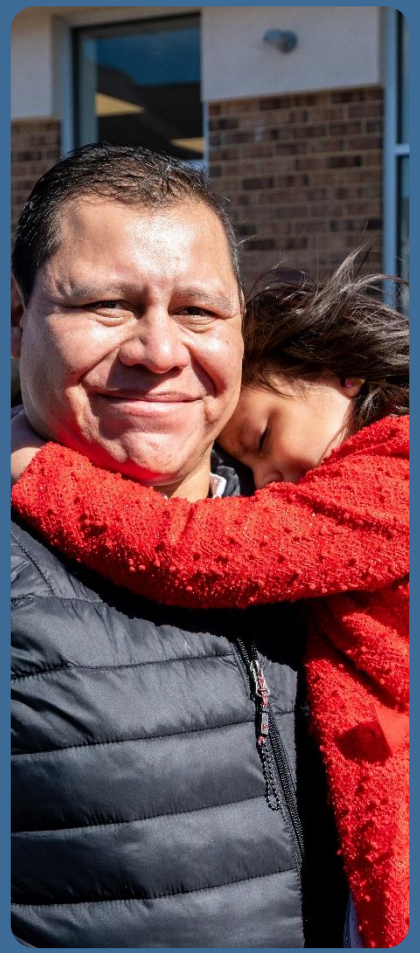
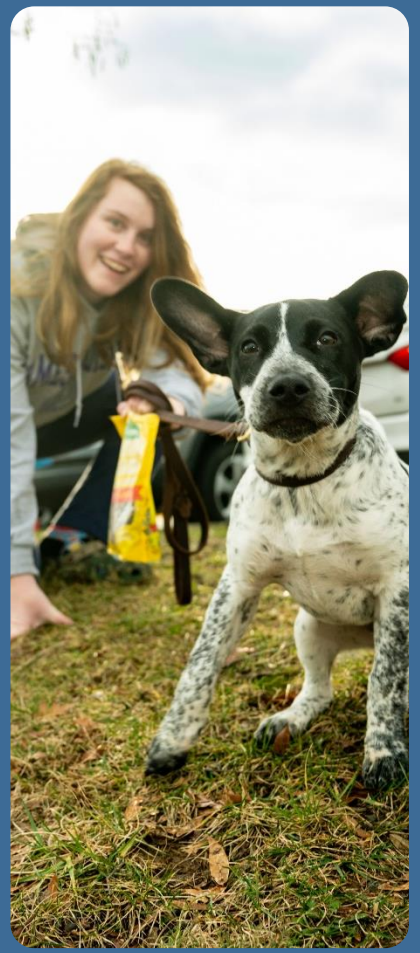
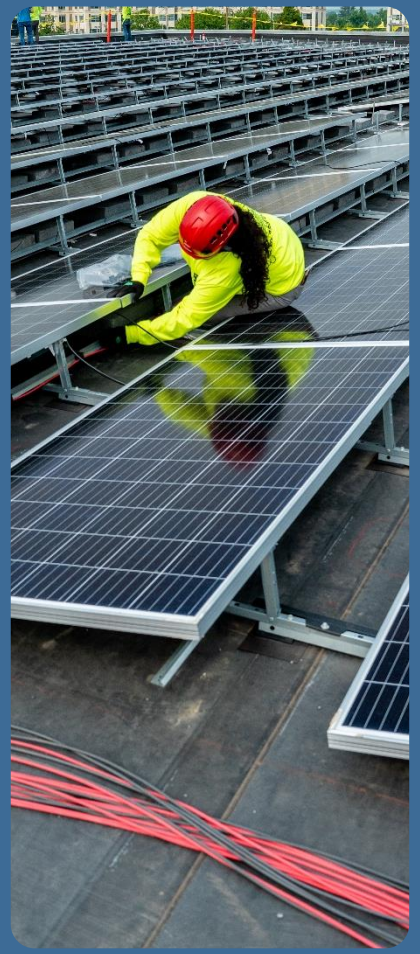
FY 2025 THIRD QUARTER REVIEW











MARCH 25, 2025 • WWW.FAIRFAXCOUNTY.GOV/BUDGET

FY 2025 Third Quarter Summary

	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds
Available Balances		
Previous Balances	$1.25	-
Aduit Adjustments	$0.34	($0.50)
Midyear Revenue Adjustments	$26.40	-
Total Available	**$28.00**	**($0.50)**
FY 2025 Third Quarter Adjustments		
Revenue Adjustments	$9.00	-
Expenditure Adjustments	($26.57)	$0.50
Reserve Adjustments	($2.37)	-
Total Adjustments	**$19.94**	**$0.50**
Net Available	**$8.06**	**$0.00**

Revenue Adjustments

- Available revenue totals $35.40 million, driven primarily by interest on investments, with adjustments to BPOL, Deed of Conveyance and Recordation Taxes, and Delinquent Personal Property Tax collections
  - $26.4 million in increased revenues identified as part of the fall 2024 revenue review
  - $9.0 million in additional increases in three categories that are trending above the fall estimate
- FY 2025 Third Quarter revenue estimates are based on actual revenue collections through the end of February 2025
- Year-to-date receipts have not yet been impacted by the reductions in federal employment and federal procurement contracts
- Cautionary forecasting approach given current economic climate and potential regional impacts from actions by the federal government

Capital Paydown Projects

$20.32 million

- $14.32 million for infrastructure replacement and upgrades at various County facilities
- $4.00 million for space realignment and reconfiguration projects at the Government Center complex and throughout the County
- $2.00 million for buildout costs associated with a temporary lease site for the Criminal Justice Academy (CJA) while the new Academy building is being constructed

Information Technology

$8.87 million

- $8.45 million to support new and ongoing IT projects
- $0.41 million for licenses for software that will support personal property tax forecasting and employee development and recruitment

Support for Park Authority

$5.30 million

- $5.00 million to support capital needs for renewal and repairs at Rec Centers, and consistent with action taken at prior quarterly reviews
- $0.30 million to address operational expenses related to contract increases within the Park Authority

Vehicle Replacement

$1.59 million

- $1.59 million to support the Countywide Vehicle Replacement Program and additional costs related to the transition to hybrid and electric vehicles, the change in the police vehicle platform from sedan to utility, as well as to keep pace with rising vehicle prices

Other Spending Adjustments

($9.50 million)

- $5.55 million to meet the County's annual required contribution for OPEB based on actual retiree health claims experience
- $0.96 million to support the 250th Commission for a countywide commemoration signature experience
- $0.75 million to support Fair Ridge Family Shelter operational costs for the anticipated April opening
- $0.35 million for a Transportation Planning Study for the Fair Lakes area
- $0.10 million as an operational subsidy to Volunteer Fairfax
- $17.20 million savings identified in fringe benefits and General Fund agencies

Positions Adjustments

- 3 positions in the Park Authority to begin Phase 1 of the multi-year Equity Implementation Plan, supported by funding already allocated to the Park Authority to support equity initiatives
- 27 non-merit benefits-eligible positions to be converted to merit positions in the Fairfax-Falls Church Community Services Board (CSB), fully offset with state revenues

Third Quarter Review Balance

- $8.06 million in available balance after staff recommendations
- Staff recommends that the Board consider holding a portion of the balance in reserve given the economic uncertainty and potential regional impacts from actions by the new presidential administration

Budget Calendar

- A public hearing on the *FY 2025 Third Quarter Review* will be held concurrent with the public hearings on the FY 2026 budget on April 22, 23, and 24, 2025
- The Board is scheduled to take action on the *FY 2025 Third Quarter Review* on May 6, 2025, prior to the mark-up of the FY 2026 budget