

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

- \$200 million in direct federal assistance from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) to support the County's pandemic response. The Coronavirus Relief Funds 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; expenses related to expanding telework options for County employees; and support for the Towns of Herndon, Vienna, and Clifton. As the deadline for CRF funds was December 31, 2021, final reconciliation for expenses is underway. Treasury has given jurisdictions until October 2022 to finalize expenditures; however, staff anticipates submitting the final report in July 2022.
- \$222 million in direct federal assistance from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Fund). This funding will be distributed in two funding tranches. The first tranche of \$111 million was received in May 2021 and appropriated by the Board of Supervisors at a public hearing on June 8, 2021. The second tranche of funding of \$111 million is anticipated no earlier than 12 months following the first disbursement. The ARPA Fiscal Recovery Fund gives broad flexibility in how funding can be used. This includes supporting the public health response, including services to address behavioral healthcare needs; providing housing, food, and job training assistance to workers and families; supporting small businesses and impacted sectors that have suffered negative economic impacts of the pandemic; supporting communities disproportionately impacted by the pandemic, through housing, education, and childcare assistance; and providing for replacement of lost revenue by state, local or tribal governments. As of February 2022, \$96.2 million of the first tranche has been allocated. The specific projects are included in the bi-monthly Board of Supervisors memorandums discussed above.

In addition, one-time General Fund resources have been set aside in an appropriated reserve in Agency 87, Unclassified Administrative Expenses, for costs associated with the County's pandemic response which are not eligible under other funding sources including the CARES Act Coronavirus Relief Fund or ARPA Fiscal Recovery Fund. There is currently \$22.53 million available in the reserve. Updates regarding the use of these funds are included in the bi-monthly reports to the Board of Supervisors, as noted above. The FY 2023 Advertised Budget Plan does not include additional funding for this appropriated reserve.

Budget and Staff Resources

Summary by Reserve

Cost Center	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
CARES Act Coronavirus Relief Fund	\$130,323,370	\$0	\$14,209,708	\$0
ARPA Fiscal Recovery Fund	0	0	111,447,319	0
Reserve for Coronavirus Pandemic	1,486,467	0	22,525,106	0
Total Expenditures	\$131,809,837	\$0	\$148,182,133	\$0

FY 2023 Funding Adjustments

The following funding adjustments from the FY 2022 Adopted Budget Plan are necessary to support the FY 2023 program:

No reserve funding is included in Agency 87, Unclassified Administrative Expenses, in FY 2023.

Changes to FY 2022 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2022 Revised Budget Plan since passage of the FY 2022 Adopted Budget Plan. Included are all adjustments made as part of the FY 2021 Carryover Review, FY 2022 Mid-Year Review, and all other approved changes through December 31, 2021:

Carryover Adjustments \$143,256,978

As part of the FY 2021 Carryover Review, the Board of Supervisors approved funding of \$143,256,978. This includes the re-appropriation of reserve balances totaling \$138,501,790 which is composed of \$111,447,319 in stimulus funding received from the ARPA Fiscal Recovery Fund, \$10,818,727 in stimulus funding received from the CARES Act Coronavirus Relief Fund, and \$16,235,744 in the Reserve for Coronavirus Pandemic. Additionally, \$4,755,188 in new one-time funding was added to the Reserve for Coronavirus Pandemic. The Board of Supervisors also approved the transfer of the remaining balance of \$178,375 in the Gang Prevention Reserve to the agencies implementing these programs.

Mid-Year Adjustments \$4,925,155

As part of the FY 2022 Mid-Year Review, the Board of Supervisors approved funding of \$4,925,155 which includes \$3,390,981 to update the re-appropriation of reserve balances in the CARES Act Coronavirus Relief Fund as well as \$1,534,174 in new one-time funding which has been added to the Reserve for Coronavirus Pandemic.