative assumptions regarding its funding approach including a 15-year amortization period and a discount rate of 7.25 percent, which was lowered from 7.5 percent following a FY 2016 experience study.

The Board of Supervisors continues to take a proactive stance in regards to the County retirement systems, directing a review as part of the Lines of Business (LOBs) Phase 2 process and including additional direction in the FY 2018-2019 and FY 2019-20 Budget Guidance. Following the investment impact of the Great Recession and changes in comparator pension plans (especially the Virginia Retirement System) since the County's last comprehensive review, and on the heels of the multi-year funding strategy approved in 2015, the review is necessary to continue to strengthen the long-term viability of the systems. A Retirement Workgroup composed of Board of Supervisors members and employee group representatives explored possible adjustments to benefit levels, employee contributions, and eligibility requirements based on demographics of the County's systems and trends nationwide. The Board has committed that any changes will not impact current employees. The Retirement Workgroup wrapped up their meetings in March 2018 and included a final package with a series of proposed changes to the current plan design. However, none of the items in the package were supported by the Retirement Workgroup and subsequently not recommended to the Board. Discussion on the retirement plans will continue as part of the summer 2018 Board of Supervisors Personnel Committee meetings. Although no short-term budgetary savings are expected, any future adjustments for new hires should place downward pressure on future pension liability calculations, allowing the County to move towards full funding of its systems at a faster pace.

The School Board reviews the Educational Employees' Supplementary Retirement plan annually and takes action to fund the County's obligation based on actuarial valuations that are usually performed annually. Benefits are defined in each system according to the requirements of an ordinance of the Fairfax County Code. Each retirement system is governed by a Board of Trustees whose function is the general administration and operation of the system. Each Board has full power to invest and reinvest the accumulated monies created by the systems in accordance with the laws of the Commonwealth as they apply to fiduciaries investing such funds. Investment managers are hired by each Board and operate under the direction of the Boards' investment objectives and guidelines. Each Board meets once a month to review the financial management of the funds and to rule on retirement applications.

Other Post-Employment Benefits (OPEB)

Beginning in FY 2008, the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for OPEB. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits. Currently, the County offers retirees the option to participate in County group health insurance, life insurance, and dental plans. These benefits are offered to retirees at premium rates established using the blended experience of the active and retiree populations. As such, retirees receive an "implicit" benefit, as these premium rates are typically lower than if they were set solely using the experience of the retiree group. In addition, County retirees receive an explicit benefit through the retiree health benefit subsidy. The County provides monthly subsidy payments to eligible County retirees to help pay for health insurance. The current monthly subsidy, approved in FY 2018, commences at age 55 and varies by length of service. The monthly subsidy is provided to retirees on a discretionary basis, and the Board of Supervisors reserves the right to reduce or eliminate the benefit in the future if the cost of the subsidy becomes prohibitive or an alternative is chosen to aid retirees in meeting their health insurance needs.

GASB 45 requires that the County accrue the cost of post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. The County established the OPEB Trust Fund in FY 2008 to pre-fund the cost of post-employment healthcare and other non-pension benefits. Establishing such a trust fund allows the County to capture long-term investment returns and make progress towards eliminating the unfunded liability over a 30-year period. This methodology mirrors the funding approach used for pension benefits. As a result, the County is required to make an annual contribution towards the long-term liability. This includes an amount for benefits accrued by active employees during the fiscal year, as well as an additional amount in order to address the unfunded actuarial accrued liability.

In FY 2016, the County implemented an Employer Group Waiver Plan (EGWP) for Medicare retiree prescription drug coverage. The EGWP is a standard Medicare Part D plan with enhanced coverage. By implementing an EGWP, the County is able to maximize prescription drug subsidies from the federal government and pharmaceutical manufacturers. This plan replaces the prescription drug coverage that was previously provided to Medicare retirees through the County's self-insured health plans and the Retiree Drug Subsidy (RDS) that the County previously received from the Centers for Medicare and Medicaid Services. This change has had a significant impact on the County's GASB 45 liability, as GASB accounting rules allow EGWP revenue to directly offset plan costs in the GASB valuation, impacting the Actuarial Accrued Liability (AAL), whereas the RDS could not be reflected in the liability calculations. Thus, the fund status of the plan will show notable improvements in the coming years. Progress towards funding the liability is reported in the County's Comprehensive Annual Financial Report (CAFR).

The actuarial accrued liability is calculated annually as part of the actuarial valuation and includes adjustments due to benefit enhancements, medical trend experience, and normal growth assumptions. Before approving additional benefit enhancements, the County must carefully consider not only the impact on the current fiscal year budget, but also the long-term impact on the County's OPEB liability and annual required contribution.

Fairfax County Public Schools (FCPS) offer similar benefits to their retirees, which result in a separate OPEB liability. FCPS also created an OPEB Trust Fund in FY 2008 to begin to address their unfunded liability and pre-fund the cost of other post-employment benefits.

Grants

County policy requires that the initial application and acceptance of all grants over $100,000 be approved by the Board of Supervisors. Each grant application is reviewed for the appropriateness and desirability of the program or service. Upon completion of the grant, programs are reviewed on a case-by-case basis to determine whether the program should be continued utilizing County funds. The County has no obligation to continue either grant-funded positions or grant-funded programs if continued grant funding is not available.

Effective September 1, 2004, the Board of Supervisors established a new County policy for grant applications and awards that meet certain requirements. If a grant is $100,000 or less, with a required Local Cash Match of $25,000 or less, with no significant policy implications, and if the grantor does not require

Board of Supervisors' approval, the agency can work directly with the Department of Management and Budget to receive the award and reallocate funding from the anticipated/unanticipated reserve directly to the agency. If an award exceeds these limitations, but was listed in the Anticipated Grant Awards table in the Adopted Budget for the current fiscal year, Board of Supervisors' approval is not required unless the actual funding received differs significantly from the projected funding listed in the budget. For any grant that does not meet all of the specified criteria, the agency must obtain Board of Supervisors' approval in order to apply for or accept the grant award.

Contributory Policies

To improve the general health and welfare of the community, as well as leverage scarce resources, it is the policy of the Board of Supervisors to make General Fund appropriations of specified amounts to various nonsectarian, nonprofit or quasi-government entities. Because public funds are being appropriated, funds provided to designated contributory agencies are currently made available contingent upon submission and review of financial reports. This oversight activity includes program reporting requirements that request designated contributories to describe accurately, in a manner prescribed by the County Executive, the level and quality of services provided to County residents.

Information Technology

The following ten strategic directions are fundamental principles upon which Fairfax County will base its Information Technology (IT) decisions in the upcoming years. These are intended to serve as guidelines to assist County managers in applying information technology to achieve business goals.

Ten Fundamental Principles of Information Technology

In addition to the Department of Information Technology's Mission and Goals, Fairfax County Information Technology (IT) projects and processes are guided by ten fundamental principles approved by the Board of Supervisors in 1996, and updated annually, as needed.

1. Our ultimate goal is to provide citizens, the business community, and County employees with timely, convenient access to appropriate information and services through the use of technology.

2. Business needs drive information technology solutions. Strategic partnerships will be established between the stakeholders and County so that the benefits of IT are leveraged to maximize the productivity of County employees and improve customer services.

3. Evaluate business processes for redesign opportunities before automating them. Use new technologies to make new business methods a reality. Exploit functional commonality across organizational boundaries.

4. Manage Information Technology as an investment.
   - Annually allocate funds sufficient to cover depreciation to replace systems and equipment before life-cycle end. Address project and infrastructure requirements through a multi-year planning and funding strategy.
   - Manage use of funds at the macro level in a manner that provides for optimal spending across the investment portfolio aligned to actualized project progress.
   - Look for cost-effective approaches to improving "legacy systems". Designate systems as "classic" and plan their modernization. This approach will help extend investments and system utility
   - Invest in education and training to ensure the technical staffs in central IT and user agencies understand and can apply current and future technologies.

5. Implement contemporary, but proven, technologies. Fairfax County will stay abreast of emerging trends through an ongoing program of technology evaluation. New technologies often will be introduced through pilot projects where both the automation and its business benefits and costs can be evaluated prior to any full-scale adoption.

6. Hardware and software shall adhere to open (vendor-independent) standards and minimize proprietary solutions. This approach will promote flexibility, inter-operability, cost effectiveness, and mitigate the risk of dependence on individual vendors.

7. Provide a solid technology infrastructure as the fundamental building block of the County's IT architecture to support reliability, performance and security of the County's information assets. Manage and maintain the enterprise network as an essential communications channel connecting people to information and process via contemporary server platforms and workstations. It will provide access for both internal and external connectivity; will be flexible, expandable, and maintainable; be fully integrated using open standards and capable of providing for the unimpeded movement of data, graphics, image, video, and voice.

8. Approach IT undertakings as a partnership of central management and agencies providing for a combination of centralized and distributed implementation. Combine the responsibility and knowledge of central management, agency staff, as well as outside contract support, within a consistent framework of County IT architecture and standards. Establish strategic cooperative arrangements with public and private enterprises to extend limited resources.

9. Consider the purchase and integration of top quality, commercial-off-the-shelf (COTS) software requiring minimal customization as the first choice to speed the delivery of new business applications (this includes Software as a Service cloud solutions). This may require redesigning some existing work processes to be compatible with beneficial common practice capabilities inherent in many off-the-shelf software packages, while achieving business goals. Based on agency business requirements and/or statutory mandates, custom development remains a feasible option.

10. Capture data once in order to avoid cost, duplication of effort and potential for error and share the data whenever possible. Establish and use common data and common databases to the fullest extent. A data administration function will be responsible for establishing and enforcing data policy, data sharing and access, data standardization, data quality, identification and consistent use of key corporate identifiers.

Financial Management Tools and Planning Documents

This section is intended to provide a brief description of some of the financial management tools and long-range planning documents used by the County.

Budget

The primary financial management tool used by the County is the annual budget process. This involves a comprehensive examination of all expenditure and revenue programs of the County, complete with public hearings and approval by the Board of Supervisors.

Capital Improvement Program (CIP)

The Board of Supervisors annually considers and adopts a five-year Capital Improvement Program (CIP), which supports and implements the Comprehensive Plan. The CIP includes five years of project planning and forecasts project requirements for an additional five-year period. The CIP helps balance the need for public facilities identified by the Comprehensive Plan with the County's fiscal resources and serves as a planning guide for the construction of general County facilities, schools, and public utilities. The CIP process provides a framework for development of reliable capital expenditure and revenue estimates, as well as the timely scheduling of bond referenda.

The CIP is an integral element of the County's budgeting process. The Capital Budget is the foundation for the first year of the adopted five-year CIP. The remaining four years in the CIP serve as a general planning guide. Future planning requirements five years beyond the CIP period are also included. The CIP is supported largely through long-term borrowing, which is budgeted annually in the debt service fund or from General Fund revenues on a pay-as-you-go basis.
The Board of Supervisors has approved Principles of Sound Capital Improvement Planning and Criteria for Recommending Capital Projects, which are applied every year in the development of the CIP. The principles establish the County's Comprehensive Plan as the basis for capital planning requirements and emphasize the principle of life-cycle planning for capital facilities. The CIP is an integral part of the annual budget plan and is included on the County's website.

In October 2005, Fairfax County adopted revised guidelines for review of unsolicited Public Private Educational Facilities and Infrastructure Act (PPEA) proposals. In FY 2008, project screening criteria as presented in the CIP was approved for determining when an unsolicited PPEA project should be pursued or rejected. It is anticipated that other refinements, including any required legislative updates to the PPEA evaluation and review process will be developed and presented to the Board of Supervisors as needed. As of January 28, 2008, the County will only pursue an unsolicited PPEA project if, based on minimal analysis, the project offers a significant contribution to near term CIP goals, it offers significant savings to the General Fund, or a significant positive effect on the County's debt capacity.

Revenue Forecast

Revenue estimates are monitored monthly to identify any potential trends that would significantly impact the revenue sources. A Revenue Task Force meets regularly to review current construction trends, the number of authorized building permits, housing sales, mortgage rates, and other economic data, which impact Real Estate Tax revenue collections. In addition, the Revenue Task Force uses statistical models to estimate such revenue categories as: the Personal Property Tax; Local Sales Tax; Business, Professional, and Occupational License Tax; Consumer Utility Tax; and Recordation Tax.

Financial Forecast

A forecast of General Fund receipts and disbursements is developed as part of each year's budget process and is updated periodically. Individual and aggregate revenue categories, as well as expenditures, are projected by revenue and/or expenditure type. Historical growth rates, economic assumptions and County expenditure priorities are all used in developing the forecast. This tool is used as a planning document for developing the budget guidelines and for evaluating the future impact of current year decisions.

Fiscal Impact Review

It is County policy that all items having potential fiscal impact be presented to the Board of Supervisors for review. Effective management dictates that the Board of Supervisors and County citizens be presented with the direct and indirect costs of all items as part of the decision-making process. In addition to its preliminary review of items presented to the Board of Supervisors, County staff also review state and federal legislative items, which might result in a fiscal or policy impact on the County.

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Financial, Statistical and Summary Tables

COUNTY OF FAIRFAX

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1742

VIRGINIA

FY 2019

Adopted Budget Plan

Explanation of Schedules

General Fund Statement

General Fund Statement
Presents information for Fund 10001, General Fund. The General Fund Statement includes the beginning and ending balances, total available resources and total disbursements, including revenues, transfers in from other funds, expenditures and transfers out to other funds and reserves.

General Fund Direct Expenditures
Provides expenditure information, organized by Program Area and agency, with totals included for each Program Area and for the entire General Fund.

Summary of Appropriated Funds

Summary of Appropriated Funds by Fund Type
Includes Budget Year Summary of Beginning Balance, Revenues by Category, Summary of Transfers In, Expenditures by Program Area, and Summary of Transfers Out for all Appropriated Funds.

Revenue and Receipts by Fund - Summary of Appropriated Funds
Includes revenues for all appropriated funds, organized by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Expenditures by Fund - Summary of Appropriated Funds
Includes expenditures for all appropriated funds, organized by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Changes in Fund Balance - Summary of Appropriated Funds
Includes changes in fund balance for all appropriated funds by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Tax Rates and Assessed Valuation

Summary of County Tax Rates
Presents historical and current fiscal year tax rates for Real Estate, Personal Property, Sewage, Refuse Collection and Disposal, Consumer Utilities, E-911 Fees, and special taxing districts.

Assessed Valuation, Tax Rates, Levies and Collections
Details the assessed valuation and levy of taxable Real Estate and Personal Property, reports actual and estimated collections and reflects the percentage of the total levy collected.

Summary of Revenues

General Fund Revenues
Details General Fund revenues by each source, subtotaled by category, for the prior, current and upcoming fiscal year.

Revenue from the Commonwealth
Summarizes revenues from the Commonwealth of Virginia by fund for the prior, current and upcoming fiscal year.

Revenue from the Federal Government
Summarizes revenues from the Federal government by fund for the prior, current and upcoming fiscal year.

Other Expenditure Schedules

County Funded Programs for School-Related Services
Summarizes all Fairfax County contributions to school-related programs. Congregating the General Fund transfer to the Schools, school debt service, and the numerous school-related programs funded in County agency budgets, reflects a more complete picture of how much the County spends on its schools on an annual basis. Provides additional expenditure data on County-funded programs for youth services (non-school related youth programs) and County-administered programs for school-related services, including programs for which the County has administrative oversight, but not sole funding responsibility.

Services for Older Adults
Summarizes contributions to services for seniors in General Fund and General Fund Supported agencies.

FY 2019 ADOPTED FUND STATEMENT

FUND 10001, GENERAL FUND

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2017 Carryover	FY 2018 Third Quarter	Other Actions July-June	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Beginning Balance	**$166,089,457**	**$106,708,719**	**$105,256,994**	**$0**	**$847,234**	**$212,812,947**	**$125,387,744**	**$126,151,342**	**($86,661,605)**	**(40.72%)**
Revenue [1]										
Real Property Taxes	$2,601,545,806	$2,649,504,731	$0	$0	$533,932	$2,650,038,663	$2,802,541,647	$2,790,371,574	$140,332,911	5.30%
Personal Property Taxes [2]	401,593,500	400,452,300	0	0	1,918,416	402,370,716	412,116,481	411,966,088	9,595,372	2.38%
General Other Local Taxes	513,759,923	515,390,893	0	0	(441,130)	514,949,763	521,305,877	521,305,877	6,356,114	1.23%
Permit, Fees & Regulatory Licenses	52,201,079	50,891,047	1,731,826	0	327,869	52,950,742	53,009,977	53,009,977	59,235	0.11%
Fines & Forfeitures	12,725,041	11,684,270	0	0	404,765	12,089,035	12,178,536	12,178,536	89,501	0.74%
Revenue from Use of Money & Property	29,542,600	32,280,345	0	0	9,481,644	41,761,989	49,159,119	49,159,119	7,397,130	17.71%
Charges for Services	81,485,018	81,370,947	0	0	(273,658)	81,097,289	81,868,225	81,868,225	770,936	0.95%
Revenue from the Commonwealth [2]	306,236,265	310,510,318	0	0	0	310,510,318	308,565,119	309,465,119	(1,045,199)	(0.34%)
Revenue from the Federal Government	42,957,562	32,175,146	1,104,767	0	0	33,279,913	35,682,621	35,682,621	2,402,708	7.22%
Recovered Costs/Other Revenue	16,923,470	16,480,180	10,000	0	(172,957)	16,317,223	16,636,952	16,636,952	319,729	1.96%
Total Revenue	**$4,058,970,264**	**$4,100,740,177**	**$2,846,593**	**$0**	**$11,778,881**	**$4,115,365,651**	**$4,293,064,554**	**$4,281,644,088**	**$166,278,437**	**4.04%**
Transfers In										
Fund 40030 Cable Communications	$3,869,872	$3,772,651	$0	$0	$0	$3,772,651	$3,877,319	$3,877,319	$104,668	2.77%
Fund 40080 Integrated Pest Management	141,000	141,000	0	0	0	141,000	141,000	141,000	0	0.00%
Fund 40100 Stormwater Services	1,125,000	1,125,000	0	0	0	1,125,000	1,125,000	1,125,000	0	0.00%
Fund 40140 Refuse Collection and Recycling Operations	548,000	548,000	0	0	0	548,000	548,000	548,000	0	0.00%
Fund 40150 Refuse Disposal	577,000	626,000	0	0	0	626,000	626,000	626,000	0	0.00%
Fund 40160 Energy Resource Recovery (ERR) Facility	49,000	0	0	0	0	0	0	0	0	-
Fund 40170 I-95 Refuse Disposal	186,000	186,000	0	0	0	186,000	186,000	186,000	0	0.00%
Fund 69010 Sewer Operation and Maintenance	2,850,000	2,850,000	0	0	0	2,850,000	2,850,000	2,850,000	0	0.00%
Fund 80000 Park Revenue	820,000	820,000	0	0	0	820,000	820,000	820,000	0	0.00%
Total Transfers In	**$10,165,872**	**$10,068,651**	**$0**	**$0**	**$0**	**$10,068,651**	**$10,173,319**	**$10,173,319**	**$104,668**	**1.04%**
Total Available	**$4,235,225,593**	**$4,217,517,547**	**$108,103,587**	**$0**	**$12,626,115**	**$4,338,247,249**	**$4,428,625,617**	**$4,417,968,749**	**$79,721,500**	**1.84%**
Direct Expenditures										
Personnel Services	$781,231,428	$829,082,703	$3,476,132	($2,257,615)	($10,309,432)	$819,991,788	$865,206,541	$865,206,541	$45,214,753	5.51%
Operating Expenses	356,484,148	349,315,086	39,118,084	2,984,574	6,826,742	398,244,486	362,769,688	362,769,688	(35,474,798)	(8.91%)
Recovered Costs	(35,621,117)	(36,588,399)	(1,702,193)	0	815,000	(37,475,592)	(37,942,821)	(37,942,821)	(467,229)	1.25%
Capital Equipment	2,143,040	116,058	2,054,279	0	2,667,690	4,838,027	354,744	354,744	(4,483,283)	(92.67%)
Fringe Benefits	347,497,198	370,918,880	2,117,950	1,500,000	0	374,536,830	389,922,233	389,922,233	15,385,403	4.11%
Total Direct Expenditures	**$1,451,734,697**	**$1,512,844,328**	**$45,064,252**	**$2,226,959**	**$0**	**$1,560,135,539**	**$1,580,310,385**	**$1,580,310,385**	**$20,174,846**	**1.29%**
Transfers Out										
Fund S10000 School Operating	$1,913,518,902	$1,966,919,600	$0	$0	$0	$1,966,919,600	$2,055,269,600	$2,051,659,207	$84,739,607	4.31%
Fund S31000 School Construction	13,100,000	13,100,000	0	0	0	13,100,000	15,600,000	15,600,000	2,500,000	19.08%
Fund 10010 Revenue Stabilization [3]	22,316,221	5,221,570	18,397,796	644,919	0	24,264,285	6,886,872	6,527,583	(17,736,702)	(73.10%)
Fund 10020 Community Funding Pool	11,141,700	11,141,700	0	0	0	11,141,700	11,698,785	11,698,785	557,085	5.00%
Fund 10030 Contributory Fund	13,298,773	13,467,254	0	327,517	0	13,794,771	13,674,778	13,674,778	(119,993)	(0.87%)
Fund 10040 Information Technology	4,770,240	4,770,240	1,515,377	3,200,000	0	9,485,617	4,770,240	3,254,750	(6,230,867)	(65.69%)
Fund 20000 County Debt Service	136,752,654	146,035,225	0	0	0	146,035,225	149,052,944	149,052,944	3,017,719	2.07%
Fund 20001 School Debt Service	189,870,099	189,130,953	0	0	0	189,130,953	193,381,033	193,381,033	4,250,080	2.25%
Fund 30000 Metro Operations and Construction	13,557,955	13,557,955	0	0	0	13,557,955	20,695,098	20,695,098	7,137,143	52.64%

FY 2019 ADOPTED FUND STATEMENT

FUND 10001, GENERAL FUND

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2017 Carryover	FY 2018 Third Quarter	Other Actions July-June	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Transfers Out (continued)										
Fund 30010 General Construction and Contributions	25,516,384	17,115,923	19,840,125	300,000	0	37,256,048	16,161,476	16,161,476	(21,094,572)	(56.62%)
Fund 30020 Infrastructure Replacement and Upgrades	10,503,138	1,825,953	6,564,291	3,000,000	0	11,390,244	1,700,600	0	(11,390,244)	(100.00%)
Fund 30060 Pedestrian Walkway Improvements	1,045,571	500,000	1,193,507	0	0	1,693,507	600,000	600,000	(1,093,507)	(64.57%)
Fund 30070 Public Safety Construction	0	0	0	350,000	0	350,000	0	0	(350,000)	(100.00%)
Fund 40000 County Transit Systems	34,929,649	34,429,649	0	0	0	34,429,649	36,151,131	36,151,131	1,721,482	5.00%
Fund 40040 Community Services Board	126,077,551	130,429,318	0	0	0	130,429,318	135,445,375	135,445,375	5,016,057	3.85%
Fund 40330 Elderly Housing Programs	1,923,159	1,837,024	0	0	0	1,837,024	1,862,722	1,862,722	25,698	1.40%
Fund 50000 Federal/State Grants	5,480,836	5,106,999	0	0	0	5,106,999	5,486,978	5,486,978	379,979	7.44%
Fund 60000 County Insurance	27,888,115	24,184,081	0	2,349,000	0	26,533,081	24,236,650	24,236,650	(2,296,431)	(8.65%)
Fund 60020 Document Services Division	3,941,831	3,941,831	0	0	0	3,941,831	3,941,831	3,941,831	0	0.00%
Services	0	0	0	500,000	0	500,000	0	0	(500,000)	(100.00%)
Fund 73030 OPEB Trust	14,500,000	10,490,000	0	0	0	10,490,000	10,490,000	10,490,000	0	0.00%
Fund 83000 Alcohol Safety Action Program	545,171	572,561	0	0	0	572,561	684,916	684,916	112,355	19.62%
Total Transfers Out	**$2,570,677,949**	**$2,593,777,836**	**$47,511,096**	**$10,671,436**	**$0**	**$2,651,960,368**	**$2,707,791,029**	**$2,700,605,257**	**$48,644,889**	**1.83%**
Total Disbursements	**$4,022,412,646**	**$4,106,622,164**	**$92,575,348**	**$12,898,395**	**$0**	**$4,212,095,907**	**$4,288,101,414**	**$4,280,915,642**	**$68,819,735**	**1.63%**
Total Ending Balance	**$212,812,947**	**$110,895,383**	**$15,528,239**	**($12,898,395)**	**$12,626,115**	**$126,151,342**	**$140,524,203**	**$137,053,107**	**$10,901,765**	**8.64%**
Less:										
Managed Reserve [4]	$106,471,193	$110,657,857	$14,729,887	$644,919		$126,032,663	$136,648,797	$136,934,428	$10,901,765	8.65%
Reserve for Potential FY 2018 One-Time Requirements [5]	237,526	237,526	798,352	(1,035,878)					0	-
FY 2017 Audit Adjustments [6]				(847,234)	847,234				0	-
FY 2018 Mid-Year Revenue Adjustments [1]				(11,778,881)	11,778,881				0	-
Reserve for Board Adjustments [7]							3,875,406		0	-
Reserve for Potential FY 2019 One-Time Requirements [8]				118,679		118,679		118,679	0	0.00%
Total Available	**$106,104,228**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**-**

[1] *FY 2018 Revised Budget Plan* revenues reflect a net increase of $11,778,881 based on revised revenue estimates as of fall 2017. These changes are shown in the "Other Actions July-June" column. This amount was utilized as part of the *FY 2018 Third Quarter Review*.

[2] 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 Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

[3] 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. As a result of reserve adjustments included in the FY 2019 Adopted Budget Plan, the FY 2019 projected balance in the Revenue Stabilization Fund is $214.69 million, or 5.02 percent of total General Fund disbursements.

[4] 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 2019 Adopted Budget Plan, the FY 2019 projected balance in the Managed Reserve is $136.93 million, or 3.20 percent of total General Fund disbursements.

[5] As part of the FY 2018 Adopted Budget Plan, an amount of $237,526 was set aside in reserve to address potential FY 2018 one-time requirements. As part of the *FY 2017 Carryover Review*, an amount of $798,352 was added to the reserve for a total of $1,035,878. This one-time funding was utilized as part of the *FY 2018 Third Quarter Review*.

[6] As a result of FY 2017 audit adjustments, an amount of $847,234 was available to be held in reserve in FY 2018. This one-time funding was utilized as part of the *FY 2018 Third Quarter Review*.

[7] As part of the FY 2019 Advertised Budget Plan, an amount of $3,875,406 was available for the consideration of the Board of Supervisors during their deliberations on the FY 2019 budget. This funding, along with additional funding identified during the mark-up process, is utilized as part of the FY 2019 Adopted Budget Plan.

[8] 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.

FY 2019 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

#	Agency Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2017 Carryover	FY 2018 Third Quarter	Other Actions July - June	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
	Legislative-Executive Functions / Central Services										
01	Board of Supervisors	$5,119,620	$5,925,237	$43,718	($2,242)	$0	$5,966,713	$6,126,534	$6,126,534	$159,821	2.68%
02	Office of the County Executive	6,144,887	6,713,575	84,424	(17,241)	0	6,780,758	7,061,851	7,061,851	281,093	4.15%
06	Department of Finance	8,133,917	8,610,967	783,427	(20,886)	0	9,373,508	8,782,805	8,782,805	(590,703)	(6.30%)
11	Department of Human Resources	7,445,747	7,454,411	36,155	0	0	7,490,566	7,693,713	7,693,713	203,147	2.71%
12	Department of Procurement and Material Management	4,605,772	4,792,666	236,962	0	0	5,029,628	7,164,763	7,164,763	2,135,135	42.45%
13	Office of Public Affairs	1,355,375	1,563,193	28,677	150,000	0	1,741,870	1,722,104	1,722,104	(19,766)	(1.13%)
15	Office of Elections	5,110,511	4,073,433	244,494	241,657	0	4,559,584	4,169,525	4,169,525	(390,059)	(8.55%)
17	Office of the County Attorney	7,336,650	7,537,381	1,443,149	0	0	8,980,530	7,825,694	7,825,694	(1,154,836)	(12.86%)
20	Department of Management and Budget	4,405,080	4,897,568	89,797	0	0	4,987,365	5,203,443	5,203,443	216,078	4.33%
37	Office of the Financial and Program Auditor	304,006	385,525	1,732	(1,767)	0	385,490	400,704	400,704	15,214	3.95%
41	Civil Service Commission	403,690	442,846	0	27,000	0	469,846	454,134	454,134	(15,712)	(3.34%)
42	Office of the Independent Police Auditor	31,566	305,992	0	(1,367)	0	304,625	316,377	316,377	11,752	3.86%
57	Department of Tax Administration	24,372,328	24,570,373	62,990	0	0	24,633,363	25,942,250	25,942,250	1,308,887	5.31%
70	Department of Information Technology	33,033,566	32,945,658	601,235	0	0	33,546,893	35,088,139	35,088,139	1,541,246	4.59%
	Total Legislative-Executive Functions / Central Services	**$107,802,715**	**$110,218,825**	**$3,656,760**	**$375,154**	**$0**	**$114,250,739**	**$117,952,036**	**$117,952,036**	**$3,701,297**	**3.24%**
	Judicial Administration										
80	Circuit Court and Records	$11,188,953	$11,375,052	$73,360	$0	$0	$11,448,412	$11,763,757	$11,763,757	$315,345	2.75%
82	Office of the Commonwealth's Attorney	3,645,935	3,923,319	20,420	0	0	3,943,739	4,083,927	4,083,927	140,188	3.55%
85	General District Court	3,437,878	4,135,049	449,526	(11,103)	0	4,573,472	4,231,416	4,231,416	(342,056)	(7.48%)
91	Office of the Sheriff	19,842,293	19,466,601	926,391	0	100,000	20,492,992	19,977,092	19,977,092	(515,900)	(2.52%)
	Total Judicial Administration	**$38,115,059**	**$38,900,021**	**$1,469,697**	**($11,103)**	**$100,000**	**$40,458,615**	**$40,056,192**	**$40,056,192**	**($402,423)**	**(0.99%)**
	Public Safety										
04	Department of Cable and Consumer Services	$784,119	$831,288	$0	$0	$0	$831,288	$860,438	$860,438	$29,150	3.51%
31	Land Development Services	11,221,116	10,585,413	619,635	0	628,734	11,833,782	12,265,578	12,265,578	431,796	3.65%
81	Juvenile and Domestic Relations District Court	22,497,461	23,185,328	467,059	(44,750)	0	23,607,637	24,479,926	24,479,926	872,289	3.69%
90	Police Department	188,739,414	192,718,611	2,827,371	699,151	0	196,245,133	203,479,070	203,479,070	7,233,937	3.69%
91	Office of the Sheriff	44,259,060	49,280,493	1,663,464	(150,000)	(100,000)	50,693,957	50,763,097	50,763,097	69,140	0.14%
92	Fire and Rescue Department	197,564,768	202,961,036	5,140,033	0	0	208,101,069	209,376,423	209,376,423	1,275,354	0.61%
93	Office of Emergency Management	1,621,214	1,853,283	708,856	(6,722)	0	2,555,417	1,903,057	1,903,057	(652,360)	(25.53%)
96	Department of Animal Sheltering	1,059,204	2,478,434	40,026	0	0	2,518,460	2,625,643	2,625,643	107,183	4.26%
97	Department of Code Compliance	4,280,255	4,471,929	897	(10,000)	0	4,462,826	4,630,445	4,630,445	167,619	3.76%
	Total Public Safety	**$472,026,611**	**$488,365,815**	**$11,467,341**	**$487,679**	**$528,734**	**$500,849,569**	**$510,383,677**	**$510,383,677**	**$9,534,108**	**1.90%**
	Public Works										
08	Facilities Management Department	$56,926,000	$58,047,741	$2,219,508	$0	$0	$60,267,249	$59,200,956	$59,200,956	($1,066,293)	(1.77%)
25	Business Planning and Support	1,229,661	1,070,611	39,788	0	0	1,110,399	1,015,756	1,015,756	(94,643)	(8.52%)
26	Office of Capital Facilities	13,564,334	14,186,577	257,408	0	0	14,443,985	14,675,931	14,675,931	231,946	1.61%
87	Unclassified Administrative Expenses	3,183,977	3,948,694	568,341	0	0	4,517,035	3,948,694	3,948,694	(568,341)	(12.58%)
	Total Public Works	**$74,903,972**	**$77,253,623**	**$3,085,045**	**$0**	**$0**	**$80,338,668**	**$78,841,337**	**$78,841,337**	**($1,497,331)**	**(1.86%)**

FY 2019 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

#	Agency Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2017 Carryover	FY 2018 Third Quarter	Other Actions July - June	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
	Health and Welfare										
67	Department of Family Services	$195,786,482	$203,879,132	$3,182,059	($325,000)	$0	$206,736,191	$218,353,739	$218,353,739	$11,617,548	5.62%
68	Department of Administration for Human Services[1]	12,968,369	13,685,589	213,900	0	0	13,899,489	0	0	(13,899,489)	(100.00%)
71	Health Department	56,929,531	59,315,897	2,415,551	(75,000)	0	61,656,448	62,427,094	62,427,094	770,646	1.25%
73	Office to Prevent and End Homelessness	12,716,696	12,779,820	985,446	0	0	13,765,266	14,354,529	14,354,529	589,263	4.28%
77	Office of Strategy Management for Health and Human Services	0	0	0	0	0	0	3,863,769	3,863,769	3,863,769	--
79	Department of Neighborhood and Community Services	29,108,033	29,800,759	853,868	10,471	0	30,665,098	31,136,968	31,136,968	471,870	1.54%
	Total Health and Welfare	**$307,509,111**	**$319,461,197**	**$7,650,824**	**($389,529)**	**$0**	**$326,722,492**	**$330,136,099**	**$330,136,099**	**$3,413,607**	**1.04%**
	Parks and Libraries										
51	Fairfax County Park Authority	$24,242,804	$24,604,681	$612,059	$0	$0	$25,216,740	$26,590,585	$26,590,585	$1,373,845	5.45%
52	Fairfax County Public Library	27,393,934	28,444,876	1,860,059	(111,838)	0	30,193,097	29,364,003	29,364,003	(829,094)	(2.75%)
	Total Parks and Libraries	**$51,636,738**	**$53,049,557**	**$2,472,118**	**($111,838)**	**$0**	**$55,409,837**	**$55,954,588**	**$55,954,588**	**$544,751**	**0.98%**
	Community Development										
16	Economic Development Authority	$7,570,637	$7,638,060	$0	$235,000	$0	$7,873,060	$7,840,615	$7,840,615	($32,445)	(0.41%)
31	Land Development Services	15,640,328	15,474,075	2,142,313	0	(628,734)	16,987,654	16,160,968	16,160,968	(826,686)	(4.87%)
35	Department of Planning and Zoning	10,939,825	11,200,554	1,413,043	1,150,000	0	13,763,597	11,618,294	11,618,294	(2,145,303)	(15.59%)
36	Planning Commission	792,008	829,747	5,572	(4,003)	0	831,316	857,046	857,046	25,730	3.10%
38	Department of Housing and Community Development	6,111,477	6,370,366	293,781	0	0	6,664,147	6,845,003	6,845,003	180,856	2.71%
39	Office of Human Rights and Equity Programs	1,571,750	1,581,246	122,609	0	0	1,703,855	1,797,169	1,797,169	93,314	5.48%
40	Department of Transportation	8,179,714	8,220,725	882,728	0	0	9,103,453	8,583,491	8,583,491	(519,962)	(5.71%)
	Total Community Development	**$50,805,739**	**$51,314,773**	**$4,860,046**	**$1,380,997**	**($628,734)**	**$56,927,082**	**$53,702,586**	**$53,702,586**	**($3,224,496)**	**(5.66%)**
	Nondepartmental										
87	Unclassified Administrative Expenses	$19,812	$1,973,787	$7,827,398	($1,004,401)	$0	$8,796,784	$1,973,787	$1,973,787	($6,822,997)	(77.56%)
89	Employee Benefits	348,914,940	372,306,730	2,575,023	1,500,000	0	376,381,753	391,310,083	391,310,083	14,928,330	3.97%
	Total Nondepartmental	**$348,934,752**	**$374,280,517**	**$10,402,421**	**$495,599**	**$0**	**$385,178,537**	**$393,283,870**	**$393,283,870**	**$8,105,333**	**2.10%**
	Total General Fund Direct Expenditures	**$1,451,734,697**	**$1,512,844,328**	**$45,064,252**	**$2,226,959**	**$0**	**$1,560,135,539**	**$1,580,310,385**	**$1,580,310,385**	**$20,174,846**	**1.29%**

[1] As part of a Health and Human Services realignment, administrative functions provided by Agency 68, Department of Administration for Human Services (DAHS), are decentralized to individual agencies to ensure regulatory, financial and program compliance and to more effectively support each agency's specialized service needs. DAHS is replaced by a new agency, Agency 77, Office of Strategy Management for Health and Human Services.

FY 2019 ADOPTED SUMMARY OF APPROPRIATED FUNDS BY FUND TYPE

	General Fund Group	Debt Service Funds	Capital Project Funds	Special Revenue Funds [1]	Internal Service Funds [2,3]	Enterprise Funds	Custodial Funds	Trust Funds	Total by Category
Beginning Fund Balance	**$330,950,530**	**$0**	**$1,599,091**	**$358,981,284**	**$188,801,361**	**$109,884,336**	**$0**	**$9,939,254,239**	**$10,929,470,841**
Revenues									
Real Property Taxes	$2,790,371,574	$0	$12,200,000	$195,399,614	$0	$0	$5,406,400	$0	$3,003,377,588
Personal Property Taxes [4]	623,280,032	0	0	0	0	0	0	0	623,280,032
General Other Local Taxes	521,305,877	0	0	44,450,304	0	0	10,983,354	0	576,739,535
Permits, Fees & Regulatory	53,009,977	0	0	26,095,256	0	0	0	0	79,105,233
Fines & Forfeitures	12,178,536	0	0	16,729	0	0	0	0	12,195,265
Revenue from the Use of Money and Property	52,659,119	0	600,000	11,428,528	26,421,086	779,000	1,000,000	833,916,640	926,804,373
Charges for Services	81,868,225	0	1,475,000	155,211,778	63,791	220,978,903	0	0	459,597,697
Revenue from the Commonwealth [4]	98,151,175	0	0	787,076,403	0	0	0	0	885,227,578
Revenue from the Federal Government	35,682,621	2,600,000	0	201,862,158	0	0	0	1,000,000	241,144,779
Sale of Bonds	0	0	188,000,000	0	0	0	0	0	188,000,000
Other Revenue	16,636,952	580,000	6,963,427	89,554,631	739,119,811	350,000	0	560,844,720	1,414,049,541
Total Revenue	**$4,285,144,088**	**$3,180,000**	**$209,238,427**	**$1,511,095,401**	**$765,604,688**	**$222,107,903**	**$17,389,754**	**$1,395,761,360**	**$8,409,521,621**
Transfers In	**$45,579,215**	**$346,793,431**	**$61,850,661**	**$2,291,257,589**	**$32,892,583**	**$216,970,000**	**$0**	**$10,490,000**	**$3,005,833,479**
Total Available	**$4,661,673,833**	**$349,973,431**	**$272,688,179**	**$4,161,334,274**	**$987,298,632**	**$548,962,239**	**$17,389,754**	**$11,345,505,599**	**$22,344,825,941**
Expenditures by Category									
Legislative-Executive/Central Services	$123,948,449	$0	$0	$0	$0	$0	$0	$0	$123,948,449
Education	$0	0	179,828,018	3,011,711,349	499,984,285	0	0	237,350,163	3,928,873,815
Judicial Administration	$40,056,192	0	0	772,653	0	0	0	0	40,828,845
Public Safety	$510,403,254	0	0	79,074,436	0	0	0	0	589,477,690
Public Works	$78,841,337	0	0	162,632,291	0	222,555,805	0	0	464,029,433
Health and Welfare	$345,286,024	0	0	241,267,510	0	0	0	0	586,553,534
Parks and Libraries	$59,664,779	0	0	13,964,628	0	0	0	0	73,629,407
Community Development	$57,712,847	0	65,978,553	230,452,705	0	0	17,389,754	0	371,533,859
Capital Improvements	$0	0	21,336,476	0	0	0	0	0	21,336,476
Debt Service	$0	349,973,431	0	0	0	0	0	0	349,973,431
Non-Departmental	$393,376,527	0	0	5,075,000	359,978,646	0	0	656,741,644	1,415,171,817
Total Expenditures	**$1,609,289,409**	**$349,973,431**	**$267,143,047**	**$3,744,950,572**	**$859,962,931**	**$222,555,805**	**$17,389,754**	**$894,091,807**	**$7,965,356,756**
Transfers Out	**$2,700,605,257**	**$0**	**$3,114,515**	**$81,270,269**	**$0**	**$219,820,000**	**$0**	**$0**	**$3,004,810,041**
Total Disbursements	**$4,309,894,666**	**$349,973,431**	**$270,257,562**	**$3,826,220,841**	**$859,962,931**	**$442,375,805**	**$17,389,754**	**$894,091,807**	**$10,970,166,797**
Ending Fund Balance	**$351,779,167**	**$0**	**$2,430,617**	**$335,113,433**	**$127,335,701**	**$106,586,434**	**$0**	**$10,451,413,792**	**$11,374,659,144**

[1] **Not reflected are the following adjustments to balance in FY 2019:**
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $16,616,696.

[2] **Not reflected are the following adjustments to balance in FY 2019:**
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $4,213,433.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $51,716,932.

[3] For presentation purposes, all County Internal Service Funds expenditures are included in the Nondepartmental Category.

[4] For presentation purposes, Personal Property Taxes 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 2019 ADOPTED REVENUE AND RECEIPTS BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2017 Actual [1]	FY 2018 Adopted Budget Plan [2]	FY 2018 Revised Budget Plan [3]	FY 2019 Advertised Budget Plan [4]	FY 2019 Adopted Budget Plan [5]	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
GOVERNMENTAL FUNDS							
General Fund Group							
10001 General Fund	$4,058,970,264	$4,100,740,177	$4,115,365,651	$4,293,064,554	$4,281,644,088	$166,278,437	4.04%
10010 Revenue Stabilization	1,682,344	1,000,000	1,000,000	3,400,000	3,400,000	2,400,000	240.00%
10030 Contributory Fund	0	0	0	0	0	0	-
10040 Information Technology	2,052,200	100,000	1,242,962	100,000	100,000	(1,142,962)	(91.95%)
Total General Fund Group	**$4,062,704,808**	**$4,101,840,177**	**$4,117,608,613**	**$4,296,564,554**	**$4,285,144,088**	**$167,535,475**	**4.07%**
Debt Service Funds							
20000 Consolidated Debt Service	$3,295,203	$2,680,000	$2,680,000	$3,180,000	$3,180,000	$500,000	18.66%
Capital Project Funds							
30000 Metro Operations and Construction	$30,000,000	$30,000,000	$27,780,330	$30,000,000	$30,000,000	$2,219,670	7.99%
30010 General Construction and Contributions	7,248,807	4,575,000	121,892,721	4,575,000	4,575,000	(117,317,721)	(96.25%)
30020 Infrastructure Replacement and Upgrades	451,313	0	0	0	0	0	-
30030 Library Construction	4,000,000	0	16,015,000	0	0	(16,015,000)	(100.00%)
30040 Contributed Roadway Improvements	640,202	150,380	614,542	198,985	198,985	(415,557)	(67.62%)
30050 Transportation Improvements	20,000,000	0	98,839,500	0	0	(98,839,500)	(100.00%)
30060 Pedestrian Walkway Improvements	54,458	0	475,955	0	0	(475,955)	(100.00%)
30070 Public Safety Construction	20,080,300	0	186,227,152	0	0	(186,227,152)	(100.00%)
30080 Commercial Revitalization Program	89,080	0	940,476	0	0	(940,476)	(100.00%)
30090 Pro Rata Share Drainage Construction	586,425	0	2,271,339	0	0	(2,271,339)	(100.00%)
30300 The Penny for Affordable Housing Fund	13,560,872	17,627,927	17,627,927	18,000,000	18,000,000	372,073	2.11%
30310 Housing Assistance Program	0	0	0	0	0	0	-
30400 Park Authority Bond Construction	17,833,179	0	121,412,171	0	0	(121,412,171)	(100.00%)
S31000 Public School Construction	170,162,078	156,106,000	533,861,530	156,464,442	156,464,442	(377,397,088)	(70.69%)
Total Capital Project Funds	**$284,706,714**	**$208,459,307**	**$1,127,958,643**	**$209,238,427**	**$209,238,427**	**($918,720,216)**	**(81.45%)**
Special Revenue Funds							
40000 County Transit Systems	$19,213,983	$28,902,545	$33,999,914	$27,055,033	$27,055,033	($6,944,881)	(20.43%)
40010 County and Regional Transportation Projects	117,188,652	97,005,158	231,796,246	97,232,264	97,232,264	(134,563,982)	(58.05%)
40030 Cable Communications	26,277,055	25,819,120	25,969,120	26,015,876	26,015,876	46,756	0.18%
40040 Fairfax-Falls Church Community Services Board	38,670,106	36,449,287	36,449,287	34,501,838	34,501,838	(1,947,449)	(5.34%)
40050 Reston Community Center	8,439,241	8,476,319	8,738,163	8,619,072	8,619,072	(119,091)	(1.36%)
40060 McLean Community Center	5,768,587	5,351,879	5,351,879	5,711,801	5,711,801	359,922	6.73%
40070 Burgundy Village Community Center	65,466	61,614	34,414	67,366	67,366	32,952	95.75%
40080 Integrated Pest Management Program	2,328,440	2,378,246	2,378,246	2,463,644	2,463,644	85,398	3.59%
40090 E-911	47,009,070	46,772,354	46,772,354	48,006,555	48,006,555	1,234,201	2.64%
40100 Stormwater Services	77,403,062	70,398,306	90,543,310	77,886,250	77,886,250	(12,657,060)	(13.98%)
40110 Dulles Rail Phase I Transportation Improvement District	22,353,895	21,256,630	21,256,630	23,592,790	20,447,085	(809,545)	(3.81%)
40120 Dulles Rail Phase II Transportation Improvement District	16,899,417	16,350,924	16,350,924	17,872,062	17,872,062	1,521,138	9.30%
40125 Metrorail Parking System Pledged Revenues	87,481,211	7,533,430	7,533,430	7,533,430	7,533,430	0	0.00%
40130 Leaf Collection	2,404,484	2,112,583	2,150,080	2,189,716	2,189,716	39,636	1.84%
40140 Refuse Collection and Recycling Operations	17,127,749	17,008,472	17,008,472	17,263,682	17,263,682	255,210	1.50%
40150 Refuse Disposal	34,863,375	50,428,345	50,428,345	51,365,902	51,365,902	937,557	1.86%
40160 Energy Resource Recovery (ERR) Facility	13,367,398	0	0	0	0	0	-
40170 I-95 Refuse Disposal	6,534,807	9,298,956	5,582,212	9,699,000	9,699,000	4,116,788	73.75%
40180 Tysons Service District	6,976,055	7,243,263	7,243,263	7,967,957	7,967,957	724,694	10.01%
40190 Reston Service District	0	910,727	910,727	1,984,998	1,984,998	1,074,271	117.96%
40300 Housing Trust Fund	3,080,305	557,932	557,932	689,954	689,954	132,022	23.66%
40330 Elderly Housing Programs	1,406,298	1,396,320	1,396,320	1,406,788	1,406,788	10,468	0.75%
40360 Homeowner and Business Loan Programs	1,560,546	2,001,082	2,001,082	2,500,000	2,500,000	498,918	24.93%
50000 Federal/State Grants	99,502,771	108,631,874	244,706,952	114,580,911	114,580,911	(130,126,041)	(53.18%)

FY 2019 ADOPTED REVENUE AND RECEIPTS BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2017 Actual [1]	FY 2018 Adopted Budget Plan [2]	FY 2018 Revised Budget Plan [3]	FY 2019 Advertised Budget Plan [4]	FY 2019 Adopted Budget Plan [5]	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Special Revenue Funds (Cont.)							
50800 Community Development Block Grant	$5,341,312	$4,923,230	$9,584,416	$4,974,689	$4,974,689	($4,609,727)	(48.10%)
50810 HOME Investment Partnerships Program	1,822,962	1,509,811	3,387,684	1,530,449	1,530,449	(1,857,235)	(54.82%)
S10000 Public School Operating	725,923,506	740,703,007	757,197,975	775,856,726	775,856,726	18,658,751	2.46%
S40000 Public School Food and Nutrition Services	81,523,709	83,548,199	83,706,551	85,351,028	85,351,028	1,644,477	1.96%
S43000 Public School Adult and Community Education	8,384,428	9,372,850	9,149,671	9,317,708	9,317,708	168,037	1.84%
S50000 Public School Grants and Self Supporting Programs	52,566,990	53,410,108	66,403,429	51,003,617	51,003,617	(15,399,812)	(23.19%)
Total Special Revenue Funds	**$1,531,484,880**	**$1,459,812,571**	**$1,788,589,028**	**$1,514,241,106**	**$1,511,095,401**	**($277,493,627)**	**(15.51%)**
TOTAL GOVERNMENTAL FUNDS	**$5,882,191,605**	**$5,772,792,055**	**$7,036,836,284**	**$6,023,224,087**	**$6,008,657,916**	**($1,028,178,368)**	**(14.61%)**
PROPRIETARY FUNDS							
Internal Service Funds							
60000 County Insurance	$1,218,645	$1,020,859	$1,020,859	$1,270,859	$1,270,859	$250,000	24.49%
60010 Department of Vehicle Services	83,189,659	78,165,099	81,457,807	79,744,012	79,744,012	(1,713,795)	(2.10%)
60020 Document Services	5,645,385	5,482,389	5,482,389	5,557,762	5,557,762	75,373	1.37%
60030 Technology Infrastructure Services	36,225,360	36,915,664	36,915,664	37,653,221	37,653,221	737,557	2.00%
60040 Health Benefits	185,017,324	196,290,983	196,290,983	197,324,914	197,324,914	1,033,931	0.53%
S60000 Public School Insurance	17,691,091	13,081,339	13,081,339	13,231,339	13,231,339	150,000	1.15%
S62000 Public School Health and Flexible Benefits	390,809,714	404,844,958	406,401,064	430,822,581	430,822,581	24,421,517	6.01%
Total Internal Service Funds	**$719,797,178**	**$735,801,291**	**$740,650,105**	**$765,604,688**	**$765,604,688**	**$24,954,583**	**3.37%**
Enterprise Funds							
69000 Sewer Revenue	$221,978,569	$215,396,358	$213,398,314	$222,107,903	$222,107,903	$8,709,589	4.08%
69030 Sewer Bond Debt Reserve	3,192,177	0	0	0	0	0	-
69310 Sewer Bond Construction	110,125,529	0	10,743,885	0	0	(10,743,885)	(100.00%)
Total Enterprise Funds	**$335,296,275**	**$215,396,358**	**$224,142,199**	**$222,107,903**	**$222,107,903**	**($2,034,296)**	**(0.91%)**
TOTAL PROPRIETARY FUNDS	**$1,055,093,453**	**$951,197,649**	**$964,792,304**	**$987,712,591**	**$987,712,591**	**$22,920,287**	**2.38%**
FIDUCIARY FUNDS							
Custodial Funds							
70000 Route 28 Taxing District	$10,886,728	$11,441,307	$11,441,307	$11,983,354	$11,983,354	$542,047	4.74%
70040 Mosaic District Community Development Authority	5,531,544	5,218,739	5,218,739	5,406,400	5,406,400	187,661	3.60%
Total Custodial Funds	**$16,418,272**	**$16,660,046**	**$16,660,046**	**$17,389,754**	**$17,389,754**	**$729,708**	**4.38%**
Trust Funds							
73000 Employees' Retirement Trust	$481,001,658	$495,287,043	$518,287,043	$570,327,565	$570,327,565	$52,040,522	10.04%
73010 Uniformed Employees Retirement Trust	252,757,630	194,486,787	207,486,787	224,258,718	224,258,718	16,771,931	8.08%
73020 Police Retirement Trust	183,328,031	147,700,835	163,700,835	171,099,345	171,099,345	7,398,510	4.52%
73030 OPEB Trust	44,423,984	2,654,022	13,819,022	3,324,500	3,324,500	(10,494,522)	(75.94%)
S71000 Educational Employees' Retirement	388,544,287	369,458,761	371,998,077	393,514,220	393,514,220	21,516,143	5.78%
S71100 Public School OPEB Trust	35,692,807	32,305,012	32,305,012	33,237,012	33,237,012	932,000	2.89%
Total Trust Funds	**$1,385,748,397**	**$1,241,892,460**	**$1,307,596,776**	**$1,395,761,360**	**$1,395,761,360**	**$88,164,584**	**6.74%**
TOTAL FIDUCIARY FUNDS	**$1,402,166,669**	**$1,258,552,506**	**$1,324,256,822**	**$1,413,151,114**	**$1,413,151,114**	**$88,894,292**	**6.71%**
TOTAL APPROPRIATED FUNDS	**$8,339,451,727**	**$7,982,542,210**	**$9,325,885,410**	**$8,424,087,792**	**$8,409,521,621**	**($916,363,789)**	**(9.83%)**
Appropriated From (Added to) Surplus	**($940,407,150)**	**($454,547,260)**	**$785,348,260**	**($511,813,059)**	**($517,735,364)**	**($1,303,083,624)**	**(165.92%)**
TOTAL AVAILABLE	**$7,399,044,577**	**$7,527,994,950**	**$10,111,233,670**	**$7,912,274,733**	**$7,891,786,257**	**($2,219,447,413)**	**(21.95%)**
Less: Internal Service Funds	**($719,797,178)**	**($735,801,291)**	**($740,650,105)**	**($765,604,688)**	**($765,604,688)**	**($24,954,583)**	**3.37%**
NET AVAILABLE	**$6,679,247,399**	**$6,792,193,659**	**$9,370,583,565**	**$7,146,670,045**	**$7,126,181,569**	**($2,244,401,996)**	**(23.95%)**

FY 2019 ADOPTED REVENUE AND RECEIPTS BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2017 Actual [1]	FY 2018 Adopted Budget Plan [2]	FY 2018 Revised Budget Plan [3]	FY 2019 Advertised Budget Plan [4]	FY 2019 Adopted Budget Plan [5]	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised

EXPLANATORY NOTE:
The "Total Available" indicates the revenue in each fiscal year that is to be used to support expenditures. This amount is the total revenue adjusted by the amount of funding that is either appropriated from fund balance or added to fund balance. In some instances, adjustments to fund balance that are not currently reflected in the "Changes in Fund Balance" table also affect the "Total Available." Explanations for these adjustments are provided below. The "Total Available," plus (minus) the effect of these changes matches the expenditure totals by fiscal year of the "Expenditure by Fund/Summary of Appropriated Funds," net of any transfers between funds.

[1] **Not reflected are the following adjustments to balance in FY 2017:**
Fund 60000, County Insurance, net change in accrued liability of $2,349,000.
Fund S40000, Public School Food and Nutrition Services, change in inventory of ($310,741).
Fund S60000, Public School Insurance, net change in accrued liability of $6,147,040.

[2] **Not reflected are the following adjustments to balance in FY 2018:**
Fund 40150, Refuse Disposal, assumes balance of $55,616,901 will be moved from Fund 40160, Energy Resource Recovery (ERR) Facility, at year-end FY 2017.
Fund 40160, Energy Resource Recovery (ERR) Facility, does not reflect carryover of ($55,616,901) as any remaining balances at year-end FY 2017 will be moved to Fund 40150, Refuse Disposal.
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $12,994,029.
Fund S50000, Public School Grants and Self-Supporting Programs, assumes carryover of reserves of $446,235.
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $8,382,322.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $39,871,404.

[3] **Not reflected are the following adjustments to balance in FY 2018:**
Fund 40150, Refuse Disposal, reflects actual balance of $52,397,310 moved from Fund 40160, Energy Resource Recovery (ERR) Facility, at year-end FY 2017.
Fund 40160, Energy Resource Recovery (ERR) Facility, does not reflect carryover of ($52,397,310) as balance at year-end FY 2017 was moved to Fund 40150, Refuse Disposal.

[4] **Not reflected are the following adjustments to balance in FY 2019:**
Fund 10001, General Fund, does not reflect carryover of FY 2017 Audit Adjustment Reserve of ($847,234), Reserve for Potential FY 2018 One-Time Requirements of ($1,035,878), and FY 2018 Mid-Year Revenue Adjustment Reserve of ($11,778,881).
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $16,616,696.
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $4,213,433.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $51,716,932.

[5] **Not reflected are the following adjustments to balance in FY 2019:**
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $16,616,696.
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $4,213,433.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $51,716,932.

FY 2019 ADOPTED EXPENDITURES BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2017 Estimate	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
GOVERNMENTAL FUNDS								
General Fund Group								
10001 General Fund	$1,521,733,824	$1,451,734,697	$1,512,844,328	$1,560,135,539	$1,580,310,385	$1,580,310,385	$20,174,846	1.29%
10020 Consolidated Community Funding Pool	11,150,487	10,983,713	11,141,700	11,308,474	11,698,785	11,698,785	390,311	3.45%
10030 Contributory Fund	13,324,484	13,191,977	13,492,965	13,920,482	13,675,489	13,675,489	(244,993)	(1.76%)
10040 Information Technology	37,144,136	12,440,382	7,170,240	45,596,291	5,120,240	3,604,750	(41,991,541)	(92.09%)
Total General Fund Group	**$1,583,352,931**	**$1,488,350,769**	**$1,544,649,233**	**$1,630,960,786**	**$1,610,804,899**	**$1,609,289,409**	**($21,671,377)**	**(1.33%)**
Debt Service Funds								
20000 Consolidated Debt Service	$333,285,595	$311,752,440	$341,373,647	$351,346,845	$349,973,431	$349,973,431	($1,373,414)	(0.39%)
Capital Project Funds								
30000 Metro Operations and Construction	$41,031,136	$38,811,466	$40,904,941	$40,904,941	$47,978,553	$47,978,553	$7,073,612	17.29%
30010 General Construction and Contributions	217,503,787	40,911,659	21,690,923	225,546,619	20,736,476	20,736,476	(204,810,143)	(90.81%)
30020 Infrastructure Replacement and Upgrades	28,944,458	8,416,801	1,825,953	39,106,614	1,700,600	0	(39,106,614)	(100.00%)
30030 Library Construction	32,003,751	5,994,302	0	26,409,449	0	0	(26,409,449)	(100.00%)
30040 Contributed Roadway Improvements	44,615,987	8,848,846	0	36,463,114	0	0	(36,463,114)	(100.00%)
30050 Transportation Improvements	137,490,083	22,120,543	0	115,369,540	0	0	(115,369,540)	(100.00%)
30060 Pedestrian Walkway Improvements	4,492,714	1,612,344	500,000	4,577,600	600,000	600,000	(3,977,600)	(86.89%)
30070 Public Safety Construction	292,355,335	45,071,410	0	251,016,377	0	0	(251,016,377)	(100.00%)
30080 Commercial Revitalization Program	2,023,766	134,341	0	1,889,425	0	0	(1,889,425)	(100.00%)
30090 Pro Rata Share Drainage Construction	1,404,866	586,425	0	3,305,160	0	0	(3,305,160)	(100.00%)
30300 The Penny for Affordable Housing Fund	46,783,387	17,687,322	17,627,927	48,033,014	18,000,000	18,000,000	(30,033,014)	(62.53%)
30310 Housing Assistance Program	6,567,734	413,105	0	6,154,629	0	0	(6,154,629)	(100.00%)
30400 Park Authority Bond Construction	139,551,823	16,073,651	0	126,763,522	0	0	(126,763,522)	(100.00%)
S31000 Public School Construction	569,085,033	204,661,017	179,189,347	591,140,757	179,828,018	179,828,018	(411,312,739)	(69.58%)
Total Capital Project Funds	**$1,563,853,860**	**$411,343,232**	**$261,739,091**	**$1,516,680,761**	**$268,843,647**	**$267,143,047**	**($1,249,537,714)**	**(82.39%)**
Special Revenue Funds								
40000 County Transit Systems	$108,205,115	$88,161,845	$100,135,425	$119,476,868	$101,186,760	$101,186,760	($18,290,108)	(15.31%)
40010 County and Regional Transportation Projects	358,518,741	74,827,882	62,821,229	373,044,940	62,167,198	62,167,198	(310,877,742)	(83.34%)
40030 Cable Communications	21,955,037	12,331,251	14,500,241	22,796,997	15,068,001	15,068,001	(7,728,996)	(33.90%)
40040 Fairfax-Falls Church Community Services Board	170,790,434	153,986,075	166,878,605	183,206,357	169,947,213	169,947,213	(13,259,144)	(7.24%)
40050 Reston Community Center	9,616,802	7,932,236	10,238,358	14,590,581	8,304,386	8,304,386	(6,286,195)	(43.08%)
40060 McLean Community Center	13,813,934	6,186,798	5,351,879	12,088,696	5,614,079	5,614,079	(6,474,617)	(53.56%)
40070 Burgundy Village Community Center	230,711	21,411	45,711	284,120	46,163	46,163	(237,957)	(83.75%)
40080 Integrated Pest Management Program	3,212,017	1,863,420	3,205,344	3,301,595	3,262,578	3,262,578	(39,017)	(1.18%)
40090 E-911	53,546,669	44,289,583	47,611,893	55,493,492	50,049,843	50,049,843	(5,443,649)	(9.81%)
40100 Stormwater Services	133,325,325	65,198,253	69,273,306	142,061,757	76,761,250	76,761,250	(65,300,507)	(45.97%)
40110 Dulles Rail Phase I Transportation Improvement District	15,890,417	15,890,417	15,569,700	15,569,700	15,575,650	15,575,650	5,950	0.04%
40120 Dulles Rail Phase II Transportation Improvement District	16,150,000	0	500,000	14,970,654	500,000	500,000	(14,470,654)	(96.66%)
40125 Metrorail Parking System Pledged Revenues	102,769,961	25,666,893	8,784,563	83,861,898	9,061,861	9,061,861	(74,800,037)	(89.19%)
40130 Leaf Collection	2,238,978	1,875,383	1,872,293	1,872,293	1,883,766	1,883,766	11,473	0.61%
40140 Refuse Collection and Recycling Operations	21,630,425	18,183,849	18,478,880	19,604,005	18,558,146	18,558,146	(1,045,859)	(5.33%)
40150 Refuse Disposal	29,113,717	23,543,945	53,514,775	57,426,688	54,158,191	54,158,191	(3,268,497)	(5.69%)
40160 Energy Resource Recovery (ERR) Facility	29,818,911	26,689,089	0	0	0	0	0	-
40170 I-95 Refuse Disposal	16,463,004	9,992,338	10,618,874	15,428,873	8,008,360	8,008,360	(7,420,513)	(48.09%)
40180 Tysons Service District	6,450,000	0	0	6,450,000	0	0	(6,450,000)	(100.00%)
40300 Housing Trust Fund	9,126,480	414,734	557,932	11,607,422	689,954	689,954	(10,917,468)	(94.06%)
40330 Elderly Housing Programs	3,276,065	3,053,114	3,233,344	3,303,559	3,268,166	3,268,166	(35,393)	(1.07%)
40360 Homeowner and Business Loan Programs	4,005,576	1,189,803	2,080,081	4,895,854	2,554,631	2,554,631	(2,341,223)	(47.82%)
50000 Federal/State Grants	265,880,518	103,004,693	113,738,873	287,853,718	120,067,889	120,067,889	(167,785,829)	(58.29%)
50800 Community Development Block Grant	9,578,783	5,465,299	4,923,230	9,620,824	4,974,689	4,974,689	(4,646,135)	(48.29%)
50810 HOME Investment Partnerships Program	3,717,547	1,622,255	1,509,811	3,809,005	1,530,449	1,530,449	(2,278,556)	(59.82%)
S10000 Public School Operating [1]	2,701,146,053	2,602,411,081	2,705,137,058	2,802,767,751	2,831,236,113	2,827,625,720	24,857,969	0.89%
S40000 Public School Food and Nutrition Services	94,772,568	77,775,874	96,542,228	100,602,607	101,967,724	101,967,724	1,365,117	1.36%

FY 2019 ADOPTED EXPENDITURES BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2017 Estimate	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Special Revenue Funds (Cont.)								
S43000 Public School Adult and Community Education	$9,369,217	$9,201,158	$9,607,850	$9,441,026	$9,552,708	$9,552,708	$111,682	1.18%
S50000 Public School Grants & Self Supporting Programs	101,441,851	69,827,415	76,090,500	103,881,493	72,565,197	72,565,197	(31,316,296)	(30.15%)
Total Special Revenue Funds	**$4,316,054,856**	**$3,450,606,094**	**$3,602,821,983**	**$4,479,312,773**	**$3,748,560,965**	**$3,744,950,572**	**($734,362,201)**	**(16.39%)**
TOTAL GOVERNMENTAL FUNDS	**$7,796,547,242**	**$5,662,052,535**	**$5,750,583,954**	**$7,978,301,165**	**$5,978,182,942**	**$5,971,356,459**	**($2,006,944,706)**	**(25.16%)**
PROPRIETARY FUNDS								
Internal Service Funds								
60000 County Insurance	$68,327,740	$54,750,363	$26,424,371	$43,424,371	$26,646,940	$26,646,940	($16,777,431)	(38.64%)
60010 Department of Vehicle Services	85,146,829	74,170,887	82,129,029	93,044,892	82,955,709	82,955,709	(10,089,183)	(10.84%)
60020 Document Services	9,985,121	9,138,909	9,800,756	10,435,561	9,876,129	9,876,129	(559,432)	(5.36%)
60030 Technology Infrastructure Services	43,825,967	35,672,410	41,059,182	46,444,866	44,004,399	44,004,399	(2,440,467)	(5.25%)
60040 Health Benefits	211,674,260	179,551,022	195,216,903	219,767,534	196,495,469	196,495,469	(23,272,065)	(10.59%)
S60000 Public School Insurance	25,752,399	21,820,522	21,463,661	21,622,969	17,444,772	17,444,772	(4,178,197)	(19.32%)
S62000 Public School Health and Flexible Benefits	418,682,578	374,902,961	444,716,362	461,059,848	482,539,513	482,539,513	21,479,665	4.66%
Total Internal Service Funds	**$863,394,894**	**$750,007,074**	**$820,810,264**	**$895,800,041**	**$859,962,931**	**$859,962,931**	**($35,837,110)**	**(4.00%)**
Enterprise Funds								
69010 Sewer Operation and Maintenance	$96,144,371	$91,712,195	$98,676,187	$98,985,200	$101,737,799	$101,737,799	$2,752,599	2.78%
69020 Sewer Bond Parity Debt Service	23,510,500	19,746,425	25,550,727	25,550,727	25,036,131	25,036,131	(514,596)	(2.01%)
69040 Sewer Bond Subordinate Debt Service	26,218,147	25,686,651	25,784,734	25,784,734	25,781,875	25,781,875	(2,859)	(0.01%)
69300 Sewer Construction Improvements	122,430,222	80,712,196	69,339,663	111,057,689	70,000,000	70,000,000	(41,057,689)	(36.97%)
69310 Sewer Bond Construction	138,772,965	16,169,306	0	118,340,832	0	0	(118,340,832)	(100.00%)
Total Enterprise Funds	**$407,076,205**	**$234,026,773**	**$219,351,311**	**$379,719,182**	**$222,555,805**	**$222,555,805**	**($157,163,377)**	**(41.39%)**
TOTAL PROPRIETARY FUNDS	**$1,270,471,099**	**$984,033,847**	**$1,040,161,575**	**$1,275,519,223**	**$1,082,518,736**	**$1,082,518,736**	**($193,000,487)**	**(15.13%)**
FIDUCIARY FUNDS								
Custodial Funds								
70000 Route 28 Taxing District	$11,529,035	$10,996,631	$11,441,307	$11,457,615	$11,983,354	$11,983,354	$525,739	4.59%
70040 Mosaic District Community Development Authority	5,531,544	5,531,544	5,218,739	5,218,739	5,406,400	5,406,400	187,661	3.60%
Total Custodial Funds	**$17,060,579**	**$16,528,175**	**$16,660,046**	**$16,676,354**	**$17,389,754**	**$17,389,754**	**$713,400**	**4.28%**
Trust Funds								
73000 Employees' Retirement Trust	$316,052,401	$321,698,004	$340,357,173	$363,512,283	$405,465,087	$405,465,087	$41,952,804	11.54%
73010 Uniformed Employees Retirement Trust	107,670,019	106,196,359	110,660,617	123,660,617	138,195,542	138,195,542	14,534,925	11.75%
73020 Police Retirement Trust	84,233,227	87,873,214	89,398,036	105,398,036	100,577,486	100,577,486	(4,820,550)	(4.57%)
73030 OPEB Trust	16,643,370	20,617,364	11,069,125	22,234,125	12,503,529	12,503,529	(9,730,596)	(43.76%)
S71000 Educational Employees' Retirement	200,143,274	191,846,969	209,642,722	204,776,175	214,154,663	214,154,663	9,378,488	4.58%
S71100 Public School OPEB Trust	17,494,500	17,487,537	22,263,500	22,263,500	23,195,500	23,195,500	932,000	4.19%
Total Trust Funds	**$742,236,791**	**$745,719,447**	**$783,391,173**	**$841,844,736**	**$894,091,807**	**$894,091,807**	**$52,247,071**	**6.21%**
TOTAL FIDUCIARY FUNDS	**$759,297,370**	**$762,247,622**	**$800,051,219**	**$858,521,090**	**$911,481,561**	**$911,481,561**	**$52,960,471**	**6.17%**
TOTAL APPROPRIATED FUNDS	**$9,826,315,711**	**$7,408,334,004**	**$7,590,796,748**	**$10,112,341,478**	**$7,972,183,239**	**$7,965,356,756**	**($2,146,984,722)**	**(21.23%)**
Less: Internal Service Funds[2]	**($863,394,894)**	**($750,007,074)**	**($820,810,264)**	**($895,800,041)**	**($859,962,931)**	**($859,962,931)**	**$35,837,110**	**(4.00%)**
NET EXPENDITURES	**$8,962,920,817**	**$6,658,326,930**	**$6,769,986,484**	**$9,216,541,437**	**$7,112,220,308**	**$7,105,393,825**	**($2,111,147,612)**	**(22.91%)**

[1] Pending School Board approval, FY 2019 expenditures for Fund S10000, Public School Operating, are reduced from the amount shown in the School Board's Advertised Budget to offset the discrepancy between the County's approved Transfer Out from the General Fund to Fund S10000 and the Transfer In from the General Fund reflected in the School Board's Advertised Budget. Final adjustments will be reflected at the *FY 2018 Carryover Review*.

[2] Total Appropriated Funds Expenditures are reduced by Internal Service Fund Expenditures, as the amounts are already included.

FY 2019 ADOPTED CHANGES IN FUND BALANCE
SUMMARY OF APPROPRIATED FUNDS

Fund		Balance 6/30/16	Balance 6/30/17	Balance 6/30/18	Balance 6/30/19	Appropriated From/(Added to) Surplus
GOVERNMENTAL FUNDS						
General Fund Group						
10001	General Fund	$166,089,457	$212,812,947	$126,151,342	$137,053,107	($10,901,765)
10010	Revenue Stabilization	141,620,035	178,694,833	204,763,118	214,690,701	(9,927,583)
10020	Consolidated Community Funding Pool	8,787	166,774	0	0	0
10030	Contributory Fund	54,985	161,781	36,070	35,359	711
10040	Information Technology	29,247,894	25,629,952	0	0	0
	Total General Fund Group	**$337,021,158**	**$417,466,287**	**$330,950,530**	**$351,779,167**	**($20,828,637)**
Debt Service Funds						
20000	Consolidated Debt Service	$12,763,051	$22,148,358	$0	$0	$0
Capital Project Funds						
30000	Metro Operations and Construction	($20,853)	$2,219,670	$0	$0	$0
30010	General Construction and Contributions	76,044,318	67,897,850	0	0	0
30020	Infrastructure Replacement and Upgrades	18,441,320	20,978,970	0	0	0
30030	Library Construction	12,388,751	10,394,449	0	0	0
30040	Contributed Roadway Improvements	44,397,201	35,998,952	0	0	0
30050	Transportation Improvements	18,650,583	16,530,040	0	0	0
30060	Pedestrian Walkway Improvements	2,920,453	2,408,138	0	0	0
30070	Public Safety Construction	89,430,335	64,439,225	0	0	0
30080	Commercial Revitalization Program	994,210	948,949	0	0	0
30090	Pro Rata Share Drainage Construction	1,033,821	1,033,821	0	0	0
30300	The Penny for Affordable Housing Fund	34,531,537	30,405,087	0	0	0
30310	Housing Assistance Program	6,567,734	6,154,629	0	0	0
30400	Park Authority Bond Construction	3,591,823	5,351,351	0	0	0
S31000	Public School Construction	42,737,166	32,244,001	1,599,091	2,430,617	(831,526)
	Total Capital Project Funds	**$351,708,399**	**$297,005,132**	**$1,599,091**	**$2,430,617**	**($831,526)**
Special Revenue Funds						
40000	County Transit Systems	$10,158,786	$10,439,074	$125,000	$125,000	$0
40010	County and Regional Transportation Projects	189,392,337	195,929,664	13,300,000	13,300,000	0
40030	Cable Communications	11,446,566	11,757,235	2,227,613	106,748	2,120,865
40040	Fairfax-Falls Church Community Services Board	14,598,531	25,360,113	9,032,361	9,032,361	0
40050	Reston Community Center	6,403,709	6,910,714	1,058,296	1,372,982	(314,686)
40060	McLean Community Center	10,611,033	10,192,822	3,456,005	3,553,727	(97,722)
40070	Burgundy Village Community Center	301,044	345,099	95,393	116,596	(21,203)
40080	Integrated Pest Management Program	2,481,302	2,805,322	1,740,973	801,039	939,934
40090	E-911	8,585,630	11,305,117	2,583,979	540,691	2,043,288
40100	Stormwater Services	41,563,638	52,643,447	0	0	0
40110	Dulles Rail Phase I Transportation Improvement District	46,865,067	53,328,545	59,015,475	63,886,910	(4,871,435)
40120	Dulles Rail Phase II Transportation Improvement District	65,916,515	82,815,932	84,196,202	101,568,264	(17,372,062)
40125	Metrorail Parking System Pledged Revenues	23,860,792	89,895,623	17,018,288	15,489,857	1,528,431
40130	Leaf Collection	4,490,656	5,019,757	5,297,544	5,603,494	(305,950)
40140	Refuse Collection and Recycling Operations	10,674,070	9,069,970	5,926,437	4,083,973	1,842,464
40150	Refuse Disposal	13,427,450	24,169,880	68,942,847	65,524,558	3,418,289
40160	Energy Resource Recovery (ERR) Facility	65,768,001	52,397,310	0	0	0
40170	I-95 Refuse Disposal	36,694,304	33,050,773	23,018,112	24,522,752	(1,504,640)
40180	Tysons Service District	13,700,605	20,676,660	21,469,923	29,437,880	(7,967,957)
40190	Reston Service District	0	0	910,727	2,895,725	(1,984,998)
40300	Housing Trust Fund	8,612,979	11,278,550	229,060	229,060	0
40330	Elderly Housing Programs	2,918,193	3,194,536	3,124,321	3,125,665	(1,344)
40360	Homeowner and Business Loan Programs	4,499,065	4,869,808	1,975,036	1,920,405	54,631

FY 2019 ADOPTED CHANGES IN FUND BALANCE
SUMMARY OF APPROPRIATED FUNDS

Fund		Balance 6/30/16	Balance 6/30/17	Balance 6/30/18	Balance 6/30/19	Appropriated From/(Added to) Surplus
Special Revenue Funds (Cont.)						
50000	Federal/State Grants	$36,803,117	$38,782,031	$742,264	$742,264	$0
50800	Community Development Block Grant	160,395	36,408	0	0	0
50810	HOME Investment Partnerships Program	220,614	421,321	0	0	0
S10000	Public School Operating	142,045,745	146,832,120	33,495,428	3,750,178	29,745,250
S40000	Public School Food and Nutrition Services	13,458,962	16,896,056	0	0	0
S43000	Public School Adult and Community Education	28,492	(553,238)	0	0	0
S50000	Public School Grants and Self Supporting Programs	11,922,007	16,518,907	0	0	0
	Total Special Revenue Funds	**$797,609,605**	**$936,389,556**	**$358,981,284**	**$351,730,129**	**$7,251,155**
	TOTAL GOVERNMENTAL FUNDS	**$1,499,102,213**	**$1,673,009,333**	**$691,530,905**	**$705,939,913**	**($14,409,008)**
PROPRIETARY FUNDS						
Internal Service Funds						
60000	County Insurance	$117,793,037	$94,498,434	$78,628,003	$77,488,572	$1,139,431
60010	Department of Vehicle Services	32,372,510	41,391,282	29,804,197	26,592,500	3,211,697
60020	Document Services	1,124,160	1,572,467	561,126	184,590	376,536
60030	Technology Infrastructure Services	5,306,532	9,404,873	2,882,114	1,245,038	1,637,076
60040	Health Benefits	49,298,155	54,764,457	31,287,906	32,117,351	(829,445)
S60000	Public School Insurance	52,162,036	54,179,645	45,638,015	45,638,015	0
S62000	Public School Health and Flexible Benefits	38,752,031	54,658,784	0	0	0
	Total Internal Service Funds	**$296,808,461**	**$310,469,942**	**$188,801,361**	**$183,266,066**	**$5,535,295**
Enterprise Funds						
69000	Sewer Revenue	$77,112,069	$82,540,638	$76,498,733	$81,636,636	($5,137,903)
69010	Sewer Operation and Maintenance	6,082,776	4,520,581	4,125,381	7,582	4,117,799
69020	Sewer Bond Parity Debt Service	3,260,603	6,414,178	3,793,451	7,320	3,786,131
69030	Sewer Bond Debt Reserve	21,728,541	24,920,718	24,926,274	24,926,274	0
69040	Sewer Bond Subordinate Debt Service	286,882	600,231	540,497	8,622	531,875
69300	Sewer Construction Improvements	47,780,222	41,718,026	0	0	0
69310	Sewer Bond Construction	13,640,724	107,596,947	0	0	0
	Total Enterprise Funds	**$169,891,817**	**$268,311,319**	**$109,884,336**	**$106,586,434**	**$3,297,902**
	TOTAL PROPRIETARY FUNDS	**$466,700,278**	**$578,781,261**	**$298,685,697**	**$289,852,500**	**$8,833,197**
FIDUCIARY FUNDS						
Custodial Funds						
70000	Route 28 Taxing District	$126,211	$16,308	$0	$0	$0
70040	Mosaic District Community Development Authority	0	0	0	0	0
	Total Custodial Funds	**$126,211**	**$16,308**	**$0**	**$0**	**$0**
Trust Funds						
73000	Employees' Retirement Trust	$3,590,089,599	$3,749,393,253	$3,904,168,013	$4,069,030,491	($164,862,478)
73010	Uniformed Employees Retirement Trust	1,498,698,232	1,645,259,503	1,729,085,673	1,815,148,849	(86,063,176)
73020	Police Retirement Trust	1,270,385,148	1,365,839,965	1,424,142,764	1,494,664,623	(70,521,859)
73030	OPEB Trust	241,257,383	279,564,003	281,638,900	282,949,871	(1,310,971)
S71000	Educational Employees' Retirement	2,107,560,778	2,304,258,096	2,471,479,998	2,650,839,555	(179,359,557)
S71100	Public School OPEB Trust	100,492,109	118,697,379	128,738,891	138,780,403	(10,041,512)
	Total Trust Funds	**$8,808,483,249**	**$9,463,012,199**	**$9,939,254,239**	**$10,451,413,792**	**($512,159,553)**
	TOTAL FIDUCIARY FUNDS	**$8,808,609,460**	**$9,463,028,507**	**$9,939,254,239**	**$10,451,413,792**	**($512,159,553)**
TOTAL APPROPRIATED FUNDS		**$10,774,411,951**	**$11,714,819,101**	**$10,929,470,841**	**$11,447,206,205**	**($517,735,364)**

GENERAL FUND PROPERTY TAX RATES
FY 2010 - FY 2019
(per $100 assessed valuation)

Tax Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 Advertised	FY 2019 Adopted
Real Estate	$1.04	$1.09	$1.07	$1.075	$1.085	$1.090	$1.090	$1.130	$1.130	$1.155	$1.150
Public Service	1.04	1.09	1.07	1.075	1.085	1.090	1.090	1.130	1.130	1.155	1.150
Personal Property[1]	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57
Special Subclass[2]	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Mobile Homes[3]	1.04	1.09	1.07	1.075	1.085	1.090	1.090	1.130	1.130	1.155	1.150
Public Service	1.04	1.09	1.07	1.075	1.085	1.090	1.090	1.130	1.130	1.155	1.150

[1] Includes vehicles owned by individuals, businesses and Public Service Corporations, business furniture and fixtures, and computers.

[2] On April 30, 1990, the Board of Supervisors established a subclass for personal property taxation purposes. This subclass includes vehicles specifically equipped for the handicapped, privately-owned vans used for van pools, and vehicles belonging to volunteer fire and rescue squad members. The same rate also applies to antique automobiles. In FY 1996, vehicles owned by auxiliary police officers, aircraft and flight simulators, and property owned by homeowners' associations were added to the special subclass. Boats were added in FY 2000 and vehicles owned by reserve deputy sheriffs were included in FY 2007. Beginning in FY 2012, one vehicle owned by a fully disabled veteran is included in this special subclass.

[3] In accordance with the Code of Virginia, mobile homes are considered a separate class of Personal Property and are assessed and taxed in the same manner as local real property.

SUMMARY OF SELECTED NON-GENERAL FUND TAX RATES

FY 2010 - FY 2019

Tax Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 Advertised	FY 2019 Adopted
Sewage Rates (Fund 69000)											
Sewer Charge (per 1,000 gal.)	$4.50	$5.27	$6.01	$6.55	$6.55	$6.62	$6.65	$6.68	$6.75	$7.00	$7.00
Availability Fee - Single Family Home	$7,310	$7,750	$7,750	$7,750	$7,750	$7,750	$7,750	$7,750	$8,100	$8,100	$8,100
Refuse Rates											
Leaf Collection (Fund 40130)[1]	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.013	$0.013	$0.013
Refuse Collection per unit (Fund 40140)	$345	$345	$345	$345	$345	$345	$345	$345	$345	$350	$350
Refuse Disposal per ton (Fund 40150)	$60	$60	$60	$60	$60	$62	$62	$62	$64	$66	$66
Community Centers											
Reston (Fund 40050)[1]	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047
McLean (Fund 40060)[1]	$0.024	$0.024	$0.023	$0.022	$0.022	$0.023	$0.023	$0.023	$0.023	$0.023	$0.023
Burgundy Village (Fund 40070)[1]	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02
Other Special Taxing Districts											
Commercial & Industrial Tax for Transportation Projects (Fund 40010)[1,2]	$0.11	$0.11	$0.11	$0.11	$0.125	$0.125	$0.125	$0.125	$0.125	$0.125	$0.125
Integrated Pest Management Program (Fund 40080)[1]	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001
Stormwater Services (Fund 40100)[1,3]	$0.010	$0.015	$0.015	$0.020	$0.020	$0.0225	$0.0250	$0.0275	$0.0300	$0.0325	$0.0325
Dulles Rail Phase I (Fund 40110)[1]	$0.22	$0.22	$0.22	$0.22	$0.21	$0.21	$0.19	$0.17	$0.15	$0.15	$0.13
Dulles Rail Phase II (Fund 40120)[1]	--	$0.05	$0.10	$0.15	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
Tysons Service District (Fund 40180)[1,4]	--	--	--	--	$0.04	$0.04	$0.05	$0.05	$0.05	$0.05	$0.05
Reston Service District (Fund 40190)[1,5]	--	--	--	--	--	--	--	--	$0.021	$0.021	$0.021
Route 28 Corridor (Fund 70000)[1]	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18

[1] Per $100 of assessed value.

[2] This district was created in FY 2009 after the Virginia General Assembly enacted legislation allowing Northern Virginia jurisdictions to levy an additional real estate tax on commercial and industrial properties for new transportation initiatives.

[3] This service district was created in FY 2010 to support stormwater management operating and capital requirements, as authorized by the Code of Virginia §15.2-2400.

[4] This service district was established on January 8, 2013 to fund transportation infrastructure in Tysons.

[5] This service district was created as part of the FY 2018 Budget process.

ASSESSED VALUATION, TAX RATES, LEVIES AND COLLECTIONS
GENERAL FUND, FISCAL YEARS 2017-2019

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
ASSESSED VALUATION OF TAXABLE PROPERTY					
Real Estate					
Local Assessment	$233,373,141,270	$237,791,162,200	$237,791,162,200	$246,334,332,150	$246,334,332,150
Public Service Corporations	899,206,190	922,307,948	969,558,609	998,645,367	998,645,367
Supplemental Assessments	445,532,002	405,088,718	405,088,718	500,000,000	500,000,000
Less: Tax Relief for Elderly/Disabled	(2,572,776,317)	(2,570,000,000)	(2,570,000,000)	(2,655,000,000)	(2,655,000,000)
Less: Exonerations/Certificates/Tax Abatements	(794,297,771)	(653,831,687)	(653,831,687)	(1,047,106,160)	(1,047,106,160)
Total Real Estate Taxable Valuation[1]	**$231,350,805,374**	**$235,894,727,179**	**$235,941,977,840**	**$244,130,871,357**	**$244,130,871,357**
Personal Property					
Vehicles	$11,594,722,850	$11,641,695,104	$11,701,257,853	$11,861,266,778	$11,861,266,778
Business Property (excluding vehicles)	2,792,992,147	2,828,552,116	2,777,220,025	2,803,826,798	2,803,826,798
Mobile Homes	14,952,390	15,483,491	15,362,822	14,952,397	14,952,397
Other Personal Property[2]	17,038,750	17,303,348	17,168,496	17,038,758	17,038,758
Public Service Corporations	2,848,713,946	2,860,167,707	2,941,984,276	2,999,751,985	2,999,751,985
Omitted Assessments	263,008,165	331,130,891	331,130,891	270,833,585	270,833,585
Less: Exonerations	(79,660,841)	(91,539,267)	(91,539,267)	(84,935,763)	(84,935,763)
Total Personal Property Valuation	**$17,451,767,407**	**$17,602,793,390**	**$17,692,585,096**	**$17,882,734,538**	**$17,882,734,538**
Total Taxable Property Valuation	**$248,802,572,781**	**$253,497,520,569**	**$253,634,562,936**	**$262,013,605,895**	**$262,013,605,895**
TAX RATE (per $100 assessed value)					
Real Estate					
Regular-Local Assessment	$1.13	$1.13	$1.13	$1.155	$1.150
Public Service Corporations-Equalized	1.13	1.13	1.13	1.155	1.150
Personal Property					
Vehicle/Business/Other	$4.57	$4.57	$4.57	$4.57	$4.57
Public Service Corporations-Equalized	1.13	1.13	1.13	1.155	1.150
Mobile Homes	1.13	1.13	1.13	1.155	1.150
LEVIES AND COLLECTIONS					
Property Tax Levy					
Real Estate Tax Levy	$2,614,264,101	$2,665,610,417	$2,666,144,349	$2,819,711,564	$2,807,505,021
Personal Property Tax Levy	603,998,970	605,240,753	606,171,776	616,087,493	615,937,250
Total Property Tax Levy	**$3,218,263,071**	**$3,270,851,170**	**$3,272,316,125**	**$3,435,799,057**	**$3,423,442,271**
Property Tax Collections					
Collection of Current Taxes[3]	$3,206,288,719	$3,255,675,612	$3,257,140,568	$3,419,976,978	$3,407,656,512
Percentage of Total Levy Collected	99.6%	99.5%	99.5%	99.5%	99.5%
Net Collections of Delinquent Taxes	25,396,075	22,714,102	23,701,494	23,701,494	23,701,494
Total Property Tax Collections	**$3,231,684,794**	**$3,278,389,714**	**$3,280,842,062**	**$3,443,678,472**	**$3,431,358,006**
Yield of $0.01 per $100 of Real Estate Tax Collections	$23,373,074	$23,805,551	$23,818,418	$24,640,931	$24,640,931
Yield of $0.01 per $100 of Personal Property Tax Collections	$1,236,822	$1,237,729	$1,237,753	$1,255,942	$1,255,942

[1] Includes the Mosaic District Tax Increment Financing (TIF) assessed value based on the difference between the 2007 Base Assessed Value and the Current Assessed Value, which in FY 2019 is $576,556,110, with a tax levy of $6,659,223.

[2] Other Personal Property includes boats, trailers, and miscellaneous.

[3] Includes the approximate value of one-half of one cent on the Real Estate Tax rate, which is directed to The Penny for Affordable Housing Fund. The value is $11.70 million, $11.90 million, and $12.30 million in FY 2017, FY 2018 and FY 2019, respectively. It also includes Real Estate tax revenue directed to the Mosaic District Community Development Authority for debt service payments in the amount of $5,406,400 in FY 2019.

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
TOTAL REAL PROPERTY TAXES							
Real Estate Tax - Current	$2,581,295,336	$2,630,121,636	$2,630,121,636	$2,782,046,278	$2,769,926,137	($12,120,141)	-0.4%
R. E. Tax - Public Service Corps	10,268,070	10,422,080	10,956,012	11,534,354	11,484,422	(49,932)	-0.4%
Subtotal R. E. Tax - Current	**$2,591,563,405**	**$2,640,543,716**	**$2,641,077,648**	**$2,793,580,632**	**$2,781,410,559**	**($12,170,073)**	**-0.4%**
R. E. Tax Penalties - Current	$4,491,627	$3,954,824	$3,954,824	$3,954,824	$3,954,824	$0	0.0%
R. E. Tax Interest - Current	102,608	63,249	63,249	63,249	63,249	0	0.0%
R. E. PSC - Penalty Current	1,765	2,038	2,038	2,038	2,038	0	0.0%
R. E. PSC - Interest Current	34	42	42	42	42	0	0.0%
R.E. Tax Delinquent - Prior Years	4,641,124	4,317,675	4,317,675	4,317,675	4,317,675	0	0.0%
R.E. Tax Penalties - Prior years	619,259	544,570	544,570	544,570	544,570	0	0.0%
R.E. Tax Interest - Prior Years	125,983	78,617	78,617	78,617	78,617	0	0.0%
Subtotal R. E. Tax - Delinq. Collections	**$9,982,401**	**$8,961,015**	**$8,961,015**	**$8,961,015**	**$8,961,015**	**$0**	**0.0%**
TOTAL REAL PROPERTY TAXES	**$2,601,545,806**	**$2,649,504,731**	**$2,650,038,663**	**$2,802,541,647**	**$2,790,371,574**	**($12,170,073)**	**-0.4%**
PERSONAL PROPERTY TAXES							
Personal Property Tax - Current	$353,763,151	$354,152,202	$354,152,202	$362,479,811	$362,479,041	($770)	0.0%
P. P. Tax - Public Service Corps	32,416,674	32,547,011	33,478,035	34,896,191	34,746,568	(149,623)	-0.4%
Subtotal P. P. Tax - Current	**$386,179,826**	**$386,699,213**	**$387,630,237**	**$397,376,002**	**$397,225,609**	**($150,393)**	**0.0%**
P. P. Tax Penalties - Current	$6,097,651	$5,682,675	$6,097,651	$6,097,651	$6,097,651	$0	0.0%
P.P. Tax Interest - Current	474,959	324,163	324,163	324,163	324,163	0	0.0%
P.P. Tax Delinquent - Prior Years	6,970,415	6,153,349	6,153,349	6,153,349	6,153,349	0	0.0%
P.P. Tax Penalties - Prior Years	1,373,007	800,591	1,373,007	1,373,007	1,373,007	0	0.0%
P.P. Tax Interest - Prior Years	497,642	792,309	792,309	792,309	792,309	0	0.0%
Subtotal P. P. Tax - Delinquent	**$15,413,674**	**$13,753,087**	**$14,740,479**	**$14,740,479**	**$14,740,479**	**$0**	**0.0%**
TOTAL PERSONAL PROPERTY TAXES	**$401,593,500**	**$400,452,300**	**$402,370,716**	**$412,116,481**	**$411,966,088**	**($150,393)**	**0.0%**
GENERAL OTHER LOCAL TAXES							
Short-Term Daily Rental	$397,704	$375,499	$452,663	$452,663	$452,663	$0	0.0%
Vehicle Registration Fee	26,367,923	26,706,780	26,706,780	26,843,417	26,843,417	0	0.0%
Vehicle Registration Fee - Delinquent	620,690	571,230	620,690	620,690	620,690	0	0.0%
Auto Delinquent - DMV Hold	49,560	0	0	0	0	0	--
Bank Franchise Tax	21,760,870	18,175,004	20,672,827	20,879,555	20,879,555	0	0.0%
Cigarette Tax	6,838,274	6,968,664	6,594,603	6,561,630	6,561,630	0	0.0%
Gross Receipts Tax on Rental Cars	3,065,218	2,819,382	3,019,995	3,050,195	3,050,195	0	0.0%
Land Transfer Fees	26,194	23,663	26,194	26,194	26,194	0	0.0%
Communication Sales and Use Tax	14,265,995	14,825,739	12,966,249	10,528,299	10,528,299	0	0.0%
Subtotal	**$73,392,428**	**$70,465,961**	**$71,060,001**	**$68,962,643**	**$68,962,643**	**$0**	**0.0%**
Sales Tax - Local	$176,526,943	$183,209,376	$181,056,607	$185,585,554	$185,585,554	$0	0.0%
Sales Tax - Mobile Home	113,649	101,281	101,281	101,281	101,281	0	0.0%
Subtotal Sales Tax	**$176,640,592**	**$183,310,657**	**$181,157,888**	**$185,686,835**	**$185,686,835**	**$0**	**0.0%**
Deed of Conveyance Tax	$6,789,441	$6,508,939	$6,927,963	$6,997,243	$6,997,243	$0	0.0%
Recordation Tax	25,401,332	23,957,088	23,957,088	24,196,659	24,196,659	0	0.0%
Subtotal Deed of Conveyance/Recordation Taxes	**$32,190,772**	**$30,466,027**	**$30,885,051**	**$31,193,902**	**$31,193,902**	**$0**	**0.0%**

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Transient Occupancy Tax	$10,926,559	$10,392,498	$10,392,498	$10,652,310	$10,652,310	$0	0.0%
Transient Occupancy Tax -- Additional	11,652,421	11,188,593	11,188,593	11,468,308	11,468,308	0	0.0%
Subtotal Transient Occupancy Tax	**$22,578,980**	**$21,581,091**	**$21,581,091**	**$22,120,618**	**$22,120,618**	**$0**	**0.0%**
TOTAL Other Local Taxes	**$304,802,772**	**$305,823,736**	**$304,684,031**	**$307,963,998**	**$307,963,998**	**$0**	**0.0%**
Electric Utility Tax - Dominion Virginia Power	$34,431,870	$34,065,603	$34,431,870	$34,604,029	$34,604,029	$0	0.0%
Electric Utility Tax - No. Va. Elec. Coop.	1,736,338	1,722,435	1,736,338	1,745,020	1,745,020	0	0.0%
Subtotal Electric Utility Tax	**$36,168,208**	**$35,788,038**	**$36,168,208**	**$36,349,049**	**$36,349,049**	**$0**	**0.0%**
Gas Utility Tax - Washington Gas	$8,555,482	$8,651,457	$8,651,457	$8,694,714	$8,694,714	$0	0.0%
Gas Utility Tax - Columbia Gas of VA	480,908	487,497	487,497	489,935	489,935	0	0.0%
Subtotal Gas Utility Tax	**$9,036,390**	**$9,138,954**	**$9,138,954**	**$9,184,649**	**$9,184,649**	**$0**	**0.0%**
TOTAL Consumer Utility Tax	**$45,204,598**	**$44,926,992**	**$45,307,162**	**$45,533,698**	**$45,533,698**	**$0**	**0.0%**
Electric Consumption Tax	$2,907,405	$2,924,782	$2,924,782	$2,939,406	$2,939,406	$0	0.0%
Natural Gas Consumption Tax	683,975	692,847	692,847	696,311	696,311	0	0.0%
Subtotal Consumption Tax	**$3,591,380**	**$3,617,629**	**$3,617,629**	**$3,635,717**	**$3,635,717**	**$0**	**0.0%**
BPOL Tax - Amusements	$245,683	$315,393	$249,368	$253,109	$253,109	$0	0.0%
BPOL Tax - Builders and Developers	276,593	293,345	280,742	284,953	284,953	0	0.0%
BPOL Tax - Business Service Occupation	32,242,601	33,857,819	32,726,240	33,217,134	33,217,134	0	0.0%
BPOL Tax - Consultant/Specialist	32,749,391	32,461,953	33,240,633	33,739,241	33,739,241	0	0.0%
BPOL Tax - Contractors	7,945,405	7,715,835	8,064,586	8,185,555	8,185,555	0	0.0%
BPOL Tax - Hotels and Motels	1,690,585	1,599,668	1,715,943	1,741,682	1,741,682	0	0.0%
BPOL Tax - Money Lenders	859,466	846,006	872,357	885,442	885,442	0	0.0%
BPOL Tax - Personal Service Occupations	6,599,903	6,371,390	6,698,901	6,799,385	6,799,385	0	0.0%
BPOL Tax - Prof. & Spec. Occupations	19,069,728	19,498,482	19,355,774	19,646,111	19,646,111	0	0.0%
BPOL Tax - Real Estate Brokers	1,730,912	1,728,401	1,756,875	1,783,228	1,783,228	0	0.0%
BPOL Tax - Rent of House, Apt & Condo	13,234,436	12,825,950	13,432,952	13,634,446	13,634,446	0	0.0%
BPOL Tax - Repair Services	1,860,290	1,776,346	1,888,194	1,916,517	1,916,517	0	0.0%
BPOL Tax - Research and Development	878,633	925,681	891,812	905,189	905,189	0	0.0%
BPOL Tax - Retail Merchants	31,085,361	31,752,485	31,551,643	32,024,918	32,024,918	0	0.0%
BPOL Tax - Telephone Companies	3,000,860	3,143,749	3,045,873	3,091,561	3,091,561	0	0.0%
BPOL Tax - Wholesale Merchants	1,919,985	2,289,769	1,948,784	1,978,016	1,978,016	0	0.0%
Subtotal BPOL - Current	**$155,389,830**	**$157,402,272**	**$157,720,677**	**$160,086,487**	**$160,086,487**	**$0**	**0.0%**
BPOL Tax - Penalties & Interest - Current Year	$19,418	$360,000	$360,000	$360,000	$360,000	$0	0.0%
BPOL Tax - Delinquent Taxes - Prior Years	3,528,670	2,731,264	2,731,264	3,196,977	3,196,977	0	0.0%
BPOL Tax - Delinquent Penalty & Interest - Prior Years	1,223,255	529,000	529,000	529,000	529,000	0	0.0%
Subtotal BPOL - Delinquents	**$4,771,343**	**$3,620,264**	**$3,620,264**	**$4,085,977**	**$4,085,977**	**$0**	**0.0%**
TOTAL Business, Professional & Occupational Licenses	**$160,161,173**	**$161,022,536**	**$161,340,941**	**$164,172,464**	**$164,172,464**	**$0**	**0.0%**
TOTAL GENERAL OTHER LOCAL TAXES	**$513,759,923**	**$515,390,893**	**$514,949,763**	**$521,305,877**	**$521,305,877**	**$0**	**0.0%**
PERMITS, FEES & REGULATORY LICENSES							
Building Permits	$15,982,529	$15,576,957	$15,576,957	$15,576,957	$15,576,957	$0	0.0%
Electrical Permits	3,355,715	3,129,042	3,129,042	3,129,042	3,129,042	0	0.0%
Plumbing Permits	2,179,540	2,047,029	2,047,029	2,047,029	2,047,029	0	0.0%
Mechanical Permits	2,083,733	1,964,316	1,964,316	1,964,316	1,964,316	0	0.0%
Cross Connection Charges	675,747	649,718	649,718	649,718	649,718	0	0.0%
Home Improvement Inspection Licenses	6,740	6,139	6,139	6,139	6,139	0	0.0%
Elevator Inspection Licenses	1,827,473	2,082,507	2,082,507	2,082,507	2,082,507	0	0.0%
Appliance Permits	666,650	646,606	646,606	646,606	646,606	0	0.0%

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Building Re-inspection Fees	10,476	11,189	11,189	11,189	11,189	0	0.0%
Electrical Re-inspection Fees	6,876	9,567	9,567	9,567	9,567	0	0.0%
Plumbing Re-inspection Fees	5,400	4,869	4,869	4,869	4,869	0	0.0%
Mechanical Re-inspection Fees	2,592	6,836	6,836	6,836	6,836	0	0.0%
Plan Resubmission Fee-New Construction	332,156	281,911	563,737	563,737	563,737	0	0.0%
Plan Resubmission Fee-Alteration Construction	528,285	535,871	985,871	985,871	985,871	0	0.0%
Subtotal Inspection Services	**$27,663,913**	**$26,952,557**	**$27,684,383**	**$27,684,383**	**$27,684,383**	**$0**	**0.0%**
Site Plan Fees	$3,847,107	$3,492,659	$3,892,659	$3,892,659	$3,892,659	$0	0.0%
Developer Bond Extension	414,036	469,245	469,245	469,245	469,245	0	0.0%
Subdivision Plat Fees	186,400	240,959	240,959	240,959	240,959	0	0.0%
Subdivision Plan Fees	2,435,181	2,645,171	2,645,171	2,645,171	2,645,171	0	0.0%
Landfill Special Fees	19,611	18,682	18,682	18,682	18,682	0	0.0%
Utility Permit Fees	6,583	22,678	22,678	22,678	22,678	0	0.0%
Inspection - Site Plans	4,057,093	3,549,423	4,149,423	4,149,423	4,149,423	0	0.0%
Inspection - Subplans	692,846	950,462	950,462	950,462	950,462	0	0.0%
VSMP Maintenance Fee	145,192	127,800	127,800	127,800	127,800	0	0.0%
VSMP Permit Fee	23,763	67,168	67,168	67,168	67,168	0	0.0%
VSMP Civil Penalties	0	102	102	102	102	0	0.0%
VSMP Transfer Fee	5,992	3,182	3,182	3,182	3,182	0	0.0%
VSMP Modification Fee	(3,112)	743	743	743	743	0	0.0%
VSMP Discharge Fee	115,243	60,641	60,641	60,641	60,641	0	0.0%
Subtotal Design Review	**$11,945,937**	**$11,648,915**	**$12,648,915**	**$12,648,915**	**$12,648,915**	**$0**	**0.0%**
TOTAL Inspection Services and Design Review	**$39,609,849**	**$38,601,472**	**$40,333,298**	**$40,333,298**	**$40,333,298**	**$0**	**0.0%**
Zoning Fees	$2,749,690	$2,239,530	$2,409,110	$2,458,992	$2,458,992	$0	0.0%
Sign Permit Fees	119,510	127,387	114,665	114,665	114,665	0	0.0%
Board of Zoning Appeals Fees	234,762	198,274	234,762	234,762	234,762	0	0.0%
Wetlands Permits	300	600	600	600	600	0	0.0%
Non-Residential Use Permits Fees (NON-RUP's Fees)	142,660	149,100	142,660	142,660	142,660	0	0.0%
Zoning Compliance Letters/Temp Special Permits	223,825	215,437	314,015	314,015	314,015	0	0.0%
Subtotal Zoning Revenue	**$3,470,748**	**$2,930,328**	**$3,215,812**	**$3,265,694**	**$3,265,694**	**$0**	**0.0%**
Dog Licenses & Dangerous Dog Fees	$843,648	$878,471	$880,293	$880,293	$880,293	$0	0.0%
Auto Graveyard Licenses	200	150	150	150	150	0	0.0%
Carnival Permits	25	25	0	0	0	0	--
Dance Hall Licenses	3,200	3,690	3,690	3,690	3,690	0	0.0%
Fortune Teller Licenses	500	1,000	500	500	500	0	0.0%
Mixed Drink Establishment Licenses	205,365	250,404	205,365	205,365	205,365	0	0.0%
Land Use Assessment Application Fees	203	792	792	792	792	0	0.0%
Massage Therapist Permits	54,100	51,975	54,100	54,100	54,100	0	0.0%
Election Filing Fees	1,411	200	200	9,553	9,553	0	0.0%
Concealed Weapon Permits	207,214	191,354	207,214	207,214	207,214	0	0.0%
Precious Metal & Gem Dealers / Pawnbrokers Licenses	9,625	11,850	11,850	11,850	11,850	0	0.0%
Solicitors Licenses	11,550	12,740	11,550	11,550	11,550	0	0.0%
Going Out of Business Fees	0	65	0	0	0	0	--
Towing Permit	2,250	1,500	1,500	1,500	1,500	0	0.0%
Fire Prevention Code Permits	1,839,837	1,887,750	1,887,750	1,887,750	1,887,750	0	0.0%
Fire Marshal Fees	4,730,188	4,902,631	4,902,631	4,902,631	4,902,631	0	0.0%
Acceptance Test Overtime Fees	55,919	15,000	55,919	55,919	55,919	0	0.0%
Home Childcare Permits	18,758	20,966	17,664	17,664	17,664	0	0.0%
Alarm Systems Registrations	131,955	122,575	134,126	134,126	134,126	0	0.0%
Taxicab Licenses	131,100	141,455	129,960	129,960	129,960	0	0.0%
Subtotal Misc. Permits, Fees & Licenses	**$8,247,048**	**$8,494,593**	**$8,505,254**	**$8,514,607**	**$8,514,607**	**$0**	**0.0%**

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Swimming Pool Licenses	$265,444	$267,229	$267,229	$267,229	$267,229	$0	0.0%
Alternate Discharge Permits	1,580	825	825	825	825	0	0.0%
Alternative Sewage Systems Plan Review	29,600	29,275	29,275	29,275	29,275	0	0.0%
Camps/Campgrounds--State Health Fee	320	360	360	360	360	0	0.0%
Food Establishment Operating Permits	96,470	94,082	96,470	96,470	96,470	0	0.0%
Building Permits Review	60,440	52,875	56,606	56,606	56,606	0	0.0%
Site Development Review	19,890	17,425	17,425	17,425	17,425	0	0.0%
Hotel Permits--State Health Fee	5,480	5,600	5,600	5,600	5,600	0	0.0%
Miscellaneous Environmental Fees	2,042	1,898	1,898	1,898	1,898	0	0.0%
Portable Toilet Fees	605	540	540	540	540	0	0.0%
Private Schools/Day Care Center Licenses	15,890	16,450	16,450	16,450	16,450	0	0.0%
Public Establishment Review	22,600	23,740	23,740	23,740	23,740	0	0.0%
Restaurants--State Health Fee	57,420	55,550	57,420	57,420	57,420	0	0.0%
State Share Septic Tank Permits	70,585	82,995	82,995	82,995	82,995	0	0.0%
State Share Well Permit Fees	61,315	46,300	61,315	61,315	61,315	0	0.0%
Routine Water Sample Fees	2,950	3,325	3,325	3,325	3,325	0	0.0%
Sanitation Inspection Licenses	1,650	2,400	1,850	1,850	1,850	0	0.0%
Septic Tank Permits	48,430	54,080	54,080	54,080	54,080	0	0.0%
Septic Tank Truck Licenses	68,398	77,275	77,275	77,275	77,275	0	0.0%
Well Water Supply Permits	40,800	31,530	40,800	40,800	40,800	0	0.0%
Well Water Supply Licenses	1,525	900	900	900	900	0	0.0%
Subtotal Health Dept. Permits, Fees & Licenses	**$873,434**	**$864,654**	**$896,378**	**$896,378**	**$896,378**	**$0**	**0.0%**
TOTAL Misc. Permits Fees & Licenses	**$9,120,482**	**$9,359,247**	**$9,401,632**	**$9,410,985**	**$9,410,985**	**$0**	**0.0%**
TOTAL PERMITS, FEES & REGULATORY LICENSES	**$52,201,079**	**$50,891,047**	**$52,950,742**	**$53,009,977**	**$53,009,977**	**$0**	**0.0%**
FINES AND FORFEITURES							
Attorney Fee - Collection of Delinquent Taxes	$7,327	$9,816	$9,816	$9,816	$9,816	$0	0.0%
Circuit Court Fines and Penalties	135,689	128,659	135,689	135,689	135,689	0	0.0%
County Fee - Administrative - Collections of Delinquent Taxes	1,695,407	1,691,581	1,725,216	1,725,216	1,725,216	0	0.0%
Juvenile & Domestic Relations Court (J&DR) Fines/Interest	1,200	2,148	2,148	2,148	2,148	0	0.0%
General District Court Fines/Interest	146,449	134,492	147,649	147,649	147,649	0	0.0%
General District Court Fines	7,237,711	6,475,925	6,475,925	6,540,684	6,540,684	0	0.0%
County Fines - J&DR Court	28,987	37,761	37,761	37,761	37,761	0	0.0%
Alarm Ordinance Violations	575,900	570,065	599,219	599,219	599,219	0	0.0%
Collection Agency Fees	19,933	0	0	0	0	0	--
State Set-Off Debt Service (SOF)	178,566	210,988	210,988	210,988	210,988	0	0.0%
County Fines/Penalties	72,550	90,036	90,036	90,036	90,036	0	0.0%
Parking Violations	2,390,560	2,168,786	2,474,150	2,498,892	2,498,892	0	0.0%
Non-Tax Penalty for Late Payment	114,926	128,841	128,841	128,841	128,841	0	0.0%
Non-Tax Interest	43,449	32,036	48,461	48,461	48,461	0	0.0%
Non-Sufficient Funds Check Return	2,287	3,136	3,136	3,136	3,136	0	0.0%
Bond Forfeitures	74,100	0	0	0	0	0	--
TOTAL FINES AND FORFEITURES	**$12,725,041**	**$11,684,270**	**$12,089,035**	**$12,178,536**	**$12,178,536**	**$0**	**0.0%**
REVENUE FROM USE OF MONEY & PROPERTY							
Interest on Investments	$27,536,705	$30,233,911	$39,637,147	$46,992,592	$46,992,592	$0	0.0%
Rent of Real Estate	1,093,805	1,154,907	1,154,907	1,183,780	1,183,780	0	0.0%
Rent on Communication Sites	802,178	774,600	854,108	866,920	866,920	0	0.0%
Cafeteria Commissions/Vending Machines	100,780	105,632	105,632	105,632	105,632	0	0.0%
Cash Over and Short	7	0	0	0	0	0	--
Bicycle Locker Rentals	9,125	10,195	10,195	10,195	10,195	0	0.0%
Facility Use Fee	0	1,100	0	0	0	0	--
TOTAL REV. FROM USE OF MONEY & PROPERTY	**$29,542,600**	**$32,280,345**	**$41,761,989**	**$49,159,119**	**$49,159,119**	**$0**	**0.0%**

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
CHARGES FOR SERVICES							
Courthouse Maintenance Fees	$413,028	$393,411	$393,411	$393,411	$393,411	$0	0.0%
Court Security Fees	1,755,744	1,695,833	1,695,833	1,695,833	1,695,833	0	0.0%
Criminal Justice Academy Fee on Criminal Offenses	175,769	168,975	168,975	168,975	168,975	0	0.0%
EMS Transport Fee	21,193,175	20,215,130	20,215,130	20,215,130	20,215,130	0	0.0%
Copying Machine Revenue	109,247	110,447	110,447	110,447	110,447	0	0.0%
Reimbursement for Recorded Tapes/FOIA Fees	21,665	17,143	21,665	21,665	21,665	0	0.0%
Proposed Vacation Fees	400	400	400	400	400	0	0.0%
Jail Fees / DNA Fees	64,410	70,115	62,550	62,550	62,550	0	0.0%
Parental Support - Boys Probation House	2,170	475	2,170	2,170	2,170	0	0.0%
Parental Support - Girls Probation House	2,040	925	2,040	2,040	2,040	0	0.0%
Parental Support - Supervised Visitation	3,663	5,868	5,868	5,868	5,868	0	0.0%
Commonwealth's Attorney Fees	29,038	29,761	29,761	29,761	29,761	0	0.0%
Police Reports and Photo Fees	239,158	234,414	234,414	234,414	234,414	0	0.0%
Sheriff Fees	66,271	66,271	66,271	66,271	66,271	0	0.0%
Police Reimbursement	970,477	1,056,749	816,630	816,630	816,630	0	0.0%
Animal Shelter Fees	265,189	284,721	265,189	265,189	265,189	0	0.0%
Miscellaneous Charges for Services	2,248	0	0	0	0	0	--
Seniors on the Go	20,280	21,620	17,920	17,920	17,920	0	0.0%
Taxi Access	8,860	11,490	8,860	8,860	8,860	0	0.0%
Parking Garage Fees	869,432	1,104,372	1,104,372	1,104,372	1,104,372	0	0.0%
Adoption Service Fees	4,545	7,631	7,631	7,631	7,631	0	0.0%
Street Sign Fees	1,178	1,737	1,737	1,737	1,737	0	0.0%
Restricted Parking Fees	1,120	3,030	3,030	3,030	3,030	0	0.0%
Sales - Mapping Division	16,287	4,926	16,287	16,287	16,287	0	0.0%
Copay - Inmate Medical	20,772	15,898	20,772	20,772	20,772	0	0.0%
Coin-Operated Copiers	215,677	219,430	219,430	219,430	219,430	0	0.0%
Library Overdue Penalties	1,026,994	1,103,296	1,026,994	1,026,994	1,026,994	0	0.0%
Employee Child Care Center Fees	1,317,710	1,243,979	1,317,710	1,317,710	1,317,710	0	0.0%
School Age Child Care (SACC) Fees	41,816,713	41,731,420	42,025,797	42,627,443	42,627,443	0	0.0%
County Clerk Fees	4,588,123	4,853,800	4,853,800	4,902,338	4,902,338	0	0.0%
Circuit Court Paper Land Records Fee	0	350,000	0	0	0	0	--
Domestic Violence Services Client Fees - ADAPT	76,132	73,941	73,941	73,941	73,941	0	0.0%
FASTRAN Rider Fees	18,011	21,349	21,349	21,349	21,349	0	0.0%
Medicaid Client Fees - Logisticare	90,410	106,208	106,208	106,208	106,208	0	0.0%
Subtotal Misc. Charges for Services	**$75,405,936**	**$75,224,765**	**$74,916,592**	**$75,566,776**	**$75,566,776**	**$0**	**0.0%**
Senior Center Annual Participant Fees	$199,401	$184,879	$199,401	$203,389	$203,389	$0	0.0%
James Lee Theatre	29,308	23,495	23,495	23,965	23,965	0	0.0%
Rec - Non-County Resident Sport Fee	481,613	442,026	469,200	469,200	469,200	0	0.0%
Rec - Community Use/Building Director Fee	44,434	36,876	29,350	29,937	29,937	0	0.0%
DNCS Recreation Class Fees	105,202	82,907	105,202	105,202	105,202	0	0.0%
Park Authority Recreation Class Fees	705,800	807,981	705,800	705,800	705,800	0	0.0%
Rec - Neighborhood Ctr/Therapeutic Rec Fees	295,896	299,754	299,754	299,754	299,754	0	0.0%
Custodial Fees	281,230	235,156	235,156	235,156	235,156	0	0.0%
Subtotal Recreation Revenue	**$2,142,885**	**$2,113,074**	**$2,067,358**	**$2,072,403**	**$2,072,403**	**$0**	**0.0%**
Nursing Home Pre-Screening Admission Fee	$295,361	$296,730	$277,961	$277,961	$277,961	$0	0.0%
Speech Fees	154,579	115,749	154,579	154,579	154,579	0	0.0%
Hearing Fees	58,747	80,089	58,747	58,747	58,747	0	0.0%
Vital Statistic Fees	612,710	629,847	629,847	629,847	629,847	0	0.0%
Dental Health Fees	20,308	26,354	26,354	26,354	26,354	0	0.0%
Pharmacy Fees	11	0	0	115,000	115,000	0	0.0%
X-Ray Fees	5,831	6,710	6,710	6,710	6,710	0	0.0%
General Medical Clinic Fees	926,748	1,067,724	1,067,724	1,067,724	1,067,724	0	0.0%
Family Planning Services	32,579	35,365	35,365	36,072	36,072	0	0.0%
Medicaid Dental Fees	22,627	21,609	22,627	22,627	22,627	0	0.0%

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Lab Services Fees	607,174	582,363	607,174	607,174	607,174	0	0.0%
Administrative Fees - Health Dept	11,147	7,296	11,147	11,147	11,147	0	0.0%
Non-Medicaid Pediatric Clinic Visits	19	0	0	0	0	0	--
Non-Medicaid Maternal Clinic Visits	64	0	0	0	0	0	--
Sewage Disposal/Well Water Evaluation	2,000	2,800	2,800	2,800	2,800	0	0.0%
Adult Day Health Care Fees	897,250	863,276	915,108	915,108	915,108	0	0.0%
Adult Day Health Care Medicaid Reimbursement	289,044	297,196	297,196	297,196	297,196	0	0.0%
Subtotal Health Dept Revenue	**$3,936,198**	**$4,033,108**	**$4,113,339**	**$4,229,046**	**$4,229,046**	**$0**	**0.0%**
TOTAL CHARGES FOR SERVICES	**$81,485,018**	**$81,370,947**	**$81,097,289**	**$81,868,225**	**$81,868,225**	**$0**	**0.0%**
RECOVERED COSTS							
City of Fairfax Shared Govt. Expenses	$4,021,172	$4,101,595	$3,639,879	$4,020,768	$4,020,768	$0	0.0%
City of Fairfax Public Assistance	1,233,103	1,027,338	1,191,373	1,215,200	1,215,200	0	0.0%
City of Fairfax - FASTRAN/Employment	12,839	12,839	12,839	12,839	12,839	0	0.0%
Falls Church Public Assistance	1,009,301	871,104	972,700	972,700	972,700	0	0.0%
Falls Church - FASTRAN/Employment	14,119	14,119	14,119	14,119	14,119	0	0.0%
Falls Church Health Dept. Services	332,703	379,461	379,461	379,461	379,461	0	0.0%
Inmate Room and Board	542,740	559,091	589,606	589,606	589,606	0	0.0%
Boarding of Prisoners	65,121	42,477	108,419	108,419	108,419	0	0.0%
Recovered Costs - Circuit Court	961	25	25	25	25	0	0.0%
Recovered Costs - General District Court	80,963	81,391	84,552	84,552	84,552	0	0.0%
E-Rate Telecom Program	7,974	14,855	14,855	14,855	14,855	0	0.0%
Misc. Recovered Costs - Other	115,725	44,245	54,245	44,245	44,245	0	0.0%
Child Care Services for Other Jurisdictions	152,070	117,096	117,096	117,096	117,096	0	0.0%
CPAN, Circuit Court Computer Service	366,700	333,500	333,500	333,500	333,500	0	0.0%
Golden Gazette	70,043	82,923	70,043	70,043	70,043	0	0.0%
Police Academy Cost Recovery	17,400	25,100	22,000	22,000	22,000	0	0.0%
FASTRAN	70,227	70,590	70,590	70,590	70,590	0	0.0%
Reimbursement - School Health	3,995,766	3,995,766	3,995,766	3,995,766	3,995,766	0	0.0%
State Reimbursement Adult Detention Center	2,145,360	2,234,740	2,145,360	2,145,360	2,145,360	0	0.0%
TOTAL RECOVERED COSTS	**$14,298,080**	**$14,053,460**	**$13,861,633**	**$14,256,349**	**$14,256,349**	**$0**	**0.0%**
REVENUE FROM THE COMMONWEALTH							
State Shared Rolling Stock Tax	$150,055	$109,704	$109,704	$109,704	$109,704	$0	0.0%
State Law Enforcement Funding (HB 599)	24,495,309	24,481,261	24,481,261	24,481,261	25,381,261	900,000	3.7%
State Indirect Aid	62,685	54,217	54,217	54,217	54,217	0	0.0%
Subtotal Non-Categorical State Aid	**$24,708,050**	**$24,645,182**	**$24,645,182**	**$24,645,182**	**$25,545,182**	**$900,000**	**3.7%**
State Shared Retirement - Circuit Court	$158,962	$176,465	$176,465	$176,465	$176,465	$0	0.0%
State Shared Commonwealth Atty. Expenses	1,909,797	1,774,655	1,774,655	1,774,655	1,774,655	0	0.0%
State Shared Retirement - Commonwealth Atty.	36,828	32,309	32,309	32,309	32,309	0	0.0%
State Shared Dept. of Tax Admin/Finance Expenses	2,149,808	2,154,754	2,154,754	2,154,754	2,154,754	0	0.0%
State Shared Retirement - Dept. of Tax Admin./Finance	43,175	55,172	55,172	55,172	55,172	0	0.0%
State Shared Sheriff Expenses	14,627,102	15,205,954	15,205,954	15,205,954	15,205,954	0	0.0%
State Shared Retirement - Sheriff	270,540	278,576	278,576	278,576	278,576	0	0.0%
State Shared General Registrar/ Electoral Board Expenses	86,874	85,806	85,806	85,806	85,806	0	0.0%
Subtotal Shared Expenses	**$19,283,086**	**$19,763,691**	**$19,763,691**	**$19,763,691**	**$19,763,691**	**$0**	**0.0%**
Libraries State Aid	$507,879	$500,819	$500,819	$500,819	$500,819	$0	0.0%
State Emergency Assistance	197,867	0	0	0	0	0	--
Virginia Share Public Assistance Programs	35,081,072	38,785,936	38,785,936	36,840,737	36,840,737	0	0.0%
Va Child Care Supplement - SACC Program	987,161	1,036,072	1,036,072	1,036,072	1,036,072	0	0.0%
Va. Juvenile Crime Control Act Funding	613,374	621,170	621,170	621,170	621,170	0	0.0%
State Share J&DR Court Residential Services	2,242,970	2,452,428	2,452,428	2,452,428	2,452,428	0	0.0%
Subtotal Categorical State Aid	**$39,630,323**	**$43,396,425**	**$43,396,425**	**$41,451,226**	**$41,451,226**	**$0**	**0.0%**

FY 2019 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
State Reimb. - General District Court	$85,161	$85,265	$85,265	$85,265	$85,265	$0	0.0%
State Reimb. - Health Department	9,091,809	9,244,567	9,244,567	9,244,567	9,244,567	0	0.0%
State Reimb. - Residential Beds - JDC	6,150	10,850	10,850	10,850	10,850	0	0.0%
State Reimb. - Commonwealth Atty. Witness Expense	16,094	16,400	16,400	16,400	16,400	0	0.0%
State Reimb.- Police Intoxication	4,675	6,125	6,125	6,125	6,125	0	0.0%
State Share J&DR Court Services	2,096,974	2,027,869	2,027,869	2,027,869	2,027,869	0	0.0%
Subtotal State Recovered Costs	**$11,300,862**	**$11,391,076**	**$11,391,076**	**$11,391,076**	**$11,391,076**	**$0**	**0.0%**
State Reimb - Personal Property Tax (PPTRA)	**$211,313,944**	**$211,313,944**	**$211,313,944**	**$211,313,944**	**$211,313,944**	**$0**	**0.0%**
TOTAL REVENUE FROM THE COMMONWEALTH	**$306,236,265**	**$310,510,318**	**$310,510,318**	**$308,565,119**	**$309,465,119**	**$900,000**	**0.3%**
REVENUE FROM THE FEDERAL GOVT.							
J&DR Court - USDA Grant	$76,879	$99,500	$99,500	$99,500	$99,500	$0	0.0%
USDA Grant - Office for Children/Human Svc.	57,368	44,689	44,689	44,689	44,689	0	0.0%
Federal Direct Aid	0	23,000	23,000	23,000	23,000	0	0.0%
Criminal Alien Assistance Program	744,309	400,000	400,000	400,000	400,000	0	0.0%
Federal Emergency Assistance	1,997,662	0	0	0	0	0	--
Subtotal Categorical Federal Aid	**$2,876,218**	**$567,189**	**$567,189**	**$567,189**	**$567,189**	**$0**	**0.0%**
DFS Federal and Federal Pass-Through	$39,782,375	$31,562,957	$32,667,724	$35,070,432	$35,070,432	$0	0.0%
Payments in Lieu of Taxes - Federal	6,310	45,000	45,000	45,000	45,000	0	0.0%
Federal Aid for Indirect Costs	292,658	0	0	0	0	0	--
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	**$42,957,562**	**$32,175,146**	**$33,279,913**	**$35,682,621**	**$35,682,621**	**$0**	**0.0%**
Combined State & Federal Public Assistance	**$74,863,447**	**$70,348,893**	**$71,453,660**	**$71,911,169**	**$71,911,169**	**$0**	**0.0%**
MISCELLANEOUS REVENUE - GIFTS, DONATIONS, OTHER							
Litigation Proceeds	$299,759	$143,254	$218,241	$143,254	$143,254	$0	0.0%
Miscellaneous Revenue - Environ Mgmt.	1,948	2,130	2,130	2,130	2,130	0	0.0%
Contract Rebates	2,042,418	2,036,331	1,990,214	1,990,214	1,990,214	0	0.0%
Gifts, Donations & Miscellaneous Revenue	131,593	130,000	130,000	130,000	130,000	0	0.0%
Linebarger Collection Fees	9,286	0	0	0	0	0	--
Sales of Land, Vehicles and Salvage	140,385	115,005	115,005	115,005	115,005	0	0.0%
TOTAL MISCELLANEOUS/OTHER	**$2,625,390**	**$2,426,720**	**$2,455,590**	**$2,380,603**	**$2,380,603**	**$0**	**0.0%**
Total Recovered Costs/Misc./Other Revenue	**$16,923,470**	**$16,480,180**	**$16,317,223**	**$16,636,952**	**$16,636,952**	**$0**	**0.0%**
GRAND TOTAL GENERAL FUND REVENUE	**$4,058,970,264**	**$4,100,740,177**	**$4,115,365,651**	**$4,293,064,554**	**$4,281,644,088**	**($11,420,466)**	**-0.3%**

FY 2019 ADOPTED
REVENUE FROM THE COMMONWEALTH [1]

Fund/Fund Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
10001 General Fund [2]	$306,236,265	$310,510,318	$310,510,318	$308,565,119	$309,465,119	($1,045,199)	(0.34%)
30010 General Construction and Contributions	0	0	100,000	0	0	(100,000)	(100.00%)
30020 Infrastructure Replacement and Upgrades	451,313	0	0	0	0	0	-
30040 Contributed Roadway Improvement	35,699	0	183,087	0	0	(183,087)	(100.00%)
30080 Commercial Revitalization Program	89,080	0	940,476	0	0	(940,476)	(100.00%)
40000 County Transit Systems	11,025,478	21,019,260	26,102,629	19,215,033	19,215,033	(6,887,596)	(26.39%)
40010 County and Regional Transportation Projects	61,782,005	43,592,917	77,507,196	42,487,967	42,487,967	(35,019,229)	(45.18%)
40040 Fairfax-Falls Church Community Services Board	11,966,172	11,886,443	11,886,443	11,886,443	11,886,443	0	0.00%
40090 E-911	4,751,130	4,600,000	4,600,000	3,396,251	3,396,251	(1,203,749)	(26.17%)
40100 Stormwater Services	4,485,326	0	4,348,504	0	0	(4,348,504)	(100.00%)
40140 Refuse Collection and Recycling Operations	124,726	129,453	129,453	124,726	124,726	(4,727)	(3.65%)
50000 Federal/State Grants	32,604,928	35,062,988	43,280,808	36,921,832	36,921,832	(6,358,976)	(14.69%)
69310 Sewer Bond Construction	9,394,529	0	10,743,885	0	0	(10,743,885)	(100.00%)
S10000 Public School Operating	609,940,211	631,425,294	635,320,149	662,049,669	662,049,669	26,729,520	4.21%
S40000 Public School Food and Nutrition Services	1,173,999	1,217,890	1,217,890	1,252,382	1,252,382	34,492	2.83%
S43000 Public School Adult and Community Education	852,111	747,063	893,012	892,142	892,142	(870)	(0.10%)
S50000 Public School Grants and Self Supporting Programs	10,541,058	8,205,794	11,556,002	8,849,958	8,849,958	(2,706,044)	(23.42%)
Total Revenue from the Commonwealth	**$1,065,454,030**	**$1,068,397,420**	**$1,139,319,852**	**$1,095,641,522**	**$1,096,541,522**	**($42,778,330)**	**(3.75%)**

[1] In addition to funds received by the County directly from the State in the funds listed herein, it is projected the State will provide $119,473,850 to the Northern Virginia Transportation Commission (NVTC) in FY 2019 as a credit to help offset Fairfax County's Operating Subsidy and $10,000,000 as a credit to help offset Fairfax County's Capital Construction Subsidy in Fund 30000, Metro Operations and Construction. State aid in the amount of $14,423,197 is also projected to be disbursed to NVTC in FY 2018 which will be utilized to offset operations in Fund 40000, County Transit Systems.

[2] 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 Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

FY 2019 ADOPTED
REVENUE FROM THE FEDERAL GOVERNMENT

Fund/Fund Title	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
10001 General Fund	$42,957,562	$32,175,146	$33,279,913	$35,682,621	$35,682,621	$2,402,708	7.22%
20000 Consolidated Debt Service	2,746,804	2,100,000	2,100,000	2,600,000	2,600,000	500,000	23.81%
30060 Pedestrian Walkway Improvements	50,735	0	475,955	0	0	(475,955)	(100.00%)
30400 Park Authority Bond Construction	833,179	0	2,171	0	0	(2,171)	(100.00%)
40040 Fairfax-Falls Church Community Services Board	4,208,343	4,208,641	4,208,641	4,208,641	4,208,641	0	0.00%
50000 Federal/State Grants	64,148,098	71,436,434	145,815,521	72,060,425	72,060,425	(73,755,096)	(50.58%)
50800 Community Development Block Grant	4,808,661	4,923,230	9,584,416	4,974,689	4,974,689	(4,609,727)	(48.10%)
50810 HOME Investment Partnerships Program	1,639,698	1,509,811	3,387,684	1,530,449	1,530,449	(1,857,235)	(54.82%)
73030 OPEB Trust	822,268	1,000,000	1,000,000	1,000,000	1,000,000	0	0.00%
S10000 Public School Operating	44,896,329	42,355,500	51,647,671	43,820,479	43,820,479	(7,827,192)	(15.15%)
S31000 Public School Construction	6,820,607	0	870,538	0	0	(870,538)	(100.00%)
S40000 Public School Food and Nutrition Services	37,909,699	39,840,792	39,840,792	39,757,378	39,757,378	(83,414)	(0.21%)
S43000 Public School Adult and Community Education	1,744,488	1,666,438	2,023,610	1,666,438	1,666,438	(357,172)	(17.65%)
S50000 Public School Grants and Self Supporting Programs	38,785,039	37,063,923	45,463,549	33,843,659	33,843,659	(11,619,890)	(25.56%)
Total Revenue from the Federal Government	**$252,371,510**	**$238,279,915**	**$339,700,461**	**$241,144,779**	**$241,144,779**	**($98,555,682)**	**(29.01%)**

FAIRFAX COUNTY
FY 2017 - FY 2019 County Funded Programs
for School-Related Services

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
General Fund Transfers					
General Fund Transfer to School Operating Fund	$1,913,518,902	$1,966,919,600	$1,966,919,600	$2,055,269,600	$2,051,659,207
General Fund Transfer to School Construction Fund	13,100,000	13,100,000	13,100,000	15,600,000	15,600,000
General Fund Transfer to School Debt Service	189,870,099	189,130,953	189,130,953	193,381,033	193,381,033
Subtotal	**$2,116,489,001**	**$2,169,150,553**	**$2,169,150,553**	**$2,264,250,633**	**$2,260,640,240**
Police Department					
School Resource Officers (55/55.0 FTE)[1]	$7,069,444	$7,252,317	$7,397,363	$8,047,671	$8,047,671
Non-Billable Overtime Hours[1]	238,275	201,123	205,145	171,070	171,070
School Crossing Guards (64/64.0 FTE)[1]	3,071,652	3,197,306	3,261,252	3,170,069	3,170,069
Subtotal	**$10,379,371**	**$10,650,746**	**$10,863,760**	**$11,388,810**	**$11,388,810**
Fire Department					
Fire safety programs for pre-school through middle school aged students	$163,960	$169,107	$157,278	$182,170	$182,170
Subtotal	**$163,960**	**$169,107**	**$157,278**	**$182,170**	**$182,170**
Health Department					
Net Cost of School Health (282/210.59 FTE)[1]	$17,448,375	$17,681,122	$18,041,022	$18,952,824	$18,952,824
Subtotal	**$17,448,375**	**$17,681,122**	**$18,041,022**	**$18,952,824**	**$18,952,824**
Community Services Board (CSB)					
Net Cost of Infant and Toddler Connection[1,2]	$175,437	$179,617	$183,291	$0	$0
Youth and Family Services[1]	5,616,915	7,931,566	7,976,955	7,756,757	7,756,757
Subtotal	**$5,792,352**	**$8,111,183**	**$8,160,246**	**$7,756,757**	**$7,756,757**
Department of Family Services					
Net Cost of the School-Age Child Care (SACC) Program (529/510.47 FTE) - includes general services and services for special needs clients, partially offset by program revenues[3]	$5,756,419	$7,468,463	$6,529,916	$8,893,710	$8,893,710
Net Cost of Locally Funded Head Start and School Readiness Activities (21/21.0 FTE)[1]	8,114,981	8,199,577	8,730,242	9,012,880	9,012,880
Infant and Toddler Connection (41/41.0 FTE)[1,2]	0	0	0	190,598	190,598
Local Cash Match Associated with the Head Start/Early Head Grant Funding[4]	1,160,198	1,194,786	1,500,209	1,236,146	1,236,146
Local Cash Match Associated with the Virginia Preschool Initiative Grant Funding	37,758	325,000	650,000	325,000	325,000
Children's Behavioral Health Collaborative (3/3.0 FTE)[1]	585,020	1,234,479	1,290,699	1,274,496	1,274,496
Net Cost of Children's Services Act (10/10.0 FTE)[1]	21,006,968	21,700,181	21,630,033	22,201,842	22,201,842
County contribution to Schools for SACC space	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal	**$37,661,344**	**$41,122,486**	**$41,331,098**	**$44,134,672**	**$44,134,672**
Department of Neighborhood and Community Services					
After School Programs at Fairfax County Middle Schools	$3,269,773	$3,269,835	$3,269,835	$3,344,758	$3,344,758
After School Partnership Program	145,000	145,000	145,000	145,000	145,000
Field improvements[5]	396,030	250,000	302,586	250,000	250,000
Therapeutic recreation	62,368	63,715	69,265	70,243	70,243
Subtotal	**$3,873,171**	**$3,728,550**	**$3,786,686**	**$3,810,001**	**$3,810,001**
Fairfax County Park Authority					
Maintenance of Fairfax County Public Schools' athletic fields	$2,176,835	$1,910,338	$3,539,201	$1,910,338	$1,910,338
Subtotal	**$2,176,835**	**$1,910,338**	**$3,539,201**	**$1,910,338**	**$1,910,338**
TOTAL: County Funding for School Related Services	**$2,193,984,409**	**$2,252,524,085**	**$2,255,029,845**	**$2,352,386,205**	**$2,348,775,812**

[1] Includes Fringe Benefits in an effort to more accurately reflect program costs.

[2] Based on work done as part of the FY 2016 Lines of Business Phase 2 process, staff from health and human services agencies reviewed coordination opportunities between all early childhood services. To strengthen the system response and coordination of early intervention services for all children and families, the Infant and Toddler Connection (ITC) program is moving from the Fairfax-Falls Church Community Services Board to the Department of Family Services. Total funding supporting the ITC program has not changed; however, funding has shifted between Fund 40040, Fairfax-Falls Church Community Services Board, the Department of Family Services in the General Fund and Fund 50000, Federal-State Grant Fund in order to more appropriately align resources. The FY 2017 Actuals, FY 2018 Adopted Budget Plan and *FY 2018 Revised Budget Plan* are reflected in the Fairfax-Falls Church Community Services Board budget. However, beginning in FY 2019, funding will be reflected in the Department of Family Services.

[3] Includes Fringe Benefits in an effort to more accurately reflect program costs associated with the SACC program and to be consistent with SACC rate setting methodology.

[4] This includes Local Cash Match funding for Federal Head Start and Early Head Start for the Higher Horizons, Gum Springs and Schools' contracts.

[5] Only the cost of athletic field lighting is reflected here. All other Fairfax County Public Schools-related field improvement funding is managed by, and shown under, the Fairfax County Park Authority.

FAIRFAX COUNTY
FY 2017 - FY 2019 Additional County Funded Programs for General Youth Services

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Additional County Funded Youth Programs					
CSB - Medical Services	$1,701,185	$1,510,656	$1,645,939	$1,742,632	$1,742,632
CSB - Wellness Health Promotion and Prevention	836,839	975,677	961,035	999,179	999,179
CSB - Emergency	423,770	664,634	694,247	750,238	750,238
CSB - Support Coordination	1,843,524	2,924,687	3,250,059	3,312,483	3,312,483
CSB/DFS - Net Cost of Infant and Toddler Connection[1]	4,343,877	5,096,019	5,211,325	5,408,500	5,408,500
DFS - Net cost of services for children (excluding SACC, Head Start, School Readiness, ITC)	23,749,235	25,595,928	25,619,028	25,806,379	25,806,379
Juvenile and Domestic Relations District Court - Residential Services	3,195,680	3,203,753	3,266,329	3,330,526	3,330,526
Department of Neighborhood and Community Services - Therapeutic Recreation	1,247,354	1,274,302	1,385,310	1,404,860	1,404,860
Department of Neighborhood and Community Services - Teen Centers (excluding Club 78)	1,161,574	1,393,901	1,395,071	1,413,999	1,413,999
Department of Neighborhood and Community Services - Community Centers	2,284,435	2,497,689	2,592,038	2,539,906	2,539,906
Department of Neighborhood and Community Services - Extension/Community Education	74,125	89,900	94,483	82,536	82,536
Department of Neighborhood and Community Services - Youth Sports Scholarship	150,000	150,000	150,000	150,000	150,000
Fairfax County Park Authority - Athletic Field Maintenance (non-school fields)	2,411,666	2,700,000	3,954,326	2,700,000	2,700,000
Subtotal: Additional County Funded Programs for General Youth Services (Non-School)	**$43,423,264**	**$48,077,146**	**$50,219,191**	**$49,641,238**	**$49,641,238**
TOTAL: County Funded Programs for Youth (Includes Both School and Non-School Programs)	**$2,237,407,673**	**$2,300,601,231**	**$2,305,249,035**	**$2,402,027,443**	**$2,398,417,050**

[1] Based on work done as part of the FY 2016 Lines of Business Phase 2 process, staff from health and human services agencies reviewed coordination opportunities between all early childhood services. To strengthen the system response and coordination of early intervention services for all children and families, the Infant and Toddler Connection (ITC) program is moving from the Fairfax-Falls Church Community Services Board to the Department of Family Services. Total funding supporting the ITC program has not changed; however, funding has shifted between Fund 40040, Fairfax-Falls Church Community Services Board, the Department of Family Services in the General Fund and Fund 50000, Federal-State Grant Fund in order to more appropriately align resources. The FY 2017 Actuals, FY 2018 Adopted Budget Plan and *FY 2018 Revised Budget Plan* are reflected in the Fairfax-Falls Church Community Services Board budget. However, beginning in FY 2019, funding will be reflected in the Department of Family Services.

FAIRFAX COUNTY
FY 2017 - FY 2019 Additional County-Administered Programs for School-Related Services

Funding can be Federal, State, Local, or a Combination Thereof
(Actual Direct County Funding is Minimal)

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Additional County-Administered Programs for School-Related Services					
Wellness Grant Funding Administered by CSB	$59,925	$59,925	$60,000	$50,000	$50,000
Youth & Family Grant Funding Administered by CSB	702,253	702,253	702,253	702,253	702,253
Health Planning Region Funding Administered by CSB	2,038,964	2,038,964	2,038,964	2,038,964	2,288,964
Infant and Toddler Connection Grant Administered by CSB and DFS[1]	4,680,293	4,423,223	5,096,604	8,076,603	8,076,603
Head Start Grant Funding Administered by DFS[2]	5,099,545	5,072,875	5,215,610	5,139,397	5,139,397
Early Head Start Grant Funding Administered by DFS[2]	5,047,416	4,912,046	5,737,768	4,973,335	4,973,335
Virginia Preschool Initiative Administered by DFS[2]	5,030,165	5,378,125	5,423,144	5,148,438	5,148,438
Mixed-Delivery Preschool Grant Administered by DFS[2]	0	0	250,000	0	0
SOC Expansion & Sustainability Grant Administered by DFS[2]	81,973	0	729,849	405,911	405,911
Subtotal: County-Administered Programs	**$22,740,534**	**$22,587,411**	**$25,254,192**	**$26,534,901**	**$26,784,901**
GRAND TOTAL	**$2,260,148,207**	**$2,323,188,642**	**$2,330,503,227**	**$2,428,562,344**	**$2,425,201,951**

[1] Based on work done as part of the FY 2016 Lines of Business Phase 2 process, staff from health and human services agencies reviewed coordination opportunities between all early childhood services. To strengthen the system response and coordination of early intervention services for all children and families, the Infant and Toddler Connection (ITC) program is moving from the Fairfax-Falls Church Community Services Board to the Department of Family Services. Total funding supporting the ITC program has not changed; however, funding has shifted between Fund 40040, Fairfax-Falls Church Community Services Board, the Department of Family Services in the General Fund and Fund 50000, Federal-State Grant Fund in order to more appropriately align resources. The FY 2019 Adopted Budget Plan represents both the grant funding previously administered by the Fairfax-Falls Church Community Services Board in Fund 50000, Federal-State Grant Fund and revenue previously received in Fund 40040, Fairfax-Falls Church Community Services Board.

[2] It should be noted that these expenditures/budgets are by fiscal year. The amounts contain multiple program years in each fiscal year and therefore do not correlate to annual awards for these grants.

Services for Older Adults

Fairfax County projects a significant increase in the older adult population. Between 2010 and 2030, the County expects the 50 and over age group to increase by 19 percent, the 65 and over age group by 51 percent, and the 70 and over age group by 55 percent. This dramatic increase in the older population led to Board of Supervisors to adopt The Fairfax County 50+ Community Action Plan in September 2014. The Action Plan includes 31 initiatives regarding housing, transportation, community engagement, services, safety and health and long-range planning. Given this aging of the population, the County highlights services currently provided to older adults. It should be noted that the figures in the following table do not reflect the cost of all services provided to older adults, as only those services specifically designed for older adults, or those where participation by this population has been tracked or can be reasonably estimated, have been included. There are many general County services that are used extensively by the older adult population, such as Emergency Medical Services and cultural tours, but limited data on actual utilization rates makes it difficult to quantify those costs.

Given the rapid growth in the older adult population in the County, the increasing trend of older adults aging in place and the commensurate increase in demand for services, a large number of service delivery models have been undertaken in various County agencies in recent years. Following the adoption of the FY 2010 budget and at the direction of the Board of Supervisors, staff from agencies providing services to older adults, including the Department of Family Services, the Fairfax-Falls Church Community Services Board, the Department of Housing and Community Development, the Health Department and the Department of Neighborhood and Community Services have evaluated the continuum of older adult services including but not limited to Senior Centers and Adult Day Health Care Centers to ensure coordination of programs and opportunities for provision of more cost efficient service delivery with the ultimate goal to promote long term sustainability.

The table on the following pages details the cost of services provided specifically to older adults included in the FY 2019 Adopted Budget Plan. Following the table is a description of the programs, as well as utilization data by age if available. In FY 2019, services to older adults total $79.3 million or 1.9 percent of General Fund Disbursements of $4.3 billion. Excluding the General Fund Transfer to Fairfax County Public Schools and School Debt Service of $2.3 billion, spending on services for older adults is approximately 3.9 percent of the remaining General Fund Disbursements.

County Funded Programs for Older Adults[1]

Name and Description of Service	FY 2017 Actual	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Facilities Management Department				
Lease for the Lorton Senior Center at Gunston Plaza (Operated by the Dept. of Neighborhood and Community Services)	$128,445	$135,300	$138,683	$138,683
Department of Neighborhood and Community Services				
Senior Center and Support Services for Older Adults	$4,348,891	$4,167,349	$4,296,710	$4,296,710
Seniors-On-the-Go! Taxi Cab Voucher Program	127,481	320,270	323,179	323,179
Subtotal Dept. of Neighborhood and Community Services	$4,476,372	$4,487,619	$4,619,889	$4,619,889
Fairfax County Public Library				
Programs Primarily Used by Older Adults	$416,936	$424,679	$424,679	$424,679
Department of Tax Administration				
Tax Relief for the Elderly and Disabled	$28,038,100	$27,967,500	$28,875,000	$28,750,000
Department of Family Services				
Adult Protective Services	$2,052,111	$2,052,588	$2,216,652	$2,216,652
Adult and Aging Services	11,514,850	11,585,309	12,049,913	12,049,913
Subtotal Department of Family Services	$13,566,961	$13,637,897	$14,266,565	$14,266,565
Health Department				
Long-Term Care Developmental Services[2]	$3,304,301	$3,491,885	$3,345,681	$3,345,681
Fire and Rescue Department				
Senior Safety Programs	$73,291	$75,305	$89,560	$89,560
Subtotal - General Fund	**$50,004,406**	**$50,220,185**	**$51,760,057**	**$51,635,057**

County Funded Programs for Older Adults[1]

Name and Description of Service	FY 2017 Actual	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
Fund 50000, Federal-State Grant Fund[3]				
Community-Based Social Services	$1,012,700	$1,689,481	$1,053,530	$1,053,530
Ombudsman	630,506	945,062	659,479	659,479
Fee for Service	228,913	362,769	280,641	280,641
Congregate Meals	1,525,221	2,958,994	1,685,435	1,685,435
Home-Delivered Meals	1,622,597	2,382,738	1,674,574	1,674,574
Care-Coordination	769,313	1,084,343	829,955	829,955
Caregiver Support	329,848	462,798	323,425	323,425
Chronic Disease Self Management	1,970	31,980	0	0
Respite Care	22,500	86,600	54,550	54,550
Subtotal Fund 50000	$6,143,568	$10,004,765	$6,561,589	$6,561,589
Fund 40040, Community Services Board				
Countywide Older Adults and Families Program	$1,014,888	$1,188,704	$1,239,224	$1,239,224
Fund 10030, Contributory Fund				
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence	$2,452,456	$2,605,826	$2,700,168	$2,700,168
Fund 40330, Elderly Housing Programs[4]				
Lewinsville Senior Residences, Little River Glen, and Lincolnia Center	$3,053,114	$3,303,559	$3,265,955	$3,268,166
Fund 30000, Metro Operations and Construction				
MetroAccess	$13,262,069	$13,416,605	$13,550,771	$13,550,771
Fund 60030, Technology Infrastructure Services				
Computer Labs	$335,811	$339,102	$344,206	$344,206
Subtotal - General Fund Supported	**$26,261,906**	**$30,858,561**	**$27,661,913**	**$27,664,124**
TOTAL SERVICES FOR OLDER ADULTS	**$76,266,312**	**$81,078,746**	**$79,421,970**	**$79,299,181**

[1] This analysis reflects only those services included in General Fund and General Fund Supported agencies, and does not include services supported by non-General Fund or non-appropriated funds, such as rent relief provided through Fund 81100, Fairfax County Rental Program, or recreational activities provided by Fund 40050, Reston Community Center. Likewise, this analysis does not include capital projects funded in prior years, such as senior centers or adult day health care facilities. Capital expenses vary significantly from year to year and one year's data cannot serve as a proxy for "average" capital expenditures in a particular service area.

[2] Includes Insight Memory Care Center (IMCC), formerly known as Alzheimer's Family Day Center. A reduction of $150,000 to the IMCC contract was included in the FY 2018 Adopted Budget Plan; however, funding of $150,000 was included as part of the *FY 2017 Third Quarter Review* to delay the reduction until FY 2019. This funding was included as unencumbered carryover as part of the *FY 2017 Carryover Review* in order to fully fund the contract in FY 2018.

[3] The FY 2018 funding level represents anticipated funding, actual funding received may be different.

[4] Beginning in FY 2018, funding for Lewinsville Senior Residences will no longer be funded in Fund 40330, Elderly Housing Programs. The Fairfax County Redevelopment and Housing Authority (FCRHA) will retain ownership of the property but the facility will be managed by a private firm. This is consistent with five other FCRHA properties (Gum Springs Glen, Morris Glen, Olley Glen, Herndon Harbor House, Braddock Glen) benefiting the elderly.

The following provides a brief description of the programs, as well as utilization data if available, included in the Services for Older Adults table on the previous two pages. For additional information please refer to the specific agency narrative in Volume 1 and Volume 2.

Department of Neighborhood and Community Services

Senior Center and Support Services for Older Adults

Senior Centers for Active Adults offer opportunities to make friends, stay on the move, and learn new things. Fairfax County residents age 50 and over may join any of the 14 senior centers sponsored by the Department of Neighborhood and Community Services. Support services for older adults enables seniors with minor cognitive and physical disabilities to actively participate in the day-to-day activities at Fairfax County Senior Centers. These support services replaced the Senior Plus Program, which was redesigned and no longer operates as a separate program within the Senior Centers, but rather as a service for all center participants as needed.

***Seniors on the Go!* Taxi Cab Voucher Program**

The *Seniors on the Go!* Taxi Cab Voucher Program allows older adults to purchase vouchers that partially subsidize the cost of taxi rides. Vouchers can be used by married couples over 65 with less than $50,000 in combined income and by single persons over 65 with less than $40,000 in income. In FY 2017, 118 older adults were newly enrolled in the program.

Fairfax County Public Library

Programs Primarily Used by Older Adults

The Fairfax County Public Library offers several programs and services which, although not limited to the older adult population, are primarily used by older adults. These include the Talking Books Program; Home Delivery Service; book collections maintained at older adult residences, nursing homes, and adult day care center; large print books; outreach and trainings; book clubs; assistive technologies; BiFolkal multi-media memory activity kits; Aging, Disability and Accessibility focused reference collection; Braille Awareness kits; and self- help groups for adults who are coping with vision loss.

Department of Tax Administration

Tax Relief for the Elderly and Disabled

Tax relief is provided to adults 65 and older and disabled persons on a graduated scale depending upon the level of income and net assets, which must not exceed $72,000 and $340,000, respectively. In FY 2017, 7,202 people participated in the program.

Department of Family Services

Adult Protective Services

Adult Protective Services provides mandated investigations of situations of suspected abuse, neglect or exploitation involving older adults age 60+ and incapacitated adults age 18+ as well as case management services to provide protection for at-risk adults in the community and in public and private facilities. In FY 2017, 1,193 investigations were conducted.

Adult Services and Aging Services

Adult Services and Aging Services provides case management, including needs assessment, care plans, coordination/authorization of services, and follow-up for adults age 60 and older and adults age 18 and older with disabilities. Services may include home-based care and mandated Medicaid preadmission screenings. Some services may have functional and financial eligibility requirements. In FY 2017, 2,383 clients were served. Transportation services are also provided between older adults' residences and their local senior center and adult day health care facility as well as trips in support of basic living. A fee of $0.50 is charged for each one-way trip. Older adults 60 and older who are attendees of a senior center, adult day health center, or residents of senior housing are eligible for services. In FY 2017, 104,617 trips were provided.

Health Department

Long-Term Care Services

Long-Term Care Developmental Services includes both the Adult Day Health Care program and the Insight Memory Care Center, formerly known as Alzheimer's Family Day Center. The Adult Day Health Care program provides therapeutic recreational activities, supervision and health care to meet the needs of adults, 18 years and older who have physical and/or cognitive disabilities. Services are provided on a sliding fee scale. The goal is to provide services to 250 older adults in FY 2019, and that 92 percent of participants will meet the criteria for institutional level of care, but their participation in the program enables them to continue to live at home in the community. The Insight Memory Care Center provides specialized day care services for people with Alzheimer's type illnesses as well as respite, support and education for their care giving families. In FY 2017, Insight Memory Care Center reached 854 Fairfax family caregivers and the Health Department, Adult Day Health Care program, reached 464 caregivers by providing community outreach, education, support and training.

Fire and Rescue Department

Senior Safety Programs

The Fire and Rescue Department offers various older adult safety programs for individuals 55 and older, including Basic Fire Safety, Emergency Preparedness for the Older Adult, Life Safety Education Seniors Program, Caregiver and Staff Training for those who care for older adults, "Smoke Alarm Program" which provides free smoke alarm batteries, and the "File of Life" Program which is an educational program that stresses the importance of maintaining current medication dosages and current physician information. The department plans to reach 10,000 older adults in FY 2019.

Fund 50000, Federal-State Grant Fund

Community-Based Services

Community-Based Services provides services to adults age 60 and older to enable them to live as independently as possible in the community. This includes assisted transportation, information and referral, telephone reassurance, volunteer home services, insurance counseling, and other related services. In FY 2017, 17,339 callers or persons making email inquiries to the Adult and Aging Division within the Department of Family Services received information and referral services and/or access to the services.

Ombudsman

The Ombudsman Program, serving the City of Alexandria and the counties of Arlington, Fairfax, and Loudoun, improves quality of life for the more than 10,700 residents in 116 nursing and assisted living facilities by educating residents and care providers about patient rights and by resolving complaints against nursing and assisted living facilities, as well as home care agencies, through counseling, negotiation and investigation. More than 54 trained volunteers are part of this program. The program also provides information about long-term care providers and educates the community about long-term care issues. Please note Prince William County is no longer part of this partnership.

Fee for Service
Fee for Service provides home-based care to adults age 60 and older to enable them to remain in their homes rather than in more restrictive settings. Services are primarily targeted toward those older adults who are frail, isolated, of a minority group or in economic need.

Congregate Meals
Congregate Meals are provided in 28 congregate meal sites around the County including the County's senior and adult day health centers, several private senior centers and other sites serving older adults such as the Alzheimer's Family Day Center. Congregate Meals are also provided to residents of the three County senior housing complexes. In FY 2017, 249,431 congregate meals were served to 2,246 participants.

Home-Delivered Meals
Home-Delivered Meals provides meals to frail, homebound, low-income residents age 60 and older who cannot prepare their own meals. In FY 2017, 270,528 meals were provided to 936 older adults and younger adults with disabilities. Meals are delivered through partnerships with 25 community volunteer groups that drive 48 delivery routes.

Caregiver Support
Caregiver Support provides education and support services to caregivers of persons 60 and older, or older adults caring for grandchildren. Services include scholarships for respite care, gap-filling respite and bathing services, assisted transportation (which is also reflected in Community-Based Services), assistance paying for supplies and services, and other activities that contribute to the well-being of older adults and help to relieve caregiver stress. In FY 2017, 31 clients received services through the Adult Day Health Care respite scholarship, 154 clients through bathing and respite services, 22 clients through the Discretionary Fund, and 31 clients received assisted transportation services, taking 901 one-way trips. Over 27,000 readers of the Golden Gazette received caregiver related information. An online version for caregivers reached 2,231 monthly subscribers.

Fund 40040, Fairfax-Falls Church Community Services Board

Countywide Older Adults and Families Program
The Older Adults and Families Program of the Fairfax-Falls Church Community Services Board (CSB) provides strengths-based, person-centered, and solution-focused mental health outpatient treatment and case management services for older adults. Services support recovery and independence appropriate to the individual's physical and cognitive abilities and are provided in either an office or community-based setting, as appropriate. To address the unique needs of older adults, services include psychiatric evaluation, medication management, case management and supportive counseling, with linkage to and coordination of services with other community agencies, health care providers and family caregivers. In FY 2017, the program served 573 older adults age 60 and over for a total of 10,433 service hours.

Fund 10030, Contributory Fund

Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence
This facility is owned by the counties of Fairfax, Fauquier, Loudoun and Prince William, and the City of Alexandria as tenants in common. During FY 2017, 121 Fairfax County citizens were served in the facility (86 in the nursing facility and 35 in assisted living). To be eligible for admission to the nursing and assisted living facilities, older adults and adults with disabilities must meet income, resource, and functional requirements. The Department of Family Services' Self Sufficiency Division accepts and processes applications for Medicaid and auxiliary grants, and the Department of Family Services' Adult and Aging Division assesses for functional eligibility.

Fund 40330, Elderly Housing Programs

Lewinsville Senior Residences, Little River Glen, and Lincolnia Center

The Department of Housing and Community Development provides services related to the County's support of the operation of two locally-funded elderly housing developments, Little River Glen and Lincolnia Center Residences, which are owned or leased by the Fairfax County Redevelopment and Housing Authority (FCRHA). The programs 198 available units/beds in the two facilities support clients who are 62 and older and also meet income requirements. As of FY 2018, funding for Lewinsville Senior Residences will no longer be included in Fund 40330, Elderly Housing Programs. The FCRHA will retain ownership of the property but the facility will be managed by a private firm. This is consistent with five other FCRHA properties (Gum Springs Glen, Morris Glen, Olley Glen, Herndon Harbor House, Braddock Glen) benefiting the elderly.

Fund 30000, Metro Operations and Construction

MetroAccess

MetroAccess is a door-to-door paratransit service for people with disabilities who are not able to use fixed-route forms (bus and rail) of public transportation due to functional limitations that relate to their disability. MetroAccess provided approximately 285,078 completed stops for Fairfax County residents in FY 2017. An estimated 58 percent of MetroAccess customers residing in Fairfax County are over 55 years old.

Fund 60030, Technology Infrastructure Services

Computer Labs

The Department of Information Technology supports computer labs at libraries and recreation/senior centers that are used by citizens, many of whom are older adults.

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Compensation and Positions

FY 2019

Adopted Budget Plan

Explanation of Schedules

Personnel Services and Fringe Benefits

Personnel Services Summary
Summarizes Personnel Services funding by major expense categories (regular salaries, extra compensation, fringe benefits, etc.) for the General Fund, General Fund Supported Funds, and Other Funds.

Personnel Services by Agency
Displays Personnel Services funding, organized by fund, program area, and agency or fund.

Summary of General Fund Employee Benefit Costs by Category
Provides a breakdown of General Fund expenditures for all employee benefits by individual category, including health insurance, dental insurance, life insurance, FICA (Social Security), unemployment, language proficiency pay, employee assistance program, and training.

Distribution of Fringe Benefits by General Fund Agency
Combines Personnel Services, Operating Expenses, and Capital Equipment with Fringe Benefits expenditures for each General Fund agency to reflect a total cost per agency.

Summary of Positions

Regular Positions All Funds
Displays the number of General Fund positions by Program Area, the number of positions in the General Fund Supported Funds, and in Other Funds.

Summary of Position Changes
Provides the total position count for all agencies and funds with funding appropriated by the Board of Supervisors. The change in the position count for each year is broken out into categories, including positions which have been "Abolished", were necessary to support "New Facilities", or required for "Other Changes", including workload increases. Also included is the number of positions that were added by the Board of Supervisors at other times during the fiscal year, i.e. "Other Reviews."

Position Summaries
Details the position count and full-time equivalents (FTE) for the prior, current and upcoming fiscal year, including regular County positions, State positions, and County grant positions.

FY 2019 ADOPTED PERSONNEL SERVICES SUMMARY

(All Appropriated Funds excluding Schools Funds)

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised
Regular Positions						
General Fund	9,872	9,922	9,965	10,000	10,007	42
General Fund Supported	1,367	1,383	1,389	1,394	1,409	20
Other Funds	1,241	1,247	1,241	1,257	1,256	15
Total	**12,480**	**12,552**	**12,595**	**12,651**	**12,672**	**77**
Regular Salaries and Compensation Increases						
General Fund	$696,152,982	$812,923,710	$803,342,084	$848,586,572	$848,586,572	$45,244,488
General Fund Supported	85,705,859	102,587,735	103,287,358	106,697,509	106,697,509	3,410,151
Other Funds	74,309,499	87,009,223	86,484,656	89,192,514	89,192,514	2,707,858
Total	**$856,168,340**	**$1,002,520,668**	**$993,114,098**	**$1,044,476,595**	**$1,044,476,595**	**$51,362,497**
Limited Term						
General Fund	$27,350,546	$20,620,317	$20,973,028	$21,916,872	$21,916,872	$943,844
General Fund Supported	6,816,799	6,296,485	6,287,833	6,108,063	6,108,063	(179,770)
Other Funds	3,466,632	2,943,976	2,833,929	2,993,613	2,993,613	159,684
Total	**$37,633,977**	**$29,860,778**	**$30,094,790**	**$31,018,548**	**$31,018,548**	**$923,758**
Shift Differential						
General Fund	$4,071,788	$4,604,703	$4,590,703	$4,604,703	$4,604,703	$14,000
General Fund Supported	349,938	378,550	371,087	378,495	378,495	7,408
Other Funds	257,252	943,676	943,676	943,569	943,569	(107)
Total	**$4,678,978**	**$5,926,929**	**$5,905,466**	**$5,926,767**	**$5,926,767**	**$21,301**
Extra Compensation						
General Fund	$53,656,112	$55,977,024	$56,129,024	$56,590,894	$56,590,894	$461,870
General Fund Supported	1,391,600	1,533,093	1,528,651	1,520,432	1,520,432	(8,219)
Other Funds	4,040,560	5,556,570	5,548,654	5,698,880	5,698,880	150,226
Total	**$59,088,272**	**$63,066,687**	**$63,206,329**	**$63,810,206**	**$63,810,206**	**$603,877**
Position Turnover						
General Fund	$0	($65,043,051)	($65,043,051)	($66,492,500)	($66,492,500)	($1,449,449)
General Fund Supported	0	(9,121,450)	(9,121,450)	(9,397,315)	(9,397,315)	(275,865)
Other Funds	0	(3,048,661)	(3,048,661)	(3,126,708)	(3,126,708)	(78,047)
Total	**$0**	**($77,213,162)**	**($77,213,162)**	**($79,016,523)**	**($79,016,523)**	**($1,803,361)**
Total Salaries						
General Fund	$781,231,428	$829,082,703	$819,991,788	$865,206,541	$865,206,541	$45,214,753
General Fund Supported	94,264,196	101,674,413	102,353,479	105,307,184	105,307,184	2,953,705
Other Funds	82,073,943	93,404,784	92,762,254	95,701,868	95,701,868	2,939,614
Total	**$957,569,567**	**$1,024,161,900**	**$1,015,107,521**	**$1,066,215,593**	**$1,066,215,593**	**$51,108,072**
Fringe Benefits						
General Fund	$347,497,198	$370,918,880	$374,536,830	$389,922,233	$389,922,233	$15,385,403
General Fund Supported	38,366,018	42,802,312	43,172,152	45,318,751	45,318,751	2,146,599
Other Funds [1]	215,847,477	233,726,252	257,956,157	236,456,177	236,456,177	(21,499,980)
Total	**$601,710,693**	**$647,447,444**	**$675,665,139**	**$671,697,161**	**$671,697,161**	**($3,967,978)**
Total Costs of Personnel Services						
General Fund	$1,128,728,626	$1,200,001,583	$1,194,528,618	$1,255,128,774	$1,255,128,774	$60,600,156
General Fund Supported	132,630,214	144,476,725	145,525,631	150,625,935	150,625,935	5,100,304
Other Funds	297,921,420	327,131,036	350,718,411	332,158,045	332,158,045	(18,560,366)
Total	**$1,559,280,260**	**$1,671,609,344**	**$1,690,772,660**	**$1,737,912,754**	**$1,737,912,754**	**$47,140,094**

[1] It should be noted that the Other Funds amount for fringe benefits includes payments made for claims and administrative expenses for the County's self-insured health insurance plans in Fund 60040, Health Benefits. These expenses total $195,699,805 for the FY 2019 Adopted Budget Plan. Fringe benefit expenses for the General Fund, General Fund Supported Funds, and all Other Funds include employer contributions made to the Health Benefits Fund to support the $195.7 million for claims and administrative expenses. Thus, this amount should be excluded when determining countywide Fringe Benefit expenditures.

FY 2019 ADOPTED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation [1]	Fringe Benefits	New Positions	Compensation Increases [2]	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
Legislative-Executive Functions / Central Services									
01 Board of Supervisors	$5,405,022	$0	$0	$203,261	$0	$0	$0	($53,699)	$5,554,584
02 Office of the County Executive	6,297,604	0	0	210,106	141,330	0	0	(381,305)	6,267,735
06 Department of Finance	4,939,407	0	0	195,799	180,000	0	0	(606,417)	4,708,789
11 Department of Human Resources	6,413,641	0	0	249,978	73,945	0	17,384	(338,163)	6,416,785
12 Department of Procurement and Material Management	5,820,207	0	0	219,498	81,379	0	6,867	(432,921)	5,695,030
13 Office of Public Affairs	1,812,592	0	0	72,314	38,715	0	0	(109,136)	1,814,485
15 Office of Elections	1,649,057	0	0	62,416	1,370,771	0	326,072	(100,428)	3,307,888
17 Office of the County Attorney	8,057,227	0	0	306,058	0	0	0	(484,915)	7,878,370
20 Department of Management and Budget	5,302,588	0	0	196,960	0	0	0	(476,924)	5,022,624
37 Office of the Financial and Program Auditor	353,359	0	0	15,179	0	0	0	0	368,538
41 Civil Service Commission	321,972	0	0	10,058	55,918	0	0	0	387,948
42 Office of the Independent Police Auditor	273,317	0	0	10,385	0	0	0	0	283,702
57 Department of Tax Administration	20,762,106	0	320,713	868,649	202,279	0	225,178	(2,177,164)	20,201,761
70 Department of Information Technology	26,071,235	0	0	914,555	115,891	0	33,399	(1,885,481)	25,249,599
Total Legislative-Executive Functions / Central Services	**$93,479,334**	**$0**	**$320,713**	**$3,535,216**	**$2,260,228**	**$0**	**$608,900**	**($7,046,553)**	**$93,157,838**
Judicial Administration									
80 Circuit Court and Records	$10,166,388	$0	$0	$426,172	$153,506	$0	$90,289	($1,063,424)	$9,772,931
82 Office of the Commonwealth's Attorney	4,117,445	0	0	175,237	62,850	0	0	(392,239)	3,963,293
85 General District Court	3,225,337	0	0	98,201	46,783	14,271	10,949	(73,290)	3,322,251
91 Office of the Sheriff	15,188,757	0	0	647,137	0	6,500	1,607,993	(1,504,524)	15,945,863
Total Judicial Administration	**$32,697,927**	**$0**	**$0**	**$1,346,747**	**$263,139**	**$20,771**	**$1,709,231**	**($3,033,477)**	**$33,004,338**
Public Safety									
04 Department of Cable and Consumer Services	$790,888	$0	$0	$35,115	$0	$0	$0	($140,312)	$685,691
31 Land Development Services	11,633,878	0	0	451,378	834	0	0	(2,164,556)	9,921,534
81 Juvenile and Domestic Relations District Court	21,764,939	0	0	949,186	760,570	173,109	442,537	(2,269,652)	21,820,689
90 Police Department	148,717,206	0	1,457,314	5,862,274	421,853	1,333,474	24,729,132	(7,384,456)	175,136,797
91 Office of the Sheriff	43,742,760	0	240,636	1,836,996	0	470,699	3,827,678	(5,469,480)	44,649,289
92 Fire and Rescue Department	159,162,558	0	0	6,571,130	432,405	2,457,649	22,584,645	(11,095,269)	180,113,118
93 Office of Emergency Management	1,360,385	0	0	50,363	0	0	0	(16,520)	1,394,228
96 Department of Animal Sheltering	2,140,629	0	0	82,149	41,732	0	79,622	(361,403)	1,982,729
97 Department of Code Compliance	3,865,600	0	0	163,943	232,022	0	188,206	(360,706)	4,089,065
Total Public Safety	**$393,178,843**	**$0**	**$1,697,950**	**$16,002,534**	**$1,889,416**	**$4,434,931**	**$51,851,820**	**($29,262,354)**	**$439,793,140**
Public Works									
08 Facilities Management Department	$14,379,010	$0	$91,998	$582,169	$97,423	$4,200	$633,284	($1,063,165)	$14,724,919
25 Business Planning and Support	3,480,651	0	87,767	81,112	0	0	0	(12,236)	3,637,294
26 Office of Capital Facilities	13,082,497	0	367,992	499,102	511	0	0	(269,345)	13,680,757
Total Public Works	**$30,942,158**	**$0**	**$547,757**	**$1,162,383**	**$97,934**	**$4,200**	**$633,284**	**($1,344,746)**	**$32,042,970**

FY 2019 ADOPTED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation [1]	Fringe Benefits	New Positions	Compensation Increases [2]	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
Health and Welfare									
67 Department of Family Services	$103,697,198	$0	$97,358	$4,586,459	$7,764,109	$0	$1,092,341	($10,876,030)	$106,361,435
71 Health Department	42,803,098	0	167,292	1,743,631	1,185,687	0	0	(2,797,512)	43,102,196
73 Office to Prevent and End Homelessness	1,824,515	0	0	66,204	77,949	0	0	0	1,968,668
77 Office of Strategy Management for Health and Human Services	3,149,065	0	0	103,628	136,628	0	0	0	3,389,321
79 Department of Neighborhood and Community Services	15,764,636	0	0	775,034	3,556,475	15,982	80,970	(1,659,122)	18,533,975
Total Health and Welfare	**$167,238,512**	**$0**	**$264,650**	**$7,274,956**	**$12,720,848**	**$15,982**	**$1,173,311**	**($15,332,664)**	**$173,355,595**
Parks and Libraries									
51 Fairfax County Park Authority	$23,766,783	$0	$0	$917,534	$2,654,504	$10,762	$122,224	($2,704,593)	$24,767,214
52 Fairfax County Public Library	22,505,829	0	0	962,010	1,518,988	118,057	417,026	(2,085,271)	23,436,639
Total Parks and Libraries	**$46,272,612**	**$0**	**$0**	**$1,879,544**	**$4,173,492**	**$128,819**	**$539,250**	**($4,789,864)**	**$48,203,853**
Community Development									
16 Economic Development Authority	$3,978,689	$0	$0	$162,506	$24,934	$0	$9,050	($272,656)	$3,902,523
31 Land Development Services	16,065,919	0	0	619,467	35,803	0	0	(3,269,390)	13,451,799
35 Department of Planning and Zoning	11,594,066	0	0	459,718	0	0	0	(1,100,676)	10,953,108
36 Planning Commission	501,066	0	0	20,560	295,885	0	10,372	0	827,883
38 Department of Housing and Community Development	4,934,276	0	0	176,935	155,193	0	55,676	(428,751)	4,893,329
39 Office of Human Rights and Equity Programs	1,755,650	0	0	68,277	0	0	0	(146,753)	1,677,174
40 Department of Transportation	10,027,739	0	0	379,868	0	0	0	(464,616)	9,942,991
Total Community Development	**$48,857,405**	**$0**	**$0**	**$1,887,331**	**$511,815**	**$0**	**$75,098**	**($5,682,842)**	**$45,648,807**
Nondepartmental									
89 Employee Benefits	$0	$389,922,233	$0	$0	$0	$0	$0	$0	$389,922,233
Total Nondepartmental	**$0**	**$389,922,233**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$389,922,233**
Total General Fund	**$812,666,791**	**$389,922,233**	**$2,831,070**	**$33,088,711**	**$21,916,872**	**$4,604,703**	**$56,590,894**	**($66,492,500)**	**$1,255,128,774**
GENERAL FUND SUPPORTED FUNDS									
40040 Fairfax-Falls Church Community Services Board	$76,246,874	$34,920,966	$0	$2,427,764	$5,950,457	$216,400	$1,124,557	($7,437,063)	$113,449,955
40330 Elderly Housing Programs	319,444	157,680	0	18,961	78,144	3,032	31,568	(1,613)	607,216
60000 County Insurance	1,257,021	495,007	0	42,391	0	0	0	(103,887)	1,690,532
60010 Department of Vehicle Services	17,773,983	6,925,054	0	739,297	0	138,020	258,428	(1,435,509)	24,399,273
60020 Document Services	1,413,778	744,312	0	56,050	8,847	7,463	36,239	(24,258)	2,242,431
60030 Technology Infrastructure Services	6,163,550	2,075,732	0	238,396	70,615	13,580	69,640	(394,985)	8,236,528
Total General Fund Supported Funds	**$103,174,650**	**$45,318,751**	**$0**	**$3,522,859**	**$6,108,063**	**$378,495**	**$1,520,432**	**($9,397,315)**	**$150,625,935**

FY 2019 ADOPTED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation [1]	Fringe Benefits	New Positions	Compensation Increases [2]	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
OTHER FUNDS									
40010 County and Regional Transportation Projects	$4,179,680	$1,663,042	$0	$169,499	$0	$0	$0	$0	$6,012,221
40030 Cable Communications	4,041,210	2,056,214	0	163,431	331,481	0	84,968	(100,538)	6,576,766
40050 Reston Community Center	2,796,620	1,551,254	0	107,565	1,049,904	14,986	31,396	(23,816)	5,527,909
40060 McLean Community Center	1,734,605	969,444	0	70,974	603,670	7,777	19,128	0	3,405,598
40070 Burgundy Village Community Center	0	1,410	0	0	19,107	0	0	0	20,517
40080 Integrated Pest Management Program	1,065,922	318,824	0	38,597	0	0	11,388	0	1,434,731
40090 E-911	15,542,084	8,407,640	0	763,656	0	148,400	3,543,663	(971,880)	27,433,563
40100 Stormwater Services	12,863,113	6,580,447	423,278	538,334	433,622	0	186,696	(676,541)	20,348,949
40140 Refuse Collection and Recycling Operations	6,322,547	3,383,011	0	234,616	5,816	0	445,392	(289,442)	10,101,940
40150 Refuse Disposal	8,921,262	3,562,411	0	367,407	29,921	518,861	602,238	(171,899)	13,830,201
40160 Energy Resource Recovery (ERR) Facility	0	0	0	0	0	0	0	0	0
40170 I-95 Refuse Disposal	2,726,092	972,209	0	97,625	43,828	202,556	97,141	(73,170)	4,066,281
50800 Community Development Block Grant	990,672	482,557	0	0	0	0	0	0	1,473,229
50810 HOME Investment Partnerships Program	75,688	36,867	0	0	0	0	0	0	112,555
60040 Health Benefits [3]	120,000	195,774,805	0	0	105,000	0	0	0	195,999,805
69010 Sewer Operation and Maintenance	20,950,934	9,440,943	407,311	830,743	252,134	50,989	671,113	(819,422)	31,784,745
73000 Employees' Retirement Trust	1,714,459	858,402	0	71,201	83,400	0	4,067	0	2,731,529
73010 Uniformed Employees Retirement Trust	367,385	183,802	0	15,225	17,843	0	1,022	0	585,277
73020 Police Retirement Trust	367,385	183,805	0	15,225	17,887	0	668	0	584,970
73030 OPEB Trust	94,661	29,090	0	3,508	0	0	0	0	127,259
Total Other Funds	**$84,874,319**	**$236,456,177**	**$830,589**	**$3,487,606**	**$2,993,613**	**$943,569**	**$5,698,880**	**($3,126,708)**	**$332,158,045**
Total All Funds	**$1,000,715,760**	**$671,697,161**	**$3,661,659**	**$40,099,176**	**$31,018,548**	**$5,926,767**	**$63,810,206**	**($79,016,523)**	**$1,737,912,754**

[1] The Regular Compensation category includes the full-year impact of merit and longevity increases provided to uniformed public safety employees in FY 2018. It should be noted that these increases impact the Fringe Benefits and Extra Compensation categories as well. The total FY 2019 General Fund expenditure impact across all categories of the full-year cost of FY 2018 compensation increases is $4,566,163.

[2] The Compensation Increases category represents the salary costs of FY 2019 increases, including merit and longevity increases provided to uniformed public safety employees on their anniversary dates, performance increases provided to non-uniformed merit employees in July 2018, and increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions. It should be noted that these increases impact other categories as well, including Fringe Benefits, Limited Term, Extra Compensation, and Turnover. The total FY 2019 General Fund disbursement impact of these FY 2019 compensation increases across all categories totals $45,391,748. This total includes $4,838,930 for uniformed merit and longevities, $12,613,730 for non-uniformed performance increases, $27,853,160 for the 2.25% MRA, and $85,928 for the benchmark class review.

[3] It should be noted that the fringe benefit amount listed for Fund 60040, Health Benefits, includes payments made for claims and administrative expenses for the County's self-insured health insurance plans. These expenses total $195,699,805 for the FY 2019 Adopted Budget Plan. Fringe benefit expenditures for all funds include employer contributions made to the Health Benefits Fund, and these contributions support the $195.7 million paid in claims and administrative expenses. Thus, this amount should be excluded when determining countywide Fringe Benefit expenditures.

FY 2019 ADOPTED SUMMARY OF GENERAL FUND
EMPLOYEE BENEFIT COSTS BY CATEGORY

This schedule summarizes total General Fund Employee Benefit costs, including certain benefit costs and associated reimbursements for employees of General Fund agencies that are expended in the General Fund and reimbursed by capital projects.

BENEFIT CATEGORY	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
FRINGE BENEFITS							
Group Health Insurance	$103,000,599	$109,627,286	$110,011,320	$110,494,611	$110,494,611	$483,291	0.4%
Dental Insurance	4,061,458	4,201,110	4,217,111	4,299,408	4,299,408	82,297	2.0%
Group Life Insurance	2,692,745	2,343,390	2,350,097	2,286,929	2,286,929	(63,168)	(2.7%)
FICA	47,442,558	50,346,885	50,544,195	52,313,079	52,313,079	1,768,884	3.5%
Employees' Retirement	83,359,834	93,922,934	95,875,217	105,567,066	105,567,066	9,691,849	10.1%
Uniformed Retirement	62,358,309	64,160,851	65,760,851	66,238,243	66,238,243	477,392	0.7%
Police Retirement	43,111,062	45,211,564	45,211,564	48,429,801	48,429,801	3,218,237	7.1%
Virginia Retirement System	588,781	609,004	609,004	493,323	493,323	(115,681)	(19.0%)
Line of Duty	1,310,478	1,460,681	1,460,681	1,675,352	1,675,352	214,671	14.7%
Flexible Spending Accounts	131,518	129,802	129,802	139,051	139,051	9,249	7.1%
Unemployment Compensation	163,879	242,506	242,506	170,453	170,453	(72,053)	(29.7%)
Capital Project Reimbursements	(1,352,885)	(1,946,918)	(2,485,303)	(2,794,868)	(2,794,868)	(309,565)	12.5%
Employee Assistance Program	237,890	249,785	249,785	249,785	249,785	0	0.0%
Tuition Reimbursement	390,972	360,000	360,000	360,000	360,000	0	0.0%
Total General Fund Fringe Benefits	**$347,497,198**	**$370,918,880**	**$374,536,830**	**$389,922,233**	**$389,922,233**	**$15,385,403**	**4.1%**
OPERATING EXPENSES							
Employee Awards Program	$164,926	$215,000	$215,000	$215,000	$215,000	$0	0.0%
Employee Development Initiatives	1,252,816	1,172,850	1,629,923	1,172,850	1,172,850	(457,073)	(28.0%)
Total Operating Expenses	**$1,417,742**	**$1,387,850**	**$1,844,923**	**$1,387,850**	**$1,387,850**	**($457,073)**	**(24.8%)**
TOTAL GENERAL FUND EMPLOYEE BENEFITS	**$348,914,940**	**$372,306,730**	**$376,381,753**	**$391,310,083**	**$391,310,083**	**$14,928,330**	**4.0%**

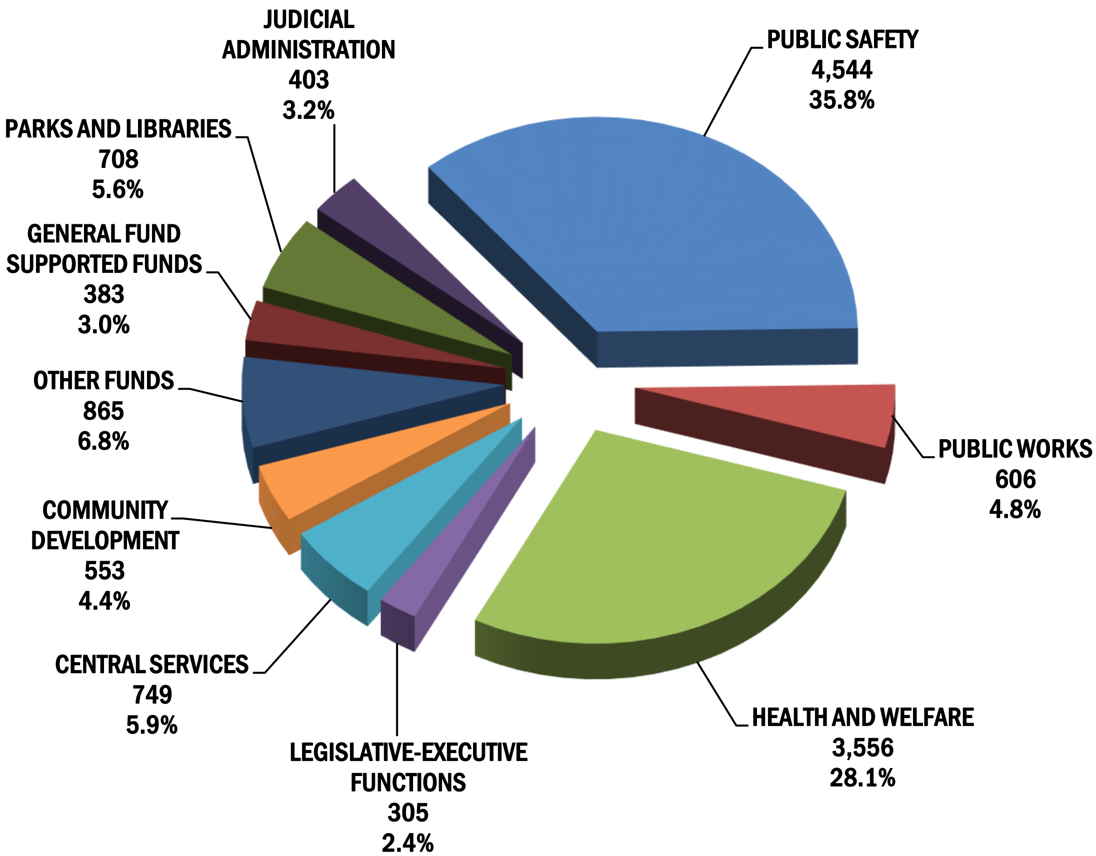
FY 2019 ADOPTED DISTRIBUTION OF FRINGE BENEFITS BY GENERAL FUND AGENCY

#	Agency Title	Personnel Services	Fringe Benefits	Operating Expenses	Recovered Costs	Capital Equipment	Total Cost
Legislative-Executive Functions / Central Services							
01	Board of Supervisors	$5,554,584	$2,503,282	$571,950	$0	$0	$8,629,816
02	Office of the County Executive	6,267,735	2,824,677	794,116	0	0	9,886,528
06	Department of Finance	4,708,789	2,122,108	4,825,713	(751,697)	0	10,904,913
11	Department of Human Resources	6,416,785	2,891,850	1,276,928	0	0	10,585,563
12	Department of Procurement and Material Management	5,695,030	2,566,577	1,758,536	(288,803)	0	9,731,340
13	Office of Public Affairs	1,814,485	817,733	147,501	(239,882)	0	2,539,837
15	Office of Elections	3,307,888	1,490,764	861,637	0	0	5,660,289
17	Office of the County Attorney	7,878,370	3,550,541	413,846	(466,522)	0	11,376,235
20	Department of Management and Budget	5,022,624	2,263,544	180,819	0	0	7,466,987
37	Office of the Financial and Program Auditor	368,538	166,089	32,166	0	0	566,793
41	Civil Service Commission	387,948	174,836	66,186	0	0	628,970
42	Office of Independent Police Auditor	283,702	127,856	32,675	0	0	444,233
57	Department of Tax Administration	20,201,761	9,104,318	5,740,489	0	0	35,046,568
70	Department of Information Technology	25,249,599	11,379,225	9,838,540	0	0	46,467,364
	Total Legislative-Executive Functions / Central Services	**$93,157,838**	**$41,983,400**	**$26,541,102**	**($1,746,904)**	**$0**	**$159,935,436**
Judicial Administration							
80	Circuit Court and Records	$9,772,931	$4,404,362	$1,990,826	$0	$0	$16,168,119
82	Office of the Commonwealth's Attorney	3,963,293	1,786,135	120,634	0	0	5,870,062
85	General District Court	3,322,251	1,497,237	909,165	0	0	5,728,653
91	Office of the Sheriff	15,945,863	7,186,315	4,031,229	0	0	27,163,407
	Total Judicial Administration	**$33,004,338**	**$14,874,049**	**$7,051,854**	**$0**	**$0**	**$54,930,241**
Public Safety							
04	Department of Cable and Consumer Services	$685,691	$309,020	$174,747	$0	$0	$1,169,458
31	Land Development Services	9,921,534	4,471,333	2,344,044	0	0	16,736,911
81	Juvenile and Domestic Relations District Court	21,820,689	9,833,920	2,659,237	0	0	34,313,846
90	Police Department	175,136,797	78,928,820	28,884,935	(697,406)	154,744	282,407,890
91	Office of the Sheriff	44,649,289	20,122,074	6,113,808	0	0	70,885,171
92	Fire and Rescue Department	180,113,118	81,171,497	29,263,305	0	0	290,547,920
93	Office of Emergency Management	1,394,228	628,336	508,829	0	0	2,531,393
96	Department of Animal Sheltering	1,982,729	893,556	642,914	0	0	3,519,199
97	Department of Code Compliance	4,089,065	1,842,817	541,380	0	0	6,473,262
	Total Public Safety	**$439,793,140**	**$198,201,373**	**$71,133,199**	**($697,406)**	**$154,744**	**$708,585,050**
Public Works							
08	Facilities Management Department	$14,724,919	$6,636,072	$52,613,928	($8,137,891)	$0	$65,837,028
25	Business Planning and Support	3,637,294	1,639,218	163,588	(2,785,126)	0	2,654,974
26	Office of Capital Facilities	13,680,757	6,165,500	9,647,955	(8,652,781)	0	20,841,431
87	Unclassified Administrative Expenses	0	0	3,953,694	(5,000)	0	3,948,694
	Total Public Works	**$32,042,970**	**$14,440,790**	**$66,379,165**	**($19,580,798)**	**$0**	**$93,282,127**

FY 2019 ADOPTED DISTRIBUTION OF FRINGE BENEFITS BY GENERAL FUND AGENCY

#	Agency Title	Personnel Services	Fringe Benefits	Operating Expenses	Recovered Costs	Capital Equipment	Total Cost
	Health and Welfare						
67	Department of Family Services	$106,361,435	$47,933,859	$112,527,053	($534,749)	$0	$266,287,598
71	Health Department	43,102,196	19,424,847	19,324,898	0	0	81,851,941
73	Office to Prevent and End Homelessness	1,968,668	887,219	12,385,861	0	0	15,241,748
77	Office of Strategy Management for Health and Human Services	3,389,321	1,527,464	474,448	0	0	5,391,233
79	Department of Neighborhood and Community Services	18,533,975	8,352,698	21,549,629	(8,946,636)	0	39,489,666
	Total Health and Welfare	**$173,355,595**	**$78,126,087**	**$166,261,889**	**($9,481,385)**	**$0**	**$408,262,186**
	Parks and Libraries						
51	Fairfax County Park Authority	$24,767,214	$11,161,829	$5,499,532	($3,876,161)	$200,000	$37,752,414
52	Fairfax County Public Library	23,436,639	10,562,179	5,927,364	0	0	39,926,182
	Total Parks and Libraries	**$48,203,853**	**$21,724,008**	**$11,426,896**	**($3,876,161)**	**$200,000**	**$77,678,596**
	Community Development						
16	Economic Development Authority	$3,902,523	$1,758,748	$3,938,092	$0	$0	$9,599,363
31	Land Development Services	13,451,799	6,062,316	3,062,901	(353,732)	0	22,223,284
35	Department of Planning and Zoning	10,953,108	4,936,232	665,186	0	0	16,554,526
36	Planning Commission	827,883	373,102	29,163	0	0	1,230,148
38	Department of Housing and Community Development	4,893,329	2,205,274	2,330,272	(378,598)	0	9,050,277
39	Office of Human Rights and Equity Programs	1,677,174	755,851	119,995	0	0	2,553,020
40	Department of Transportation	9,942,991	4,481,003	468,337	(1,827,837)	0	13,064,494
	Total Community Development	**$45,648,807**	**$20,572,526**	**$10,613,946**	**($2,560,167)**	**$0**	**$74,275,112**
	Non-Departmental						
87	Unclassified Administrative Expenses	$0	$0	$1,973,787	$0	$0	$1,973,787
89	Employee Benefits	0	0	1,387,850	0	0	1,387,850
	Total Non-Departmental	**$0**	**$0**	**$3,361,637**	**$0**	**$0**	**$3,361,637**
	GENERAL FUND DIRECT EXPENDITURES	**$865,206,541**	**$389,922,233**	**$362,769,688**	**($37,942,821)**	**$354,744**	**$1,580,310,385**

FY 2019 REGULAR POSITIONS ALL FUNDS



TOTAL REGULAR POSITIONS = 12,672

General Fund Program Areas include: General Fund agencies and Fund 40040, Fairfax-Falls Church Community Services Board, in Health and Welfare, Fund 40090, E-911, in Public Safety, and Fund 40100, Stormwater Services, in Public Works.

General Fund Supported Funds include: Fund 40330, Elderly Housing Programs; Fund 60000, County Insurance; Fund 60010, Department of Vehicle Services; Fund 60020, Document Services Division; and Fund 60030, Technology Infrastructure Services.

Other Funds include: Fund 40010, County and Regional Transportation Projects; Fund 40030, Cable Communications; Fund 40050, Reston Community Center; Fund 40060, McLean Community Center; Fund 40080, Integrated Pest Management Program; Fund 40140, Refuse Collection and Recycling Operations; Fund 40150, Refuse Disposal; Fund 40170, I-95 Refuse Disposal; Fund 69010 Sewer Operation and Maintenance; Fund 73000, Employees' Retirement Trust; and Fund 73030, OPEB Trust.

Summary of Position Changes
FY 1991 - FY 2019

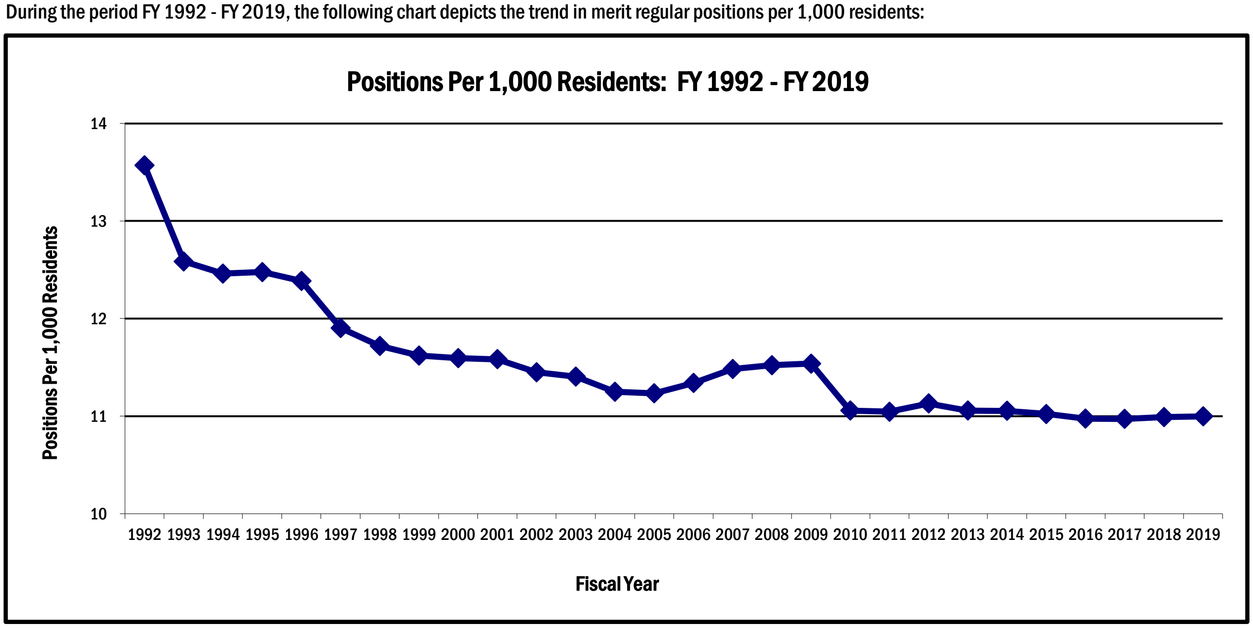
Authorized Positions - All Funds

Fiscal Years[1]	From	To	Abolished	New Facilities	Other Changes	Other Reviews	TOTAL CHANGE	Population[2]	Positions Per 1,000 Residents
FY 1991 to FY 1992	11,164	11,124	(153)	41	20	52	(40)	832,130	13.57
FY 1992 to FY 1993	11,124	10,628	(588)	0	13	79	(496)	844,500	12.58
FY 1993 to FY 1994	10,628	10,685	(88)	62	56	27	57	857,496	12.46
FY 1994 to FY 1995	10,685	10,870	(157)	94	131	117	185	871,268	12.48
FY 1995 to FY 1996	10,870	11,016	(49)	60	76	59	146	889,526	12.38
FY 1996 to FY 1997	11,016	10,782	(477)	150	(14)	107	(234)	905,888	11.90
FY 1997 to FY 1998	10,782	10,802	(56)	4	43	29	20	921,789	11.72
FY 1998 to FY 1999	10,802	10,911	(35)	26	41	77	109	938,912	11.62
FY 1999 to FY 2000	10,911	11,108	(17)	106	26	82	197	958,060	11.59
FY 2000 to FY 2001	11,108	11,317	0	25	107	77	209	977,058	11.58
FY 2001 to FY 2002	11,317	11,385	(2)	14	39	17	68	994,401	11.45
FY 2002 to FY 2003	11,385	11,498	(48)	70	1	90	113	1,008,263	11.40
FY 2003 to FY 2004	11,498	11,443	(124)	49	0	20	(55)	1,017,194	11.25
FY 2004 to FY 2005	11,443	11,547	(4)	56	0	52	104	1,027,972	11.23
FY 2005 to FY 2006	11,547	11,742	(21)	163	50	3	195	1,035,479	11.34
FY 2006 to FY 2007	11,742	11,936	0	159	16	19	194	1,039,409	11.48
FY 2007 to FY 2008	11,936	12,024	0	55	15	18	88	1,043,601	11.52
FY 2008 to FY 2009	12,024	12,101	0	0	33	44	77	1,048,842	11.54
FY 2009 to FY 2010	12,101	11,796	(308)	2	0	1	(305)	1,066,858	11.06
FY 2010 to FY 2011	11,796	12,031	(191)	4	11	411	235	1,089,262	11.05
FY 2011 to FY 2012	12,031	12,278	0	3	36	208	247	1,103,262	11.13
FY 2012 to FY 2013	12,278	12,281	(26)	5	45	(21)	3	1,110,673	11.06
FY 2013 to FY 2014	12,281	12,314	(83)	2	40	74	33	1,113,933	11.05
FY 2014 to FY 2015	12,314	12,354	(45)	11	46	28	40	1,120,823	11.02
FY 2015 to FY 2016	12,354	12,385	(70)	0	51	50	31	1,128,650	10.97
FY 2016 to FY 2017	12,385	12,480	(17)	18	52	42	95	1,137,400	10.97
FY 2017 to FY 2018 Revised	12,480	12,595	(9)	8	73	43	115	1,146,050	10.99
FY 2018 to FY 2019 Advertised	12,595	12,672	0	19	58	0	77	1,152,350	11.00
Total	**11,164**	**12,672**	**(2,568)**	**1,206**	**1,065**	**1,805**	**1,508**		

In addition, a total of 168 project positions have been abolished since FY 1991, resulting in a total of 2,736 abolished positions. This results in a net increase of 1,340 positions through the FY 2019 Adopted Budget Plan. Despite the net addition of positions, Positions Per 1,000 Residents have decreased dramatically during the period between FY 1992 and FY 2019, from 13.57 (including the 168 project positions) to 11.00, a 19.0 percent decrease.

( ) Denotes Abolished Positions
[1] Fiscal Year totals reflect actuals except for the current and budget year which reflect latest budgeted position counts.
[2] Population numbers used to compute Positions Per 1,000 Residents are provided by the Department of Neighborhood and Community Services and adjusted for fiscal year.

During the period FY 1992 - FY 2019, the following chart depicts the trend in merit regular positions per 1,000 residents:



Summary of Position Changes

FY 2019 Position Actions

Total Change: 77 Regular Merit Positions

Agency	Explanation	# of Positions
NEW POSITIONS		**77**
Facilities Management	County Transit	1
Business Planning and Support	Capital Project Information Management System	1
Capital Facilities	Capital Project Workload	4
Transportation	County Transit	1
Tax Administration	Service Enhancements	5
Family Services	School-Age Child Care (SACC) Rooms	2
Health	Nurse Family Partnership	2
Juvenile and Domestic Relations District Court	Diversion First	2
Police	Diversion First	1
Police	Violent Crimes Task Force	1
Police	South County Police Station	17
Sheriff	Diversion First	3
County and Regional Transportation Projects	Transportation Project Support	2
Cable Communications	Channel 16 Video Production Services	1
Community Services Board	Diversion First	8
Community Services Board	Support Coordination	14
Stormwater Services	Stormwater Activities	5
Sewer Operation and Maintenance	Sewer Operations	7
REDUCTIONS/REALIGNMENTS		**0**
County Executive	Health and Human Services Realignment	(1)
County Executive	One Fairfax	1
Procurement and Material Management	Health and Human Services Realignment	23
Management and Budget	Health and Human Services Realignment	1
Family Services	Health and Human Services Realignment	45
Family Services	Infant Toddler Connection Realignment	41
Administration for Human Services	Health and Human Services Realignment	(168)
Information Technology	Court Information Technology	4
Health	Health and Human Services Realignment	10
Prevent and End Homelessness	Health and Human Services Realignment	13
Strategy Management for Health and Human Services	Health and Human Services Realignment	31
Neighborhood and Community Services	Health and Human Services Realignment	1
Neighborhood and Community Services	One Fairfax	(1)
Juvenile and Domestic Relations District Court	Health and Human Services Realignment	6
Juvenile and Domestic Relations District Court	Court Information Technology	(4)
Community Services Board	Health and Human Services Realignment	39
Community Services Board	Infant Toddler Connection Realignment	(41)
	TOTAL CHANGE:	**77**

Summary of Position Changes

FY 2018 Position Actions

Total Change: 115 Regular Merit Positions

Agency	Explanation	# of Positions
NEW POSITIONS		**81**
Facilities Management	Maintenance for Public Safety Headquarters	3
Capital Facilities	Capital Project Workload	9
Planning and Zoning	Zoning Ordinance Review and Update	2
Transportation	County Transit	2
Family Services	Human Trafficking	1
Circuit Court and Records	Support for New Circuit Court Judge	1
General District Court	Diversion First	5
Police	Diversion First	3
Police	Internal Affairs Bureau	2
Police	Relief Sergeants	18
Police	South County Police Station	5
Sheriff	Diversion First	3
Code Compliance	Illegal Signs in the Right-of-Way Inspector	1
County and Regional Transportation Projects	State Transportation Funding Plan	2
Community Services Board	Diversion First	7
Community Services Board	Support Coordination	12
Stormwater Services	Stormwater Activities	2
Vehicle Services	Vehicle Maintenance	1
Sewer Operation and Maintenance	Sewer Operations	2
REDUCTIONS/REALIGNMENTS		**(9)**
County Executive	Process and Procedures Coordinator	(1)
Finance	Transfer from Management and Budget	1
Human Resources	Transfer to Police	(1)
Management and Budget	Transfer from Neighborhood and Community Services as part of Demographics Realignment	3
Management and Budget	Transfer from Tax Administration	1
Management and Budget	Transfer to Finance	(1)
Management and Budget	Eliminate Vacant Position	(1)
Library	Reduce Technical Operations	(1)
Tax Administration	Transfer to Management and Budget	(1)
Information Technology	Restructure Administrative Processing	(2)
Neighborhood and Community Services	Transfer to Management and Budget as part of Demographics Realignment	(3)
Police	Transfer from Human Resources	1
Community Services Board	Eliminate the Youth Day Treatment Program	(4)
Refuse Disposal	Transfer from Energy Resource Recovery (ERR) Facility	12
Energy Resource Recovery (ERR) Facility	Transfer to Refuse Disposal	(12)

Summary of Position Changes

FY 2018 Position Actions

Agency	Explanation	# of Positions
OTHER CHANGES DURING FISCAL YEAR		**43**
Public Affairs	Workload requirements	1
Business Planning and Support	Workload requirements	1
Land Development Services	Fairfax First (FY 2017 Carryover)	10
Land Development Services	Planning Land Use System (PLUS) Support	1
Land Development Services	Economic Success Strategic Plan Support	1
Planning and Zoning	Planning Land Use System (PLUS) Support	2
Housing and Community Development	Transfer from Elderly Housing	3
Housing and Community Development	Workload requirements	1
Office of Human Rights and Equity Programs	Workload requirements	1
Civil Service Commission	Workload requirements	1
Park Authority	Realignment of position	(1)
Tax Administration	Workload requirements	1
Family Services	Public Assistance Caseloads positions (FY 2017 Carryover)	11
Family Services	Transfer to Health	(1)
Administration for Human Services	Transfer from Neighborhood and Community Services	1
Health	Workload requirements	1
Health	Transfer from Family Services	1
Neighborhood and Community Services	Transfer to Administration for Human Services	(1)
Police	Opioid use epidemic (FY 2018 Third Quarter)	5
Police	Gang prevention (FY 2018 Third Quarter)	1
Police	Workload requirements	1
Fire and Rescue	Realignment of position	1
Animal Sheltering	Workload requirements	1
Community Services Board	Opioid use epidemic (FY 2018 Third Quarter)	15
Community Services Board	Realignment of positions	(3)
Refuse Collection and Recycling	Transfer to I-95 Refuse Disposal	(2)
Refuse Collection and Recycling	Transfer to Refuse Disposal	(1)
Refuse Disposal	Realignment of positions	(4)
Refuse Disposal	Transfer to I-95 Refuse Disposal	(1)
Refuse Disposal	Transfer from I-95 Refuse Disposal	1
Refuse Disposal	Transfer from Refuse Collection and Recycling	1
I-95 Refuse Disposal	Transfer from Refuse Collection and Recycling	2
I-95 Refuse Disposal	Realignment of position	(2)
I-95 Refuse Disposal	Transfer to Refuse Disposal	(1)
I-95 Refuse Disposal	Transfer from Refuse Disposal	1
Elderly Housing	Transfer to Housing and Community Development	(3)
Vehicle Services	FCPS Vehicle Maintenance Position (FY 2017 Carryover)	1
Technology Infrastructure Services	Realignment of positions	(4)

TOTAL CHANGE: 115

Summary of Position Changes

FY 2017 Position Actions

Total Change: 95 Regular Merit Positions

Agency	Explanation	# of Positions
NEW POSITIONS		**70**
Facilities Management	Maintenance for Public Safety Headquarters	3
Facilities Management	Maintenance for original Mt. Vernon High School	3
Elections	Absentee voting and information technology support	2
Information Technology	Information technology security	2
General District Court	Diversion First	5
Police	Patrol (Public Safety Staffing Plan)	14
Police	South County Police Station	15
Police	Diversion First	3
Police	Human Trafficking Task Force	2
Police	Polygraph Positions	2
Sheriff	Diversion First	3
Community Services Board	Diversion First	8
Community Services Board	Support Coordination	4
Stormwater Services	Administrative support for work order system and safety program	1
Sewer Operation and Maintenance	Wastewater activities	3
REDUCTIONS/REALIGNMENTS		**(17)**
Cable and Consumer Services	Transfer to Document Services as part of Mailroom Realignment	(12)
Cable and Consumer Services	Transfer to Cable Communications as part of Mailroom Realignment	(2)
Management and Budget	Central Services Redesign	(2)
Park Authority	Elimination of positions vacant for extended period	(12)
Library	Transfer to Document Services as part of Archives Realignment	(6)
Administration for Human Services	Transfer from Community Services Board	1
Information Technology	Elimination of positions vacant for extended period	(2)
Cable Communications	Transfer from Cable and Consumer Services as part of Realignment	2
Community Services Board	Transfer to Administration for Human Services	(1)
Document Services	Elimination of position vacant for extended period	(1)
Document Services	Transfer from Library as part of Archives Realignment	6
Document Services	Transfer from Cable and Consumer Services as part of Mailroom Realignment	12
OTHER CHANGES DURING FISCAL YEAR		**42**
County Executive	Transfer from Park Authority	2
Facilities Management	Transfer from Refuse Disposal	1
Human Resources	Transfer from Park Authority	2
Office of Public Affairs	Freedom of Information Act (FOIA) Related Staffing (FY 2016 Carryover)	3
County Attorney	Freedom of Information Act (FOIA) Related Staffing (FY 2016 Carryover)	2
Business Planning and Support	Transfer from Capital Facilities	2
Business Planning and Support	Transfer to Land Development Services	(1)
Business Planning and Support	Transfer from Stormwater Services	7
Business Planning and Support	Transfer from Refuse Disposal	5

Summary of Position Changes

FY 2017 Position Actions

Agency	Explanation	# of Positions
Business Planning and Support	Transfer from I-95 Refuse Disposal	1
Business Planning and Support	Transfer from Sewer Operations and Maintenance	4
Capital Facilities	Transfer to Business Planning and Support	(2)
Capital Facilities	Transfer from Park Authority	1
Land Development Services	Transfer from Business Planning and Support	1
Land Development Services	Transfer from I-95 Refuse Disposal	1
Land Development Services	Transfer to Stormwater Services	(2)
Human Rights and Equity Programs	Transfer from Park Authority	1
Independent Police Auditor	Establishment of Agency (Board Action 9/20/2016)	3
Park Authority	Transfer to County Executive	(2)
Park Authority	Transfer to Human Resources	(2)
Park Authority	Transfer to Capital Facilities	(1)
Park Authority	Transfer to Human Rights and Equity Programs	(1)
Park Authority	Transfer to Retirement	(1)
Family Services	Healthy Families Fairfax (FY 2016 Carryover)	5
Family Services	Transfer to Health	(1)
Family Services	Transfer to Neighborhood and Community Services	(2)
Information Technology	Freedom of Information Act (FOIA) Related Staffing (FY 2016 Carryover)	1
Health	Transfer from Family Services	1
Neighborhood and Community Services	Transfer from Family Services	2
Police	Diversion First (FY 2016 Carryover)	1
Police	Drinking While Intoxicated Enforcement Initiative (FY 2016 Carryover)	9
Police	Transfer to Animal Sheltering	(31)
Sheriff	Diversion First (FY 2016 Carryover)	1
Animal Sheltering	Transfer from Police	31
County and Regional Transportation Projects	State Transportation Funding Plan (FY 2016 Carryover)	5
Community Services Board	Support Coordination (FY 2016 Carryover)	10
Stormwater Services	Transfer to Business Planning and Support	(7)
Stormwater Services	Transfer from Land Development Services	2
Stormwater Services	Transfer from Refuse Collection and Recycling Operations	1
Refuse Collection and Recycling Operations	Transfer to Stormwater Services	(1)
Refuse Collection and Recycling Operations	Transfer to Refuse Disposal	(8)
Refuse Collection and Recycling Operations	Transfer to I-95 Refuse Disposal	(1)
Refuse Disposal	Transfer to Facilities Management	(1)
Refuse Disposal	Transfer to Business Planning and Support	(5)
Refuse Disposal	Transfer from Refuse Collection and Recycling Operations	8
Refuse Disposal	Transfer to I-95 Refuse Disposal	(1)
I-95 Refuse Disposal	Transfer to Business Planning and Support	(1)
I-95 Refuse Disposal	Transfer to Land Development Services	(1)
I-95 Refuse Disposal	Transfer from Refuse Collection and Recycling Operations	1
I-95 Refuse Disposal	Transfer from Refuse Disposal	1
Vehicle Services	FCPS Vehicle Maintenance (FY 2016 Carryover)	2
Sewer Operation and Maintenance	Transfer to Business Planning and Support	(4)
Retirement	Transfer from Park Authority	1
	TOTAL CHANGE:	**95**

FY 2019 ADOPTED POSITION SUMMARY

(GENERAL FUND)

		FY 2017		FY 2018										FY 2019					
		Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		*Inc/ (Dec)*	
#	**Agency Title**	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
	Legislative-Executive Functions / Central Services																		
01	Board of Supervisors	77	77.00	77	77.00	0	0.00	0	0.00	0	0.00	77	77.00	77	77.00	77	77.00	0	0.00
02	Office of the County Executive	55	55.00	54	54.00	0	0.00	0	0.00	0	0.00	54	54.00	54	54.00	54	54.00	0	0.00
06	Department of Finance	55	55.00	56	56.00	0	0.00	0	0.00	0	0.00	56	56.00	56	56.00	56	56.00	0	0.00
11	Department of Human Resources	77	77.00	76	76.00	0	0.00	0	0.00	0	0.00	76	76.00	76	76.00	76	76.00	0	0.00
12	Department of Procurement and Material Management	49	49.00	49	49.00	0	0.00	0	0.00	0	0.00	49	49.00	72	72.00	72	72.00	23	23.00
13	Office of Public Affairs	20	20.00	20	20.00	0	0.00	1	1.00	0	0.00	21	21.00	21	21.00	21	21.00	0	0.00
15	Office of Elections	30	30.00	30	30.00	0	0.00	0	0.00	0	0.00	30	30.00	30	30.00	30	30.00	0	0.00
17	Office of the County Attorney	64	64.00	64	64.00	0	0.00	0	0.00	0	0.00	64	64.00	64	64.00	64	64.00	0	0.00
20	Department of Management and Budget	50	50.00	52	52.00	0	0.00	0	0.00	0	0.00	52	52.00	53	53.00	53	53.00	1	1.00
37	Office of the Financial and Program Auditor	3	3.00	3	3.00	0	0.00	0	0.00	0	0.00	3	3.00	3	3.00	3	3.00	0	0.00
41	Civil Service Commission	3	3.00	3	3.00	0	0.00	1	1.00	0	0.00	4	4.00	4	4.00	4	4.00	0	0.00
42	Office of the Independent Police Auditor	3	3.00	3	3.00	0	0.00	0	0.00	0	0.00	3	3.00	3	3.00	3	3.00		
57	Department of Tax Administration	283	283.00	282	282.00	0	0.00	1	1.00	0	0.00	283	283.00	288	288.00	288	288.00	5	5.00
70	Department of Information Technology	251	251.00	249	249.00	0	0.00	0	0.00	0	0.00	249	249.00	253	253.00	253	253.00	4	4.00
	Total Legislative-Executive Functions / Central Services	**1,020**	**1,020.00**	**1,018**	**1,018.00**	**0**	**0.00**	**3**	**3.00**	**0**	**0.00**	**1,021**	**1,021.00**	**1,054**	**1,054.00**	**1,054**	**1,054.00**	**33**	**33.00**
	Judicial Administration																		
80	Circuit Court and Records	163	163.00	164	164.00	0	0.00	0	0.00	0	0.00	164	164.00	164	164.00	164	164.00	0	0.00
82	Office of the Commonwealth's Attorney	41	41.00	41	41.00	0	0.00	0	0.00	0	0.00	41	41.00	41	41.00	41	41.00	0	0.00
85	General District Court	28	28.00	33	33.00	0	0.00	0	0.00	0	0.00	33	33.00	33	33.00	33	33.00	0	0.00
91	Office of the Sheriff	169	168.50	169	168.50	0	0.00	(4)	(4.00)	0	0.00	165	164.50	169	168.50	165	164.50	0	0.00
	Total Judicial Administration	**401**	**400.50**	**407**	**406.50**	**0**	**0.00**	**(4)**	**(4.00)**	**0**	**0.00**	**403**	**402.50**	**407**	**406.50**	**403**	**402.50**	**0**	**0.00**
	Public Safety																		
04	Department of Cable and Consumer Services	10	10.00	10	10.00	0	0.00	0	0.00	0	0.00	10	10.00	10	10.00	10	10.00	0	0.00
31	Land Development Services	97	97.00	97	97.00	5	5.00	(1)	(1.00)	0	0.00	101	101.00	101	101.00	101	101.00	0	0.00
81	Juvenile and Domestic Relations District Court	303	302.00	303	302.00	0	0.00	0	0.00	0	0.00	303	302.00	307	306.00	307	306.00	4	4.00
90	Police Department	1,737	1,737.00	1,766	1,766.00	0	0.00	1	1.00	6	6.00	1,773	1,773.00	1,786	1,786.00	1,792	1,792.00	19	19.00
91	Office of the Sheriff	435	434.50	438	437.50	0	0.00	4	4.00	0	0.00	442	441.50	441	440.50	445	444.50	3	3.00
92	Fire and Rescue Department	1,592	1,592.00	1,592	1,592.00	0	0.00	1	1.00	0	0.00	1,593	1,593.00	1,592	1,592.00	1,593	1,593.00	0	0.00
93	Office of Emergency Management	13	13.00	13	13.00	0	0.00	0	0.00	0	0.00	13	13.00	13	13.00	13	13.00	0	0.00
96	Department of Animal Sheltering	31	31.00	31	31.00	0	0.00	1	1.00	0	0.00	32	32.00	32	32.00	32	32.00		
97	Department of Code Compliance	45	45.00	46	46.00	0	0.00	0	0.00	0	0.00	46	46.00	46	46.00	46	46.00	0	0.00
	Total Public Safety	**4,263**	**4,261.50**	**4,296**	**4,294.50**	**5**	**5.00**	**6**	**6.00**	**6**	**6.00**	**4,313**	**4,311.50**	**4,328**	**4,326.50**	**4,339**	**4,337.50**	**26**	**26.00**
	Public Works																		
08	Facilities Management Department	210	210.00	213	213.00	0	0.00	0	0.00	0	0.00	213	213.00	214	214.00	214	214.00	1	1.00
25	Business Planning and Support	37	37.00	37	37.00	0	0.00	1	1.00	0	0.00	38	38.00	39	39.00	39	39.00	1	1.00
26	Office of Capital Facilities	154	154.00	163	163.00	0	0.00	0	0.00	0	0.00	163	163.00	167	167.00	167	167.00	4	4.00
	Total Public Works	**401**	**401.00**	**413**	**413.00**	**0**	**0.00**	**1**	**1.00**	**0**	**0.00**	**414**	**414.00**	**420**	**420.00**	**420**	**420.00**	**6**	**6.00**
	Health and Welfare																		
67	Department of Family Services	1,493	1,468.09	1,494	1,469.09	11	11.00	(1)	0.29	0	0.00	1,504	1,480.38	1,592	1,567.79	1,592	1,567.98	88	87.60
68	Department of Administration for Human Services	167	166.50	167	166.50	0	0.00	1	1.00	0	0.00	168	167.50	0	0.00	0	0.00	(168)	(167.50)
71	Health Department	654	582.59	654	582.59	0	0.00	2	2.00	0	0.00	656	584.59	668	596.09	668	596.09	12	11.50
73	Office to Prevent and End Homelessness	8	8.00	8	8.00	0	0.00	0	0.00	0	0.00	8	8.00	21	21.00	21	21.00	13	13.00
77	Office of Strategy Management for Health and Human Services	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	31	31.00	31	31.00	31	31.00
79	Department of Neighborhood and Community Services	222	222.00	219	219.00	0	0.00	(1)	(1.00)	0	0.00	218	218.00	218	218.00	218	218.00	0	0.00
	Total Health and Welfare	**2,544**	**2,447.18**	**2,542**	**2,445.18**	**11**	**11.00**	**1**	**2.29**	**0**	**0.00**	**2,554**	**2,458.47**	**2,530**	**2,433.88**	**2,530**	**2,434.07**	**(24)**	**(24.40)**
	Parks and Libraries																		
51	Fairfax County Park Authority	330	329.25	330	329.25	0	0.00	(1)	(0.50)	0	0.00	329	328.75	330	329.25	329	328.75	0	0.00
52	Fairfax County Public Library	380	359.50	379	358.50	0	0.00	0	0.00	0	0.00	379	358.50	379	358.50	379	358.50	0	0.00
	Total Parks and Libraries	**710**	**688.75**	**709**	**687.75**	**0**	**0.00**	**(1)**	**(0.50)**	**0**	**0.00**	**708**	**687.25**	**709**	**687.75**	**708**	**687.25**	**0**	**0.00**
	Community Development																		
16	Economic Development Authority	36	36.00	36	36.00	0	0.00	0	0.00	0	0.00	36	36.00	36	36.00	36	36.00	0	0.00
31	Land Development Services	177	177.00	177	177.00	5	5.00	3	3.00	0	0.00	185	185.00	184	184.00	185	185.00	0	0.00
35	Department of Planning and Zoning	133	133.00	135	135.00	0	0.00	2	2.00	0	0.00	137	137.00	137	137.00	137	137.00	0	0.00
36	Planning Commission	7	7.00	7	7.00	0	0.00	0	0.00	0	0.00	7	7.00	7	7.00	7	7.00	0	0.00
38	Department of Housing and Community Development	44	44.00	44	44.00	0	0.00	4	4.00	0	0.00	48	48.00	48	48.00	48	48.00	0	0.00
39	Office of Human Rights and Equity Programs	17	17.00	17	17.00	0	0.00	1	1.00	0	0.00	18	18.00	18	18.00	18	18.00	0	0.00
40	Department of Transportation	119	119.00	121	121.00	0	0.00	0	0.00	0	0.00	121	121.00	122	122.00	122	122.00	1	1.00
	Total Community Development	**533**	**533.00**	**537**	**537.00**	**5**	**5.00**	**10**	**10.00**	**0**	**0.00**	**552**	**552.00**	**552**	**552.00**	**553**	**553.00**	**1**	**1.00**
	Total General Fund Positions	**9,872**	**9,751.93**	**9,922**	**9,801.93**	**21**	**21.00**	**16**	**17.79**	**6**	**6.00**	**9,965**	**9,846.72**	**10,000**	**9,880.63**	**10,007**	**9,888.32**	**42**	**41.60**

FY 2019 ADOPTED POSITION SUMMARY

(GENERAL FUND SUPPORTED AND OTHER FUNDS)

	FY 2017		FY 2018										FY 2019					
	Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		Inc/(Dec)	
Fund	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
General Fund Supported																		
40040 Fairfax-Falls Church Community Services Board	979	975.00	994	990.00	0	0.00	(3)	(3.00)	15	15.00	1,006	1,002.00	1,011	1,007.00	1,026	1,022.00	20	20.00
40330 Elderly Housing Programs	12	12.00	12	12.00	0	0.00	(3)	(3.00)	0	0.00	9	9.00	9	9.00	9	9.00	0	0.00
60000 County Insurance	14	14.00	14	14.00	0	0.00	0	0.00	0	0.00	14	14.00	14	14.00	14	14.00	0	0.00
60010 Department of Vehicle Services	262	262.00	263	263.00	1	1.00	0	0.00	0	0.00	264	264.00	264	264.00	264	264.00	0	0.00
60020 Document Services	27	27.00	27	27.00	0	0.00	0	0.00	0	0.00	27	27.00	27	27.00	27	27.00	0	0.00
60030 Technology Infrastructure Services	73	73.00	73	73.00	0	0.00	(4)	(4.00)	0	0.00	69	69.00	69	69.00	69	69.00	0	0.00
Total General Fund Supported	**1,367**	**1,363.00**	**1,383**	**1,379.00**	**1**	**1.00**	**(10)**	**(10.00)**	**15**	**15**	**1,389**	**1,385.00**	**1,394**	**1,390.00**	**1,409**	**1,405.00**	**20**	**20.00**
Other Funds																		
40010 County and Regional Transportation Projects	52	52.00	54	54.00	0	0.00	0	0.00	0	0.00	54	54.00	56	56.00	56	56.00	2	2.00
40030 Cable Communications	54	54.00	54	54.00	0	0.00	0	0.00	0	0.00	54	54.00	55	55.00	55	55.00	1	1.00
40050 Reston Community Center	50	50.00	50	50.00	0	0.00	0	0.00	0	0.00	50	50.00	50	50.00	50	50.00	0	0.00
40060 McLean Community Center	31	28.38	31	28.38	0	0.00	0	0.00	0	0.00	31	28.38	31	28.38	31	28.38	0	0.00
40080 Integrated Pest Management Program	11	11.00	11	11.00	0	0.00	0	0.00	0	0.00	11	11.00	11	11.00	11	11.00	0	0.00
40090 E-911	205	205.00	205	205.00	0	0.00	0	0.00	0	0.00	205	205.00	205	205.00	205	205.00	0	0.00
40100 Stormwater Services	179	179.00	181	181.00	0	0.00	0	0.00	0	0.00	181	181.00	186	186.00	186	186.00	5	5.00
40140 Refuse Collection and Recycling Operations	119	119.00	119	119.00	0	0.00	(3)	(3.00)	0	0.00	116	116.00	117	117.00	116	116.00	0	0.00
40150 Refuse Disposal	146	146.00	158	158.00	0	0.00	(3)	(3.00)	0	0.00	155	155.00	154	154.00	155	155.00	0	0.00
40160 Energy Resource Recovery (ERR) Facility	12	12.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
40170 I-95 Refuse Disposal	40	40.00	40	40.00	0	0.00	0	0.00	0	0.00	40	40.00	41	41.00	40	40.00	0	0.00
69010 Sewer Operation and Maintenance	315	315.00	317	317.00	0	0.00	0	0.00	0	0.00	317	317.00	324	324.00	324	324.00	7	7.00
73000 Employees' Retirement Trust	26	26.00	26	26.00	0	0.00	0	0.00	0	0.00	26	26.00	26	26.00	26	26.00	0	0.00
73030 OPEB Trust	1	1.00	1	1.00	0	0.00	0	0.00	0	0.00	1	1.00	1	1.00	1	1.00	0	0.00
Total Other Funds	**1,241**	**1,238.38**	**1,247**	**1,244.38**	**0**	**0.00**	**(6)**	**(6.00)**	**0**	**0.00**	**1,241**	**1,238.38**	**1,257**	**1,254.38**	**1,256**	**1,253.38**	**15**	**15.00**
Total All Funds	**12,480**	**12,353.31**	**12,552**	**12,425.31**	**22**	**22.00**	**0**	**1.79**	**21**	**21.00**	**12,595**	**12,470.10**	**12,651**	**12,525.01**	**12,672**	**12,546.70**	**77**	**76.60**

FY 2019 ADOPTED POSITION SUMMARY

(GENERAL FUND STATE POSITIONS)

	FY 2017		FY 2018										FY 2019					
	Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		*Inc/(Dec)*	
Agency Title	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
Circuit Court and Records	15	15.00	15	15.00	0	0.00	0	0.00	0	0.00	15	15.00	15	15.00	15	15.00	0	0.00
Juvenile and Domestic Relations District Court	43	43.00	43	43.00	0	0.00	(1)	(1.00)	0	0.00	42	42.00	42	42.00	42	42.00	0	0.00
General District Court	117	114.10	117	114.10	0	0.00	0	0.00	0	0.00	117	114.10	117	114.10	117	114.10	0	0.00
Office of the Sheriff	27	27.00	27	27.00	0	0.00	0	0.00	0	0.00	27	27.00	27	27.00	27	27.00	0	0.00
Total General Fund	**202**	**199.10**	**202**	**199.10**	**0**	**0.00**	**(1)**	**(1.00)**	**0**	**0.00**	**201**	**198.10**	**201**	**198.10**	**201**	**198.10**	**0**	**0.00**

FY 2019 ADOPTED POSITION SUMMARY
(GRANT POSITIONS)

	FY 2017		FY 2018										FY 2019					
	Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		*Inc/(Dec)*	
Fund/Agency Title	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
Fund 50000, Federal/State Grant																		
Office of Human Rights and Equity Programs	3	3.00	3	3.00	0	0.00	0	0.00	0	0.00	3	3.00	3	3.00	3	3.00	0	0.00
Department of Transportation	7	7.00	7	7.00	0	0.00	0	0.00	0	0.00	7	7.00	7	7.00	7	7.00	0	0.00
Department of Family Services	178	175.00	178	169.80	0	0.00	(4)	0.70	0	0.00	174	170.50	205	195.80	205	195.80	31	25.30
Health Department	64	64.00	64	64.00	0	0.00	1	1.00	0	0.00	65	65.00	65	65.00	65	65.00	0	0.00
Fairfax-Falls Church Community Services Board	65	65.00	65	64.80	0	0.00	3	3.20	0	0.00	68	68.00	35	34.80	35	34.80	(33)	(33.20)
Department of Neighborhood and Community Services	3	3.00	1	0.90	0	0.00	2	2.10	0	0.00	3	3.00	1	0.90	1	0.90	(2)	(2.10)
Juvenile and Domestic Relations District Court	1	0.50	1	0.50	0	0.00	0	0.00	0	0.00	1	0.50	1	0.50	1	0.50	0	0.00
General District Court	9	9.00	8	8.00	0	0.00	1	1.00	0	0.00	9	9.00	8	8.00	8	8.00	(1)	(1.00)
Police Department	9	9.00	8	8.00	0	0.00	1	1.00	0	0.00	9	9.00	8	8.00	8	8.00	(1)	(1.00)
Fire and Rescue Department	19	19.00	18	16.80	0	0.00	1	2.20	0	0.00	19	19.00	19	18.00	19	18.00	0	(1.00)
Emergency Management	4	4.00	4	4.00	0	0.00	0	0.00	0	0.00	4	4.00	4	4.00	4	4.00	0	0.00
Total Federal/State Grant Fund [1]	**362**	**358.50**	**357**	**346.80**	**0**	**0.00**	**5**	**11.20**	**0**	**0.00**	**362**	**358.00**	**356**	**345.00**	**356**	**345.00**	**(6)**	**(13.00)**
Fund 50800, Community Development Block Grant																		
Department of Housing and Community Development	17	17.00	17	17.00	0	0.00	(3)	(3.00)	0	0.00	14	14.00	14	14.00	14	14.00	0	0.00
Total Community Development Block Grant	**17**	**17.00**	**17**	**17.00**	**0**	**0.00**	**(3)**	**(3.00)**	**0**	**0.00**	**14**	**14.00**	**14**	**14.00**	**14**	**14.00**	**0**	**0.00**
Fund 50810, HOME Investment Partnerships Program																		
Department of Housing and Community Development	2	2.00	2	2.00	0	0.00	0	0.00	0	0.00	2	2.00	2	2.00	2	2.00	0	0.00
Total HOME Investment Partnerships Program	**2**	**2.00**	**2**	**2.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**2**	**2.00**	**2**	**2.00**	**2**	**2.00**	**0**	**0.00**

[1] It should be noted that the FY 2018 Revised position count includes grant positions that are funded with prior year awards for which additional funding is not anticipated.

Glossary

COUNTY OF FAIRFAX

FARE FAC

1742

VIRGINIA

FY 2019

Adopted Budget Plan

Account: A separate financial reporting unit. All budgetary transactions are recorded in accounts.

Accounting Period: A period of time (e.g., one month, one year) where the County determines its financial position and results of operations.

Accrual: Accrual accounting/budgeting refers to a method of accounting/budgeting in which revenues are recorded when earned and outlays are recorded when goods are received or services are performed, even though the actual receipts and disbursements of cash may occur, in whole or in part, in a different fiscal period.

Accrual Basis of Accounting: A method of accounting where revenues are recorded when service is given and expenses are recognized when the benefit is received. In Fairfax County, governmental and agency funds are accounted for on a modified accrual basis of accounting in which revenue is recognized when it is measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. Expenditures are generally recorded when the related fund liability is incurred, with the exception of principal and interest on general long-term debt and certain other general long-term obligations.

Actual: Monies that have already been used or received; different from budgeted monies, which are estimates of funds to be spent or received.

Actuarial: A methodology that makes determinations of required contributions to achieve future funding levels by addressing risk and time.

Adopted Budget Plan: A plan of financial operations approved by the Board of Supervisors highlighting major changes made to the County Executive's Advertised Budget Plan by the Board of Supervisors. The Adopted Budget Plan reflects approved tax rates and estimates of revenues, expenditures, transfers, agency goals, objectives and performance data. Sections are included to show major budgetary/financial policies and guidelines used in the fiscal management of the County.

Affordable Care Act: The Patient Protection and Affordable Care Act (PPACA), commonly called the Affordable Care Act (ACA) is a United States federal statute enacted in March 2010. The Affordable Care Act was intended to increase health insurance quality and affordability, lower the uninsured rate by expanding insurance coverage and reduce the costs of healthcare. It introduced mechanisms including mandates, subsidies and insurance exchanges. The law requires insurers to accept all applicants, cover a specific list of conditions and charge the same rates regardless of pre-existing conditions or sex.

Ad Valorem Tax: A tax levied on the assessed value of real estate and personal property. This tax is also known as property tax.

Advanced Life Support (ALS): The rapid intervention of advanced emergency medical services such as cardiac monitoring, starting intravenous fluids, giving medication, manual defibrillation, and the process of using advance airway adjuncts.

Advertised Budget Plan: A plan of financial operations submitted by the County Executive to the Board of Supervisors. This plan reflects estimated revenues, expenditures and transfers, as well as agency goals, objectives and performance data. In addition, sections are included to show major budgetary/financial policies and guidelines used in the fiscal management of the County.

Affordable Housing: Housing is generally considered affordable when the cost of rent/mortgage does not exceed 30-35 percent of the annual gross household income.

Amortization: The reduction of debt through regular payments of principal and interest sufficient to retire the debt instrument at a predetermined date known as maturity.

Annual Required Contribution (ARC): The actuarially determined amount of employer funding required to support pension or OPEB (other post-employment benefit) costs. The ARC is composed of the normal cost, which is the cost of benefits earned in the current year, and the amortization of the unfunded liability for benefits earned in prior years.

Appropriation: A specific amount of money authorized by the Board of Supervisors to a specified unit of the County government to make expenditures and to incur obligations for specific purposes. Appropriation authorizations expire at the end of the fiscal year.

Appropriation Controls: A specific amount of money authorized by the Board of Supervisors to a specified unit of the County government to make expenditures and to incur obligations for specific purposes. Spending is generally controlled either at the bottom line of appropriation categories such as Personnel Services, Operating Expenses, Recovered Costs (Work Performed for Others), or Capital Equipment (for operating agencies) or the bottom-line of a project budget, e.g., for capital construction funds or grant budget. In addition, agencies cannot transfer funds from one fund to another fund without authorization from the Board of Supervisors. Agencies cannot adjust their bottom-line budget expenditures without authorization from the Board of Supervisors. Typically, the Board of Supervisors approves agency bottom-line expenditure adjustments during the next budget review cycle, i.e., Third Quarter or Carryover. With adequate justification and DMB approval, agencies can perform a budget transfer of funds from one category to another, e.g., from Personnel Services to Operating Expenses, as long as there is no change to the agency's bottom-line budget and the budget transfer must occur within the same agency and/or fund.

Appropriated Fund: Funds budgeted and authorized by the Board of Supervisors for County agencies and funds to incur liabilities for the acquisition of goods and services. These funds, which include revenues derived from governmental sources, require annual appropriation by the Board of Supervisors for legal spending authority by agencies.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher yielding taxable securities. Internal Revenue Service regulations govern arbitrage on the proceeds from issuance of governmental securities.

Area Median Income (AMI): A measure of the amount of income for a specific geographical area where one-half of that area's population earns more than the AMI and the other half of the population earns less than AMI.

Assessed Property Value: The estimated actual value set upon real estate or other taxable property by the County Property Appraiser (Department of Tax Administration) as a basis for levying real estate tax. Real property is assessed as of January 1 each year at the estimated fair market value of all land and improvements, with the resulting taxes being payable in the subsequent fiscal year. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after three years, foreclosure proceedings can be initiated.

Assessment: The official valuation of property for purposes of taxation.

Assessment Ratio: The ratio of the assessed value of a taxed item to the market value of that item. In Fairfax County, real estate is assessed at 100 percent of market value as of January 1 each year.

Assets: Resources owned or held by a government which have monetary value. Assets may be tangible or intangible and are expressed in terms of cost or some other value.

Audit: An audit is an official examination and verification of accounts and records, especially of financial accounts, annually performed by an independent body. The County's financial statements are audited as required by the Code of Virginia. In addition to meeting the requirements of the state statutes, the County's independent audit meets the requirements of in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report of the independent auditors on the basic financial statements can be found in the financial section of the Comprehensive Financial Audit Report (CAFR). The Single Audit Report, issued separately, contains the independent auditor's reports related specifically to the single audit. As a recipient of federal and state financial assistance, the County also is responsible for maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the County's Internal Audit Office staff.

Audit Adjustment: This is an adjustment for an expenditure or revenue collection which has not been included in the Carryover Actuals, but has been deemed by the auditors to have occurred in the previous fiscal year. When an audit adjustment occurs, the Actual expenditures or revenues are either increased or decreased, resulting in a change to the actual Ending Balance and the Revised Beginning Balance. In addition, an audit adjustment can sometimes affect the revised budget plan for the following fiscal year.

Auditor of Public Accounts (APA): A state agency that oversees accounting, financial reporting and audit requirements for the units of local government in the Commonwealth of Virginia.

Authorized but Unissued Bonds: Bonds authorized by the Board of Supervisors following a referendum, but not issued to the bond markets. Bonds approved after July 1, 1991 have a maximum of 10 years available by law in which to be issued.

Average Household Size: The average number of persons residing within a household in a particular area. It is computed by dividing the total population in households (excluding group quarters such as correctional facilities, nursing homes and college dormitories) by the total number of occupied housing units in that area.

Balanced Budget: A budget is balanced when projected total funds available equal total disbursements, including established reserves. All local governments in the Commonwealth of Virginia must adopt a balanced budget as a requirement of state law no later than by July 1.

Base Budget: Cost of continuing the existing levels of service.

Basic Life Support (BLS): The level of medical care which is used for victims of life-threatening illnesses or injuries until they can be given full medical care at a hospital. It can be provided by trained medical personnel, including emergency medical technicians, paramedics, and by laypersons who have received BLS training. BLS is generally used in the pre-hospital setting, and can be provided without medical equipment.

Basis Point: Equal to 1/100 of one percent. For example, if interest rates rise from 6.50 percent to 6.75 percent, the difference is referred to as an increase of 25 basis points.

Beginning Balance: Unexpended funds from the previous fiscal year that may be used to make payments during the current fiscal year if appropriated.

Benchmarking: The systematic comparison of performance with other jurisdictions in order to discover best practices that will enhance performance. Benchmarking involves determining the quality of products, services and practices by measuring critical factors (e.g., how effective, how much a product or service costs) and comparing the results to those of highly regarded competitors.

Benefits: Expenditures related to employee benefits that are funded through employee and employer payroll deductions, like health insurance, retirement, and social security costs.

Best Practice: Program or service that is the most effective technique to reach an intended outcome when applied to a particular condition or circumstance. Best practices are generally documented as evidence-based by national organizations' review of research.

Board of Supervisors: The Code of Virginia (§ 15.2-802) provides that the powers of the County as a body politic and corporate shall be vested in an urban county board of supervisors, to consist of one member from each district of such county and to be known as the board of supervisors (the board). Each member shall be a qualified voter of his or her district and shall be elected by the qualified voters thereof. In addition to the above board members, the voters shall elect a county chairman who shall be a qualified voter of the county. The Board of Supervisors of Fairfax County is composed of ten members, one from each of the nine County magisterial districts, plus a chairman. Supervisors are elected for four-year terms.

Bond: A written promise to pay a specified sum of money (called the principal), at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure revenue for long-term capital improvements. The two major categories are General Obligation Bonds (G.O. Bonds) and Revenue Bonds. The majority of bonds issued for County and School construction projects are known as General Obligation Bonds.

Bond Covenants: A legally enforceable promise made to the bondholders from the issuer, generally in relation to the source of repayment funding.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bond Rating: A rating (made by an established bond rating company) from a schedule of grades indicating the probability of timely repayment of principal and interest on bonds issued. Fairfax County uses the services of the nation's three primary bond rating services, Moody's Investors Service, Standard & Poor's, and Fitch, to perform credit analyses to determine the probability of an issuer of debt defaulting partially or fully. Fairfax County has maintained a Triple A bond rating status from Moody's since 1975, Standard and Poor's since 1978, and Fitch since 1997.

Bond Referendum: A process whereby the voters of a governmental unit are given the opportunity to approve or disapprove a proposed issue of municipal securities, most commonly required for the approval of General Obligation Bonds. Requirements for voter approval may be imposed by constitution, statute or local ordinance.

Budget: A plan for the acquisition and allocation of resources to accomplish specified purposes. The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as "the budget of the Police Department," "the Capital Budget," or "the School Board's budget," or it may relate to a fiscal plan for an entire jurisdiction, such as "the budget of Fairfax County."

Budget Transfers: Budget transfers shift previously budgeted funds from one item of expenditure to another. Transfers may occur throughout the course of the fiscal year as needed for County government operations.

Build-Out: This refers to the time in the life cycle of the County when no incorporated property remains undeveloped. All construction from this point forward is renovation, retrofitting or land cleared through the demolition of existing structures.

Business Process Redesign: A methodology that seeks to improve customer service by focusing on redesigning current processes, and possibly incorporating automation-based productivity improvements. Redesign efforts require an Information Strategy Plan (ISP) which identifies and prioritizes the business areas to be redesigned. New or enhanced Business System Applications (BSAs) are usually required to improve the flow of information across organizational boundaries.

Business, Professional and Occupational License (BPOL) Tax: Businesses, professions, trades and occupations are assessed a license tax based on gross receipts for the prior year, without deductions. Exclusions are deductions from the definition of gross receipts. Section 4-7.2-1(B) of the Fairfax County Code and Chapter 37 of Title 58.1 of the Code of Virginia lists the only deductions that can be claimed. Individuals engaged in home occupations and who are self-employed must also file if their gross receipts are greater than $10,000. Receipts of venture capital or other investment funds are excluded from taxation except commissions and fees.

Capital Asset: Property that has an initial useful life longer than one year and that is of significant value. The useful life of most capital assets extends well beyond one year and includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets.

Capital Equipment: Equipment such as vehicles, furniture, technical instruments, etc., which have a life expectancy of more than one year and a value of over $5,000. Equipment with a value of less than $5,000 is operating equipment.

Capital Expenditure: A direct expenditure that results in or contributes to the acquisition or construction of major capital assets (e.g., lands, roads, buildings). The expenditure may be for new construction, addition, replacement or renovations to buildings that increase their value, or major alteration of a capital asset. Capital assets include land, infrastructure, buildings, equipment, vehicles and other tangible and intangible assets that have useful lives longer than one year.

Capital Facilities: Fixed assets, such as buildings or land.

Capital Improvement Program (CIP): A five-year plan for public facilities which addresses the construction or acquisition of fixed assets, primarily buildings but also including parks, sewers, sidewalks, etc., and major items of capital equipment and operating expenses related to new facilities.

Capital Outlay: Expenditures for capital-related expenditures.

Capital Paydown: Capital construction funded with current year General Fund revenues as opposed to construction financed through the issuance of bonds. This is also referred to as "pay-as-you-go" construction.

Capital Project: Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life.

Capital Renewal: Capital renewal is the planned replacement of building subsystems such as roofs, electrical systems, HVAC systems and plumbing systems that have reached the end of their useful life. Major capital renewal investments are required in facilities to replace old, obsolete building subsystems that have reached the end of their life cycle.

Capital Projects Funds: Funds, defined by the State Auditor of Public Accounts, that account for the acquisition and/or construction of major capital facilities or capital improvements other than sewers.

Carryover: The process by which certain unspent or unencumbered funds for appropriations previously approved by the Board of Supervisors and for commitments to pay for goods and services at the end of one fiscal year are reappropriated in the next fiscal year. Typically, funds carried over are nonrecurring expenditures, such as capital projects or capital equipment items.

Cash Management: An effort to manage cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized.

Cash Management System: A system of financial practices which ensures that sufficient cash is available on a daily basis for payment of County obligations when due.

Chart of Accounts: A list of expenditure, revenue, and other accounts describing and categorizing financial transactions.

Child Care Assistance and Referral (CCAR) Program: The CCAR program provides financial assistance for child care to families with low to moderate income who are working, or who are in education/training programs and need assistance with paying for the cost of child care. The program pays for child care in center-based and family child care programs. CCAR provides information about County child care programs and supports families in choosing care.

Children's Health Insurance Program (CHIP): This federally administered program is run by the U.S. Department of Health and Human Services that provides matching funds to states for health insurance to families with children. The program was designed to cover uninsured children in families with incomes that are modest but too high to qualify for Medicaid.

Children's Services Act (CSA): The Children's Services Act (CSA) provides both community- and facility-based services to at-risk children and their families. Services offered through CSA are driven by federal and state mandates in foster care and special education. County agencies and Fairfax County Public Schools (FCPS) work collaboratively to design service plans meeting the unique needs of families with children and youth who have, or are at-risk of having, serious emotional or behavioral difficulties.

Class: A group of positions which are sufficiently alike in general duties and responsibilities to warrant the use of the same title, specification and pay range.

Classification: The grouping of positions in regards to:

- kinds of duties performed and responsibilities;
- level of duties performed;
- requirements as to education, knowledge and experience and ability;
- tests of fitness; and ranges of pay.

Class Series: A number of classes of positions which are substantially similar as to the types of work involved and differ only in rank as determined by the level of the duties and degree of responsibility involved and the amount of training and experience required.

Class Specification: A written description of a class consisting of a class title, a general statement of the level of work, a statement of the distinguishing features of work, some examples of work, and the minimum qualifications for the class.

Client Cost for Service: The direct cost, as charged to the client, of receiving a service.

Commonwealth Coordinated Care Program Plus (CCCP): Beginning in July 2017, the Commonwealth of Virginia will move from a fee-for-service delivery model into a managed care model, to be known as the Commonwealth Coordinated Care Program Plus (CCCP), for individuals who receive both Medicare and Medicaid. This statewide managed care program will serve approximately 213,000 individuals throughout the Commonwealth. The CCCP program allows individuals who receive both Medicare and Medicaid the opportunity to received integrated coordinated care to improve health outcomes.

Community Health Care Network (CHCN): This network is a partnership of health professionals, physicians, hospitals and local government. CHCN was formed to provide primary health services for low income, uninsured residents of Fairfax County and the cities of Fairfax and Falls Church, who cannot afford primary medical care services for themselves and their families. The Fairfax County Health Department operates three health centers located in Falls Church, Alexandria and Reston. These centers have been established to provide the kind of medical care offered in a family doctor's office. When needed, medical specialists, ancillary services, and other referrals will be made, as available.

Comprehensive Annual Financial Report (CAFR): This official annual report, prepared by the Department of Finance, presents the status of the County's finances in a standardized format. The CAFR is organized by fund and contains two basic types of information: (1) a balance sheet that compares assets with liabilities and fund balance, and (2) an operating statement that compares revenues and expenditures. The CAFR contains the annual audited results of the County's financial position and activity.

Comprehensive Plan: The plan that guides and implements coordinated, adjusted, and harmonious land development that best promotes the health, safety, and general welfare of County residents. It contains long-range recommendations for land use, transportation systems, community services, historic resources, environmental resources, and other facilities, services, and resources.

Consolidated Plan: The U.S. Department of Housing and Urban Development (HUD) requires a Consolidated Plan application which combines the planning and application submission processes for several HUD programs: Community Development Block Grant, HOME Investment Partnerships Program, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS. Citizen participation is required as part of the process and is accomplished through representation on the Consolidated Plan Review Committee (CPRC), involvement in public hearings held on housing and community development needs, and participation in public hearings at which the Board of Supervisors takes action on the allocation of funds as recommended by the CPRC.

Constant or Real Dollars: The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index: CPI is a measure of the price level of a fixed "market basket" of goods and services relative to the value of that same basket in a designated base period. Measures for two population groups are currently published by the Bureau of Labor Statistics, CPI-U and CPI-W. CPI-U is based on a market basket determined by expenditure patterns of all urban households including professionals, self-employed, the poor, the unemployed, retired persons, and urban wage-earners and clerical workers. The CPI-W represents expenditure patterns of only urban wage-earner and clerical-worker families including sales workers, craft workers, service workers, and laborers. The CPI is used as appropriate to adjust for inflation.

Contingency: An appropriation of funds available to cover unforeseen events that occur during the fiscal year.

Contractual Services: Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Cost Center: Expenditure categories within a program area that relate to specific organizational goals or objectives. Each cost center may consist of an entire agency or a part of an agency. The Civil Service Commission, for example, being small and having a single purpose, is treated as a single cost center. The Office of the County Executive consists of four cost centers: Administration of County Policy, Office of Equity Programs, Office of Internal Audit, and Office of Partnerships.

Costs of Issuance: The expenses associated with the sale of a new issue of municipal securities, including such items as printing, legal and rating agency fees, and others.

Credit Rating: The credit worthiness of a governmental unit as determined by an independent rating agency. Fairfax County is rated by three rating agencies: 1) Moody's Investors Service; 2) Standard and Poor's; and Fitch Investors Services.

Cross-Cutting Initiative: A cross-cutting initiative involves the participation of two or more government agencies in addressing a challenge or implementing a program in Fairfax County. For example, there is a coordinated effort to address the challenge of West Nile Virus control by several agencies including the Health Department, the Park Authority, the Department of Public Works and Environmental Services, the Office of Public Affairs, and others.

Dashboard: Beginning with the FY 2014 Advertised Budget Plan, each General Fund and General Fund Supported agency budget narrative features a high-level dashboard of key drivers and metrics.

Debt Limit: The maximum amount of debt which an issuer of municipal securities is permitted to incur under constitutional, statutory or charter provisions.

Debt Service: The amount of money necessary to pay interest on an outstanding debt; the principal of maturing serial bonds and the required contributions to a sinking fund for term bonds. Debt service on bonds may be calculated on a calendar year, fiscal year, or bond fiscal year basis.

Debt Service Funds: Funds defined by the State Auditor of Public Accounts to finance and account for the payment of principal and interest on borrowed funds such as bonds. Fairfax County has three debt service funds, one for school debt, one for the Wastewater Management Program, and one for bonds issued to finance capital expenditures for all other agencies (County debt service). These funds receive revenue primarily by transfers from the General Fund, except for the Sewer Debt Service Fund, which is supported by sewer service fees.

Defeasance: A provision that voids a bond when the borrower sets aside cash or bonds sufficient to service the borrower's debt. When a bond issue is defeased, the borrower sets aside cash to pay off the bonds; therefore, the outstanding debt and cash offset each other on the balance sheet and do not need to be recorded.

Deferred Retirement Option Plan (DROP): A provision within a defined benefit retirement system that allows an employee who reaches retirement eligibility to agree to defer leaving employment until a specified date in the future, on the condition of being deemed to have retired for purposes of the retirement system. The employee continues to receive a salary and fringe benefits; however, contributions on the employees' behalf to the retirement system cease, while the payments the employee would receive if he/she was retired are invested and provided when the employee reaches the agreed upon date (no more than three years).

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Defined Benefit Pension Plan: A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time. The amount specified usually is a function of one or more factors such as age, years of service, and compensation.

Department: All office, divisions and other work units, which are under the control of a single department head. Example: Community Services Board (CSB).

Depreciation: The decrease in value of physical assets due to use and the passage of time. In financial terms, it refers to the process of allocating the cost of a capital asset to the periods during which the asset is used.

Devolution: The transfer or delegation of power to a lower level, especially by federal or state government to a local or regional government.

Dillon Rule: Fairfax County operates under the urban county executive form of government, an optional form of Virginia county government, and like other Virginia local governments, Fairfax County has limited powers. This doctrine of limited authority for local governments is commonly called the Dillon Rule, a name that is derived from the writings of a judge and law professor named John Forrest Dillon (1831-1914). The Dillon Rule is used in interpreting law when there is a question of whether or not a local government has a certain power. The Dillon Rule narrowly defines the power of local governments. Virginia courts have concluded that local governments in Virginia have only those powers that are specifically conferred on them by the Virginia General Assembly. Fairfax County has limited powers in and cannot take certain actions without appropriate action from the state, which limits revenue diversification options among other things.

Direct Costs: These are capital costs that can be traced easily to a specific project, activity, or product. Examples of such costs include the contract price, preliminary engineering studies, surveys, legal fees to establish title, installation costs, freight, and materials used in the construction or installation of the asset.

Disbursement: An expenditure or a transfer of funds to another accounting entity within the County financial system. Total disbursements equal the sum of expenditures and transfers out to other funds.

Distinguished Budget Presentation Program: A voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents.

Diversion First: Fairfax County community and government leaders have launched an effort, called Diversion First, to reduce the number of people with mental illness in local jails by diverting nonviolent offenders experiencing mental health crises to treatment rather than bringing them to jail. The Diversion First team includes County and state leaders, judges and magistrates, public defender and commonwealth's attorney, mental health advocates and consumers, and public safety chiefs and staff.

Economic Success Strategic Plan (ESSP): Fairfax County's strategic plan for economic success focuses on high-level policy recommendations to help the County to expand and diversify the economy. The Board of Supervisors approved this plan on March 3, 2015. This economic roadmap was created by the 50-member, board-appointed Economic Advisory Commission, along with County staff. The group broadly sought input to craft the plan, obtaining feedback from more than 250 participants. Stakeholder representation was inclusive of various members of the community, including business, community, and civic leaders, local chambers of commerce, area colleges and universities, and local residents. The strategy focuses on high-level policy recommendations to help the County to expand and diversify the economy, and it focuses on six goals:

- Further diversifying our economy
- Creating places where people want to be
- Improving the speed, consistency, and predictability of the County's development review process
- Investing in natural and physical infrastructure
- Achieving economic success through education and social equity
- Increasing the agility of County government

Effectiveness: The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

Efficiency: The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of resources. Efficiency measures are one of the four performance indicators in Fairfax County's Family of Performance Measures. This indicator reflects inputs used per unit of output and is typically expressed in terms of cost per unit or productivity.

Eligibility: The conditions and requirements established by a service provider for clients to access specific services.

Employees Advisory Council (EAC): Established by the Fairfax County Merit System Ordinance to provide a continuing medium through which all employees in the competitive service, both Schools and County, may contribute their advice and suggestions for the improvement of the career merit system and other aspects of the government of Fairfax County.

Emergency Management Performance Grant (EMPG): This is a federally funded program which plays an important role in the implementation of the National Preparedness System (NPS) by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal (the Goal) of a secure and resilient Nation. The purpose of EMPG is to provide federal funds to assist State, local, territorial, and tribal governments in preparing for all hazards.

Encumbrance: An obligation incurred in the form of purchase orders, contracts and similar items that will become payable when the goods are delivered or the services rendered. An encumbrance is an obligation of funding for an anticipated expenditure prior to actual payment for an item. Funds are usually reserved or set aside and encumbered once a contracted obligation has been entered.

ENSNI: Estimate, No Scope, No Inflation. Term used in the Fairfax County CIP to describe funding estimates for future capital projects which have not yet been scoped and are developed using today's dollars without considering inflation.

Enterprise Funds: Funds, defined by the State Auditor of Public Accounts to account for operations that are financed and operated in a manner similar to private business enterprises. An enterprise fund is a self-supporting fund design to account for activities supported by user charges. For example, funds which support the Wastewater Management Program are classified as enterprise funds.

Equalization: An annual assessment of real estate to ensure that assessments accurately reflect current market values. Equalization revenue is the annual increase or decrease in collected revenue resulting from adjustments to the assessment of existing property in the County. This annual increase or decrease is due to value changes rather than to new construction.

Escrow: Money or property held in the custody of a third party that is returned only after the fulfillment of specific conditions.

ESInet: A managed IP network that is used for emergency services communications which can be shared by all Public Safety agencies. AT&T ESInet brings a smarter way to deliver 911 calls. Built on AT&T's industry-leading network, the IP-based call routing service uses the National Emergency Number Association's i3 standards to modernize decades-old 911 infrastructure.

Expenditure: The disbursement of appropriated funds to purchase goods and/or services. An expenditure is the actual outlay of monies for goods and services. There are three basic types of expenditures: operating, capital and debt. Operating expenditures are, in a broad sense, current day-to-day expenses such as salaries, supplies, and purchase of equipment or property below a certain dollar threshold or useful life. Usually, these are items which are consumed during the fiscal year in which they are purchased or acquired.

Fairfax First: Fairfax First is a County initiative to implement tactical recommendations to improve the speed, consistency, and predictability of the County's land development process. This initiative supports the Economic Success Strategic Plan (ESSP).

Family Access to Medical Insurance (FAMIS): This is the Commonwealth of Virginia's health coverage program for children up to age 18 who are without health insurance coverage. This program is designed to cover children of working families.

Fiduciary Funds: Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and which, therefore, cannot be used to support the County's own programs. The County maintains two types of fiduciary funds: trust funds to account for the assets of its pension and retiree health plans, held by the County under the terms of formal trust agreements, and custodial funds to account for assets received, held and disbursed by the County on behalf of various outside organizations.

Financial Forecast: A financial model that estimates all future revenues and disbursements based on assumptions of future financial and economic conditions.

Fines and Forfeitures: Consists of a variety of fees, fines and forfeitures collected by the County.

Fiscal Plan: The annual budget.

Fiscal Planning Resolution: A legally binding document prepared by the Department of Management and Budget identifying changes made by the Board of Supervisors to the Advertised Budget Plan during the adoption of the annual budget. Fiscal Planning Resolutions approved by the Board subsequent to the Adopted Budget Plan change only transfers between funds. These documents are used at the annual or quarterly reviews whenever changes in fund transfers occur.

Fiscal Restraint: The practice of restraining growth in expenditures and disbursements to stay within revenue forecasts.

Fiscal Year: In Fairfax County, the twelve months beginning July 1 and ending the following June 30. (The Commonwealth of Virginia's fiscal year begins on July 1. The federal government's fiscal year begins October 1).

Fixed Asset: Items the County owns that have a considerable cost and a useful life greater than one year, such as infrastructure, sewer lines, computers, furniture, equipment and vehicles.

Fleet: The vehicles owned and operated by the County.

FLSA: The Fair Labor Standards Act (FLSA) is a federal law which establishes minimum wage, overtime pay eligibility, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments.

FMLA: This refers to the Family and Medical Leave Act, which is a federal law that guarantees certain employees up to 12 workweeks of unpaid leave each year with no threat of job loss for qualified medical and family reasons. FMLA also requires that employers covered by the law maintain the health benefits for eligible workers just as if they were working.

FOCUS (Fairfax County Unified System): This refers to the joint Enterprise Resource Planning (ERP) system which Fairfax County Government and Fairfax County Public Schools implemented in November 2011 to replace the legacy finance, procurement, and human resources systems with a single, unified system.

Forecasts: Projections tempered by policy estimates which strive to reconcile past and current trends with current and anticipated policy.

Forfeiture: The automatic loss of property, including cash, as a penalty for breaking the law, or as compensation for losses resulting from illegal activities. Once property has been forfeited, the County may claim it, resulting in confiscation of the property.

Fringe Benefits: The fringe benefit expenditures included in the budget are the County's share of employees' fringe benefits. Fringe Benefits are job-related benefits, such as pension, paid vacation and holidays, and insurance, which are included in an employee's compensation package. Fringe benefits provided by Fairfax County include FICA (Social Security), health insurance, dental insurance, life insurance, and retirement. The County's share of most fringe benefits is based on a set percentage of employee salaries. This percentage varies per category, e.g., Uniformed Fire and Rescue, Sheriff, and Public Safety Communications Employees; Uniformed Police Officers; and General County Employees.

Full-Time Equivalent (FTE): An FTE reflects whether authorized positions are full-time or part-time. A position authorized for 40 hours per week is reflected in the budget as one authorized position with a full-time equivalent of one (1/1.0 FTE). In comparison, a position authorized for 20 hours per week would be indicated as one authorized position with a FTE of 0.5 (1/0.5 FTE).

Fund: A set of interrelated accounts to record revenues and expenditures associated with a specific purpose. A fund is also a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities, or balances and changes therein. Funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: The difference between assets and liabilities in a governmental fund. At the end of a fiscal year, if there are more resources than expenditures, the remainder is called “fund balance.” This is sometimes referred to as “carried forward fund balance” because the resources can be “carried” into the next fiscal year. This is an important resource because some may be used in combination with revenues to fund new expenses. Fund balance may be restricted or unrestricted, reserved for a specific purpose or unreserved and used for future requirements. Restricted fund balance may be set aside for funding certain programs and activities. A fund balance represents the residual funding on an annual basis from revenues and transfers-in less expenditures and transfers-out. A fund balance also reflects the fund equity of all funds.

Fund Type: A group of funds that have similar activities, objectives, or funding sources as defined by the State Auditor of Public Accounts. Examples include Special Revenue Funds and Debt Service Funds.

GASB: This refers to the Governmental Accounting Standards Board which is currently the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States. It is a private, non-governmental organization. The GASB has issued *Statements*, *Interpretations*, *Technical Bulletins*, and *Concept Statements* defining GAAP for state and local governments since 1984.

GASB 34: In June 1999, GASB Statement No. 34 (or GASB 34) set new GAAP requirements for reporting major capital assets, including infrastructure such as roads, bridges, water and sewer facilities, and dams. Fairfax County has implemented the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, financial reporting model. This standard changed the entire reporting process for local governments, requiring new entity-wide financial statements, in addition to the current fund statements and other additional reports such as Management Discussion and Analysis.

GASB 45: Beginning in FY 2008, the County's financial statements are required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEBs) including health care, life insurance, and other non-pension benefits offered to retirees. This new standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis. GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension/retirement benefits. The County has established Fund 73030, OPEB Trust Fund, to fund the cost of post-employment health care and other non-pension benefits. Fund 73030 will allow the County to capture long-term investment returns and make progress towards reducing the unfunded liability. The schools have also established and OPEB trust fund to capture their costs, Fund S71100, School OPEB Trust Fund.

General Debt: Principal and interest payments on outstanding debt repaid from the General Fund.

General Fund: The primary tax and operating fund for County Governmental Activities used to account for all County revenues and expenditures which are not accounted for in other funds, and which are used to support the general operating functions of County agencies. Revenues are derived primarily from general property taxes, local sales tax, utility taxes, license and permit fees, and state shared taxes. General Fund expenditures include the costs of the general County government and transfers to other funds, principally to fund the operations of the Fairfax County Public School system, the Fairfax-Falls Church Community Services Board, Metro, the Fairfax CONNECTOR, and County and School system debt service requirements.

General Fund Direct Expenditures: These are General Fund expenditures for County agencies and they are organized by Program Area categories.

General Fund Disbursements: Direct expenditures for County services such as Police or Welfare expenses and transfers from the General Fund to Other County funds such as School Operations or Metro Operations. General Fund Disbursements consist of two parts: (1) General Fund transferred support to other funds and (2) General Fund direct expenditures or agency expenditures. Some agencies, e.g., Housing, may have funds that reside both in the General Fund and other funds.

General Ledger: A general ledger account contains financial activity that is needed to prepare financial statements and perform fiduciary oversight, and includes accounts for assets, liabilities, equity, revenues and expenditures.

General Obligation (GO) Bond: Bonds for which the full faith and credit of the issuing government are pledged. County general obligation debt can only be approved by voter referendum. The State Constitution mandates that taxes on real property be sufficient to pay the principal and interest of such bonds.

Goal: A general statement of purpose. A goal provides a framework within which the program unit operates; it reflects realistic constraints upon the unit providing the service. A goal statement speaks generally toward end results rather than specific actions, e.g., "To provide maternity, infant and child health care and/or case management to at risk women, infants, and children in order to achieve optimum health and well-being." Also see Objective.

Governmental Funds: Governmental funds are typically used to account for most of a government's activities, including those that are tax-supported. The County maintains the following types of governmental funds: a general fund to account for all activities not required to be accounted for in another fund, special revenue funds, a debt service fund, and capital projects funds.

Grant: A contribution by one governmental unit to another unit. The contribution is usually made to aid in the support of a specified function.

HIPAA: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted by the United States Congress and signed by President Bill Clinton in August 1996. Title I of HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs. Title II of HIPAA, known as the Administrative Simplification (AS) provisions, requires the establishment of national standards for electronic health care transactions and national identifiers for providers, health insurance plans, and employers. Title II of HIPAA defines policies, procedures and guidelines for maintaining the privacy and security of individually identifiable health information as well as outlining numerous offenses relating to health care and sets civil and criminal penalties for violations.

HB 2313: HB 2313 is a Commonwealth of Virginia transportation funding bill signed into law in May 2013. HB 2313 requires that each locality's total long-term benefit from these transportation funds be approximately equal to the proportion of the fees and taxes received attributable to that locality. HB 2313 also established a new transportation revenue source for Northern Virginia.

Homeless: The U.S. Department of Housing and Urban Development defines homeless as an individual or family who lacks a fixed, regular, and adequate nighttime residence.

Incentive Reinvestment Initiative: This initiative, which the Board of Supervisors approved in December 2013, allows agencies to identify savings and efficiencies in the current budget year and retain a portion to reinvest for employee development in the upcoming budget year.

Incumbent: The person who currently occupies and works in a particular position within the County government.

Indirect Costs: These are non-capital costs that are not easily traceable to a specific project, activity, or product. Examples of such costs include general administrative costs, advertising costs, or routine office expenses.

Inflation: A rise in price levels caused by an increase in available money and credit beyond the proportion of available goods. This is also known as too many dollars chasing too few goods.

Infrastructure: Public domain, fixed physical assets including roads, curbs, gutters, sidewalks, drainage systems, lighting systems and other similar items that have value only to the users.

Inova: Inova Health System is a not-for-profit health care system based in Northern Virginia that consists of hospitals and other health services including emergency and urgent care centers, home care, nursing homes, mental health and blood donor services, as well as wellness classes.

Input: The value of resources used to produce an output. Input can be staff, budget dollars, work hours, etc.

Interest: The amount paid by a borrower as compensation for the use of borrowed money. This amount is generally an annual percentage of the principal amount.

Interest Income: Revenue associated with the County cash management activities of investing fund balances.

Internal Service Funds: Funds established to finance and account for services furnished by a designated County agency to other County agencies, which charges those agencies for the goods and services provided. An example of an Internal Service Fund is Fund 60010, Department of Vehicle Services.

Interfund Billing: Departmental or fund charge made by one agency/fund to another for services or goods performed or received, such as Department of Vehicle Services (DVS) fuel and vehicle replacement charges, computer replacement charges, radio charges, etc.

Issuing Bonds: To "issue" bonds means to sell, deliver, and receive payment for bonds. The County may issues bonds throughout the year upon determining the amount of cash necessary to implement projects during that year.

Key County Indicators: Key County Indicators are high-level, countywide measures, organized by vision element, that help assess if Fairfax County government is meeting the needs of citizens and positively impacting the community as a whole.

Lease Purchase: This method of financing allows the County to construct or acquire property and pay for it over a period of time by installment payments rather than an outright purchase. The time payments include an interest charge which is typically reduced because the lessor does not have to pay income tax on the interest revenue.

Level of Need: The minimum, measurable quantity of assistance that is required to meet identified client needs; for example, the number of people in need of vocational training programs or, the number of monthly provider contacts needed by households currently being served.

Liability: An obligation incurred in past or current transactions requiring present or future settlement.

Line Item: A specific expenditure category within an agency budget, e.g., rent, travel, motor pool services, postage, printing, office supplies, etc.

Lines of Business (LOBs): Reference to the County's review of its discrete agency lines of business. LOBs are essentially an inventory of County programs and services offered by each individual agency. In 2016, Fairfax County undertook a comprehensive, multi-year approach to its review of 390 discrete Lines of Business. The County has previously undertaken Lines of Business reviews in 2008, 2001, 1996 and 1993.

Local Composite Index (LCI): The Commonwealth of Virginia's Local Composite Index (CI) determines a school division's ability to pay education costs fundamental to the Commonwealth's Standards of Quality (SOQ). The Composite Index is calculated using three indicators of a locality's ability-to-pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

Each locality's index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

Local Match: County cash or in-kind resources that are required to be expended simultaneously with federal, state, other locality, or private sector funding, and usually according to a minimum percentage or ratio.

Line of Duty Act (LODA): The Virginia Retirement System Line of Duty Act (LODA) is established by §9.1-400 of the Code of Virginia. LODA provides benefits to public safety first responders and their survivors who lose their life or become disabled in the line of duty.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

Managed Reserve: A reserve, held in the General Fund, which has a target balance equal to 4.0 percent of General Fund disbursements. Established by the Board of Supervisors on January 25, 1982, the purpose of the reserve is to provide temporary financing for emergency needs and to permit orderly adjustment to changes resulting from the sudden, catastrophic termination of anticipated revenue sources.

Management by Objectives: A method of management of County programs which measures attainment or progress toward pre-defined objectives. This method evolved into the County's performance measurement system.

Management Initiatives: Changes to internal business practices undertaken by County managers on their own initiative to improve efficiency, productivity, and customer satisfaction.

Mandate: A requirement from a higher level of government (federal or state), that a lower level government perform a task in a particular way or in conformance with a particular standard.

Market Pay: A compensation level that is competitive and consistent with the regional market. The County analyzes the comparability of employee salaries to the market in a number of different ways. A "Market Index" has been developed that factors in the Consumer Price Index, federal wage adjustments, and the Employment Cost Index (which includes state, local and private sector salaries). The index is designed to gauge the competitiveness of County pay scales in general.

Measurement: A variety of methods used to assess the results achieved and improvements still required in a process or system. Measurement gives the basis for continuous improvement by helping evaluate what is working and what is not working.

Medicaid: This is a federal social health care program for families and individuals with limited resources. The Social Security Amendments of 1965 created Medicaid by adding Title XIX to the Social Security Act, 42 U.S.C. §§ 1396 et seq. Generally, individuals who are eligible for both Medicaid and Medicare are older or disabled (or both) and need help paying their Medicare costs because they have very low incomes. Medicaid covers premiums, deductibles, co-payments, coinsurance, and other Medicare costs and provides some health benefits that Medicare does not. Medicare and Medicaid were signed into law to protect older and poorer Americans against the high cost of health care.

Medical Reserve Corp (MRC): The Fairfax MRC is an all-volunteer program designed to increase the ability of the County's public health system to help the community when disaster strikes.

Medicare: Medicare is a health insurance program funded and run by the federal government that guarantees health coverage to older Americans. Medicare is a single-payer, national social insurance program administered by the U.S. federal government since 1966, currently using about 30–50 private insurance companies across the United States under contract for administration. Medicare is funded by a payroll tax, premiums and surtaxes from beneficiaries, and general revenue. Medicare is not income-based. People who have paid Medicare taxes on their earnings are automatically eligible at age 65, but some people with disabilities qualify for Medicare coverage earlier than age 65, and people with end-stage renal disease qualify at any age.

Merit System: Refers to the system of personnel administration applicable to the competitive service. It is governed by the Merit System Ordinance, any applicable provisions of other County ordinances, Personnel Regulations, and all applicable and lawful personnel management directives of the Board of Supervisors, the County Executive, and Department of Human Resources Director.

Mission Statement: A mission statement is a broad, philosophical statement of the purpose of an agency, specifying the fundamental reasons for its existence. A mission statement describes what an organization is in business to do. Therefore, it also serves as a guiding road map.

Modified Accrual Basis: The basis of accounting under which revenue is recognized when it is measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. Expenditures are generally recorded when the related fund liability is incurred, with the exception of principal and interest on general long-term debt and certain other general long-term obligations.

Municipal Bond: Bond issued by a state, local or another government authority, especially in the U.S. The interest is exempt from U.S. Federal taxation and usually from state taxation within the state of issue, as is the case in Virginia.

Net Debt as a Percent of Estimated Market Value: Total debt (less debt that is self-supported by revenue-producing projects), divided by the total market value of all taxable property within the County expressed as a percentage. Since property taxes are a primary source of revenue for the repayment of debt, this measure identifies the debt burden compared with the worth of the revenue-generating property base.

Net Total Expenditures: See Total Budget.

Non-Appropriated Funds: These funds do not require annual appropriation by the Board of Supervisors and represent activities that are supported by non-governmental revenue sources such as direct fees for service or revolving loan programs. The legal spending authority is based on revenue availability and may be derived from an action by the Board in response to state, or federal mandate. The appropriation control for these funds resides with the respective boards associated specifically with the funded programs, e.g., Fairfax County Redevelopment and Housing Authority (Funds 81000 through 81530), Alcohol Safety Action Program Policy Board (Fund 83000), and the Park Authority Board (Funds 80000 and 80300). These boards are separate legal entities.

Non-Pay Employee Benefits: Expenditures for employee benefits that are funded through direct employee support, such as the Employee Assistance Program and unemployment compensation.

Nonresidential: Property designed for use by educational, government or other institutional use or for use by retail, wholesale, office, hotel, service, or other commercial use.

Objective: A statement of anticipated level of achievement; usually time limited and quantifiable. Within the objective, specific statements with regard to targets and/or standards often are included, e.g., "To respond to 90 percent of ambulance calls within a 5-minute response time."

Obligations: Amounts which a government may be legally required to pay out of its resources. They include actual liabilities and encumbrances not yet paid.

One Fairfax: A joint social and racial equity policy of the Fairfax County Board of Supervisors and School Board which commits both entities to consider equity when making policies or delivering programs and services. More specifically, it will help County and school leaders and staff to look intentionally, comprehensively and systematically at barriers that may be creating gaps in opportunity. It is a declaration that

Operating Budget: A budget for general revenues and expenditures such as salaries, utilities and supplies.

Operating Equipment: Equipment that has a life expectancy of more than one year and a value of less than $5,000 dollars. Equipment with a value greater than $5,000 dollars is capital equipment.

Operating Expenses: Expenditures for regular, non-capital and non-personnel expenses. The commitment items in this group cover a large range of expenditure types, including office supplies and utility payments.

Ordinance: A formal legislative enactment by the County that carries the full force and effect of the law within the boundaries of Fairfax County unless in conflict with any higher form of law, such as the Commonwealth of Virginia or the federal government.

Other Post-Employment Benefits (OPEB): Post-employment benefits other than pension benefits. OPEB includes post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits. Post-employment refers to the period following termination of employment, including the time between termination and retirement.

Outcome: Qualitative consequences associated with a program service, e.g., reduction in fire deaths or percent of juveniles not reconvicted within 12 months. Also refers to quality performance measures of effectiveness and of achieving goals.

Out-of-Cycle: A term that characterizes budget adjustments outside of the annual and quarterly budget processes.

Output: Quantity or number of units produced. Outputs are activity-oriented, measurable, and usually under managerial control. Also refers to process performance measures of efficiency and productivity, that is, per capita expenditures, transactions per day, etc.

Pay-As-You-Go Financing: The portion of capital outlay which is financed from current revenue, rather than by borrowing.

Paydown Construction: Capital construction funded with current year General Fund revenues as opposed to construction financed through the issuance of bonds. This is a method of paying for capital projects that relies on current tax and grant revenues rather than by debt. This is also referred to as "pay-as-you-go" construction.

Pension Fund: This is a fund that accounts for the accumulation of resources to be used for retirement benefit payments to retired County employees eligible for such benefits.

Per Capita: A measurement of the proportion of some statistic to an individual resident determined by dividing the statistic by the current population.

Per Capita Debt: The amount of an issuing municipality's outstanding debt divided by the population residing in the municipality. This is used as an indication of the issuer's credit position since it can be used to compare the proportion of debt borne per resident with that borne by the residents of other municipalities.

Performance Budget: A budget wherein expenditures are based primarily upon measurable performance activities and work programs.

Performance Indicators: As used in Fairfax County's Performance Measurement System, these indicators represent the four types of measures that comprise the Family of Measures and consist of output, efficiency, service quality and outcome.

Performance Measurement: The regular collection of specific information regarding the results of service in Fairfax County, and which determines how effective and/or efficient a program is in achieving its objectives. The County's performance measurement methodology links agency mission and cost center goals (broad) to quantified objectives (specific) of what will be accomplished during the fiscal year. These objectives are then linked to a series of indicators, known as a "Family of Measures," that present a balanced picture of performance, efficiency and effectiveness with these four indicator types: output, efficiency, service quality and outcome.

Permit Revenue: Fees imposed on construction-related activities and for non-construction permits such as sign permits, wetland permits, etc.

Personal Property: Property other than real estate identified for purposes of taxation, including personally owned items as well as corporate and business equipment and property. Examples include automobiles, motorcycles, boats, trailers, airplanes, business furnishings, and manufacturing equipment. Goods held for sale by manufacturers, wholesalers or retailers are not included.

Personal Property Tax Relief Act (PPTRA) of 1998: Legislation approved by the Virginia General Assembly that reduces the Personal Property Tax on the first $20,000 of the value for vehicles owned by individuals. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by individuals by 27.5 percent, 47.5 percent, and 70 percent respectively, with an offsetting reimbursement paid to the County by the Commonwealth. Due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement remained at 70 percent from FY 2003 through FY 2006. The 2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at $950 million in FY 2007 and beyond. Fairfax County's allocation has been set at $211.3 million. Each year, County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage of tax relief will vary.

Personnel Services: A category of expenditures which primarily covers salaries, overtime and shift differential paid to County employees and also includes certain fringe benefit costs.

Persons with Special Needs: Includes individuals and families who are homeless, persons with disabilities and low-income seniors.

Planning Districts: The 14 areas into which Fairfax County is divided for planning purposes. The planning districts' boundaries tend to remain stable over time.

Planning System: Refers to the relationship between the Annual Budget, the Comprehensive Plan, and the 5-year Capital Improvement Plan.

Position: A group of duties and responsibilities, as prescribed by an office or agency, to be performed by a person on a full-time or part-time basis.

The status of a position is not to be confused with the status of the employee. For the purpose of the County's budget, the following definitions are used solely in describing the status and funding of positions:

- An established position is a position that has been classified and assigned a pay grade.
- An authorized position has been approved for establishment by the Board of Supervisors. The authorized position is always shown as a single, not a partial position. Full-Time Equivalent (FTE) reflects whether positions are authorized for full-time (40 hours per week) or part-time. A full-time position would appear in the budget as one authorized position and one full-time equivalent (1/1.0 FTE). A half-time position would be indicated as one authorized position and 0.5 full-time equivalents (1/0.5 FTE).

The following defines the types of positions in Fairfax County. They can be either full or part-time status.

- A regular position is a career position, which falls within all provisions of the Merit System Ordinance.
- A grant position is a position with full benefits and full civil service grievances, although the employment term is limited by the grant specifications. The position is funded by a specific grant. At the end of the grant position, the person is the first eligible for hire for another similar position in the County. Incumbents in grant positions fall within the provisions of the Merit System Ordinance.
- A benefits eligible, non-merit position is an employee working between 1,040 and 1,560 hours annually, and eligible for health, dental and flexible spending benefits.
- A temporary, non-merit position is an employee working fewer than 900 hours annually and not eligible for benefits.
- An exempt position does not fall within the provisions of the Merit System Ordinance. It includes elected and appointed positions.

Cooperative funding of some positions occurs between the federal and state governments and Fairfax County. Numerous funding and reimbursement mechanisms exist. The County's share of a position's authorized funding level is that portion of a position's salary and/or fringe benefits paid by the County which is over and above the amount paid by the state or federal government either based on the County's pay classification schedule or based on a formal funding agreement. The share of state or federal funding varies depending upon the eligibility of each individual agency and type of position.

- A state position is a position established and authorized by the state. These positions may be partially or fully funded by the state.
- County supplement is the portion of a state position's authorized salary (based on the County's compensation plan) that exceeds the state's maximum funding level. This difference is fully paid by the County.

Position Turnover: A budget offset that reduces gross salary projections to recognize anticipated and normal position vacancies, delays in filling vacancies, and historical position turnover information.

Poverty Thresholds: Poverty thresholds are based on the Social Security Administration's definition of the minimum income that allows for a nutritionally adequate diet and adequate housing. It allows for differences in the size and composition of families. The poverty income cutoffs are revised annually to allow for changes in the cost of living as reflected in the Consumer Price Index.

Present Value: The discounted value of a future amount of cash, assuming a given rate of interest, to take into account the time value of money. Stated differently, a dollar is worth a dollar today, but is worth less tomorrow.

Prime Interest Rate: The rate of interest charged by banks to their preferred customers.

Principal: The face amount of a security payable on the maturity date.

Proffer System: A proffer is a contribution of land, capital improvement, and funding collected from a developer to address the demand for community services created by new development. In July 1975, "proffers" were introduced to the process for rezoning property within Fairfax County. The act of proffering involves making an offer of something prior to any formal negotiations. The concept of supplementing regulations of the Zoning Ordinance by conditions proffered by an applicant seeking an amendment to the zoning map is cited in the Code of Virginia (now Sect. 15.2-2303, see Appendix A). Implicit in the term proffer, as defined by the State Code, is the understanding that proffers are voluntarily submitted by the property owner. The proffer system continues today with support from the various participants in the rezoning process, including, the development community, citizens, staff and County officials. The conditions in a proffer statement typically address issues such as noise mitigation measures to be employed, buffering, landscaping, urban design features, architectural elements, and other similar design elements, tree preservation, commitments to address transportation impacts, etc.

Program Area: A grouping of County agencies with related countywide goals. Under each program area, individual agencies participate in activities to support that program area's goals. The Public Safety Program Area, for example, includes the Police Department and the Fire and Rescue Department, among others. The Auditor of Public Accounts for the Commonwealth of Virginia provides direction on which agencies are included in each program area.

Program Budget: A statement and plan which identifies and classifies total expenditures and revenues by activity or program. Budgets are aggregated into program areas. This is in contrast to a line-item budget, which identifies expenditures only by objects for which money is spent, e.g., personnel services, operating expenses, recovered costs or capital equipment.

Property Tax: A tax levied on the assessed value of real and personal property. This tax is also known as an ad valorem tax.

Property Tax Rate: The rate of taxes levied against real or personal property, expressed as dollars per $100 of equalized assessed valuation of the property taxed.

Proposed Budget: The Code of Virginia (Sections 15.2-516 and 2503) requires that the County Executive submit a proposed budget to the Board of County Supervisors no later than April 1 for the upcoming fiscal year. Sections 15.2-2506, 58.1-3007, and 58.1-3321 of the Code of Virginia govern the public notice requirements that guide the County's budget review and public comment period. After receipt of the proposed budget, the first action by the Board of Supervisors (BOS) is to authorize the advertisement of the proposed tax and levy rates. Once the proposed rate is advertised, the BOS can adopt lower tax and levy rates, but cannot, without additional advertisement, adopt higher rates. The Code also requires the BOS to hold public hearings on the proposed budget and the proposed tax and levy rates to collect public comment.

Proprietary Funds: Proprietary funds are enterprise and internal service funds used to account for business-type activities that are similar to the private sector and in which fees are charged for goods or services. They are related to assets, liabilities, equities, revenues, expenses and transfers. The County maintains both types of proprietary funds: enterprise funds to account for the Integrated Sewer System and internal service funds to account for certain centralized services that are provided internally to other departments such as Vehicle Services and Document Services.

Public-Private Education Facilities and Infrastructure Act (PPEA): During its 2002 session, the Virginia General Assembly enacted the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). This law provides that once a "responsible public entity" such as Fairfax County adopts appropriate procedures to implement the PPEA, it may solicit proposals to acquire a "qualifying project" from private entities (i.e., issue an Invitation for Bid or Request for Proposal) or may consider proposals that are submitted by a private entity without a prior solicitation ("unsolicited proposal").

Public Hearing: A public hearing is a specifically designated time, place, and opportunity for citizens, community groups, businesses, and other stakeholders to address the Board of Supervisors on a particular issue. It allows interested parties to express their opinions and the Board of Supervisors and/or staff to hear their concerns and advice. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to the adoption of amendments to the current year budget when the adjustments exceed one percent of total expenditures. In addition, any amendment of one percent of expenditures or more requires that the Board advertise a synopsis of the proposed changes, such as done as part of *Third Quarter* or *Carryover*.

Rating Agencies: The organizations which provide publicly available ratings of the credit quality of securities issuers. The term is most often used to refer to the nationally recognized agencies, Moody's Investors Service, Inc., Standard & Poor's Corporation, and Fitch Investors.

Reallocation: With adequate justification and DMB approval, agencies can perform a budget transfer of funds from one category to another, e.g., from Personnel Services to Operating Expenses, as long as there is no change to the agency's bottom-line budget and the budget transfer must occur within the same agency and fund.

Real Property: Real estate, including land and improvements (buildings, fences, pavements, etc.) classified for purposes of assessment.

Reclassification: An administrative review process by which a County position is re-evaluated to determine if the position has been appropriately classified under the County's personnel classification system.

Recovered Costs: Reimbursements to an agency for specific services provided to another agency. Recovered Costs, or Work Performed for Others, are reflected as a negative figure in the providing agency's budget, thus offsetting expenditures. An example is the reimbursement received by the Department of Information Technology from other agencies for telecommunication services.

Rec-PAC: Rec-PAC (Pretty Awesome Children), operated by Fairfax County Park Authority, is a six-week structured recreation program offered during the summer with emphasis on leisure skills designed for elementary school children.

Reduction in Force (RIF): A permanent elimination of an excess number of filled merit positions.

Referendum: A referendum is a means by which a legislative body requests the electorate to approve or reject proposals such as Constitutional amendments, long-term borrowing; and other special laws.

Refunding: Retiring an outstanding bond issue at maturity (sometimes done before maturity date if rate is favorable) by using money from the sale of a new bond offering. In other words, issuing bonds to pay off the old bonds. In an Advance Refunding, a new bond issuance is used to pay off another outstanding bond. The new bond will often be issued at a lower rate than the older outstanding bond. Typically, the proceeds from the new bond are invested and when the older bonds become callable, they are paid off with the invested proceeds. In a Crossover Refunding, the revenue stream pledged to secure the securities being refunded is being used to pay off debt on the refunded securities until they mature.

Rent Affordability: The generally accepted definition of rent affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. (U.S. Department of Housing and Urban Development)

Reserves: A portion of the fund balance or retained earnings legally segregated for specific purposes. Reserves are lump sum dollars set aside in a budget for unanticipated needs or for specific future needs. Reserves are not distributed or allocated to operating expenditures or capital expenditures because the specific requirements for the reserves are not known at the time of budget adoption or because bond documents require their establishment. The County is required to amend its budget in order to allocate reserve funds to an operating or capital project account. In many cases, a reserve can only be used for a specific purpose.

Resolution: A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue: Monies received from all sources (with exception of fund balances) that will be used to fund expenditures in a fiscal year. In the broadest sense, revenue is an increase in financial resources. Revenues are funds received by the County from its activities or external sources such as real estate taxes, property taxes, local sales tax, fees for services, fines, grants, payments from other governments, etc.

Revenue Bond: A municipal bond secured by the revenues of the project for which it is issued. Revenue Bonds are those bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. Sewer and utility bonds are typically issued as revenue bonds. The County also issues Lease Revenue bonds, a form of revenue bond in which the payments are secured by a lease on the property built or improved with the proceeds of the bond sale.

Revenue Stabilization Fund: In FY 2000, the Board of Supervisors approved the creation of this fund to provide a mechanism for maintaining a balanced budget without resorting to tax increases and/or expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The target balance of this fund is 5 percent of General Fund Disbursements.

Staffing for Adequate Fire and Emergency Response (SAFER) Grants: These grants were created to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" firefighters available in their communities. The goal of SAFER is to enhance the local fire departments' abilities to comply with staffing, response and operational standards established by the National Fire Protection Association (NFPA).

School Board Budget: Includes the School Operating Fund, the School Food and Nutrition Services Fund, School Grants and Self Supporting Programs, School Adult and Community Education, Public School OPEB Trust Fund, the School Insurance Fund, the School Construction Fund, the School Central Procurement Fund, the School Health and Flexible Benefits Trust Fund and the Educational Employees' Supplementary Retirement Fund, identifying both expenditure levels and sources of revenue. The Board of Supervisors may increase or decrease the School Board budget but normally does so only at the fund level (i.e., by increasing or decreasing the General Fund Transfer to the School Operating Fund without specifying how the change is to be applied). By state law, the Supervisors may not make specific program or line item changes, but may make changes in certain major classifications (e.g., instruction, overhead, maintenance, etc.).

School Board Transfer: A transfer out of funds from the General Fund to the School Operating Fund. State law requires that this transfer be approved by the Board of Supervisors by May 15, for the next fiscal year.

School Operating Fund: This fund provides for the day-to-day operations and maintenance of the schools and is funded primarily by County and state funds. In the Transparency Application, this fund is separated into: Operating Fund – Operations; and Operating Fund – Central and Grants. The School Operating Fund is FCPS' primary (or general) fund. Those activities that are partially supported by grants and activities managed by departments on behalf of schools are shown separately from general operating activities.

Self-Sufficiency: The ability to consistently meet basic needs – such as food, housing, utilities, healthcare, transportation, taxes, dependent care, and clothing – without assistance or subsidies from private or public organizations (excluding Social Security retirement, Social Security Disability Insurance, and Medicare).

Sequestration: Budget sequestration is a procedure in United States law that limits the size of the federal budget. Sequestration involves setting a hard cap on the amount of government spending within broadly-defined categories; if Congress enacts annual appropriations legislation that exceeds these caps, an across-the-board spending cut is automatically imposed on these categories, affecting all departments and programs by an equal percentage. The amount exceeding the budget limit is held back by the Treasury and not transferred to the agencies specified in the appropriation bills.

Service Capacity: The measurable quantity of assistance that can be provided without sacrificing quality of assistance provided; for example, the number of spots available in vocational training programs, or, the number of provider contacts with households than can be provided in one month.

Service Level: The measurable quantity of assistance that is being provided for an individual or family; for example, the number of individuals currently enrolled in vocational training programs, or the frequency of professional contact with a household.

Service Quality: Degree to which customers are satisfied with a program, or how accurately or timely, a service is provided.

Set-Aside Reserve: A reserve made up from available balances materializing throughout one or more fiscal years which are not required to support disbursements of a legal or emergency nature and are held (set aside) for future funding requirements.

Sewer Funds: A group of self-sufficient funds that support the Wastewater Management Program. Revenues consist of bond sales, availability fees (a one-time fee paid before connection to the system and used to defray the cost of major plant and trunk construction), connection charges (a one-time fee to defray the cost of the lateral connection between a building and the trunk), service charges (quarterly fees based on water usage which defray operating costs and debt service), and interest on invested funds. Expenditures consist of construction costs, debt service, and the cost of operating and maintaining the collection and treatment systems.

Short-Term Debt: Debt with a maturity of less than one year after the date of issuance.

Special Revenue Funds: Funds defined by the State Auditor of Public Accounts to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to Fairfax County's state and federal grants, the operation of the Fairfax County Public Schools, and specific taxing districts that are principally financed by special assessment tax levies in those districts.

Strategic Plan: A document outlining long-term goals, critical issues and action plans to increase the organization’s effectiveness in attaining its mission, priorities, goals and objectives. Strategic planning starts with examining the present, envisioning the future, choosing how to get there, and making it happen.

Strategic Planning Process: The strategic planning process provides the County the opportunity to identify individual agency missions and goals in support of the public need, action steps to achieve those goals and measures of progress and success in meeting strategic goals. Strategic planning helps ensure that limited resources are appropriately allocated to achieve the objectives of the community as determined by the Board of Supervisors.

Successful Children and Youth Policy Team (SCYPT): First convened in May 2013, the SCYPT is composed of leaders from multiple sectors within Fairfax County. The team's role is to set community-wide goals and priorities for public policy as it relates to children, youth and families. According to the team's charter, "in order to become confident individuals, effective contributors, successful learners and responsible citizens, all of Fairfax County's children need to be safe, nurtured, healthy, achieving, active, included, respected and responsible. This can only be realized if the County, schools, community and families pull together to plan and deliver top-quality services, which overcome traditional boundaries." Membership on the team is divided among representatives from Fairfax County Government, Fairfax County Public Schools and the community. Two members from both the Board of Supervisors and the School Board participate. Community members are identified to provide the perspective of various sectors impacting youth well-being, including health care, nonprofit, faith and philanthropy.

Supplemental Appropriation Resolution: Any appropriation resolution approved by the Board of Supervisors after the adoption of the budget for a given fiscal year. The legal document reflecting approved changes to the appropriation authority for an agency or fund.

Supplemental Nutrition Assistance Program (SNAP): The Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program) is the nation's most important anti-hunger program. SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities. SNAP is the largest program in the domestic hunger safety net. The federal Food and Nutrition Service works with State agencies, nutrition educators, and neighborhood and faith-based organizations to ensure that those eligible for nutrition assistance can make informed decisions about applying for the program and can access benefits.

Supportive Services: Assistance, provided to individuals and families in housing of any type that is designed to and provided with the intent of increasing their ability to live independently, improving their life skills, maintaining residential stability, and ultimately moving toward self-sufficiency.

System of Care: System of Care is an integrated continuum of services and supports for children, youth and families provided by Fairfax County human services departments, public schools, County-funded providers and community-based advocacy and service organizations. It includes behavioral health services for youth and services covered under the Children's Services Act (CSA).

Taxable Value: The assessed value less homestead and other exemptions, if applicable.

Tax Base: The aggregate value of taxed items. The base of the County's real property tax is the market value of all real estate in the County. The base of the personal property is the market value of all automobiles, trailers, boats, airplanes, business equipment, etc., which are taxed as personal property by the County. The tax base of a sales tax is the total volume of taxable sales.

Tax Levy: Charges imposed by a government to finance activities for the common benefit. Fairfax County's tax levies are based on an approved tax rate per $100 of assessed value.

Tax Rate: The level of taxation stated in terms of either a dollar amount or a percentage of the value of the tax base. The Board of Supervisors fixes property tax rates for the period beginning January 1 of the current calendar year when the budget for the coming fiscal year is approved. The property tax rate is applied to the value of property assessed as of January 1 each year.

Technology Infrastructure: The hardware and software that support information requirements, including computer workstations and associated software, network and communications equipment, and mainframe devices.

Temporary Assistance for Needy Families (TANF): This program — formerly AFDC (Aid to Families with Dependent Children AFDC) — is a federal/state public assistance program authorized by the Code of Virginia and Title IV-A of the Social Security Act. TANF is funded through a federal block grant and through state funds authorized by the Virginia General Assembly. The purpose of TANF is to provide temporary cash assistance to families in need and to end the dependence of needy parents on government benefits by promoting job preparation and work. With few exceptions, assistance under TANF is restricted to a lifetime limit of 60 cumulative months.

Third Quarter Review: The current year budget is reevaluated approximately seven months after the adoption of the budget based on current projections and spending to date. The primary areas reviewed and analyzed are (1) current year budget versus year-to-date expenditures plus expenditure projections for the remainder of the year, (2) emergency requirements for additional, previously unapproved items, and (3) possible savings. Recommended funding adjustments are provided for Board of Supervisors' approval.

Title VI: Fairfax County operate programs and services without regard to race, color, and national origin in accordance with Title VI of the Civil Rights Act. Any person who believes she or he has been aggrieved by any unlawful discriminatory practice under Title VI may file a complaint with the Fairfax County Office of Human Rights and Equity Programs within 180 days of the date of the alleged discrimination.

Total Budget: The receipts and disbursements of all funds, e.g., the General Fund and all other funds. Net total expenditures (total expenditures minus expenditures for internal service funds) is a more useful measure of the total amount of money the County will spend in a budget year, as it eliminates double accounting for millions of dollars appropriated to operating agencies and transferred by them to internal service agencies. General Fund total disbursements (direct General Fund expenditures plus transfers to other funds, such as the School Operating Fund) are a more accurate measure of the cost of government to the local taxpayers.

Total Project Estimate: A capital project Total Project Estimate (TPE) is composed of funds already expended, currently appropriated, proposed or adopted in the budget year, and proposed for future years. In short, it is the total amount proposed to be expended over the life of the project.

Transfer: A movement of funding from one fund to another. The largest such transaction is the annual transfer of funds from the General Fund to the School Operating Fund. Further complicating the structure of the budget and the process of adopting a budget are numerous movements of dollars among the funds and they are, therefore, internal to the County structure. The amount transferred out of one fund is recorded ("Transfers Out") and the amount transferred into another fund is also recorded ("Transfers In"). The County records this movement of funds as a "transfer" in the budget and in the accounting system in order to more accurately represent financial activity. Transfers provide money to programs that may not have adequate revenue from grants or fees generated by the program.

Translational Medicine: Translational medicine is a rapidly growing discipline in biomedical research and aims to expedite the discovery of new diagnostic tools and treatments by using a multi-disciplinary, highly collaborative, "bench-to-bedside" approach.

Transport Fees: The cost to provide ambulance transportation to patients from home to hospital.

Trust Funds: A categorization of accounts defined by the State Auditor of Public Accounts consisting of funds established to account for money and property held by the County government in the capacity of a trustee or custodian for individuals or other specified purposes. Examples are the various retirement funds, which contain contributions from the County government and individual employees.

Unappropriated: Not obligated for a specific purpose.

Urban Area Security Initiative (UASI): The UASI program is intended to provide financial assistance to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and to assist these areas in building and sustaining capabilities to prevent, protect against, mitigate, respond to, and recover from threats or acts of terrorism using the Whole Community approach. Activities implemented with UASI funds must support terrorism preparedness by building or enhancing capabilities that relate to the prevention of, protection from, mitigation of, response to or recovery from terrorism in order to be considered eligible. Fairfax County's Office of Emergency Management (OEM) utilizes UASI funds for multiple purposes, such as sustaining operational readiness, training County personnel and preparing its residents.

Unencumbered: This term refers to unspent funds. An unencumbered balance of funds in an account is not restricted or reserved with respect to their availability for future use.

Unfunded Positions: Positions that departments have elected to hold vacant in order to achieve personnel expenditure savings beyond the normal expected turnover savings. These positions are in the departments' FTE counts, and remain eligible for departments to request restored funding at some future date.

Useful Life: The period of time that a fixed asset is able to be used. This can refer to a budgeted period of time for an equipment class or the actual amount of time for a particular item.

User Fees: Charges for expenses incurred when services are provided to an individual or groups and not the community at large. The key to effective utilization of user fees is being able to identify specific beneficiaries of services and then determine the full cost of the service they are consuming or using.

Vacancy Rate: Residential Vacancy Rate is the percentage of total housing units that are unoccupied. Nonresidential Vacancy Rate is the percentage of the total available square footage not leased.

Virginia Initiative for Employment not Welfare (VIEW): This program supports the efforts of families receiving Temporary Assistance for Needy Families (TANF) to achieve independence through employment. VIEW focuses on the participants' strengths and provides services to help them overcome job-related challenges, as well as personal, medical and family challenges that affect employment. The Fairfax County Department of Family Services (DFS) administers benefits under the federal TANF program, which provides temporary cash assistance to low-income families with children. Parents who receive this assistance, and are able to work, are required to participate in the VIEW program. The VIEW program offers parents the assistance and resources needed to find and keep a job. An important aspect of the program is the strong support participants receive from their VIEW case manager, who focuses on each family's individual situation and works with them to support their goals of employment and independence.

Vision Elements: The vision elements were developed in FY 2005 by the County Executive and the Senior Management team to address the priorities of the Board of Supervisors and emphasize the County's commitment to protecting and enriching the quality of life for the people, neighborhoods, and diverse communities of Fairfax County. There are seven vision elements including: Maintaining Safe and Caring Communities, Building Livable Spaces, Connecting People and Places, Maintaining Healthy Economies, Practicing Environmental Stewardship, Creating a Culture of Engagement and Exercising Corporate Stewardship.

Waiting List: A roster of those waiting for a service or product to be provided, established when the demand for a specific program exceeds the program's service capacity.

Watershed: A region or area bounded peripherally by water parting and draining ultimately to a particular watercourse or body of water.

Workforce Housing: Fairfax County defines "workforce housing" as rental or for-sale housing units that are affordable to households with maximum income limits up to and including 120 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area, as determined periodically by the U.S. Department of Housing and Urban Development. (Fairfax County Comprehensive Plan-Policy Plan).

Workforce Planning: A systematic process designed to anticipate and integrate the human resources aspect to an organization's strategic plan by identifying, acquiring, developing, and retaining employees to meet organizational needs.

Work Performed for Others (WPFO): Expenditure credits for services provided on behalf of a different County agency.

Wrap-Around: Intensive, individualized comprehensive services that are coordinated across multiple disciplines and/or agencies to create the greatest impact with the least number of barriers and ultimately meet the client needs.

ACRONYMS

ADA: Americans with Disabilities Act

ADC: Adult Detention Center

ADHC: Adult Day Health Care

AED: Automatic External Defibrillator

AEOC: Alternate Emergency Operations Center

AFIS: A multi-jurisdictional Automated Fingerprint Identification System

ARRA: American Reinvestment and Recovery Act

ASSB: Advisory Social Services Board

CAD: Computer Aided Dispatch

CCFAC: Consolidated Community Funding Advisory Committee

CJAB: Criminal Justice Advisory Board

CERF: Computer Equipment Replacement Fund

CERT: Community Emergency Response Team

CHINS: Child In Need of Supervision or Services

COG: Metropolitan Washington Council of Governments

CPAN: Courts Public Access Network

CRA: Clinic Room Aide

CRIS: Community Resident Information Services (kiosks used by Fairfax County)

CSU: Court Service Unit (Juvenile and Domestic Relations District Court)

CTB: Commonwealth Transportation Board

EAP: Employee Assistance Program

EMPG: Emergency Management Performance Grant

EMS: Emergency Medical Service

ENSNI: Estimate, No Scope, No Inflation

EOC: Emergency Operations Center

ESOL: English as a Second Language

FCEDA: Fairfax County Economic Development Authority

FCPA: Fairfax County Park Authority

FCPL: Fairfax County Public Library

FCPS: Fairfax County Public Schools

FCRHA: Fairfax County Redevelopment and Housing Authority

GAAP: Generally Accepted Accounting Principles

GFOA: Government Finance Officers Association

GIS: Geographic Information Systems

HIPAA: Health Insurance Portability and Accountability Act

HMO: Health Maintenance Organization

ICMA: International City/County Management Association

iNet: Institutional Network

LAN: Local Area Network

MPSTOC: McConnell Public Safety and Transportation Operations Center

MWCOG: Metropolitan Washington Council of Governments

MRA: Market Rate Adjustment

NACo: National Association of Counties

NOVARIS: Northern Virginia Regional Identification System

NVCC: Northern Virginia Community College

NVCT: Northern Virginia Conservation Trust

NVFS: Northern Virginia Family Services

NVRC: Northern Virginia Regional Commission

NVRPA: Northern Virginia Regional Park Authority

NVSWCD: Northern Virginia Soil and Water Conservation District

NVTC: Northern Virginia Transportation Commission

PSCC: Public Safety Communications Center

PSCN: Public Safety Communications Network

PSOHC: Public Safety Occupational Health Center

SAC: Selection Advisory Committee

SACC: School-Age Child Care

SBE: Small Business Enterprise

SCBA: Self-Contained Breathing Apparatus

SCC: State Corporation Commission

SWRRC: Solid Waste Reduction and Recycling Centers

VACo: Virginia Association of Counties

VRE: Virginia Railway Express

WAHP: Washington Area Housing Partnership

WAHTF: Washington Area Housing Trust Fund

WAN: Wide Area Network

WMATA: Washington Metropolitan Area Transit Authority

YTD: Year To Date

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Fairfax County is committed to nondiscrimination on the basis of disability in all County programs, services and activities. Reasonable accommodations will be provided upon request. For information, call the Department of Management and Budget at 703-324-2391, TTY 711 (Virginia Relay Center).