

COUNTY OF FREDERICK, VIRGINIA



FY 2007-2008 ADOPTED BUDGET PLAN

Citizen's Guide to the Budget

COUNTY OF FREDERICK, VIRGINIA

**DIRECTORY OF OFFICIALS
FISCAL YEAR 2007-2008 BUDGET PLAN**

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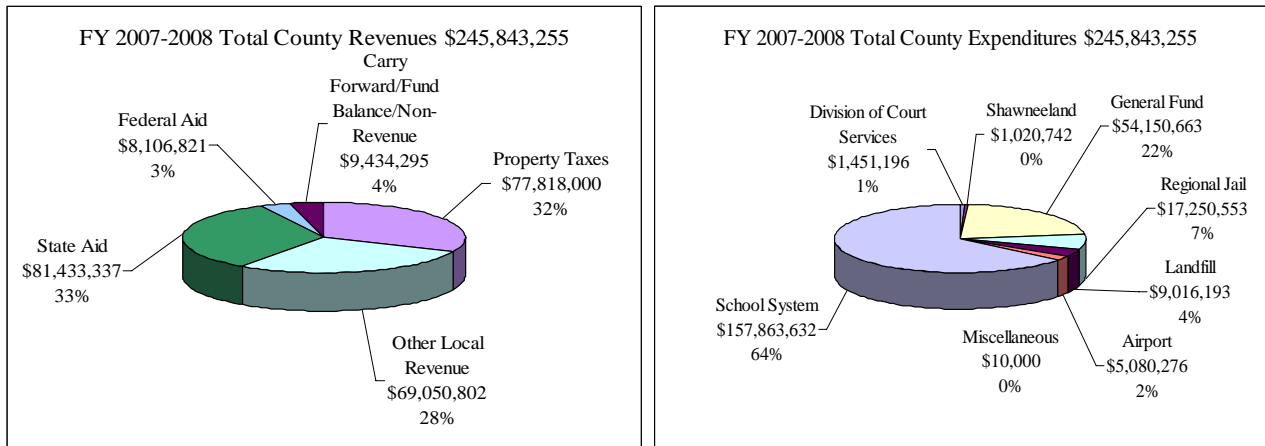
OTHER OFFICIALS

John R. Riley, Jr. County Administrator
Kris C. Tierney Assistant County Administrator
Cheryl B. Shiffler Finance Director
Harvey E. Strawsnyder, Jr. Public Works Director
Gary A. DuBrueler Fire and Rescue Services Director
Leeanna D. Pyles Public Safety Communications Director
Paula A. Nofsinger Human Resources Director
Charles B. Tyson Information Technology Director
Eric R. Lawrence Planning and Development Director
Marcus D. Lemasters Geographic Information Systems Director
Patrick E. Barker Economic Development Director
James M. Doran Parks and Recreation Director
Fred D. Hildebrand Regional Jail Administrator
Ellen E. Murphy Commissioner of the Revenue
C. William Orndoff, Jr. Treasurer
Lawrence R. Ambrogi Commonwealth Attorney
Robert T. Williamson Sheriff
John Prosser Judge of the Circuit Court
John E. Wetsel, Jr. Judge of the Circuit Court
David S. Whitacre Judge of the General District Court
Elizabeth Kellas Judge of the Juvenile and Domestic Relations Court
Rebecca Hogan Clerk of the Circuit Court
D. Scott Anderson Court Services Director
Gwen Monroe Social Services Director
David Crabtree Health Department District Administrator
James T. Anderson Sanitation Authority Chairman
Wellington H. Jones Engineer/Director Sanitation Authority
Brenda Diehl Frederick County Extension Agent
Richard S. Miller General Registrar
Patricia Taylor Superintendent of Schools

The FY 2008 budget approved by the Board of Supervisors was a challenging one. General Fund revenue growth was lower this year by over three percent. The decline in the housing market is directly related to this slowdown in growth of local revenue. Even with this realization, the FY 2008 budget provides residents with continued outstanding services while also preserving the quality of life that citizens have become accustomed. Frederick County's population continues to grow largely due to our close proximity to the Washington, D.C. metropolitan area as well as our attractive, affordable real estate tax rate.

FY 2008 TOTAL COUNTY REVENUES AND EXPENDITURES

The total FY 2007-2008 budget for Frederick County equals \$245,843,255. This amount includes all funds subject to appropriation within Frederick County. These funds include General Fund, School Funds, Adult Detention Center Fund, Landfill Fund, Division of Court Services Fund, Shawneeland Sanitary District Fund and the Airport Operating and Capital Funds.



For FY 2008, State aid is the largest revenue source at 33 percent of total revenue. In the last five years, state aid for Frederick County has grown by five percent. Five years ago, property taxes made up 31.3 percent of the total county revenue, whereas today, property taxes make up 31.7 percent of total county revenue. Other local revenue examples include sales tax, utility tax, meals and motel tax, business licenses, permits, fees for services, and other locality contributions, accounting for 28 percent of total revenue.

On the expenditure side, the General Fund has grown by 3.8 percent in the last five years mainly due to increases in public safety. The school system shows a decrease of eight percent in the last five years. This decrease is due to the removal of the school construction fund from the list of appropriated funds.

This Citizen's Guide is devoted mainly to the General Operating Fund and School Operating Fund revenues and expenditures. The additional funds included in the total county budget are important parts of the overall government entity, however, these funds are either state, federal or fee supported and do not require large amounts of local tax dollars for their operations. The General Operating Fund and School Operating Fund do require significant local tax dollars and therefore necessitate further explanation of their usage.

FY 2008 GENERAL FUND EXPENDITURES

The Board of Supervisors approved General Fund allocations to the school operating fund of \$62.9 million, \$750,000 to the school capital fund and \$11.7 million to the school debt service fund, an increase of \$4.7 million over FY 2007. The General Fund budget increased by \$10.9 million over FY 2007, which includes the transfers to school operating and school debt. In order to support these increases, \$6.5 million was utilized from fund balance. This is an increase of \$648,000 compared to the use of fund balance in FY 2007. A fundamental objective for the Board of Supervisors is to keep fund balance at a safe and manageable level.

The General Fund budget totals \$54.1 million, excluding school and jail transfers, an increase of 12%, or \$5,859,111, over FY 2007. Of that amount, \$3.3 million is attributed to salary and fringe increases for new positions hired in FY 2007 and FY 2008. General Fund expenditures have increased 62% or \$20 million over the past five years.

The total county budget for FY 2008 is \$245 million, an increase of 6.8% from the FY 2007 adopted budget. This figure does not include transfers made between various funds. The transfer from the General Fund to the School Operating Fund equals \$62,996,099, an increase of \$4,692,953 over FY 2007. Looking back five years, the transfer to the School Operating Fund



County Administration Complex

has increased 35%, or \$16,496,000. Another transfer occurs between the General Fund and the Regional Jail Fund. This contribution totals \$2,491,042 and has increased 158% or \$1,526,112 over the last five years.

Public Safety

Public Safety consists of the following departments:

<u>Department</u>	<u>FY 2008 Appropriation</u>
Sheriff	\$9,567,289
Volunteer Fire Departments	\$800,534
Ambulance & Rescue Service	\$415,979
Juvenile & Adult Detention Funding	\$2,881,502
Juvenile Court Probation	\$178,452
Inspections	\$1,517,695
Medical Examiner	\$1,200
Fire and Rescue	\$5,883,454
Public Safety Communications	\$1,256,284
Total	\$22,502,389

The continuous growth in the Frederick County area has shown an equal growth in the county’s public safety sector. This growth rendered the need for increased office space for the public safety departments.

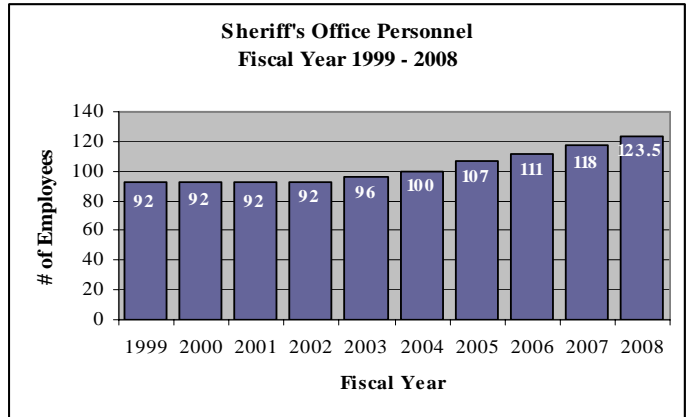


Public Safety Building

The newly constructed Frederick County Public Safety Building is now occupied by the Sheriff’s Office, Fire and Rescue and Public Safety Communications. This new complex provides departmental training rooms and community training areas. It also houses the evidence lab areas with associated processing rooms, vehicle forensic bays, weapons and ammunition storage, vehicle maintenance bays and storage areas.

Sheriff's Office

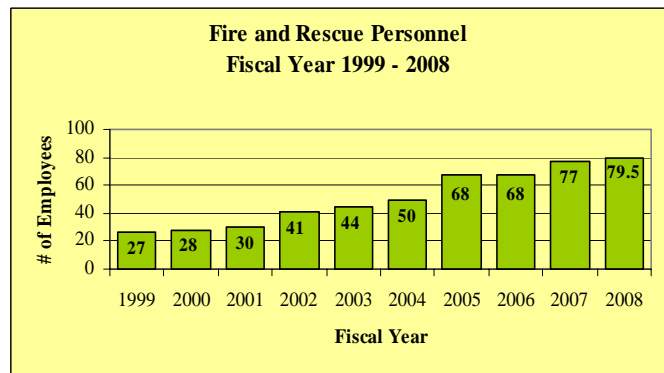
The Sheriff's Office has experienced a greater need for public security due to increased violent crime, technology based crime and gang activity. The FY 2007-2008 Sheriff's Office budget includes the addition of two investigators, one road deputy and an Office Assistant at a cost of \$190,000. The Office Assistant will handle receptionist duties at the new Public Safety



Building and will be a position shared with Fire and Rescue. The Sheriff's Office has seen a 34% increase in personnel over the past ten years. The Sheriff's Office also has fourteen vehicles included in the FY 2008 budget totaling \$297,000. Of these fourteen vehicles, nine of them are to replace current vehicles with high mileage.

Fire and Rescue

The Frederick County Fire and Rescue Department has also seen its share of growth over the past decade. With the fire and rescue volunteer pool slowly declining, it has become necessary to supplement the county fire departments with full-time, career firefighters and emergency medical technicians. An Emergency Management Specialist and a Resource Management Technician as well as the Office Assistant shared with the Sheriff's Office have been added to the Fire and Rescue Department totaling \$128,000 for FY 2008. The Emergency Management Specialist will develop and maintain the Emergency Operations Plan for



Frederick County and assist with the training for and coordination of disaster preparedness. The Resource Management Technician will handle the complex and technical work in coordinating the department's

purchasing and inventory system. The Fire and Rescue Department has seen a 194% increase in personnel over the last decade.

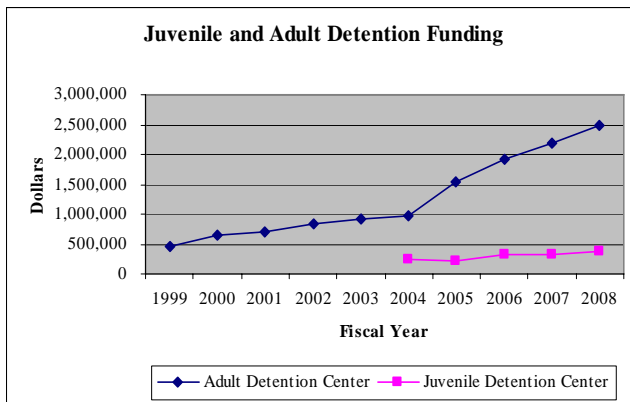
Public Safety Communications

The Public Safety Communications Department is the Emergency 911 center for Frederick County. The center dispatches all emergency requests for fire, emergency medical aid and Sheriff’s assistance and non-emergency request for police. The center officially became a stand-alone department in fiscal year 1999 with a budget of \$585,000 and nine employees. It has grown to a budget of \$1.2 million with fifteen employees in the last ten years. The Public Safety Communications center was located in the basement level of the Joint Judicial Center with virtually no room for growth of personnel or new, advanced equipment. Now housed in the new Public Safety Building, the Communications center has ample room to handle the important task of dispatching emergency services.

Juvenile and Adult Detention Funding

Juvenile and Adult Detention Funding consist of Frederick County’s share of the Northwestern Regional Adult Detention Center and the Northwestern Regional Juvenile Detention Center. The growth and capacity of the Regional Jail has skyrocketed since its organization in 1989. With that growth, comes increased funding by the local jurisdictions involved in its operation. The capacity of the regional jail has increased from an average of 242 inmates in fiscal year 1997 to an average of 506 inmates in fiscal year 2006, a 109% increase. Frederick County funding for the regional jail has increased from \$453,764 in

fiscal year 1999 to \$2,491,042 in fiscal year 2008, or 449%. The contribution to the Juvenile Detention Center has increased from \$232,493 since its inception in 2004 to \$390,460 in fiscal year 2008, a 68% increase.



General Government Administration

General Government Administration consists of the following departments:

<u>Department</u>	<u>FY 2008 Appropriation</u>
Board of Supervisors	\$253,067
County Administrator	\$503,720
Human Resources	\$372,513
Independent Auditor	\$55,000
Commissioner of the Revenue	\$1,311,197
Treasurer	\$996,293
Finance	\$599,487
Information Technology	\$810,306
Geographic Information Systems	\$338,953
Other	\$2,017,664
Electoral Board	\$67,167
Registrar	\$145,564
Total	\$7,470,931

Commissioner of the Revenue

A new budget line item has been set up for just the costs related to taking the reassessment of real property from an outside contractor to an in-house managed assessment under the direction of the Commissioner of the Revenue. Using an outside hired contractor reassessment, the contract costs resulted in budget line items in two consecutive fiscal years for the whole cost of a four year reassessment. Now the costs are spread over every budget year. Additional assessors and a data clerk have been hired for reassessment purposes. By having a reassessment team managed and under county direction, the citizens have staff available to them at all times and the results and management of the numbers, hearings and methodology are available to the Commissioner from the start of the field work. Under a contracted reassessment, the assessed values were unknown until the final book was finished and the field and clerical personnel doing the reassessment job were hired by the contract company and often unknown locally or not available except for a limited time frame.

Other

This category contains a variety of county expenses. The majority of the expenses are related to county contributions to local, non-profit agencies. These local agencies include NW Works, Access Independence,

Shenandoah Valley Discovery Museum, CLEAN, Inc., Our Health, Inc. and the Youth Development Center. Other expenses within this category are property and liability insurance, retiree health premium expenses and Comprehensive Services monies.

Information Technology

This department handles the county’s technological necessities including mainframe maintenance and personal computer support. This department also maintains and improves the county’s website. Two new positions are included in FY 2008. A Network Analyst/Engineer will provide architecture and infrastructure design as well as designing, implementing and supporting a Network Control Center. A new Systems Analyst will be the central support for the county’s mainframe system.

Judicial Administration

Judicial Administration encompasses the following departments:

<u>Department</u>	<u>FY 2008 Appropriation</u>
Circuit Court	\$48,300
General District Court	\$8,464
Juvenile/Domestic Relations Court	\$14,850
Clerk of the Circuit Court	\$640,834
Law Library	\$7,200
Detox Center	\$45,780
Commonwealth’s Attorney	\$1,172,525
Victim/Witness Program	\$118,250
Total	\$2,058,086

These departments all relate to the court system within Frederick County. The majority of these departments have associated state funding.



Joint Judicial Center

Public Works

Public Works consists of the following departments:

<u>Department</u>	<u>FY 2008 Appropriation</u>
Road Administration	\$30,475
Street Lights	\$30,340
General Engineering	\$487,669
Refuse Collection	\$1,510,084
Refuse Disposal	\$832,320
Litter Control	\$13,950
Maintenance Administration	\$424,055
County Office Buildings	1,126,344
Animal Shelter	\$447,356
Total	\$4,902,593

Public Works handles the placement and maintenance of street signs, storm water issues, erosion and sediment control issues, the maintenance of the county office buildings and manages capital improvement projects within Frederick County. All road and street maintenance within the county is handled by the Virginia Department of Transportation.

Animal Shelter

The new Frederick County Ester Boyd Animal Shelter was occupied in July 2006. This structure includes approximately 13,000 square feet of finished space and an approximate 1,000 square feet of combined sally port and storage area. The finished area includes 37 dog runs and sufficient space for approximately 86 cat



Frederick County Ester Boyd Animal Shelter

cages. The separate dog and cat areas include isolation and quarantine space for injured and/or sick animals. Also, separate areas have been designated for puppies and nurseries. The HVAC system is designed to provide zoned heating and cooling as well as biological air treatment to prevent the spread of diseases. For FY 2008, an Office Assistant was added to this department due to the increased workload.

Health and Welfare

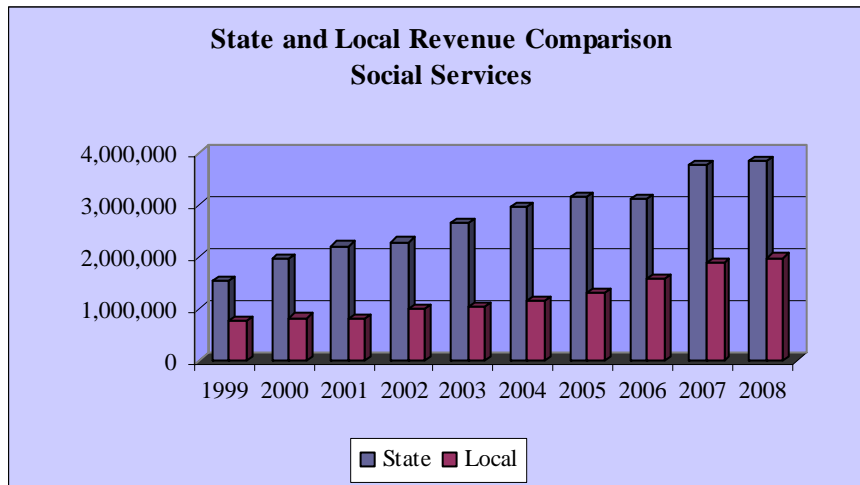
Health and Welfare consists of the following departments:

<u>Department</u>	<u>FY 2008 Appropriation</u>
Local Health Department	\$347,456
Northwestern Community Services	\$298,427
State & Local Hospitalization	\$33,000
Area Agency on Aging	\$57,599
Property Tax Relief	\$480,000
Social Services Administration	\$3,894,074
Public Assistance	\$1,937,139
Total	\$7,047,695

The majority of the health and welfare category pertains to Frederick County Social Services.

Social Services Administration/Public Assistance

Social Services provides benefit programs such as Food Stamps, Medicaid, Temporary Assistance to Needy Families, Energy Assistance, Day Care Assistance, General Relief and Employment Services to the citizens of Frederick County in need. This department also provides service programs including Child Protective Services, Adult Protective Services, Foster Care, Adoption and Family Services. Public Assistance programs include General Relief, Aid to Dependent Children, Emergency Assistance to Needy Families/Children, Special Needs and Subsidized Adoption, Independent Living, Refugee Services and Foster Care Training/Recruitment. The local share that Frederick County provides towards these services has increased considerably due to an influx of mandated state programs with no significant increases in state funds.



Property Tax Relief

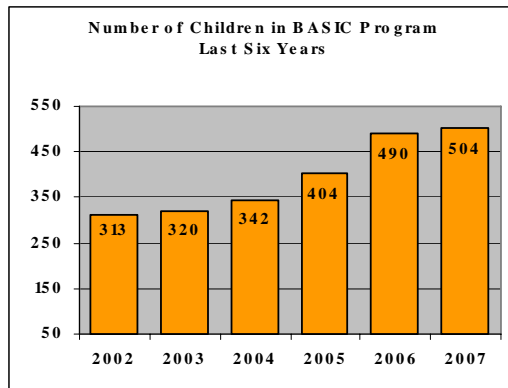
Property tax relief is technically called Tax Relief for the Elderly and Permanently and Totally Disabled. Qualifications are based on age or permanent and total disability plus income and net worth limitations. It applies to qualifying residents as a percentage of relief of taxes on their sole residence and up to one acre of land on which the residence is located.

Parks, Recreation, Cultural and Lord Fairfax Community College

Parks and Recreation is made up of the following departments:

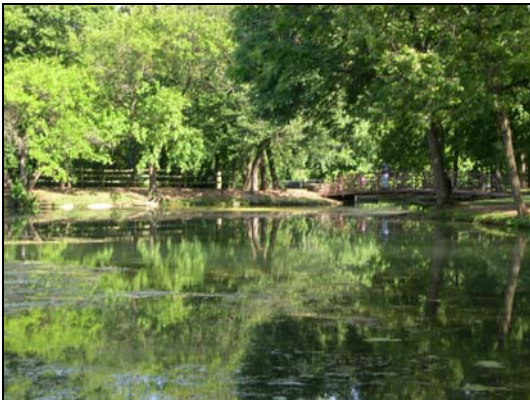
<u>Department</u>	<u>FY 2008 Appropriation</u>
Parks and Recreation - Administration	\$621,372
Parks Maintenance	\$828,042
Recreation Centers	\$2,088,427
Clearbrook Park	\$517,831
Sherando Park	\$588,457
Regional Library	\$1,047,525
Lord Fairfax Community College Contribution	\$73,847
Total	\$5,765,501

The Parks and Recreation Department provides a diverse range of recreational, educational and cultural activities for all age groups. This broad base of activities includes, but is not limited to, instructional classes, sports and athletics, health and fitness programs, cultural and special events, trips and excursions and children’s programs. A Before and After School Interim Care Program (BASIC) is also offered at the elementary schools within the county. This is a very well received program for children needing care before and after school and is available for children at the elementary



school level. The number of participants within the BASIC Program has increased steadily over the last ten years. Other activities such as the July 4th Celebration, Winter Wonderland, Halloween Happenings and Kite Day have all been well received by the citizens of Frederick County. For FY 2008, a Recreation Technician has been added for the BASIC Program.

Parks and Recreation also maintains and operates the 55 acre Clearbrook Park and the 334 acre Sherando Park. These parks are utilized on a daily basis and each includes an outdoor swimming pool facility as well as a lake for fishing and paddleboats. Other facilities located at both parks are picnic shelters, athletic



Clearbrook Park

fields, playgrounds, tennis courts, basketball courts and a Frisbee golf course. The Parks maintenance staff also maintains the grounds and landscaping at all the Frederick County school buildings as outlined in the Frederick County Public School/Frederick County Parks and Recreation Department Cooperative Use Agreement. It is anticipated that future needs for

recreational facilities will require the addition of a 150-200 acre regional park in western Frederick County. The addition of this park would reduce the gap between the amount of existing parkland and the amount of parkland needed to meet the minimum standard for the Frederick County service area, as recommended by the Virginia Outdoors Plan. Due to an ever increasing swim team and swim lesson participation, Frederick County is anticipating an indoor aquatic facility in the near future. This facility would house a leisure and competitive lap swimming pool. It is estimated that the center will see over 120,000 guests each year.

Regional Library

This expenditure consists of the Frederick County contribution to the Handley Regional Library system. The contribution to the Handley Regional Library system has increased about 112% in the last ten years. Library service is provided to Frederick County through the Handley Regional Library located in

downtown Winchester, the Mary Jane and James L. Bowman Library located in Stephens City and the Clarke County Library located in Berryville. Currently, there are 30,435 active registered library card holders in Frederick County. During the 2007 fiscal year, Frederick County residents borrowed 374,917 items from the library system.



Mary Jane and James L. Bowman Library

Community Development

Community Development consists of the following departments:

<u>Department</u>	<u>FY 2008 Appropriation</u>
Planning & Development	\$1,235,158
Economic Development Commission	\$775,651
Zoning Board	\$6,820
Building Appeals Board	\$550
N. S. V. Regional Commission	\$31,065
Gypsy Moth/Biosolids	\$346,914
Soil & Water Conservation District	\$331,896
Extension	\$188,769
Total	\$2,916,823

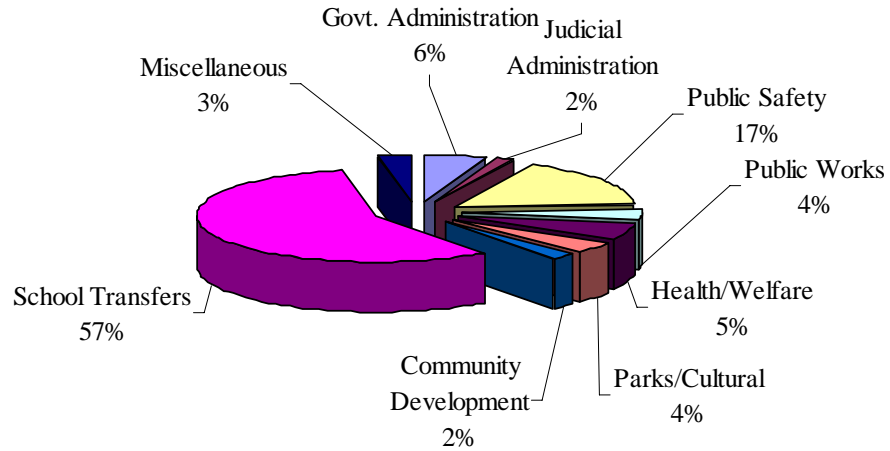
This category of departments handles the planning of the future of Frederick County as well as the maintenance of the current infrastructure. Tasks for this section include land use and transportation issues, business and industry growth and conservation of natural resources.

GENERAL FUND EXPENDITURE SUMMARY

Expenditures for the General Fund increased over FY 2007 by approximately 9%. Fourteen new positions were approved and included in the FY 2008 budget. Twenty-nine new positions were approved and included in the previous year. Expenditures for FY 2008 for the General Fund total \$132,311,207. This

amount includes a transfer to the School Operating Fund of \$62,996,099, a transfer to the School Debt Service Fund of \$11,792,300 and a transfer to the School Capital Fund of \$750,000.

FY 2008 General Fund Expenditures



Functional Area	2007-2008 Adopted Budget
Government Administration	\$7,470,931
Judicial Administration	\$2,058,086
Public Safety	\$22,502,389
Public Works	\$4,902,593
Health/Welfare	\$7,047,695
Parks, Cultural, LFCC	\$5,765,501
Community Development	\$2,916,823
School Transfers	\$75,538,399
Miscellaneous	\$4,108,790
Total	\$132,311,207

As shown on the chart, the transfer to the school system is the largest expenditure for the General Fund with 57% earmarked for that function. The second largest sector is Public Safety equaling 17% of total

General Fund expenditures These two categories have always been a high priority for Frederick County and will continue to be in the future.

FY 2008 SCHOOL OPERATING EXPENDITURES

Frederick County Public Schools has seen significant growth over the last ten years, in line with the overall growth in this area.

The Operating Fund expenditures increased by about \$7.1 million or 5.8 percent in FY 2008. This increase will support student membership growth, compensation increases, start-up costs and increased operating expenses for the replacement Gainesboro Elementary School, and inflation. The Operating Fund is divided into nine instructional programs and five support functions. Instructional program budgets include costs due to new students, program requirements, new resources, and salary and benefit increases. Support function budgets include salary, benefits, utilities, fuel, and inflation increases.

Functional Area	2007-2008 Adopted Budget
<u>Instructional Programs</u>	
Regular Education	\$74,679,678
Special Education	\$17,711,413
Vocational Education	\$6,403,237
Gifted and Talented	\$1,020,357
Other	\$2,012,649
Summer	\$147,930
Adult Division	\$142,690
Non-Regular School Day	\$453,383
Community Services	\$1,016,731
Sub-total Instructional Programs	\$103,588,069
<u>Support Programs</u>	
Administration	\$4,189,920
Attendance and Health	\$2,309,327
Pupil Transportation	\$8,147,321
Operations and Maintenance	\$11,620,682
Facilities	\$307,436
Debt Service and Fund Transfers	\$517,662
Sub-total Support Programs	\$27,092,348
Total	\$130,680,417

Other funds that are controlled by the Frederick County School Board are the Debt Service Fund, Construction Fund, Capital Project Fund, School Textbook Fund, Northwestern Regional Educational Programs (NREP) Operating and Textbooks Funds, Food Service Fund, Consolidated Services Fund and Trust Funds.



James Wood Middle School

The number of employees in all funds will increase by about 35.2 full time-equivalent positions for FY 2008. Of the 35.2 new positions, 29.2 are school based positions including classroom teachers, aides, nurse, software specialist, assistant principal, secretaries, custodians, assistant director, and cafeteria workers. Total approved positions for FY 2008 is 2,101.1 FTE's. Eighty-four percent of all staff will be school based in FY 2008.

Student Enrollment

Frederick County Public Schools student membership is growing at a faster rate than the Virginia state student membership average. Frederick County Public Schools student membership grew by 16.9 percent while the Virginia state average grew by 4.9 percent in the past five years.

Student Enrollment Growth			
Fiscal Year	Students Enrolled	Number Change	Percentage Change
1998	10,215		
1999	10,407	192	1.9%
2000	10,538	131	1.3%
2001	10,683	145	1.4%
2002	10,774	91	0.9%
2003	11,029	255	2.4%
2004	11,343	314	2.8%
2005	11,742	399	3.5%
2006	12,223	481	4.1%
2007	12,596	373	3.1%
Enrollment Projections			
2008	12,982	386	3.1%
2009	13,311	329	2.5%
2010	13,744	433	3.3%
2011	14,214	470	3.4%
2012	14,729	515	3.6%

Cost Per Pupil

The per pupil expenditure calculation is based on Virginia Department of Education’s definition of operations. All school divisions report expenditures in a standardized format, and division comparative information is provided in the Virginia Superintendent’s Annual School Report. Operations include regular day school, food services, summer school, adult education, and other educational programs.

Cost Per Pupil Comparison					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Winchester City	9,331	10,040	10,487	10,856	
Clarke County	7,722	8,294	8,379	8,778	
Warren County	6,573	7,060	7,358	7,705	
Loudoun County	10,159	10,344	11,246	11,975	
Shenandoah County	6,910	7,106	8,571	8,878	
Fauquier County	8,386	8,601	9,248	9,546	
Frederick County	7,677	8,345	8,600	9,394	9,875
State Average	8,186	8,552	9,202	9,755	10,278
Regional Average	8,108	8,541	9,127	9,590	TBD

FY 2008 GENERAL FUND REVENUES

General Fund revenue has seen substantial growth in the past years due to the local construction boom. Although Frederick County is still seeing increased growth, this growth leveled out significantly for FY 2008. Frederick County’s real estate tax rate has not changed in three years. In fact, in fiscal year 2006,

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>
1999	0.59	4.20
2000	0.59	4.20
2001	0.64	4.20
2002	0.61	4.20
2003	0.61	4.20
2004	0.73	4.20
2005	0.73	4.20
2006	0.525	4.20
2007	0.525	4.20
2008	0.525	4.20

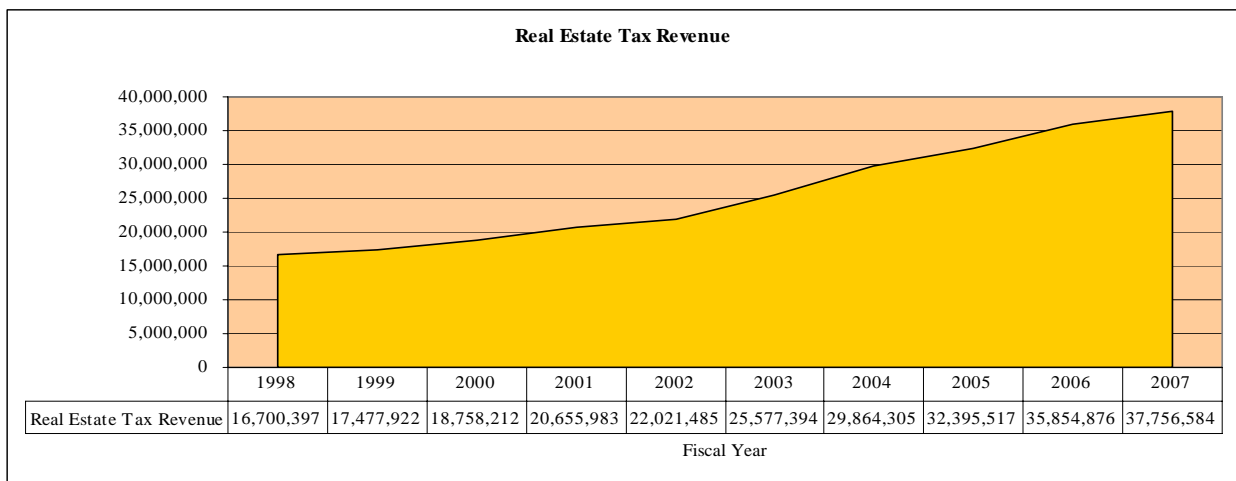
Frederick County saw a reduction in the tax rate due to the reassessment that went into effect that year. In the last ten years, the real estate tax rate has seen a reduction of roughly 12%. The personal property tax has remained constant due to the Personal Property Tax Relief Act put into effect by the Commonwealth of Virginia. Frederick County is now allocated a fixed dollar

Amount of \$12.7 million from the state to subsidize the personal property tax. In a growing community, and with increasing vehicle costs, this subsidy will most likely decrease in the future.

The local building boom is shown directly with the number of building permits issued.

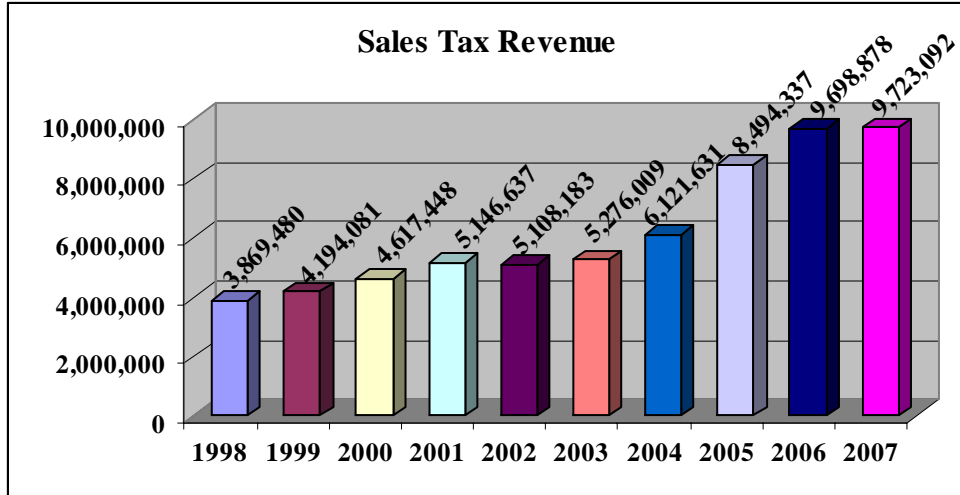
Property Value and Construction Last Ten Fiscal Years				
Fiscal Year	# of Permits	Commercial Industrial Construction	# of Permits	Residential Construction
1998	171	20,757,146	1,047	51,975,748
1999	221	41,375,548	1,269	66,154,318
2000	192	72,899,520	1,558	68,979,282
2001	177	60,115,925	1,025	82,648,057
2002	201	56,296,826	1,449	117,074,274
2003	261	35,842,080	1,548	130,271,080
2004	287	72,544,942	1,536	148,724,111
2005	285	38,068,839	2,004	261,259,393
2006	414	92,681,675	1,975	458,716,718
2007	403	132,735,484	1,524	168,876,612

Real estate tax revenue has shown a continuous increase in the last decade. Since 1998, Frederick County's real estate tax revenue has increased 126%. In the same time frame, permits for residential construction increased by 45%. The value of this residential construction increased by 224%.



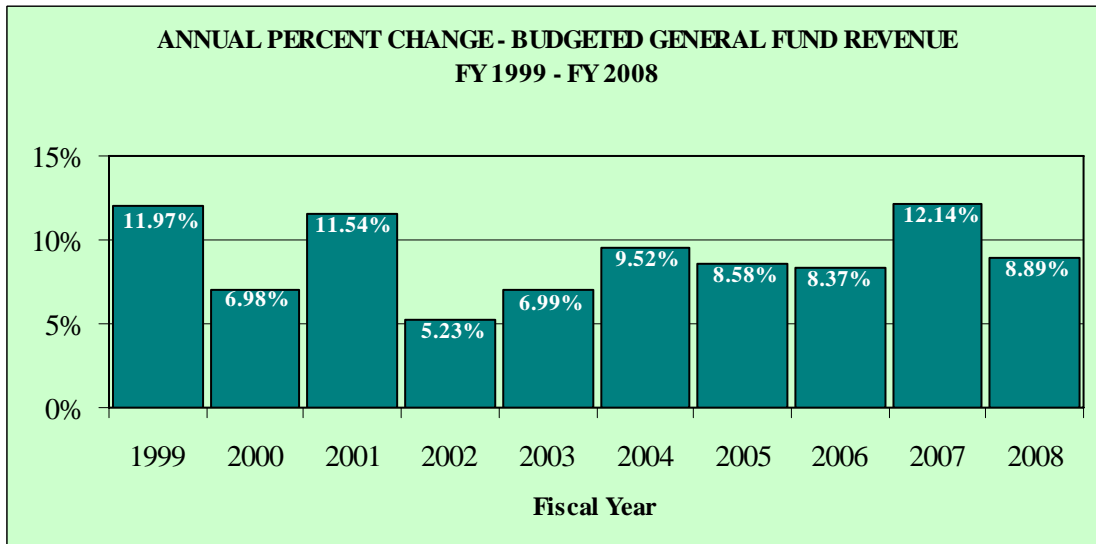
Another large category in General Fund revenue is sales tax revenue. Local sales taxes consist of the portion of the state sales tax that is remitted to the locality. The state sales tax is five percent with the state returning one percent of the five percent back to the locality. This category has steadily increased due to

more retail businesses moving to Frederick County. Since Fiscal Year 1998, sales tax revenue for Frederick County has increased by 151%.

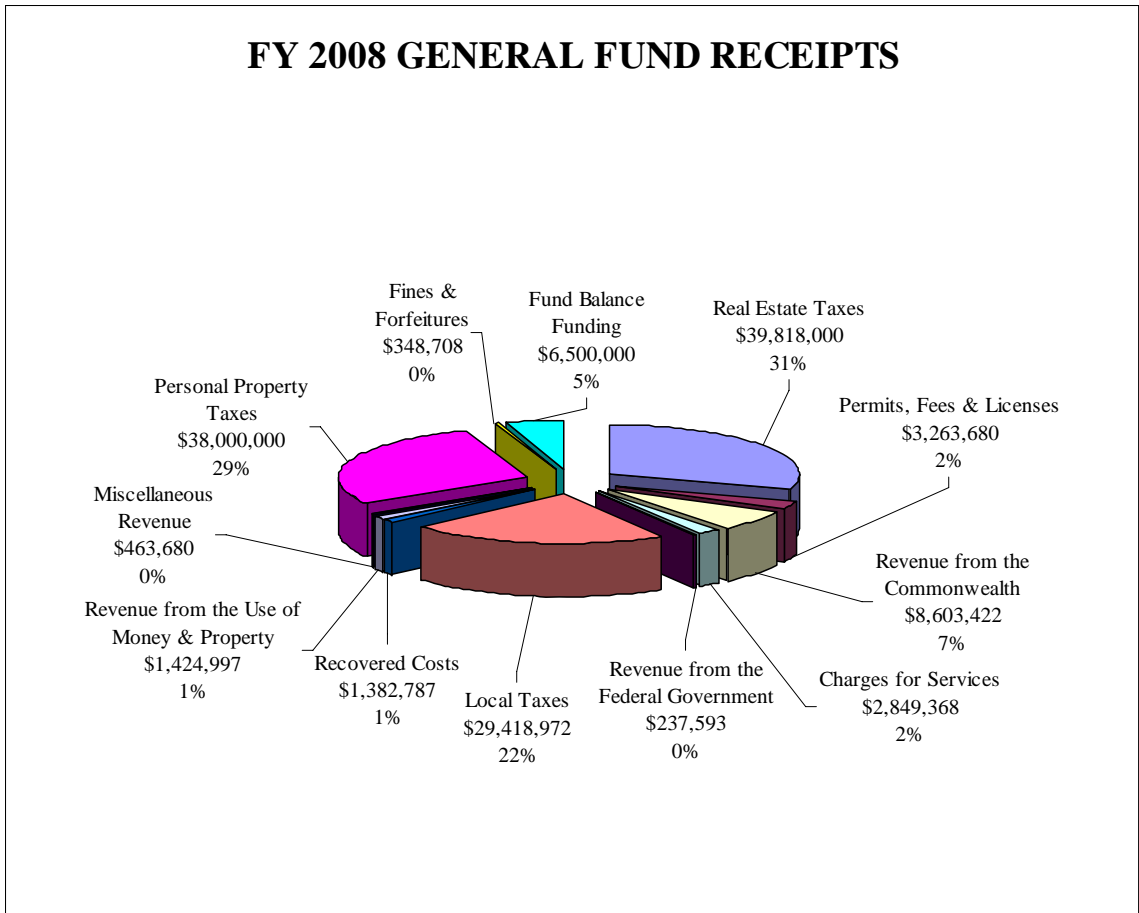


Additional revenue received from the Commonwealth of Virginia consists mainly of grants for specific expenses and reimbursements to constitutional offices.

Total budgeted General Fund revenue has been fairly consistent over the last ten years. A significant increase was realized in Fiscal Year 2007 due to the considerable growth in Frederick County.



General Fund revenue comes from many different sources. These sources can fluctuate, vanish or improve from year to year. Budgeting revenue each year has become more difficult and unpredictable as each year passes with changes in the economy happening virtually every day. Revenue from the Commonwealth is less and less reliable with more mandated programs requiring increased local revenue. The Board of Supervisors works diligently to keep tax rates at an acceptable level while taking into account the vast growth in Frederick County.



FY 2008 SCHOOL OPERATING FUND REVENUES

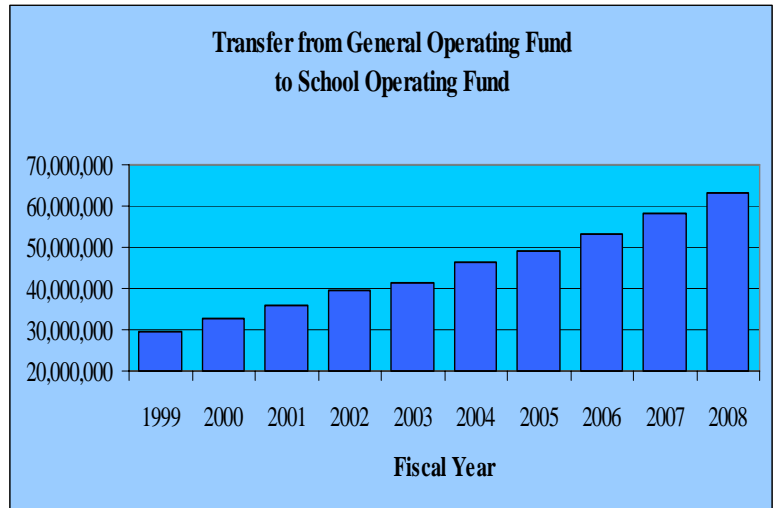
Frederick County Public Schools receives revenue to support the Operating Fund from three primary sources: funds transferred by the county Board of Supervisors, state aid and federal aid. Money is also received from local sources including tuition, fees, rental of school property and donations. In FY 2008, Frederick County Public Schools will receive about \$130.7 million for the Operating Fund. This represents

about a 5.8 percent increase in revenue for the Operating Fund compared to the FY 2007 approved budget. The 5.8 percent increase in revenue will support a 1.5 percent student membership growth with 12,982 students projected for FY 2008 compared to 12,787 students projected for FY 2007.

General Fund Transfer

The Frederick County Board of Supervisors approved a transfer from the General Fund to the School Operating Fund for FY 2008 in the amount of \$62,996,099. Over the last ten years, this transfer has increased by 113 percent.

Fiscal Year	General Fund Transfer
1999	29,607,454
2000	32,593,500
2001	35,721,547
2002	39,509,867
2003	41,232,385
2004	46,500,099
2005	49,164,531
2006	52,972,510
2007	58,303,146
2008	62,996,099



State Funds

State revenue is received in two forms: state aid and sales tax. State aid includes funding for basic aid to support the Standards of Quality (SOQ) and categorical aid and incentive programs for special initiatives.

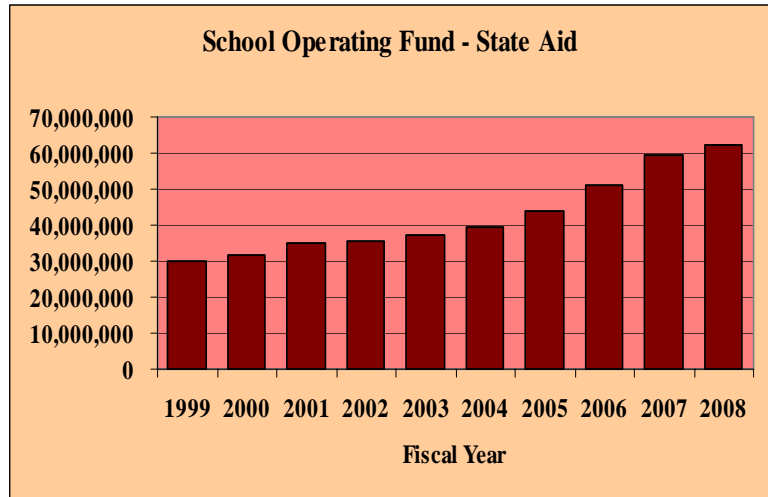


Admiral Richard E. Byrd Middle School

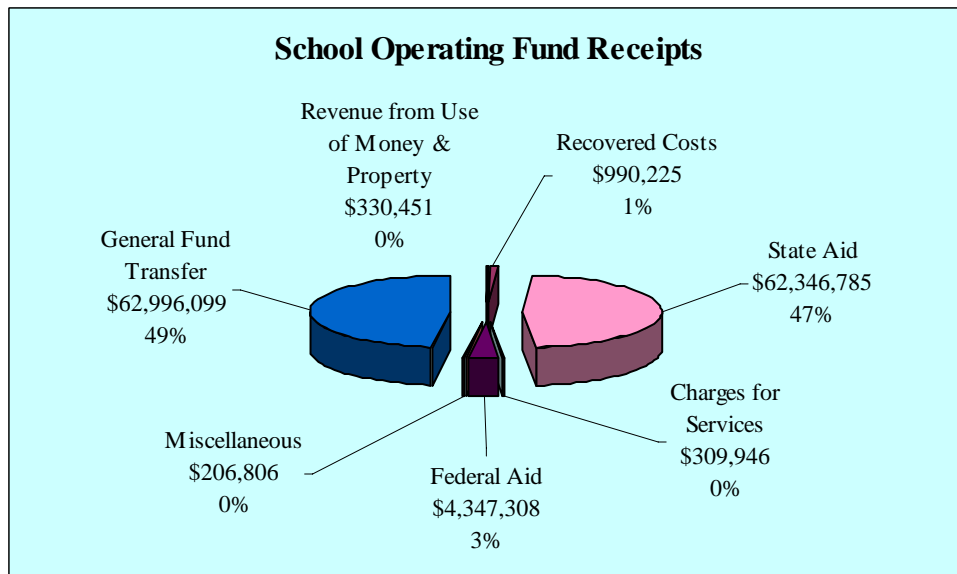
The amount of a locality’s state aid is determined by its ability to pay for education. The state attempts to distribute funding for education among the localities equitably by applying a factor known as the Local Composite Index (LCI) to adjust a locality’s state aid based on the locality wealth factor. The index includes

assessed value of real property, adjusted gross income, and taxable retail sales within a locality as compared to the state totals. For FY 2007 and FY 2008, the LCI for Frederick County Public Schools increased to .3925 from .3794 in FY 2006. The School Operating Fund has seen a 109 percent increase in state aid in the last decade.

Fiscal Year	State Aid
1999	29,856,681
2000	31,720,266
2001	35,063,404
2002	35,341,835
2003	37,367,400
2004	39,408,454
2005	44,150,032
2006	50,888,845
2007	59,472,285
2008	62,346,785



There are many challenges facing the Frederick County Public School system. Dealing with a growing community puts a strain on classrooms sizes as well as the continual need for teachers in a very competitive job market.



The Citizen's Guide to the Budget is intended to give citizens a basic understanding of Frederick County's budget process and the issues that the Board of Supervisors faces each year.

Frederick County's Fiscal Year 2007-2008 Annual Budget is available on the county's website at www.co.frederick.va.us.



