ATTACHMENT B:

MEMO AND ATTACHMENTS I – VII TRANSMITTING THE COUNTY'S FY 2023 CARRYOVER REVIEW WITH APPROPRIATE RESOLUTIONS

County of Fairfax, Virginia

MEMORANDUM

DATE: July 24, 2023

TO: Board of Supervisors

FROM: Bryan J. Hill
County Executive

SUBJECT: FY 2023 Actual Revenues, Expenditures and Carryover Supplemental Appropriation

Attached for your review and consideration is the FY 2023 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 2024
Attachment VI	A detailed description of significant changes in Other Funds
Attachment VII	Supplemental Appropriation Resolution AS 23276 and AS 24009 and Fiscal Planning Resolution AS 24900 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 2023 Carryover Review* recommends changes to the FY 2024 Adopted Budget Plan over this limit, Board action on the Carryover Review has been scheduled at the same time as the public hearing on September 26, 2023.

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FY 2023 Carryover Summary

The *FY 2023 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 received through the America Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF).

The County received $222.89 million in funding through the ARPA Coronavirus State and Local Fiscal Recovery Funds in FY 2021 and FY 2022. Of the total, $104.18 million was expended through FY 2023. The remaining balance of $118.71 million will be carried forward into FY 2024.

The SLFRF 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 2023 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 and the Coronavirus State and Local Fiscal Recovery Funds.

General Fund and Federal Stimulus Balances
(in millions)

	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
Revised Expenditure Budget	$1,820.86	$186.22	$2,007.08
Actual Expenditures	$1,689.35	$67.52	$1,756.87
Expenditure Balance	**$131.50**	**$118.71**	**$250.21**
Revised Revenue Budget	$4,900.72	$0.00	$4,900.72
Actual Revenues	$4,972.35	$0.00	$4,972.35
Revenue Balance	**$71.63**	**$0.00**	**$71.63**
TOTAL AVAILABLE BALANCE	**$203.14**	**$118.71**	**$321.84**

The carryover of the balance in the Coronavirus State and Local Fiscal Recovery Fund is included as an Administrative Adjustment, as it is necessary to reappropriate the balance of this fund to allow for spending during FY 2024. Otherwise, adjustments included in this package are focused on balances excluding the federal stimulus funds, which net to $203.14 million. The *FY 2023 Carryover Review* recommends allocations of $200.90 million (excluding the carryforward of federal stimulus funds), resulting in an available balance for the Board's consideration of $2.24 million.

A brief summary of the recommendation included in the *FY 2023 Carryover Review* follows.

FY 2023 Carryover Review Recommended Adjustments
(in millions)

	Positions	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
Available Balance		**$203.14**	**$118.71**	**$321.84**
FY 2023 Commitments ($70.72 million)				
Outstanding Encumbered Obligations		($52.57)	--	($52.57)
Outstanding Unencumbered Obligations		($15.58)	--	($15.58)
Associated Reserve Adjustments		($2.57)	--	($2.57)
Balance after FY 2023 Commitments		**$132.42**	**$118.71**	**$251.12**
Allocations for Reserves/Capital ($69.36 million)				
30% of Balance to Infrastructure Sinking Reserve		($39.72)	--	($39.72)
20% of Balance to Bicycle and Pedestrian Access		($26.48)	--	($26.48)
Associated Reserve Adjustments		($3.15)	--	($3.15)
Balance after Allocations for Reserves/Capital		**$63.06**	**$118.71**	**$181.76**
Other Requirements* ($179.53 million, 32 positions)				
ARPA Fiscal Recovery Funds Balances		--	($118.71)	($118.71)
IT Project Support		($14.51)	--	($14.51)
Workhouse Buildings and Site Improvements		($7.00)	--	($7.00)
Construction Escalation Reserve		($5.00)	--	($5.00)
Emergency Systems Failures		($5.00)	--	($5.00)
Park Authority CIP Projects		($5.00)	--	($5.00)
Environmental Energy Initiatives		($4.60)	--	($4.60)
Space Realignment		($3.00)	--	($3.00)
Willard Health Center Relocation and Build Out		($3.00)	--	($3.00)
Turf Field Replacement		($2.50)	--	($2.50)
LED Streetlight Conversion		($1.80)	--	($1.80)
Solar Panel Installations at County Facilities		($1.40)	--	($1.40)
District Capital Projects		($1.00)	--	($1.00)
Positions Supporting Collective Bargaining	6	($0.87)	--	($0.87)
Security Assessments and Improvements		($0.80)	--	($0.80)
Park Authority Replacement Capital Equipment		($0.74)	--	($0.74)
Park Authority Forestry Operations		($0.50)	--	($0.50)
Library Collections		($0.30)	--	($0.30)
CECAP Implementation		($0.25)	--	($0.25)
Illegal Sign Removal Program		($0.23)	--	($0.23)
Personnel Services Adjustment		($0.20)	--	($0.20)
Increased Juror Fees		($0.09)	--	($0.09)
Youth Mental Health Services	18	$0.00	--	$0.00
Land Development Services Customer Support	8	$0.00	--	$0.00
Associated Reserve Adjustments		($3.03)	--	($3.03)
Net Available for One-Time Requirements		**$2.24**	**$0.00**	**$2.24**

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

FY 2023 Year-End Summary

FY 2023 General Fund Revenues and Transfers In were $4.99 billion, an increase of $71.63 million, or 1.46 percent, over the *FY 2023 Revised Budget Plan* estimate. The increase is primarily the result of higher-than-expected Property Tax receipts, Other Local Taxes, Revenue from the Use of Money and Property, and Revenue from the Federal Government. Projecting revenues during FY 2023 continued to be a challenge as many of the County's revenue streams were still recovering from the negative impacts of the pandemic. More detail on FY 2023 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 and as many agencies continued to experience prolonged vacancy levels. Total disbursements were below *FY 2023 Revised Budget Plan* projections by $250.21 million, or 4.72 percent. Excluding ARPA Coronavirus State and Local Fiscal Recovery Funds, the disbursement variance was $131.50 million, or 2.57 percent. It should be noted that disbursements include budgeted transfers to other funds. When looking solely at agency direct expenditures, the FY 2023 variance was $131.50 million, or 7.22 percent. More detailed information on FY 2023 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 $251.12 million, or 4.74 percent of the total County General Fund budget. Excluding ARPA Coronavirus State and Local Fiscal Recovery Funds, the net balance is $132.42 million, or 2.59 percent of the total budget.

Carryover Actions

Allocation of the $132.42 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 2024 budget or deferred as part of the FY 2024 budget development. Recommendations included in the *FY 2023 Carryover Review* allocate $130.18 million of this balance, and result in an available General Fund balance of $2.24 million.

The adjustments recommended in this package are primarily one-time expenditures to meet the County's capital and IT needs. However, a limited number of adjustments are included in response to emerging needs that will have a recurring budgetary impact. These adjustments include ongoing support for the Park Authority's Forestry Operations, the creation of a Sustainability Officer within the Department of Public Works and Environmental Services, funding to accommodate increased juror fees as approved by the Virginia General Assembly during the 2023 Legislative Session, and additional positions to support workloads in several agencies related to the implementation of collective bargaining for County employees. In keeping with the County's practice for recurring needs that arise outside of the annual budget process, the recurring impact of $2.03 million that is associated with these adjustments will be incorporated into the FY 2025 budget proposal. It should be noted that the inclusion of these recurring adjustments does not negatively impact the County's financial standing with the bond rating agencies, as it is understood that some recurring adjustments may be necessary as long as they are accompanied by a commitment to include the necessary funding in the next year's budget. The County remains steadfast in its approach to developing each annual budget without relying on one-time balances, which was previously a concern with the rating agencies. The FY 2024 budget marked the 10^{th} consecutive year where no one-time funding was used to balance the budget.

Allocations for Reserves/Capital ($69.36 million, including $3.15 million in associated reserve adj.)

Consistent with the Board's policies on funding the County's Infrastructure Sinking Reserve Fund and the staff recommendation, discussed as part of the December 14, 2021 Transportation Committee meeting, to utilize balances for Bicycle and Pedestrian Access, 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 $8.76 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 $132.42 million balance, 30 percent, or $39.72 million, is allocated for the Capital Sinking Fund and reflects an increased allocation consistent with the recommendation from the Joint County/Schools Capital Improvement Program (CIP) Committee. The capital sinking funds are recommended to be allocated as follows: 45 percent for the Facilities Management Department, 25 percent for the Fairfax County Public Schools, 15 percent for Parks, 7 percent for walkways, 5 percent for County-maintained roads and service drives, and 3 percent for revitalization area improvements. This allocation results in the following funding amounts: $17.88 million for FMD, $9.93 million for FCPS, $5.96 million for Parks, $2.78 million for Walkways, $1.99 million for County-Owned Roads, and $1.19 million 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.

In addition, 20 percent of the balance, or $26.48 million, is allocated to support additional bicycle and pedestrian access throughout the County. The Board of Supervisors has consistently emphasized the importance of providing safe access for pedestrians and bicycles, especially near schools, parks, activity centers, transit station areas, and revitalization areas. During the COVID-19 pandemic, pedestrian and bicycle activity increased throughout the County and this increased usage highlighted the inadequacies of the existing infrastructure. This funding will help expedite efforts to make one-time investments in pedestrian and bicycle infrastructure that will have long-term, meaningful impacts on accessibility and safety in the community. Per the Board's directive, new funding for this program is targeted at $100 million over approximately six years through FY 2027. This allocation of $26.48 million, combined with funding of $30.21 million previously approved for this program, results in total funding of $56.69 million towards the $100 million target.

Other Adjustments ($179.53 million, including $3.03 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, support for the Parks, and investments in Board priorities such as the County's environmental and energy initiatives and youth mental health services. 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 2023 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. Of the total funding of $222.89 million received, $104.18 million was expended through FY 2023. The remaining balance of $118.71 million 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.

It should also be noted that, as part of unencumbered adjustments included in this package, funding of $12.04 million is included to reappropriate balances from the Reserve for the Coronavirus Pandemic. The Reserve for Coronavirus Pandemic was originally established as part of the *FY 2020 Third Quarter Review* in order to provide immediate response to the pandemic. The majority of these funds are unallocated and are available to supplement federal stimulus dollars or to support other County priorities.

Investments in Board Priorities

Funds available as part of the *FY 2023 Carryover Review* are recommended to be utilized to support the expansion of youth mental health services, investments towards the County's environmental initiatives, the replenishment of district capital funds, enhancements to Library collections, and the continuation of the Illegal Sign Removal Program.

- As directed by the Board of Supervisors in its Budget Guidance for FY 2024 and FY 2025 to develop a carryover recommendation for a more robust mental health system for children and adolescents, the Fairfax-Falls Church Community Services Board (CSB) has provided three options to enhance mental health services for children and adolescents. These options vary in both cost as well as the strategy and methods used to combat the mental health crisis. It should also be noted that while the budget guidance focuses on adolescent and youth mental health, the options provided below address both mental health and substance use disorders in the youth population as these are often co-occurring disorders with approximately 50 percent of youth with mental health issues also experiencing substance use issues.

  The County has also received $2.58 million as a result of a direct distribution from the national opioid settlements. This funding generally should be used for opioid abatement purposes (efforts to treat or reduce opioid use disorder or the misuse of opioids, or to otherwise abate or remediate the opioid epidemic). An internal process has been developed for County agencies and Fairfax County Public Schools to submit requests for opioid settlement funds for opioid-related projects. The application window is currently open and will close on August 24, 2023. It is anticipated that awards for FY 2024 and FY 2025 will be made in fall 2023. One-time funding of $10.00 million has also been set aside in Fund 40040, Fairfax-Falls Church Community Services Board to meet match requirements associated with the opioid settlement funds and/or to provide additional resources for the opioid epidemic.

  The three options proposed by CSB can be implemented independent of each other and are not intended to build upon one another but they do complement each other. They are as follows:

  - Option 1: Medication Assisted Treatment

    Medication Assisted Treatment (MAT) is the use of medications in combination with counseling and behavioral therapies, to treat substance use disorders and prevent opioid overdose. Existing youth mental health outpatient services are currently being used to support a limited capacity youth MAT program. Additional resources would allow CSB to increase MAT capacity as well as return the existing resources diverted for this effort back to youth mental health outpatient services. Funding has not been included to expand this initiative; however, this option may be a good program to be funded with the opioid settlement funds discussed above.

- Option 2: Youth Mental Health Outreach, Engagement, and Intervention Services

  An additional 18/16.5 FTE positions in CSB are included in this carryover package to establish three teams of healthcare professionals that will work in targeted areas of the County to increase capacity for youth mental health services and conduct outreach to various communities throughout the County in a non-traditional care setting. The teams will provide initial mental health screenings, engagement, assessment, therapy, case management services, and medication services. Follow-up services are expected to be provided at existing CSB locations. It is expected that each team could serve 300 youth clients for a total of 900 youth clients served annually. Program expenses of $2.89 million will be partially offset by revenue and will initially be supported by available balances within CSB. No new resources are required in FY 2024.

- Option 3: Youth Crisis Services and Re-Entry Program

  The most comprehensive option to address the youth mental health crisis is the creation of a dedicated youth crisis facility. One-time funding of $15.00 million in available CSB balances is placed in reserve for the creation of a dedicated youth crisis facility that will provide a center for stabilization, detoxification, treatment, and aftercare services for youth patients with the focus of re-entry back into the community. This funding is expected to support the purchase or lease of a building and modifications to outfit it for the services to be delivered. The operation of the facility will either be contracted out to a private provider or provided directly by the CSB. Operating expenses and any new positions needed to serve the 24 hour a day, seven days a week facility will be identified at a future budget process.

- Funding of $8.05 million is included for continued support of the County's environmental and energy strategies. This includes:

  - $3.00 million to support continued building energy improvements performed by Energy Service Companies (ESCOs), pursuant to the energy and water use efficiency targets outlined in the Board of Supervisors' Operational Energy Strategy (OES). The OES identifies numerous supporting actions to achieve these targets, including the performance of facility energy audits to identify energy-saving opportunities at existing facilities and the implementation of energy retrofits at those facilities. The resulting reductions in energy use help mitigate escalating energy costs and promote a more sustainable future for Fairfax County.

  - $1.80 million for the fifth year of the five-year Light Emitting Diodes (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 LED streetlights. As of June 2023, approximately 64 percent or 36,000 streetlights have been converted to LED and another 10,000 streetlight conversions are in Dominion's queue to convert. The new LED streetlights are "Smart City Capable" with features being incorporated through added hardware and software upgrades.

  - $1.40 million to support solar panel installations at several County facilities. Solar panel installations will support the County's self-generation of renewable energy in support of the Board of Supervisors' renewable energy targets outlined in the Operational Energy Strategy (OES).

  - $1.00 million to support continued building energy improvements at Park Authority facilities. The Park Authority has identified several potential energy retrofit projects including Building Automation System (BAS) integration of air handling units; HVAC controls and lighting upgrades; specialty recreation lighting upgrades; and pumphouse and bathroom control upgrades for improved energy efficiency.

  - $0.60 million to continue the implementation of the Green Bank initiative and $0.25 million to continue the implementation of the Community-wide Energy and Climate Action Plan (CECAP).

- Funding of $1.00 million, including $100,000 for each District office and the Chairman's office, is included to address small-scale capital projects in each Supervisory District. In the past, typical projects using this funding source included upgrades to existing streetlights, installation of new streetlights based on safety concerns and resident 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.

- Consistent with action taken by the Board as part of the *FY 2023 Third Quarter Review*, funding of $0.30 million is included to enhance the Fairfax County Public Library's collection development activities. County libraries continue to see skyrocketing uses of eBooks, as well as print circulation gradually returning to pre-COVID 19 pandemic levels.

- Consistent with action taken by the Board as part of the *FY 2023 Third Quarter Review*, funding of $0.23 million is included for the Illegal Sign Removal Program. This funding will support contractors to act on behalf of the County to remove illegal signs in the right-of-way and improve the safety and appearance of roads in the County.

Support for the Park Authority

Several adjustments are recommended that will bolster Parks capital construction and maintenance. Funding of $5.00 million is included to support escalating costs on existing Parks capital projects such as the Mount Vernon Rec Center, and $2.50 million is included to support the turf field replacements scheduled for FY 2024. Funding of $0.74 million is also included to replace capital equipment necessary to support various construction and maintenance tasks that serve park properties throughout the County. Finally, funding of $0.50 million is included to support the Park Authority Forestry Operations Division. In addition to these adjustments, $5.96 million of the Capital Sinking Fund allocation noted above will provide for infrastructure replacement and upgrades at Park Authority facilities and $1.00 million noted above will provide energy improvements at Park Authority facilities. Support for the Park Authority in this package totals $15.7 million.

New Facilities/Facility Improvements

Multiple adjustments are included to support improvements at County facilities and construction of new facilities. These include:

- $7.00 million to support building and site improvements at the Workhouse Campus, including structural repairs, exterior envelop restoration, paving, lighting, and grading improvements.

- $5.00 million for the construction escalation reserve to support the recent trends of increasing construction costs related to market and commodity price escalation and supply chain issues and demands. Current cost estimates from professional consultants on many of the projects currently in design are trending 20 to 30 percent or more than previously approved budgets.

- $5.00 million 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.

- $3.00 million to support space realignment and reconfiguration projects at the Government Center complex and throughout the County to increase operational efficiencies and sustainability. As part of this effort, leases will be reviewed for elimination or reduction by redesigning and maximizing County-owned space.

- $3.00 million to support the temporary re-location of clinical services from the Joseph Willard Health Center during the renovation of that facility.

- $0.80 million to support security assessments and improvements at County facilities, including upgrades to the security features at the offices of the members of the Board of Supervisors.

IT Investments

Consistent with actions taken in prior years, funding for Information Technology (IT) projects was not included in the FY 2024 Adopted Budget Plan and was anticipated to be funded utilizing balances at quarterly reviews. IT project funding of $14.51 million is included in this package. Major projects supported with this funding include the second year of a multiyear strategy for the replacement of voting machines, the replacement of the legacy inmate management system and modernization of the GIS infrastructure.

Position Adjustments

A total of 32 new positions are recommended to be established as part of the *FY 2023 Carryover Review*. The majority of these positions – 18 in total – are included in the Fairfax-Falls Church Community Services Board as noted above to address the youth mental health crisis by establishing three teams of healthcare professionals that will provide youth services throughout the County. An additional 8 positions are included in Land Development Services to support to meet the critical needs of the Customer Technical Support Center due to increased market demand and to improve the agency's ability to provide timely and high-quality services. Finally, 6 new positions are included in the Department of Human Resources, the Office of the County Attorney, and the Department of Management and Budget to support increased workload requirements associated with collective bargaining including administering grievance and dispute resolution procedures, facilitating the timely resolution of workplace disputes, and conducting fiscal impact studies of the agreements.

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 2023 Carryover Review* includes total reserve contributions of $8.76 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 2023 Carryover Review* is 10 percent of General Fund disbursements, excluding one-time disbursements related to the ARPA Coronavirus State and Local Fiscal Recovery Funds.

FY 2023 Audit Adjustments

As the Board is aware, the financial audit of FY 2023 is currently being conducted. Necessary adjustments as a result of this work will be included in the FY 2023 Annual Comprehensive Financial Report and in the audit package that is presented for the Board's approval as part of the *FY 2024 Third Quarter Review*.

Other Funds Adjustments

Attachment VI of the *FY 2023 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 2023 fund expenditure and revenue variances and notes changes in FY 2024 expenditures. It should be noted that Fund S71100, Public School OPEB Trust, exceeded its expenditure authority in FY 2023 by $1,024,711 due to higher than budgeted benefits paid. Supplemental Appropriation Resolution AS 23276 for FY 2023 is included in Attachment VI to reflect this increase.

Carryover Administrative Adjustments

The *FY 2023 Carryover Review* includes net General Fund administrative adjustments and associated reserve adjustments totaling $248.89 million. These adjustments are divided into two categories – Allocations for Reserves/Capital and All Other Requirements – and include the following:

ALLOCATIONS FOR RESERVES/CAPITAL

$69.36 million, including $66.21 million in reserve/capital contributions and $3.15 million in associated reserve adjustments

Capital Sinking Fund		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$11,917,428
Fund 30020, Infrastructure Replacement and Upgrades	FY 2024 General Fund Transfer	$17,876,145
Fund S31000, Public School Construction	FY 2024 General Fund Transfer	$9,931,192
	Net Cost	**$39,724,765**

The General Fund Transfer to capital funds is increased by $39,724,765 in accordance with the recommendations of the Joint County Board/School Board CIP Committee. The Capital Sinking Fund was first established as a budgetary mechanism for funding infrastructure replacement and upgrade requirements and was approved by the Infrastructure Financing Committee. On December 7, 2021, the Board of Supervisors endorsed the recommendations of the Joint CIP Committee which included increasing the percentage allocated to the Capital Sinking Fund at year-end from 20 percent to 30 percent and including Fairfax County Public Schools (FCPS) in the funding allocation. Based on the County's unencumbered carryover balance after funding critical requirements, an amount of $39,724,765 represents 30 percent and is allocated to separate Capital Sinking Fund projects.

The distribution of capital sinking funds is allocated as follows: 45 percent for Facilities Management Department (FMD), 25 percent for FCPS, 15 percent for the Park Authority, 7 percent for walkways, 5 percent for County maintained roads and service drives, and 3 percent for revitalization area improvements. The specific allocations include: $17,876,145 for FMD, $9,931,192 for FCPS, $5,958,715 for Parks, $2,780,733 for Walkways, $1,986,238 for County-Owned Roads, and $1,191,742 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 2023 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 ADA improvements at the Courthouse, HVAC replacements and Building Automation System replacements throughout the County.

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, parking lot repairs and other priority projects. A condition inventory and assessment were completed for County-owned walkways and roads and Sinking Fund projects will continue to be implemented in priority order. In addition, many pedestrian bridges are deteriorating and are being repaired 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.

Bicycle and Pedestrian Access		**NON-RECURRING**
Fund 30050, Transportation Improvements	FY 2024 General Fund Transfer	$26,483,177
	Net Cost	**$26,483,177**

The General Fund transfer to Fund 30050, Transportation Improvements, is increased by $26,483,177 to continue to support additional bicycle and pedestrian access throughout the County. The Board of Supervisors has consistently emphasized the importance of providing safe access for pedestrians and bicycles, especially near schools, parks, activity centers, transit station areas, and revitalization areas. During the COVID-19 pandemic, pedestrian and bicycle activity increased throughout the County and this increased usage highlighted the inadequacies of the existing infrastructure. This funding will help expedite efforts to make one-time investments in pedestrian and bicycle infrastructure that will have long-term, meaningful impacts on accessibility and safety in the community. Per the Board's directive, funding for this program is targeted at $100 million over approximately six years and will be generated by setting aside 20 percent of year-end balances. Previous funding totaling $30,208,830 has been approved for this program, bringing the total funding after this adjustment to $56,692,007.

OTHER REQUIREMENTS

$179.53 million, including $176.49 million in adjustments and $3.03 million in associated reserve adjustments

ARPA Coronavirus State and Local Fiscal Recovery Funds		**NON-RECURRING**
Agency 87, Unclassified Administrative Expenses	FY 2024 Expenditure	$118,705,068
	Net Cost	**$118,705,068**

Funding of $118,705,068 is required to re-appropriate the stimulus funds balance from Agency 87, Unclassified Administrative Expenses, to the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The ARPA SLFRF 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. These funds must be encumbered by December 31, 2024, and expended by December 31, 2026. Staff continues to submit reports to the Board of Supervisors regarding utilization of the funds and these memorandums are available at http://www.fairfaxcounty.gov/budget. A new stimulus memo will be released prior to the September 19 Budget Committee meeting and Board action on Carryover.

IT Project Support		**NON-RECURRING**
Fund 10040, IT Projects	FY 2024 General Fund Transfer	$14,506,533
	Net Cost	**$14,506,533**

The General Fund transfer to Fund 10040, IT Projects, is increased by $14,506,533 to support the funding of new and continued IT projects. As indicated in the FY 2024 Adopted Budget Plan, projects were anticipated to be funded with one-time balances as part of the *FY 2023 Carryover Review*. While increased baseline funding to support these investments is highly recommended, the County has successfully used one-time funds at Third Quarter and Carryover reviews to support technology initiatives due to limited funding. More details regarding the projects funded as part of this adjustment are included in the Other Funds Detail write-up for Fund 10040, IT Projects, on page 73 of this package.

Workhouse Buildings and Site Improvements		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$7,000,000
	Net Cost	**$7,000,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $7,000,000 to support building and site improvements at the Workhouse Campus. This funding will provide for unforeseen site conditions including additional structural repairs and exterior envelop restoration at the buildings known as Workhouse-13 and Workhouse-15, which are being renovated for future tenants. Additional funding will support the initial assessment and remediation of four unoccupied buildings known as Workhouse 1, 12, 17 and 18. Lastly, paving and lighting is required throughout the site and the ball field requires grading improvements. These site enhancements will begin the investment required to preserve the infrastructure of this historic campus. Additional funding will be required in future years and reflected in the County's Capital Improvement Program to continue to support the master planning process for the campus.

Construction Escalation Reserve		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$1,000,000
Fund 30070, Public Safety Construction	FY 2024 General Fund Transfer	$4,000,000
	Net Cost	**$5,000,000**

The General Fund transfers to Fund 30010, General Construction and Contributions, and Fund 30070, Public Safety Construction, are increased by a total $5,000,000 to support the recent trends of increasing construction costs related to market and commodity price escalation and supply chain issues and demands. Current cost estimates from professional consultants on many of the projects currently in design are trending 20 to 30 percent or more than previously approved budgets. These increases are primarily due to market inflation and disruptions to global supply chains. Price increases have been experienced in many commodities and materials utilized in construction projects, particularly electrical and mechanical systems and component parts.

Emergency Systems Failures		**NON-RECURRING**
Fund 30020, Infrastructure Replacement and Upgrades	FY 2024 General Fund Transfer	$5,000,000
	Net Cost	**$5,000,000**

The General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is increased by $5,000,000 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 limited capacity to deal with these types of 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.

Park Authority CIP Projects		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$5,000,000
	Net Cost	**$5,000,000**

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by $5,000,000 to support Park Authority capital projects. As in all areas of the Capital Program, the Park Authority is experiencing inflation and project cost escalation on existing projects such as the Mount Vernon Rec Center renovation. Additional funding will help with escalating costs, expedite projects already underway, and alleviate some pressure on the Bond program. As directed by the Board of Supervisors, staff has been working with the Park Authority to appropriately size annual bond sales and to develop future bond referendum proposals that both address Park Authority needs and conform to the County's overall limitations. As noted in the FY 2024 and FY 2025 Budget Guidance from the Board of Supervisors, it was anticipated that the Park Authority would require County support outside of the bond program to bridge funding gaps prior to the next referendum.

Environmental Energy Initiatives		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2024 General Fund Transfer	$4,600,000
	Net Cost	**$4,600,000**

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by $4,600,000 to support energy initiatives. Funding of $3,000,000 will support continued building energy improvements performed by Energy Service Companies (ESCOs), pursuant to the energy and water use efficiency targets outlined in the Board of Supervisors' Operational Energy Strategy (OES). The OES identifies numerous supporting actions to achieve these targets, including the performance of facility energy audits to identify energy-saving opportunities at existing facilities and the implementation of energy retrofits at those facilities. The resulting reductions in energy use help mitigate escalating energy costs and promote a more sustainable future for Fairfax County. Investment grade audits (IGAs) are now underway at three major sites to explore building energy retrofit opportunities including the McConnell Public Safety and Transportation Operations Center, the Martha Washington Library and the Great Falls Library. Additional IGAs are also underway at eight other sites. These 11 IGAs are scheduled to be completed by the end of September 2023, and will identify recommended energy improvements at each site. Increased funding will ensure that the improvements identified as a result of these IGAs can proceed.

Funding of $1,000,000 will support continued building energy improvements at Park Authority facilities. The Park Authority has identified several potential energy retrofit projects including Building Automation System (BAS) integration of air handling units; HVAC controls and lighting upgrades; specialty recreation lighting upgrades; and pumphouse and bathroom control upgrades for improved energy efficiency.

Finally, $600,000 is required to continue the implementation of the Green Bank initiative. A green bank, or clean energy financing entity, can be a powerful catalyst in the community for greater investments in energy efficiency and renewable energy. In FY 2023, the County made substantial progress toward establishing a 501(c) (3) nonprofit green bank to serve the residential and business community of Fairfax County. Funds from a U.S. Department of Energy grant will provide some support for the launch of this entity. However, additional funds are required to enable the green bank to capitalize on emerging federal support and the commensurate growing interest in green banks.

Space Realignment		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$3,000,000
	Net Cost	**$3,000,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $3,000,000 to support space realignment and reconfiguration projects at the Government Center complex and throughout the County. Resources will support both near- and long-term solutions for space redesign and reconfiguration of County owned space to increase operational efficiencies and sustainability. As part of this effort, leases will be reviewed for elimination or reduction by redesigning and maximizing County-owned space. Staff are reviewing options to move administrative services out of County leased space while maintaining leases where the delivery of client services is driven by location and when a County location is not within close proximity. In addition, several optimization projects are being considered to reconfigure cubicles by reducing their footprint and creating a more efficient layout with docking stations and built-in standing desks. Increased teleworking and digital record keeping have provided an opportunity to reexamine space and realize more efficiencies. 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.

Willard Health Center Staff Relocation and Build Out		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$3,000,000
	Net Cost	**$3,000,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $3,000,000 to support the temporary re-location of clinical services from the Joseph Willard Health Center during the renovation of that facility. A temporary site has been identified to accommodate the Willard staff and provide services during construction. Partial funding for relocation of staff and services is already included in the project estimate; however, the cost to build out clinical space in a new leased facility in Springfield is significant. Simultaneously, the Health Department staff have been re-evaluating the location and condition of the current leased space in the Springfield area. The newly identified leased space will serve as a temporary site for Willard staff and a permanent site for other leased spaces in the Springfield area. The new leased space is closer to Springfield Town Center, located near public transit, in better condition than other Health Department spaces and would be an ideal location for the future. Funding of $3.0 million would be required to offset the total cost of the clinical build out and move the Willard staff to the new leased location.

Turf Field Replacement		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$2,500,000
	Net Cost	**$2,500,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $2,500,000 to support the turf field replacements scheduled for FY 2024. The Park Authority administers the County's Synthetic Turf Replacement Program which includes a total of 79 fields (50 Park Authority and 29 Fairfax County Public Schools). A synthetic field is generally under warranty for up to eight years and the Park Authority manages to maintain fields to a useful life of up to 10 years. When a field reaches 10 years, the synthetic carpet and infill must be replaced to maintain safety and playability. The current program funding can support between four and five fields per year. Based on the current cost per replacement field and the inventory of fields required to be replaced in FY 2024 (nine fields) additional funding is required. In order to maintain the schedule of replacement, an additional $2.2 million is required to complete the replacement of all nine fields, and an additional $0.3 million is needed to begin the design process for the 11 fields scheduled for replacement in FY 2025. Future funding will be required to complete additional fields as they reach the end of their useful life.

LED Streetlight Conversion		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2024 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 fifth year of a five-year Light Emitting Diodes (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 LED streetlights. As of June 2023, approximately 64 percent or 36,000 streetlights have been converted to LED and another 10,000 streetlight conversions are in Dominion's queue to convert. The new LED streetlights are "Smart City Capable" with features being incorporated through added hardware and software upgrades. This conversion plan is estimated to cost a total of $9 million, which will be partially offset by projected savings in utility costs. It is anticipated that the conversion of streetlights to LED will remove approximately 32.4 million pounds of CO_2e annually and will result in reduced maintenance costs, higher quality lighting, and allow for dimming and automated outage reporting once smart technologies are implemented.

Solar Panel Installations at County Facilities		**NON-RECURRING**
Fund 30015, Environmental and Energy Programs	FY 2024 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 solar panel installations at several County facilities. Solar panel installations will support the County's self-generation of renewable energy in support of the Board of Supervisors' renewable energy targets outlined in the Operational Energy Strategy (OES). The projects include new construction at the South County Police/Animal Shelter, the Patrick Henry Library, and the Fairview, Seven Corners, West Annandale and Tysons Fire Stations. Funding for these six sites allows projects to have solar installed by the general contractor within the normal project schedule, a more efficient approach than installing solar after the building is complete. These sites represent approximately 740 kW of total solar capacity to generate renewable energy on-site. Additional previously approved projects may need to be adjusted to cover increased costs associated with solar and other sustainability goals; however, going forward, all new projects will include these costs in the total funding estimates.

District Capital Projects		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$1,000,000
	Net Cost	**$1,000,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $1,000,000 to address small-scale capital projects in each Supervisory District. Funding of $100,000 is provided for each District and the Chairman to fund or leverage grant funding in support of capital projects within his/her District. As projects are identified, staff from the appropriate County agency can work directly with the individual Board office to develop project scopes and cost estimates. In the past, typical projects using this funding source included upgrades to existing streetlights, installation of new streetlights based on safety concerns and resident 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.

Positions Supporting Collective Bargaining		**RECURRING**
Agency 11, Department of Human Resources	FY 2024 Expenditure	$185,853
Agency 17, Office of the County Attorney	FY 2024 Expenditure	$202,363
Agency 20, Department of Management and Budget	FY 2024 Expenditure	$225,027
Agency 89, Employee Benefits	FY 2024 Expenditure	$259,548
	Net Cost	**$872,791**
Agency 11, Department of Human Resources	FY 2025 Expenditure	$263,779
Agency 17, Office of the County Attorney	FY 2025 Expenditure	$288,544
Agency 20, Department of Management and Budget	FY 2025 Expenditure	$297,540
Agency 89, Employee Benefits	FY 2025 Expenditure	$389,323
	Net Cost	**$1,239,186**

Funding of $872,791 and 6/6.0 FTE positions is required to support the continued implementation of collective bargaining. 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 County's Collective Bargaining Ordinance was approved by the Board of Supervisors on October 19, 2021, and negotiations have begun with the International Association of Firefighters (IAFF) and Southern States Police Benevolent Association (SSPBA). The tentative agreements reached as a result of these negotiations will go before the Board on December 5, 2023, where the Board must specify by resolution its good faith commitment to appropriate funding necessary for the County to meet its obligations under the agreements. General County Employee groups continue in their efforts to obtain the 30 percent showing of interest in order to file a petition to be recognized as the exclusive bargaining representative for this unit. Additional positions are necessary to recruit and train new employees in time for the implementation of the collective bargaining agreements, particularly in the areas of administering grievance and dispute resolution procedures and facilitating the timely resolution of workplace disputes. Resources are also provided to address workload requirements related to conducting legal and fiscal reviews, including personnel, benefits, and retirement issues. This funding supports 2/2.0 FTE new positions in the Department of Human Resources, 2/2.0 FTE new positions in the Office of the County Attorney and 2/2.0 FTE new positions in the Department of Management and Budget which are the lead central service agencies in the County negotiating and implementing the collective bargaining agreements. It is also anticipated that additional resources may be needed at the department level once the collective bargaining agreements are fully implemented. An additional funding request may be included in the FY 2025 Advertised Budget Plan to address this workload increase. Personnel Services provide a partial year cost of $533,243 in FY 2024, with full-year costs of $769,863 for FY 2025. Operational funding of $80,000 will provide $50,000 for consulting services to continue to support and administer a collective bargaining structure, with the remaining funding supporting operating costs associated with the new positions. It should be noted that an increase of $259,548 in Fringe Benefits funding is included in Agency 89, Employee Benefits.

Security Assessments and Improvements at County Facilities		**NON-RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$800,000
	Net Cost	**$800,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $800,000 to support security assessments and improvements at County facilities. Funding of $500,000 will provide for upgrades to the security features at the nine members of the Board of Supervisors offices which are located throughout the County. Given the recent events locally and nationally, the Board of Supervisors office security was audited, and improvements were identified. The Department of Emergency Management and Security will complete a building assessment for all nine Board offices to identify the necessary equipment, systems, and training to provide enhanced security. An additional $300,000 will provide for an assessment on Security Access and Control Systems. County agencies have been experiencing an increase in access and control system failures and funding will help identify systems that may have outdated and failing equipment.

Park Authority Replacement Capital Equipment		**NON-RECURRING**
Agency 51, Park Authority	FY 2024 Expenditure	$735,812
	Net Cost	**$735,812**

Funding of $735,812 is required to replace capital equipment at or near the end of its useful life and is necessary to support various construction and maintenance tasks that serve park properties throughout the County. The Park Authority will use this funding to replace equipment to include replacement of gas utility vehicles with electric utility vehicles and utility tractors to support athletic field maintenance efforts and forestry operations, material handling buggies which will allow maintenance in tight spaces where larger dump trucks do not have access, and skid steers for hard-to-reach maintenance areas. This replacement equipment is critical to systemwide maintenance and upkeep efforts.

Park Authority Forestry Operations		**RECURRING**
Fund 30010, General Construction and Contributions	FY 2024 General Fund Transfer	$500,000
	Net Cost	**$500,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $500,000 to support the Park Authority Forestry Operations Division. Forestry Operations staff conduct tree inspections and the removal of dead or dying, high-risk trees on parkland County-wide. These trees pose a significant safety risk to human life and infrastructure. The Park Authority is currently focusing on high priority trees and maintains a significant backlog of medium and low risk tree work. On average the Forestry Operations Division responds to over 2,000 public inquiries per fiscal year. An increased volume of reported tree failures posing a risk to life and property as well as staffing challenges have resulted in a higher dependency on contracted services. This funding will help address the ongoing tree work needs throughout the County.

Library Collections		**NON-RECURRING**
Agency 52, Fairfax County Public Library	FY 2024 Expenditure	$300,000
	Net Cost	**$300,000**

Funding of $300,000 is required to enhance the Fairfax County Public Library's collection development activities. County libraries continue to see skyrocketing uses of eBooks with more than 2.5 million uses in FY 2022, as well as print circulation gradually returning to pre-COVID 19 pandemic levels. Some popular materials have wait times of over six months, creating equitable access issues. The additional funding allows for the purchase and maintenance of materials to better meet the increased demand.

CECAP Implementation			**NON-RECURRING**
Fund 30015, Environmental and Energy Programs		FY 2024 General Fund Transfer	$250,000
		Net Cost	**$250,000**

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by $250,000 to continue the implementation of the Community-wide Energy and Climate Action Plan (CECAP). CECAP support is focused on implementing strategies and actions to reduce the amount of greenhouse gases emitted in Fairfax County. Funding has previously provided consulting services for technical analysis and plan development as well as outreach materials. The consulting services supported community outreach and engagement, including the facilitation of meetings and development of an interactive, online web presence. This funding will begin to address implementation needs.

Illegal Sign Removal Program			**NON-RECURRING**
Fund 30010, General Construction and Contributions		FY 2024 General Fund Transfer	$233,000
		Net Cost	**$233,000**

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by $233,000 to provide the remaining annual funding required to contract for the removal of illegal signs in the right-of-way. Partial year funding of $217,308 was approved as part of the *FY 2023 Third Quarter Review* to begin funding this program and remaining funding of $233,000 will fully fund this program in FY 2024. In Virginia, the state-maintained right-of-way includes property along a roadway, on either side and in the median. It must be kept clear for motorist safety and to allow road crews room to work. Signs and advertisements are prohibited within the limits of the highway and removal efforts were previously supported by the Office of the Sheriff's Community Labor Force (CLF) which has since been suspended. This funding will support contractors to act on behalf of the County to remove illegal signs and improve the safety and appearance of roads in the County. It should be noted that illegal sign removal expenses may be an appropriate use of plastic bag tax revenues in the future.

Personnel Services Adjustment			**RECURRING**
Agency 25, Business Planning and Support		FY 2024 Expenditure	$197,000
		Net Cost	**$197,000**
Agency 25, Business Planning and Support		FY 2025 Expenditure	$197,000
		Net Cost	**$197,000**

Funding of $197,000 is required for Personnel Services in Agency 25, Business Planning and Support. In FY 2023, 1/1.0 FTE position was transferred from Fund 40100, Stormwater Services, to serve as a Sustainability Officer and provide enterprise-level coordination and high-level policy related to the County's sustainability efforts. This was an out-of-cycle transfer and no funding was provided at the time.

Increased Juror Fees		**RECURRING**
Agency 80, Circuit Court	FY 2024 Expenditure	$93,317
	Net Cost	**$93,317**
Agency 80, Circuit Court	FY 2025 Expenditure	$93,317
	Net Cost	**$93,317**

Funding of $93,317 is required to implement a state-mandated increase in juror fees paid by the County. Previously, jurors were paid $30 per day for their services on jury duty. Senate Bill 789 was passed by the Virginia General Assembly during the 2023 Legislative Session which increases jury duty allowance to $50 per day. It was signed by the Governor on March 22, 2023, and went into effect July 1, 2023. The additional funding is to ensure Circuit Court has adequate budget to pay its juror fees.

Hiring Incentive Program		**NON-RECURRING**
Agency 87, Unclassified Administrative Expenses	FY 2024 Expenditure	($186,250)
Fund 60010, Department of Vehicle Services	FY 2024 General Fund Transfer	$186,250
	Net Cost	**$0**

At the October 18, 2022, meeting of the Personnel and Reorganization Committee, the Board of Supervisors was briefed on the Hiring Incentive Program. One of these initiatives included implementing a $2,500 incentive for those classifications requiring a commercial driver's license (CDL). This funding represents bonuses for CDL drivers in the Department of Vehicle Services and is funded through the utilization of a portion of the Hiring Incentive Bonus Program Reserve, resulting in no net impact to the General Fund. The Hiring Incentive Bonus Program Reserve was established by the Board of Supervisors as part of the *FY 2022 Carryover Review* in Agency 87, Unclassified Administrative Expenses, to support recruitment and retention efforts.

Resource Alignment		**RECURRING**
Agency 08, Facilities Management Department	FY 2024 Expenditure	($76,147)
Agency 79, Department of Neighborhood and Community Services	FY 2024 Expenditure	$76,147
	Net Cost	**$0**
Agency 08, Facilities Management Department	FY 2025 Expenditure	($76,147)
Agency 79, Department of Neighborhood and Community Services	FY 2025 Expenditure	$76,147
	Net Cost	**$0**

Net funding of $76,147 is transferred from Agency 08, Facilities Management Department (FMD), to Agency 79, Department of Neighborhood and Community Services (NCS), to support a position that was transferred from Agency 08, FMD, to Agency 79, NCS, to better align resources and work requirements in FY 2024. This action has no net impact to the General Fund.

Reserve Adjustments		**NON-RECURRING**
Fund 10015, Economic Opportunity Reserve	FY 2024 General Fund Transfer	$1,083,876
	Net Cost	**$1,083,876**

The transfer from the General Fund to Fund 10015, Economic Opportunity Reserve, is increased by a total of $1,083,876 based on revised FY 2024 Total General Fund Disbursement levels. This is consistent with the County's reserve policy. The Revenue Stabilization Reserve, Managed Reserve and Economic Opportunity Reserve are fully funded at their target levels.

It should be noted that an additional $7,672,131 is also allocated to the Managed Reserve as part of the *FY 2023 Carryover Review*, for a total General Fund increase to reserves of $8,756,007.

Consideration Items

At this time, there is one consideration item from the Board of Supervisors. This item, introduced by Supervisor Gross, proposes to enhance the design of the Annandale Civic Space by including elements such as lighting and modifications to the parking lot at a cost of $100,000.

Additional Adjustments in Other Funds

Total FY 2024 expenditures in Appropriated Other Funds, excluding School funds, are requested to increase $2.72 billion over the FY 2024 Adopted Budget Plan. In addition to the adjustments in Appropriated Funds, there are adjustments totaling $140.49 million in Non-Appropriated Other Funds. Details of Fund 50000, Federal/State Grant Fund, are discussed in Attachment V, while details of FY 2024 adjustments in Appropriated and Non-Appropriated Other Funds other than Federal and State Grants are found in Attachment VI. School Board adjustments total $709.63 million, excluding debt service, over the FY 2024 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 23276 and AS 24009 as well as Fiscal Planning Resolution AS 24900 to provide expenditure authorization for FY 2023 Carryover encumbrances, unexpended balances, and administrative adjustments, including the following:

- Board appropriation of $52.57 million in General Fund encumbrances related to Direct Expenditures from FY 2023 as noted in the General Fund Statement and in Attachment III.

- Board appropriation of General Fund unencumbered commitments totaling $15.58 million as detailed in Attachment IV.

- 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 $427.18 million, or an increase of $290.12 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 2023 Final Budget Review and Appropriation Resolutions.

- Board approval of adjustments to the Managed Reserve to reflect all carryover adjustments.