ATTACHMENT B:

MEMO AND ATTACHMENTS I – VI TRANSMITTING THE COUNTY'S FY 2021 CARRYOVER REVIEW WITH APPROPRIATE RESOLUTIONS

ATTACHMENT B

County of Fairfax, Virginia

MEMORANDUM

DATE: July 26, 2021

TO: Board of Supervisors

FROM: Bryan J. Hill
County Executive

SUBJECT: FY 2021 Actual Revenues, Expenditures and Carryover Supplemental Appropriation

Attached for your review and consideration is the FY 2021 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 2022
Attachment VI	A detailed description of significant changes in Other Funds
Attachment VII	Supplemental Appropriation Resolution AS 22009 and Fiscal Planning Resolution AS 22900 for FY 2022 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 2021 Carryover Review* recommends changes to the FY 2022 Adopted Budget Plan over this limit, Board action on the Carryover Review has been scheduled at the same time as the public hearing on October 5, 2021.

Office of the County Executive
12000 Government Center Parkway, Suite 552
Fairfax, VA 22035
703-324-2531, TTY 711, Fax 703-324-3956
www.fairfaxcounty.gov

FY 2021 Carryover Summary

The *FY 2021 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 – including balances in the County's Coronavirus Aid, Relief, and Economic Security (CARES) Coronavirus Relief Funds (CRF) and funds received through the America Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

The $200.24 million from the CARES Coronavirus Relief Fund was received in FY 2020 and funds were appropriated as part of the *FY 2020 Third Quarter Review*. Of the total, $55.71 million was expended in FY 2020, with the balance of $144.53 million carried forward into FY 2021. In FY 2021, $133.71 million was expended, leaving a balance of $10.82 million which will be carried forward into FY 2022.

On June 8, 2021, the Board of Supervisors approved the appropriation of the first tranche of $111.45 million in funding received through the ARPA Coronavirus State and Local Fiscal Recovery Funds. No funds were expended during the fiscal year; therefore, the full balance will be carried forward into FY 2022.

Both the CRF and the CSLFRF 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 2021 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, the Coronavirus Relief Funds, and the Coronavirus State and Local Fiscal Recovery Funds.

General Fund and Federal Stimulus Balances
(in millions)

	General Fund	CARES Coronavirus Relief Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
Revised Expenditure Budget	$1,663.23	$144.53	$111.45	$1,919.21
Actual Expenditures	$1,526.53	$133.71	$0.00	$1,660.24
Expenditure Balance	**$136.70**	**$10.82**	**$111.45**	**$258.97**
Revised Revenue Budget	$4,436.06	$0.00	$111.45	$4,547,51
Actual Revenues	$4,476.83	$0.00	$111.45	$4,588.28
Revenue Balance	**$40.77**	**$0.00**	**$0.00**	**$40.77**
TOTAL AVAILABLE BALANCE	**$177.47**	**$10.82**	**$111.45**	**$299.74**

Balances in both the Coronavirus Relief Fund and Coronavirus State and Local Fiscal Recovery Fund are included as Administrative Adjustments, as it is necessary to reappropriate the balance of these funds to allow for spending during FY 2022 (or, in the case of CRF, for the remainder of the eligibility period through December 31, 2021). Otherwise, adjustments included in this package are focused on balances excluding the federal stimulus funds, which net to $177.47 million. The *FY 2021 Carryover Review* recommends allocations of $172.29 million (excluding the carryforward of federal stimulus funds), resulting in an available balance for the Board's consideration of $5.18 million. It should be noted that $2.1 million of this balance is attributable to savings returned to the General Fund following the issuance of Revenue Refunding Bonds in October 2020 for the Mosaic District Community Development Authority which resulted in a reduced requirement in the Mosaic Surplus Fund.

A brief summary of the recommendation included in the *FY 2021 Carryover Review* follows.

FY 2021 Carryover Review Recommended Adjustments

(in millions)

	Positions	General Fund	CARES Coronavirus Relief Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
Available Balance		**$177.47**	**$10.82**	**$111.45**	**$299.74**
FY 2021 Commitments ($54.69 million)					
Outstanding Encumbered Obligations		($35.95)	--	--	($35.95)
Outstanding Unencumbered Obligations		($17.91)	--	--	($17.91)
Associated Reserve Adjustments		($0.83)	--	--	($0.83)
Balance after FY 2021 Commitments		**$122.78**	**$10.82**	**$111.45**	**$245.05**
Allocations for Reserves/Capital ($26.82 million)					
20% of Balance to Infrastructure Sinking Reserve Fund		($24.56)	--	--	($24.56)
Associated Reserve Adjustments		($2.26)	--	--	($2.26)
Balance after Allocations for Reserves/Capital		**$95.96**	**$10.82**	**$111.45**	**$218.23**
Other Requirements* ($213.05 million, 114 positions)					
Carryforward of Federal Stimulus Funds					
CARES Coronavirus Relief Fund Balances		--	($10.82)	--	($10.82)
ARPA Coronavirus State and Local Fiscal Recovery Funds Balances		--	--	($111.45)	($111.45)
Support for the County's Public Health Program and Pandemic Response					
Additional Public Health Nurses to Staff One Nurse in each School	82	$0.00	--	--	$0.00
Positions to Advance Public Health Preparedness and Department Operations	16	$0.00	--	--	$0.00
Positions to Support Emergency Rental Assistance Program	9	$0.00	--	--	$0.00
Addressing Budgetary Shortfalls caused by the Pandemic					
Park Authority Support		($1.59)	--	--	($1.59)
Investments in Board Priorities					
Joint Environmental Task Force (JET) Energy Goals		($15.00)	--	--	($15.00)
One-Time Employee Bonus		($13.26)	--	--	($13.26)
Affordable Housing		($5.00)	--	--	($5.00)
Kingstowne Complex Childcare Center		($4.50)	--	--	($4.50)
Community Center in Lee District	1	($2.51)	--	--	($2.51)
District Capital Projects		($2.00)	--	--	($2.00)
LED Streetlight Conversions		($1.80)	--	--	($1.80)
Collective Bargaining	5	($1.46)	--	--	($1.46)
Electric Vehicles and Charging Stations		($1.40)	--	--	($1.40)
Celebrate Fairfax, Inc. Rebuild Support		($0.64)	--	--	($0.64)
New School-Age Child Care Rooms	6	($0.57)	--	--	($0.57)
Energy Strategy Positions	3	($0.48)	--	--	($0.48)

	Positions	General Fund	CARES Coronavirus Relief Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
Affordable Housing Preservation Coordinator	1	($0.12)	--	--	($0.12)
The Council of Government's Agricultural Task Force		($0.03)	--	--	($0.03)
Student Bus Program Coordinator	1	$0.00	--	--	$0.00
Reorganizations, Efficiencies, and Savings					
Security Reorganization		($0.49)	--	--	($0.49)
Position Reductions	(31)	$0.00	--	--	$0.00
Fairfax-Falls Church Community Services Board Savings		$15.00	--	--	$15.00
Investments in IT and Capital Infrastructure					
IT Project Funding		($20.61)	--	--	($20.61)
Space Realignment		($6.00)	--	--	($6.00)
Emergency Systems Failures		($5.40)	--	--	($5.40)
Workhouse Building Improvements		($3.30)	--	--	($3.30)
Transportation Studies		($2.78)	--	--	($2.78)
PC Program and Network Infrastructure Support		($2.00)	--	--	($2.00)
Facilities Management Department Staffing Needs	12	($1.81)	--	--	($1.81)
Judicial Center Redevelopment		($1.50)	--	--	($1.50)
Infrastructure Replacement and Upgrades at County Facilities		($1.00)	--	--	($1.00)
New Lease Agreement for Circuit Court Archives		($0.23)	--	--	($0.23)
Adjustments with no Net General Fund Impact					
Public Assistance Eligibility Workers	7	$0.00	--	--	$0.00
Positions for Family First In-Home Services	2	$0.00	--	--	$0.00
Associated Reserve Adjustments		($10.30)	--	--	($10.30)
Net Available for One-Time Requirements	**114**	**$5.18**	**$0.00**	**$0.00**	**$5.18**

**Does not include reallocations or net-zero adjustments which do not include positions*

FY 2021 Year-End Summary

FY 2021 General Fund Revenues and Transfers In were $4.60 billion, an increase of $40.77 million, or 0.89 percent, over the *FY 2021 Revised Budget Plan* estimate. The increase as compared to the budget estimate is primarily the result of higher-than-expected Real Estate Tax receipts, Other Local Taxes, Permits, Fees, and Regulatory Licenses, Revenue from the Commonwealth and Federal Government, and Recovered Costs/Other Revenue, partially offset by lower-than-expected Personal Property Tax collections. The small variance, less than one percent, between estimated and actual revenue collections leaves little flexibility in the event that a large revenue category experiences a significant unanticipated decline late in the fiscal year. This occurred in FY 2020, when revenue categories sensitive to economic conditions decreased significantly in the last quarter of the fiscal year due to the COVID-19 pandemic and actual receipts ended the year below the revenue estimates. Projecting revenues during FY 2021 was challenging due to the volatile and uncertain economic conditions as a result of the pandemic. However, excluding the one-time federal stimulus received in FY 2021, the revenue variance compared to the FY 2021 Adopted Budget Plan estimate was $19.63 million, or only 0.44 percent. More detail on FY 2021 Revenue Variances may be found in Attachment II.

In addition, County agencies realized disbursement balances as a result of continuing close management of agency spending, which included filling essential positions only and focusing on critical expenditures. Total disbursements were below *FY 2021 Revised Budget Plan* projections by $258.97 million or 5.37 percent. Excluding Coronavirus Relief Funds, the disbursement variance was $136.70 million or 2.91 percent. It should be noted that disbursements include budgeted transfers to other funds. When looking solely at agency direct expenditures, the FY 2021 variance was $136.70 million, or 7.61 percent. More detailed information on FY 2021 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 $245.05 million, or 5.08 percent of the total County General Fund budget. Excluding CARES Coronavirus Relief Funds and ARPA Coronavirus State and Local Fiscal Recovery Funds, the net balance is $122.78 million, or 2.69 percent of the total budget.

Carryover Actions

Allocation of the $122.78 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 2022 budget or deferred as part of the FY 2022 budget development. Recommendations included in the *FY 2021 Carryover Review* allocate $117.61 million of this balance, and result in an available General Fund balance of $5.18 million.

Allocations for Reserves/Capital ($26.82 million, including $2.26 million in associated reserve adj.)
Consistent with the Board's policies on funding reserves and the County's Infrastructure Sinking Reserve Fund, Carryover contributions have been calculated based on available balances after outstanding encumbered 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 $13.39 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 $122.78 million balance, 20 percent, or $24.56 million, is allocated for the Capital Sinking Fund, consistent with the recommendations of the Infrastructure Financing Committee (IFC). The Board of Supervisors previously approved the allocation formula associated with capital sinking funds as follows: 55 percent for the Facilities Management Department, 20 percent for Parks, 10 percent for walkways, 10 percent for County-maintained roads and service drives, and 5 percent for revitalization area improvements. This allocation was based on the percent of each program area as it related to the total annual requirements presented to the IFC. This allocation results in the following funding amounts: $13,506,318 for FMD,

$4,911,388 for Parks, $2,455,694 for County-Owned Roads, $2,455,694 for Walkways and $1,227,847 for Revitalization. The Capital Sinking Fund will provide for infrastructure replacement and upgrades such as the replacement of roofs, electrical systems, and HVAC units at both County and Park Authority facilities, repairs to County-owned roads and walkways, and revitalization area infrastructure repairs.

Other Adjustments ($213.05 million, including $10.3 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 carryforward the balance of federal stimulus funds, new positions necessary to respond to state mandates and to help manage stimulus dollars, and investments in Board priorities such as employee compensation, the County's environmental and energy initiatives, affordable housing, and early childcare. A number of reorganizations are also included in order to better streamline County operations, and 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 2021 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. As no funds were expended against the first tranche of funding totaling $111.45 million in FY 2021, the full balance 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.

Additionally, of the $144.53 million in CARES Coronavirus Relief Funds carried forward into FY 2021, $133.71 million was expended, leaving a balance of $10.82 million. This balance will be carried forward to allow the County to continue to spend against the funds through the stimulus deadline of December 31, 2021.

Support for the County's Public Health Program and Pandemic Response

Several adjustments are included to bolster the County's preparedness for future public health emergencies, including the continuing impacts of COVID-19, and to help administer federal stimulus funds. No funding is included for these adjustments, as it is anticipated that positions will initially be funded through the County's American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds allocation. Appropriate baseline funding will be included in the FY 2023 Advertised Budget Plan.

- Consistent with the presentation to the Board of Supervisors at the June 29, 2021, Health and Human Services Committee meeting, 82 new Public Health Nurse positions are included in the Health Department in order to resource one public health nurse per school for the entire Fairfax County Public Schools (FCPS) system. These positions will allow FCPS to comply with a new state mandate, effective July 1, 2021, relating to the Standards of Quality, to provide at least three specialized student support positions per 1,000 students.

- Another 16 new positions are included in the Health Department to advance public health preparedness and department operations by building on existing capacity and developing new capacity and initiatives designed to prepare residents in the Fairfax Health District, local government agencies, community-based organizations, and other partners for future public health emergencies, including the continuing impacts of COVID-19. Following the completion of the comprehensive review of the County's pandemic response as directed by the Board on July 13, 2021, it is anticipated that additional budgetary adjustments may be recommended.

- A total of 9 new positions are included in the Department of Neighborhood and Community Services in support of the Emergency Rental Assistance (ERA) program in response to the COVID-19 pandemic. In FY 2021, the County received a total of $69.6 million from the U.S. Department of the Treasury for Emergency Rental Assistance. The ERA program made funding available to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. These positions are necessary to address gaps in technical assistance, community outreach, and eviction prevention oversight as well as ensuring adherence to program guidelines. Due to the critical need to process applications and provide assistance to residents as quickly as possible, NCS will immediately move forward with the creation and recruitment of these positions unless otherwise directed by the Board.

It should also be noted that, as part of unencumbered adjustments included in this package, funding of $16.24 million is included to reappropriate balances from the Reserve for the Coronavirus Pandemic established as part of the *FY 2020 Third Quarter Review*. These funds are available to supplement federal stimulus dollars, and updates regarding the recommended allocation of these funds will continue to be provided to the Board of Supervisors in the monthly stimulus update memos.

Addressing Budgetary Shortfalls caused by the Pandemic

Consistent with actions taken last year, funding of $1.59 million, available from FY 2021 balances in the Fairfax County Park Authority (FCPA) General Fund budget, is recommended to be transferred to Fund 80000, Park Revenue and Operating Fund, to partially address the budgetary shortfall caused by the COVID-19 pandemic. The Revenue and Operating Fund experienced a significant reduction in revenue collections due to the partial closure of facilities and the cancellation of Park programs. Although the Park Authority implemented a gradual reopening of facilities and programs in accordance with safety guidelines, revenue collections were still lower than anticipated in FY 2021, and – despite efforts to curb expenditures – the fund ended FY 2021 with a deficit of $2.81 million.

In order to mitigate the fiscal impact of the pandemic, staff continued to implement strategies throughout the Park System to generate savings. Savings in the General Fund were generated by deferring all non-critical expenses and holding positions vacant. Additionally, a transfer from Fund 80300, Park Improvement Fund, is recommended based primarily on telecommunications revenues received during FY 2021. The application of this additional revenue and the savings generated in the General Fund has been applied to offset the net shortage and balance the Parks Revenue and Operating Fund.

Investments in Board Priorities

Funds available as part of the *FY 2021 Carryover Review* are recommended to be utilized to recognize the hard work of County employees and to be used for investments towards the County's environmental, affordable housing, and early childhood education initiatives.

- Funding of $13.26 million is included to provide a one-time bonus of $1,000 for merit employees and $500 for non-merit employees. Due to the impact of the COVID-19 pandemic on County revenues, no baseline compensation increases were included in FY 2021, although a one-time bonus was approved as part of the *FY 2021 Third Quarter Review*, and the FY 2022 Adopted Budget Plan included a one percent across-the-board increase. This bonus mirrors the bonus approved by the Board for FY 2021 and is responsive to the FY 2022 budget guidance directing staff to return to the Board with opportunities to provide an additional one-time bonus in FY 2022. These bonuses would be payable to County employees hired prior to July 1, 2021, and active as of the pay period when the one-time bonus is paid. Pending the Board's approval of a bonus as part of its action on the *FY 2021 Carryover Review* on October 5, staff would work with the Department of Human Resources to implement the bonuses no later than November 2021.

- Funding of $18.68 million is included for continued support of the County's environmental and energy strategies. This includes:

  - $15.48 million to support the investment needed to begin reducing carbon emissions consistent with the Board's Energy Carbon Neutral Declaration, the goals and targets of its updated Operational Energy Strategy (OES), and the goals of the Community-wide Energy and Climate Action Plan (CECAP). Of the total, $12.8 million is included to begin work on initiatives and projects that will reduce carbon emissions consistent with the goal of achieving energy carbon neutrality in County government operations by 2040. Additional funding of $2.2 million is required to begin implementation of the Zero Waste Plan and CECAP, both of which the Board is expected to approve in Fall 2021. The remaining $0.48 million is included for 3 new positions to support these new and rapidly evolving initiatives.

  - $1.80 million for the third year of the five-year LED streetlight conversion plan, with a goal to convert more than 56,000 existing mercury vapor, high pressure sodium and metal halide fixtures to Light Emitting Diodes (LED) streetlights. Nearly 21,000 streetlights have been converted throughout the County to date.

  - $1.40 million to support Electric Vehicles and Charging Stations at County facilities. This revised program supports the transition of the County's fleet to electric and plug-in hybrid vehicles. Funding allows for the design, construction, installation, and activation of 15 EV charging stations at up to three different locations and the purchase of eight electric Nissan LEAFs.

- Funding of $5.12 million is included to support an Affordable Housing Preservation Coordinator in the Department of Housing and Community Development, as recommended by the Affordable Housing Preservation Task Force in April 2021, and to provide $5 million in support of affordable housing projects. This funding will be spent out of the Housing Blueprint, which was created in 2007 to focus affordable housing policies and resources on serving those with the greatest need, including homeless families and individuals, persons with special needs, and households with extremely low incomes. The new position will focus on institutional capacity, community awareness, legislative priorities and to help develop comprehensive rental housing preservation strategies. In addition, the position will work to utilize the additional $5 million in County funding as well as the $15 million earmarked to affordable housing investments as part of the first tranche of ARPA Coronavirus State and Local Fiscal Recovery Funds awarded to the County. It should be noted that an additional $15 million is anticipated to be earmarked for affordable housing when the County's second tranche of funding is received.

- Funding of $4.50 million is included to support a new Childcare Center at the Kingstowne Complex. The Kingstowne Complex will co-locate the Franconia Police Station, the Lee District Supervisor's Office and Franconia Museum, the Kingstowne Library, an Active Adult Center, and a childcare facility. This funding, in addition to $5.0 million available in balances from Fund 40045, Early Childhood Birth to 5, will provide for a 10,000 square foot childcare space to provide affordable, high quality, full-time early childhood services for 78 children ages birth to five, including children whose families live with moderate incomes.

- Funding of $2.51 million is included to support staffing and renovation requirements for the new Community Center in Lee District. The center is currently scheduled to be opened in phases, with initial programming expected to begin in the fall of 2021. Seven positions have been approved as part of previous budget processes to support limited programming when the facility opens to the public in September; this package includes $0.11 million for an additional Information Technology Educator position to support technology programming. Additionally, $2.4 million in funding is included to support the addition of an Emerging Technology and Workforce Development Center housed within the community center facility. The center will focus on skilled trades and technology-focused trainings and provide space for a workshop with equipment and tools, as well as classroom and meeting spaces. It will also serve as a job placement center for major employers in the area by pairing training programs with job openings for in-demand fields of work; this support is especially critical following the continued economic impact resulting from the pandemic. Funding is included to support the required renovations consistent with building code requirements and for equipment and supplies necessary to set up and operate the center, which is anticipated to open in early 2022. A procurement process is currently underway to select a vendor to manage the Emerging Technology and Workforce Development Center, with initial funding expected to be allocated from the General Fund Pandemic Reserve and baseline funds included in the FY 2023 Advertised Budget Plan.

- Funding of $1.46 million is included for 5 new positions and operating support for the continued implementation of collective bargaining. These positions include a new Labor Relations Administrator in the Office of the County Executive (OCE), 2 Senior HR Consultant positions in the Department of Human Resources (DHR), and 2 Budget Analyst positions in the Department of Management and Budget (DMB), along with consultant support for operational, legal, and IT needs. The Board approved initial staffing of six positions, including five positions in DHR and one position in the Office of the County Attorney (OCA) for the implementation of collective bargaining as part of the FY 2022 Adopted Budget Plan. Additional positions are necessary to address anticipated workload requirements including the responsibilities for a Labor Relations Administrator as set forth in the County's Collective Bargaining Ordinance once it is approved, administering grievance and dispute procedures, facilitating the timely resolution of workplace disputes, and conducting fiscal impact studies of tentative agreements. This will result in total staffing of 11 positions, including seven positions in DHR, two positions in DMB, one position in OCE, and one position in OCA.

- Funding of $2.00 million is included to increase funds allocated to District-specific projects to address small-scale capital needs. Funding of $200,000 is provided for each District and the Chairman to fund or leverage grant funding in support of capital projects within their District. As noted in a memorandum to the Board dated June 24, 2021, additional funds were last approved for this purpose as part of the *FY 2016 Third Quarter Review*. This funding is necessary to replenish balances available in these projects and provide flexibility to Board members to support projects such as upgrades to existing streetlights, installation of a new streetlights based on safety concerns and citizen requests, construction of missing trail segments, walkways, or repairs to pedestrian bridges. This funding is often critical to providing links between neighborhoods, activity centers, revitalization centers and schools and will support the County's One Fairfax commitment by providing resources to address gaps and support equitable access for all.

Reorganizations, Efficiencies, and Savings

The *FY 2021 Carryover Review* includes a number of organizational changes in order to appropriately align operations and achieve efficiencies. Adjustments are also included to recognize one-time savings in the Fairfax-Falls Church Community Services Board and to identify position reductions.

The largest of these reorganizations involves shifting strategic policy and planning efforts for the health and human services agencies, which are currently consolidated within the Office of Strategy Management for Human Services (OSM), and redirecting resources to other agencies, including Neighborhood and Community Services, the Health Department, and the Community Services Board, among others. Funding and vacant positions available as a result of the reorganization of OSM functions will also be utilized to strengthen capacity in agencies outside of the human services system. This includes providing additional resources for economic development programs in the Department of Economic Initiatives and strategic planning and data analytics support in the Department of Management and Budget.

Resources are also recommended to be directed from OSM to the Office of the County Executive as part of a larger realignment, which includes the creation of a new Deputy County Executive position – marking a return to an organizational model with five Deputies – and a new Countywide Coordination team. As outlined in a memorandum to the Board dated May 30, 2018, some responsibilities were temporarily shifted to the County's Chief Financial Officer. With recent and anticipated turnover in several County leadership positions, there is an opportunity to revisit these temporary assignments and shift functions among the Deputy County Executive positions to better align operational responsibilities. This includes the creation of a new Deputy County Executive for Administration, who would be tasked with oversight of the Department of Information Technology, the Department of Human Resources, the Facilities Management Department, the Department of Vehicle Services, the Department of Human Rights and Equity Programs, the Civil Service Commission, the Office of Public Affairs, the Department of Cable and Consumer Services, and the Office of Government Relations, as well as having primary oversight over the new Countywide Coordination staff. This new Countywide Coordination team will work closely with County leadership to ensure alignment on cross-cutting initiatives and help identify opportunities for collaboration, such as joint-use facilities. Additional adjustments include shifting the Park Authority and Libraries to the Deputy County Executive for Community Services (formerly Human Services) and the Office of Environmental and Energy Coordination to the Deputy County Executive for Community Development. Agencies under the Deputy County Executive for Public Safety would remain unchanged, while the Deputy County Executive for Finance (Chief Financial Officer) would maintain oversight for the Department of Management and Budget, Department of Finance, Department of Tax Administration, Department of Procurement and Material Management, the Retirement Administration Agency, and the Office of Internal Audit.

This package also includes adjustments to shift funding and positions in support of the County's security functions to the Office of Emergency Management (OEM). The security team ensures all facets of security are kept up to date with the current crime trends, tensions within the country, legislative and political changes, technology advancements, and relevant training. This reorganization will better align these duties with the OEM goals to prepare for, respond to, and recover from new and challenging threats. Following this change, the agency name will be updated to the Department of Emergency Management and Security.

Staff has also worked with agencies to identify one-time savings and opportunities to eliminate positions that are no longer required based on operational changes or funding limitations. As noted earlier, significant savings were realized in FY 2021 as agencies limited operating expenses and filled only the most critical positions. Despite the economic recovery following the pandemic, many agencies experienced difficulty in recruiting for these essential positions, which added to the one-time balances at year-end. This occurred not only in General Fund agencies, but in other funds as well, such as the Fairfax-Falls Church Community Services Board (CSB). Despite efforts to fill critical positions, the CSB has had considerable challenges hiring and retaining staff, resulting in significant personnel services savings in FY 2021. In addition, over the past several years, the CSB has redesigned programming that has led to savings in various programs, which has allowed the agency to redirect savings to other areas in most need, and has worked to maximize non-County revenue. As a result, CSB ended FY 2021 with a surplus that allows $15 million to be returned to the General Fund as part of the *FY 2021 Carryover Review*. The CSB still maintains a balance sufficient to address any unforeseen issues in the coming year, and baseline funds remain to allow the agency to continue to aggressively recruit to fill vacant positions.

Lastly, in the County Executive's message to the Board as part of the FY 2022 Advertised Budget Plan, it was noted that staff would undertake a review of positions for potential reductions as part of the *FY 2021 Carryover Review*. Due to the pandemic, agencies were directed to hold non-critical positions vacant, but many of these positions will need to be filled as agencies resume normal operations. However, agencies have been operating under constrained budgets for years and have needed to hold some positions vacant in order to offset other cost increases. As a result, there are a number of unfunded positions that may be eliminated without negatively impacting agency operations. As part of this package, a total of 31 positions are recommended to be eliminated. Some agencies are in the process of performing an evaluation of their position requirements, and staff will continue to identify opportunities for additional reductions as part of future budget processes.

Investments in Information Technology and Capital Infrastructure

Consistent with actions taken in prior years, funding for Information Technology (IT) projects and Infrastructure Replacement and Upgrade projects were not included in the FY 2022 Adopted Budget Plan and were anticipated to be funded utilizing balances at quarterly reviews. Some funding was included as part of the *FY 2021 Third Quarter Review* for these purposes; funding included in this package reflects the remaining amount required for FY 2022 projects. Additional adjustments are also included to increase funding available for emergency systems failures, and funding is included in the Facilities Management Department to provide additional resources to support the workload associated with environmental and energy projects, infrastructure replacement and upgrade projects, and agency requested reconfiguration projects.

As part of the *FY 2021 Carryover Review*, funding of $20.61 million is included to support continuing and new IT projects. Major projects supported by this funding include the ongoing development of the Planning and Land Use System (PLUS), the Integrated Health and Human Services IT Initiative, and Geospatial Initiatives. A full listing of projects is available in the write-up for Fund 10040, Information Technology, in the *Other Funds Detail* section.

As part of the *FY 2021 Third Quarter Review*, $5.28 million was approved to support infrastructure and upgrade projects anticipated for FY 2022, leaving a balance of $1.00 million which is included as part of this package. These funds are used to address Category F projects, which include emergency generator replacements, fire alarm system replacements, HVAC system upgrades, and roof replacements. The Carryover funding will specifically address emergency building repairs at the Annandale Center. As this facility ages, the building envelope is failing and creating water and air leaks resulting in damaged systems and surfaces, as well as unsafe mold and mildew conditions. Funding will support re-caulking and sealing the building; repairing the exterior steel staircase; replacing the windows and doors; addressing loose wires; and cleaning, painting, and sealing the exterior façade. An additional $5.4 million included in this package will 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. 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.

In order to ensure progress on construction projects, including environmental and energy projects as well as infrastructure replacement and upgrade projects, additional resources are recommended for the Facilities Management Department, including 12 new positions and $1.22 million. Positions supporting environmental and energy projects will install new and more complex energy efficiency systems designed to reduce the County's energy and water usage and related greenhouse gas emissions. Furthermore, these positions will support additional infrastructure replacement and upgrade projects, which are becoming more complex as technologies advance. The positions will support several aging and large County buildings, including the Government Center, Pennino Building, Herrity Building, and South County Government Center, that have larger and more complex building systems.

All General Fund adjustments are detailed in the Administrative Adjustments section later in this letter. Aside from adjustments associated with expenditure changes as discussed in the Administrative Adjustments section, no other adjustments have been made to FY 2022 revenue estimates. Staff will continue to closely monitor revenue trends and the economic impact caused by the COVID-19 pandemic. Additional adjustments may be recommended as part of the *FY 2022 Mid-Year Review* or the *FY 2022 Third Quarter Review,* as necessary.

Position Adjustments

A total of 114 net new positions are recommended to be established as part of the *FY 2021 Carryover Review*. The majority of these positions – 98 in total – are included in the Health Department, with 82 Public Health Nurse positions included to address the state mandate to provide at least three specialized student support positions per 1,000 students, and 16 positions included to advance public health preparedness. An additional 9 positions are included in the Department of Neighborhood and Community Services in support of the Emergency Rental Assistance (ERA) program in response to the COVID-19 pandemic.

An additional 28 positions are included to support ongoing County operations and Board priorities. These include 12 positions to support capital projects in the Facilities Management Department; 6 positions in the Department of Neighborhood and Community Services to support new School-Age Child Care rooms; 5 positions to support the County's collective bargaining efforts, including 2 positions in the Department of Human Resources, 2 positions in the Department of Management and Budget, and 1 Labor Relations Administrator in the Office of the County Executive; 3 positions to support the County's Zero Waste and Community-wide Energy and Climate Action Plans, including 2 positions in the Office of Environmental and Energy Coordination and 1 position in the Department of Procurement and Material Management; 1 position in the Department of Housing and Community Development to support affordable housing efforts; and 1 position in the Department of Neighborhood and Community Services to support the new Community Center in Lee District.

The remaining 10 new positions are supported with resources outside of the General Fund, including 7 positions to address Public Assistance caseloads in the Department of Family Services, with costs offset by state revenue; 2 positions to expand the provision of in-home foster care prevention services consistent with the Family First Prevention Services Act, with costs offset by state revenue; and 1 position in the Department of Transportation to provide a dedicated position for the Student Bus Pass Program, with costs recovered from Fund 40000, County Transit Systems.

New positions totaling 145 are offset by a reduction of 31 positions as a result of an analysis of unfunded, vacant positions across various agencies. As a result, the net position increase included in the package is 114 new positions.

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 2021 Carryover Review* includes total reserve contributions of $13.39 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 2021 Carryover*

Review is 10 percent of General Fund disbursements, excluding one-time disbursements related to the CARES Coronavirus Relief Fund and ARPA State and Local Fiscal Recovery Funds.

FY 2021 Audit Adjustments

As the Board is aware, the financial audit of FY 2021 is currently being conducted. Necessary adjustments as a result of this work will be included in the FY 2021 Comprehensive Annual Financial Report and in the audit package that is presented for the Board's approval as part of the *FY 2022 Mid-Year Review*.

Other Funds Adjustments

Attachment VI of the *FY 2021 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 2021 fund expenditure and revenue variances and notes changes in FY 2022 expenditures.

Carryover Administrative Adjustments

The *FY 2021 Carryover Review* includes net General Fund administrative adjustments and associated reserve adjustments totaling $239.88 million. These adjustments are divided into two categories – Allocations for Reserves/Capital and All Other Requirements – and include the following:

ALLOCATIONS FOR RESERVES/CAPITAL

$26.82 million, including $24.56 million in reserve/capital contributions and $2.26 million in associated reserve adjustments

Capital Sinking Fund		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$11,050,623
Fund 30020, Infrastructure Replacement and Upgrades	FY 2022 General Fund Transfer	$13,506,318
	Net Cost	**$24,556,941**

The General Fund Transfer to capital funds is increased by a total of $24,556,941 in accordance with recommendations of the Infrastructure Financing Committee (IFC). The IFC recommended the establishment of a Capital Sinking Fund as a new budgetary mechanism for funding Infrastructure Replacement and Upgrade requirements. Principal funding for the Sinking Fund comes from a commitment to devote a goal of 20 percent of carryover funds. Based on the County's unencumbered carryover balance after funding critical requirements, an amount of $24,556,941 represents 20 percent and is allocated to separate Capital Sinking Fund projects.

The Board of Supervisors previously approved the allocation formula associated with capital sinking funds as follows: 55 percent for FMD, 20 percent for Parks, 10 percent for walkways, 10 percent for County maintained roads and service drives, and 5 percent for revitalization area improvements. This allocation was based on the percent of each program area as it related to the total annual requirements presented to the IFC. The specific allocation for FY 2021 includes: $13,506,318 for FMD, $4,911,388 for Parks, $2,455,694 for County-Owned Roads, $2,455,694 for Walkways and $1,227,847 for Revitalization.

Each agency maintains a prioritized list of needed infrastructure replacement and upgrade projects and reviews that list periodically 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 2021 Carryover Review* Sinking Fund allocation, FMD will continue to review their existing deficiency list. The list of deficiency projects is subject to change with the passage of time, but the current list includes the following: replacement of the fire alarm systems at the Courthouse, Herrity, and Fire Academy facilities; concrete repairs at the Government Center; structural assessments, recalking and repairs to columns at the Herrity and Pennino garages; and replacement of HVAC and electrical components at Great Falls Library, Fair Oaks Fire Station, the Pennino building, the Courthouse and the Fire Academy. 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, and parking lot repairs. A condition inventory and assessment were completed for County-owned walkways and roads in 2013 and 2015, respectively, and Sinking Fund projects will continue to be implemented in priority order. In addition, although pedestrian bridges were not included in the Walkway Condition Assessment, many bridges are deteriorating and are being repairs using Sinking Fund dollars. 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.

OTHER REQUIREMENTS

$213.05 million, including $202.75 million in adjustments and $10.30 million in associated reserve adjustments

Carryforward of Federal Stimulus Funds

ARPA CSLFRF Fund		**NON-RECURRING**
Agency 87, Unclassified Administrative Expenses	FY 2022 Expenditure	$111,447,319
	Net Cost	**$111,447,319**

Funding of $111,447,319 is required to re-appropriate recovery funds balances from Agency 87, Unclassified Administrative Expenses, to the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Fund. On June 8, 2021, the Board of Supervisors approved the appropriation of the first tranche of funding received through federal funding. As no funds were expended during FY 2021, this re-appropriation represents the entire first tranche of funds. The second tranche of funding of $111 million is anticipated no earlier than 12 months following the first disbursement. The ARPA CSLFRF Fund will further support public health needs, address negative economic impacts of the pandemic, offset revenue losses experienced as a result of the pandemic, and other eligible expenses. As the CSLFRF funds provide more flexibility than other targeted funding sources, staff will continue to maximize these other sources, such as the Emergency Rental Assistance Program and reimbursements through FEMA, before considering ARPA funds. Staff is releasing monthly reports regarding the utilization of the funds to the Board of Supervisors, consistent with the presentation to the Board at the June 2, 2020, Budget Committee meeting, and these memorandums are available at http://www.fairfaxcounty.gov/ budget.

CARES Coronavirus Relief Fund		**NON-RECURRING**
Agency 87, Unclassified Administrative Expenses	FY 2022 Expenditure	$10,818,727
	Net Cost	**$10,818,727**

Funding of $10,818,727 is required to re-appropriate stimulus funds balances from Agency 87, Unclassified Administrative Expenses, to the CARES Act Coronavirus Relief Fund (CRF). In March 2020, the County received over $200.2 million in stimulus funds from the CARES CRF to support the County's response to the pandemic. As of June 2021, the full $200.2 million has been allocated for specific programs, including the County's public health response and contact tracing program; support for County residents requiring assistance for basic needs; a medical isolation program for vulnerable residents, including those who are homeless; support for County small businesses and non-profits; costs related to personal protective equipment and enhanced sanitation practices; expenses related to expanding telework options for County employees; and support for the towns of Herndon, Vienna, and Clifton. Although the full amount has been allocated as of June 2021, $189.2 million has been expended through June 30, 2021, leaving an unused balance of $10.8 million to be re-appropriated in FY 2022. The deadline to return any unspent funds was extended from December 30, 2020, until December 31, 2021. Staff is releasing monthly reports regarding the utilization of the funds to the Board of Supervisors, consistent with the presentation to the Board at the June 2, 2020, Budget Committee meeting, and these memorandums are available at http://www.fairfaxcounty.gov/budget.

Support for the County's Public Health Program and Pandemic Response

Additional Public Health Nurses to Staff One Nurse in Each FCPS		**RECURRING**
	FY 2022 Revenue	$0
Agency 71, Health Department	FY 2022 Expenditure	$0
Agency 89, Employee Benefits	FY 2022 Expenditure	$0
	Net Cost	**$0**
	FY 2023 Revenue	$1,533,333
Agency 71, Health Department	FY 2023 Expenditure	$7,454,327
Agency 89, Employee Benefits	FY 2023 Expenditure	$3,425,113
	Net Cost	**$9,346,107**

A total of 82/82.0 FTE new Public Health Nurse (PHN) positions are included in the Health Department in order to resource one public health nurse per school for the entire Fairfax County Public Schools (FCPS) system and is consistent with the School Health Enhancement Initiative presentation to the Board of Supervisors at the June 29, 2021, Health and Human Services Committee meeting. In addition, this would allow the FCPS School Board to comply with §§ 22.1-253.13:2 and 22.1-274 of the Code of Virginia, relating to Standards of Quality, to provide at least three specialized student support positions per 1,000 students. This mandate was effective July 1, 2021. In addition to growing student enrollment over the years, the increase in students with health conditions has led to the increased demand for student health assessments and health care planning. Both are necessary so that students are able to attend school, ready to learn. These positions will initially be funded through the County's American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds allocation. Full-year funding for these positions totals $10,879,440, offset by $1,533,333 in revenue for a net cost of $9,346,107 and will be included in the FY 2023 Advertised Budget Plan.

Positions to Advance Public Health Preparedness and Department Operations		**RECURRING**
Agency 71, Health Department	FY 2022 Expenditure	$0
Agency 89, Employee Benefits	FY 2022 Expenditure	$0
	Net Cost	**$0**
Agency 71, Health Department	FY 2023 Expenditure	$1,380,187
Agency 89, Employee Benefits	FY 2023 Expenditure	$659,033
	Net Cost	**$2,039,220**

A total of 16/16.0 FTE positions are included in the Health Department to advance public health preparedness and department operations by building on existing capacity and developing new capacity and initiatives designed to prepare residents in the Fairfax Health District, local government agencies, community-based organizations, and other partners for future public health emergencies, including the continuing impacts of COVID-19. These positions will develop and implement a community health preparedness and resiliency program; advance equity, access and functional needs in emergency planning and response; develop an environmental preparedness program, including work on climate change's impacts on human health; work with healthcare facilities to advance readiness for future public health emergencies; and address wide-ranging lessons learned from the COVID-19 pandemic that will require long-term solutions. The positions will also support the development of a department safety and security program to address the dynamic and complex workplace settings required to perform public health work.

These positions will initially be funded through the County's American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds allocation. Full-year funding for these positions totals $2.0 million and will be included in the FY 2023 Advertised Budget Plan.

Positions to Support Emergency Rental Assistance Program		**RECURRING**
Agency 79, Department of Neighborhood and Community Services	FY 2022 Expenditure	$0
Agency 89, Employee Benefits	FY 2022 Expenditure	$0
	Net Cost	**$0**
Agency 79, Department of Neighborhood and Community Services	FY 2023 Expenditure	$767,979
Agency 89, Employee Benefits	FY 2023 Expenditure	$366,564
	Net Cost	**$1,134,543**

A total of 9/9.0 FTE new positions are included in the Department of Neighborhood and Community Services in support of the Emergency Rental Assistance (ERA) program funded by the U.S. Department of the Treasury (Treasury) in response to the COVID-19 pandemic. These positions are necessary to address gaps in technical assistance, community outreach, and eviction prevention oversight as well as ensuring adherence to program guidelines issued by the Treasury.

In FY 2021, the County received a total of $69.6 million from the Treasury for Emergency Rental Assistance. The ERA program made funding available to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. The County has received $34.5 million for this purpose under ERA1 and the funding is available through December 31, 2022. Additional ERA funding (ERA2) totaling $35.1 million has also been awarded to the County and is available through September 30, 2025, bringing the total amount awarded for the ERA program to $69.6 million. The ERA program is being administered by the Department of Neighborhood and Community Services in partnership with Community Based Organizations (CBOs). NCS will conduct client eligibility determinations and make referrals to CBOs that are part of the long-established Coordinated Services Planning (CSP) network. Residents initiate applications for assistance through the CSP unit, and landlords are able to submit applications through the online Landlord Portal system.

These positions will be funded through stimulus funds in FY 2022. Full-year funding for these positions totals $1.1 million. Due to the critical need, NCS will immediately move forward with the creation and recruitment of these positions unless otherwise directed by the Board.

Addressing Budgetary Shortfalls caused by the Pandemic

Park Authority System Support		**NON-RECURRING**
Fund 80000, Park Revenue and Operating Fund	FY 2022 General Fund Transfer	$1,592,798
	Net Cost	**$1,592,798**

Funding of $1,592,798 in Park Authority General Fund year-end balances is transferred to Fund 80000, Park Revenue and Operating Fund, in FY 2022. Fund 80000 experienced a significant reduction in revenue collections due to the partial closure of facilities and the cancellation of some Park Authority programs. Although the Park Authority implemented a gradual reopening of facilities and programs in accordance with safety guidelines, revenue collections were still lower than anticipated in FY 2021. In order to mitigate the on-going fiscal impact of the COVID-19 pandemic on revenue collections, staff continued to implement strategies throughout the Park System to generate savings. Savings in both the Parks General Fund and Fund 80000 were generated by deferring all non-critical expenses and holding positions vacant. The transfer of Park Authority General Fund balances as well as a transfer of from Fund 80300, Park Improvement Fund, associated with telecommunications revenue received in FY 2021 will help balance Fund 80000. Both revenue and expenditure estimates for FY 2022 will be reviewed as part of the FY 2022 Mid-Year and Third Quarter Review.

Investments in Board Priorities

Joint Environmental Task Force (JET) Energy Goals		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2022 General Fund Transfer	$15,000,000
	Net Cost	**$15,000,000**

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by $15,000,000 to fund the investment needed to begin reducing carbon emissions consistent with the Board's Energy Carbon Neutral Declaration, the goals and targets of its updated Operational Energy Strategy (OES), and the goals of the Community-wide Energy and Climate Action Plan (CECAP). The Declaration and OES commit the County to achieving energy carbon neutrality by 2040, while the OES sets forth the sustained, multi-pronged effort that will be needed to reduce fossil fuel use and the associated carbon dioxide emissions recognized to increase global warming. To achieve the goal of energy carbon neutrality in County government operations by 2040, the Board endorsed a transformational approach to energy use in its operations, including building efficiency retrofits in existing buildings, the design and construction of net zero energy buildings, electrification of both the vehicle fleet and existing buildings, and an increasing reliance on renewable energy and alternative technologies. It will require substantial investment over decades to transform County government operations, as well as work with the community in reducing its emissions. Funding is included to begin work on initiatives and projects that will reduce carbon emissions consistent with the Declaration, the updated OES and the CECAP. Investments to reduce energy use by 30 percent will require significant energy efficiency retrofits beyond code and is likely the most that can be achieved in existing County government buildings. Approximately $12.8 million will be dedicated to Countywide building retrofits. Funding of $2.2 million is required to begin implementation of the Zero Waste Plan and CECAP, both of which the Board is expected to approve in Fall 2021. Additional Zero Waste and CECAP resource requirements will be identified in the future. It should be noted that an additional 3/3.0 FTE positions have been included in the Office of Environmental and Energy Coordination (OEEC) and the Department of Procurement and Material Management to support these new and rapidly evolving initiatives.

One-Time Employee Bonus		**NON-RECURRING**
General Fund Agencies	FY 2022 Expenditure	$11,095,473
Fund 40040, Fairfax-Falls Church CSB	FY 2022 General Fund Transfer	$1,091,482
Fund 40045, Early Childhood Birth to 5	FY 2022 General Fund Transfer	$47,921
Fund 40090, E-911	FY 2022 General Fund Transfer	$223,476
Fund 40330, Elderly Housing Programs	FY 2022 General Fund Transfer	$2,154
Fund 60000, County Insurance	FY 2022 General Fund Transfer	$10,770
Fund 60020, Document Services	FY 2022 General Fund Transfer	$23,694
Fund 60030, Technology Infrastructure Services	FY 2022 General Fund Transfer	$59,235
Fund 80000, Park Revenue and Operating	FY 2022 General Fund Transfer	$690,939
Fund 83000, Alcohol Safety Action Program	FY 2022 General Fund Transfer	$17,230
	Net Cost	**$13,262,374**

Funding of $13,262,374 is required to provide a one-time bonus of $1,000 for merit employees and $500 for non-merit employees, payable to County employees hired prior to July 1, 2021, and active as of the pay period when the one-time bonus is paid. This bonus mirrors the one approved by the Board of Supervisors for FY 2021 and is responsive to the FY 2022 budget guidance directing staff to return to the Board with opportunities to provide a one-time bonus in FY 2022. Pending the Board's approval of the bonus as part of its action on the *FY 2021 Carryover Review* on October 5, staff will work with the Department of Human Resources to implement the bonuses no later than November 2021.

Affordable Housing Support		**NON-RECURRING**
Fund 30300, Affordable Housing Development and Investment	FY 2022 General Fund Transfer	$5,000,000
	Net Cost	**$5,000,000**

Funding of $5,000,000 is transferred to Fund 30300, Affordable Housing Development and Investment, in FY 2022 to support affordable housing projects. This funding will be spent out of the Housing Blueprint, which was created in 2007 to focus affordable housing policies and resources on serving those with the greatest need, including homeless families and individuals, persons with special needs, and households with extremely low incomes. In FY 2021, the Blueprint's goals were refined to support the strategies identified in Fairfax County's Communitywide Housing Strategic Plan.

Kingstowne Complex Childcare Center		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$4,500,000
	Net Cost	**$4,500,000**

Funding of $9,500,000 is required to support a new Childcare Center at the Kingstowne Complex, of which $4,500,000 is supported by an increase in the General Fund Transfer to Fund 30010, General Construction and Contributions. The remaining funding of $5,000,000 is supported by a transfer from Fund 40045, Early Childhood Birth to 5, based on available year-end balances. The Kingstowne Complex will co-locate the Franconia Police Station, the Lee District Supervisor's Office and Franconia Museum, the Kingstowne Library, an Active Adult Center, and a childcare facility. The complex will also include garage parking and a County fueling station. Funding of $9,500,000 will provide for a 10,000 square foot childcare space to provide affordable, high quality, full-time early childhood services for 78 children ages birth to five, including children whose families live with moderate incomes.

Support for Community Center in Lee District	**RECURRING/NON-RECURRING**	
Agency 79, Department of Neighborhood and Community Services	FY 2022 Expenditure	$272,764
Agency 89, Employee Benefits	FY 2022 Expenditure	$34,512
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$2,200,000
	Net Cost	**$2,507,276**
Agency 79, Department of Neighborhood and Community Services	FY 2023 Expenditure	$72,764
Agency 89, Employee Benefits	FY 2023 Expenditure	$34,512
	Net Cost	**$107,276**

Funding of $2,507,276 is included to support staffing and renovation requirements for the new Community Center in Lee District. The center is currently scheduled to be opened in phases, with initial programming expected to begin in September 2021. Recurring funding of $107,276 is required to support 1/1.0 FTE new Information Technology Educator position. This position was originally scheduled to be part of the final long-term staffing requirement and was not funded as part of the FY 2022 Adopted Budget Plan, which included the initial staffing model required for the first phase of opening. As the plans for the facility's opening continued to be developed, it was determined that the Information Technology Educator position would be needed to support anticipated technology programming. Since the Community Center in Lee District is currently scheduled to open prior to Board action on Carryover, NCS will immediately move forward with the creation and recruitment of this position unless otherwise directed by the Board. It should be noted that an increase of $34,512 in Fringe Benefits funding is included in Agency 89, Employee Benefits to support this position.

Additional one-time funding of $2,400,000 is included to support renovations and equipment for an Emerging Technology and Workforce Development Center housed within the community center facility, which is anticipated to open in early 2022. The center will focus on skilled trades and technology-focused trainings and provide space for a workshop with equipment and tools, as well as classroom and meeting spaces. Funding will provide for building code requirements such as fire sprinklers for higher-hazard areas, fire alarms and emergency lights and signs, upgraded HVAC systems for adequate ventilation and upgraded lighting, power, and electrical distribution. This new facility will provide training opportunities in emerging technology fields, such as robotics, drone use, 3D printing, laser cutting, and computer programming, as well as skilled trades such as welding. It will also serve as a job placement center for major employers in the area by pairing training programs with job openings for in-demand fields of work. Total funding of $2.4 million includes an increase of $2,200,000 in the General Fund transfer to Fund 30010, General Construction and Contributions, to support renovations and an increase of $200,000 in Agency 79, Department of Neighborhood and Community Services, for equipment and supplies.

District Capital Projects		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$2,000,000
	Net Cost	**$2,000,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $2,000,000 to allocate district funds to address small-scale capital projects. Funding of $200,000 is provided for each district and the Chairman to fund or leverage grant funding in support of capital projects within their district. As projects are identified, staff from the appropriate County agency will work directly with the individual Board offices to develop project scopes and cost estimates. In the past, typical projects using this funding source included upgrades to existing streetlights, installation of a new streetlights based on safety concerns and citizen requests, construction of missing trail segments, construction of walkways, and repairs to pedestrian bridges. This funding is often critical to providing links between neighborhoods, activity centers, revitalization centers and schools and will support the County's One Fairfax commitment by providing resources to address gaps and support equitable access for all. In order to provide maximum flexibility to address small infrastructure priorities within each district and at-large, all funding associated with district capital projects supported by the General Fund have been combined into Fund 30010 as part of the *FY 2021 Carryover Review*. District transportation projects supported by the commercial and industrial (C&I) real estate tax for transportation will remain in Fund 40010, County and Regional Transportation Projects.

LED Streetlight Conversions		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2022 General Fund Transfer	$1,800,000
	Net Cost	**$1,800,000**

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by $1,800,000 for the third year of a 5-year LED streetlight conversion plan. The goal of the plan is to convert more than 56,000 existing mercury vapor, high pressure sodium and metal halide fixtures to Light Emitting Diodes (LED) streetlights. Nearly 21,000 streetlights have been converted throughout the County to date. The new LED streetlights are "Smart City Capable" with both hardware and software upgrades. The conversion plan is estimated to cost a total of $9 million, which will be partially offset by projected savings in utility costs. In FY 2021, the Office of Capital Facilities realized savings of $450,879 in streetlight utility costs.

Collective Bargaining		**RECURRING**
Agency 02, Office of the County Executive	FY 2022 Expenditure	$160,000
Agency 11, Department of Human Resources	FY 2022 Expenditure	$464,162
Agency 17, Office of the County Attorney	FY 2022 Expenditure	$200,000
Agency 20, Department of Management and Budget	FY 2022 Expenditure	$405,188
Agency 89, Employee Benefits	FY 2022 Expenditure	$235,465
	Net Cost	**$1,464,815**
Agency 02, Office of the County Executive	FY 2023 Expenditure	$160,000
Agency 11, Department of Human Resources	FY 2023 Expenditure	$517,480
Agency 17, Office of the County Attorney	FY 2023 Expenditure	$200,000
Agency 20, Department of Management and Budget	FY 2023 Expenditure	$455,515
Agency 89, Employee Benefits	FY 2023 Expenditure	$287,288
	Net Cost	**$1,620,283**

Funding of $1,464,815 is required for 5/5.0 FTE new positions to support the implementation of collective bargaining, including 1/1.0 FTE Labor Relations Administrator in the Office of the County Executive (OCE), 2/2.0 FTE Senior HR Consultant positions in the Department of Human Resources (DHR), and 2/2.0 FTE Budget Analyst positions in the Department of Management and Budget (DMB). During the 2020 Virginia General Assembly session, the Code of Virginia § 40.1-57.2 was revised to authorize collective bargaining for public employees beginning May 2021. The Board approved initial staffing of six positions, including five positions in DHR and one position in the Office of the County Attorney (OCA) for the implementation of collective bargaining as part of the FY 2022 Adopted Budget. Additional positions are necessary to address anticipated workload requirements including the responsibilities for a Labor Relations Administrator as set forth in the County's Collective Bargaining Ordinance once it is approved, administering grievance and dispute procedures, facilitating the timely resolution of workplace disputes, and conducting fiscal impact studies of tentative agreements. This will result in a total staffing of 11 positions, including seven positions in DHR, two positions in DMB, one position in OCE, and one position in OCA. It should be noted that, though a position has been included for a Labor Relations Administrator, an outside firm may be contracted to fill this role. Partial-year Personnel Services costs total $470,930 in FY 2022, with full-year costs of $574,575 for FY 2023. Operational funding of $758,420 will provide $300,000 for consulting services to support and administer a collective bargaining structure, $200,000 to support outside legal counsel, and $250,000 for consulting support to assist with FOCUS system changes, with the remaining funding supporting operating costs associated with the new positions.

It should be noted that an increase of $235,465 in Fringe Benefits funding is included in Agency 89, Employee Benefits.

Electric Vehicles and Charging Stations		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2022 General Fund Transfer	$1,400,000
	Net Cost	**$1,400,000**

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by $1,400,000 to support Electric Vehicles and Charging Stations at County facilities. This revised program supports the transition of the County's fleet to electric and plug-in hybrid vehicles. Funding allows for the design, construction, installation, and activation of 15 EV charging stations at up to three different locations and the purchase of eight electric Nissan LEAFs. The Board of Supervisors previously approved the installation of EV Stations at outdoor County facility parking lots, including County office buildings, commuter parking lots, community centers, libraries and/or RECenters. In July 2020, the plan was revised to include the installation of EV Stations at County-owned garages. EV Stations at garages require enhancements to the existing electrical infrastructure, permitting, and the installation of overhead and/or wall mounted chargers. All EV charging stations with public access will provide the capability to charge both County government and private vehicles.

Celebrate Fairfax, Inc. Rebuild Support		**NON-RECURRING**
Fund 10030, Contributory Fund	FY 2022 General Fund Transfer	$640,000
	Net Cost	**$640,000**

The General Fund transfer to Fund 10030, Contributory Fund, is increased by $640,000 to support the Rebuild Phase for Celebrate Fairfax, Inc. (CFI), as discussed at the June 29, 2021, Board of Supervisors Budget Policy Committee. CFI is a 501(c)3 nonprofit organization which has served the community for nearly 40 years. A majority of CFI's revenue was generated through two signature events, Celebrate Fairfax and Fall for Fairfax, which were both cancelled in 2020 and 2021 due to the health and safety challenges from the pandemic. Without the revenue from the events, assistance from the County is necessary for CFI to continue operating. The organization has developed a phased approach to rebuilding, with a focus on more inclusive and accessible events out in the community. This funding provides operating support for CFI and resources for CFI to host and enhance a series of community events throughout the County. It is anticipated that baseline support for the third phase, Relaunch, will be included as part of the FY 2023 Advertised Budget Plan.

New School-Age Child Care Rooms		**RECURRING**
	FY 2022 Revenue	$415,235
Agency 79, Department of Neighborhood and Community Services	FY 2022 Expenditure	$817,322
Agency 89, Employee Benefits	FY 2022 Expenditure	$171,333
	Net Cost	**$573,420**
	FY 2023 Revenue	$489,140
Agency 79, Department of Neighborhood and Community Services	FY 2023 Expenditure	$955,375
Agency 89, Employee Benefits	FY 2023 Expenditure	$209,243
	Net Cost	**$675,478**

Funding of $988,655 is required for 6/4.85 FTE new positions to open five new School-Age Child Care (SACC) rooms (two rooms at Clearview Elementary School and one room at McNair Upper Elementary School at the beginning of 2021-2022 School Year, as well as two rooms at the Sully Community Center when it opens in February 2022). In order to ensure the rooms are fully operational at the beginning of the school year, NCS will immediately move forward with the creation and recruitment of these positions unless otherwise directed by the Board. It should be noted that an increase of $171,333 in Fringe Benefits funding is included in Agency 89, Employee Benefits. The expenditure increase is partially offset by an increase of $415,235 in SACC revenue for a total net impact of $573,420. Full-year funding for Sully Community Center will be required in FY 2023.

In cooperation with FCPS, two new SACC rooms are constructed when a new elementary school is built or an existing elementary school is renovated. The two rooms at Clearview Elementary are available as a result of the completion of the school renovation. Prior to the renovation, SACC rooms were not available at this school. McNair Upper Elementary School is a new school that opened for the 2020-2021 school year but only one room is needed since it only serves children in grades 3 through 6. Funding for these rooms was originally included in the FY 2021 Advertised Budget Plan but removed from the FY 2021 Adopted Budget Plan due to the COVID-19 pandemic. Based on recent decisions around County and Fairfax County Public Schools (FCPS) re-opening guidelines, the Department of Neighborhood and Community Services is planning to resume SACC school-year operations when FCPS opens in the fall.

Energy Strategy Positions		**RECURRING**
Agency 02, Office of the County Executive	FY 2022 Expenditure	$246,728
Agency 12, Department of Procurement and Material Management	FY 2022 Expenditure	$77,093
Agency 89, Employee Benefits	FY 2022 Expenditure	$157,968
	Net Cost	**$481,789**
Agency 02, Office of the County Executive	FY 2023 Expenditure	$297,123
Agency 12, Department of Procurement and Material Management	FY 2023 Expenditure	$102,290
Agency 89, Employee Benefits	FY 2023 Expenditure	$195,363
	Net Cost	**$594,776**

Funding of $481,789 is required to support 3/3.0 FTE new positions that are necessary to begin work on implementing the Zero Waste plan and Community-wide Energy and Climate Action Plan (CECAP). Funding is also included to support the full-year cost of an Energy Analyst position that was added as part of the *FY 2021 Third Quarter Review* to oversee, manage, and report on the energy savings performance contract; manage the County's EnergyCAP database; forecast energy usage; and assist with the development of energy policies and strategies.

Implementing a Zero Waste Plan will have significant requirements, through the procurement of greener products, installation of waste-reducing technologies, and transition to waste-free food service operations, for example. The CECAP is Fairfax County's first-ever greenhouse gas emission (GHG) reduction plan. The plan includes goals to define the path forward for Fairfax County residents, businesses, organizations, and other stakeholders to reduce GHG emissions by improving energy efficiency, transitioning to renewable energy, reducing waste, and using alternative transportation. Initial CECAP implementation will focus on engaging in public outreach and education, proposing areas of legislative change, and building on existing County programs and policies. Both plans are pending Board of Supervisor approval in the Fall of 2021.

Funding of $246,728 and 2/2.0 FTE positions are included in Agency 02, Office of the County Executive, in the Office of Environmental and Energy Coordination and $77,093 and 1/1.0 FTE position are included in Agency 12, Procurement and Materials Management. It should be noted that $157,968 in Fringe Benefits funding is included in Agency 89, Employee Benefits.

Affordable Housing Preservation Coordinator		**RECURRING**
Agency 38, Department of Housing and Community Development	FY 2022 Expenditure	$82,764
Agency 89, Employee Benefits	FY 2022 Expenditure	$39,954
	Net Cost	**$122,718**
Agency 38, Department of Housing and Community Development	FY 2023 Expenditure	$109,685
Agency 89, Employee Benefits	FY 2023 Expenditure	$53,272
	Net Cost	**$162,957**

Funding of $122,718 and 1/1.0 FTE new position are included to support an Affordable Housing Preservation Coordinator in the Department of Housing and Community Development. This position was recommended by the Affordable Housing Preservation Task Force in April 2021 to focus on institutional capacity, community awareness, legislative priorities and to help develop comprehensive rental housing preservation strategies. In addition, this position will work to utilize the $15.0 million earmarked to affordable housing investments as part of the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds awarded to the County. The $15 million represents funds set aside as part of the County's first tranche of $111 million in ARPA funding. A similar earmark is anticipated for the second tranche of ARPA funds.

The Council of Governments' Agriculture Task Force		**NON-RECURRING**
Fund 10030, Contributory Fund	FY 2022 General Fund Transfer	$25,000
	Net Cost	**$25,000**

The General Fund transfer to Fund 10030, Contributory Fund, is increased by $25,000 to provide funding for the Metropolitan Washington Council of Governments' Agricultural Task Force efforts regarding local agriculture.

Student Bus Program Coordinator		**RECURRING**
Agency 40, Department of Transportation	FY 2022 Expenditure	$61,777
Agency 89, Employee Benefits	FY 2022 Expenditure	$29,819
	FY 2022 Recovered Costs	($91,596)
	Net Cost	**$0**
Agency 40, Department of Transportation	FY 2023 Expenditure	$81,869
Agency 89, Employee Benefits	FY 2023 Expenditure	$39,758
	FY 2023 Recovered Costs	($121,627)
	Net Cost	**$0**

Funding of $91,596 and 1/1.0 FTE new position are included to provide full-time support for the Student Bus Pass Program. The Student Bus Program provides opportunities for all Fairfax County High School and Middle School students to ride Fairfax Connector and the City of Fairfax CUE bus for free, as well as serving students at Justice High School through a pilot program with Metrobus. Since the Student Bus Pass program was launched as a pilot in 2015, student ridership has grown steadily and, prior to the disruption from the pandemic, approximately 12,500 students were participating in the program. A dedicated position is required to sustain the coordination involved with this program, to support anticipated growth in student Connector ridership, and to expand the Metrobus pilot to areas not served by Fairfax Connector. Funding of $61,777 in Agency 40, Department of Transportation, including $60,277 for Personnel Services and $1,500 for operating expenses provides partial-year funding for this position in FY 2022, with full-year costs of $81,869 reflected for FY 2023. Additionally, a partial-year cost of $29,819 for FY 2022 and full-year cost of $39,758 for FY 2023 is included in Agency 89, Employee Benefits. These costs will be fully recovered from Fund 40000, County Transit Systems, resulting in no net cost to the General Fund. Funds available in Fund 40000 will also be utilized to cover the costs of additional passes to support the expansion of the Metrobus program.

Reorganizations, Efficiencies, and Savings

Office of Strategy Management for Human Services Reorganization		**RECURRING**
Agency 77, Office of Strategy Management for Human Services	FY 2022 Expenditure	($3,400,338)
Agency 89, Employee Benefits	FY 2022 Expenditure	($121,237)
Agency 02, Office of the County Executive	FY 2022 Expenditure	$702,844
Agency 11, Human Resources	FY 2022 Expenditure	$182,279
Agency 13, Office of Public Affairs	FY 2022 Expenditure	$119,483
Agency 20, Department of Management and Budget	FY 2022 Expenditure	$571,911
Agency 30, Department of Economic Initiatives	FY 2022 Expenditure	$327,248
Agency 70, Department of Information Technology	FY 2022 Expenditure	$132,433
Agency 71, Health Department	FY 2022 Expenditure	$345,435
Agency 79, Neighborhood and Community Services	FY 2022 Expenditure	$763,992
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2022 General Fund Transfer	$375,950
	Net Cost	**$0**
Agency 77, Strategy Management for Human Services	FY 2023 Expenditure	($3,400,338)
Agency 89, Employee Benefits	FY 2023 Expenditure	($121,237)
Agency 02, Office of the County Executive	FY 2023 Expenditure	$702,844
Agency 11, Human Resources	FY 2023 Expenditure	$182,279
Agency 13, Office of Public Affairs	FY 2023 Expenditure	$119,483
Agency 20, Department of Management and Budget	FY 2023 Expenditure	$571,911
Agency 30, Department of Economic Initiatives	FY 2023 Expenditure	$327,248
Agency 70, Department of Information Technology	FY 2023 Expenditure	$132,433
Agency 71, Health Department	FY 2023 Expenditure	$345,435
Agency 79, Neighborhood and Community Services	FY 2023 Expenditure	$763,992
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2023 General Fund Transfer	$375,950
	Net Cost	**$0**

Several position adjustments and funding transfers with no net impact to the General Fund are required based on a reorganizational review of Agency 77, Office of Strategy Management for Human Services, (OSM) and include the re-envisioning of Health and Human Services (HHS) strategic policy and planning efforts, which currently is primarily coordinated by the OSM. Moving forward, this work will continue through a hybrid of centralized cross-system coordination and imbedded corporate agency supports. This realignment of work prepares HHS well for the adoption and implementation of the Countywide Strategic Plan. The resulting dissolution of OSM will be achieved through a redirection of resources to HHS and non-HHS agencies as appropriate. This reorganization also allows for the creation of a Countywide Coordination unit in the Office of the County Executive.

Funding of $3,400,338 is associated with the transfer of 28/28.0 FTE positions from Agency 77, Office of Strategy Management for Human Services, to the following agencies: $792,844 and 6/6.0 FTE positions to Agency 02, Office of the County Executive; $182,279 and 1/1.0 FTE position to Agency 11, Department of Human Resources; $119,483 and 1/1.0 FTE position to Agency 13, Office of Public Affairs; $571,911 and 4/4.0 FTE position to Agency 20, Department of Management and Budget; $327,248 and 3/3.0 FTE positions to Agency 30, Department of Economic Initiatives; $132,433 and 1/1.0 FTE position to Agency 70, Department of Information Technology; $345,435 and 3/3.0 FTE positions to Agency 71, Health

Department; $763,992 and 7/7.0 FTE positions to Agency 79, Department of Neighborhood and Community Services; and $254,713 and 2/2.0 FTE positions to Fund 40040, Fairfax-Falls Church Community Services Board. In addition, $121,237 is transferred from Agency 89, Employee Benefits to Fund 40040, Fairfax-Falls Church Community Services Board.

Security Reorganization		**RECURRING**
Agency 08, Facilities Management Department	FY 2022 Expenditure	($4,114,364)
Agency 93, Office of Emergency Management	FY 2022 Expenditure	$4,605,672
	Net Cost	**$491,308**
Agency 08, Facilities Management Department	FY 2023 Expenditure	($4,114,364)
Agency 93, Office of Emergency Management	FY 2023 Expenditure	$4,605,672
	Net Cost	**$491,308**

Funding of $491,308 is included and $4,114,364 is transferred from Agency 08, Facilities Management Department (FMD), to Agency 93, Office of Emergency Management (OEM), in FY 2022 to support the relocation of all security functions to OEM. This adjustment includes 3/3.0 positions from FMD and contract funding for countywide security. In addition, 1/1.0 FTE position is moving from Agency 02, Office of the County Executive, to Agency 93, Office of Emergency Management. The security team ensures all facets of security are kept up to date with the current crime trends, tensions within the country, legislative and political changes, technology advancements, and relevant training. This reorganization will better align these duties with the OEM goals to prepare for, respond to, and recover from new and challenging threats. The net increase reflects unfunded adjustments to the County's security contract which are no longer anticipated to be able to be absorbed within existing agency budgets. It should be noted that, following Board approval of this reorganization, the agency name will be updated to the Department of Emergency Management and Security.

Fairfax-Falls Church Community Services Board Savings		**NON-RECURRING**
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2022 Transfer to General Fund	($15,000,000)
	Net Cost	**($15,000,000)**

A transfer to the General Fund of $15,000,000 from Fund 40040, Fairfax-Falls Church Community Services Board (CSB), is included in FY 2022 due to higher than anticipated savings in Personnel Services and Operating Expenses, intensified by higher than anticipated revenue collections. In FY 2021, the CSB had significant challenges hiring and retaining staff. The agency has implemented multiple initiatives, such as sign-on bonuses for difficult to fill positions and employee surveys for departing staff, to help mitigate the ongoing attrition. Over the past several years, the CSB has also redesigned programming that has led to significant savings in various programs such as Assisted Community Residential Services, which has allowed the agency to redirect savings to other areas in most need. In addition, non-County revenues increased 6.0 percent above the *FY 2021 Revised Budget Plan* of $35,307,201. This surplus is primarily due to concerted efforts to maximize revenue by recovering revenue due from prior periods, implementation and billing of new Addiction and Recovery Treatment Services (ARTS), as well as more diligent claims management. As a result, one-time savings in the amount of $15 million will be returned to the General Fund in FY 2022. The unreserved balance remaining in the CSB is sufficient to address any unforeseen issues in the coming year.

Position Reductions **NON-RECURRING**
Multiple Agencies FY 2022 Expenditure $0
Net Cost **$0**

As part of the FY 2022 Advertised Budget Plan, the County Executive advised the Board of Supervisors that staff would undertake a review of positions for potential reductions as part of the *FY 2021 Carryover Review*. Due to the pandemic, agencies were directed to hold non-critical positions vacant, but many of these positions will need to be filled as agencies resume normal operations. However, agencies have been operating under constrained budgets for years and have needed to hold some positions vacant in order to offset other cost increases. As a result, there are a number of unfunded positions that may be eliminated without negatively impacting agency operations. A total of 31/31.0 FTE positions have been identified for reduction. Below is a summary by agency.

Agency	Positions Identified for Reduction
Agency 04, Department of Cable and Consumer Services	1/1.0 FTE
Agency 11, Department of Human Resources	2/2.0 FTE
Agency 12, Department of Procurement and Material Management	3/3.0 FTE
Agency 20, Department of Management and Budget	1/1.0 FTE
Agency 51, Fairfax County Park Authority	4/4.0 FTE
Agency 70, Department of Information Technology	1/1.0 FTE
Agency 80, Circuit Court and Records	2/2.0 FTE
Agency 81, Juvenile and Domestic Relations District Court	2/2.0 FTE
Fund 40010, County and Regional Transportation Projects	1/1.0 FTE
Fund 40030, Cable Communications	4/4.0 FTE
Fund 40150, Refuse Disposal	4/4.0 FTE
Fund 40330, Elderly Housing Programs	3/3.0 FTE
Fund 60000, County Insurance	1/1.0 FTE
Fund 60010, Department of Vehicle Services	2/2.0 FTE
TOTAL	**31/31.0 FTE**

Investments in IT and Capital Infrastructure

IT Project Funding **NON-RECURRING**
Fund 10040, Information Technology FY 2022 General Fund Transfer $20,611,200
Net Cost **$20,611,200**

The General Fund transfer to Fund 10040, Information Technology, is increased by $20,611,200 for to support the funding of continuing and new IT projects. As indicated in the FY 2022 Adopted Budget Plan, no General Fund support of IT projects was included in the FY 2022 budget proposal. As discussed in the January 12, 2021, Information Technology Committee, this is approach is consistent with the IT Strategic Roadmap. While using one-time funds at Third Quarter and Carryover to support County initiatives has been a consistent strategy employed in recent years due to limited funding, it will be necessary in future years to increase baseline funding for these investments. Additional details regarding the specific projects funded are included in the *Other Funds Detail* section on page 88.

Space Realignment			**NON-RECURRING**
Fund 30010, General Construction and Contributions		FY 2022 General Fund Transfer	$6,000,000
		Net Cost	**$6,000,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $6,000,000 to support space realignment and reconfiguration projects at the Government Center complex and throughout the County. Over time, these projects will help to maximize owned space and reduce leased space. Funding will provide the investment in the near term to explore opportunities to create a sustainable model balancing service delivery requirements and resources into the future. Resources will be provided to identify long-term solutions for space redesign and reconfiguration of County-owned space to increase operational efficiencies and sustainability, including more efficiently utilizing the space in the Government Center, Pennino and Herrity buildings and, ultimately, reducing costly leased space. As part of this County space and facility utilization effort, leases will be reviewed for elimination or reduction by redesigning/reconfiguring County-owned space to accommodate operational requirements. The allocation of County space will be reviewed to make it more equitable while exploring opportunities for reorganizations and consolidations, and short-term investments may be required to provide the flexibility for longer term efficiencies and sustainability. Increased teleworking has also provided an opportunity to reexamine space and realize more efficiencies. It should also be noted that the additional funding is needed as costs for all projects are escalating as a result of material and manufacturing delays and significant supply chain issues. Amplifying the problem is that extreme demand outpaces supply, plants closed down during the pandemic so ramping back up has been slow, raw material and trucking shortages persist, and lead times on multiple system components are significantly delayed due to global supply chain disruptions. These issues are a result of the global pandemic and are expected to extend into 2022.

Emergency Systems Failures			**NON-RECURRING**
Fund 30020, Infrastructure Replacement and Upgrades		FY 2022 General Fund Transfer	$5,400,000
		Net Cost	**$5,400,000**

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

It should be noted that $1,500,000 of this funding will support the replacement of the Variant Refrigerant Flow (VRF) HVAC system at the Woodrow Wilson Library. There are numerous operational problems associated with the VRF HVAC system, which have resulted in unexpected closures of the building. After a two-phase testing process, it was concluded that the existing system needs to be replaced. The Facilities Management Department will continue to have a mechanical/HVAC contractor on-call to respond to system failures, issues, and concerns before and during this work.

Workhouse Buildings Improvements			**NON-RECURRING**
Fund 30010, General Construction and Contributions		FY 2022 General Fund Transfer	$3,300,000
		Net Cost	**$3,300,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $3,300,000 to support building improvements at the Workhouse Campus. This project will provide a source of funding for historic preservation and renovations for adaptive reuse of two buildings, identified as Workhouse-13 and Workhouse-15. Funding will also provide for streetscape enhancements, campus signage, site furnishings, and pavement improvements. The County is marketing the buildings to interested parties to establish and operate restaurants, craft beverage productions, or tasting rooms to further enhance and activate the campus.

Transportation Studies		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$2,775,000
	Net Cost	**$2,775,000**

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased $2,775,000 to support eight transportation analyses requested by the Board of Supervisors. These funds allow the Department of Transportation to engage consultant resources and complete transportation studies associated with approved Comprehensive Plan amendments. This funding supports a comprehensive study of multimodal transportation opportunities in and around the Merrifield Suburban Center; the second phase of the ActiveFairfax Transportation Plan Update for pedestrian and bicycles; the second phase of the evaluation of the bicycle and pedestrian network along Wiehle Avenue; the study of seven intersections which were not addressed through the Reston Network Analysis; a pilot transportation project to support placemaking efforts in the McLean Community Business Center; a study of the intersection of University Drive and Route 123 as well as feeder streets, intersections and cut through traffic to identify potential multimodal improvements; a study of Route 29 between Fairfax City to Fairfax County Parkway for accessibility, mobility and placemaking; and Phase II of the Spot Improvement Network Screening project.

PC Program and Network Infrastructure Support		**NON-RECURRING**
Fund 60030, Technology Infrastructure Services	FY 2022 General Fund Transfer	$2,000,000
	Net Cost	**$2,000,000**

The General Fund transfer to Fund 60030, Technology Infrastructure Services, is increased by $2,000,000 to support the PC program and network infrastructure functions. These investments help address costs associated with County's increasing reliance on technology. Cost drivers in the PC program include rising software license costs as well as increased hardware and software requirements to support an increasingly mobile workforce. Similarly, continuing investment is required to ensure that the performance and security of the County's network and enterprise software meet the needs of County staff and residents accessing services digitally.

Facilities Management Department Staffing Needs		**RECURRING**
Agency 08, Facilities Management Department	FY 2022 Expenditure	$1,220,496
Agency 89, Employee Benefits	FY 2022 Expenditure	$589,619
	Net Cost	**$1,810,115**
Agency 08, Facilities Management Department	FY 2023 Expenditure	$1,220,496
Agency 89, Employee Benefits	FY 2023 Expenditure	$589,619
	Net Cost	**$1,810,115**

Funding of $1,810,115 is required to support 12/12.0 FTE new positions in Agency 08, Facilities Management Department, including 2/2.0 FTE Engineers IV, 9/9.0 FTE Project Managers II, and 1/1.0 FTE Engineer II. These positions will plan, direct, and oversee construction projects, including environmental and energy projects, infrastructure replacement and upgrade projects, and agency-requested reconfiguration projects. The positions dedicated to environmental and energy projects will install new and more complex energy efficiency systems designed to reduce the county's energy and water usage and related greenhouse gas emissions. New systems are being designed with the target of achieving Net Zero Energy (NZE) eligibility. In addition, these projects, which are expected to evolve over time, include renewable energy generation, including rooftop and canopy solar energy installations, the installation of electric vehicle charging infrastructure, assistance to Energy Service Companies (ESCOs) that are identifying and making energy and water improvements in County facilities, oversight and management of building energy management and control systems, building recommissioning, and the identification and implementation of energy and water saving improvements including LED lighting and water conservation retrofits.

Furthermore, these positions will support additional infrastructure replacement and upgrade projects. Infrastructure replacement and upgrade projects are becoming more complex as technologies advance and many projects are completed while facilities are occupied by users. Often, due to the need to maintain continuity of business, projects must be phased to minimize the impact on the building and occupants, which results in weekend work and prolonged construction activities. The positions will support several aging and large County buildings, including the Government Center, Pennino Building, Herrity Building, and South County Government Center, that have larger and more complex building systems. Lastly, the positions will support projects that are requested by user agencies, such as space reconfigurations and minor improvements. Funding for these requests is provided by the requesting agency; however, FMD provides the staffing to complete the work. It is expected that the addition of these 12/12.0 FTE new positions will allow the agency to complete approximately $20 million in projects annually. It should be noted that an increase of $589,619 in Fringe Benefits is included in Agency 89, Employee Benefits.

Judicial Center Redevelopment		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$1,500,000
	Net Cost	**$1,500,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $1,500,000 to support the Land Use Entitlement phase of the Judicial Complex Redevelopment project. This funding will allow staff to work through the land use approvals for site redevelopment, additional new facilities, and other uses at the Complex. Entitlement will include a Proffer Condition Amendment/ Conceptual Development Plan Amendment, a partial Final Development Plan Amendment, and a Comprehensive Plan Amendment for the entire 48-acre Judicial Complex site. These amendments will include development of associated plan documents, transportation studies, a demand management plan, a parking study, archeological studies, and design guidelines for future development on the site. The design guidelines will include buildings, roads, stormwater management, landscaping, and sustainability, and will maintain the goals of the approved Master Plan.

Infrastructure Replacement and Upgrades at County Facilities		**NON-RECURRING**
Fund 30020, Infrastructure Replacement and Upgrades	FY 2022 General Fund Transfer	$1,000,000
	Net Cost	**$1,000,000**

The General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is increased by $1,000,000 to address emergency building repairs prioritized as Category F at the Annandale Center. As this facility ages, the building envelope is failing and creating water and air leaks resulting in damaged systems and surfaces, as well as unsafe mold and mildew conditions. Funding will support re-caulking and sealing the building; repairing the exterior steel staircase; replacing the windows and doors; addressing loose wires; and cleaning, painting, and sealing the exterior façade. It should be noted that funding in the amount of $5,282,000 was previously approved as part of the *FY 2021 Third Quarter Review* for a total of $6,282,000 to address the FY 2022 program. The FY 2022 program includes all Category F projects and will address emergency generator replacements, fire alarm system replacements, HVAC system upgrades, and roof replacements. Funding of one-time capital improvements as part of a quarterly review is consistent with actions taken by the Board of Supervisors in previous years; however, it will be necessary in future years to increase baseline funding for these investments.

New Lease Agreement for Circuit Court Archives		**RECURRING**
Agency 08, Facilities Management Department	FY 2022 Expenditure	$225,000
	Net Cost	**$225,000**
Agency 08, Facilities Management Department	FY 2023 Expenditure	$225,000
	Net Cost	**$225,000**

Funding of $225,000 is required for costs associated with a new short-term lease agreement for the Circuit Court Archives. The Circuit Court Archives are currently located at the One University facility, which is being redeveloped into a 240-unit affordable housing community and space is no longer available for records storage. The Circuit Court and the Facilities Management Department located a suitable temporary location to store the records until a permanent facility can be located at the Courthouse complex. The temporary facility includes 14,071 square feet of office and warehouse space.

Adjustments with no Net General Fund Impact

HVAC Maintenance Contracts		**RECURRING**
Agency 08, Facilities Management Department	FY 2022 Expenditure	$65,840
Agency 89, Employee Benefits	FY 2022 Expenditure	($65,840)
	Net Cost	**$0**
Agency 08, Facilities Management Department	FY 2023 Expenditure	$65,840
Agency 89, Employee Benefits	FY 2023 Expenditure	($65,840)
	Net Cost	**$0**

Funding of $65,840 is required to be transferred from Agency 89, Employee Benefits, to Agency 08, Facilities Management Department (FMD), in FY 2022. This funding will support HVAC preventative maintenance contract services for libraries and public safety facilities. New building designs and LEED certifications require building HVAC systems to be more complex, integrating state of the art equipment with evolving building control technologies. Therefore, FMD is outsourcing HVAC maintenance and repair services to specialized contract HVAC vendors and eliminating HVAC positions by attrition. FMD performed a successful pilot program for County libraries in FY 2020 and expanded the program to public safety facilities in FY 2021. Salary and fringe benefit costs associated with eliminated positions help offset the cost of the specialized HVAC contracts.

IT Position Adjustments		**RECURRING**
Agency 25, Business Planning and Support	FY 2022 Expenditure	$152,869
Agency 26, Capital Facilities	FY 2022 Expenditure	($152,869)
	Net Cost	**$0**
Agency 25, Business Planning and Support	FY 2023 Expenditure	$152,869
Agency 26, Capital Facilities	FY 2023 Expenditure	($152,869)
	Net Cost	**$0**

Funding of $152,869 is associated with 1/1.0 FTE Network/Telecom Analyst II position and 1/1.0 FTE Information Technology Technician II position that are transferred from Agency 26, Capital Facilities, to Agency 25, Business Planning and Support. This is to better support the Department of Public Works and Environmental Services' (DPWES) four core business areas and enhance department-wide initiatives. There is no net funding impact on the General Fund.

Positions for Family First In-Home Services		**RECURRING**
	FY 2022 Revenue	$180,895
Agency 67, Department of Family Services	FY 2022 Expenditure	$120,597
Agency 89, Employee Benefits	FY 2022 Expenditure	$60,298
	Net Cost	**$0**
	FY 2023 Revenue	$241,193
Agency 67, Department of Family Services	FY 2023 Expenditure	$160,796
Agency 89, Employee Benefits	FY 2023 Expenditure	$80,398
	Net Cost	**$0**

Funding of $180,895 is included to support 2/2.0 FTE new positions to provide in-home services consistent with the Family First Prevention Services Act (FFPSA). On July 1, 2021, the FFPSA, adopted and signed into national law in 2018, went into effect. The act reforms federal child welfare financing streams to provide services to families at-risk of entering the child welfare system and ensure the well-being and appropriate level of service for children already in care. As a part of the 2020 Special Session, I Appropriation Act, Chapter 56, additional funding beginning in FY 2022 was allocated to local departments of social services to expand the provision of in-home foster care prevention services. It should be noted that an increase of $60,298 in Fringe Benefits funding is included in Agency 89, Employee Benefits. The expenditure increase is fully offset by an increase in federal funding for no net impact to the General Fund.

Public Assistance Eligibility Workers		**RECURRING**
	FY 2022 Revenue	$537,976
Agency 67, Department of Family Services	FY 2022 Expenditure	$358,651
Agency 89, Employee Benefits	FY 2022 Expenditure	$179,325
	Net Cost	**$0**
	FY 2023 Revenue	$717,301
Agency 67, Department of Family Services	FY 2023 Expenditure	$478,201
Agency 89, Employee Benefits	FY 2023 Expenditure	$239,100
	Net Cost	**$0**

Funding of $537,976 is included to support 7/7.0 FTE new public assistance eligibility worker positions in the Department of Family Services (DFS). Each year the County adds positions to address the yearly increase in caseloads in an effort to maintain the significant progress made in achieving the federal and state accuracy and timeliness mandates. The number of applications for public assistance continues to grow especially with the state's Medicaid expansion as well as those requesting assistance due to the COVID-19 pandemic. For example, at the end of FY 2021 there were 122,165 Medicaid cases compared to 89,276 in FY 2019. This is a 36.8 percent increase. It should be noted that an increase of $179,325 in Fringe Benefits funding is included in Agency 89, Employee Benefits. The expenditure increase is fully offset by an increase in federal and state funding for no net impact to the General Fund.

Funding for Child Protective Services Mobile Unit		**RECURRING**
	FY 2022 Revenue	$732,606
Agency 67, Department of Family Services	FY 2022 Expenditure	$496,093
Agency 89, Employee Benefits	FY 2022 Expenditure	$236,513
	Net Cost	**$0**
	FY 2023 Revenue	$732,606
Agency 67, Department of Family Services	FY 2023 Expenditure	$496,093
Agency 89, Employee Benefits	FY 2023 Expenditure	$236,513
	Net Cost	**$0**

As previously approved by the Board of Supervisors as part of the *FY 2021 Third Quarter Review*, funding of $732,606 is included to appropriate additional revenue from the state to support additional positions in Child Protective Services (CPS). These positions will address increasing caseloads in CPS for both intake and ongoing services as well as to stay in compliance with the Virginia Department of Social Services for both timeliness and accuracy of cases processed. Additionally, it is expected that there will be a surge of new referrals as Fairfax County Public Schools (FCPS) transitions back to in-person learning since most referrals are made by FCPS staff. It should be noted that an increase of $236,513 in Fringe Benefits funding is included in Agency 89, Employee Benefits. The expenditure increase is fully offset by an increase in state funding for no net impact to the General Fund.

Gang Prevention		**NON-RECURRING**
Agency 79, Department of Neighborhood and Community Services	FY 2022 Expenditure	$126,027
Agency 81, Juvenile and Domestic Relations District Court	FY 2022 Expenditure	$16,020
Agency 87, Unclassified Administrative Expenses	FY 2022 Expenditure	($178,375)
Fund 30010, General Construction and Contributions	FY 2022 General Fund Transfer	$36,328
	Net Cost	**$0**

Funding of $178,375 is associated with the transfer of the Gang Prevention Reserve balances in Agency 87, Unclassified Administrative Expenses, to support a collaborative, multi-agency effort to respond to and prevent gangs in Fairfax County. This funding supports the County's efforts to provide education, awareness and prevention, and coordination in responding to gangs. For example, funding will support youth programs, further training for staff, improve data collection, and provide summer jobs through the expansion of programs. In addition, funding will support purchase of new equipment at alternative schools that serve a large number of youth involved or at-risk for involvement with gangs.

Consideration Items

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

Additional Adjustments in Other Funds

Total FY 2022 expenditures in Appropriated Other Funds, excluding School funds, are requested to increase $2.62 billion over the FY 2022 Adopted Budget Plan. In addition to the adjustments in Appropriated Funds, there are adjustments totaling $76.52 million in Non-Appropriated Other Funds. Details of Fund 50000, Federal/State Grant Fund, are discussed in Attachment V, while details of FY 2022 adjustments in Appropriated and Non-Appropriated Other Funds other than Federal and State Grants are found in Attachment VI. School Board adjustments total $785.81 million, excluding debt service, over the FY 2022 Adopted Budget Plan. Details of School Board actions are available in Attachment C.

Summary of Recommended Actions

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

Approve Supplemental Appropriation Resolutions AS 22009 as well as Fiscal Planning Resolution AS 22900 to provide expenditure authorization for FY 2021 Carryover encumbrances, unexpended balances, and administrative adjustments, including the following:

- Board appropriation of $35.95 million in General Fund encumbrances related to Direct Expenditures from FY 2021 as noted in the General Fund Statement and in Attachment III.
- Board appropriation of General Fund administrative adjustments as detailed earlier in this memorandum.
- Board appropriation of Federal/State grants in Fund 50000, Federal/State Grant Fund, totaling $511.53 million, or an increase of $393.39 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 2021 Final Budget Review and Appropriation Resolutions.