

# Unclassified Administrative Expenses

## Focus

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

## Pandemic Response and Impact

The County received over \$200 million in stimulus funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund to support the County's pandemic response. These funds are being used in combination with General Funds, anticipated funds from the Federal Emergency Management Agency (FEMA), and other federal and state funds. CARES Coronavirus Relief Funds are centrally budgeted and tracked in Agency 87 to ensure compliance with federal guidance. These one-time funds can only be used to cover costs that:

- are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act), for the State or government; and
- were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021.

The Coronavirus Relief Funds have been used for a variety of purposes, including the County's public health response and contact tracing program; support for County residents requiring assistance for basic needs; a medical isolation program for vulnerable residents, including those who are homeless; support for County small businesses and non-profits; 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. As funds are eligible to be used for expenses through December 31, additional allocations are expected. Staff submit monthly reports to the Board regarding utilization of the funds, and these memorandums are posted at [www.fairfaxcounty.gov/budget](http://www.fairfaxcounty.gov/budget).

In addition, General Fund resources were identified as part of the *FY 2020 Third Quarter Review*, *FY 2021 Adopted Budget Plan*, and *FY 2020 Carryover Review* to be set aside in an appropriated reserve in Agency 87, Unclassified Administrative Expenses, for costs associated with the County's pandemic response which are not eligible under the Coronavirus Relief Fund. This funding totaled \$25.03 million in FY 2021, of which \$9.07 million was utilized as part of the *FY 2021 Mid-Year Review* to partially offset revenue losses as a result of the pandemic. Updates regarding the use of these funds are included in the monthly reports to the Board, as noted above. The *FY 2022 Advertised Budget Plan* does not include additional funding for this appropriated reserve, and instead includes a recommendation to hold \$20.0 million in an unappropriated General Fund reserve to allow the County the flexibility to continue to address the impacts of the pandemic and to fund recovery efforts.

## Budget and Staff Resources

### Summary by Reserve

Cost Center	FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised
Gang Prevention Reserve	0	0	178,375	0
Health and Human Services Innovation Fund <sup>1</sup>	0	200,000	600,000	0
Reserve for Ad-Hoc Police Practices Review Commission Recommendations <sup>2</sup>	0	0	0	0
CARES Coronavirus Relief Fund	55,702,407	0	144,533,078	0
Reserve for Coronavirus Pandemic	0	9,838,597	15,954,462	0
<b>Total Expenditures</b>	<b>\$55,702,407</b>	<b>\$10,038,597</b>	<b>\$161,265,915</b>	<b>\$0</b>

<sup>1</sup> As part of the FY 2022 Advertised Budget Plan, the Health and Human Services Innovation Fund is transferred to Agency 79, Department of Neighborhood and Community Services.

<sup>2</sup> As part of the FY 2020 Carryover Review, the remaining balance of \$1.25 million in the Reserve for Ad-Hoc Police Practices Review Commission Recommendations was transferred to multiple agencies to fully implement the Body-Worn Camera Program. For more information on the Body-Worn Camera Program, please refer to Agency 90, Police Department, in Volume 1 of the FY 2022 Advertised Budget Plan.

## FY 2022 Funding Adjustments

The following funding is required to support the FY 2022 program:

**No reserve funding is included in Agency 87, Unclassified Administrative Expenses, in FY 2022.**

## Changes to FY 2021 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2021 Revised Budget Plan since passage of the FY 2021 Adopted Budget Plan. Included are all adjustments made as part of the FY 2020 Carryover Review, FY 2021 Mid-Year Review, and all other approved changes through December 31, 2020:

**Carryover Adjustments** **\$160,559,107**

As part of the FY 2020 Carryover Review, the Board of Supervisors approved the re-appropriation of reserve balances totaling \$160,559,107. This amount included the remaining balance of \$144,790,534 in stimulus funding received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund; \$15,190,198 in the Reserve for Coronavirus Pandemic; \$400,000 in the Health and Human Services Innovation Fund; and \$178,375 in the Gang Prevention Reserve. In addition to these reserve adjustments, the Board of Supervisors approved the transfer of the remaining balance of \$1,259,537 in the Reserve for Ad-Hoc Police Practices Review Commission Recommendations to multiple agencies to support Phase Two and Phase Three of the Body-Worn Camera Program.

**Mid-Year Adjustments** **(\$9,331,789)**

As part of the FY 2021 Mid-Year Review, the Board of Supervisors approved a reduction of \$9,331,789, including a reduction of \$9,074,333 in the Reserve for Coronavirus Pandemic to offset revenue losses as a result of COVID-19 and a reduction of \$257,456 to update the balance remaining in stimulus funding received from the CARES Act Coronavirus Relief Fund.