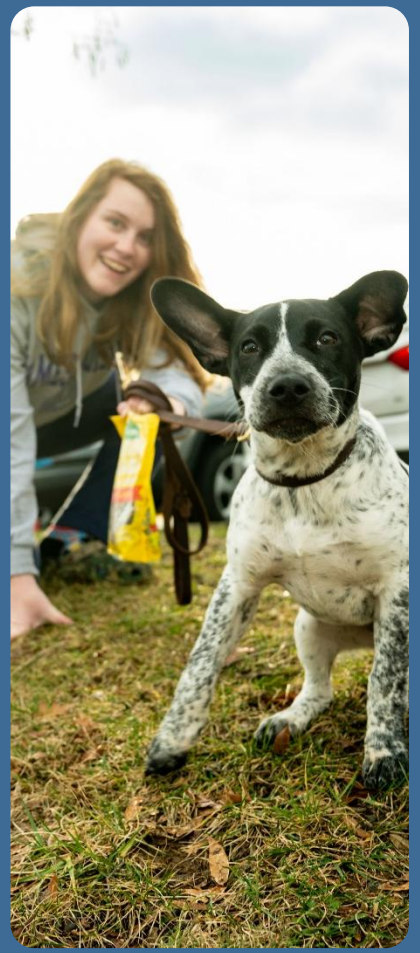
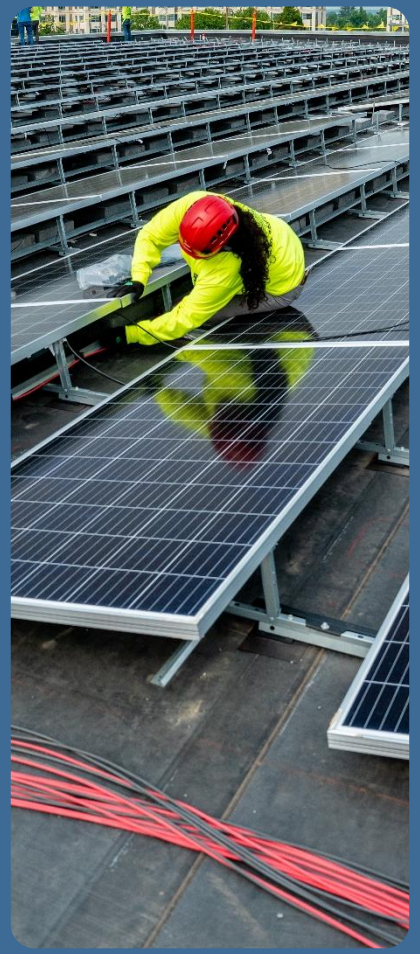
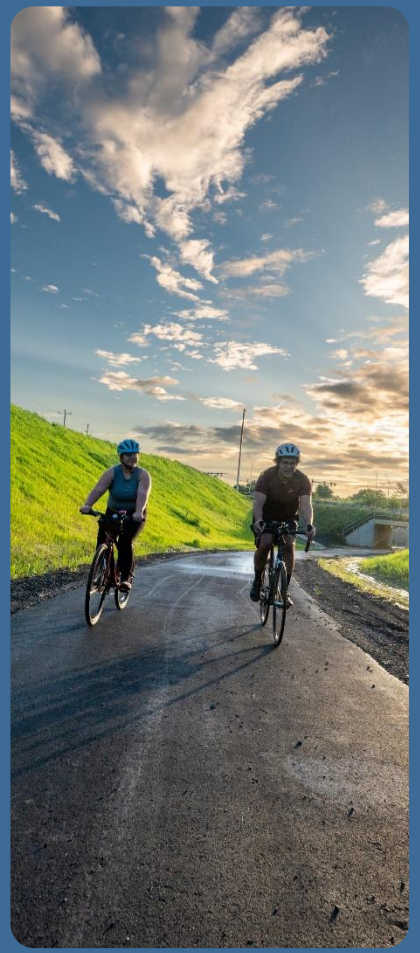
FY 2025 CARRYOVER REVIEW











September 16, 2025 • WWW.FAIRFAXCOUNTY.GOV/BUDGET

Carryover Balances[1] ($ in millions)

Fiscal Year	Revenue Balance	% of Revised Budget	Expenditure Balance	% of Revised Budget	Total
2016	$24.18	0.63%	$52.64	1.35%	$76.82
2017	$32.13	0.87%	$70.13	1.71%	$105.26
2018	$27.54	0.67%	$78.43	1.86%	$105.97
2019	$16.31	0.38%	$82.57	1.88%	$98.88
2020	($14.70)	(0.31%)	$126.37	2.78%	$111.67
2021	$40.77	0.89%	$136.70	2.91%	$177.47
2022	$68.52	1.50%	$131.09	2.75%	$199.61
2023	$71.63	1.46%	$131.50	2.57%	$203.14
2024	$71.66	1.39%	$109.72	2.05%	$181.38
2025	**$26.41**	**0.48%**	**$97.84**	**1.72%**	**$124.25**

[1] Excludes CARES Coronavirus Relief Fund and ARPA Coronavirus State and Local Fiscal Recovery Funds

Carryover Summary ($ in millions)

	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds
Available Balances	**$124.25**	**$7.57**
FY 2025 Carryover Adjustments		
FY 2025 Commitments	($64.02)	-
Critical Requirements / Prior Board Commitments	($12.97)	-
Allocations for Reserves / Capital	($24.57)	-
Other Requirements*	($21.55)	($7.57)
Total Carryover General Fund Adjustments	**($123.11)**	**($7.57)**
Net General Fund Balance	**$1.13**	**$0.00**

* Expenditure requirements are partially offset by a one-time Transfer In of $7.0 million from Fund 40040, Fairfax-Falls Church Community Services Board due to higher than anticipated year-end balances

Revenue and Economic Update

- $26.40 million, or 0.48 percent, over the *FY 2025 Revised Budget Plan* estimate. 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.
- No revenue adjustments are recommended as part of this package. County staff continue to monitor all revenue categories and will make any further FY 2026 adjustments, if necessary, as part of the fall revenue review and *FY 2026 Third Quarter Review*.
- Maintain cautionary forecasting approach given current economic climate and potential regional impacts from actions by the federal government.
  - Emphasis on monitoring local tax sources (e.g., sales, BPOL, Transient Occupancy Tax; Food & Beverage effective January 1, 2026)

Update on Stimulus Funding

- An 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, $215.32 million was expended through FY 2025. The remaining balance of $7.57 million will be carried forward to allow the County to continue to spend against the funds.
- These funds were fully obligated by December 31, 2024, and must be expended by December 31, 2026.

FY 2025 Commitments

- $48.86 million in encumbrances obligations legally obligated for items/services for which final financial processing has not been completed
- $12.16 million in unencumbered obligations, primarily including:
  - $10.06 million placed in Reserve for Economic Uncertainty as part of Board action on the *FY 2025 Third Quarter Review*
  - $1.98 million balance of Hiring Incentive Program Reserve

Critical Requirements and Prior Board Commitments

- $4.00 million for the replacement of the security system at the Courthouse.
- $2.50 million to address ongoing food insecurity needs within the community.
- $2.00 million to support homeless services contracts.
- $1.82 million for the second phase of the Park Authority's multi-year Equity Implementation Plan.
- $1.42 million in one-time funding to implement the next phase of the Park Authority's Zero Waste Plan, allowing for the purchase of equipment for the four remaining maintenance areas.
- $0.61 million for the special election in the 11th Congressional District held on September 9, 2025.
- $0.09 million and 3/3.0 FTE new positions to comply with the 2025 Appropriation Act (2025 Session, Virginia Acts of Assembly, Chapter 725) which increases the number of positions allocated to the Office of the Commonwealth's Attorney.
- $0.03 million to support increases in salary supplements for eligible state positions consistent with the 3 percent state salary increase.

Allocations for Reserves/Capital

- County policy to allocate 40% of the balance to reserves. No allocation required as pre-carryover reserve levels exceed the 10% target.
  - All other Carryover adjustments have been accompanied with reserve contributions, totaling $5.66 million, to remain at the target level.
- $14.18 million or 30% of the balance is allocated to the Capital Sinking Fund to address outstanding requirements.
- $9.45 million or 20% of the balance is allocated to the Reserve for Economic Uncertainty
  - Established by the Board as part of *FY 2025 Third Quarter Review.*
  - Current funding totals $12.60 million from FY *2025 Third Quarter Review* and FY 2026 Adopted Budget Plan.
  - Revised total funding of $22.05 million will be available.
  - Strengthen County's financial profile ahead of anticipated meetings in winter 2025 with the bond rating agencies.
- No additional funding is allocated to support additional bicycle and pedestrian access throughout the County.
  - Total funding to date equates to $82.12 million of the $100 million target.
  - FCDOT staff can continue ongoing work of existing and planned Countywide projects.

Facilities Improvements

- $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.
- $2.50 million to purchase equipment and furniture for facilities at The Commons Mount Vernon (formerly referred to as the Original Mount Vernon High School).
- $2.00 million for the construction escalation reserve to support previously approved budgets and schedules for capital projects in the design and construction phases.
- $2.00 million to support capital needs for renewal and repairs at Parks Rec Centers.
- $1.00 million for building improvements at the Workhouse Campus.

Information Technology

- $5.31 million for IT projects identified through project review meetings including continued support for the modernization of payment systems for the Department of Tax Administration, replacement of the Enterprise Identity Access Management solution, and replacement of the Sheriff Inmate Management System.
- $2.50 million to support the refresh of the core infrastructure platform and components that serve public safety subscriber radios.

Environment and Energy

- $6.00 million for continued building energy improvements:
  - $4.50 million allocated to Park Authority facilities.
  - $1.50 million allocated to County facilities.
- $0.40 million to support continued investment in LED streetlight conversion program for nonstandard streetlight fixtures on Route 7 and along the Metrorail corridor in Tysons.
- $0.20 million to continue the implementation of the Residential Energy Program for programs, projects, and initiatives addressing energy efficiency and clean energy in the residential sector of the community.

Support for Park Authority

- Creation of a Parks Special Revenue Fund, which provides enhanced transparency, increased financial flexibility to the Park Authority to respond to operational needs. The Board of Supervisors will maintain the appropriation authority of Fund 40400, Park General Operations and Capital.
- Funding noted previously in presentation includes:
  - $4.50 million for continued building energy improvements at Park Authority facilities.
  - $2.13 million of the Capital Sinking Fund for infrastructure replacement and upgrades.
  - $2.00 million to support capital needs for renewal and repairs at Rec Centers.
  - $1.82 million for the second phase of the Park Authority's multi-year Equity Implementation Plan.
    - One-time funding of $1.00 million will support the first phase of development of the Park Authority Recreation Activity and Reservation System, which will include both registration and the sliding scale fee implementation.
    - Recurring funding of $0.82 million will support 5/5.0 FTE new positions to support the new system and provide for the necessary application, verification, and registration requirements.
  - $1.42 million in one-time funding to implement the next phase of the Park Authority's Zero Waste Plan, allowing for the purchase of equipment for the four remaining maintenance areas.

Position Adjustments

- 65 new positions are recommended to be established as part of the *FY 2025 Carryover Review*.
  - 26 positions in the Department of Neighborhood and Community Services to convert existing non-merit benefits-eligible positions in the School-Age Child Care (SACC) program to merit positions to implement the Beyond the Bell pilot program.
  - 14 positions in the Department of Family Services to address workload increases due to changes in state requirements, state program changes, and increased demand for mandated services, which include 8 non-merit benefits-eligible positions that will be converted to merit and 6 new positions.
  - 9 positions in the Fairfax Falls Church Community Services Board to provide support coordination services to individuals with developmental disabilities as a result of new Medicaid waivers slots allocated by the state starting July 1, 2025.
  - 5 positions in the Fairfax County Park Authority as part of its multi-year equity implementation plan.
  - 4 positions in the Department of Housing and Community Development to convert existing non-merit benefits-eligible positions to address increased workload.
  - 3 positions based on state action to increase the number of positions allocated to the Office of the Commonwealth's Attorney.
  - 3 positions for the McLean Community Center for operational program requirements.
  - 1 position in Stormwater Services to support a grant award from the Virginia Department of Conservation and Recreation to lead flood risk reduction efforts.
- As part of the continued review of positions, staff recommend the abolishment of 4 merit positions (including 2 positions in appropriated funds and 2 positions in non-appropriated funds), 25 non-merit benefits-eligible positions, and 154 non-merit temporary positions.

Consideration Items

- $135,000 to study cost-effective invasive plant mitigation strategies and the establishment of a comprehensive framework for strategic invasive plant management throughout the County (Walkinshaw/McKay/Jimenez)
- $130,000 to support the Richmond Highway Corridor Marketing Initiative in partnership with the Southeast Fairfax Development Corporation (Storck/McKay/Lusk)
- $8,000 to the Office of Financial and Program Audit to fund a part-time intern position for FY 2026 (Storck/Herrity/Jimenez/Bierman)

FY 2027 Budget Development

- Budget instructions requested 5 percent reductions from County departments.
- Revenue growth and identified savings are primarily expected to fund employee pay increases, as well as required adjustments such as employee benefit cost increases and debt service.
- Following Board direction as part of its FY 2027 Budget Guidance, County employees are being solicited for ideas to help balance the budget.



- Portal for employee suggestions will be open through October 31 to gather cost-saving ideas
- Promoted through NewsLink email and on the FairfaxNET home page
- Program includes incentives for participation:
  - Weekly gift card raffle
  - Bonus and time off award for suggestions included in FY 2027 Advertised Budget Plan

Budget Calendar

- A public hearing on the *FY 2025 Carryover Review* will be held on September 30, 2025.
- Financial forecast is planned for the Budget Committee Joint Meeting with the School Board on December 2, 2025.
- The FY 2027 Advertised Budget Plan will be presented to the Board of Supervisors on February 17, 2026.
- The *FY 2026 Third Quarter Review* will be presented to the Board of Supervisors on March 17, 2026.

https://www.fairfaxcounty.gov/budget/budget-process-timeline