



FY 2021 Mid-Year Review

January 12, 2021

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Mid-Year Summary

	General Fund	Coronavirus Relief Funds
Previous Balances		
FY 2020 Audit Adjustments	\$4,773,025	(\$257,456)
Net Available	\$4,773,025	(\$257,456)
FY 2021 Mid-Year Adjustments		
Revenue Reductions	(\$14,987,221)	--
Hypothermia Program Requirements	(1,698,609)	--
Savings in Neighborhood and Community Services	2,300,000	--
Reserve for Coronavirus Pandemic (COVID-19)	9,074,333	--
Adjustment to Carryforward of Coronavirus Relief Funds	--	\$257,456
Reserve Adjustments	538,472	--
Net Mid-Year Adjustments	(\$4,773,025)	\$257,456
Net Available	\$0	\$0

Revenue Adjustments

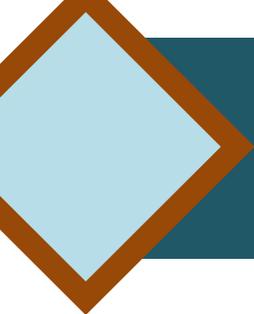
- FY 2021 revenues are recommended to be reduced by \$15.0 million, or 0.3 percent
 - A reduction of \$22.1 million is included in School-Age Child Care (SACC) revenues, representing a 50 percent cut in anticipated revenues in this category as the SACC program was impacted by Fairfax County Public Schools (FCPS) decision to provide all virtual learning in the fall in response to the pandemic.
 - A reduction of \$9.5 million is included for Transient Occupancy Tax (TOT) revenue as hotel revenues have declined almost 75 percent between March and August 2020 compared to the same period in 2019.
 - Other categories recommended for reductions include General District Court fines, partially attributable to reduced case filings, and EMS billings, as the number of EMS transports has declined, as well as many other charges and fees as a result of program closures and lower levels of activity across the County.
 - Partially offsetting these revenue reductions are recommended increases of \$23.3 million in sales tax revenue and \$4.2 million in recordation taxes.

Spending Adjustments

- One-time funding in the amount of \$1.7 million is required to support the Hypothermia Program as new and larger spaces are necessary to maintain social distancing requirements, and contracted security services are required to help keep the sites safe as well as maintain COVID-19 protocols
- Reductions totaling \$2.3 million are included in Neighborhood and Community Services as a result of:
 - operational changes during the pandemic, including FASTRAN shifting towards meal delivery services instead of normal transportation operations
 - reduced operations in therapeutic recreation and programs in community centers and senior centers
 - savings realized in the School-Age Child Care (SACC) program
- A reduction of \$9.1 million in the General Fund Reserve for Coronavirus Pandemic is required to help offset revenue losses as a result of COVID-19
- A reduction of \$0.3 million is required to update the carryover appropriation of stimulus fund balances in the CARES Act Coronavirus Relief Fund (CRF)

FY 2021 Mid-Year Review Update

- Memorandum sent to Board of Supervisors on January 8, 2021
- Update contains no additional General Fund revenue or expenditure funding adjustments
- Includes recommendation to add 13 new merit positions for the Health Department to augment its resources to respond to the pandemic, specifically as it relates to the vaccination initiative
 - These positions will initially be funded through stimulus funds
- Includes \$33.5 million in new grant awards related to COVID-19 as well as a recommendation to increase the grants reserve by \$50 million
 - These awards are in addition to those included in the original Mid-Year Package
 - The reserve increase is to account for anticipated grant awards, including an expected \$30 million-plus award expected for the Emergency Rental Assistance Program



Budget Calendar

- A public hearing and Board action on the *FY 2021 Mid-Year Review* will take place at the Board meeting on January 26, 2021
- The FY 2022 Advertised Budget Plan will be presented to the Board on February 23, 2021
- The *FY 2021 Third Quarter Review* will be delivered to the Board on March 23, 2021