




# County of Fairfax, Virginia

ATTACHMENT B

## MEMORANDUM

**DATE:** July 29, 2024

**TO:** Board of Supervisors

**FROM:** Bryan J. Hill   
County Executive

**SUBJECT:** FY 2024 Actual Revenues, Expenditures and Carryover Supplemental Appropriation

Attached for your review and consideration is the FY 2024 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  | An explanation of General Fund Unencumbered Carryover  |
| Attachment V   | 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 2025  |
| Attachment VI  | A detailed description of significant changes in Other Funds   |
| Attachment VII | Supplemental Appropriation Resolution AS 25009 and Fiscal Planning Resolution AS 25900 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 |

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 2024 Carryover Review* recommends changes to the FY 2025 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 24, 2024.

### **FY 2024 Carryover Summary**

The *FY 2024 Carryover Review* includes recommendations based on prior County commitments, Board of Supervisors priorities, and other critical requirements. These recommendations also include the carryforward of unspent federal stimulus funds received through the America Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

The County received \$222.89 million in funding through the ARPA Coronavirus State and Local Fiscal Recovery Funds in FY 2021 and FY 2022. Of the total, \$163.67 million was expended through FY 2024. The remaining balance of \$59.22 million will be carried forward into FY 2025.

The SLFRF 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 2024 Carryover Review* – such as the General Fund statement – reflect these federal stimulus funds in addition to County funds. The table below reflects balances for the General Fund and the Coronavirus State and Local Fiscal Recovery Funds.

#### **General Fund and Federal Stimulus Balances**

(in millions)

	<b>General Fund</b>	<b>ARPA Coronavirus State and Local Fiscal Recovery Funds</b>	<b>Total</b>
Revised Expenditure Budget	\$1,975.86	\$117.87	\$2,093.73
Actual Expenditures	\$1,866.14	\$58.65	\$1,924.79
<b>Expenditure Balance</b>	<b>\$109.72</b>	<b>\$59.22</b>	<b>\$168.94</b>
Revised Revenue Budget	\$5,151.34	\$0.00	\$5,151.34
Actual Revenues	\$5,223.00	\$0.00	\$5,223.00
<b>Revenue Balance</b>	<b>\$71.66</b>	<b>\$0.00</b>	<b>\$71.66</b>
<b>TOTAL AVAILABLE BALANCE</b>	<b>\$181.38</b>	<b>\$59.22</b>	<b>\$240.60</b>

The carryover of the balance in the Coronavirus State and Local Fiscal Recovery Fund is included as an Administrative Adjustment, as it is necessary to reappropriate the balance of this fund to allow for spending during FY 2025. Otherwise, adjustments included in this package are focused on balances excluding the federal stimulus funds, which net to \$181.38 million. The *FY 2024 Carryover Review* recommends allocations of \$180.01 million (excluding the carryforward of federal stimulus funds), resulting in an available balance for the Board's consideration of \$1.37 million. When combined with the \$0.23 million held in reserve as part of the FY 2025 Adopted Budget Plan, a total of \$1.60 million is available for Board consideration.

A brief summary of the recommendation included in the *FY 2024 Carryover Review* follows.

**FY 2024 Carryover Review Recommended Adjustments**  
(in millions)

	Positions	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
<b>Available Balance</b>		<b>\$181.38</b>	<b>\$59.22</b>	<b>\$240.60</b>
<b>FY 2024 Commitments (\$54.25 million)</b>				
Outstanding Encumbered Obligations		(\$49.26)	--	(\$49.26)
Outstanding Unencumbered Obligations		(\$3.03)	--	(\$3.03)
Associated Reserve Adjustments		(\$1.96)	--	(\$1.96)
<b>Balance after FY 2024 Commitments</b>		<b>\$127.13</b>	<b>\$59.22</b>	<b>\$186.36</b>
<b>Allocations for Reserves/Capital (\$66.78 million)</b>				
30% of Balance to Infrastructure Sinking Reserve		(\$38.14)	--	(\$38.14)
20% of Balance to Bicycle and Pedestrian Access		(\$25.43)	--	(\$25.43)
Associated Reserve Adjustments		(\$3.21)	--	(\$3.21)
<b>Balance after Allocations for Reserves/Capital</b>		<b>\$60.36</b>	<b>\$59.22</b>	<b>\$119.59</b>
<b>Other Requirements<sup>1</sup> (\$118.21 million, 41 positions)</b>				
ARPA Fiscal Recovery Funds Balances		--	(\$59.22)	(\$59.22)
Emergency Systems Failures		(\$8.00)	--	(\$8.00)
IT Architecture Optimization and Storage Enhancement		(\$7.16)	--	(\$7.16)
IT Project Support		(\$6.94)	--	(\$6.94)
Fire and Rescue Department Pharmacy		(\$5.36)	--	(\$5.36)
Construction Escalation Reserve		(\$5.00)	--	(\$5.00)
Park Authority CIP Projects		(\$5.00)	--	(\$5.00)
ESCO Energy Improvements		(\$4.00)	--	(\$4.00)
Large Apparatus and Ambulance Replacement Reserve		(\$3.00)	--	(\$3.00)
Electric Vehicle Charging Stations		(\$2.70)	--	(\$2.70)
Lower Potomac Fields Outdoor Sports Courts		(\$2.50)	--	(\$2.50)
Self-Contained Breathing Apparatus		(\$2.50)	--	(\$2.50)
Neighborhood and Community Services Recruitment and Retention Efforts	22	(\$1.93)	--	(\$1.93)
Operations and Maintenance Contract Costs		(\$1.89)	--	(\$1.89)
Kingstowne Complex Furniture and Equipment		(\$1.86)	--	(\$1.86)
November 2024 Presidential Election		(\$1.68)	--	(\$1.68)
North County Temporary Overnight Shelter		(\$1.39)	--	(\$1.39)
Climate Action Implementation		(\$1.35)	--	(\$1.35)
Public Safety Radio Service		(\$1.13)	--	(\$1.13)
Police Operational Support Bureau Equipment and Furniture		(\$1.00)	--	(\$1.00)
Workhouse Campus Improvements		(\$1.00)	--	(\$1.00)
Victims of Crime Act Victim Services Programs	6	(\$0.96)	--	(\$0.96)
Traffic Calming Program		(\$0.50)	--	(\$0.50)
Workhouse Arts Foundation		(\$0.50)	--	(\$0.50)
Lorton Volunteer Fire Department Apparatus		(\$0.48)	--	(\$0.48)
Park Authority Replacement Capital Equipment		(\$0.48)	--	(\$0.48)
Security Improvements		(\$0.42)	--	(\$0.42)
Office of the Commonwealth's Attorney Positions	5	(\$0.32)	--	(\$0.32)
Support Coordination Positions	8	(\$0.25)	--	(\$0.25)

	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
County Agency Refuse Collection Routes	(\$0.25)	--	(\$0.25)
Bamboo Mitigation at County-Owned Property	(\$0.20)	--	(\$0.20)
Appropriation of Zoning Violation Revenue	(\$0.15)	--	(\$0.15)
Summer Entertainment Series	(\$0.15)	--	(\$0.15)
Salary Supplement for Eligible State Employees	(\$0.06)	--	(\$0.06)
Office of the Police Civilian Review Panel			
Personnel Services Adjustment	(\$0.05)	--	(\$0.05)
Fairfax-Falls Church Community Services Board			
Savings	\$15.00	--	\$15.00
Associated Reserve Adjustments	(\$3.82)	--	(\$3.82)
<b>Net Available for One-Time Requirements</b>	<b>\$1.37</b>	<b>\$0.00</b>	<b>\$1.37</b>

<sup>1</sup>Does not include reallocations or net-zero adjustments which do not include positions

### **FY 2024 Year-End Summary**

FY 2024 General Fund Revenues and Transfers In were \$5.23 billion, an increase of \$71.66 million, or 1.39 percent, over the *FY 2024 Revised Budget Plan* estimate. The increase is primarily the result of higher-than-expected Property Tax receipts, Other Local Taxes, Revenue from the Use of Money and Property, and Revenue from the Federal Government. The Federal Reserve has kept the Fed funds rate unchanged since August 2023, which continued to impact the amount of interest revenue the County earned on its investment portfolio, generating almost \$156 million more than FY 2022 and almost \$58 million more than FY 2023. Staff will continue to monitor future actions taken by the Federal Reserve and the impact on out-year interest income projections. More detail on FY 2024 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 and as many agencies continued to experience prolonged vacancy levels. Total disbursements were below *FY 2024 Revised Budget Plan* projections by \$168.94 million, or 3.09 percent. Excluding ARPA Coronavirus State and Local Fiscal Recovery Funds, the disbursement variance was \$109.72 million, or 2.05 percent. It should be noted that disbursements include budgeted transfers to other funds. When looking solely at agency direct expenditures, the FY 2024 variance was \$109.72 million, or 5.55 percent. This variance is a decrease from prior years, and the expenditure variance at year-end FY 2025 is expected to decrease further due to the impact of reductions utilized to balance the FY 2025 budget. More detailed information on FY 2024 General Fund Expenditure Variances is included in Attachment III. Included in this balance are funds required for both encumbered and unencumbered items. Encumbered carryover includes legally obligated funding for items/services for which final financial processing has not been completed. Unencumbered carryover includes funding for items previously approved but not purchased based on timing or other issues.

As a result, the combined revenue and disbursement balance, after funding prior year obligations and reserve adjustments, is \$186.36 million, or 3.41 percent of the total County General Fund budget. Excluding ARPA Coronavirus State and Local Fiscal Recovery Funds, the net balance is \$127.13 million, or 2.38 percent of the total budget.

### ***FY 2024 Carryover Review***

## **Carryover Actions**

Allocation of the \$127.13 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 2025 budget or deferred as part of the FY 2025 budget development. Recommendations included in the *FY 2024 Carryover Review* allocate \$125.76 million of this balance. As a result of these adjustments, a Carryover balance of \$1.37 million is available. When combined with the \$0.23 million held in reserve as part of the FY 2025 Adopted Budget Plan, a total of \$1.60 million is available for Board consideration.

The adjustments recommended in this package are primarily one-time expenditures to meet the County's capital and IT needs. However, a limited number of adjustments are included in response to emerging needs that will have a recurring budgetary impact. These adjustments include employee recruitment and retention efforts in the Department of Neighborhood and Community Services and the Department of Family Services, increases in maintenance and refuse collection costs for County facilities, operational support for the Workhouse Arts Foundation, and a personnel services adjustment in the Office of the Police Civilian Review Panel, as well as adjustments required in response to recent state and federal actions, including the creation of a Fire and Rescue Department pharmacy, continuation of services to victims of crime that were previously grant-funded, additional staffing for the Office of the Commonwealth's Attorney as approved by the state, support coordination positions in the Fairfax-Falls Church Community Services Board, and increases in the salary supplements provided to eligible state employees. In keeping with the County's practice for recurring needs that arise outside of the annual budget process, the recurring impact of \$8.63 million that is associated with these adjustments will be incorporated into the FY 2026 budget proposal. It should be noted that the inclusion of these recurring adjustments does not negatively impact the County's financial standing with the bond rating agencies, as it is understood that some recurring adjustments may be necessary as long as they are accompanied by a commitment to include the necessary funding in the next year's budget. The County remains steadfast in its approach to developing each annual budget without relying on one-time balances, which was previously a concern with the rating agencies. The FY 2025 budget marked the 11<sup>th</sup> consecutive year where no one-time funding was used to balance the budget.

### **Allocations for Reserves/Capital (\$66.78 million, including \$3.21 million in associated reserve adj.)**

Consistent with the Board's policies on funding the County's Infrastructure Sinking Reserve Fund and the staff recommendation, discussed as part of the December 14, 2021 Transportation Committee meeting, to utilize balances for Bicycle and Pedestrian Access, Carryover contributions have been calculated based on available balances after outstanding encumbered and unencumbered commitments.

The County's policy has been to allocate 40 percent of the balance to reserves in order to allow the County to make progress towards its target reserve level of 10 percent of General Fund disbursements. Due to the County's progress in increasing its reserve levels in prior years, this allocation is not required as pre-Carryover reserve levels slightly exceed the target of 10 percent. It is important to note, however, that all Carryover adjustments included in this package have been accompanied with reserve contributions to allow the reserves to remain at the targeted level. As a result, total contributions to reserves at Carryover total \$8.98 million and results in total reserves of 10 percent, including the Managed Reserve at 4 percent, the Revenue Stabilization Reserve at 5 percent, and the Economic Opportunity Reserve at 1 percent.

Of the \$127.13 million balance, 30 percent, or \$38.14 million, is allocated for the Capital Sinking Fund and reflects an increased allocation consistent with the recommendation from the Joint County/Schools Capital Improvement Program (CIP) Committee. The capital sinking funds are recommended to be allocated as follows: 45 percent for the Facilities Management Department, 25 percent for the Fairfax County Public Schools, 15 percent for Parks, 7 percent for walkways, 5 percent for County-maintained roads and service drives, and 3 percent for revitalization area improvements. This allocation results in the following funding amounts: \$17.16 million for FMD, \$9.53 million for FCPS, \$5.72 million for Parks, \$2.67 million for Walkways, \$1.91 million for County-Owned Roads, and \$1.14 million for Revitalization. The Capital

## ***FY 2024 Carryover Review***

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.

In addition, 20 percent of the balance, or \$25.43 million, is allocated to support additional bicycle and pedestrian access throughout the County. The Board of Supervisors has consistently emphasized the importance of providing safe access for pedestrians and bicycles, especially near schools, parks, activity centers, transit station areas, and revitalization areas. During the COVID-19 pandemic, pedestrian and bicycle activity increased throughout the County and this increased usage highlighted the inadequacies of the existing infrastructure. This funding will help expedite efforts to make one-time investments in pedestrian and bicycle infrastructure that will have long-term, meaningful impacts on accessibility and safety in the community. Per the Board's directive, new funding for this program is targeted at \$100 million over approximately six years through FY 2027. This allocation of \$25.43 million, combined with funding of \$56.69 million previously approved for this program, results in total funding of \$82.12 million towards the \$100 million target.

**Other Adjustments (\$118.21 million, including \$3.82 million in associated reserve adjustments)**

Finally, there are a number of other General Fund adjustments that are recommended as part of the package. These include required adjustments to carry forward the balance of federal stimulus funds, support for the Parks, and investments in Board priorities such as the County's environmental and energy initiatives. Investments are included for the County's IT and capital infrastructure needs, including funding which was unable to be included in the current year baseline budget and was deferred to quarterly reviews, as has been done in prior years.

The adjustments listed below represent highlighted recommendations but are not all-inclusive. The Administrative Adjustments section, which is included later in this memo, lists all General Fund adjustments included in the *FY 2024 Carryover Review*.

**Carryforward of Federal Stimulus Funds**

The largest adjustment included in this package is related to the carryforward of unexpended ARPA Coronavirus State and Local Fiscal Recovery Funds. Of the total funding of \$222.89 million received, \$163.67 million was expended through FY 2024. The remaining balance of \$59.22 million will be carried forward to allow the County to continue to spend against the funds. These funds must be encumbered by December 31, 2024, and expended by December 31, 2026.

It should be noted that the Reserve for the Coronavirus Pandemic is recommended to be closed as part of this review. The Reserve for the Coronavirus Pandemic was originally established as part of the *FY 2020 Third Quarter Review* in order to provide immediate response to the pandemic. The balance of \$4.04 million that remained in the reserve as of the close of FY 2024 has been included in the available balance that is allocated as part of this *FY 2024 Carryover Review* package.

**Investments in Board Priorities**

Funds available as part of the *FY 2024 Carryover Review* are recommended to be utilized to support investments towards the County's environmental and energy initiatives, recruitment and retention efforts, services for individuals and families experiencing homelessness, and services for victims of crime.

- Funding of \$10.5 million has been transferred from Fund 40045, Early Childhood Birth to 5 to Fund 30010, General Construction and Contributions, as a result of available one-time balances. Funding will support both the construction of a childcare facility at the Hybla Valley Community Center as well as a childcare feasibility study in anticipation of the planned \$50 million bond referendum for Early Childhood Facilities in fall 2026 for capital construction of early childhood

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facilities. The Hybla Valley childcare center is projected to be approximately 11,000 square feet and will have two outdoor playgrounds. The center will have seven classrooms and provide care to 86 children including three pre-k classrooms to accommodate 18 children each and four infant/toddler classrooms, to accommodate eight children each.

- Funding of \$8.05 million is included for continued support of the County’s environmental and energy strategies. This includes:
  - \$4.00 million to support continued building energy improvements performed by Energy Service Companies (ESCOs), with \$2.00 million allocated to County facilities and \$2.00 million to Park Authority facilities.
    - The County will utilize funds pursuant to the energy and water use efficiency targets outlined in the Board of Supervisors’ Operational Energy Strategy (OES). The OES identifies numerous supporting actions to achieve these targets, including the performance of facility energy audits to identify energy-saving opportunities at existing facilities and the implementation of energy retrofits at those facilities. The resulting reductions in energy use help mitigate escalating energy costs and promote a more sustainable future for Fairfax County.
    - The Park Authority has identified several potential energy retrofit projects including Building Automation System (BAS) integration of air handling units; HVAC controls and lighting upgrades; specialty recreation lighting upgrades; and pump house and bathroom control upgrades for improved energy efficiency.
  - \$2.70 million to support continued investment in Electric Vehicle (EV) Charging Stations pursuant to the fleet electrification targets and actions as set forth in the Board of Supervisors’ Operational Energy Strategy (OES) adopted in July 2021. These funds will enable further EV charging stations at ten County sites.
  - \$1.35 million to continue the implementation of the Community-wide Energy and Climate Action Plan (CECAP) and Resilient Fairfax toward programs that focus on bolstering climate action and sustainability in the community.
- \$1.93 million, net of offsetting revenue increases, is included to support recruitment and retention efforts in the Department of Family Services (DFS) and the Department of Neighborhood and Community Services (NCS). As part of its Budget Guidance for FY 2025 and FY 2026, the Board of Supervisors directed a comprehensive review of County positions, including the examination of funded positions to determine whether they are appropriately classified. This funding will allow the implementation of a new job classification series in each agency that will more appropriately align pay and responsibilities, as well as the conversion of 22 vacant benefits-eligible School Age Child Care (SACC) positions to merit positions in NCS. In addition, 30 existing positions in DFS that are currently unfunded will be funded, allowing the agency to move them to recruitment. These actions are expected to have a positive impact on each agency’s position vacancy rate.
- \$1.39 million is included to support a temporary overnight shelter at the North County Human Services Building in the Hunter Mill district. The Hunter Mill District has a large encampment of unsheltered adults, and County staff had been directed to find a safer and more effective shelter solution. The North County Human Services Building, which hosts the Hypothermia Prevention Program between December and March, will be used as a temporary overnight shelter beginning in the summer of 2024.

- \$0.96 million and 6 positions are included to replace funding previously provided by the state to continue services to victims of crimes. Funding for these services has historically come from the federal Crime Victims Fund passed through the state. Beginning in FY 2022, the County has seen an incremental decrease in funding which has been managed through program redesign and cost savings; however, more drastic cuts are being implemented beginning in FY 2025. The Department of Family Services will see a 50 percent reduction while the Police Department's funding has been eliminated entirely. County services provided to victims of crime rely heavily on this funding stream as there are limited General Fund resources dedicated to domestic and sexual violence services. In order to continue these valuable services, new General Fund resources need to be identified.

*Support for the Park Authority and Outdoor Recreation*

Several adjustments are recommended that will bolster Parks capital construction and maintenance. Funding of \$5.00 million is included to support escalating costs on existing Parks capital projects and \$0.15 million is included to support the Summer Entertainment Series. Funding of \$0.48 million is also included to replace capital equipment necessary to support various construction and maintenance tasks that serve park properties throughout the County. In addition to these adjustments, \$5.72 million of the Capital Sinking Fund allocation noted above will provide for infrastructure replacement and upgrades at Park Authority facilities and \$2.00 million noted above will provide energy improvements at Park Authority facilities. Support for the Park Authority in this package totals \$13.35 million. Funding of \$2.50 million is also included to support the Lower Potomac Fields outdoor sports courts to be operated by the Department of Neighborhood and Community Services.

*Support for the Fire and Rescue Department*

A total of \$11.34 million is included to support the Fire and Rescue Department (FRD). Of this amount, \$5.36 million is included for the initial costs to establish a pharmacy in the FRD, which is required as hospital pharmacies will stop the practice of providing medications to FRD as a result of changes in the U.S. Drug Enforcement Agency's enforcement of controlled substances laws and regulations. Funding of \$3.48 million is included to support the replacement of large apparatus and ambulances, including payoff of the remaining balance of a frontline apparatus unit for the Lorton Volunteer Fire Department. The remaining \$2.50 million is required as an additional down payment for the replacement of the Fire and Rescue Department's Self-Contained Breathing Apparatus (SCBA) which will be financed over seven years using the County's Master Lease Agreement.

*New Facilities/Facility Improvements*

Multiple adjustments are included to support improvements at County facilities and construction of new facilities. These include:

- \$8.00 million 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.
- \$5.00 million for the construction escalation reserve to support previously approved budgets and schedules for capital projects in the design and construction phases. Current cost estimates include the Board of Supervisors Operational Energy Strategy requirements, impacts associated with the prevailing wage rate ordinance and to accommodate the recent trends of increasing construction costs related to market and commodity price escalation.



- \$1.89 million to support Facilities Management Department operations and maintenance contract increases for building subsystem equipment (e.g., HVAC, electrical, emergency systems, life safety systems, elevators, plumbing, and other maintenance) in buildings with compounding problems, increasing failure rates, and escalating costs.
- \$1.86 million to purchase equipment and furniture for facilities at the Kingstowne Complex.
- \$1.00 million to support building improvements at the Workhouse Campus, specifically for the full design, permitting, and construction for building W-7A which is located on the quad. In addition, \$0.50 million is provided to the Workhouse Arts Foundation (WAF), which provides classes and programs on the Workhouse Campus. These funds will be used by WAF as an operating subsidy as they continue to recover from the financial challenges of the pandemic. This recommendation is consistent with Board Budget Guidance for FY 2025 and FY 2026.
- \$1.00 million to purchase equipment and furniture for the new Police Operational Support Bureau which is currently estimated to open in February 2025.
- \$0.50 million to support traffic calming initiatives that includes the use of physical devices, such as speed humps, speed tables, raised pedestrian crosswalks, or median islands, to reduce the speed of traffic on residential streets.
- \$0.42 million to support security improvements at County facilities, including upgrades to the security features and final design at the offices of the members of the Board of Supervisors.

### IT Investments

Consistent with actions taken in prior years, funding for Information Technology (IT) projects was not included in the FY 2025 Adopted Budget Plan and was anticipated to be funded utilizing balances at quarterly reviews. IT project funding of \$6.94 million is included in this package. Major projects supported with this funding include continued support for the modernization of payment systems for the Department of Tax Administration and the modernization of the GIS infrastructure. In addition, \$5.00 million, which was deferred from FY 2025 Adopted Budget Plan, is included for the initial phase of a multi-year investment focused on addressing infrastructure requirements, expanding cloud-based solutions, modernizing applications, replacing the phone system, implementing new technologies, and providing staff training. Also included is \$2.16 million to continue and enhance both cyber security and cloud storage services which were initially funded through the County's American Rescue Plan Act (APRA), State and Local Fiscal Recovery Funds allocation.

### Position Adjustments

A total of 41 new positions are recommended to be established as part of the *FY 2024 Carryover Review*. The majority of these positions – 22 in total – are included in the Department of Neighborhood and Community Services as noted above to convert existing benefits-eligible positions in the School-Age Child Care (SACC) program to merit positions to improve staff recruitment and retention. An additional 8 positions are included in Fairfax-Falls Church Community Services Board to provide support coordination services to individuals with developmental disabilities as a result of new Medicaid waivers slots allocated by the state starting July 1, 2024. A total of 6 positions, previously established as grant-funded, are required in the Police Department and Department of Family Services to support the continuation of services to victims of crime following a reduction in state funding for these programs. Finally, 5 new positions are included based on state action to increase the number of positions allocated to the Office of the Commonwealth's Attorney.

### ***FY 2024 Carryover Review***

As part of its Budget Guidance for FY 2025 and FY 2026, the Board of Supervisors directed a comprehensive review of County positions, including a focus on eliminating vacant positions that are unfunded. While this review is ongoing, an initial tranche of positions is recommended to be abolished as part of the *FY 2024 Carryover Review* including 9 merit positions (including 2 positions in appropriated funds, 6 positions in non-appropriated funds, and 1 grant position), 47 non-merit benefits-eligible positions, and 382 non-merit temporary positions. These positions have been vacant for several years and can be abolished with no negative impact on agency operations. It is anticipated that additional positions will be identified as part of future budget processes.

**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 2024 Carryover Review* includes total reserve contributions of \$8.98 million, which maintain the Revenue Stabilization Reserve, Managed Reserve, and Economic Opportunity Reserves at their new target levels of 5 percent, 4 percent, and 1 percent of General Fund disbursements. The combined balance of the three reserves as a result of the adjustments included in the *FY 2024 Carryover Review* is 10 percent of General Fund disbursements, excluding one-time disbursements related to the ARPA Coronavirus State and Local Fiscal Recovery Funds.

**FY 2024 Audit Adjustments**

As the Board is aware, the financial audit of FY 2024 is currently being conducted. Necessary adjustments as a result of this work will be included in the FY 2024 Annual Comprehensive Financial Report and in the audit package that is presented for the Board’s approval as part of the *FY 2025 Third Quarter Review*.

**Other Funds Adjustments**

Attachment VI of the *FY 2024 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 2024 fund expenditure and revenue variances and notes changes in FY 2025 expenditures.

**Carryover Administrative Adjustments**

The *FY 2024 Carryover Review* includes net General Fund administrative adjustments and associated reserve adjustments totaling \$184.84 million. These adjustments are divided into two categories – Allocations for Reserves/Capital and All Other Requirements – and include the following:

**ALLOCATIONS FOR RESERVES/CAPITAL**

***\$66.78 million, including \$63.57 million in reserve/capital contributions and \$3.21 million in associated reserve adjustments***

<b>Capital Sinking Fund</b>	<b>NON-RECURRING</b>	
Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer	\$11,441,965
Fund 30020, Infrastructure Replacement and Upgrades	FY 2025 General Fund Transfer	17,162,949
Fund S31000, Public School Construction	FY 2025 General Fund Transfer	<u>9,534,972</u>
	<b>Net Cost</b>	<b>\$38,139,886</b>

The General Fund Transfer to capital funds is increased by \$38,139,886 in accordance with the recommendations of the Joint County Board/School Board CIP Committee. The Board of Supervisors

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approved the establishment of the Capital Sinking Fund as a budgetary mechanism for funding infrastructure replacement and upgrade requirements. The Capital Sinking Fund is populated based on 30 percent of the County’s unencumbered carryover balance after funding critical requirements. The distribution of funds is allocated as follows: 45 percent for the County’s Facilities Management Department (FMD), 25 percent for Fairfax County Public Schools (FCPS), 15 percent for the Park Authority, 7 percent for walkways, 5 percent for County maintained roads and service drives, and 3 percent for Revitalization area improvements. The specific allocations include: \$17,162,949 for FMD, \$9,534,972 for FCPS, \$5,720,983 for the Park Authority, \$2,669,792 for walkways, \$1,906,994 for County maintained roads and service drives, and \$1,144,196 for Revitalization area improvements.

Each agency maintains a prioritized list of needed infrastructure replacement and upgrade projects and reviews these lists throughout the year. Once the Board approves the allocation of the Sinking Fund at the Carryover Review, funds become available for prioritized projects. The Sinking Fund is dedicated to projects that are capital in nature and considered an asset improvement. Sinking Fund dollars are not used for preventative maintenance, cleaning, debris removal or snow removal which are more operational in nature. In anticipation of the *FY 2024 Carryover Review* Sinking Fund allocation, FMD will continue to review their existing deficiency list which includes HVAC and roof repairs/replacement and other critical building system replacements. The Park Authority continues to implement projects based on condition assessments, priority ranking and specific selection criteria. Projects are proposed at parks throughout the County and include playground repairs, trail and pedestrian bridge reinvestment, tennis and basketball court repairs, parking lot repairs and other priority projects. Condition inventory and assessments were completed for both County-owned walkways and roads and Sinking Fund projects will continue to be implemented in priority order. Finally, Revitalization area funding will continue to aide in reinvestment projects designed to enhance the appearance, functionality, and sustainability of the pedestrian environment in Commercial Revitalization Districts.

**Bicycle and Pedestrian Access**

Fund 30050, Transportation Improvements

	<b>NON-RECURRING</b>
	FY 2025 General Fund Transfer <u>\$25,426,590</u>
	<b>Net Cost        \$25,426,590</b>

The General Fund transfer to Fund 30050, Transportation Improvements, is increased by \$25,426,590 to continue to support additional bicycle and pedestrian access throughout the County. The Board of Supervisors has consistently emphasized the importance of providing safe access for pedestrians and bicycles, especially near schools, parks, activity centers, transit station areas, and revitalization areas. During the COVID-19 pandemic, pedestrian and bicycle activity increased throughout the County and this increased usage highlighted the inadequacies of the existing infrastructure. This funding will help expedite efforts to make one-time investments in pedestrian and bicycle infrastructure that will have long-term, meaningful impacts on accessibility and safety in the community. Per the Board’s directive, funding for this program is targeted at \$100 million over approximately six years and will be generated by setting aside 20 percent of year-end balances. Previous funding totaling \$56,692,007 has been approved for this program, bringing the total funding after this adjustment to \$82,118,597, or 82 percent, of the \$100 million goal.

**OTHER REQUIREMENTS**

*\$118.21 million, including \$114.39 million in adjustments and \$3.82 million in associated reserve adjustments*

**ARPA Fiscal Recovery Fund**

Agency 87, Unclassified Administrative Expenses

**NON-RECURRING**FY 2025 Expenditure \$59,224,749**Net Cost \$59,224,749**

Funding of \$59,224,749 is required to re-appropriate the stimulus funds balance from Agency 87, Unclassified Administrative Expenses, to the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Fund). The ARPA Fiscal Recovery Fund gives broad flexibility in how funding can be used. This includes supporting the public health response, including services to address behavioral healthcare needs; providing housing, food, and job training assistance to workers and families; supporting small businesses and impacted sectors that have suffered negative economic impacts of the pandemic; supporting communities disproportionately impacted by the pandemic, through housing, education, and childcare assistance; and providing for replacement of lost revenue by state, local or tribal governments. These funds must be encumbered by December 31, 2024, and expended by December 31, 2026. Staff continues to submit reports to the Board of Supervisors regarding utilization of the funds with the next report scheduled for September 2024. All previous memorandums are available at <http://www.fairfaxcounty.gov/budget>.

**Emergency Systems Failures**

Fund 30020, Infrastructure Replacement and Upgrades

**NON-RECURRING**FY 2025 General Fund Transfer \$8,000,000**Net Cost \$8,000,000**

The General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is increased by \$8,000,000 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 limited capacity to deal with these types of 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 and additional flexibility for unforeseen emergency repairs.

**IT Architecture Optimization and Storage Enhancement**

Fund 60030, Technology Infrastructure

**NON-RECURRING**FY 2025 General Fund Transfer \$7,160,000**Net Cost \$7,160,000**

The General Fund transfer to Fund 60030, Technology Infrastructure, is increased by \$7,160,000 for investments in the County's technology infrastructure. This increase includes \$5,000,000 for the initial phase of a multi-year investment focused on addressing infrastructure requirements, expanding cloud-based solutions, modernizing applications, replacing the phone system, implementing new technologies and providing staff training. It also includes \$2,160,000 to continue and enhance both cyber security and cloud storage services which were initially funded through the County's American Rescue Plan Act (APRA), State and Local Fiscal Recovery Funds allocation.

**IT Project Support**

Fund 10040, IT Projects

	<b>NON-RECURRING</b>
FY 2025 General Fund Transfer	<u>\$6,942,000</u>
<b>Net Cost</b>	<b>\$6,942,000</b>

The General Fund transfer to Fund 10040, IT Projects, is increased by \$6,942,000 to support the funding of new and continued IT projects. As indicated in the FY 2025 Adopted Budget Plan, projects were anticipated to be funded with one-time balances as part of the *FY 2024 Carryover Review*. While increased baseline funding to support these investments is highly recommended, the County has successfully used one-time funds at Third Quarter and Carryover reviews to support technology initiatives due to limited funding. A transfer of \$1,890,143 from Fund 40040, Fairfax-Falls Church Community Services Board, is also included to support the development of an electronic health records system. More details regarding the projects funded as part of this adjustment are included in the Other Funds Detail write-up for Fund 10040, IT Projects, on page 84 of this package.

**Fire and Rescue Department Pharmacy**

Agency 92, Fire and Rescue Department  
 Agency 89, Employee Benefits

	<b>RECURRING</b>
FY 2025 Expenditure	\$5,129,100
FY 2025 Expenditure	<u>\$226,628</u>
<b>Net Cost</b>	<b>\$5,355,728</b>

Agency 92, Fire and Rescue Department  
 Agency 89, Employee Benefits

FY 2026 Expenditure	\$1,073,800
FY 2026 Expenditure	<u>\$226,628</u>
<b>Net Cost</b>	<b>\$1,300,428</b>

The Fire and Rescue Department has historically obtained medications, to include controlled drugs, directly from hospital pharmacies through the hospital pharmacist. Medications are obtained or exchanged when a medication is administered to patients during pre-hospital care or when a medication is set to expire. In February 2024, the Fire and Rescue Department was notified that, as a result of changes in the U.S. Drug Enforcement Agency’s enforcement of controlled substances laws and regulations, hospital pharmacies would stop the practice of providing and exchanging medications, effective November 27, 2024.

The Fire and Rescue Department administers roughly 2,000 medications per month, with the most administered medications being albuterol, fentanyl and epinephrine. The department has worked diligently with national and regional partners and has determined that the best practice for obtaining, distributing and administering these required medications to patients served in a pre-hospital setting is to directly operate a pharmacy. Therefore, funding of \$5,355,728 is required to establish a pharmacy in the Fire and Rescue Department. This includes the one-time funding needed to stand up the pharmacy with the appropriate mechanism for receipt and distribution of the medications (e.g., facility build out, medication dispensing machines, vehicle safes, inventory software and the medications themselves). It is currently estimated that three positions will be sufficient to run the pharmacy; however, no new positions are needed as the Fire and Rescue Department will reclassify existing unfunded positions to meet this need. Ongoing funding of \$1.3 million will be required to sustain the program annually.

**Construction Escalation Reserve**

Fund 30070, Public Safety Construction

	<b>NON-RECURRING</b>
FY 2025 General Fund Transfer	<u>\$5,000,000</u>
<b>Net Cost</b>	<b>\$5,000,000</b>

The General Fund transfer to Fund 30070, Public Safety Construction, is increased by \$5,000,000 to support previously approved budgets and schedules for capital projects in the design and construction phases. Current cost estimates include the Board of Supervisors Operational Energy Strategy requirements, impacts associated with the prevailing wage rate ordinance and to accommodate the recent trends of increasing construction costs related to market and commodity price escalation.

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**Park Authority CIP Projects**

Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer	<b>NON-RECURRING</b> <u>\$5,000,000</u>
	<b>Net Cost</b>	<b>\$5,000,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$5,000,000 to support Park Authority capital projects. As in all areas of the Capital Program, the Park Authority is experiencing inflation and project cost escalation on existing projects. Additional funding will help with escalating costs, expedite projects already underway, and alleviate some pressure on the Bond program. As directed by the Board of Supervisors, staff has been working with the Park Authority to appropriately size annual bond sales and to develop future bond referendum proposals that both address Park Authority needs and conform to the County’s overall limitations. It has been anticipated that the Park Authority would require County support outside of the bond program to bridge funding gaps prior to the next referendum.

**ESCO Energy Improvements**

Fund 30015, Environmental and Energy Programs	FY 2025 General Fund Transfer	<b>NON-RECURRING</b> <u>\$4,000,000</u>
	<b>Net Cost</b>	<b>\$4,000,000</b>

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by \$4,000,000 to support energy initiatives. Funding will support continued building energy improvements performed by Energy Service Companies (ESCOs), pursuant to the energy and water use efficiency targets outlined in the Board of Supervisors’ Operational Energy Strategy (OES). The OES identifies numerous supporting actions to achieve these targets, including the performance of facility energy audits to identify energy-saving opportunities at existing facilities and the implementation of energy retrofits at those facilities. The resulting reductions in energy use help mitigate escalating energy costs and promote a more sustainable future for Fairfax County. Funding will support both the County and Park Authority in the amount of \$2,000,000 each and will provide for the implementation of facility energy savings measures identified as part of previously conducted Investment Grade Audits (IGAs).

**Large Apparatus and Ambulance Replacement Reserve**

Fund 60010, Department of Vehicle Services	FY 2025 General Fund Transfer	<b>NON-RECURRING</b> <u>\$3,000,000</u>
	<b>Net Cost</b>	<b>\$3,000,000</b>

An increase of \$3,000,000 is included to provide a one-time infusion of funds to the Large Apparatus Replacement Reserve and the Ambulance Replacement Reserve. These funds will help to stabilize the replacement reserves and partially alleviate the impact of the rising cost of large fire and rescue apparatus and ambulances. This increase is in addition to the department dedicating grant funds, baseline funds and one-time contributions from their operating budget in support of this effort. The replacement reserves are rapidly being depleted and without additional funding, they cannot be sustained past FY 2026 for large apparatus and FY 2027 for ambulances. It is expected that yearly investments will need to be made as part of a quarterly review and/or new baseline resources added.

**Electric Vehicle Charging Stations**

Fund 30015, Environmental and Energy Programs	FY 2025 General Fund Transfer	<b>NON-RECURRING</b> <u>\$2,700,000</u>
	<b>Net Cost</b>	<b>\$2,700,000</b>

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by \$2,700,000 to support the continued installation of Electric Vehicle (EV) charging stations at County properties. This program supports the transition of the County’s fleet electrification targets as stated in the Operational Energy Strategy (OES). As of June 2024, a total of 110 charging ports at 15 locations have been installed

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to support the County fleet. Additional funding would enable further EV Charging Stations at 10 sites: the Government Center, the Gerry Hyland Government Center, Public Safety Headquarters, Sully Government Center, West Springfield Police Station and Government Center, Jermantown Department of Vehicle Services facility, Springfield Logistics Warehouse, Monument Drive Parking Garage, Fort Buffalo Fire Station, and the Stormwater/Wastewater Complex.

<b>Lower Potomac Fields Outdoor Sports Courts</b>		<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer	<u>\$2,500,000</u>
	<b>Net Cost</b>	<b>\$2,500,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$2,500,000 to provide funding to resurface and provide improvements to outdoor basketball and tennis courts at the Lower Potomac Field area. The courts at this location have become safety hazards due to cracking in the surface and require complete replacement to ensure safety and usability. The average lifespan of an exterior court is 10 to 15 years depending on the level of use, weather conditions, and other external/environmental factors.

<b>Self-Contained Breathing Apparatus</b>		<b>NON-RECURRING</b>
Agency 92, Fire and Rescue Department	FY 2025 Expenditure	<u>\$2,500,000</u>
	<b>Net Cost</b>	<b>\$2,500,000</b>

Funding of \$2,500,000 is required as an additional down payment for the replacement of the Fire and Rescue Department’s Self-Contained Breathing Apparatus (SCBA) which will be financed over seven years using the County’s Master Lease Agreement. The current SCBA has reached its end of life and requires replacement in FY 2025. The total purchase price is estimated to be \$10.8 million; however, based on a downpayment of \$4.4 million (\$2.5 million funded as part of carryover and \$1.9 million previously set aside), the County will need to finance \$6.4 million. It should be noted that the estimated lease payment can be accommodated in the Fire and Rescue Department’s budget since it is consistent with the current lease payment.

<b>Neighborhood and Community Services Recruitment and Retention Efforts</b>		<b>RECURRING</b>
Agency 79, Department of Neighborhood and Community Services	FY 2025 Expenditure	\$1,186,187
Agency 89, Employee Benefits	FY 2025 Expenditure	<u>\$745,895</u>
	<b>Net Cost</b>	<b>\$1,932,082</b>
Agency 79, Department of Neighborhood and Community Services	FY 2026 Expenditure	\$1,779,281
Agency 89, Employee Benefits	FY 2026 Expenditure	<u>\$1,118,843</u>
	<b>Net Cost</b>	<b>\$2,898,124</b>

The School-Age Child Care (SACC) program is staffed utilizing a combination of merit and benefits-eligible employees. As of June 2024, nearly 72 percent of the benefits-eligible positions were vacant while only 12 percent of the merit positions were vacant. While there are advantages to maintaining a cadre of both merit and benefits-eligible employees, given the current benefits-eligible vacancy rate as well as the Department of Neighborhood and Community Services’ (NCS) struggle in recruiting and retaining benefits-eligible staff, it appears the mix of positions is not sufficiently supporting the SACC program. Recruiting and retaining staff will allow more children to be served; therefore, 22 of the vacant benefits-eligible positions will be converted to 22/17.8 FTE merit positions. The cost of converting these positions totals \$301,786 and is limited to the additional costs associated with the change in Fringe Benefits. This is phase 1 of a multi-phase approach to converting positions. While it is not expected that all benefits-eligible positions will be converted, the final number will be based on the vacancy rates of both position types. In

order to see the impact of these positions in time for the 2024-2025 school year, recruitment will begin immediately unless otherwise noted from the Board of Supervisors.

In addition to the position conversions, NCS reviewed the front-line workers in the SACC program (currently in the Day Care Center Teacher series) and determined that a new Human Development Specialist classification series is needed to better reflect job duties as well as position grades. This change is based on a benchmark study completed by the Department of Human Resources. While SACC front-line workers are primarily impacted by the new Human Development Specialist classification series, front-line workers in the community centers will also be consolidated under the new classification series. Consolidating positions across both programs will not only address recruitment and retention challenges but will also create a career ladder for employees. Funding of \$1,630,296, including \$1,186,187 in salaries and \$444,109 in Fringe Benefits is required to implement the new Human Development Specialist classification series. The FY 2025 total investment totals \$1,932,082.

**Operations and Maintenance Contract Cost Increases**

		<b>RECURRING</b>
Agency 08, Facilities Management Department	FY 2025 Expenditure	<u>\$1,892,174</u>
	<b>Net Cost</b>	<b>\$1,892,174</b>
Agency 08, Facilities Management Department	FY 2026 Expenditure	<u>\$1,892,174</u>
	<b>Net Cost</b>	<b>\$1,892,174</b>

Funding of \$1,892,174 is required for operations and maintenance contract cost increases in FY 2025. The Facilities Management Department (FMD) operates and maintains a portfolio of over 260 buildings. FMD dedicates substantial operating and capital resources to inspect, maintain and repair critical building subsystem equipment (HVAC, electrical, emergency systems, life safety systems, elevators, plumbing, and other maintenance) in these buildings with compounding problems, increasing failure rates, and escalating costs. The cost of elevator, plumbing, and other maintenance and repair services have surged in recent years and both material and labor rates continue to rise. Actual contract rates between FY 2023 and FY 2024 have increased by 67 percent for elevator inspections and repairs, 17 percent for HVAC repairs, 52 percent for plumbing services and 34 percent for other maintenance contracts. FMD is no longer able to absorb these cost increases, which are expected to continue to rise in the future.

**Kingstowne Complex Furniture and Equipment**

		<b>NON-RECURRING</b>
Agency 52, Fairfax County Public Library	FY 2025 Expenditure	\$725,000
Agency 79, Department of Neighborhood and Community Services	FY 2025 Expenditure	\$535,000
Agency 90, Police Department	FY 2025 Expenditure	<u>\$600,000</u>
	<b>Net Cost</b>	<b>\$1,860,000</b>

Funding of \$1,860,000 is required to purchase one-time equipment and furniture for facilities at the Kingstowne Complex not included in the Capital Improvement Program operational cost. Of this total, an amount of \$725,000 is required for Agency 52, Fairfax County Public Library, which includes \$600,000 for loose furniture and materials and \$125,000 to upgrade from the current community branch-sized collection to a new regional branch-sized collection. In addition, funding of \$535,000 is included in Agency 79, Department of Neighborhood and Community Services, to purchase furniture, equipment, and IT systems for the Active Adults Center and Child Care Center. Funding of \$600,000 is included in Agency 90, Police Department to purchase loose furniture and equipment. The Kingstowne Complex will co-locate the Franconia Police Station, the Franconia District Supervisor’s Office, the Franconia Museum, the Kingstowne Library, an Active Adult Center, and a childcare center. The multi-use facility is being constructed in the heart of the Kingstowne area and is expected to be completed in May 2025. It is anticipated that baseline funding to support new and expanded programming will be included in the FY 2026 Advertised Budget Plan.

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**November 2024 Presidential Election**

Agency 15, Office of Elections

	<b>NON-RECURRING</b>
FY 2025 Expenditure	<u>\$1,680,000</u>
<b>Net Cost</b>	<b>\$1,680,000</b>

Funding of \$1,680,000 is required to support the November 2024 Presidential Election. 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 also support a risk limiting audit which is required by the state by each jurisdiction after every Presidential Election.

**North County Temporary Overnight Shelter**

Agency 38, Department of Housing and Community Development

	<b>NON-RECURRING</b>
FY 2025 Expenditure	<u>\$1,387,573</u>
<b>Net Cost</b>	<b>\$1,387,573</b>

Funding of \$1,387,573 is required to support a temporary overnight shelter at the North County Human Services Building in the Hunter Mill district. The Hunter Mill District has a large encampment of unsheltered adults, and County staff had been directed to find a safer and more effective shelter solution. The North County Human Services Building, which hosts the Hypothermia Prevention Program between December and March, will be used as a temporary overnight shelter beginning in the summer of 2024. This shelter, which will be operated by Cornerstones, is expected to be open for less than 12 months as there will be space available at the Embury Rucker Community Shelter once the Extended Stay America comes online. Funding is included to support contract costs as well as maintenance costs such as cleaning, painting, and repairs.

**Climate Action Implementation**

Fund 30015, Environmental and Energy Programs

	<b>NON-RECURRING</b>
FY 2025 General Fund Transfer	<u>\$1,350,000</u>
<b>Net Cost</b>	<b>\$1,350,000</b>

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by \$1,350,000 to continue the implementation of community facing programs to support the goals of the Community-wide Energy and Climate Action Plan (CECAP) and Resilient Fairfax, the County’s climate adaptation and resilience plan. These programs focus on bolstering climate action and sustainability in the community by engaging residents, businesses and organizations and supporting climate champions who are leading the way. Programs include Carbon Free Fairfax, Charge Up Fairfax, Energy Conservation Assistance Program, Green Business Partners, HomeWise residential energy and electrification, Resilient Fairfax, and the Tree Canopy Program.

**Public Safety Radio Service**

Fund 40090, E-911

	<b>NON-RECURRING</b>
FY 2025 General Fund Transfer	<u>\$1,131,600</u>
<b>Net Cost</b>	<b>\$1,131,600</b>

The General Fund transfer to Fund 40090, E-911, is increased by \$1,131,600 to support service costs for the cellular radios deployed to public safety agencies. This is an annual service fee and the funding approach will be revisited as part of the FY 2026 budget development process.

<b>Police Operational Support Bureau Equipment and Furniture</b>	<b>NON-RECURRING</b>
Agency 90, Police Department	FY 2025 Expenditure <u>\$1,000,000</u>
	<b>Net Cost</b> <b>\$1,000,000</b>

Funding of \$1,000,000 is required to purchase equipment and furniture for the new Police Operational Support Bureau which is located in the Mason District and is currently estimated to open in February 2025. The 2015 Public Safety Bond Referendum approved the replacement of this facility which will continue supporting various divisions in the Police Department, including the Special Operations Division, Traffic Division, and Non-Standing Units.

<b>Workhouse Campus Improvements</b>	<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer <u>\$1,000,000</u>
	<b>Net Cost</b> <b>\$1,000,000</b>

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by \$1,000,000 to support building improvements at the Workhouse Campus. This funding will provide for full design, permitting and construction for improvements at building W-7A located on the historic Quad. This former studio space will be renovated in coordination with the Workhouse Arts Center to support the goal of increasing class offerings at the Workhouse site.

<b>Victims of Crime Act Victim Services Programs</b>	<b>RECURRING</b>
Agency 38, Department of Housing and Community Development	FY 2025 Expenditure \$120,000
Agency 67, Department of Family Services	FY 2025 Expenditure \$279,240
Agency 89, Fringe Benefits	FY 2025 Expenditure \$266,243
Agency 90, Police Department	FY 2025 Expenditure <u>\$293,636</u>
	<b>Net Cost</b> <b>\$959,119</b>
Agency 38, Department of Housing and Community Development	FY 2026 Expenditure \$120,000
Agency 67, Department of Family Services	FY 2026 Expenditure \$279,240
Agency 89, Fringe Benefits	FY 2026 Expenditure \$266,243
Agency 90, Police Department	FY 2026 Expenditure <u>\$293,636</u>
	<b>Net Cost</b> <b>\$959,119</b>

Funding of \$959,119 and 6/6.0 FTE positions is required to replace funding previously provided by the state to continue services to victims of crimes. VOCA grant funds support the delivery of direct services to victims of crime provided by the Department of Family Services (DFS), Department of Housing and Community Development (HCD), and Police Department (PD). This funding supports \$420,246 and 3/3.0 FTE positions in the Police Department, \$418,873 and 3/3.0 FTE positions in the Department of Family Services, and \$120,000 in the Department of Housing and Community Development.

Funding for these services has historically come from the federal Crime Victims Fund passed through the state. The Crime Victims Fund was established by the Victims of Crime Act (VOCA) of 1984 and is financed by fines and penalties from convictions in federal cases. Over the years there have been large fluctuations in the deposits made to the Fund; therefore, in July 2021, President Biden signed the VOCA Fix to Sustain the Crime Victims Fund Act of 2021 in an effort to stabilize the Fund. The VOCA fix became effective immediately with one of the changes recalculating the state formula allocations. As a result, beginning in FY 2022, the County has seen an incremental decrease in funding. This decrease has been managed through program redesign and cost savings; however, more drastic cuts are being implemented by the state beginning in FY 2025. The Department of Family Services will see a 50 percent reduction while the Police Department’s funding has been eliminated entirely.

County services provided to victims of crime rely heavily on this funding stream as there are limited General Fund resources dedicated to domestic and sexual violence services. In order to continue these valuable services, new General Fund resources need to be identified. The funding will continue to support the following services:

- The Department of Family Services funding supports outreach, training, advocacy, and support services related to sexual violence. DFS serves over 3,100 professional and community members annually and is currently unable to meet about 25 percent of requests. Funding also supports recruitment and support for volunteers who augment crisis response services and outreach and training activities, and collaboration with underserved communities and culturally-specific providers. HCD, through the DFS grant award, supports the provision of two three-bedroom emergency shelter apartments and the management of 11 additional emergency beds for domestic and sexual assault victims.
- The Police Department provides services for underserved victims and witnesses to crime in the Hispanic community, as well as funding for required equipment, supplies, and training.

<b>Traffic Calming Program</b>		<b>NON-RECURRING</b>
Fund 30050, Transportation Improvements	FY 2025 General Fund Transfer	<u>\$500,000</u>
	<b>Net Cost</b>	<b>\$500,000</b>

The General Fund transfer to Fund 30050, Transportation Improvements, is increased by \$500,000 to continue to support Traffic Calming initiatives. Traffic calming includes the use of physical devices, such as speed humps, speed tables, raised pedestrian crosswalks, or median islands, to reduce the speed of traffic on residential streets. This program includes a collaborative effort that engages local neighborhoods with the Fairfax County Department of Transportation (FCDOT) and is coordinated through the Board of Supervisors. The goal of the program is to reduce the operating speeds of vehicles on roads where speeding is identified by the community and verified by FCDOT as a concern.

<b>Workhouse Arts Foundation</b>		<b>RECURRING</b>
Fund 10030, Contributories	FY 2025 General Fund Transfer	<u>\$500,000</u>
	<b>Net Cost</b>	<b>\$500,000</b>

Fund 10030, Contributories	FY 2026 General Fund Transfer	<u>\$500,000</u>
	<b>Net Cost</b>	<b>\$500,000</b>

The General Fund transfer to Fund 10030, Contributories, is increased by \$500,000 for the Workhouse Arts Foundation (WAF). This recommendation is consistent with Board Budget Guidance for FY 2025 and FY 2026. The Board of Supervisors recognized the need to ensure the vitality of this campus and the unique programs offered by WAF. Funds will provide for an FY 2025 operational subsidy as WAF continues to recover from the financial challenges of the pandemic. Further, WAF provided written justification to the County that funds will be used to leverage newly hired personnel to improve classes and programs; enhance fundraising efforts and external outreach; invest in deferred classroom maintenance and repairs; and streamline business operations through enhanced technology. WAF has indicated that this level of County support will need to be continued in FY 2026.

**Lorton Volunteer Fire Department Apparatus**

Agency 92, Fire and Rescue Department

	<b>NON-RECURRING</b>
FY 2025 Expenditure	<u>\$481,239</u>
<b>Net Cost</b>	<b>\$481,239</b>

Funding of \$481,239 is required to pay off the remaining balance of a frontline apparatus unit for the Lorton Volunteer Fire Department. The Lorton Volunteer Fire Department notified the Fire and Rescue Department of their inability to make loan payments for the engine after September 2024. The engine is operated 24 hours a day, seven days a week with career personnel as part of the minimum staffing calculation. Without this vehicle, the Lorton Volunteer Fire Department and Rescue Squad does not have a frontline apparatus available to provide the current level of emergency response coverage.

**Park Authority Replacement Capital Equipment**

Agency 51, Park Authority

	<b>NON-RECURRING</b>
FY 2025 Expenditure	<u>\$480,839</u>
<b>Net Cost</b>	<b>\$480,839</b>

Funding of \$480,839 is required to replace capital equipment at or near the end of its useful life and is necessary to support various construction and maintenance tasks that serve park properties throughout the County. Funding will support the replacement of equipment associated with athletic field maintenance, various trailers to support other maintenance activities, and a utility vehicle at Green Spring Gardens. This replacement equipment is critical to systemwide maintenance and upkeep efforts at parks, trails, fields, and all the amenities that exist throughout the 420 parks. Funding will be utilized to replace capital equipment with a poor condition assessment, an increased risk of becoming unsafe and equipment subject to recurring breakdowns with increased, excessive, and repetitive maintenance costs.

**Office of the Commonwealth’s Attorney Positions**

Agency 82, Office of the Commonwealth's Attorney  
Agency 89, Employee Benefits

	<b>RECURRING</b>
FY 2025 Revenue	\$202,022
FY 2025 Expenditure	\$345,586
FY 2025 Expenditure	<u>\$174,031</u>
<b>Net Cost</b>	<b>\$317,595</b>

Agency 82, Office of the Commonwealth's Attorney  
Agency 89, Employee Benefits

FY 2026 Revenue	\$303,336
FY 2026 Expenditure	\$513,883
FY 2026 Expenditure	<u>\$261,308</u>
<b>Net Cost</b>	<b>\$471,855</b>

Partial-year funding of \$317,595 and 5/5.0 FTE new positions is required to comply with the 2024 Appropriation Act (2024 Special Session I, Virginia Acts of Assembly, Chapter 2) which increases the number of positions allocated to the Office of the Commonwealth’s Attorney (CWA). This funding will support 3.0/3.0 FTE Assistant Commonwealth Attorney positions and 2.0/2.0 FTE Paralegal positions.

The State Compensation Board is responsible for establishing individual budgets for the operation of the Commonwealth’s Attorneys’ Offices, which includes funding to support the elected Commonwealth’s Attorney, Assistant Commonwealth’s Attorneys, paralegals, and administrative support staff as it pertains to the prosecution of felonies. The Virginia legislature establishes a fixed dollar appropriation, and a fixed number of staff positions to be allocated among all Virginia CWA Offices. The allocation of positions and funding is based on an established staffing formula.

CWA’s positions are County employees and participate in the County’s pay plan and retirement systems. Many localities, including Fairfax County, also provide significant funding above what the Compensation

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Board reimburses in an attempt to be more competitive and to address variations in cost-of-living in different areas of the Commonwealth. The Compensation Board does not provide a salary differential for Northern Virginia. The \$202,022 in Revenue represents the partial reimbursement the County will receive from the State Compensation Board, with the remaining \$317,595 the responsibility of the County. The FY 2026 full-year cost is \$775,191, of which \$303,336 will be reimbursed to the County for a net full-year cost of \$471,855.

<b>Security Improvements</b>		<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer	<u>\$420,000</u>
	<b>Net Cost</b>	<b>\$420,000</b>

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by \$420,000 to assess and complete design documents for the reconfiguration of Board of Supervisors offices. The assessment and design efforts were requested to improve security outlined in a study conducted by the Department of Emergency Management and Security (DEMS). Funding will support the design of reconfigurations for one reception desk area at each Board member’s office. This desk area serves to greet the public entering the suite. Reconfiguring the reception desk to mitigate the security concerns identified by DEMS will require assessment and design efforts due to code requirements from potential impacts and changes to existing conditions including walls, doors, structural, electrical, lighting, HVAC, plumbing, fire alarm and suppression. Additional construction funding will be requested subsequently for this effort.

<b>Support Coordination Positions</b>		<b>RECURRING</b>
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2025 General Fund Transfer	<u>\$251,519</u>
	<b>Net Cost</b>	<b>\$251,519</b>

Fund 40040, Fairfax-Falls Church Community Services Board	FY 2026 General Fund Transfer	<u>\$251,519</u>
	<b>Net Cost</b>	<b>\$251,519</b>

The General Fund transfer to Fund 40040, Fairfax-Falls Church Community Services Board is increased by \$251,519 to support an additional 8/8.0 FTE new positions which are needed to provide support coordination services to individuals with developmental disabilities as a result of new Medicaid waivers slots allocated by the state starting July 1, 2024. As Medicaid waivers are allocated to the County, additional support coordinator positions are needed in order to comply with state and federal requirements, primarily those pursuant to the Department of Justice Settlement Agreement and implementation of Virginia’s Medicaid Waiver redesign, effective July 1, 2016.

Increasing the number of Medicaid waiver slots has been a top priority for the County and was included in the County’s 2024 Legislative Program adopted by the Board of Supervisors on December 5, 2023. There is currently a significant statewide waitlist for individuals with developmental disabilities waiting for home and community-based services. Fairfax County accounts for more than 1,100 of the 3,400 Priority One waitlist. Based on actions taken by the General Assembly and Governor as part of the 2024-2026 Biennium Budget, it is estimated that the County will receive approximately 66 new Medicaid waiver slots each quarter for a total of 528 new Medicaid waiver slots over the next Biennium. Based on the current projections, an additional 31 support coordinator positions will be needed over the next two years. In addition to the support coordinator positions, a total of 4 new support staff are required to maintain span of control and other administrative activities bringing the total number of new positions to 35. These positions will be phased-in based on the actual receipt of the Medicaid waiver slots and the County’s ability to fill the positions; however, it is anticipated that positions will be added at each quarterly review process as well as the Advertised budget. While the Fairfax-Falls Church Community Services Board (CSB) will collect

additional Medicaid revenue because of these services, the current Medicaid rate does not fully support the cost of support coordination services. Additional General Fund resources will be needed since the Medicaid rate does not fully cover the costs. It should also be noted that the County may receive additional Medicaid waiver slots from other localities that do not fully utilize their Medicaid waiver slots and are thus reassigned to other Priority One waitlists. If that happens, additional positions above the 35 may be needed.

<b>County Agency Refuse Collection Routes</b>		<b>RECURRING</b>
Agency 08, Facilities Management Department	FY 2025 Expenditure	\$1,010,132
Agency 38, Department of Housing and Community Development	FY 2025 Expenditure	(\$87,179)
Agency 51, Fairfax County Park Authority	FY 2025 Expenditure	(\$358,285)
Agency 52, Fairfax County Public Library	FY 2025 Expenditure	(\$36,358)
Agency 79, Department of Neighborhood and Community Services	FY 2025 Expenditure	(\$34,923)
Agency 90, Police Department	FY 2025 Expenditure	(\$14,643)
Agency 92, Fire and Rescue Department	FY 2025 Expenditure	(\$154,488)
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2025 General Fund Transfer	<u>(\$74,256)</u>
	<b>Net Cost</b>	<b>\$250,000</b>

Agency 08, Facilities Management Department	FY 2026 Expenditure	\$1,010,132
Agency 38, Department of Housing and Community Development	FY 2026 Expenditure	(\$87,179)
Agency 51, Fairfax County Park Authority	FY 2026 Expenditure	(\$358,285)
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Agency 90, Police Department	FY 2026 Expenditure	(\$14,643)
Agency 92, Fire and Rescue Department	FY 2026 Expenditure	(\$154,488)
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2026 General Fund Transfer	<u>(\$74,256)</u>
	<b>Net Cost</b>	<b>\$250,000</b>

A net increase of \$250,000 is required to manage the collection of trash from County facilities in FY 2025. Due to staffing shortages, equipment failures and the overall inefficiency of trash pickup from County facilities sparsely distributed across the County, the service model previously performed by the Department of Public Works and Environmental Services (DPWES) for trash collection was contracted out to a private hauler. Staff has been working through this transition and it was anticipated that additional budget alignments would be required as part of the *FY 2024 Carryover Review*. A reallocation of \$760,132 will ensure that General Fund agency trash budgets are consolidated within Agency 08, Facilities Management Department (FMD). Funding will no longer be required in each of these agencies and will be transferred to FMD to perform overall contract management for the refuse collection contract. In addition, rate increases are expected to go into effect in August 2024, and refuse disposal fees for private haulers have also been approved to increase from \$72 to \$79 per ton resulting in additional requirements in FY 2025. An adjustment of \$250,000 is included to offset these projected rate increases in FY 2025. Funding adjustments for trash expenses may be required in the future to address annual rate increases.

<b>Bamboo Mitigation at County-Owned Property</b>		<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer	<u>\$200,000</u>
	<b>Net Cost</b>	<b>\$200,000</b>

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by \$200,000 to support the treatment of bamboo on County properties. Bamboo eradication requires removal of the bamboo and follow-up herbicidal applications to mitigate the spread. Successful eradication efforts can often take up to three years to complete. This funding will target the eastern portion of the County

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(Dranesville, Mason and Mount Vernon Districts) where the County manages a greater portion of neighborhood connections and rights-of-ways. As homeowners become aware of the potential penalties that may be imposed for harboring bamboo, the County is receiving an increasing number of calls from residents asking that the bamboo be removed from County property to keep the invasive species from spreading.

<b>Appropriation of Zoning Violation Revenue</b>		<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2025 General Fund Transfer	<u>\$153,919</u>
	<b>Net Cost</b>	<b>\$153,919</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$153,919 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 exceeded the base revenue amount by \$153,919 in FY 2024. As a result, this amount is being allocated to the Strike Force Blight Abatement project for use in support of code compliance-related activities.

<b>Summer Entertainment Series</b>		<b>NON-RECURRING</b>
Agency 51, Fairfax County Park Authority	FY 2025 Expenditure	<u>\$150,000</u>
	<b>Net Cost</b>	<b>\$150,000</b>

Funding of \$150,000 is required to support the planning and production of approximately 190 performances including free concerts, children’s shows, outdoor movies, and international performances throughout the County. The Summer Concert Series has continued to expand and increase the number of performances since its inception. As part of the series, the Park Authority contracts with vendors for technical support services, including movie, sound, lights, security, technical services, and promotional services. Annual contract prices for these services continue to increase significantly from year to year.

<b>Salary Supplement for Eligible State Employees</b>		<b>RECURRING</b>
Agency 85, General District Court	FY 2025 Expenditure	<u>\$58,447</u>
	<b>Net Cost</b>	<b>\$58,447</b>

Agency 85, General District Court	FY 2026 Expenditure	<u>\$58,447</u>
	<b>Net Cost</b>	<b>\$58,447</b>

Funding of \$58,447 is required to support salary supplements for eligible state positions. The County provides 15 percent supplements to identified state positions. This increase is a result of a 3 percent salary increase approved by the General Assembly and signed by the Governor as part of this year’s state budget. Of this amount, \$20,468 will support state positions in the General District Court, \$31,304 will support state positions in the Office of the Public Defender, and \$6,675 will support state positions in the Fairfax District 29 Probation and Parole Office.

<b>Office of the Police Civilian Review Panel Personnel Services Adjustment</b>		<b>RECURRING</b>
Agency 43, Office of the Police Civilian Review Panel	FY 2025 Expenditure	\$34,104
Agency 89, Employee Benefits	FY 2025 Expenditure	<u>\$18,229</u>
	<b>Net Cost</b>	<b>\$52,333</b>
Agency 43, Office of the Police Civilian Review Panel	FY 2026 Expenditure	\$34,104
Agency 89, Employee Benefits	FY 2026 Expenditure	<u>\$18,229</u>
	<b>Net Cost</b>	<b>\$52,333</b>

Funding of \$52,333 is required to address additional compensation requirements due to staffing changes in the Office of the Police Civilian Review Panel. It should be noted that an increase of \$18,229 in Fringe Benefits funding is included in Agency 89, Employee Benefits.

<b>Family Services Recruitment and Retention Efforts</b>		<b>RECURRING</b>
	FY 2025 Revenue	\$3,582,840
Agency 67, Department of Family Services	FY 2025 Expenditure	\$2,413,327
Agency 89, Employee Benefits	FY 2025 Expenditure	<u>\$1,169,513</u>
	<b>Net Cost</b>	<b>\$0</b>
	FY 2026 Revenue	\$4,777,119
Agency 67, Department of Family Services	FY 2026 Expenditure	\$3,217,769
Agency 89, Employee Benefits	FY 2026 Expenditure	<u>\$1,559,350</u>
	<b>Net Cost</b>	<b>\$0</b>

Funding of \$3,582,840 is required to appropriate additional state revenue to address recruitment and retention challenges experienced by the Department of Family Services (DFS). While efforts to improve staff recruitment and retention, such as hiring incentive bonuses, have helped to reduce the DFS vacancy rate (from an average of 14.4 percent in FY 2023 to 12.7 percent in FY 2024), higher than normal vacancies remain in the Public Assistance and Employment Services, Adult and Aging Services, and Children, Youth, and Families divisions. These vacancies, coupled with rising caseloads, necessitate a multi-pronged approach to recruit and retain staff. DFS is able to maximize state and federal revenue while at the same time bringing the vacancy rate more in line for an agency the size of DFS through the following initiatives:

- Funding of \$2,305,593 will enable DFS to fill approximately 30 unfunded existing positions in the Public Assistance and Employment Services, Adult and Aging Services, and Children, Youth, and Families divisions. This amount includes \$1,502,504 in salaries and \$803,089 in fringe benefits.
- Funding of \$1,277,247 is required to implement a new classification series, the Family Safety Practitioner, that will more appropriately align pay and responsibilities with the department’s unique mandated protective services. DFS has already implemented several initiatives including stipends and a hiring incentive bonus to address the recruitment and retention challenges experienced by front-line workers providing critical case carrying protective services (e.g., Child Protective Services); however, they remain particularly challenging to fill. This change is based on a benchmark study completed by the Department of Human Resources and includes \$910,823 in salaries and \$366,424 in fringe benefits.

As result of these two adjustments, it is expected that the DFS vacancy rate will be around 6 percent; however, staff will continue to monitor recruitment and retention trends, and additional strategies may be deployed should the vacancy rate remain high. The expenditure increases are fully offset by an increase in federal and state funding for no net impact to the General Fund.



<b>Housing Services Grants County Cash Match</b>		<b>RECURRING</b>
Agency 38, Department of Housing and Community Development	FY 2025 Expenditure	\$206,834
Fund 40040, Fairfax-Falls Church Community Services Board		
	FY 2025 General Fund Transfer	<u>(\$206,834)</u>
	<b>Net Cost</b>	<b>\$0</b>

Agency 38, Department of Housing and Community Development	FY 2026 Expenditure	\$206,834
Fund 40040, Fairfax-Falls Church Community Services Board		
	FY 2026 General Fund Transfer	<u>(\$206,834)</u>
	<b>Net Cost</b>	<b>\$0</b>

An increase of \$206,834 is associated with the transfer of annual local cash match requirements from Fund 40040, Fairfax-Falls Church Community Services Board to Agency 38, Department of Housing and Community Development (HCD) in an effort to better align resources within the Health and Humans Services system. The County provides the local cash match for four Continuum of Care grant-funded projects awarded to Pathway Homes and HomeLink from the U.S. Department of Housing and Urban Development. Since these services fall within the housing continuum, the local cash match should be managed by HCD. This action has no net impact to the General Fund.

<b>Public Safety Resource Alignment</b>		<b>RECURRING</b>
Agency 90, Police Department	FY 2025 Expenditure	(\$108,520)
Agency 92, Fire and Rescue Department	FY 2025 Expenditure	<u>\$108,520</u>
	<b>Net Cost</b>	<b>\$0</b>

Agency 90, Police Department	FY 2026 Expenditure	(\$108,520)
Agency 92, Fire and Rescue Department	FY 2026 Expenditure	<u>\$108,520</u>
	<b>Net Cost</b>	<b>\$0</b>

Funding of \$108,520 is transferred from Agency 90, Police Department, to Agency 92, Fire and Rescue Department, to support an out-of-cycle position transfer from the Police Department to the Fire and Rescue Department to better align resources and work requirements in FY 2025. This action has no net impact to the General Fund.

<b>Fastran Transfer Realignment</b>		<b>RECURRING</b>
Fund 40000, County Transit Systems	FY 2025 General Fund Transfer	\$68,236
Agency 40, Department of Transportation	FY 2025 Expenditure	<u>(\$68,236)</u>
	<b>Net Cost</b>	<b>\$0</b>

Fund 40000, County Transit Systems	FY 2026 General Fund Transfer	\$68,236
Agency 40, Department of Transportation	FY 2026 Expenditure	<u>(\$68,236)</u>
	<b>Net Cost</b>	<b>\$0</b>

The General Fund transfer to Fund 40000, County Transit Systems, is increased by \$68,236 in order to better align the budget for Fastran Human Services Transportation functions supported by Agency 40, Department of Transportation and Fund 40000, County Transit Systems. This adjustment is fully offset by a decrease to Agency 40, Department of Transportation, resulting in no net impact to the General Fund.

**Fairfax-Falls Church Community Services Board Savings**

**NON-RECURRING**

Fund 40040, Fairfax-Falls Church Community Services Board

FY 2025 Transfer to the General Fund	<u>\$15,000,000</u>
<b>Net Cost</b>	<b>\$15,000,000</b>

A transfer to the General Fund of \$15,000,000 from Fund 40040, Fairfax-Falls Church Community Services Board (CSB), is included in FY 2025 due to higher than anticipated savings in Personnel Services and Operating Expenses, primarily due to savings related to contractual expenses and longer than anticipated position recruitment times. These savings are intensified due to significant increases in revenue collections, primarily due to higher than budgeted revenue from the Virginia Department of Behavioral Health and Developmental Services, as well as increases in Medicaid fees and program and client fees. As a result, one-time savings in the amount of \$15.0 million will be returned to the General Fund in FY 2025. The unreserved balance remaining in the CSB is sufficient to address any unforeseen issues in the coming year.

**Reserve Adjustments**

**NON-RECURRING**

Fund 10015, Economic Opportunity Reserve

FY 2025 General Fund Transfer	<u>\$1,559,202</u>
<b>Net Cost</b>	<b>\$1,559,202</b>

The General Fund transfer to Fund 10015, Economic Opportunity Reserve, is increased by \$1,559,202 based on revised FY 2025 Total General Fund Disbursement levels. This is consistent with the County's reserve policy. The Revenue Stabilization Reserve, Managed Reserve and Economic Opportunity Reserve are fully funded at their target levels.

It should be noted that an additional \$7,423,295 is also allocated to the Managed Reserve as part of the *FY 2024 Carryover Review*, for a total General Fund increase to reserves of \$8,982,497.

**Consideration Items**

At this time, there are no consideration items from the Board of Supervisors.

**Additional Adjustments in Other Funds**

Total FY 2025 expenditures in Appropriated Other Funds, excluding School funds, are requested to increase \$3.33 billion over the FY 2025 Adopted Budget Plan. In addition to the adjustments in Appropriated Funds, there are adjustments totaling \$207.52 million in Non-Appropriated Other Funds. Details of Fund 50000, Federal/State Grant Fund, are discussed in Attachment V, while details of FY 2025 adjustments in Appropriated and Non-Appropriated Other Funds other than Federal and State Grants are found in Attachment VI. School Board adjustments total \$737.09 million, excluding debt service, over the FY 2025 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 Resolution AS 25009 as well as Fiscal Planning Resolution AS 25900 to provide expenditure authorization for FY 2024 Carryover encumbrances, unexpended balances, and administrative adjustments, including the following:

- Board appropriation of \$49.26 million in General Fund encumbrances related to Direct Expenditures from FY 2024 as noted in the General Fund Statement and in Attachment III.

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## **ATTACHMENT B**

- Board appropriation of General Fund unencumbered commitments totaling \$3.03 million as detailed in Attachment IV.
- 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 \$446.68 million, or an increase of \$300.48 million, as detailed in Attachment V.
- Board appropriation of remaining Other Funds Carryover. Details are available in Attachment I, Carryover Expenditures by Fund; in Attachment VI, Other Funds Detail; and in Attachment C, Fairfax County School Board's FY 2024 Final Budget Review and Appropriation Resolutions.
- Board approval of adjustments to the Managed Reserve to reflect all carryover adjustments.