ATTACHMENT B:

MEMO AND ATTACHMENTS I – VI TRANSMITTING THE COUNTY'S FY 2020 CARRYOVER REVIEW WITH APPROPRIATE RESOLUTIONS

ATTACHMENT B

County of Fairfax, Virginia

MEMORANDUM

DATE: July 27, 2020

TO: Board of Supervisors

FROM: Bryan J. Hill
County Executive

SUBJECT: FY 2020 Actual Revenues, Expenditures and Carryover Supplemental Appropriation

Attached for your review and consideration is the FY 2020 Carryover Package. The document includes the following attachments for your information:

Attachment I	A General Fund Statement including revenue and expenditures, as well as a summary reflecting expenditures by fund
Attachment II	A summary of General Fund receipt variances by category
Attachment III	A summary of significant General Fund expenditure variances by agency
Attachment IV	A detailed description of new and unexpended federal/state grants, as well as anticipated revenues associated with those grants that are recommended for appropriation in FY 2021
Attachment V	A detailed description of significant changes in Other Funds
Attachment VI	Supplemental Appropriation Resolution AS 21009 and Fiscal Planning Resolution AS 21900 for FY 2021 providing for the appropriation of outstanding encumbrances and unspent balances for federal/state grants, as well as prior commitments of the Board of Supervisors, such as unspent capital project balances and Supplemental Appropriation Resolution AS 20258 for FY 2020 year-end adjustments

The Code of Virginia requires that the Board of Supervisors hold a public hearing prior to the adoption of amendments to the current year budget when potential appropriation increases are greater than 1.0 percent of expenditures. In addition, the Code requires that the Board advertise a synopsis of the proposed changes. Since the *FY 2020 Carryover Review* recommends changes to the FY 2021 Adopted Budget Plan over this limit, Board action on the Carryover Review has been scheduled at the same time as the public hearing on September 29, 2020.

This package reflects actions taken by the School Board on July 23, 2020, in their approval of the Fairfax County Public Schools FY 2020 Final Budget Review.

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FY 2020 Carryover Summary

The *FY 2020 Carryover Review* includes limited recommendations based on prior County commitments, Board of Supervisors priorities, and other critical requirements. These recommended adjustments are based on balances available as of mid-July. After the end of every fiscal year, there are a number of adjustments that occur to move revenues and expenditures in order to correct the reporting period or the agency/fund against which the posting was made. In most years, these adjustments are not significant and are reflected as audit adjustments as part of the next year's Third Quarter package.

For this year, however, it is anticipated that there will be a greater number of these types of adjustments based on federal stimulus funds and efforts to maximize usage of these funds. As the Board is aware, the County received over $200 million in federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) in April. Staff has been working diligently to identify eligible expenses that can be applied to this federal funding. The guidance regarding usage of the funds is updated infrequently – but sometimes significantly – and staff has worked to ensure that identified expenses meet the newly released guidelines as well as to identify additional opportunities. As an example, on July 8, new guidance was released which allows for expenses related to unplanned administrative leave to be applied to CRF dollars. Early during the pandemic, the County authorized up to 6 weeks of administrative leave for employees to use in cases of facility closures, health vulnerabilities, and/or childcare issues. Based on this new guidance, expenses related to this leave – totaling approximately $12 million in the General Fund (and an additional $5 million from other County funds) – has been applied to CRF Funds. As a result of this move alone, General Fund balances available at year-end are increased by $12 million.

It is anticipated that additional FY 2020 expenses will be able to be shifted to the CARES CRF dollars. Staff is still investigating other leave types utilized by the County, including new leave types as authorized under the Families First Coronavirus Response Act (FFCRA) as well as the Pandemic Gap Leave currently utilized by some employees in cases of facility closures, to determine if these leave types are eligible under the CRF guidelines. Guidance also allows for salary and benefit expenses for positions redeployed to respond to the pandemic, whose responsibilities are significantly different than their prior positions, to be eligible. Based on the extensive documentation required for these redeployments, all relevant expenses were not identified prior to year-end. As these expenses are identified and moved to CRF, additional General Fund flexibility will be generated.

At the same time, expenses are also being examined to determine if they are eligible under FEMA reimbursement guidelines. Staff has already shifted many expenditures related to personal protective equipment and cleaning and sanitation supplies to a new FEMA grant established in Fund 50000, Federal/State Grant Fund. As these expenses are shifted to the FEMA grant, additional CRF funds are made available. As noted in the July stimulus update to the Board, the local share for these FEMA expenses has not yet been finalized but could be as high as 25 percent of the total expense. This local share is anticipated to remain as an allocation against CRF.

Based on these potentially significant changes which could impact year-end balances, staff is expecting to return to the Board of Supervisors with a revised *FY 2020 Carryover Review* recommendation in early September. Additionally, staff is still working through the impact of the Fairfax County Public Schools recent decision to provide all virtual learning in the fall, particularly as it impacts the County's School-Age Child Care (SACC) program. With the understanding that SACC will not be operating under its typical structure in the fall, updated recommendations in September are expected to include suggested reductions to SACC revenue. The Board of Supervisors will have an opportunity to discuss the *FY 2020 Carryover Review* at its Budget Committee meeting on September 22, with the public hearing and Board action following the next week on September 29.

The $200.24 million from the CARES Coronavirus Relief Fund was recognized as part of the *FY 2020 Third Quarter Review*. Of the total, $118.8 million had been allocated to the County's response to the pandemic as of the July 2, 2020 update to the Board of Supervisors. With the Board's action on July 14, 2020 to increase the funding dedicated to the Fairfax RISE small business grant program, total allocations have increased to $138.8 million. However, actual expenses have not posted for several categories of spending – such as the $45 million allocated to RISE – so total incurred expenses as of year-end stand at $52.23 million. As noted earlier, staff is still in the process of determining if other FY 2020 expenses can be moved against the CRF funds or to the FEMA grant. These adjustments will impact FY 2020 actuals and the existing CRF funding allocations. CRF allocation adjustments as a result of these shifts will be incorporated into the August stimulus update memo to the Board.

CRF revenues and expenses are included in the County's General Fund (although they are tracked separately in the County's financial system), thus schedules included in the *FY 2020 Carryover Review* – such as the General Fund statement – reflect CRF funds in addition to County funds. The table below reflects balances for the General Fund (excluding the CRF) as well as balances in the Coronavirus Relief Funds.

General Fund and CARES Coronavirus Relief Fund Balances
(in millions)

	General Fund	CARES Coronavirus Relief Fund	Total
Revised Expenditure Budget	$1,693.62	$200.24	$1,893.86
Actual Expenditures	$1,567.25	$52.23	$1,619.48
Expenditure Balance	**$126.37**	**$148.01**	**$274.38**
Revised Revenue Budget	$4,460.64	$200.24	$4,660.88
Actual Revenues	$4,445.94	$200.24	$4,646.18
Revenue Balance	**($14.70)**	**$0.00**	**($14.70)**
TOTAL AVAILABLE BALANCE	**$111.67**	**$148.01**	**$259.68**

The balance in the Coronavirus Relief Fund of $148.01 million is included as an Administrative Adjustment as it is necessary to reappropriate the balance of the CRF funds to allow for spending during the remainder of the eligibility period through December 30, 2020. Otherwise, adjustments included in this package are focused on balances excluding the CRF funds, which net to $111.67 million.

A brief summary of the recommendation included in the *FY 2020 Carryover Review* follows.

FY 2020 Carryover Review Recommended Adjustments
(in millions)

	General Fund	CARES Coronavirus Relief Fund	Total
Available Balance	**$111.67**	**$148.01**	**$259.68**
FY 2020 Commitments ($34.39 million)			
Outstanding Encumbered Obligations	($31.26)	--	($31.26)
Associated Reserve Adjustments	($3.13)	--	($3.13)
Balance after FY 2020 Commitments	**$77.28**	**$148.01**	**$225.29**
Allocations for Reserves/Capital ($22.20 million)			
Contribution to Reserves - Economic Opportunity Reserve	($4.72)	--	($4.72)
20% of Balance to Infrastructure Sinking Reserve Fund	($15.46)	--	($15.46)
Associated Reserve Adjustments	($2.02)	--	($2.02)
Balance after Allocations for Reserves/Capital	**$55.08**	**$148.01**	**$203.09**
Other Requirements ($203.09 million, 82 positions)			
Carryforward of Coronavirus Relief Fund Balances	--	$148.01	$148.01
Carryforward of Coronavirus Pandemic Reserve Balances	($11.26)	--	($11.26)
Revenue Reduction for Tax Payment Penalty Changes	($10.77)	--	($10.77)
IT Projects	($10.00)	--	($10.00)
Energy Strategy	($4.50)	--	($4.50)
Public Health Nurses for COVID-19/School Health (35 positions)	($0.00)	--	($0.00)
Infrastructure Replacement and Upgrades	($2.41)	--	($2.41)
Carryforward of other General Fund Balances, including the Reserve for Ad-Hoc Police Practices	($1.84)	--	($1.84)
LED Streetlights	($1.80)	--	($1.80)
Park Authority Support	($1.71)	--	($1.71)
Emergency Systems Failure Project	($1.40)	--	($1.40)
Coordinate Services Planning Call Center Support (11 positions)	($0.00)	--	($0.00)
Support for the November 2020 Election	($1.14)	--	($1.14)
Climate Adaptation and Resilience Plan (2 positions)	($1.01)	--	($1.01)
Electric Vehicle Charging Stations	($0.75)	--	($0.75)
Body-Worn Cameras - net use of Reserve for Ad-Hoc Police Practices Balance (21 positions)	($0.60)	--	($0.60)
Park Authority Field Maintenance at FCPS Fields	($0.60)	--	($0.60)
Pinn Community Center Outdoor Courts	($0.35)	--	($0.35)
Community Center in Lee District (2 positions)	($0.28)	--	($0.28)
Emergency Management Support for Coronavirus Response (2 positions)	($0.00)	--	($0.00)
Government Center Campus Security	($0.23)	--	($0.23)
Chief Strategist for Placemaking	($0.16)	--	($0.16)
ASAP Support	($0.15)	--	($0.15)
Appropriation of Zoning Violation Revenue	($0.01)	--	($0.01)
Public Assistance Caseload Support (7 positions)	($0.00)	--	($0.00)
Sexual Abuse Specialist Positions for Protection and Preservation Services (2 positions)	($0.00)	--	($0.00)
Associated Reserve Adjustments	($4.11)	--	($4.11)
Net Available for One-Time Requirements	**$0.00**	**$0.00**	**$0.00**

FY 2020 Year-End Summary

FY 2020 General Fund Revenues and Transfers In were $4.66 billion, a decrease of $14.70 million, or 0.31 percent, from the *FY 2020 Revised Budget Plan* estimate. The decrease compared to the budget estimate is primarily the result of pandemic-related decreases in Other Local Taxes; Permits, Fees, and Regulatory Licenses; Fines and Forfeitures; Charges for Services; and Recovered Costs/Other Revenue. These decreases were partially offset by increases in Real Estate Tax receipts, Personal Property Taxes, Revenue from the Use of Money/Property, and Revenue from the Commonwealth and Federal Government. The revenue estimates included in the *FY 2020 Revised Budget Plan* were based on revenue collections through the end of February 2020, before the COVID-19 pandemic started disrupting economic activity nationwide. As many of the County's revenue categories such as Sales Tax and Transient Occupancy Taxes are extremely sensitive to economic conditions, actual FY 2020 receipts ended the fiscal year below the revenue estimates. Although the FY 2020 variance is relatively small, it is important to note that, historically, the County finishes the fiscal year with revenues in excess of the revised budget. Over the past 5 years, revenues have been, on average, $28.61 million, or 0.72 percent, *above* projections. Thus, the negative variance at the end of FY 2020 is indicative of the significant impact that the COVID-19 pandemic has had on the County's revenues. More detail on FY 2020 Revenue Variances may be found in Attachment II.

In addition, County agencies realized disbursement balances as a result of continuing close management of agency spending, which included filling essential positions only and focusing on critical expenditures. Total disbursements were below *FY 2020 Revised Budget Plan* projections by $274.38 million or 5.77 percent. Excluding Coronavirus Relief Funds, the disbursement variance was $126.37 million or 2.78 percent. It should be noted that disbursements include budgeted transfers to other funds. When looking solely at agency direct expenditures, the FY 2020 variance was $126.37 million, or 7.46 percent. More detailed information on FY 2020 General Fund Expenditure Variances is included in Attachment III. Included in this balance are funds required for encumbered items. Encumbered carryover includes legally obligated funding for items/services for which final financial processing has not been completed. In prior years, unencumbered carryover has been included to provide funding for items previously approved by the Board but not purchased based on timing or other issues. No unencumbered items have been included in this package, as all General Fund adjustments for items that have not been encumbered are included in the Administrative Adjustments section below.

As a result, the combined revenue and disbursement balance, after funding prior year obligations and reserve adjustments, is $225.29 million, or 4.74 percent of the total County General Fund budget. Excluding Coronavirus Relief Funds, the net balance is $77.28 million, or 1.70 percent of the total budget.

Carryover Actions

Allocation of the $77.28 million balance is used to meet Board policy for contributions to reserves and capital and to fund requirements identified subsequent to the adoption of the FY 2021 budget or deferred as part of the FY 2021 budget development. Recommendations included in the *FY 2020 Carryover Review* allocate the full $77.28 million.

Allocations for Reserves/Capital ($22.20 million, including $2.02 million in associated reserve adj.)

Consistent with the Board's policies on funding reserves and the County's Infrastructure Sinking Reserve Fund, Carryover contributions have been calculated based on available balances after outstanding encumbered commitments. Of the $77.28 million balance, 20 percent, or $15.46 million, is allocated for the Capital Sinking Fund. The County's policy has been to allocate 40 percent of the balance to reserves. However, the full allocation is not required as an allocation of just over 6 percent of the balance is sufficient to fund reserves at their target of 10 percent of General Fund disbursements.

- $4.72 million or 6 percent of the balance is allocated to the County's reserves consistent with the County's reserve policy updated by the Board of Supervisors on April 21, 2015, to reach a total of

10 percent. As the Managed and Revenue Stabilization Reserves are projected to be fully funded in FY 2021, the full amount of this contribution is directed to the Economic Opportunity Reserve (EOR). As the EOR is a revolving reserve, funding requirements at year-end include replenishing funds that have been spent during the fiscal year. Thus, a portion of the funding dedicated to the EOR is to offset $3.01 million expended during FY 2020 on economic opportunity projects previously approved by the Board. A majority of these expenditures were associated with the $2.5 million microloan program. It is important to note that in addition to this allocation, all other Carryover adjustments have been accompanied with reserve contributions as well, consistent with the Board policy of allocating 10 percent to reserves. As a result, the total contribution to the reserves at Carryover is $13.98 million and results in a Managed Reserve which meets the 4 percent target, a Revenue Stabilization Reserve that meets the 5 percent target, and an Economic Opportunity Reserve that meets the 1 percent target, or total reserves of 10.00 percent.

- $15.46 million or 20 percent of the balance is transferred to the Capital Sinking Fund projects consistent with the recommendations of the Infrastructure Financing Committee. Specific funding levels include: $8,501,368 for the Facilities Management Department, $3,091,407 for Parks, $772,852 for County-Owned Roads, $2,318,555 for Walkways, and $772,852 for Revitalization. The Capital Sinking Fund will provide for infrastructure replacement and upgrades such as the replacement of roofs, electrical systems, and HVAC units at both County and Park Authority facilities, repairs to County-owned roads and walkways, and revitalization area infrastructure repairs.

Other Adjustments ($203.09 million, including $4.11 million in associated reserve adjustments)

Finally, there are a number of other General Fund adjustments that are also necessary at this time.

The largest adjustment included in this package is related to the carryforward of expended CARES Coronavirus Relief Funds. Of the $200.24 million received by the County, $52.23 million had been expended by year-end, leaving a balance of $148.01 million. These funds will be carried forward to allow the County to continue to spend against the funds through the stimulus deadline of December 30, 2020.

Excluding Coronavirus Relief Funds, this package includes $55.08 million in General Fund adjustments, including $4.11 million in associated reserve adjustments. Several of these adjustments are highlighted below.

Support for the continued County response to the pandemic

- Funding of $11.26 million to reappropriate balances from the Reserve for the Coronavirus Pandemic established as part of the *FY 2020 Third Quarter Review*. When combined with the $9.84 million set aside as part of the FY 2021 Adopted Budget Plan, $21.10 million is available to be utilized for the County's response. Of the total, $630,000 has been allocated, but not yet expended, to expand the reach of the basic needs support to all residents who are part of the County's diverse community.

- Consistent with the presentation to the Board of Supervisors at the June 2, 2020 Budget Committee meeting, 35 new School Health positions are included to support COVID-19 case and contact investigations. These positions will be funded with CARES Coronavirus Relief funds through December 30, 2020 and, after the pandemic, will be redeployed to the School Health program to address the nurse to student ratio.

- As noted in the July 24, 2020 memorandum to the Board of Supervisors, 11 new positions are included in support of the Coordinated Services Planning (CSP) call center. These positions, which are anticipated to be funded utilizing CARES Coronavirus Relief Funds through the end of the calendar year, will help address the unprecedented increase in calls for service and improve how quickly calls are answered in the CSP call center.

- Two new positions are included to support long-term emergency management training to County staff assigned to response and recovery efforts as well as supporting long-term financial recovery efforts. These positions will be initially funded through the CARES Coronavirus Relief Funds.

Addressing budgetary shortfalls in other funds caused by the pandemic

- Funding of $1.71 million, available from FY 2020 balances in the Fairfax County Park Authority (FCPA) General Fund budget, is recommended to be transferred to Fund 80000, Park Revenue and Operating Fund, to partially address the budgetary shortfall caused by the COVID-19 pandemic. The Revenue and Operating Fund experienced a significant reduction in revenue collections due to the closure of facilities and the cancellation of Park programs, and – despite efforts to curb expenditures – the fund ended FY 2020 with a deficit of $7.48 million.

  In order to mitigate the fiscal impact of the pandemic, staff implemented strategies throughout the Park System to generate savings. Savings in the General Fund were generated by deferring all non-critical expenses and holding positions vacant. Additionally, FCPA utilized all of its reserves, totaling $5.77 million, and moved eligible expenses against the CARES Coronavirus Relief Funds. These actions helped to mitigate the financial impacts of the pandemic and the system finished the year with enough savings in the General Fund to cover the shortfall in Fund 80000. It should be noted that, unlike the $2 million General Fund transfer that was loaned to the Park Revenue and Operating Fund in FY 2020 and paid back in full by the end of that fiscal year, this transfer is not intended to be a loan. This General Fund transfer is an investment in the Park System, not only to help mitigate the unforeseen and catastrophic effects of the COVID-19 pandemic, but to begin to move toward a more equitable system of recreation in both the County's Park Authority and Department of Neighborhood and Community Services offerings.

- Funding of $0.15 million is recommended to be transferred to Fund 83000, Alcohol Safety Action Program (ASAP), to address a budgetary shortfall primarily due to the COVID-19 pandemic. The office closed its doors to the public on March 23, 2020, which resulted in a significant revenue loss due to the inability to collect fees and limitations to service clients. This funding will allow the office to continue providing services to court-referred offenders convicted of driving under the influence of alcohol or other substance abuse-related charges. In addition, this adjustment allows ASAP to continue developing a reserve fund balance as client referrals, and, consequently, client fee revenues decline.

Investments in Board priorities

- Funding of $8.06 million is included for continued support of the County's environmental and energy strategies. This includes the third year of the ten-year investment in the Fairfax County Operational Energy Strategy, the second year of the five-year LED streetlight conversion plan, and the second tranche of funding for electric vehicle charging stations, as well as funding and 2 new positions to support the Climate Adaptation and Resilience Plan as presented at the June 16, 2020 Board Environmental Committee.

- Net funding of $0.60 million and 21 new positions is included to support Phases Two and Three of the Body-Worn Camera Program. This recommendation is based on the discussion at the June 16, 2020 Board Public Safety Committee meeting and includes partial year-funding to expand body-worn cameras to the remaining five police district stations in FY 2021. One-time funding in the Reserve for Ad-Hoc Police Practices is utilized to partially offset funding requirements. Consistent with the June 30, 2020 memorandum and pending additional conversations with the Board, funding and positions included in this recommendation for the Office of the Commonwealth's Attorney are based on the original three-phase plan previously approved by the Board.

- Funding of $1.14 million is included to support the November 2020 Presidential Election. This funding is primarily attributable to the carryover of funding approved by the Board as part of the *FY 2020 Third Quarter Review*. In addition to supporting the operational requirements for the November election, this funding will also support a multi-page ballot as discussed at the June 23, 2020 Board of Supervisors meeting.

Funding of requirements deferred in prior budget processes

- Consistent with actions taken in prior years, funding for Information Technology (IT) projects and Infrastructure Replacement and Upgrade projects were not included in the FY 2021 Adopted Budget Plan and were anticipated to be funding utilizing balances at quarterly reviews. As part of the *FY 2020 Carryover Review*, partial funding of $10.00 million and $2.41 million are included for IT projects and capital renewal projects, respectively, but additional funding will be required as part of the *FY 2021 Mid-Year Review* or *FY 2021 Third Quarter Review*.

- Funding of $0.60 million is included to provide partial funding for the Fairfax County Park Authority (FCPA) to maintain 44 additional Fairfax County Public Schools (FCPS) synthetic turf fields in FY 2021. The Board of Supervisors approved partial-year funding for this effort as part of the *FY 2019 Carryover Review* with full-year funding anticipated as part of the FY 2021 budget. Although initially included in the FY 2021 Advertised Budget Plan, this funding was eliminated as the County streamlined its budget in response to the pandemic, and half of the necessary funding was identified within existing resources. This action carries over this funding to be used in FY 2021. FCPS has committed to funding the other half of the requirement in FY 2021. The Park Authority currently maintains all other Park Authority and FCPS rectangular fields and the vast majority of diamond fields in their athletic field maintenance program. The transfer of maintenance responsibilities to FCPA for the remaining 44 FCPS synthetic turf fields improves continuity, provides equity in maintenance, and brings the school fields into an established field safety testing program. This change in maintenance responsibilities began at the end of the FCPS fall athletic season in FY 2020.

All General Fund adjustments are detailed in the Administrative Adjustments section later in this letter. Aside from adjustments associated with expenditure changes as discussed in the Administrative Adjustments section, no other adjustments have been made to FY 2021 revenue estimates. Staff will continue to closely monitor revenue trends and the economic impact caused by the COVID-19 pandemic. As noted earlier, recommended changes to projected School-Age Child Care revenue are anticipated as part of the planned update to the *FY 2020 Carryover Review* recommendations in early September. Additional adjustments may be recommended as part of the *FY 2021 Mid-Year Review* or the *FY 2020 Third Quarter Review,* as necessary.

Position Adjustments

A total of 82 new positions are recommended to be established as part of the *FY 2020 Carryover Review*. The majority of these positions are directly related to the County's response to the COVID-19 pandemic, including 35 positions in the Health Department to support case and contact investigations and public health interventions, 11 positions in the Department of Neighborhood and Community Services to address the unprecedented increase in call volume to the Coordinated Services Planning (CSP) call center, and 2 positions in the Office of Emergency Management to support recovery planning. In addition, based on discussion at the June 16, 2020 Public Safety Committee Meeting, 21 positions have been included to implement Phase Two and Phase Three of the Body-Worn Camera Program.

The remaining increase of 13 positions includes 7 positions to address Public Assistance caseloads in the Department of Family Services, 2 positions in the Protection and Preservation Services (PPS) program area of the Department of Family Services, 2 positions to support the development and management of the Climate Adaptation and Resilience Plan in the Office of Environmental and Energy Coordination (OEEC) Division of the Office of the County Executive, and 2 positions in the Department of Neighborhood and Community Services to support staffing and maintenance of the new Community Center in Lee District that is slated to open during FY 2021.

Reserves

Over the past several years, the Board has consistently demonstrated its commitment to increasing the County's reserve levels from the previous target of 5 percent of General Fund disbursements to the new target of 10 percent. The *FY 2020 Carryover Review* includes total reserve contributions of $13.98 million, which maintain the Revenue Stabilization Reserve and Managed Reserve at their new target levels of 5 percent and 4 percent and bring the Economic Opportunity Reserve balance to its target of 1 percent of General Fund disbursements. The combined balance of the three reserves as a result of the adjustments included in the *FY 2020 Carryover Review* is 10.00 percent of General Fund disbursements, excluding one-time disbursements related to the CARES Coronavirus Relief Fund.

FY 2020 Audit Adjustments

As the Board is aware, the financial audit of FY 2020 is currently being conducted. Necessary adjustments as a result of this work will be included in the FY 2020 Comprehensive Annual Financial Report (CAFR) and in the audit package that is presented for the Board's approval as part of the *FY 2020 Mid-Year Review*.

Other Funds Adjustments

Attachment V of the *FY 2020 Carryover Review* details changes in other funds, including those which do not have a General Fund impact. This attachment includes a review of the FY 2020 fund expenditure and revenue variances and notes changes in FY 2021 expenditures. It should be noted that Fund S71100, Public School OPEB Trust, exceeded its expenditure authority in FY 2020 by $863 due to an increase in fees paid. Supplemental Appropriation Resolution AS 20258 for FY 2020 is included in Attachment VI to reflect this increase.

Carryover Administrative Adjustments

The *FY 2020 Carryover Review* includes net General Fund administrative adjustments and associated reserve adjustments totaling $225.29 million. These adjustments are divided into two categories – Allocations for Reserves/Capital and All Other Requirements – and include the following:

ALLOCATIONS FOR RESERVES/CAPITAL

$22.20 million, including $20.18 million in reserve/capital contributions and $2.02 million in associated reserve adjustments

Reserve Adjustments		**NON-RECURRING**
Fund 10010, Revenue Stabilization	FY 2020 General Fund Transfer	$4,224,448
Fund 10015, Economic Opportunity Reserve	FY 2020 General Fund Transfer	$5,840,970
	Net Cost	**$10,065,418**

An increase of $4,224,448 is transferred from the General Fund to Fund 10010, Revenue Stabilization, and an increase of $5,840,970 is transferred from the General Fund to Fund 10015, Economic Opportunity Reserve, consistent with the County's reserve policy. In addition, the Managed Reserve is increased by $3,915,401. As a result of these adjustments, the projected FY 2021 total balance of these reserves meets the revised target level of 10 percent of General Fund disbursements approved by the Board of Supervisors on April 21, 2015. Of the 10 percent target, 5 percent is allocated to the Revenue Stabilization Fund, 4 percent is allocated to the Managed Reserve in the General Fund, and the remaining 1 percent is allocated to the Economic Opportunity Reserve.

Capital Sinking Fund		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2021 General Fund Transfer	$4,637,111
Fund 30020, Infrastructure Replacement and Upgrades	FY 2021 General Fund Transfer	$8,501,368
Fund 30060, Pedestrian Walkway Improvements	FY 2021 General Fund Transfer	$2,318,555
	Net Cost	**$15,457,034**

The General Fund Transfer to various capital funds is increased by a total of $15,457,034 in accordance with recommendations of the Infrastructure Financing Committee (IFC). The Infrastructure Financing Committee was a joint School Board/County Board working group formed to collaborate and review both the County and School's Capital Improvement Program (CIP) and capital requirements. On March 25, 2014, the Board of Supervisors approved the recommendations contained in the final IFC Report. Subsequently, the School Board approved the IFC Report on April 10, 2014. The final report of the committee included a recommendation to establish a Capital Sinking Fund as a new budgetary mechanism for funding Infrastructure Replacement and Upgrade requirements. Principal funding for the Sinking Fund was to come from a joint commitment for a goal of 20 percent of carryover funds. Based on the County's unencumbered carryover balance after funding critical requirements, an amount of $15,457,034 represents 20 percent and is allocated to separate Capital Sinking Fund projects.

The Board of Supervisors previously approved the allocation formula associated with capital sinking funds as follows: 55 percent for FMD, 20 percent for Parks, 10 percent for walkways, 10 percent for County maintained roads and service drives, and 5 percent for revitalization areas. This allocation was based on the percent of each program area as it related to the total annual requirements presented to the IFC. Based on expenditures to date and work in progress, staff is recommending a shift in the allocation percentages for FY 2021 to address a growing need for walkway reinvestment funds. In the last several years, walkways that were originally in fair condition have deteriorated to very poor condition. In addition, walkway projects which include pedestrian bridges and retaining walls have resulted in a significant increase in project costs.

The specific allocation for FY 2021 includes a shift of 5 percent from roads to walkways with specific allocations as follows: $8,501,368 for FMD, $3,091,407 for Parks, $772,852 for County-Owned Roads, $2,318,555 for Walkways and $772,852 for Revitalization areas. Staff will review the allocation of sinking funds again as part of the *FY 2021 Carryover Review*.

OTHER REQUIREMENTS

$203.09 million, including $198.98 million in adjustments and $4.11 million in associated reserve adjustments

CARES Coronavirus Relief Fund **NON-RECURRING**

Agency 87, Unclassified Administrative Expenses

FY 2021 Expenditure	$148,001,906
Net Cost	**$148,001,906**

Funding of $148,001,906 is required to re-appropriate stimulus funds balances from Agency 87, Unclassified Administrative Expenses, to the CARES Act Coronavirus Relief Fund (CRF). The County received over $200 million in stimulus funds from the CARES CRF to support the County's response to the pandemic. Of the total, $118.8 million has been allocated for specific programs, including the County's public health response and contact tracing program; support for County residents requiring assistance for basic needs; a medical isolation program for vulnerable residents, including those who are homeless; support for County small businesses and non-profits; costs related to personal protective equipment and enhanced sanitation practices; expenses related to expanding telework options for County employees; and support for the towns of Herndon, Vienna, and Clifton. The unallocated balance of $81.4 million will be used to continue supporting the County's response to the pandemic in combination with General Funds, anticipated funds from the Federal Emergency Management Agency (FEMA), and other federal and state funds. Although $118.8 million has been allocated as of July 2020, $62.3 million has been expended through June 30, 2020 (unaudited), leaving an unused balance of $148.0 million to be re-appropriated in FY 2021. It should be noted that any unspent funds as of December 31, 2020 will be required to be returned. Staff is releasing monthly reports regarding the utilization of the funds to the Board of Supervisors, consistent with the presentation to the Board at the June 2, 2020 Budget Committee meeting, and these memorandums are available at http://www.fairfaxcounty.gov/budget.

Reserve for Coronavirus Pandemic **NON-RECURRING**

Agency 87, Unclassified Administrative Expenses

FY 2021 Expenditure	$11,261,111
Net Cost	**$11,261,111**

Funding of $11,261,111 is required to re-appropriate the balance from Agency 87, Unclassified Administrative Expenses, to the Reserve for Coronavirus Pandemic. As part of the *FY 2020 Third Quarter Review,* the County placed $11.26 million in a new Reserve for Coronavirus Pandemic in order to provide immediate response to the pandemic. Additional funding of $9.84 million was included for the reserve in the FY 2021 Adopted Budget Plan. Of the $11.26 million that was set aside in the Reserve for Coronavirus Pandemic, only $630,000 has been allocated, but has not yet been expended, to expand the reach of the basic needs support to all residents who are part of the County's diverse community. Staff is releasing monthly reports regarding the utilization of the funds to the Board of Supervisors, consistent with the presentation to the Board at the June 2, 2020 Budget Committee meeting, and these memorandums are available at http://www.fairfaxcounty.gov/budget.

Reduction in the Late Payment Penalty for Property Taxes		**NON-RECURRING**
Fund 10001, General Fund	FY 2021 Revenue	($10,766,450)
	Net Cost	**($10,766,450)**

On June 23, 2020, the Board of Supervisors adopted changes to the Fairfax County ordinance that reduced all associated penalties for late Real Estate and Personal Property tax payments for tax year 2020. The temporary ordinance amendments reduced the late payment penalty rate from 10 percent to 5 percent to provide relief during COVID-19 conditions to taxpayers who are unable to make timely Real Estate tax and Personal Property tax payments for tax year 2020. Also, the additional late payment penalty of 15 percent for tax year 2020 Personal Property tax payments past due more than 30 days was eliminated. Two other fees (that do not require ordinance changes) were eliminated for tax year 2020. Those include an administrative fee of $30 for Personal Property tax payments past due more than 45 days and a DMV Hold fee of $25, as applicable. In addition, 20 percent collection fees were eliminated under both tax types for tax year 2020. The estimated revenue loss for these adjustments is projected to be approximately $10.8 million in FY 2021.

IT Project Funding		**NON-RECURRING**
Fund 10040, Information Technology	FY 2021 General Fund Transfer	$10,000,000
	Net Cost	**$10,000,000**

The General Fund transfer to Fund 10040, Information Technology, is increased by $10,000,000 to support the funding of continuing and new IT projects. As indicated in the FY 2021 Adopted Budget Plan, limited General Fund support of IT projects was included in the FY 2021 budget proposal. As discussed in the June 30, 2020 Information Technology Committee, this is consistent with the Board's interest in pursuing this approach. While using one-time funds at Third Quarter and Carryover to support County initiatives has been a consistent strategy employed in recent years due to limited funding, it will be necessary in future years to increase baseline funding for these investments.

IT project support included in the *FY 2020 Carryover Review* totals $10,000,000 and is provided through a General Fund transfer. Funding provides support for continuing and new IT projects.

Energy Strategy		**RECURRING**
Fund 30015, Environmental and Energy Program	FY 2021 General Fund Transfer	$4,500,000
	Net Cost	**$4,500,000**
Fund 30015, Environmental and Energy Program	FY 2022 General Fund Transfer	$4,500,000
	Net Cost	**$4,500,000**

The General Fund transfer to Fund 30015, Environmental and Energy Program, is increased by $4,500,000 for the third year of a 10-year investment in the Fairfax County Operational Energy Strategy. On July 10, 2018, the Board of Supervisors adopted the Countywide Energy Strategy in order to support the County's goal of reducing energy use 20 percent by 2029. The Energy Strategy promotes cost-effective, energy-efficient, innovative technologies, and an energy conscious culture that encourages strategic decisions with regard to energy consumption. The reduction in energy use will help mitigate escalating energy costs and promote a "greener" future for the County. The Board of Supervisors has approved $9 million to date in support of Energy Strategy projects.

Staff has identified projects that can begin once funding for the third-year investment in the Energy Strategy has been approved. Most of these projects include continuing the replacement of incandescent or fluorescent lighting with LED lighting, reducing water use at County facilities and optimizing building efficiency using building automations systems to control the operation of HVAC systems. All of these projects are designed to reduce greenhouse-gas emissions, lower utility bills for County buildings and promote an energy-conscious culture within the County's workplace.

Public Health Nurses for COVID-19/School Health Program		**RECURRING**
Agency 71, Health Department	FY 2021 Expenditure	$0
Agency 89, Employee Benefits	FY 2021 Expenditure	$0
	Net Cost	**$0**
Agency 71, Health Department	FY 2022 Expenditure	$2,823,814
Agency 89, Employee Benefits	FY 2022 Expenditure	$1,416,990
	Net Cost	**$4,450,804**

A total of 35/35.0 FTE new Public Health Nurse positions are included in the Health Department. These positions will support COVID-19 case and contact investigations and public health interventions in high risk settings and communities. These positions will be funded through the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund through December 30, 2020 as part of the County's contact tracing program. If additional federal and/or state funding is not available after December 30, 2020 in support of the contact tracing program, then partial year funding of $2,225,402 may be required as part of the FY 2021 Mid-Year Review. Full year funding for these positions total $4.5 million. These positions are consistent with what was presented to the Board at the June 2, 2020 Budget Policy Committee meeting and included in the June 5, 2020 CARES Act Stimulus Funding Update memo to the Board. As previously noted, recruitment is currently underway for these positions.

After the pandemic is over, these positions will be redeployed to the School Health program to address the nurse to student ratio. Consistent with the increasing enrollment in the FCPS district, the number of students with health conditions continues to increase. However, the number of PHNs has not kept pace. Additionally, the increase in students with health conditions has led to the increased demand for student health assessments and health care planning. Both are necessary so that students are able to attend school, ready to learn. Based on modest Fairfax County Public Schools enrollment growth, this will bring the nurse to student ratio to 1:1,990. This is just under the 1:2,000 target.

Infrastructure Replacement and Upgrades at County Facilities		**NON-RECURRING**
Fund 30020, Infrastructure Replacement and Upgrades	FY 2021 General Fund Transfer	$2,414,007
	Net Cost	**$2,414,007**

The General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is increased by $2,414,007 for infrastructure replacement and upgrades at County facilities. Partial funding of one-time capital improvements as part of a quarterly review is consistent with actions taken by the Board of Supervisors in previous years; however, it will be necessary in future years to increase baseline funding for these investments. Infrastructure replacement and upgrades projects supported by this funding will include partial funding for priority elevator repairs at the County Courthouse. Full funding to support this project will be considered as part of the FY 2021 Mid-Year or Third Quarter Review. Funding is also available in the Sinking Fund Reserve and the Emergency Systems Failure project to complete the most critical projects. Additional funding to support the entire FY 2021 Program will be considered as part of the FY 2021 Mid-Year or Third Quarter Review.

Reserve Adjustments		**NON-RECURRING**
Agency 87, Unclassified Administrative Expenses	FY 2021 Expenditure	$1,837,912
	Net Cost	**$1,837,912**

Funding of $1,837,912 is required to re-appropriate the balances from Agency 87, Unclassified Administrative Expenses to various reserves. Of this total, $1,259,537 is associated with the Reserve for Ad-Hoc Police Practices Review approved by the Board of Supervisors as part of the FY 2017 Adopted Budget Plan; $400,000 is associated with the Health and Human Services Innovation Fund approved by the Board of Supervisors as part of the *FY 2018 Carryover Review* to encourage the development of new and innovative approaches that transform nonprofit service delivery practices and $178,375 is associated with the Gang Prevention Reserve approved as part of the *FY 2017 Carryover Review*. This funding will be held in the respective reserves in Agency 87, Unclassified Administrative Expenses, and reallocated to agencies based on priorities identified by the Board at a later date. It should be noted that included in the recommendations in the *FY 2020 Carryover Review* is the use of the remaining balance in the Reserve for Ad-Hoc Police Practices Review to help offset the costs associated with the expansion of the Body-Worn Camera program.

LED Streetlight Conversion Plan		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2021 General Fund Transfer	$1,800,000
	Net Cost	**$1,800,000**

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by $1,800,000 to support the second year of a five-year LED streetlight conversion plan. The goal of the plan is to convert more than 56,000 existing mercury vapor, high pressure sodium and metal halide fixtures to Light Emitting Diodes (LED) streetlights. Nearly 7,000 streetlights have been converted throughout the County to date with almost all allocated funds encumbered and committed for additional conversions. The new LED streetlights are “Smart City Capable” with both hardware and software upgrades. This conversion plan is estimated to cost a total of $9 million, which will be partially offset by projected savings in utility costs. Conversion of these streetlights will remove 32.4 million pounds of CO_2e annually, result in reduced maintenance costs, support higher quality lighting, and allow for dimming and automated outage reporting once smart technologies are implemented. This Streetlight Conversion Plan supports the Board of Supervisor’s Operational Energy Strategy Plan approved on July 10, 2018.

Revenue Shortfall due to Pandemic		**NON-RECURRING**
Fund 80000, Park Revenue and Operating Fund	FY 2021 General Fund Transfer	$1,706,529
	Net Cost	$1,706,529

The General Fund transfer to Fund 80000, Park Revenue and Operating Fund, is increased by $1,706,529 to partially address the revenue shortfall caused by the COVID-19 pandemic. This funding has been made available through FY 2020 balances in the Park Authority operating budget. The Revenue and Operating Fund experienced a significant reduction in revenue collections due to the closure of facilities and the cancellation of Park programs. Park Authority facilities and amenities closed in mid-March in response to the COVID-19 pandemic. Although the Parks have implemented a gradual reopening in accordance with safety guidelines, revenue collections were $20,137,975 lower than anticipated in FY 2020. This revenue loss was partially offset by savings in operational expenditures of $12,659,308. As a result, the fund ended FY 2020 with a deficit of $7,478,667. All of the Revenue and Operating Fund reserves totaling $5,772,138 have been applied to partially offset the net shortage. In addition, in order to mitigate the fiscal impact of the pandemic, staff implemented strategies throughout the Park System to generate savings. Savings in the Parks General Fund were generated by deferring all non-critical expenses and holding positions vacant. The use of reserves, savings generated in the General Fund, and CARES Act funding reimbursements will assist in balancing the Parks Revenue and Operating Fund. Unlike the $2 million General Fund transfer that was loaned to the Park Revenue and Operating Fund in FY 2020 and paid back in full by year end, this transfer is not intended to be a loan. This General Fund transfer is an investment in the Park System not only to help mitigate the unforeseen and catastrophic effects of the COVID-19 pandemic, but to begin to move toward a more equitable system of recreation in both the County's Park Authority and Department of Neighborhood and Community Services offerings. Both revenue and expenditure estimates for FY 2021 will be reviewed as part of the FY 2021 Mid-Year and Third Quarter Review.

Emergency Systems Failures		**NON-RECURRING**
Fund 30020, Infrastructure Replacement and Upgrades	FY 2021 General Fund Transfer	$1,400,000
	Net Cost	**$1,400,000**

The General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is increased by $1,400,000 to support emergency systems failures that occur at aging County facilities throughout the year. Funding will provide for emergency repairs in the event of a major systems failure such as a large HVAC system or roof. The County has very limited capacity to deal with potential system failures. Although preventative maintenance is preferred, as the inventory of County facilities age, emergency repairs and maintenance requirements continue to grow. This increase will provide a source of funding for unforeseen emergency repairs and, in combination with the remaining project balance, will provide for approximately $5 million in available funding at the beginning of FY 2021.

Positions Supporting Coordinated Services Planning Call Center		**RECURRING**
	FY 2021 Revenue	$0
Agency 79, Dept. of Neighborhood and Community Services	FY 2021 Expenditure	$0
Agency 89, Employee Benefits	FY 2021 Expenditure	$0
	Net Cost	**$0**
	FY 2022 Revenue	$0
Agency 79, Dept. of Neighborhood and Community Services	FY 2022 Expenditure	$909,296
Agency 89, Employee Benefits	FY 2022 Expenditure	$442,482
	Net Cost	**$1,351,778**

A total of 11/11.0 FTE new positions are included in the Department of Neighborhood and Community Services in support of the Coordinated Services Planning (CSP) call center. CSP has seen an unprecedented increase in call volume which has resulted in increased wait times for direct assistance as well as case management workloads that exceed sustainable levels for existing staff. To address this, current work processes have been modified, existing staff have been redeployed, and technology enhancements have been implemented. However, these measures alone are no longer sufficient to address the continued increase in call volume and ongoing case management requirements. These positions will help address this unprecedented increase in calls for service and significantly improve how quickly calls are answered in the CSP call center.

These positions will be funded through the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund through December 30, 2020. If additional federal and/or state funding is not available after December 30, 2020, then partial year funding of $675,889 may be required as part of the *FY 2021 Mid-Year Review*. Full year funding for these positions totals $1.4 million. These positions are consistent with what was included in the July 24, 2020 Coordinated Services Planning – 222 Number memo to the Board. It is expected that the effects from the pandemic will be felt for years and the increased demand for services may continue for the foreseeable future. Staff will continue to evaluate call volume and wait times and will report back to the Board should additional resources be needed. Due to the critical need, NCS will immediately move forward with the creation and recruitment of these positions unless otherwise directed by the Board.

November 2020 Presidential Election		**NON-RECURRING**
Agency 15, Office of Elections	FY 2021 Expenditure	$1,140,000
	Net Cost	**$1,140,000**

One-time funding in the amount of $1,140,000 is required to support the November 2020 Presidential Election. This one-time funding will be allocated from the Office of Election's FY 2020 remaining balance and was approved by the Board of Supervisors as part of the *FY 2020 Third Quarter Review*. Funding will support staffing necessary to process absentee ballots and staff voting locations, the purchase of ballots and registration notices, supplies for polling and satellite locations and other miscellaneous requirements associated with the election. This funding will support a multi-page ballot as discussed at the June 23, 2020 Board of Supervisor meeting.

Contractual Services for Climate Adaptation and Resilience Plan		**NON-RECURRING**
Agency 02, County Executive, Office of Environmental and Energy Coordination	FY 2021 Expenditure	$640,000
	Net Cost	**$640,000**

Funding of $640,000 is required to support contractual services for the Office of Environmental and Energy Coordination's Climate Adaptation and Resilience Plan, presented at the Fairfax County Board of Supervisor's Environmental Committee on June 16, 2020, and will address direct climate impacts to Fairfax County. These services will include technical analysis and plan development, such as a vulnerability and risk assessment, and community outreach. The ongoing COVID-19 pandemic has placed an enormous burden on the County and highlights the importance of having resilience strategies in place before disaster strikes. The plan will use community-wide and expert input to identify the County's climate risks and vulnerabilities and to develop adaptation and resilience strategies. When implemented, these strategies will help County officials, employees, residents, and community members prepare and respond to direct climate threats thereby mitigating social, environmental, and economic effects.

The Climate Adaptation and Resilience plan is anticipated to be conducted in five phases, including: 1) project initiation; 2) a vulnerability and risk assessment, including community-wide feedback and stakeholder meetings; 3) strategy and plan development; 4) implementation of climate adaptation and resilience strategies; and 5) monitoring and evaluation following Board adoption of the plan.

Two Positions for Climate Adaptation Plan		**RECURRING**
Agency 02, County Executive, OEEC	FY 2021 Expenditure	$250,978
Agency 89, Fringe Benefits	FY 2021 Expenditure	$120,422
	Net Cost	**$371,400**
Agency 02, County Executive, OEEC	FY 2022 Expenditure	$250,978
Agency 89, Fringe Benefits	FY 2022 Expenditure	$120,422
	Net Cost	**$371,400**

Funding of $250,978 is required for 2/2.0 FTE positions in the Office of Environmental and Energy Coordination (OEEC) Division of the Office of the County Executive. Funding will support the development and management of the Climate Adaptation and Resilience Plan. It should be noted than an increase of $120,422 in Fringe Benefits funding is included in Agency 89, Employee Benefits.

The proposed Climate Adaptation and Resilience Plan was presented at the Fairfax County Board of Supervisor's Environmental Committee on June 16, 2020. It will use community-wide and expert input to identify the County's climate risks and vulnerabilities and to develop adaptation and resilience strategies. When implemented, these strategies will help County officials, employees, residents, and community members prepare and respond to direct climate threats thereby mitigating social, environmental, and economic effects.

Electric Vehicle Charging Stations		**NON-RECURRING**
Fund 30015, Environmental and Energy Program	FY 2021 Expenditure	$750,000
	Net Cost	**$750,000**

The General Fund transfer to Fund 30015, Environmental and Energy Program, is increased by $750,000 to support Electric Vehicle (EV) charging stations at County facilities. The Board of Supervisors previously approved $750,000 as part of a two-phase plan to install EV stations at outdoor County facility parking lots including County office buildings, commuter parking lots, community centers, libraries, and/or RECenters. The first phase of the program was funded as part of the *FY 2019 Third Quarter Review*. This funding is expected to support the installation of EV charging infrastructure at up to 10 locations, at an average cost of $75,000 per location.

Consistent with the discussion at the July 21, 2020 Board of Supervisors Environmental Committee meeting, staff has identified a revised plan to include the installation of EV Stations at County-owned garages. EV stations in County garages will require enhancements to existing electrical infrastructure, permitting, and the installation of overhead and/or wall mounted chargers. The revised program will support the accelerated transition of the County's fleet to electric and plug-in hybrid vehicles. Staff is currently conducting a survey to determine the feasibility, capacity and needs at several County-owned garages. Cost estimates for the installation of overhead and/or wall mounted chargers are still being developed.

This funding of $750,000 will support the original plan to install EV stations at outdoor parking facilities; however, some of this funding will be redirected to support installations at County garages. Future funding will be required to both support the full cost of the garage installations as well as replace any funds used for garage installations that were originally intended for outdoor EV station locations. All EV charging stations with public access will provide the capability to charge both County government and private vehicles. The implementation of EV charging stations at County facilities supports the Board of Supervisor's Operational Energy Strategy Plan approved on July 10, 2018.

Body-Worn Camera – Phase Two & Phase Three		**RECURRING**
Agency 87, Unclassified Administrative Expenses	FY 2021 Expenditure	($1,259,537)
Agency 70, Department of Information Technology	FY 2021 Expenditure	$205,907
Agency 80, Circuit Court	FY 2021 Expenditure	$62,500
Agency 82, Office of the Commonwealth's Attorney	FY 2021 Expenditure	$898,494
Agency 90, Police Department	FY 2021 Expenditure	$117,847
Agency 89, Employee Benefits	FY 2021 Expenditure	$578,958
	Net Cost	**$604,169**
Agency 70, Department of Information Technology	FY 2022 Expenditure	$329,450
Agency 80, Circuit Court	FY 2022 Expenditure	$100,000
Agency 82, Office of the Commonwealth's Attorney	FY 2022 Expenditure	$1,391,490
Agency 90, Police Department	FY 2022 Expenditure	$1,725,325
Agency 89, Employee Benefits	FY 2022 Expenditure	$889,439
	Net Cost	**$4,435,704**

Partial-year funding of $1,863,706 is required to support Phase Two and Phase Three of the Body-Worn Camera Program including 21/21.0 FTE new positions – 4 positions for the Department of Information Technology, 15 positions for the Office of the Commonwealth's Attorney, and 2 positions for the Police Department.

Based on discussion at the June 16, 2020 Public Safety Committee Meeting, Phase Two and Three implementation was revised to ensure the remaining five police district stations will be completed in FY 2021. Deployment will include the McLean and Franconia district stations on or about January 1, 2021 and Fair Oaks, Sully and West Springfield district stations on or about April 1, 2021. The remaining police department units – Animal Protection Police, MCRC – Diversion First staff, and the Special Operations Division will be equipped on or about July 1, 2021.

Consistent with the June 30, 2020 memorandum to the Board of Supervisors, funding and positions included in this recommendation for the Office of the Commonwealth's Attorney are based on the original Phase Two and Three plans previously approved by the Board. Staff anticipates having continued conversations with the Board regarding the Commonwealth's Attorney requests as well as updates regarding the state workgroup examining the impacts of body-worn cameras on workloads in the Commonwealth's Attorneys' Offices.

Based on the timing required to recruit and hire new positions, full-year funding is not needed at this time. Additionally, one-time funding of $1,259,537 from Agency 87, Unclassified Administrative Expenses, Reserve for Ad-Hoc Police Practices, is available for use. As a result, a reduced amount of $604,169 is required. Full funding of $4,435,704 will be required in FY 2022.

Park Authority Field Maintenance at FCPS Fields		**RECURRING**
Fund 30010, General Construction and Contributions	FY 2021 General Fund Transfer	$605,000
	Net Cost	**$605,000**
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$605,000
	Net Cost	**$605,000**

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by $605,000 to provide partial funding for the Fairfax County Park Authority (FCPA) to maintain 44 additional Fairfax County Public Schools (FCPS) synthetic turf fields in FY 2021. The Board of Supervisors approved partial funding for this effort as part of the *FY 2019 Carryover Review* with full-year funding anticipated as part of the FY 2021 budget. Although initially included in the FY 2021 Advertised Budget Plan, this funding was eliminated as the County streamlined its budget in response to the pandemic, and half of the necessary funding was identified within existing resources. This action carries over this funding to be used in FY 2021. FCPS has committed to funding the other half of the requirement in FY 2021.The Park Authority currently maintains all other Park Authority and FCPS rectangular fields and the vast majority of diamond fields in their athletic field maintenance program. The transfer of maintenance responsibilities to FCPA for the remaining 44 FCPS synthetic turf fields improves continuity, provides equity in maintenance, and brings the school fields into an established field safety testing program. This change in maintenance responsibilities began at the end of the FCPS fall athletic season in FY 2020.

Pinn Community Center Outdoor Sports Courts		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2021 General Fund Transfer	$350,000
	Net Cost	**$350,000**

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by $350,000 to provide funding to resurface and provide improvements to outdoor basketball and tennis courts at the David R. Pinn Community Center. In order to ensure the safety and usability of the courts, a repair and replacement schedule has been created for existing courts. For exterior courts, this includes resurfacing each court every four years and complete replacement of each court every 12 years. The average lifespan of an exterior court is 10-15 years depending on the level of use, weather conditions, and other external/environmental factors. The outdoor courts at the Pinn Community Center support the One Fairfax goals for greater inclusion and equitable access as well as provide safer outdoor recreational alternatives during the COVID-19 pandemic. Funding has been made available through FY 2020 balances in the Department of Neighborhood and Community Services.

Community Center in Lee District		**RECURRING**
Agency 79, Department of Neighborhood & Community Services	FY 2021 Expenditure	$119,403
Agency 08, Facilities Management Department (FMD)	FY 2021 Expenditure	$100,000
Agency 89, Employee Benefits	FY 2021 Expenditure	$59,916
	Net Cost	**$279,319**
Agency 79, Department of Neighborhood & Community Services	FY 2022 Expenditure	$159,204
Agency 08, Facilities Management Department (FMD)	FY 2022 Expenditure	$259,998
Agency 89, Employee Benefits	FY 2022 Expenditure	$110,535
	Net Cost	**$529,737**

Funding of $279,319 and 2/2.0 FTE positions is included to support staffing and maintenance of the new Community Center in Lee District when it opens during FY 2021. FMD will be responsible for providing maintenance at this facility and $100,000 of the requested funding will support utilities, custodial contracts, repair and maintenance, and landscaping costs. This new facility will provide an additional 48,960 square feet to the current square footage maintained by FMD. The remaining $119,403 in Agency 79, Department of Neighborhood and Community Services, is for program staff. It should be noted than an increase of $59,916 in Fringe Benefits funding is included in Agency 89, Employee Benefits. Additional positions and full year funding to support operations and programs at the community center are anticipated as part of FY 2021 quarterly reviews.

The County recently purchased a property located in the Lee District that will be utilized as a community center to serve the residents living in the surrounding neighborhoods. It is anticipated that recreational and educational programming will be offered to residents of all ages. Final decisions around the utilization of the property will be developed as the County resumes the process of community engagement and discussions after delays due to the COVID-19 pandemic. Community feedback will ensure that the facility reflects the needs and preferences of the community and becomes a focal point to support neighborhood relationships, impactful programs, and critical services. Full-year funding for the positions and maintenance will be required, as well as increased funding and additional positions as the property is fully developed and additional programming is implemented, including anticipated early childhood development and care services.

Emergency Management Positions for Coronavirus Response		**RECURRING**
Agency 93, Office of Emergency Management	FY 2021 Expenditure	$0
	Net Cost	**$0**
Agency 93, Office of Emergency Management	FY 2022 Expenditure	$257,108
	Net Cost	**$257,108**

A total of 2/2.0 FTE new positions are included in the Office of Emergency Management. One position will support long-term training to County staff assigned to response and recovery efforts as identified by the Emergency Operations Plan and Pre-Disaster Recovery Plan, as well as assisting with the development and implementation of After-Action Reports and improvement plans. The other position will support long-term financial recovery efforts which includes significant county wide documentation management and both internal and external audits for the next several years. No funding is required as part of the *FY 2020 Carryover Review*, as the Coronavirus Aid, Relief and Economic Security Act (CARES) will cover funding through December 30, 2020. If additional federal and/or state funding is not available after December 30, 2020 then partial year funding will need to be added at a quarterly review. Full-year funding for these positions totals $257,108 which will be required as part of FY 2022.

Government Center Campus Security Plan		**RECURRING**
Agency 08, Facilities Management Department	FY 2021 Expenditure	$226,920
	Net Cost	**$226,920**
Agency 08, Facilities Management Department	FY 2022 Expenditure	$117,520
	Net Cost	**$117,520**

Funding of $226,920 is required for the first phase of a multi-year security improvement plan for the Government Center campus. This funding will support the extension of the current Government Center lobby security hours to cover all times the building is open to the public. The Government Center is the only remaining building on the campus that is not covered during all operational hours. In addition, funding will support one contracted roving officer who will be responsible for patrols, building integrity checks, incident and alarm response and relief of the lobby officer. The plan will also support a reorganization of all contracted security officers to allow for coverage at both the Pennino and Herrity building lobbies during open hours and security at all campus buildings during evenings and weekends. In addition, this funding will support camera and surveillance enhancement and replacement. The existing cameras on the Government Center campus have outlived their useful life and will be replaced and repositioned to increase their effectiveness. Future phases of the improvement plan include additional enhancement of surveillance and camera equipment, additional security personnel for the safety of employees and visitors during regular business hours, improvement of the administration of security systems and increased security for the campus properties. The plan is designed to reduce identified security gaps and enhance the performance and effectiveness of the security program, including alarm response and countywide threat/incident response, increased safety and security of employees and visitors and an improved security presence. Additional funding for the next phases of this plan will be requested as part of future budget cycles.

Chief Strategist for Placemaking		**RECURRING**
Agency 02, Office of the County Executive	FY 2021 Expenditure	$160,000
	Net Cost	**$160,000**
Agency 02, Office of the County Executive	FY 2022 Expenditure	$160,000
	Net Cost	**$160,000**

Funding of $160,000 is included to support a Chief Strategist for Placemaking position in the Office of the County Executive. This position will help ensure success as the County implements the Strategic Plan and will closely coordinate and cooperate with departments in the County that play a role in placemaking, including: the Department of Planning and Development, the Department of Transportation, the Department of Economic Initiatives, the Fairfax County Park Authority, the Department of Public Works and Environmental Services, the Department of Housing and Community Development, and others. The work of this position will also involve close coordination with the Economic Development Authority, the Tysons Partnership, Chambers of Commerce, neighborhood associations and other agencies and non-profit organizations. No position is added as part of this adjustment as the agency will use an existing, but unfunded, position.

ASAP Support		**NON-RECURRING**
Fund 83000, Alcohol Safety Action Program	FY 2021 General Fund Transfer	$150,000
	Net Cost	**$150,000**

The General Fund transfer to Fund 83000, Alcohol Safety Action Program (ASAP), is increased by $150,000 to address deficit status in the fund balance, primarily due to the COVID-19 pandemic. The office closed their doors to the public on March 23, 2020, which resulted in a significant revenue loss due to the inability to collect fees and limitations to service clients. This increase will allow the office to continue providing services to court-referred offenders convicted of driving under the influence of alcohol or other substance abuse-related charges. In addition, this adjustment allows ASAP to continue developing a reserve fund balance as client referrals, and consequently client fee revenues decline.

Appropriation of Zoning Violation Revenue		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2021 General Fund Transfer	$10,648
	Net Cost	**$10,648**

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by $10,648 to allocate revenue collected from court ordered fines for zoning violations associated with the Strike Force Blight Abatement program. As part of the FY 2009 Adopted Budget Plan budget guidelines, the Board of Supervisors directed that any revenue generated from zoning violation fines in excess of the baseline total of $122,215 be made available to support the activities of the Department of Code Compliance. Zoning violation revenues have exceeded the base revenue amount by $10,648 in FY 2020. As a result, this amount is being allocated to the Strike Force Blight Abatement project for use in support of code compliance-related activities.

Public Assistance Eligibility Workers to Address Increased Caseloads		**RECURRING**
	FY 2021 Revenue	$643,450
Agency 67, Department of Family Services	FY 2021 Expenditure	$428,453
Agency 89, Employee Benefits	FY 2021 Expenditure	$214,997
	Net Cost	**$0**
	FY 2022 Revenue	$643,450
Agency 67, Department of Family Services	FY 2022 Expenditure	$428,453
Agency 89, Employee Benefits	FY 2022 Expenditure	$214,997
	Net Cost	**$0**

Funding of $643,450 is included to support 7/7.0 FTE new public assistance eligibility worker positions in the Department of Family Services. These positions will continue to address the increase in public assistance caseloads in the Self-Sufficiency Division in order to meet state and federal guidelines for both timeliness and accuracy. It should be noted that an increase of $214,997 in Fringe Benefits funding is included in Agency 89, Employee Benefits. The expenditure increase is fully offset by an increase in federal and state funding for no net impact to the General Fund.

In accordance with federal and state policy, the County is required to determine eligibility for public assistance and enroll clients in benefits programs within a certain timeframe. In May 2020, the ongoing monthly caseload was approximately 127,000 cases, which included a 4.7 percent increase between March and April at the beginning of the COVID-19 pandemic. Federal and state policies require that 100 percent of cases for each program are processed within the mandated timeframes with 100 percent accuracy. The County is not currently meeting these mandates. This leaves the County vulnerable to both internal and external audit findings.

The County began systematically adding positions to address increasing caseloads in FY 2014 based on annual caseload growth and a manageable case to worker ratio that would allow the agency to address the identified performance shortfalls. Positions have been added each year since FY 2014, and the program has made significant improvements in both the timeliness and accuracy of application processing and ongoing case management. However, they have still been unable to meet the 100 percent accuracy and timeliness mandates, due in large part to the continuously increasing number of applications and ongoing cases each year, which has now been exacerbated by impacts from the COVID-19 pandemic. In addition, the state's expansion of Medicaid eligibility increased the number of cases, requiring additional workers to ensure adequate quality control and maintain a reasonable ratio of cases per worker. While DFS has taken many steps to improve training and quality assurance as well as continues to explore ways to streamline processes and utilize resources more efficiently, there is no further capacity to address existing workloads while continuing to absorb additional cases. These positions will help to maintain manageable caseloads to ensure that the timeliness and accuracy of application processing continues to improve. As it is anticipated that the number of applications and ongoing cases will continue to grow, staff will monitor caseload growth to determine whether it is necessary to add additional units at mid-year review.

Sexual Abuse Specialist Positions for Protection and Preservation Services		**RECURRING**
	FY 2021 Revenue	$250,649
Agency 67, Department of Family Services	FY 2021 Expenditure	$166,899
Agency 89, Employee Benefits	FY 2021 Expenditure	$83,750
	Net Cost	**$0**
	FY 2022 Revenue	$250,649
Agency 67, Department of Family Services	FY 2022 Expenditure	$166,899
Agency 89, Employee Benefits	FY 2022 Expenditure	$83,750
	Net Cost	**$0**

Funding of $250,649 is included to support 2/2.0 FTE new positions in the Protection and Preservation Services (PPS) program area. These positions will increase the number of staff who specialize in sexual abuse ongoing cases. The PPS program area helps families who are at heightened risk of child abuse or neglect as well as families in need of services after abuse or neglect has occurred. It should be noted than an increase of $83,750 in Fringe Benefits funding is included in Agency 89, Employee Benefits. The expenditure increase is fully offset by an increase in revenue for no net impact to the General Fund.

Sexual abuse cases have unique features that are not generally present in other types of PPS ongoing cases, such as dynamics of sexual abuse in families and working with the criminal court, child advocacy center, and medical professionals. In addition, child trafficking cases began to be served as of July 1, 2019, with the passage of new legislation. This is a new type of case and staff need to learn the dynamics of these cases and how to effectively partner with law enforcement, legal, and support services. These new positions will have the specialized training and expertise necessary to successfully work with sexual abuse victims and their families.

Position Adjustments		**RECURRING**
Agency 35, Department of Planning and Development	FY 2021 Expenditure	($134,607)
Agency 08, Facilities Management Department	FY 2021 Expenditure	($107,769)
Agency 38, Housing and Community Development	FY 2021 Expenditure	($24,472)
Agency 02, Office of the County Executive	FY 2021 Expenditure	$159,079
Agency 51, Park Authority	FY 2021 Expenditure	$56,757
Agency 52, Fairfax County Public Library	FY 2021 Expenditure	$51,012
	Net Cost	**$0**
Agency 35, Department of Planning and Development	FY 2022 Expenditure	($134,607)
Agency 08, Facilities Management Department	FY 2022 Expenditure	($107,769)
Agency 38, Housing and Community Development	FY 2022 Expenditure	($24,472)
Agency 02, Office of the County Executive	FY 2022 Expenditure	$159,079
Agency 51, Park Authority	FY 2022 Expenditure	$56,757
Agency 52, Fairfax County Public Library	FY 2022 Expenditure	$51,012
	Net Cost	**$0**

Several position adjustments and funding transfers are required and result in no net impact to the General Fund. These position transfers are based on reorganizational initiatives and will better align resources. Funding of $56,757 is associated with 1/1.0 FTE Administrative Assistant II position that will be transferred from Agency 08, Facilities Management Department, to Agency 51, Park Authority. Funding of $51,012 is associated with 1/1.0 FTE Administrative Assistant III position that will be transferred from Agency 08, Facilities Management Department, to Agency 52, Fairfax County Public Library. Funding of $134,607 is associated with 1/1.0 FTE Planner V position that will be transferred from Agency 35, Department of Planning and Development to Agency 38, Housing and Community Development, offset by a transfer of $159,079 and 1/1.0 FTE Director of Office to Prevent and End Homelessness position to Agency 02, Office of the County Executive.

HVAC Maintenance Contracts		**RECURRING**
Agency 08, Facilities Management Department	FY 2021 Expenditure	$230,840
Agency 89, Employee Benefits	FY 2021 Expenditure	($230,840)
	Net Cost	**$0**
Agency 08, Facilities Management Department	FY 2022 Expenditure	$230,840
Agency 89, Employee Benefits	FY 2022 Expenditure	($230,840)
	Net Cost	**$0**

Funding of $230,840 is required to be transferred from Agency 89, Employee Benefits, to Agency 08, Facilities Management Department (FMD), in FY 2021. This funding will support HVAC preventative maintenance contract services for additional libraries and public safety facilities. New building designs and LEED certifications require building HVAC systems to be more complex, integrating state of the art equipment with evolving building control technologies. Therefore, FMD is outsourcing HVAC maintenance and repair services to specialized contract HVAC vendors and eliminating HVAC positions by attrition. FMD performed a successful pilot program for County libraries in FY 2020 and is expanding the program to public safety facilities in FY 2021. Salary and fringe benefit costs associated with eliminated positions will help offset the cost of the specialized HVAC contracts.

Consideration Items

As of July 27, 2020, the Board of Supervisors has proposed three consideration items for the *FY 2020 Carryover Review*. These include providing funding to support the construction of the Turning Point Suffragist Memorial ($600,000) as originally proposed during the *FY 2020 Third Quarter Review*; the sound system needs of the Park Authority's summer concert series ($50,000); and the Metropolitan Washington Council of Governments Agriculture Task Force's regional efforts regarding local agriculture ($25,000). It should be noted that these requests were initiated before the start of the COVID-19 pandemic. Staff will be prepared to discuss the status of these items as part of the September 22, 2020 Budget Committee meeting.

Additional Adjustments in Other Funds

Total FY 2021 expenditures in Appropriated Other Funds, excluding School funds, are requested to increase $2.12 billion over the FY 2021 Adopted Budget Plan. In addition to the adjustments in Appropriated Funds, there are adjustments totaling $47.09 million in Non-Appropriated Other Funds. Details of Fund 50000, Federal/State Grant Fund, are discussed in Attachment IV, while details of FY 2021 adjustments in Appropriated and Non-Appropriated Other Funds other than Federal and State Grants are found in Attachment V. School Board adjustments total $331.34 million, excluding debt service, over the FY 2021 Adopted Budget Plan. Details of School Board actions are available in Attachment C.

Summary of Recommended Actions

In summary, I am recommending that the Board take the following actions:

Approve Supplemental Appropriation Resolutions AS 20258 and AS 21009 as well as Fiscal Planning Resolution AS 21900 to provide expenditure authorization for FY 2020 Carryover encumbrances, unexpended balances, and administrative adjustments, including the following:

- Board appropriation of $31.26 million in General Fund encumbrances related to Direct Expenditures from FY 2020 as noted in the General Fund Statement and in Attachment III.
- Board appropriation of General Fund administrative adjustments as detailed earlier in this memorandum.
- Board appropriation of Federal/State grants in Fund 50000, Federal/State Grant Fund, totaling $421.26 million, or an increase of $301.41 million, as detailed in Attachment IV.
- Board appropriation of remaining Other Funds Carryover. Details are available in Attachment I, Carryover Expenditures by Fund; in Attachment V, Other Funds Detail; and in Attachment C, Fairfax County School Board's FY 2020 Final Budget Review and Appropriation Resolutions.