



ARLINGTON  
VIRGINIA

# County Manager's Fiscal Year 2018 Proposed Budget



# External Fiscal Pressures

## Growing Population

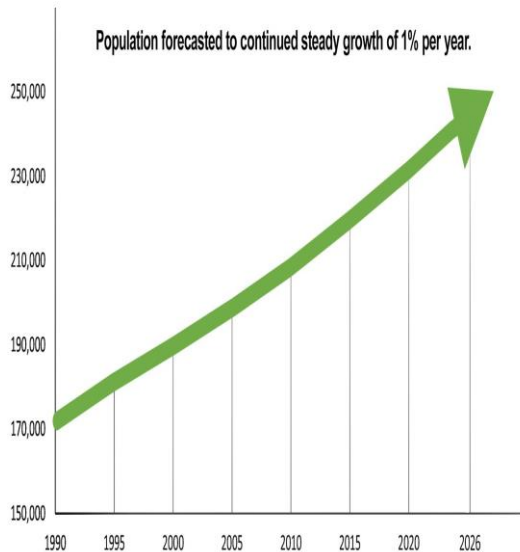
*Arlington's population is expected to rise by 1% per year*

## Rising APS Enrollment

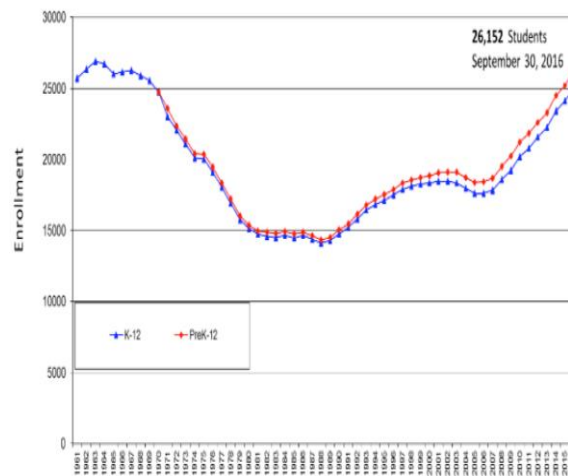
*Arlington must posture itself to address concurrently increasing demands for service*

## Metro Costs

*Arlington continues to support Metro operations for its residents, even as operating costs rise*



Total K-12 and PreK-12 Enrollment (September 30th), 1961-2016



WMATA has Significant Multi-Year Budget Pressures

WMATA Operating Budget				
	FY17	FY18	FY19	FY20
	Adopted	Revised	Projected	Projected
Total WMATA Subsidy	866.5	997.0	1070.0	1176.0
<b>Arlington's Subsidy</b>	<b>56.6</b>	<b>70.8</b>	<b>79.0</b>	<b>85.2</b>
<b>Arlington's Net Tax Support (NTS)</b>	<b>30.3</b>	<b>36.2</b>	<b>48.8</b>	<b>53.8</b>
Arlington NTS Growth \$		5.9	12.6	5.0
Arlington NTS Growth %		19%	35%	10%
Capital Budget				
	FY17	FY18	FY19	FY20
	Adopted	Proposed	Forecast	Forecast
Total Subsidy	260.0	815.0	796.0	861.0
<b>Arlington Subsidy</b>	<b>20.0</b>	<b>58.0</b>	<b>56.0</b>	<b>62.0</b>
Arlington Growth \$		38.0	-2.0	6.0
Arlington Growth %		190%	-3%	11%

# General Fund Budget Facts

❑ Proposed Total General Fund budget of \$1.24 billion

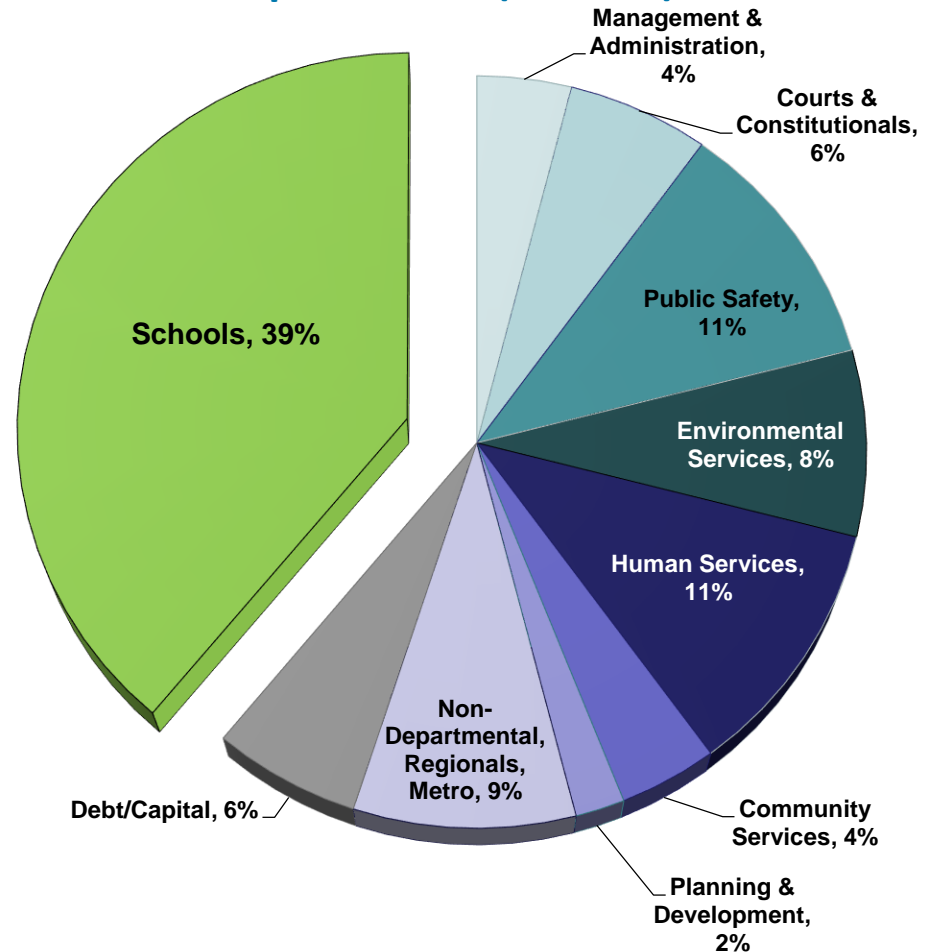
- 3.4% increase over FY 2017
- Includes one cent for Metro

❑ County Operating Budget (excluding Schools) totals \$759.3 million

❑ Schools – Transfer of \$478.9 million

- Ongoing funding increases \$13.8 million (3.0%)

## FY 2018 Proposed Budget General Fund Expenditures (Percent)



Almost **\$3 MILLION** IN INTERNAL REALLOCATIONS TO MEET CHANGING SERVICE NEEDS FOCUSED IN THE FOLLOWING AREAS:

- Public Safety (Peumansend Creek funding and internal reallocations)
- Safety Net Services (internal reallocations and contractor conversions)
- Youth & School Age Population (funded from Crystal City TIF reduction)
- Arlington Economic Development (internal reallocations)

## Streetlight and Trail Light maintenance

- Added 5 positions, equipment, supplies and trail light inventory assessment
- Service Improvements
  - Decrease routine outage response from 30 days to 3
  - Decrease major repairs from 4 months to 1 month

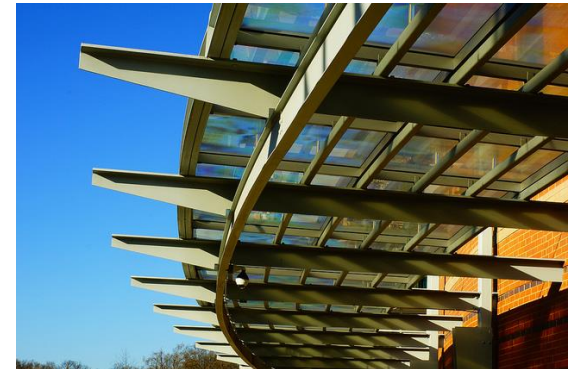
## Workforce Investment

- Merit based compensation increases (\$5.4 million)
- Transit subsidy increase from \$130/month to \$180/month (\$200,000)
- Provide up to \$500/year matching benefit for dependent/elder care FSA program (\$180,000)

- ❑ Ongoing funding \$478.9 million, up \$13.8 million or 3.0%
  - One-time funding of \$0.7 million
  
- ❑ County Manager has recommended the County Board consider up to a 1 cent tax rate increase dedicated to Schools
  
- ❑ An additional 1 cent on the tax rate = \$11.1 million in additional transfer
  - combination of one-time and ongoing



- ❑ County provides other services to the Schools costing in **excess of \$7 million** each year
  - Includes funding for 13 school resource officers, 18.75 school health nurses, 27.7 clinic aides and 16 crossing guard positions.
  
- ❑ Existing and planned APS capital funding totals almost **\$600 million** and **7,477 seats**.
  - Increased County effort supporting enrollment growth and capital projects
  - Increased demands on Planning, Zoning, Inspections, County Management, and Finance



# Impact of APS Enrollment on DHS

As APS enrollment grows, so does the demand for DHS services.

Based on FY 2016 data, for every 4% (~1,000 students) increase in APS enrollment, DHS projects a 4% increase in demand for its child-serving programs.

For Every 1,000 APS Students:

**School clinics receive  
5,475 visits**

**360 vision & hearing  
screenings occur**

**129 calls to CPS for  
information and referral  
are placed**

**102 children are served by  
the Immunization Clinic**

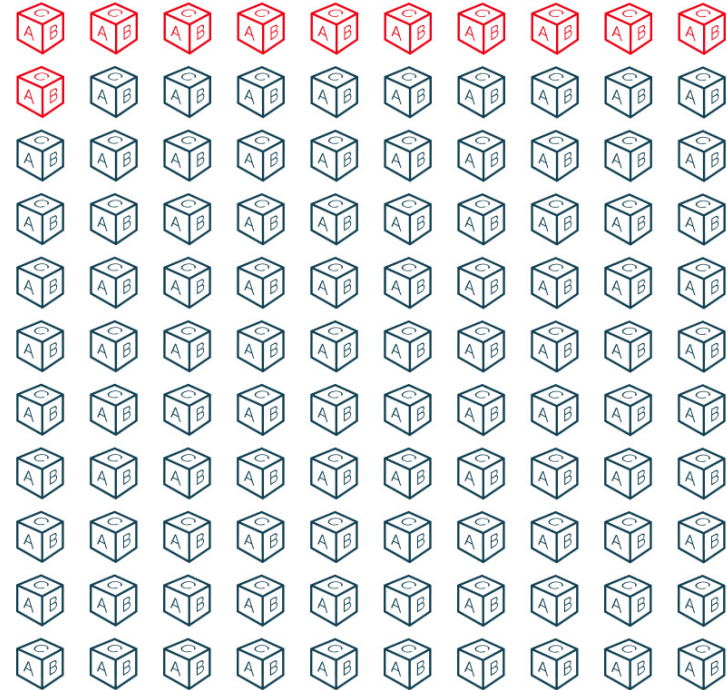
**87 children receive  
monthly WIC services**

## Are We Keeping Up?

Between 2011 and 2016

Library YS Program Attendance:  
51,570 to 89,686  
74 percent growth

County Manager's Proposed  
Budget Includes **1 additional**  
Youth Services Librarian



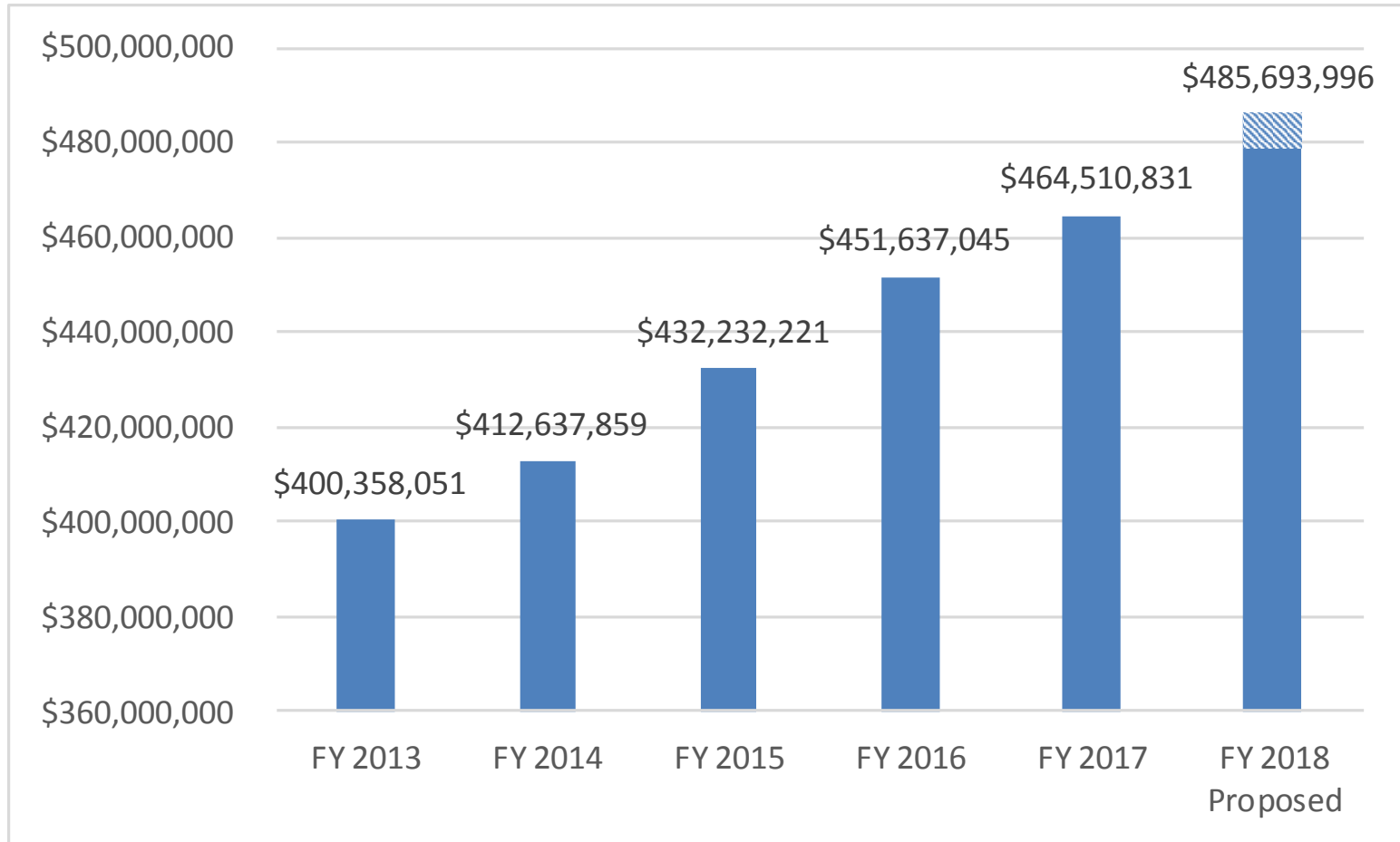
Of the 110 early childhood programs in Arlington, the Library regularly visited 11 groups in FY2016.



- ❑ Additional funding to support Youth
  - ❑ Fund **needs of school aged population** by reallocated tax funding:
    - Increased Local Tax Transfer to Schools
    - Youth Services Librarian
    - School Nurse
    - Joint Facilities Advisory Committee position
    - Capital position to support JFAC
    - Services for At-Risk Youth in Courts

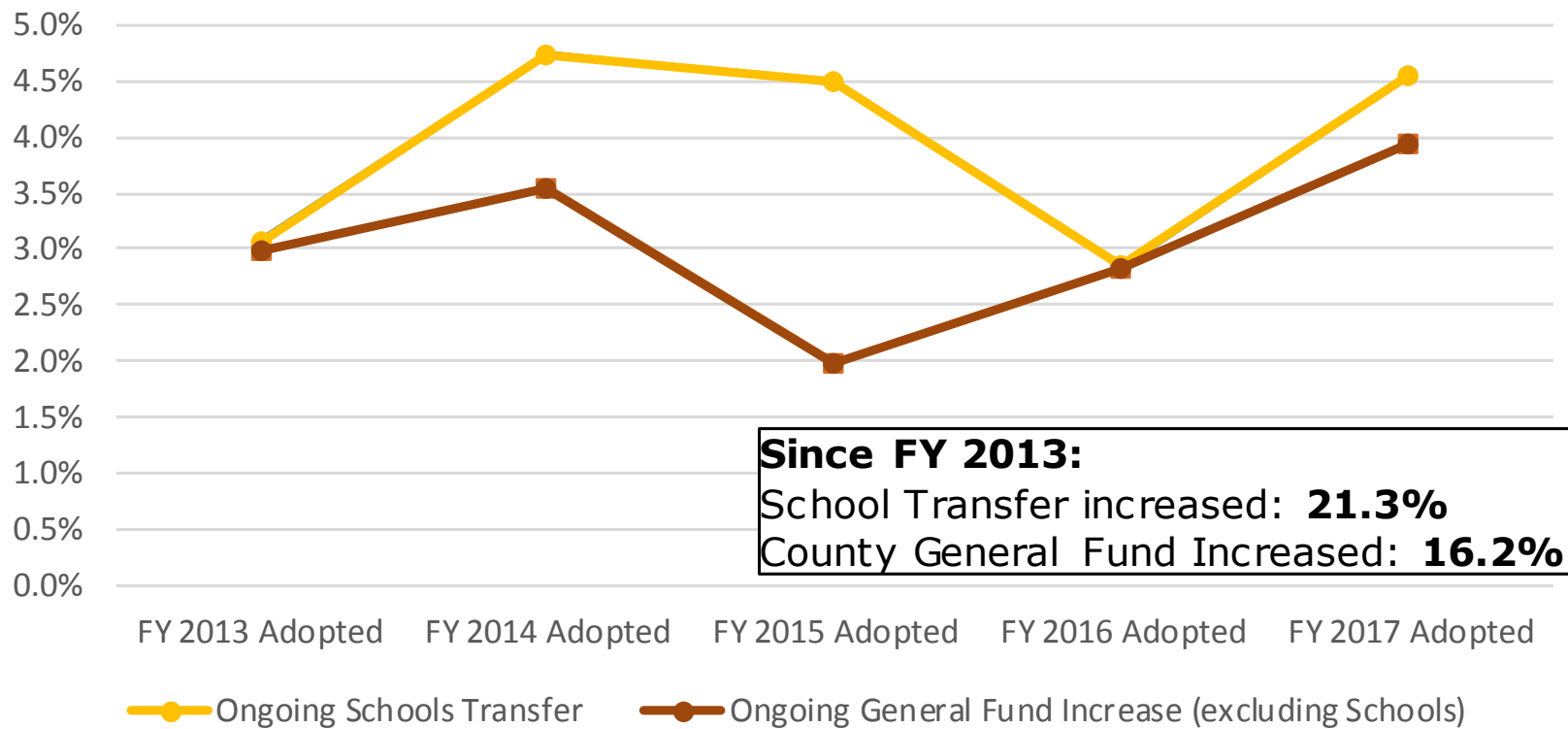


# School Transfer



# APS and County Growth

## Percent Change in Ongoing Schools Transfer Compared to Ongoing General Fund Growth



## ❑ Significant multi-year Operating Pressures

- ❑ FY 2018: Budget includes \$0.01 on Tax Rate dedicated to WMATA, \$7.4M for debt service and operating costs. Operating net tax support increases 19%, or 5.9M.
- ❑ FY 2019: Projected 35% net tax support increase, or \$12.6M
- ❑ FY 2020: Projected 10% net tax support increase, or \$5.0M

## ❑ Fare revenues declining

- ❑ Historically funded 51% of operations, FY 2018 projected to cover only 41%.
- ❑ Lower gas prices, regional trends in telework
- ❑ New alternatives such as Uber, Car2go and Lyft
- ❑ Impacts of Safetrack and rail reliability

## ❑ Future capital needs are significant

- ❑ Historically funded \$15-\$20 million annually for capital. New norm may be \$40-\$50 million

## ❑ Jurisdictional subsidies have had to increase significantly to offset these pressures. 8% annual average since 2010



# Uncertainty over Federal Revenue

- In FY 2018 General Fund Projected to receive \$15 million in Federal Funding mostly for social services programs.
  - WIC proposed for reduced or eliminated funding
  - Medicaid proposed for reduced funding
  - Meals on Wheel proposed for elimination
  - Reductions to grants supporting job training, employment service, and disabled workers
  - No increases for TANF and Head Start
- Housing Choice Voucher Program
  - No funding increase , budget may insufficient to house current voucher holders due to inflation and rising rents: \$18.8 million
- Community Development Fund:
  - Community Development Block grants proposed for elimination: \$1.2 million
- In addition, the County receives approximately \$7 million from various transportation programs and other grants as federal pass through from the State
- Capital Programs and Schools also rely on Federal funding



**February 25**

County Manager's FY 2018 Proposed Budget submitted to the County Board

**February - April**

## **Budget Work Sessions**

County Board holds a series of budget work sessions with County departments, Constitutional Offices, and the School Board

**March**

County Manager submits FY 2017 mid-year review of expenditures and revenues to the County Board

**March 28**

*7:00 PM, County Board Room,  
2100 Clarendon Blvd*

## **Public Hearing**

County Board hosted public hearing on proposed FY 2018 budget including County expenses and real estate tax, personal property tax rates, and other taxes and fees

**March 30**

*7:00 PM, County Board Room,  
2100 Clarendon Blvd*

## **Public Hearing**

County Board hosted second public hearing on proposed FY 2018 budget including County expenses and real estate tax, personal property tax rates, and other taxes and fees

**April 22**

## **Budget Adopted**

County Board adopts FY 2018 Budget and Appropriations Resolutions for the County government, the public schools, and Pay-As-You-Go Capital. County Board adopts CY 2017 real estate tax rate and other FY 2018 taxes and fees.

**May 4**

School Board adopts FY 2018 school budget

**July 1**

FY 2018 begins



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