

County Board Action on FY 2012 Budget

This week the Arlington County Board made its final policy decisions on the fiscal year 2012 budget. At its closing work session on Tuesday, April 12, the Board gave final direction to the County Manager and staff to prepare all the necessary budget documents for adoption at the meeting this Saturday (April 16).

The budget to be adopted reflects the current economic reality of continuing recession, amidst signs of recovery; and the priorities the Board established when providing guidance to the Manager last fall for preparation of the initial budget.

As in most recent years, the Board's guidance recognized current fiscal constraints and emphasized several key priorities: safety net and housing programs; core services that affect public health and safety; maintaining the commitment to environmental sustainability; and meeting the needs of our public schools. Subsequent to the adoption of the guidance, Mid-year and Third-quarter re-estimates identified additional budget resources. In the budget the Board will adopt on Saturday, those resources are largely targeted to address the needs in those priority areas.

Safety Net

The Board provided an additional \$2.8 million for safety net and critical support for human services, housing, and related programs. (This was on top of the significant level of safety net support of approximately \$11.0 million contained in the County Manager's proposed budget.)

Housing. The Board added \$1.5 million to the Affordable Housing Investment Fund (AHIF), for a total FY 12 contribution of \$5.5 million. (The AHIF also receives funds from developer payments, federal sources, and loan repayments.) An additional \$250,000 will be dedicated to Housing Grants (to build upon the success of the Homeless Prevention and Rapid Re-Housing Program, and for a pilot program for single homeless adults).

Mental health and substance abuse. The Board allocated \$507,000 to services for those with serious emotional, mental, and substance abuse issues, as requested by the Community Services Board. This includes 4 positions aimed at services to children (including case management/mental health therapists); as well as a mental health therapist in the jail; and \$100,000 for the Job Avenue program.

Non-profits. The Board provided \$420,000 in supplemental funding to support non-profits that are vital to the County's safety net, including AFAC, ASPAN, the Arlington Free Clinic, Doorways, Northern Virginia Family Services, Arlandria Neighborhood Health Services and CrisisLink.

Also. The budget provides one-time funding of \$160,000 for special two-year initiatives related to early intervention for adolescents with substance abuse problems, and for senior "concierge" services; and directs additional ART transit service to the DHS Stambaugh Center from the Columbia Heights West neighborhood.

Restorations

While the effects of the recession continue, and finances remain constrained, the fiscal 2012 budget begins the process of restoring resources in core service areas like public safety, libraries, parks, and key administrative functions.

Public Safety. The Police Department will receive funding to increase over-strength positions from 5 to 10. This will help the department cope with expected retirements in 2012 and related recruiting staffing needs. The budget will also fund replacement of 2 grant-funded positions that provide support for victims of domestic violence (originally funded through GEAP), and replaces lost federal grant funding for the Gang Task Force. The Fire Department will be able to restore a battalion chief position for logistics reduced in a prior budget. And, the Sheriff's office, which had lost 5 positions in recent years due to state funding cuts, will receive funding to restore one deputy and for one over-strength position. (\$1 million)

Libraries. Reflecting the Board's commitment to Arlington's libraries, including our branch system, the FY 12 budget takes the first steps to restore some hours of operation by adding 3 hours a week to each Branch library as well as longer hours on Sunday at Shirlington and Columbia Pike and provides additional funds for new books and to meet the growing demand for "e-books". (\$258,000)

Parks. An additional allocation will provide positions and funds to restore park and tree maintenance and park operating repairs (e.g., courts, fields, shelters, equipment); and will extend the opening of 12 park restrooms from November 15 to March 15. Some funds will be available for restoration of seasonal programming at the Lubber Run Amphitheater and other locations, and for Friday night hours at Lubber Run Community Center. (\$370,000)

The Board also allocated \$100,000 for study or capital needs toward the restoration of the Lubber Run Amphitheater.

Commitment to environmental sustainability

Natural resource manager. A new position to implement the recommendations of the Natural Resources Management Plan approved late last year. (\$99,000)

Community Energy Plan implementation. Funding for consultants for an implementation plan; an education and outreach plan; and exploration of options to deliver district energy; and, two-year, limited-term position within the Department of Environmental Services. (\$570,000)

Tree planting. Will enable planting 300 to 400 additional trees, sufficient to move from a net loss of about 100 to a net gain of +/- 250. (\$90,000)

Meeting school's needs

The County Board's budget includes a transfer to Arlington Public Schools totaling \$385.6 million, approximately \$5.8 million above the School Board's requested transfer of \$379.8 million. This will

bring the total funding available to schools for FY 2012 to \$480.5 million or \$38 million (9%) above the FY 2011 budget. This continues the County Board's sustained commitment to Arlington Public Schools. During the past ten years the County transfer per student has increased by over 58%, enabling Schools to spend, on average over the past five years, more than \$18,000 per student per year.

Revenues

Real estate tax rate unchanged. The real estate tax rate will remain the same, 95.8 cents per \$100 of assessed value (including the sanitary district tax). The personal property tax rate will also be unchanged. Taking into account all tax and fee changes (including real estate assessments, personal property tax, solid waste fee reduction, etc.), the overall tax and fee burden for the average Arlington homeowner nets to a 1.4 % increase (about \$7 a month), less than the current inflation rate of 2.3% for the Baltimore-Washington region.

Other highlights

Commitment to employees. The budget supports the County Manager's request for step increases for all eligible employees. The Board added a 1 percent lump sum payment for those who are at the maximum of salary range and would not otherwise receive a pay increase. Per the Manager's proposal, the budget restores tuition reimbursement, and fully funds retirement and other post-employment benefit (OPEB) plans. (Note: County Board Members' salaries, unchanged since January 2008, will *not* increase in FY 12.)

Restoring organizational capacity. Other adjustments made by the Board will: Fund 4.5 positions in DES to address the growing transit capital program, increasing site plan/development demands, and maintenance requirements of new facilities (\$278,000 excluding those charged to capital projects); restore a position in CPHD to address increasing site plan/development activity (\$105,000); and restore one position each in Human Resources, Technology Services and Purchasing that provide support to other County departments (\$368,000).

Financial sustainability. The FY 12 budget continues funding of budget stabilization fund at \$0.5 million to address any additional economic dislocation or negative state / federal budget actions; adds nearly 5M to the Pay-Go Capital Fund and, increases the General Fund Operating Reserve to 4% of the total budget – critical to maintaining the County's triple-AAA bond rating.