

April 23, 2013

**FY 2014 BUDGET MARKUP PROCESS and FY 2015 BUDGET PLAN
RECOMMENDATIONS**

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Chairman's Remarks - Fiscal Year 2014 Budget Mark-Up

What a difference a year makes. Last year when this Board engaged in the process of Marking-up, or making adjustments to, the Fiscal Year 2013 Advertised Budget, we were beginning to see some positive signs of recovery from the Great Recession that began in 2007.

Last year commercial real estate values grew by an exciting 8.2%. Commercial leasing and building activity had strengthened and General Fund revenue growth was projected to increase by 3.56%.

I wince now when I read through my remarks from last year's Mark-up that we were "*hopefully beginning to see the dawn of a new day.*"

Sadly, the optimism was short lived. This year our country has incorporated new language into our common vocabulary – *Congressional inaction, Fiscal Cliff, Sequestration*, policies/situations that have thwarted those hopeful early signs of recovery.

Fairfax County is very much affected by what goes on at the federal level. Just *announcements* about cutbacks in federal spending and contracting have already resulted in a roll back of growth in our commercial sector. Many of our County residents who are employed by the federal government will have their paychecks reduced by as much as 10% to 20% when they are furloughed during the months ahead. We are already seeing the effects of this in reduced sales tax revenue.

Our community is hunkering down and preparing for the damage; and so is the County.

The Fiscal Year 2014 Budget is one that makes no one happy. It is, however, a responsible fiscal plan that reflects our current difficult situation, and helps to restore structural balance as we continue to struggle with increasing needs, but decreasing revenues.

In a nut shell, **the Mark-up Package I am about to move:**

- Increases the **Real Estate Tax Rate** by one cent, from the current \$1.075 to **\$1.085** rather than the Advertised two cent increase. The result of this action on the average homeowner's annual bill will be an increase of \$216.
- **Eliminates a projected budget shortfall** of \$169 million
- Increases the County's Total General Fund Budget (General County plus the School Transfer) by **only 1.37% over the FY 2013 Adopted Budget Plan**. **The County's General Fund (non-school spending) is an increase of only 0.43%.**

- Includes \$20.8 million in County agency **reductions** and the **net elimination of 41 positions**.
- Per testimony and comments received during the Budget process, **includes \$1.2 million for critical programs and services not included in the Advertised Budget**.
- **Maintains an \$8.1 million Reserve to address the impact of Sequestration and Federal Cuts, with at least \$1 million of this available to address critical items in the Human Services area.**
- Provides a **2% increase to the Fairfax County School Transfer**, less than the School Board's budget request, but funding sufficient to address their projected increase in the student population.
- Provides **no increase in compensation** for County employees, with the exception of longevity step increases included in the Advertised Budget. To maintain equity among our employees and to prevent a structural imbalance for next year, the Schools are asked to follow suit.
- Includes strong direction to our senior staff and to our workforce to work together during the next months to develop recommendations for a **new, sustainable compensation plan in time for consideration of our Fiscal Year 2015 Budget**.

I want to thank all of my colleagues for your participation in the Budget process during the past months. Adoption of the budget is the most important thing we do and each of you has provided opportunities for your constituents to be involved in this critical process. When we adopt the budget, we are collectively agreeing to fund our community's priorities. We may all have different thoughts about some of the elements within this Mark-up package. Adoption of the final product requires good faith collaboration and compromise. In the end, I believe this package has been made better from the hard work and engagement of members of this Board, our Budget Committees, our constituents and County staff who have taken their time to join us in making these decisions.

With that, Madam Chairman, I will move approval of the separate motions for the *FY 2013 Third Quarter Review* and the *FY 2014 Mark up* and *FY 2015 Budget Plan Recommendations*.

FY 2013 Third Quarter Review

I move approval of the *FY 2013 Third Quarter Review* including approval of Supplemental Appropriation Resolution AS 13227 and Amendment to the Fiscal Planning Resolution AS 13901 which includes the revenue, expenditure and transfer adjustments and grant awards and adjustments and associated reserve adjustments contained in the County and School's Third Quarter Review and Supplemental Appropriation Resolution AS 12147 which reflects final FY 2012 audit adjustments.

FY 2014 Budget Mark-Up with FY 2015 Budget Recommendations

I will next outline the budget proposal:

1. The Board maintains the County Executive's recommendation that no employee compensation increases be funded in FY 2014 except for the longevity step included in the Advertised Budget. The Board also confirms the FY 2015 assumptions for employee compensation that include a formula-based Market Rate Adjustment, longevity increases for public safety employees, classification review adjustments (which includes Fire and Rescue classes and Police Captains among others), and a reduction in the Police employee retirement contribution rate. These funding requirements are already included in the FY 2015 budget proposal. In addition, staff will review appropriate changes to the Social Security offset for service-connected disability retirements.

In addition, the Board supports the Employee Development and Succession Planning elements of the County Executive's STRIVE proposal and directs that staff proceed in implementing these initiatives. The important elements of ensuring cross-training and building capacity are essential as the County moves forward. The Board will meet at a future Personnel Committee to discuss the sustainable compensation recommendations made by the County

Executive in the STRIVE proposal. More information about employee compensation is included in the Budget Guidance.

2. The Board confirms the County Executive's recommended Operating Transfer to the Fairfax County Public Schools reflecting an increase of 2 percent over FY 2013. In addition, based on anticipated resources for FY 2015, the FY 2015 assumption for the increase to the Operating Transfer to the Fairfax County Public Schools is adjusted from 3 percent to 2 percent.
3. The Board reduces the Real Estate Tax Rate from the recommended rate in the **FY 2014 Advertised Budget Plan** from \$1.095 to \$1.085 per \$100/assessed valuation. To offset this reduction of \$20.6 million in revenue, the following adjustments are made:
 - Utilize \$3.4 million of the Add-on balance
 - Recognize \$3.3 million in additional projected recurring FY 2014 revenue from Business Professional and Occupational License (BPOL), Bank Franchise and Recordation revenue categories based on Spring 2013 receipts.
 - Recognize \$1.3 million in additional projected recurring interest revenue as a result of a review of the investment maturity horizon.
 - Eliminate the \$1.0 million increased contribution to Fire and Rescue vehicle replacement and continue to review the requirements for ambulance and large apparatus replacement and consider use of end of the year balances to meet the requirements.
 - Reduce the estimated 8% increase in the health insurance premiums for employee and employer to approximately 7% and

review fringe benefits for other savings based on actual experience for a total savings of \$1.5 million.

- Eliminate the \$1.5 million FY 2014 funding increase to the Self Insurance fund to maintain the Catastrophic Reserve at the current level and use one-time balances to shore up this reserve as necessary.
 - Begin funding General Fund ADA improvements to meet Department of Justice audit settlement out of Carryover balances reflecting the short time nature of these costs resulting in a savings of \$1.9 million.
 - Accelerate planned organizational efficiencies to generate savings of \$1.0 million including the reorganizations in the SACC program, Library services, and other County programs.
 - Utilize \$4.0 million in balance in the County Transit fund that was held in reserve for future Silver line requirements assuming review of funding sources in FY 2015 for this purpose.
 - Utilize the \$1.2 million "Other" Reserve balance in the Department of Vehicle Services Fund not necessary for scheduled vehicle replacement.
 - Utilize the \$0.5 million FY 2013 Transportation Reserve.
4. These adjustments and the Add-On balance offset the reduction in the Real Estate Tax Rate and result in an available balance of \$1.2 million which will be used for the following adjustments or budget direction:
- No additional funding is provided for the expansion of the **Head Start program** due to concerns over the potential loss of federal

funds for the existing program as a result of Sequestration. The Board directs staff to review the Sequestration impact on Head Start and return with recommendations to minimize the impact of cuts on children currently enrolled in Head Start.

Whether or not federal funding cuts are made to the Head Start program, staff is directed to return to the Board with options for addressing the current waiting list for early childhood development services in advance of the FY 2015 budget. This review shall include options for provision of early childhood development services that may be less expensive than the current federal or classroom based models. Options for expanding early childhood development services should be presented at a joint meeting of the Board of Supervisors and the School Board.

- Additional service hour recommendations, including, but not limited to, expansion of midday and late night CONNECTOR service in the Reston area when the Silver Line begins to operate to ensure additional service hours, should be presented to the Board for consideration and prioritization. Any additional service requirements should be funded within new revenues from HB 2313 and the increase in the C&I tax rate to \$0.125.
- Staff is directed to work within the revised funding level for the **Community Health Care Network**, maximizing efficiencies so that service remains unchanged. It is anticipated that the proposed reduction will not impact service. Staff will update the Board on any service impacts as necessary.
- Identify \$1 million in the Sequestration Reserve (containing \$8.1 million) to specifically address potential requirements in Human Services consistent with the testimony of the Human Services Council. This funding will remain in the Sequestration Reserve.

- Staff is directed to identify options and return to the Board with a plan for **employment services** to support the targeted FY 2014 **Housing Blueprint** goals. An initial funding amount of **\$200,000** is provided pending these recommendations and approval by the Board.
- No funding is included however one of the positions identified for elimination in the Fairfax-Falls Church Community Services Board's budget is maintained to accommodate the need to monitor implementation of the Department of Justice settlement concerning the **Northern Virginia Training Center**.
- Staff is directed to identify requirements to address **youth behavioral human services requirements in schools and the broader community**. The discussion will focus on work already underway as part of the collaboration between the County and FCPS to identify the appropriate prevention, early intervention and treatment services that are necessary to deal with behavioral health issues and to best leverage the current services provided within the schools as well as more broadly in the community. The review will include an evaluation of possible strategies presented by the Fairfax-Falls Church Community Services Board as part of the FY 2014 budget discussions as well as the service concerns heard by the Human Services Council. A comprehensive recommendation will be provided to the Human Services Committee of the Board of Supervisors (to which the School Board will be invited) in Fall 2013. This funding of \$200,000 will be held in reserve until the Board approves the recommendations for its use.
- Accept the program modifications to the **Service Source contract for mailroom services** and partially restore funding of **\$118,068**

pending a more comprehensive review of employment opportunities for persons with disabilities in the County.

- Restore funding of **\$234,863** for the Police Department Station Logistics Program including 4/4.0 FTE positions.
- Restore **\$110,000** in funding for the Computer Learning Centers at three elementary schools but also direct staff of the Fairfax County Public Library and Department of Neighborhood and Community Services to explore relocating these three CLC centers to more of a community based setting.
- Restore **\$255,000** and 3/3.0 FTE of the positions and funding identified for reduction to maintain security at various Juvenile and Domestic Relations District Court hearings and some Circuit Court civil hearings while eliminating funding and staffing as proposed at status hearings. In addition, staff is directed to review the possibility of increasing fees related to use of the Courthouse to potentially offset some of the cost of courtroom security in the future.
- Add funding of **\$5,000** for the Northern Virginia 4-H Education Center.
- Fund **\$200,000** for renovations to Park Authority tennis and basketball courts from the Park Authority Non-Appropriated Capital Fund Contingency Project

After all necessary Managed Reserve Adjustments, these adjustments result in a balanced FY 2014 budget and an FY 2015 projected shortfall of just under \$32 million.

5. In addition, the other tax and fee adjustments included in the budget are:
- a. Approve Proposed **Sewer Ordinance Changes**
 - i. Increase residential base charge **from \$5.50 to \$12.79/quarter**
 - ii. Increase Base charge for larger water meters as proposed
 - iii. Effective date of base charge July 1, reflective on water bill on October 1
 - b. Approve **Land Development Services fees** for plan review, permits and inspection services, to become effective July 1, 2013 resulting in \$480,000 in additional revenue already included in the FY 2014 Advertised budget and approve changes to the Zoning Application Fee schedule with an effective date of April 24, 2013 resulting in a possible loss of revenue of \$30,000 already included in the FY 2014 Advertised budget.
 - c. Amend and readopt Section 4-10-5 of the Fairfax County Code and to increase the **Commercial and Industrial (C&I) Transportation Tax from \$0.11 to \$0.125** per \$100 of assessed value consistent with the Board's Four Year Transportation Program and as required by HB 2313 in order for the County to be eligible for the additional transportation revenues approved as part of the 2013 General Assembly.
 - d. Set the tax rate for the **Tysons Transportation Service District at \$0.04** per \$100 of assessed value for FY 2014 as recommended by the Tysons Transportation Service District Advisory Board. The Advisory Board endorsed a tax rate model with the following rates: a tax rate of \$0.04 in FY 2014, \$0.05 in FY 2015, and \$0.06 in FY 2016, and not increasing to \$0.07 until FY 2032. Future year rates will be reviewed in the context of transportation priorities and the rate of development, with annual recommendations by the Advisory Board prior to action by the Board of Supervisors.

Therefore, having provided public notice and conducted a public hearing as required by Virginia law, **I move approval of the FY 2014 Budget as Advertised, with the changes I just summarized** (as detailed in the “Adjustments to the Multi-Year Budget: FY 2014 and FY 2015 Proposal” package), advertised changes to other taxes and fees, amendment and readoption of Section 4-10-5 of the Fairfax County Code as noted above, and required Managed Reserve adjustments. The tax and fee increases become effective on and after July 1, 2013 unless otherwise noted. **These actions result in a balanced budget for FY 2014.**

Budget Guidance for FY 2014 and FY 2015 – April 23, 2013

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 23, 2013, the Board approved the following Budget Guidance for FY 2014 and FY 2015:

Employee Compensation and Development

The Board appreciates that employees have continued to provide quality services to our residents with professionalism and dedication, even in the face of pay freezes and tough economic times. Their efforts have not gone unnoticed by this body. The creation of a fair and sustainable compensation package for implementation in FY 2015 is a critical element in the long-term stability of the County workforce.

The County Executive's proposed STRIVE initiative has two components that are supported by the Board and employee groups: succession planning and the creation of a performance measurement tool for General County employees. The Board directs staff to continue work that has already begun on the implementation of these two initiatives. The important elements of ensuring cross-training and building capacity are essential as the County moves forward.

The Board will meet at future Personnel Committees to discuss the sustainable compensation recommendations made by the County Executive in the STRIVE proposal.

The Board reaffirms its commitment to work with employee groups to develop and refine an overall pay structure that: provides compensation adjustments based on inflation and other economic factors; awards employees for satisfactory job performance; addresses longevity factors for long-tenured employees; and develops a cohesive plan for conducting market studies and ensuring that county job classes maintain equity and competitiveness within the Region.

Amendments and alternatives to the proposed STRIVE proposal shall be developed and presented to the Board prior to the County Executive's FY2015 budget presentation. It is imperative that employee groups collaborate effectively with each other and with County staff in order to ensure a new compensation plan that is designed to attract and retain our quality workforce while considering the impact of these decisions on the County tax payer.

For development of the FY 2015 Budget, the Board confirms the County Executive's assumptions for employee compensation that include a formula-based Market Rate Adjustment, longevity increases for public safety employees, classification review adjustments (which include Fire and Rescue classes and Police Captains among others) as well as funding for a reduction in the Police employee retirement contribution rate. Estimated funding requirements for these items are already included in the FY 2015 budget proposal. In addition, staff will review appropriate changes to the Social Security offset for service-connected disability retirements.

In addition, County staff is directed to return to the Board with impacts and costs associated with federal Health Care law changes passed in 2010. These updates should be provided in advance of final implementation so that decisions may be made about changes to the County's health care plans as required.

Fairfax County Public Schools

The Board is very supportive of the Fairfax County School Board's decision to participate in the Virginia School Efficiency Review in order to improve the financial and operational performance of Fairfax County Public Schools. In the current economic climate, it is critical to thoroughly explore all opportunities for cost savings and improved efficiency within the County government and within our schools.

The Board once again encourages the School Board to establish an independent auditor position that would report directly to the School Board. The Board of Supervisors has had an independent auditor since the 1990s and their work has saved millions of taxpayer dollars and resulted in more efficient delivery of services. The creation of a similar position for the School System would give the School Board access to the same kind of resource.

Available Balances

Given the growing list of one-time funding requirements that are currently unfunded and the need to minimize the use of one-time balances for recurring requirements, the Board of Supervisors directs that remaining balances made available at the Carryover and Third Quarter Reviews, which are not required to support

critical requirements, be identified for these one-time needs. These requirements include items such as facility repairs, emergency generators for streetlights, hook-ups for generators at County facilities to allow their use as emergency centers, as well as capital expenditures to meet the Americans with Disabilities Act (ADA) improvements required as part of the Department of Justice audit and identified in the settlement agreement signed by the Board of Supervisors on January 28, 2011.

Sequestration Reserve

The Board directs that County staff report regularly on impacts from Sequestration as well as recommend responses to reductions that impact County revenues and programs. In addition the Board directs that staff develop guidelines for the County's approach to addressing Sequestration impacts. Recommendations will take into consideration the severity of the reduction, whether of short term or long term nature and what the cumulative effect of reductions is on County programs.

Human Services

Employment Services to Support the Housing Blueprint Goals

Over the past several years, the Board has heard about the importance of housing services supports and, in particular, the need for employment services that are specific to residents who are homeless. The recent "100,000 Homes" effort and interviews with persons who are homeless, revealed that many individuals

have jobs but still cannot escape homelessness. Individuals with few skills or little experience, find limited opportunities for jobs that pay a living wage. Additionally, many persons who are homeless have barriers including limited transportation, reduced access to educational training, and job support programs. In today's competitive environment, the difficulties of job seeking for individuals who are homeless can be almost insurmountable barriers to employment. Since the employment model has not yet been developed it is directed that staff work to develop a program, using existing services as a model. An initial investment of \$200,000 is included in the FY 2014 budget.

Northern Virginia Training Center (NVTC) Services

The Fairfax County budget appropriately does not include any additional funds to supplant State resources and cover the current or new costs of residential or day habilitation care for those individuals scheduled to transfer from the NVTC to local community programs and providers. The Board of Supervisors must work with the Northern Virginia State Delegation to ensure State funding mechanisms and rate methodologies are in place to continue funding appropriate to each individual's level of care needs in residential and day habilitation services before individuals are transferred out of NVTC. This issue will be directed to the Board's Legislative Committee. Staff is also directed to pursue opportunities for County utilization of the existing training center properties and facilities.

Head Start

No additional funding is provided for the expansion of the Head Start program due to concerns over the potential loss of federal funds for the existing program as a result of Sequestration. The Board directs staff to review the Sequestration impact on Head Start and return with recommendations to minimize the impact of cuts on children currently enrolled in Head Start.

Whether or not federal funding cuts are made to the Head Start program, staff is directed to return to the Board with options for addressing the current waiting list for early childhood development services in advance of the FY 2015 budget. This review shall include options for provision of early childhood development services that may be less expensive than the current federal or classroom based models. Options for expanding early childhood development services should be presented at a joint meeting of the Board of Supervisors and the School Board.

Fairfax-Falls Church Community Services Board (CSB)

As part of the ongoing oversight and review of CSB services, the Board directs that staff return to a future Human Service Committee meeting with updates from the work plan currently underway for the CSB. This will include review of Beeman Commission redesign implementation and options for Intellectual Disability Services.

Election Commission Recommendations

The Board is supportive of the items recommended by the Election Commission and approves the use of \$720,000 in funding included in the FY 2014 budget for implementation of recommendations such as the purchase of additional electronic poll books. Actual allocation of this funding will be included as part of the FY 2013 Carryover package in consultation with the staff of the Office of Elections. In addition, the Board supports the inclusion of the first half of necessary election equipment replacement in FY 2015 as recommended in the County Executive's multi-year budget. This \$6 million is necessary to ensure that the successful replacement of the equipment can be accomplished in advance of the 2016 Presidential election (FY 2017). The balance of the replacement is anticipated to be funded in FY 2016.

Public Safety

The Board directs that the County Executive return with the 5-year analysis of staffing requirements for all Public Safety departments to the Board Public Safety Committee by Fall 2013. This review should be based on projected growth and other metrics as outlined by the County Executive in the **FY 2014 Advertised Budget Plan**.

Stormwater Management

The Board continues to recognize the long term challenges associated with stormwater management in the County. In FY 2014, the Stormwater Service District rate will remain at

FY 2013 Adopted level of \$0.020 (two cents) per \$100 of assessed real estate value. This levy will generate just over \$41 million, supporting \$17.6 million for staff and operational costs, and \$23.6 million for capital project implementation including infrastructure reinvestment, stream and water quality improvements, regulatory requirements, and dam safety requirements. **Stormwater staff is directed to evaluate the required future funding levels to meet the increasing federal and state regulatory requirements pertaining to the Municipal Separate Storm Sewer System (MS4) Permit, and State and Federal mandates associated with the Chesapeake Bay.** Later this year staff should present a long-term funding and staffing plan to the Board of Supervisors. It is anticipated that this long range plan will include a five-year rate plan, a phased approach for funding and staffing, and a public outreach plan to support the anticipated regulatory increases.

I now move the Budget Guidance that I just reviewed which will help direct the FY 2015 Budget process.

BOARD MOTIONS

Approval of the FY 2014-2018 Capital Improvement Program (with future fiscal years to 2023)

I move Board approval of the FY 2014-FY 2018 Capital Improvement Program (with future fiscal years to 2023) with the following amendments:

- Make all necessary adjustments to reflect actions taken during the Board's decision on the FY 2014 Adopted Budget Plan that impact the CIP; and
- Support the Capital Facilities and Debt Management Joint School Board, County Board Working Group in their efforts to develop recommendations related to the CIP and Debt Management.
- In addition, it should be noted that the CIP being approved by the Board of Supervisors includes School bond sales at \$155 million annually and School Bond referenda scheduled for fall 2013 and fall 2015 at \$250 million.

Attachment A

Adjustments to the Multi-Year Budget:

FY 2014 and FY 2015 Proposal

Add-On	<u>FY 2014</u>	<u>FY 2015</u>
Balance from Advertised Budget	\$2.41 million	(\$39.70) million
Additional Add-On Revenue	<u>\$3.7 million</u>	<u>\$3.7 million</u>
	\$6.1 million	(\$36.0) million
Details of Add-on:		
	\$0	\$0
<i>-Planning and Development Positions</i> , 20/20.0 FTE and expenditures of \$1.7 million and \$2.6 million respectively, entirely offset by land development fee revenues		
<i>-Police Personnel Services funding</i>	\$1.5 million	\$1.5 million
<i>-Transitional Reinsurance</i>	\$0	\$1.6 million
	\$0	\$0
<i>-Transportation Funding</i> (HB 2313), 11/11.0 FTE positions and \$37.5 million appropriated in County and Regional Transportation Projects Fund		
Net Add-On adjustments	<u>\$1.5 million</u>	<u>\$3.1 million</u>
Net Available / (Shortfall)	\$4.6 million	(\$39.1) million

Mark-up

FY 2014

FY 2015

Employee Compensation

\$0

\$0

The Board confirms the FY 2015 assumptions for **employee compensation** that include a formula-based **Market Rate Adjustment, longevity increases for public safety employees, classification review adjustments (which includes Fire and Rescue classes and Police Captains among others),** and a **reduction in the Police employee retirement contribution rate from 10 percent to 9.325 percent.** These funding requirements are already included in the FY 2015 budget proposal. In addition, staff will review appropriate changes to the Social Security offset for service-connected disability retirements. The Board maintains the County Executive’s recommendation that no employee compensation increases be funded in FY 2014 **with the exception of the longevity step included in the Advertised Budget.**

In addition, the Board supports the Employee Development and Succession Planning elements of the County Executive’s STRIVE proposal and directs that staff proceed in implementing these initiatives. The important elements of ensuring cross-training and building capacity are essential as the County moves forward. The Board will meet at a future Personnel Committee to discuss the sustainable compensation recommendations made by the County Executive in the STRIVE proposal.

Fairfax County Public Schools

\$0

(\$17,169,887)

The Board confirms the County Executive’s recommended **Operating Transfer to the Fairfax County Public Schools** reflecting an increase of 2 percent over FY 2013. In addition, based on anticipated resources for FY 2015, the FY 2015 assumption for the increase to the Operating Transfer to the Fairfax County Public Schools is adjusted from 3 percent to 2 percent.

Real Estate Tax Rate

(\$20,600,000)

(\$20,600,000)

The Board reduces the Real Estate Tax Rate from the recommended rate in the **FY 2014 Advertised Budget Plan** from \$1.095 to \$1.085 per \$100/assessed valuation. To offset this reduction the following adjustments are made:

\$3,300,000

\$3,300,000

-Recognize additional projected **recurring FY 2014 revenue from Business Professional and Occupational License (BPOL), Bank Franchise and Recordation revenue categories** based on Spring 2013 receipts

Mark-up (continued)**FY 2014****FY 2015**

\$1,265,000

\$1,265,000

-Recognize additional projected **recurring interest revenue** as a result of a review of the investment maturity horizon.

\$1,000,000

\$1,000,000

-Eliminate the increased contribution to **Fire and Rescue vehicle replacement** and continue to review the requirements for ambulance and large apparatus replacement and consider use of end of the year balances to meet the requirements.

\$1,500,000

\$1,500,000

-Reduce the estimated increase in the **health insurance premiums** for employee and employer to approximately 7% from 8% and **review fringe benefits for other savings based on actual experience**.

\$1,493,046

\$1,493,046

-Eliminate the FY 2014 funding increase to the Self Insurance fund to **maintain the Catastrophic Reserve** at the current level and use one-time balances to shore up this reserve as necessary.

\$1,900,000

\$1,900,000

-Begin funding **General Fund ADA improvements to meet Department of Justice audit settlement** out of Carryover balances reflecting the short time nature of these costs.

\$1,000,000

\$1,000,000

-**Accelerate planned organizational efficiencies** work to generate savings of \$1.0 million including the reorganizations in the SACC program, Library services and other County programs.

\$4,000,000

\$0

-Utilize **balance in the County Transit fund** that was held in reserve for future Silver line requirements assuming review of funding sources in FY 2015 for this purpose.

\$1,224,931

\$0

-Utilize the **"Other" Reserve balance in the Department of Vehicle Services Fund** not necessary for scheduled vehicle replacement.

-Utilize the **FY 2013 Transportation Reserve**

\$538,344

\$0

These adjustments and the Add-On balance offset the reduction in the Real Estate Tax Rate and result in an available balance of \$1.2 million which is used for the following adjustments and direction:

Mark-up Consideration Items	<u>FY 2014</u>	<u>FY 2015</u>
	\$0	\$0
<p>-No additional funding is provided for the expansion of the Head Start program due to concerns over the potential loss of federal funds for the existing program as a result of Sequestration. The Board directs staff to review the Sequestration impact on Head Start and return with recommendations to minimize the impact of cuts on children currently enrolled in Head Start.</p> <p>Whether or not federal funding cuts are made to the Head Start program, staff is directed to return to the Board with options for addressing the current waiting list for early childhood development services in advance of the FY 2015 budget. This review shall include options for provision of early childhood development services that may be less expensive than the current federal or classroom based models. Options for expanding early childhood development services should be presented at a joint meeting of the Board of Supervisors and the School Board.</p>		
	\$0	\$0
<p>-Additional service hour recommendations, including expansion of <i>midday and late night CONNECTOR service in the Reston area</i> when the Silver Line begins to operate to ensure additional service hours, should be presented to the Board for consideration and prioritization. Any additional service requirements should be funded within new revenues from HB 2313 and the increase in the C&I tax rate to \$0.125.</p>		
	\$0	\$0
<p>-Staff is directed to work within the revised funding level for the <i>Community Health Care Network</i>, maximizing efficiencies so that service remains unchanged. It is anticipated that the proposed reduction will not impact service. Staff will update the Board on any service impacts as necessary.</p>		
	\$0	\$0
<p>-Identify \$1 million in the Sequestration Reserve (containing \$8.1 million) to specifically address <i>potential requirements in Human Services consistent with the testimony of the Human Services Council</i>. This funding will remain in the Sequestration Reserve.</p>		

Mark-up C-items (continued)

FY 2014

FY 2015

\$200,000

\$200,000

-Staff is directed to identify options and return to the Board with a plan for **employment services to support the targeted FY 2014 Housing Blueprint goals**. An initial funding amount is provided pending these recommendations and approval by the Board.

\$0

\$0

-No funding is included however one of the positions identified for elimination in the Fairfax-Falls Church Community Services Board's budget is maintained to accommodate the need to monitor implementation of the **Department of Justice settlement concerning the Northern Virginia Training Center**.

\$200,000

\$200,000

-Staff is directed to identify requirements to address **youth behavioral human services requirements in schools and the broader community**. Program staff from the Department of Family Services, Health Department, Office to Prevent and End Homelessness, Department of Neighborhood and Community Services, the Juvenile and Domestic Relations District Court and the Fairfax-Falls Church Community Services Board, under the guidance of the Deputy County Executive for Human Services will work with the Fairfax County Public Schools (FCPS) and the non-profit community (including the Partnership for Youth) to identify the array of youth services that are necessary to address the most pressing needs within the community. The discussion will focus on work already underway as part of the collaboration between the County and FCPS to identify the appropriate prevention, early intervention and treatment services that are necessary to deal with behavioral health issues and to best leverage the current services provided within the schools as well as more broadly in the community. The review will include an evaluation of possible strategies presented by the Fairfax-Falls Church Community Services Board as part of the FY 2014 budget discussions as well as the service concerns heard by the Human Services Council. A comprehensive recommendation will be provided to the Human Services Committee of the Board of Supervisors (to which the School Board will be invited) in Fall 2013. This funding of \$200,000 will be held in reserve until the Board approves the recommendations for its use.

\$118,068

\$118,068

-Accept the program modifications to the **Service Source contract for mailroom services** and partially restore funding pending a more comprehensive review of employment opportunities for persons with disabilities in the County.

Mark-up C-items (continued)**FY 2014****FY 2015**

\$234,863

\$234,863

-Restore funding for the ***Police Department Station Logistics Program*** including 4/4.0 FTE positions.

\$110,000

\$110,000

-Restore funding for the ***Computer Learning Centers at three elementary schools*** but also direct staff of the Fairfax County Public Library and Department of Neighborhood and Community Services to explore relocating these three CLC centers to more of a community based setting.

\$255,000

\$255,000

-Restore 3/3.0 FTE of the positions and funding identified for reduction to ***maintain security at various Juvenile and Domestic Relations District Court hearings and some Circuit Court less emotionally capricious civil hearings while eliminating funding and staffing as proposed at status hearings***. In addition, staff is directed to review the possibility of increasing fees related to use of the Courthouse to potentially offset some of the cost of courtroom security in the future.

\$5,000

\$5,000

-Add funding for the ***Northern Virginia 4-H Education Center***.

\$0

\$0

-Fund \$200,000 for ***renovations to Park Authority tennis and basketball courts*** from the Park Authority Non-Appropriated Capital Fund Contingency Project

After all necessary Managed Reserve Adjustments :

Net Available / (Shortfall)

\$0 million

(\$31.9) million