

FY 2016

Adopted Budget Plan



Adopted Budget Summary

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FY 2016 Fairfax County Budget Facts

Disbursements

- ◆ **General Fund Direct Expenditures** total \$1.41 billion, an increase of \$15.7 million, or 1.13 percent, over the *FY 2015 Revised Budget Plan*. It is an increase of \$44.6 million, or 3.27 percent, over the FY 2015 Adopted Budget Plan.
- ◆ **General Fund Disbursements** total \$3.82 billion, an increase of \$23.8 million, or 0.63 percent, over the *FY 2015 Revised Budget Plan*, and an increase of \$103.2 million, or 2.78 percent, over the FY 2015 Adopted Budget Plan. These figures include the transfers for School Operating and School Debt Service.
- ◆ **The County General Fund transfer for School operations in FY 2016** is \$1.83 billion, a 3.2 percent increase over the FY 2015 Adopted Budget Plan. In addition, \$187.2 million is transferred to School Debt Service. The total County transfer to support School Operating and Debt Service is \$2.01 billion, or 52.7 percent, of total County disbursements.
- ◆ **Expenditures for All Appropriated Funds** total \$7.13 billion.
- ◆ General Fund Support for **Information Technology (IT) Projects** is reduced by \$1.04 million to \$2.70 million.
- ◆ **Pay-As-You-Go Capital Construction** projects total \$22.04 million, which is an increase of \$0.86 million from the FY 2015 level.

Tax Base

- ◆ **Total FY 2016 General Fund Revenue** is \$3.81 billion, an increase of \$107.4 million, or 2.90 percent, over the *FY 2015 Revised Budget Plan*.
- ◆ **One Real Estate Penny** is equivalent to approximately \$22.6 million in tax revenue.
- ◆ **One Personal Property Penny** is equivalent to approximately \$1.2 million in tax revenue.
- ◆ **The Mean Residential Assessed Property Value** is \$517,101, an increase of \$16,955, or 3.4 percent, over the FY 2015 value of \$500,146. On average, residential annual Real Estate tax bills will increase \$184.81 in FY 2016 based on the adopted Real Estate tax rate of \$1.09 per \$100 of assessed value.
- ◆ **The Commercial/Industrial percentage** of the County's Real Estate Tax base is 18.67 percent, a slight decrease of 0.34 percentage points from the FY 2015 level of 19.01 percent.
- ◆ **The Main Assessment Book Value** of all real property is projected to increase \$7.6 billion, or 3.46, percent over FY 2015.
- ◆ **Real Estate and Personal Property Taxes** (including the Personal Property portion being reimbursed by the Commonwealth) comprise approximately 79.1 percent of General Fund Revenues.

Population and Positions

- ◆ **Fairfax County's population** is projected to be 1,125,875 in CY 2016. This is an increase of 37.5 percent over the 1990 census count of 818,584.
- ◆ **Authorized Positions** for all funds are decreasing by 19 to 12,335 positions. The **ratio of authorized positions per 1,000 residents** is 10.98 in FY 2016.

Tax Rates

- ◆ **Real Estate Tax Rate** remains at \$1.090 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 \$0.0225 to \$0.0250 per \$100 of assessed value.
- ◆ **Leaf Collection Rate** remains at \$0.015 per \$100 of assessed value.
- ◆ **Refuse Collection Rate** for County collection districts remains at \$345 per household and the **Refuse Disposal Rate** remains at \$62 per ton.
- ◆ **Solid Waste Ash Disposal Rate** increases from \$22.50 to \$24.50 per ton in FY 2016.
- ◆ **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 \$6.62 to \$6.65 per 1,000 gallons of water consumption and the **Sewer Availability Charge** for new single family homes remains at \$7,750 per unit. The **Sewer Base Charge** increases from \$15.86 to \$20.15 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** increases from \$0.04 to \$0.05 per \$100 of assessed value.

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Budget Development Process

Throughout the fall of 2014, 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 2016 Advertised Budget Plan was released by the County Executive on February 17, 2015, 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 7-9, 2015. On April 8, 2015, the County Executive submitted the FY 2016 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 21, 2015 and adopted the budget on April 28, 2015.

The FY 2016 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 2016 budget, taking into consideration the economic outlook for FY 2017 and the impact of FY 2016 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 2016 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 2017 budget was clearly delineated. The updated FY 2017 projected budget is outlined in the section entitled *Multi-Year Budget: FY 2016 and FY 2017* in this volume.

BOARD OF SUPERVISORS' PRIORITIES

- A Quality Educational System
- Safe Streets and Neighborhoods
- A Clean, Sustainable Environment
- Livable, Caring and Affordable Communities
- A Vibrant Economy
- Efficient Transportation Network
- Recreational and Cultural Opportunities
- Affordable Taxes

County Budget in Brief

On April 28, 2015, the Fairfax County Board of Supervisors adopted the fiscal year 2016 budget, which begins on July 1, 2015 and runs through June 30, 2016. The approved General Fund disbursement budget totals \$3,819,548,220, an increase of \$23,796,348, or 0.63 percent, from the *FY 2015 Revised Budget Plan*, and an increase of \$103,184,245, or 2.78 percent, over the FY 2015 Adopted Budget Plan. The expenditure total for all Appropriated Funds is \$7,129,871,629.

FY 2016 General Fund revenues are projected to be \$3,810,507,655, an increase of \$107,380,519, or 2.90 percent, over the *FY 2015 Revised Budget Plan*, and an increase of \$101,944,163, or 2.75 percent, over the FY 2015 Adopted Budget Plan.

COUNTY CORE PURPOSE

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

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

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In summary, the budget approved by the Board:

- Increases fiscal support for Fairfax County Public Schools as a percentage of County General Fund disbursements from the FY 2015 level of 52.4 percent. The approved County General Fund transfer to the Public School Operating Fund is \$1,825,153,345, an increase of \$56,654,952, or 3.20 percent over the FY 2015 Adopted Budget Plan. In addition, the County’s transfer for School Debt Service is \$187,157,477, an increase of \$10,016,301 over the FY 2015 level. The combined transfer for School Operations and Debt Service is \$2.01 billion, which represents 52.7 percent of total County General Fund Disbursements.
- Maintains the Real Estate tax rate at \$1.090 per \$100 of assessed value. As a result of rising residential assessments, the average homeowner will experience an increase in their tax bill of \$184.81.
- Utilizes no one-time funding in order to balance the budget.
- For General County employees, the FY 2016 Adopted Budget Plan funds a 1.10 percent market rate adjustment (MRA) and an average 2.50 percent performance and longevity increase, both effective July 2015. The performance and longevity increases 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.
- For uniformed public safety employees, the FY 2016 Adopted Budget Plan funds a 1.10 percent MRA as well as merit increments and longevity increases for all eligible employees on their anniversary dates. 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 longevity. Approximately 45 percent of uniformed public safety employees are eligible for a 5.00 percent merit or longevity increase each year.

FY 2016 Adopted Budget Overview	
(Amounts shown are in millions over the <u>FY 2015 Adopted Budget Plan</u>)	
<i>Additional Resources</i>	
Increase generated by increases in Real Estate Assessments and all other Revenue Categories	\$99.49
Increase resulting from Reductions/Savings*	\$2.45
Total Increase in Revenues	\$101.94
Net Impact of Transfers In	1.68
Total Available	\$103.62
<i>How Additional Resources Were Spent</i>	
Increase in transfers to Fairfax County Public Schools for Operations and Debt Service	\$66.67
Employee Compensation	\$46.88
Human Services Requirements	\$10.28
Community Development Requirements	\$4.17
Public Safety Requirements	\$2.43
Cost of County Operations	(\$0.25)
Capital/Debt Service Requirements	(\$5.09)
Reductions/Savings*	(\$21.91)
Total Disbursements	\$103.18
Net Adjustments to Reserves	\$0.44
Total Uses	\$103.62
Available Balance	\$0.00
*Total Net Reductions/Savings equals \$24.36 million.	

More information regarding adjustments included in the FY 2016 budget is provided on the following pages.

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FY 2016 Budget Highlights

General Fund Revenue

FY 2016 General Fund revenues are projected to be \$3,810,507,655, an increase of \$3,127,370 over the FY 2016 Advertised Budget Plan. The increase is primarily the result of additional revenue from the Commonwealth.

The FY 2016 revenue represents an increase of \$107,380,519, or 2.90 percent, over the *FY 2015 Revised Budget Plan*, which contains the latest FY 2015 revenue estimates, and an increase of \$101,944,163, or 2.75 percent, over the FY 2015 Adopted Budget Plan. The net increase is primarily the result of an \$80.6 million increase over the *FY 2015 Revised Budget Plan* in Real Estate Tax revenue due to a rise in FY 2016 real estate assessments. Most other County revenue categories are projected to experience moderate growth over FY 2015.

On the County's real estate front, residential home values continued to recover in 2014. Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County in 2014 rose a modest 1.3 percent from \$531,567 in 2013 to \$538,280. The average home selling price is still 0.9 percent below that of the market peak of \$543,271 in 2005. MRIS also reported that 13,549 homes sold in the County in 2014, down 10.1 percent from 2013. Homes that sold during 2014 were on the market for an average of 45 days, 8 days longer than the 2013 level of 37 days. Overall, residential equalization reflects a 3.39 percent increase in FY 2016, compared to a 6.54 percent increase in FY 2015. After falling a slight 0.10 percent in FY 2015, non-residential values dropped an additional 0.60 percent in FY 2016 as office vacancy rates remained elevated. New construction increased the real estate tax base by 1.06 percent in FY 2016.

The value of a penny on the Real Estate Tax rate is \$22.61 million in FY 2016. As a result of the increase in residential assessments and no change in the real estate tax rate of \$1.09 per \$100 of assessed value, FY 2016 Real Estate taxes per "typical" household will increase \$184.81 over FY 2015.

General Fund Disbursements

FY 2016 General Fund disbursements are \$3,819,548,220, an increase of \$103,184,245, or 2.78 percent, over the FY 2015 Adopted Budget Plan and an increase of \$23,796,348, or 0.63 percent, over the *FY 2015 Revised Budget Plan*. The increase over the FY 2015 Adopted Budget Plan is primarily attributable to requirements of \$66.67 million for Fairfax County Public Schools for both Operating and Debt. Net increases for all non-School disbursements total \$36.51 million.

Increases in the General Fund budget fall into the following main categories: Fairfax County Public Schools, Employee Compensation, Human Services, Community Development, Public Safety, Cost of County Operations, Capital Construction and Debt Service, and Reductions/Savings. Details for disbursement increases in each of these categories are provided on the following pages.

Fairfax County Public Schools

\$66.67 million

County General Fund support for Fairfax County Public Schools (FCPS) totals \$2.01 billion in FY 2016, an increase of \$66.67 million, or 3.43 percent, over the FY 2015 Adopted Budget Plan. Within this amount, the approved transfer to the Public School Operating Fund of \$1.83 billion reflects an increase of \$56.65 million, or 3.20 percent, over the funding level in the FY 2015 Adopted Budget Plan. The transfer in support of School debt service is \$187.16 million. Combined, the two transfers to FCPS make up 52.7

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percent of total General Fund disbursements, which is slightly higher than the 52.4 percent allocated to FCPS in FY 2015. The County also provides additional support for the Schools totaling approximately \$73.9 million for programs such as Head Start, School Health, School Resource Officers, School Crossing Guards, after-school programming, field maintenance, and recreational programs, among others.

Employee Compensation

\$46.88 million

1.10 percent Market Rate Adjustment

\$12.39 million

Funding of \$12.39 million is included for the full-year impact of a 1.10 percent Market Rate Adjustment (MRA) increase effective July 2015 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, and is based on a calculation approved by the Board of Supervisors. The calculated MRA for FY 2016 was 1.68 percent. However, due to budget constraints, only a portion of the MRA was funded for FY 2016.

The calculation of the MRA consists of 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.

Performance and Longevity Increases for General County Employees

\$14.31 million

Funding of \$14.31 million is included for the General County employee pay increases included in the budget which reflects the new performance and longevity program for all eligible general County employees approved by the Board of Supervisors in Fall 2014. This funding reflects increases effective July 2015 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 2016, all employees with at least 20 years of service as of June 30, 2015 will receive the 4 percent increase due to the implementation of the program. In future years only those employees reaching 20 or 25 years of service each year will be eligible. 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 2016 is 2.5 percent due to the large number of employees receiving the longevity award this year. It is anticipated that in future years the average increase will be closer to 2 percent for performance and longevity awards.

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Public Safety Merit Increments and Longevities

\$8.13 million

Funding of \$8.13 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 2015 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2016 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.

Employees', Police Officers, and Uniformed Retirement

\$8.57 million

The FY 2016 budget includes a net \$8.57 million increase for fiduciary requirements associated with the County's retirement systems and as a modest investment to strengthen our funding ratios. As a result of strong investment returns in recent years and the changes made both to the retirement systems and the employer funding levels, funding ratios for each of the retirement systems have gradually increased and currently range from 78 percent to 87 percent. In FY 2014 all three systems exceeded the 7.5 percent assumed rate of return. The Employees' system returned 14.9 percent, the Uniformed system was up 16.1 percent, and the Police Officers system returned 16.2 percent. The FY 2014 investment results, contribution levels, and liability experience affected the funding ratios as demonstrated in the table below.

The June 30, 2013, funding ratios in the table below are the corridor funding ratios, which have been adjusted to reflect the unfunded liability already being amortized as a result of benefit changes and ad-hoc retiree COLAs that were adopted since the corridor method was established. Meanwhile, the June 30, 2014, funding ratios in the table below have been calculated to reflect required changes to pension reporting under Governmental Accounting Standards Board (GASB) Statements 67 and 68, and therefore use the market value of assets in the calculation instead of the actuarial value of assets.

	June 30, 2013	June 30, 2014
Employees'	74.2%	78.4%
Uniformed	82.4%	84.6%
Police Officers	84.2%	87.5%

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 the following multi-year strategy:

- In FY 2016, the employer contribution rates are increased to adjust the amortization level of the unfunded liability from 93 percent to 95 percent.
- Increases in the employer contribution rates will continue so that the County will amortize 100 percent of the unfunded liability by FY 2020 at the latest, fully funding the Annual Required Contribution for all systems. 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

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exceeding the assumed rate of 7.5 percent, 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.

Increased funding required as a result of this multi-year approach will be included in the County's financial forecasts. Additionally, necessary changes will be made to the Fairfax County Code.

Health Insurance and Other Benefits

\$3.32 million

A net increase of \$3.32 million is primarily due to the full-year impact of calendar year 2015 premium increases and costs associated with a projected 10 percent premium increase for all health insurance plans, effective January 2016, and for Social Security (FICA) requirements in FY 2016. It should be noted that staff, at the direction of the Board of Supervisors, will also pursue plan design changes and the offering of lower-cost plan alternatives to help reduce overall health care costs. Additionally, dental insurance and group life insurance premiums are projected to increase 5 percent in calendar year 2016. 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.

Other Salary Adjustments

\$0.16 million

A net increase of \$0.16 million is associated with salary adjustments for the Board of Supervisors, Board of Zoning Appeals, and Planning Commission, effective January 2016.

Human Services

\$10.28 million

Contract Rate Increases

\$3.49 million

An increase of \$3.49 million is required to support a contract rate increase for the providers of Human Services in the County, which is especially important for our non-profit partners. Services provided contractually are a critical part of the Human Services system with both for-profit and non-profit vendors partnering with the County to ensure a broad array of services are available to the community. This funding is spread between the Department of Family Services, the Health Department, the Office to Prevent and End Homelessness, the Department of Neighborhood and Community Services and the Fairfax-Falls Church Community Services Board. Each year individual contracts are let for the various services, and program staff and the community providers negotiate funding requirements. To keep pace with inflation, pay and benefits, the County periodically funds contract rate increases so service delivery levels are not reduced to accommodate the increased cost of doing business. In FY 2016, \$1 million of the total for contract rate increases is necessary to increase the rates paid to providers for locally funded children in the Child Care Assistance and Referral program. This is necessary based on the rate increase implemented by the State in September 2014 for providers receiving state-funded child care subsidies. This increase created a situation where the state's reimbursement rates were higher than the County's reimbursement rates. As a result, child care providers were receiving a higher subsidy payment for those children receiving state-funded subsidies than they were for those children receiving locally-funded subsidies. Prior to this increase, the rates between the two systems were the same. The County has historically adjusted the local Maximum Reimbursable Rates to be consistent with the state. To not do so would create disparity between the two systems and increases the likelihood that child care programs would only enroll children who receive payment from the state.

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Public Assistance Caseloads

\$2.46 million

An increase of \$2.46 million and 20/20.0 FTE new positions is needed to address increasing public assistance caseloads in the Self-Sufficiency Division. It should be noted that a portion of this funding supports the full year costs of position adjustments made in FY 2015. Public assistance caseloads have increased more than 79 percent since FY 2008. Additionally, implementation of the Patient Protection and Affordability Care Act (PPACA) has increased the amount of time each application takes to process. The state application form, which was originally two pages, has increased to 18 pages but may be as long as 27 pages depending on family size. The issue is compounded by an ever-increasing backlog of applications that have been received, but staff has not yet been able to process. In accordance with federal and state mandates, the County is required to determine eligibility and deliver benefits within a certain timeframe and is not currently meeting these timeframes. This leaves the County vulnerable to both internal and external audit findings. The expenditure increase is partially offset by \$1.89 million in revenue for a net impact to the County of \$0.57 million. Staff resources were redirected within Family Services and added in FY 2015 and it is anticipated that, if the volume and complexity of the work continues to grow, additional staff resources will be required in future years.

Fairfax-Falls Church Community Services Board Intellectual Disability Graduates

\$1.28 million

An increase of \$1.28 million in operating expenses supports all of the 79 June 2015 special education graduates of the County Public Schools turning 22 years of age who are eligible for day support and employment services and who currently do not have a funding source for such services. The County support meets the Board's commitment to ensure that all eligible graduates seeking services have funding. In total 55 new graduates will receive County funding and the remaining 24 graduates will be funded through other sources such as Medicaid waivers.

School Readiness

\$0.96 million

An increase of \$0.96 million is associated with the next phase of expanding school readiness activities in support of community programs serving young children begun in FY 2015 at the Board's direction. The FY 2016 funding is specifically aimed at expanding the network of programs that promote school readiness through the alignment of curricula to Virginia's Foundation Blocks for Early Learning, as well as supporting children living in poverty to reach fall kindergarten benchmarks. Funding supports CCAR locally-funded child care subsidies, an expansion of the Virginia Star Quality Initiative Program and additional Local Cash Match for the expansion of the Early Head Start Program grant.

School readiness describes the capabilities of children, their families, schools and communities that will best promote student success in kindergarten and beyond. Early childhood education programs support the development of children's cognitive, social, emotional and physical development skills, which are strong predictors of success in school.

School Health Program

\$0.69 million

An increase of \$0.69 million and 4/3.28 FTE positions supports two new Fairfax County elementary schools, Bailey's II and Ft. Belvoir. Each school is assigned a School Health Aide that provides care for sick and injured students and administers authorized medication. A Public Health Nurse is also assigned to each school to promote health and wellness in the school community; identify potential communicable diseases; assess students with health conditions; develop health care plans for students with special needs; provide support for medically fragile students who require continuous assistance; and consult with school administration on implementation of mandated health requirements. In addition, the funding increase provides the ongoing costs associated with the FCPS implementation of full-day Mondays in County elementary schools that began for school year 2014-2015 and which requires additional hours for County staff supporting the school health program.

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Providence Community Center and Merrifield Human Services Center **\$0.69 million**

An increase of \$0.69 million is required for the full-year costs associated with the Providence Community Center and the Merrifield Human Services Center, both of which opened in FY 2015.

Conversion of Grant funding for Domestic and Sexual Violence Services **\$0.23 million**

An increase of \$0.23 million and 3/2.5 FTE positions will be required for FY 2016 to replace grant funding for domestic violence services that will no longer be available to ensure that the programs may be maintained. These positions were originally funded through a U.S. Department of Justice, Office for Violence Against Women grant. While the County has received additional grant funding which partially supports the program, it is not sufficient to support these positions. Therefore, as indicated in the FY 2015 Adopted Budget Plan, funding and positions are being converted to the General Fund to continue these vital services. The Domestic Violence Action Center is a collaborative effort among several County agencies as well as two non-profit agencies. It provides information and support services for victims of domestic violence and stalking, as well as promotes the accountability of offenders through specialized prosecution and offender supervision.

School-Age Child Care Rooms **\$0.15 million**

An increase of \$0.15 million is associated with the opening of a second School-Age Child Care (SACC) room at Terraset Elementary School as well as the new SACC room at the new Providence Community Center. Funding levels reflect the continuation of the modified SACC model implemented for new rooms since FY 2010. The expenditure increase is partially offset by an increase of \$116,180 in SACC revenue for a total net impact to the County of \$38,727.

In addition, SACC fees have been restructured with the goal of both generating revenue and better reflecting income levels and affordability for participating families. As a result, full paying families will see an increase of 8.0 percent, some families at lower income levels will see a decrease in fees and registration fees will be increased and charged annually, generating \$0.8 million in additional revenue in FY 2016.

Other Adjustments **\$0.33 million**

An additional increase of \$0.33 million is the net result of increases to support Electronic Health Records in the Health Department and the expansion of FASTRAN services in the Department of Neighborhood and Community Services.

Community Development **\$4.17 million**

Economic Development “Booster Shot” **\$4.12 million**

An increase of \$4.12 million is required to provide full-year funding for the 28/28.0 FTE new positions added in FY 2015 following the December 2, 2014 Board approval of increases to Land Development Services and Fire Prevention Division (Fire Marshal) fees for plan review, permits, and inspection services. The fee increase will support these additional staff resources in a variety of agencies supporting the plan review, permit, and inspection process.

Positions to support Transportation funding added in FY 2014 **\$0.00 million**

An increase of 14/14.0 FTE positions with no net General Fund cost is associated with supporting transportation-related programs in FY 2016. The County has benefited since FY 2014 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 will require various amounts of staff management, oversight, and review over the foreseeable future. Of

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the total positions, 13/13.0 FTE new positions are included in Fund 40010, County and Regional Transportation Projects, specifically associated with supporting initial implementation of projects and services funded with the State Transportation funding plan (HB 2313). Another 1/1.0 FTE new position will support transit efforts and will be covered through chargebacks to Fund 40000, County Transit Systems, requiring no additional General Fund dollars.

Position to support Stormwater activities

\$0.00 million

There is 1/1.0 FTE position added at no net General Fund cost to support increased stormwater-related activity in the County, funded by the second phase of the Stormwater Services District rate increase as originally discussed with the Board in October 2013 which laid out the first five-year plan for the Stormwater Services District. All costs associated with the position will be funded out of Fund 40100, Stormwater Services. In FY 2016, the Stormwater Service District rate will increase by \$0.0025 from the FY 2015 Adopted level of \$0.0225 to \$0.0250 per \$100 of assessed real estate value. The FY 2016 levy of \$0.0250 will generate just over \$56 million, supporting staff and operational costs, and capital project implementation including infrastructure reinvestment, stream and water quality improvements, regulatory requirements, and dam safety requirements.

Fort Belvoir Army Museum

\$0.05 million

An increase of \$0.05 million is associated with increased support for the Fort Belvoir National Army Museum located in the southeastern part of Fairfax County.

Public Safety

\$2.43 million

Fire and Rescue staffing

\$1.26 million

An increase of \$1.26 million is required to cover partial-year costs associated with 31/31.0 FTE positions currently being funded by two Staffing for Adequate Fire and Emergency Response (SAFER) grants which will expire in FY 2016. These positions have allowed the Fire and Rescue Department (FRD) to implement the initiative of having a fourth person on eight of the County's 14 ladder truck companies. Four-person truck staffing will enhance FRD's ability to initially establish firefighting, rescue, and medical emergency services in a timely manner, and increase the ability to complete time-critical tasks on-scene as quickly as possible with the right amount of personnel, thus reducing property loss and firefighter injury risks or death. The funding for the first SAFER grant, supporting 19/19.0 FTE positions, expires in November 2015, while the second, supporting 12/12.0 FTE positions, expires in April 2016.

Juvenile Detention Center

\$0.71 million

Starting in January 2015, the Juvenile and Domestic Relations District Court (JDRDC) will utilize 11 beds of space that were not previously being utilized at the Juvenile Detention Center (JDC) for District of Columbia (DC) youth awaiting placement in a treatment facility or group home. Individuals that will be served include both males and females aged 12 to 18 that have been adjudicated as delinquent in DC courts and placed in the custody of the DC Department of Youth and Rehabilitation Services. These youth will be fully integrated into the JDC population. Youth in the program will be able to be held in the JDC for a maximum of 30 days and will only be accepted and released under secure custody. Fairfax County reserves the right to deny or terminate any placement based on conditions impacting health, safety and security. The District of Columbia will be billed a rate of \$380 per bed per day, generating approximately \$127,000 in monthly revenue. In FY 2016, this would generate an estimated \$1,524,000 in revenue for the full year. An additional \$240,000 in revenue is estimated based on educational-related costs that will be billed back to DC, resulting in a total of \$1,764,000 in additional revenue associated with this program in FY 2016. This increase will be partially offset by a \$114,000 reduction in State Share block grant revenue associated with reducing the total bed count in the JDC from 121 to 110, resulting in a net

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revenue increase of \$1,650,000. An amount of \$708,000 in recurring programmatic costs is required to fill 3/3.0 FTE previously vacant Probation Officer positions, provide funds for operating expenditures such as food and supplies, and pay FCPS for the provision of the education-related services noted above. The annual net revenue to the County associated with this program is estimated to be \$942,000.

Regional Gang Task Force

\$0.36 million

An increase of \$0.36 million is associated with the conversion of 2/2.0 FTE Grant Positions into Merit Positions as the grant funding utilized to support these positions has expired. These positions perform critical work for the Northern Virginia Regional Gang Task Force, a multi-discipline and multi-jurisdictional partnership to impact gang activity in Northern Virginia which would not be available without this County support.

Police Consultant Study

\$0.10 million

An increase of \$0.10 million is included for outside, independent consultant services to review the County's current information release policies and practices and to advise the Board on the establishment of appropriate changes regarding the release of information in police-involved shootings and other critical incidents.

Cost of County Operations

(\$0.25) million

Facilities Management

\$0.80 million

A net increase of \$0.80 million is required for annual rent-based adjustments for the County's lease contracts.

Veterans Docket

\$0.21 million

An increase of \$0.21 million and 2/2.0 FTE positions are included in the General District Court to establish the Fairfax County Veterans Treatment Docket, a court-supervised, comprehensive treatment program. The Veterans Docket is intended to provide a coordinated treatment response for the Veteran population which often requires intensive supervision and suffers from substance abuse, mental health, and/or post-traumatic stress disorder. These positions will also help support existing pre-trial Supervised Release Program clients as well as post-trial Probation Services clients.

Office of Elections staffing

\$0.16 million

An increase of \$0.16 million and 2/2.0 FTE positions are included in the Office of Elections to continue to meet the multi-year needs of the agency. Of this total, 1/1.0 FTE Administrative Assistant IV position is required to provide voter registration and candidate services based on the number of voter registration and address changes processed increasing from approximately 100,000 in FY 2010 to 120,000 in FY 2014. In addition, services provided to candidates have become more complex based on changes to technology supporting campaign finance filings and more complicated laws and regulations. An additional 1/1.0 FTE Administrative Assistant IV position is required to provide finance and budget support. This position will allow the agency to consolidate all finance and budget-related duties under a single merit position which will allow other merit staff to focus on election-related assignments.

Vehicle Services staffing in support of Fairfax County Public Schools (FCPS)

\$0.00 million

An additional 2/2.0 FTE positions with no net General Fund cost is required to support the increased workload associated with additional buses being added to the FCPS fleet as part of approved scheduling changes. On October 23, 2014, the Fairfax County Public School Board adopted scheduling changes based on findings associated with the SLEEP Study. The revised schedule condenses start times and will result in additional students being transported to school at similar times. As a result, FCPS will be required to purchase additional school buses which the Department of Vehicle Services (DVS) will be

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responsible for maintaining. It is important to note that the costs associated with these positions will be fully offset by additional revenue associated with increased billings to FCPS.

Revenue Stabilization Fund **(\$0.49) million**

The General Fund transfer to the Revenue Stabilization Fund is decreased by \$0.49 million based on disbursement adjustments in the FY 2016 budget. As a result, the fund balance is maintained at the FY 2015 level of 3.2 percent. As part of the adoption of the FY 2016 budget, the Board of Supervisors approved an increase in the target level of the fund to 5 percent of General Fund disbursements.

Information Technology Projects **(\$1.04) million**

A decrease of \$1.04 million is the result of reduced funding requirements for Information Technology projects. In FY 2016, funding of \$6.42 million, which includes a General Fund transfer of \$2.70 million, a transfer from Fund 40030, Cable Communications, of \$3.68 million, and interest income of \$0.04 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.

Other Adjustments **\$0.11 million**

Additional increases of \$0.11 million are attributable to the net impact of increases in General Fund support for organizations in Fund 10030, Contributory Fund, as well as maintenance and utility costs associated with new facilities in the Facilities Management Department, offset by an increase in recovered costs in Land Development Services based on experience.

Capital Construction and Debt Service **(\$5.09) million**

Debt Service **(\$5.95) million**

In addition to requirements associated with School debt service, FY 2016 General Fund support of County debt service requirements is \$127.79 million, a decrease of \$5,948,861 from the FY 2015 level. The FY 2016 funding level supports debt service payments associated with existing debt service requirements and recognizes the benefit of the County refunding bond sale in Fall 2014. During FY 2016 it is anticipated that a general obligation bond sale of approximately \$272.57 million will be conducted to fund cash requirements for ongoing capital projects for School and County purposes. This bond sale estimate is consistent with the FY 2016-FY 2020 Adopted Capital Improvement Program (CIP), with Future Fiscal Years to 2025.

Capital Construction **\$0.86 million**

The Capital Program is primarily financed by the General Fund, general obligation bonds, fees, and service district revenues. General Fund support for the Capital Program in FY 2016 totals \$22,041,768. This represents an increase of \$857,787 over the FY 2015 Adopted Capital paydown level. The FY 2015 paydown level reflected a significant increase from the FY 2014 level after a number of years of reduced contributions. The additional increase in FY 2016 is an important element of the County's commitment to investing in our infrastructure. The increase in paydown supports environmental initiatives, revitalization, and the County's contribution to the School-Age Child Care (SACC) program.

The Paydown Program of \$22.04 million represents General Fund support only for the following projects and programs: Infrastructure Replacement and Upgrades of \$2.70 million; Athletic Field Maintenance of \$5.64 million; Americans with Disabilities Act (ADA) compliance funding of \$4.06 million; ongoing

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development such as Laurel Hill development, emergency road repairs and developer defaults of \$1.78 million; Park Authority Grounds, Building and Equipment Maintenance of \$1.68 million; continued revitalization maintenance and support of \$1.21 million; funding associated with the County's Environmental Improvement Program of \$0.54 million; and obligations and commitments to the SACC program, the Northern Virginia Community College, and the annual Salona property payment of \$4.43 million.

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

Reductions/Savings **(\$21.91) million**

The FY 2016 budget includes \$21.91 million in disbursement reductions. These reductions are grouped into three categories. The first and largest is \$16.52 million in reductions submitted by departments. These reductions are included in the following report and are indicated with the ¶ icon. The second category is reductions suggested by employees which total \$0.89 million. These reductions are identified with the icon 🗑️ in the reductions listing that follows. Finally \$4.50 million in savings is available as a result of taking advantage of several large expenses which are not required in FY 2016. Lease savings of \$1.0 million for the Community Services Board leases which are no longer required as a result of consolidation into the Merrifield Human Services Center have been programmed to help offset debt service increases for the Merrifield Human Services Center. Savings of \$1.5 million in fuel is possible based on fuel prices projected for FY 2016. Finally, based on the timing of the 2015 World Police and Fire Games, \$2.0 million funded in FY 2015 is not required in FY 2016.

The reduction summary includes net revenue changes of \$2.45 million which reflects revenue reductions as a result of the elimination of programs and increased revenue options presented by departments as we worked through balancing the budget. Including this net revenue change, reductions for FY 2016 total \$24.36 million and the elimination of 70 positions.

Positions

The FY 2016 budget includes a net decrease of 19 positions over the FY 2015 level, including 51 new positions for critical requirements offset by 70 positions included as part of reductions. New positions include 20 positions to support public assistance caseloads, 14 positions to support transportation-related programs, and 5 positions to replace grant funded-positions supporting domestic violence and gang prevention programs. The remaining 12 positions support a variety of initiatives and requirements such as school health, the Veterans Treatment Docket, economic development, and workload-related issues. County positions in FY 2016 total 12,335. More information on County positions can be found in the *Compensation and Positions* section of this volume.

FY 2016 Budget: All Funds

All Fund Revenues in the FY 2016 Adopted Budget Plan total \$7,536,930,151, an increase of \$217,853,419, or 2.98 percent, over the FY 2015 Adopted Budget Plan. On the expenditure side, the FY 2016 Adopted Budget Plan totals \$7,129,871,629, an increase of \$162,276,375, or 2.33 percent, over the FY 2015 Adopted Budget Plan.

Additional detail concerning non-General Fund revenues, expenditures, and positions is available in the *Financial and Statistical Summary Tables* of the Overview and in Volume 2 of the County Budget.

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FY 2016 and FY 2017 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS

Type	Unit	FY 2014 Actual Rate	FY 2015 Actual Rate	FY 2016 Adopted Rate	FY 2017 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	\$100/Assessed Value	\$1.085	\$1.09	\$1.09	\$1.09
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	\$345	\$345
Refuse Disposal (per ton)	Ton	\$60	\$62	\$62	\$62
Leaf Collection	\$100/Assessed Value	\$0.015	\$0.015	\$0.015	\$0.015
SEWER CHARGES					
Sewer Base Charge	Quarterly	\$12.79	\$15.86	\$20.15	\$24.68
Sewer Availability Charge	Residential	\$7,750	\$7,750	\$7,750	\$7,750
Sewer Service Charge	Per 1,000 Gallons	\$6.55	\$6.62	\$6.65	\$6.68
COMMUNITY CENTERS					
McLean Community Center	\$100/Assessed Value	\$0.022	\$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	\$0.020	\$0.0225	\$0.0250	\$0.0275
Route 28 Corridor	\$100/Assessed Value	\$0.18	\$0.18	\$0.18	\$0.18
Dulles Rail Phase I	\$100/Assessed Value	\$0.21	\$0.21	\$0.19	\$0.19
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	\$0.04	\$0.04	\$0.05	\$0.06

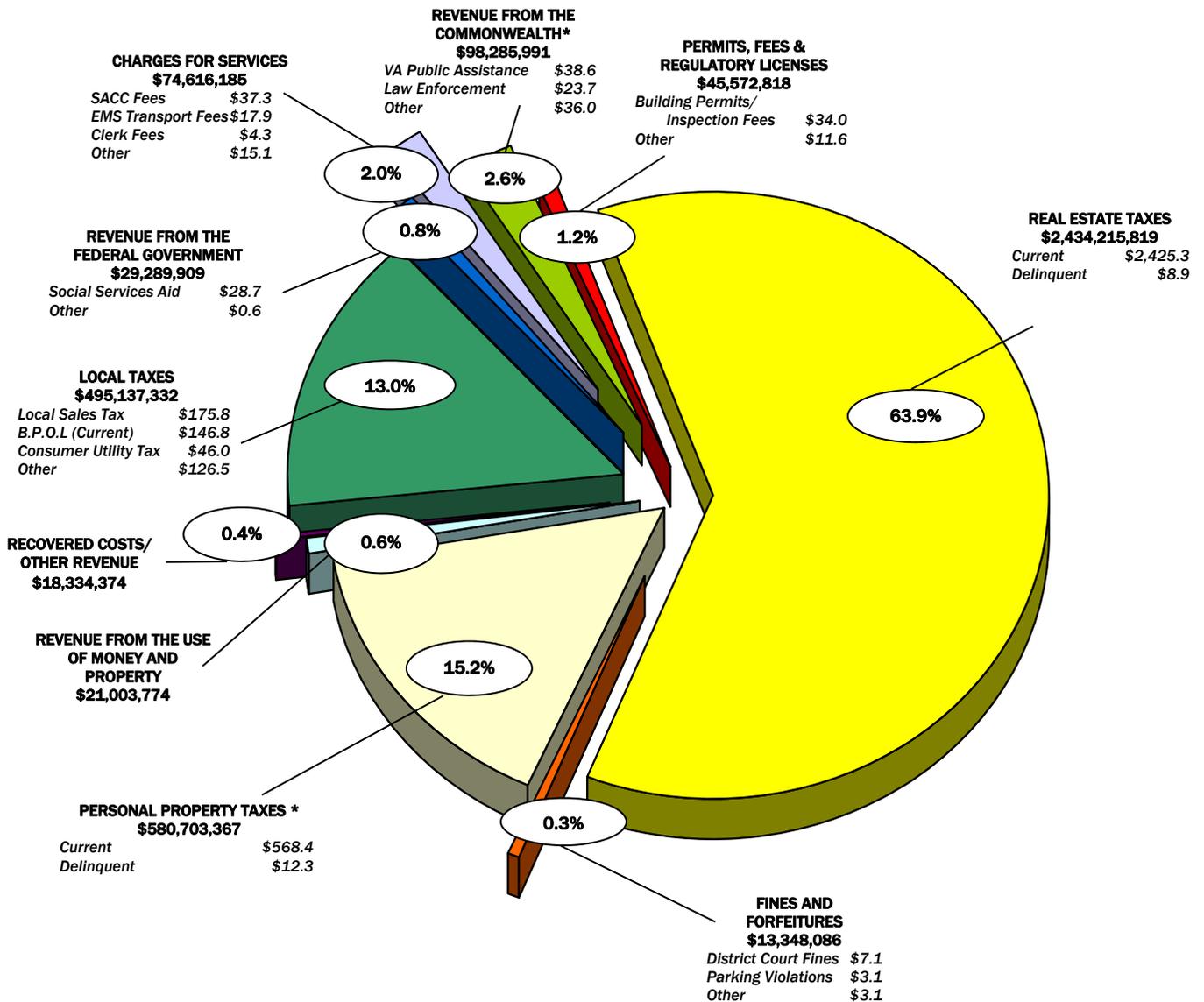
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FY 2016 Adopted Budget Plan General Fund Revenues

FY 2016 revenues are projected to be \$3,810,507,655, an increase of \$107,380,519, or 2.90 percent, over the FY 2015 Revised Budget Plan. The Real Estate tax rate remains at \$1.090 per \$100 of assessed value.

\$3,810,507,655**

(subcategories in millions)



* 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.

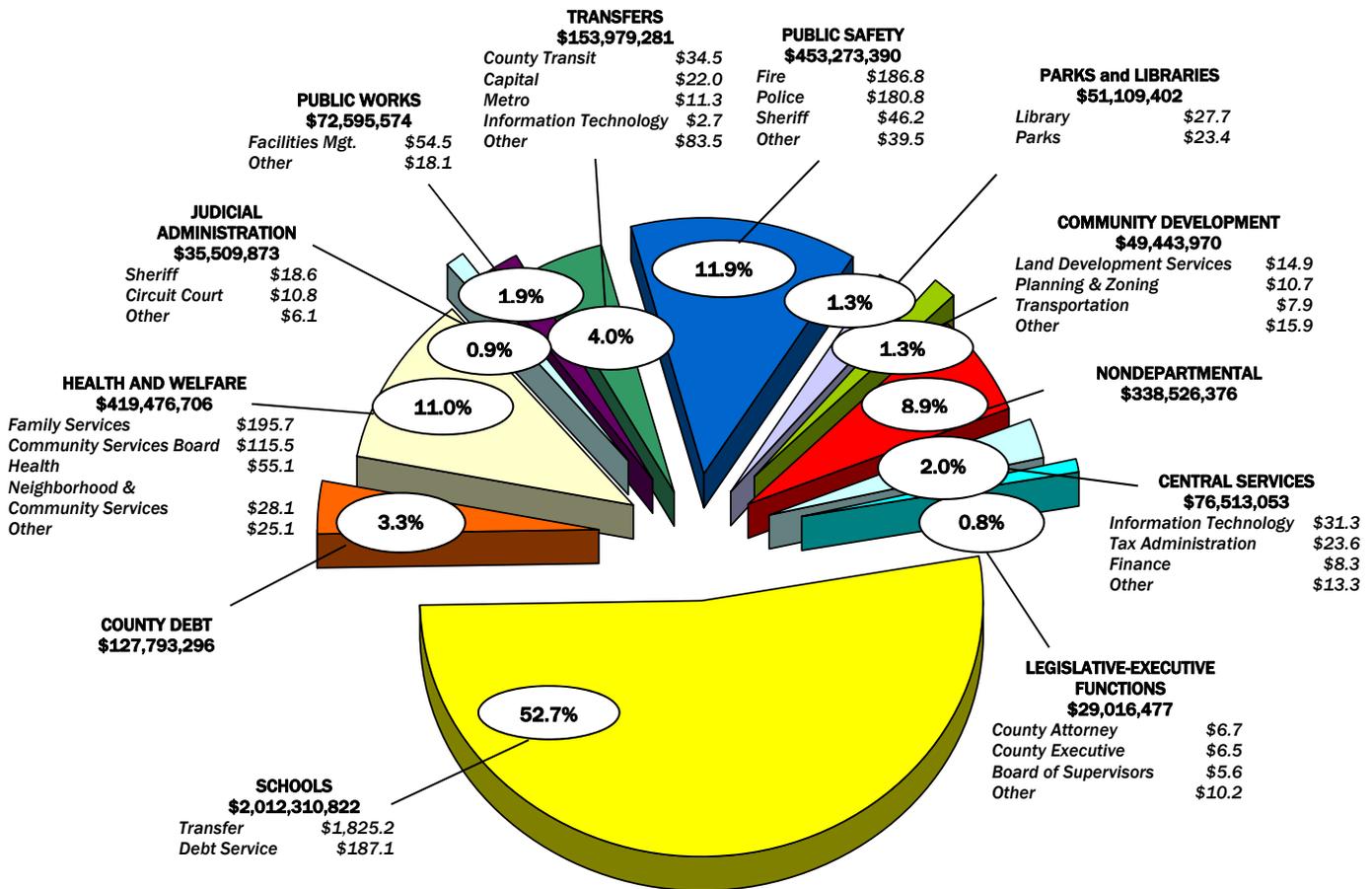
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FY 2016 Adopted Budget Plan General Fund Disbursements

FY 2016 disbursements total \$3,819,548,220, an increase of \$23,796,348, or 0.63 percent, over the FY 2015 Revised Budget Plan. The County General Fund transfer for school operations in FY 2016 totals \$1,825,153,345. In addition, the County's contribution to School Debt Service for FY 2016 is \$187,157,477. General Fund Direct Expenditures total \$1,409,976,323, an increase of \$15,720,843, or 1.13 percent, over the FY 2015 Revised Budget Plan direct expenditure level.

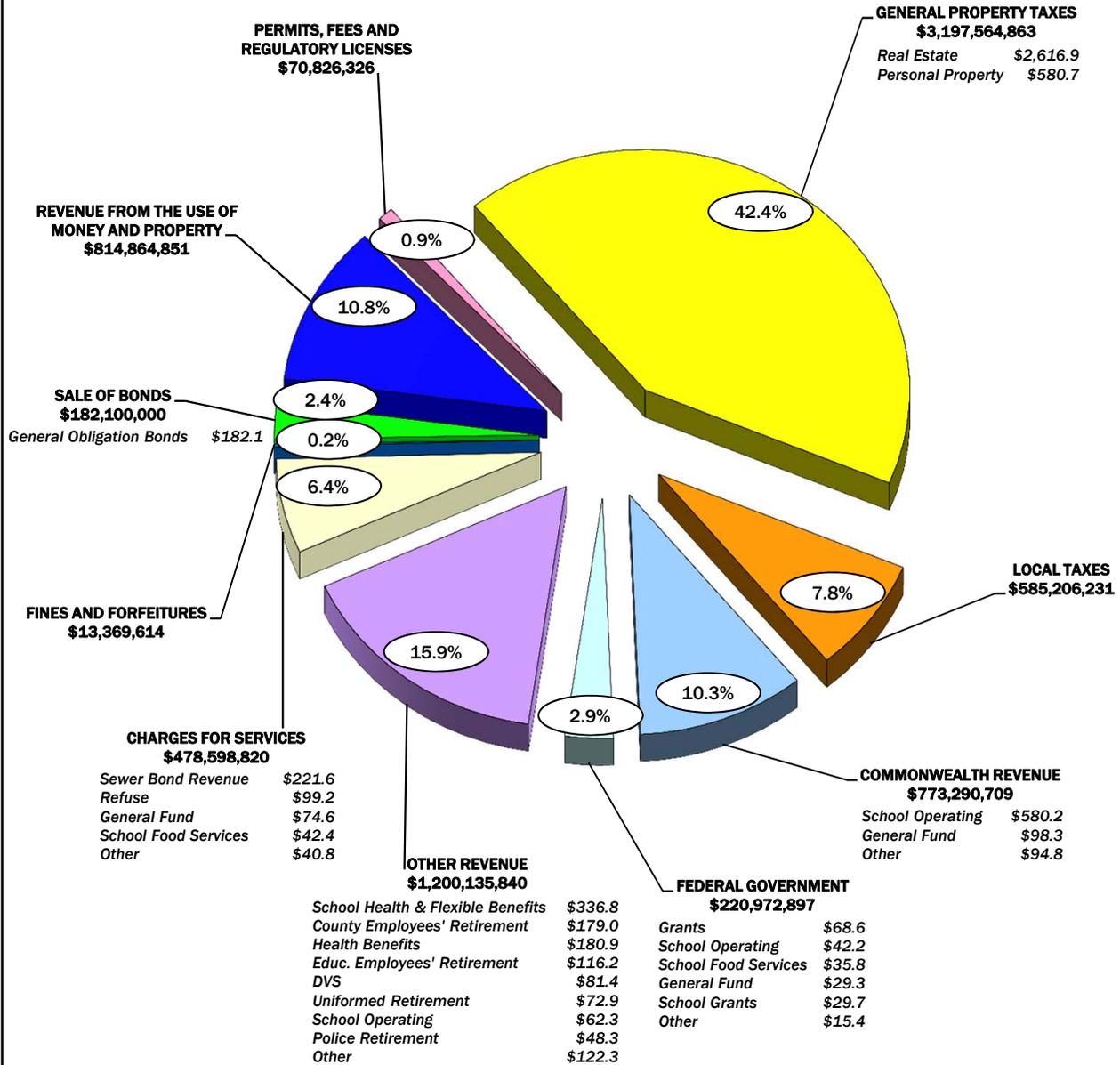
\$3,819,548,220

(subcategories in millions)



FY 2016 ADOPTED BUDGET PLAN REVENUE ALL FUNDS

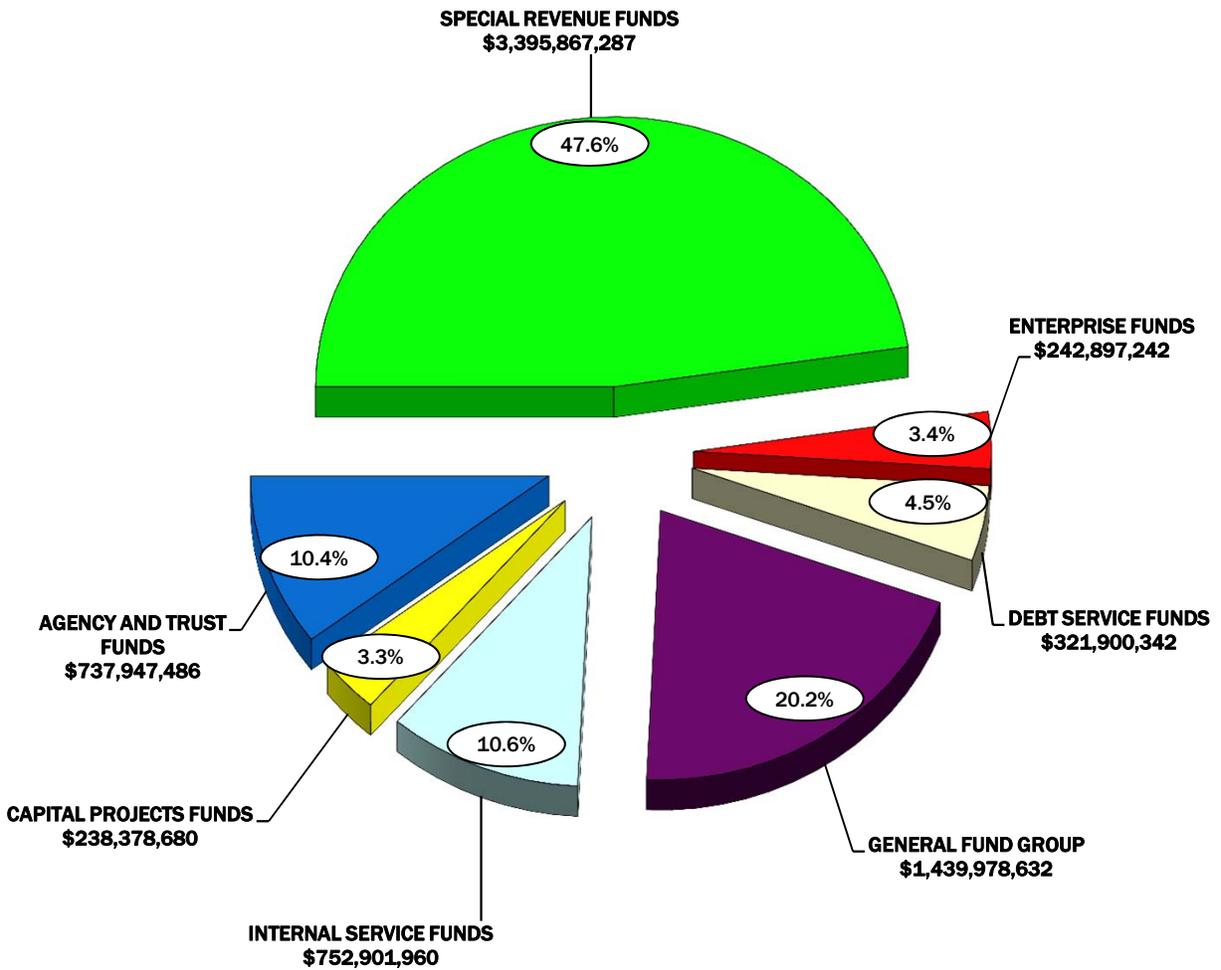
(subcategories in million)



TOTAL REVENUE = \$7,536,930,151

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 2016 ADOPTED BUDGET PLAN EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = \$7,129,871,629