

Unclassified Administrative Expenses

Focus

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

Pandemic Reserves

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

- \$200 million in direct federal assistance from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF) to support the County's pandemic response. The Coronavirus Relief Funds were used for a variety of purposes, including the County's public health response and contact tracing program; support for County residents requiring assistance for basic needs; a medical isolation program for vulnerable residents, including those who are homeless; support for County small businesses and non-profits; expenses related to expanding telework options for County employees; and support for the Towns of Herndon, Vienna, and Clifton. The full allocation has been fully expended and the final report was submitted to the U.S. Department of the Treasury in October 2022.
- \$222 million in direct federal assistance from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Fund). This funding was distributed in two funding tranches. The first tranche of \$111 million was received in May 2021 and appropriated by the Board of Supervisors at a public hearing on June 8, 2021. The second tranche of \$111 million was received in June 2022 and was appropriated by the Board of Supervisors as part of the *FY 2022 Carryover Review*. The ARPA Fiscal Recovery Fund gives broad flexibility in how funding can be used. This includes supporting the public health response, including services to address behavioral healthcare needs; providing housing, food, and job training assistance to workers and families; supporting small businesses and impacted sectors that have suffered negative economic impacts of the pandemic; supporting communities disproportionately impacted by the pandemic, through housing, education, and childcare assistance; and providing for replacement of lost revenue by state, local or tribal governments. As of November 2022, \$172.9 million of the funding has been allocated. The specific projects are included in the Board of Supervisors memorandums discussed above.

In addition, one-time General Fund resources have been set aside in an appropriated reserve in Agency 87, Unclassified Administrative Expenses, for costs associated with the County's pandemic response which are not eligible under other funding sources. There is currently \$12.2 million available in the reserve. Updates regarding the use of these funds are included in the reports to the Board of Supervisors, as noted above. The [FY 2024 Adopted Budget Plan](#) does not include additional funding for this appropriated reserve.

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Other Reserves

One-time General Fund resources have been set aside for the Hiring Incentive Bonus program aimed at addressing recruitment and retention issues in critical job classifications. A hiring incentive bonus is available to new full-time and part-time general merit County employees who are in job classifications identified by the Department of Human Resources as being difficult to fill and/or critical to the County's operations. A class that is difficult to fill is one that has taken a very long time to fill, or for which qualified candidates could not be found despite extensive recruiting efforts due to factors such as labor market shortages, aggressive growth in compensation levels (or in particular positions), or unique skillsets. There is currently \$2.1 million available in this reserve. The FY 2024 Adopted Budget Plan does not include additional funding for this appropriated reserve.

Budget and Staff Resources

Summary by Reserve

Cost Center	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised	FY 2024 Adopted
Hiring Incentive Bonus Program Reserve	\$0	\$0	\$2,066,849	\$0	\$0
CARES Act Coronavirus Relief Fund	14,209,708	0	0	0	0
ARPA Fiscal Recovery Fund Reserve for Coronavirus Pandemic	36,673,628	0	186,221,010	0	0
	280,719	0	12,244,387	0	0
Total Expenditures	\$51,164,055	\$0	\$200,532,246	\$0	\$0

FY 2024 Funding Adjustments

The following funding adjustments from the FY 2023 Adopted Budget Plan are necessary to support the FY 2024 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 9, 2023.

No reserve funding is included in Agency 87, Unclassified Administrative Expenses, in FY 2024.

Changes to FY 2023 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review, FY 2023 Third Quarter Review, and all other approved changes through April 30, 2023.

Carryover Adjustments

\$212,559,925

As part of the FY 2022 Carryover Review, the Board of Supervisors approved funding of \$212,559,925. This includes the re-appropriation of reserve balances totaling \$97,018,078 which is composed of \$74,773,691 in stimulus funding received from the ARPA Fiscal Recovery Fund and \$22,244,387 in the Reserve for Coronavirus Pandemic. Additionally, \$111,447,319 in new one-time funding was appropriated to recognize the second tranche of funding received from the ARPA Fiscal Recovery Fund. The Board of Supervisors also appropriated one-time funding of \$4,094,528 to establish a reserve to support the Hiring Incentive Bonus program aimed at addressing recruitment and retention issues.

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Third Quarter Adjustments **(\$12,027,679)**

As part of the *FY 2023 Third Quarter Review*, the Board of Supervisors approved the transfer of \$12,027,679 from Agency 87 to other agencies. This includes the transfer of \$10,000,000 from the Reserve for Coronavirus Pandemic to Fund 30300, Affordable Housing Development and Investment to support of the creation, rehabilitation, and preservation of affordable housing throughout the County. The remaining \$2,027,679 has been transferred from the Hiring Incentive Bonus Program Reserve to various County agencies in support of hiring and retention bonuses provided in FY 2023.