

Unclassified Administrative Expenses

Focus Agency 87, Unclassified Administrative Expenses, includes General Fund reserves that have been appropriated by the Board of Supervisors. These reserves are typically established when funding is identified to support programs that span multiple County agencies but has not yet been allocated to those individual agencies. Funding may be expended in Agency 87 to support these programs or may be reallocated to the implementing agencies during a future budget process.

Pandemic Reserves The County received two direct federal assistance allocations to address the COVID-19 pandemic. Both of these allocations are centrally budgeted and tracked in Agency 87 to ensure compliance with federal guidance. Staff submit reports to the Board of Supervisors regarding utilization of the funds, and these memorandums are posted at www.fairfaxcounty.gov/budget. The direct federal assistance allocations are as follows:

- \$200 million in direct federal assistance from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) to support the County's pandemic response. The Coronavirus Relief Funds were used for a variety of purposes, 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; expenses related to expanding telework options for County employees; and support for the Towns of Herndon, Vienna, and Clifton. The allocation was fully expended and the final report was submitted to the U.S. Department of the Treasury in October 2022.
- \$222 million in direct federal assistance from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Fund). This funding was distributed in two funding tranches. The first tranche of \$111 million was received in May 2021 and appropriated by the Board of Supervisors at a public hearing on June 8, 2021. The second tranche of \$111 million was received in June 2022 and was appropriated by the Board of Supervisors as part of the *FY 2022 Carryover Review*. 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. As of March 2024, funding has been fully allocated and \$133.1 million has been spent. The specific projects are included in the Board of Supervisors memorandums discussed above.

In addition, one-time General Fund resources have been set aside in an appropriated reserve in Agency 87, Unclassified Administrative Expenses, for costs associated with the County's pandemic response which are not eligible under other funding sources. There is currently \$4.0 million available in the reserve. Updates regarding the use of these funds are included in the reports to the Board of Supervisors, as noted above. The [FY 2025 Adopted Budget Plan](#) does not include additional funding for this appropriated reserve.

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Other Reserves

One-time General Fund resources have been set aside for the Hiring Incentive Bonus program aimed at addressing recruitment and retention issues in critical job classifications. A hiring incentive bonus is available to new full-time and part-time general merit County employees who are in job classifications identified by the Department of Human Resources as being difficult to fill and/or critical to the County's operations. A class that is difficult to fill is one that has taken a very long time to fill, or for which qualified candidates could not be found despite extensive recruiting efforts due to factors such as labor market shortages, aggressive growth in compensation levels (or in particular positions), or unique skillsets. There is currently \$2.0 million available in this reserve. The FY 2025 Adopted Budget Plan does not include additional funding for this appropriated reserve.

Budget and Staff Resources

Summary by Reserve

Cost Center	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
Hiring Incentive Bonus Program Reserve	\$0	\$0	\$1,982,099	\$0	\$0
ARPA Fiscal Recovery Fund Reserve for Coronavirus Pandemic	68,346,206	0	117,874,804	0	0
	205,185	0	4,039,202	0	0
Total Expenditures	\$68,551,391	\$0	\$123,896,105	\$0	\$0

FY 2025 Funding Adjustments

The following funding adjustments from the FY 2024 Adopted Budget Plan are necessary to support the FY 2025 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 7, 2024.

No reserve funding is included in Agency 87, Unclassified Administrative Expenses, in FY 2025.

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Carryover Adjustments **\$124,624,869**

As part of the FY 2023 Carryover Review, the Board of Supervisors approved funding of \$124,624,869. This includes the re-appropriation of stimulus reserve balances totaling \$122,744,270 which is comprised of \$118,705,068 in stimulus funding received from the ARPA Fiscal Recovery Fund and \$4,039,202 in the Reserve for Coronavirus Pandemic. The Board of Supervisors also re-appropriated one-time funding of \$1,880,599 for the Hiring Incentive Bonus program aimed at addressing recruitment and retention issues.

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Third Quarter Adjustments

(\$728,764)

As part of the *FY 2024 Third Quarter Review*, the Board of Supervisors approved a net decrease in funding of \$728,764. This includes the transfer of \$1,498,500 from Agency 87 to other agencies from the Hiring Incentive Bonus Program Reserve in support of hiring and retention bonuses provided in FY 2024 and a decrease of \$830,264 which was required to adjust the ARPA Fiscal Recovery Fund remaining balance due to an audit adjustment which was included in the FY 2023 Annual Comprehensive Financial Report (ACFR). These adjustments are offset by an increase of \$1,600,000 which was required to replenish the Hiring Incentive Program reserve in order to maintain funding at a sufficient level to address hiring and retention bonuses in FY 2025.