

**FY 2016 BUDGET GUIDANCE  
DIRECTION TO MANAGER FOR PREPARATION OF FY 2016 BUDGET**

**The County Board directs the County Manager to prepare a FY 2016 budget that reflects current economic conditions, while honoring the County's vision.**

**Specifically, the FY 2016 budget must, at a minimum, fund services that protect the health and safety of our residents, continue our investments in a quality public education, a safety net for those in need, affordable housing and environmental sustainability.**

**Should either the local, state or national economic forecast change significantly prior to budget submission, the County Manager will update the Board and the community in a timely manner on potential near- and long-term financial impacts that may need to be factored into FY 2016 budget discussions.**

**In developing her Proposed FY 2016 Budget, the County Manager is directed to:**

1. Present a balanced budget that assumes no increase in tax rates and no new program expansion beyond those previously approved by the Board. Program capacity expansions are not prohibited if funded with savings. Expenditure or service enhancements that are fully offset by fee revenue increases are permitted.
2. In addition, present options for service and budget reductions by the County (excluding Schools) equivalent to one percent of the County's operating department expenditures.
3. If total tax revenue growth exceeds the October 31st forecast of 3.1 percent, the Manager should provide the following three alternative scenarios: (1) a reduction in tax rates, (2) applying funds toward meeting increased priority demands, such as student enrollment growth, new facilities, affordable housing or areas identified by the Board at FY 2015 budget adoption for further study, and (3) a combination of (1) and (2).
4. Apply the County/School revenue allocation reflected in the FY 2015 budget (54.1% County / 45.9% Schools). The APS final percentage of locally generated revenue will be adjusted through budget deliberations. Given the current tax rate and current projected assessment growth, a minimum of \$13.1 million of projected new revenue will be available to APS above the FY 2015 County transfer.
5. The Manager's proposed budget should outline the impact of growing population trends on County services.
6. Ensure that the budget provides for long-term financial sustainability.
7. Preserve the County's triple-AAA bond rating..
8. Fully fund all debt, lease and other contractual commitments including those "subject to appropriation" in the base budget.

9. Eliminate duplication and inefficiencies, and explore further collaborations with Arlington Public Schools as well as regional collaborations and partnerships that might lead to cost savings and efficiencies.