

COVID-19 CONTINGENT

This past year, the County has been working tirelessly to support and protect our community as the COVID-19 pandemic continues to ravage the world. The County was fortunate to receive a variety of federal grants to help offset the significant costs of our response efforts, but the CARES Act funds, which comprised the vast majority of those grant dollars, have been expended. As of the publication of this document, additional federal aid for local governments looks increasingly likely, although the precise amount and restrictions on the use of the funds is still unknown. The County has also benefitted from other federal aid programs, such as FEMA public assistance and targeted grants for transit services and rental assistance, but those dollars are limited and will likely be fully spent later this calendar year.

While there are reasons to be optimistic about the vaccination efforts underway, there are still significant pandemic-related financial challenges to face in FY 2022. To help address these challenges amidst the uncertainty of additional federal support, the County Manager is proposing a \$17.5 million COVID-19 pandemic contingent in the FY 2022 budget. Depending on future aid the County may receive, the exact use of these funds may change. The County will continue to focus on critical health and safety items first, and then will consider investing in other important programs, like small business support, as funding allows. This contingent is based on forecasted needs in the following program areas:

- **Vaccine Program (\$2 million):** FEMA is providing significant support for vaccine distribution programs, but that support is not guaranteed to continue into FY 2022.
- **Testing and Tracing (\$2 million):** Even as increasing percentages of the community receive vaccinations, continued testing and contact tracing efforts will be necessary for at least part of the fiscal year.
- **Emergency Rental Assistance (\$5 million):** The Commonwealth received a new inflow of federal dollars in January to address emergency rental assistance needs across Virginia. While the Arlington community will benefit from these funds for some time, it is unlikely that they will last for the entirety of FY 2022. As this program will continue to be one of our areas of greatest need while the economy recovers, setting aside local dollars is critical.
- **Other Emergency Human Services (\$1.5 million):** DHS continues to provide pandemic-related support in the form of community food programs, congregate care support, and quarantine/isolation housing for our most vulnerable residents. While some of these costs are being covered by FEMA, it is unlikely that will persist throughout FY 2022.

- **PPE, Cleaning, and Safety (\$3 million):** To support current safe operations of County facilities and the ongoing need for PPE, cleaning supplies, and other associated resources.
- **Business Community Support (\$2 million):** The business community will likely need additional support in FY 2022 as they climb out of pandemic-related operations and attempt to return to normal operations.
- **Other COVID-19 Response Costs (\$2 million):** Unallocated contingency to address other response costs that may arise in FY 2022.

The past year has proven that the pandemic presents constantly evolving challenges to meet. The County can make best estimates about what its response efforts will look like over the next year, but the situation will continue to evolve. Arlington County Government will need to be prepared to react quickly to those changes. This contingent will give the County the ability to react and respond accordingly throughout the year.