



FY 2020 Third Quarter Review

March 31, 2020

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FY 2020 Third Quarter Review Context

- Recommendations in the *FY 2020 Third Quarter Review* were developed as the economic impacts of the coronavirus were first being realized
- Items included for funding have been reduced to only critical requirements
- All available flexibility identified, primarily as a result of savings in benefits and the County's accrued liability, has been set aside in a reserve to address the coronavirus pandemic

FY 2020 Outlook

- The County is still determining the impact that the pandemic will have on FY 2020 revenues
- Agencies have been directed to limit expenditures for the remainder of the fiscal year to critical items – this includes filling only essential positions as they become vacant
- Staff will return to the Board prior to approval of the Third Quarter Review with additional recommendations, if necessary
 - These may include the utilization of balances outside the General Fund to offset revenue losses, including debt balances, balances in capital projects, balances in funds primarily supported by the General Fund, the County's fuel reserve, and utilization of the Reserve for Catastrophic Occurrences in the County Insurance Fund

Third Quarter Summary

FY 2020 General Fund Balances

\$5.0 million

Balances identified at Carryover and during Audit

FY 2020 Third Quarter Adjustments

Reserve for Coronavirus Pandemic

(\$11.3) million

Spending Adjustments

(\$9.2) million

Reductions/Savings

\$16.1 million

Required Reserve Adjustments

(\$0.6) million

Total Third Quarter General Fund Adjustments

(\$5.0) million

Net General Fund Balance

\$0.0 million

FY 2020 Third Quarter Overview

- Adjustments included in the FY 2020 Third Quarter package are limited to only those of a critical nature, including:
 - Funding to support additional positions in the Health Department's Office of Emergency Preparedness and Response
 - Support for the County's elections, including covering costs of the March primary and funding to prepare for the November general election
 - Support for critical IT Projects where funding was deferred as part of the FY 2020 budget
 - IT funding primarily to cover licensing requirements
 - Other small adjustments primarily to reconcile and recognize specific dedicated revenues
- Also includes an additional 56 positions identified to be converted from non-merit to merit status
 - These positions are expected to be the last tranche of non-merit conversions

Reserve for Coronavirus Pandemic

- Available funding of \$11.3 million is recommended to be set aside in reserve for items such as:
 - Partial offset of revenue loss
 - Cleaning and health-related supplies (hand sanitizer, disinfecting wipes, masks)
 - Additional licenses to allow more teleworking
 - Assistance to non-profit and business communities
 - ✦ More details are included on following slides

Strategies to Provide Support for Non-Profit and Business Communities

Addressing the Social and Economic Impacts of COVID-19

- HHHS is organizing and acting quickly to respond to immediate and emerging needs and nonprofits are key partners
- There are a number of factors weakening nonprofits' ability to respond
 - Seeing more people in need of services and support
 - Raising less money
 - Individual donors are struggling
 - Have historically operated on an efficiency model – doing more with less – so have limited reserves
- Long term, we must work with nonprofits to
 - Strengthen the alignment between nonprofit and county contingency planning
 - Stabilize core functions serving vulnerable populations and areas of the county

Framework for Basic Needs Supports

- Coordinated Services Planning provides basic needs assistance to Fairfax County residents through an expansive network of community-based organizations (CBO). CSP serves community members in a multilingual call center environment and, in several cases, serves as the screening agency for their CBO partners. Social Services Specialists partner with residents to conduct a comprehensive assessment and service plan which links them to them to county and community resources.
- Basic Needs requests including rent and utility assistance and emergency food assistance are top needs countywide.
- Top 3 Reasons Community Members call for assistance
 - Fixed Income/Low Income
 - Loss of Wages/Employment
 - Expenses Exceed Income

CSP Statistics	FY 2019 (full year)	COVID-19 Response (February 25 to March 25, 2020)
Average daily call volume	283 Calls	37% increase
Percent basic needs request met with CBO collaboration	71%	75% (due to Food Resource availability)
Number of cases identifying COVID-19 as a reason for the call	0	920

Community Provider Engagement and Coordination

- Community Provider Coordination Team (CPCT) stood up
- Survey Summary
 - 31 organizations responded (23 Community-based organizations, 4 Houses of Worship, 2 Faith-Based Organizations, 2 No Classification)
 - Common themes across all service providers:
 - ✦ Seeing more requests for services than normal
 - ✦ Most requests for food, health and hygiene, and financial assistance
 - ✦ Most organizations are altering operations or closing programs as necessary
 - ✦ Youth programming and transportation most likely to reduce or shut down programming
 - ✦ All organizations are working with fewer volunteers
 - ✦ Shifting donation trends – reports of fewer donations of goods, and more donations of money/gift cards which is in-line with their donation requests

Community Provider Collaboration 2008 Economic Recession

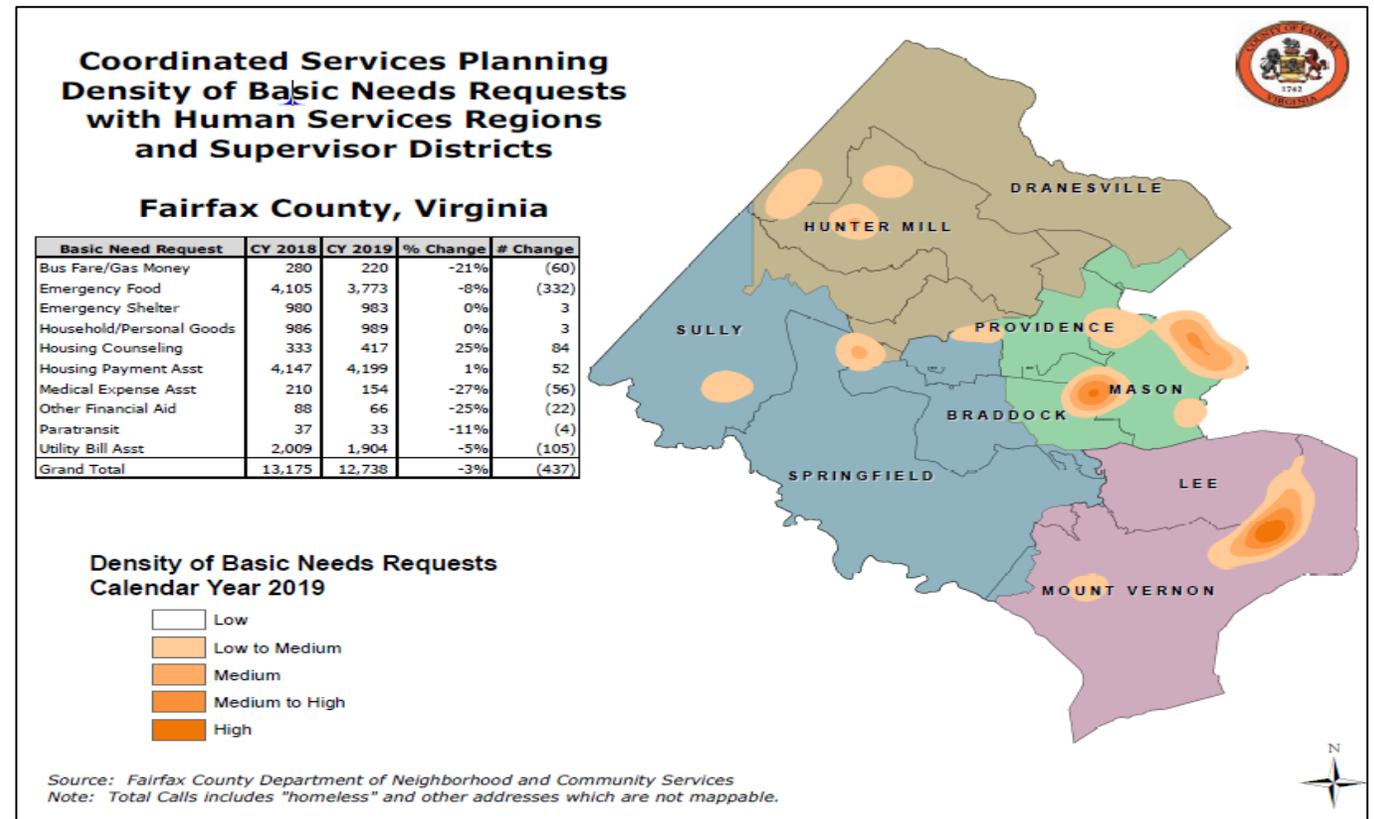
- Health, Housing and Human Services has a proven process to disseminate funds, through community-based organizations, to reach our most vulnerable residents
- In response to the 2008 economic recession, federal funds were made available
- Created and implemented its plan for Emergency Basic Needs Assistance and Employment Services. Accessing of funds were coordinated through Coordinated Services Planning (222 line) which ensured consistency in basic need coordination throughout the county and built upon existing CBO partnerships.
 - 23 nonprofit partners participated and provided services through access of these funds
 - criteria included a documented crisis existing in the areas of food, rent or utilities
 - emergency assistance support was possible for up to four months
 - 13 providers participated in various efforts to assist eligible adults and youth through employment services to include job placements for up to a four-month period
 - participating organizations entered into a purchasing agreement with Fairfax County

Potential Model for Community Provider Support: Client Eligibility and Intended Use

- Current resident of Fairfax County, cities of Fairfax or Falls Church
- Financial support would be targeted towards individuals in the most need – individuals and families making 200% of Area Medium Income (AMI). However, individual situations and circumstances will be assessed through Coordinated Services Planning.
- Support must be used for:
 - Direct Client Food Assistance or CBO's Purchasing of Food – purchase of groceries or vouchers for food, household and personal hygiene items from grocery stores
 - Housing Payments – defined as rental or mortgage assistance to prevent eviction and security deposit assistance.
 - Utilities Payments – water, sewer, heating or cooling bills for individuals or family's primary residence
 - Employment Support Payments – help with employment and supported to help people keep employment (examples include transportation, car repairs, day care)
 - Prescription Assistance Payments – help with prescription costs
- As with all financial supports provided to residents working with Coordinated Services Planning and the network of CBO Providers, a comprehensive assessment will be done to ensure best utilization of the designated supports within the context of the individual's financial situation and the availability of resources.

Potential Model for Community Provider Support: Community Provider Criteria Eligibility

- Non-profit organizations (501(c)(3) status)
- Current connection to the network of Coordinated Services Planning providers
- Funding will be for direct client assistance and staff directly supporting food and financial assistance
- Funding will be allocated proportionate to documented community basic needs requests (Figure 1) disaggregated by zip code. CBO's providing basic needs in each zip code will be awarded funds according to their capacity and service delivery model (TBD)
- This framework is scalable to funding availability and can be replicated for other potential state/federal funding streams. However, criteria for disbursement may change



Fairfax County Small Business Continuity Loan Fund Proposal

- Small businesses are facing significant economic injury and at-risk of closing
- Microloan Program Purpose
 - Provide capital to existing, viable Fairfax County small businesses to:
 - ✦ Subsist or pivot in the immediate-term
 - ✦ Be prepared to reinitiate operations
 - Serve as a secondary position to SBA or other loans
 - Service businesses that may not access traditional financing
 - Help with County economic recovery

Proposed Loan Product

Microloans

- Total fund amount: \$1 million – transitions into revolving loan fund
- Maximum Loan: \$30,000 (anticipate lower average / loan)
- Term & Amortization: 6 years
- Repayment: No principal or accrued interest for six months, then principal and interest
- Interest Rate: 3.75%
(pegged to SBA Disaster Relief Loan Fund)

Qualifications & Eligibility

- Small business: fewer than 50 employees in total across all locations
- Based in Fairfax County with physical location
- Existing businesses
- Financial viability (credit score, Global Debt Service Coverage, debt to income ratio)
- Have no outstanding tax liens or legal judgements
- Demonstrate financial hardship due to COVID-19

Administration

- Proposal: Transfer funds to the Community Business Partnership (CBP) to operate and administer (likely through EDA)
- Requires approximately \$115,000/year for 2 years for staff to administer
- CBP is experienced and prepared to administer
 - Established in 1995, 501(c)(3)
 - Currently operates two microloan funds
 - All loan clients continue business counseling and attend classes
 - Can support multiple languages, may need to ramp up
 - Clients are majority people of color (65%) and female (67%)

Additional Proposals – In Development

- Considering Economic Opportunity Reserve (EOR) funds for programs focused on business & non-profit resilience and economic recovery
- Currently evaluating best options
- Proposals for discussion and consideration are forthcoming