

**BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2024 GENERAL ASSEMBLY SESSION
as of January 25, 2024**

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2024 GENERAL ASSEMBLY SESSION
as of January 5, 2024

General

Source	Amendment	Fairfax County Impact
Compensation/Compensation Board		
Governor Item 469 S, W, and Y	<p>Provides funding for a 1% bonus payment for state-supported local employees on December 1, 2024.</p> <p>Provides for a 1% salary increase for state-supported local employees on July 1, 2025.</p> <p>Provides for another 1% bonus payment for state-supported local employees on December 1, 2025.</p> <p>No additional funding is included to address staffing standards or the restoration of prior salary fund reductions to unfunded or underfunded positions resulting from prior budget reductions.</p>	Positive. The County would receive approximately \$0.4 million in additional state funding from the Compensation Board in FY 2025 to provide a 1% bonus to state-supported local employees. An additional \$0.8 million in FY 2026 from the Compensation Board would be received to support a 1% salary increase on July 1, 2025, and another 1% bonus on December 1, 2025.
Judiciary/Public Safety		
Governor Item 31	Provides \$750,000 GF in FY 2025 and \$1.5 million GF in FY 2026 for specialty dockets.	Positive. The County's legislative program supports inclusion of state funding for specialty dockets for mental health and veterans.
Governor Item 396	Provides level funding for the State Aid to Localities with Police Departments ("HB 599") Program.	The County's legislative program supports full restoration of HB 599 law enforcement funding.
Governor Item 396 F	Provides \$18 million General Funds (GF) in FY 2025 as one-time funding to support efforts to fill persistent vacancies in law enforcement agencies in the Commonwealth of Virginia. The funding may be utilized as matches for state or local law enforcement agency recruitment strategies. Eligible uses include sign-on bonuses up to \$10,000 and relocation expenses up to \$1,000. The recruitment strategies must target law enforcement officers living outside of the Commonwealth, law enforcement officers employed by the federal government, or new recruits seeking career opportunities in law enforcement in the Commonwealth. \$3 million of the funding is allocated to wellness initiatives.	Positive. It is unclear how much the County would receive as there is no specific language on how these funds would be allocated through the state.
Governor Item 394	Provides additional \$2.4 million in FY 2025 and \$4.8 million in FY 2026 for the Victim-Witness	TBD.

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	Grant Program to account for declines in federal grant awards.	
Governor Item 394	Provides \$3.5 million in FY 2026 for sexual assault and domestic violence programs to account for declines in federal grant awards.	TBD.
Economic Development/Workforce/Housing		
Governor Item 110	Provides \$6 million GF in FY 2025 to increase resources in the Virginia Power Innovation Fund.	Positive. Support for innovation and green energy use and expansion is included in the County's legislative program.
Governor Item 113	Provides \$2 million GF in FY 2025 and \$2.3 million GF in FY 2026 to launch innovative framework for economic growth by focusing on ecosystem building, further developing sector expertise, and extensive collaboration.	
Governor Item 115 P	Provides \$100 million GF in FY 2025 to establish the Virginia Biotechnology, Life Sciences, and Pharmaceutical Manufacturing Network. The funding will be allocated between the University of Virginia, Virginia Tech, and Virginia Commonwealth University.	TBD.
Governor Item 130	Provides an additional \$3.6 million GF in FY 2025 and \$5.6 million GF in FY 2026 for the Workforce Credential Grant Program.	Positive. Support for workforce initiatives is included in the County's legislative program.
Governor Item 200	Provides \$3.9 million GF each year to establish regional career placement centers at community colleges that will ensure student access to employers with in-demand jobs, including those with paid internships and employed apprentice opportunities.	Positive. Support for workforce initiatives is included in the County's legislative program.
Governor Item 471	Provides \$15 million GF in FY 2025 for workforce recruitment program, creating a marketing program to attract and retain workforce by raising awareness of in-demand job opportunities and career pathways, promote training and certification programs, encourage college students and exiting military personnel to stay in Virginia, and recruit out-of-state workers to move to Virginia.	Positive. Support for workforce initiatives is included in the County's legislative program.
Agriculture and Forestry		
Governor Item 87	Provides an additional \$2 million in FY 2025 for the Agriculture and Forestry Industries Development Fund.	TBD.

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Governor Item 87	Provides \$2 million in FY 2025 to establish a new competitive grant program for agricultural technology research.	TBD.
Natural and Historic Resources		
Governor Item 359	Includes \$138.1 million supplemental deposit in FY 2025 into the Water Quality Improvement Fund (WQIF) for agricultural best management practices and non-point source pollution programs.	Positive. Support for WQIF funding is included in the County's legislative program.
Governor Item 359	Deposits \$100 million in FY 2025 into the Virginia Community Flood Preparedness Fund.	TBD.
Governor Item 359	Deposits \$25 million in FY 2025 into the Resilient Virginia Revolving Loan Fund, which provides loans or grants to local governments to finance or refinance the cost of resiliency projects.	TBD.
Governor Item 359	Provides \$5 million in additional funding for the Dam Safety, Flood Prevention and Protection Assistance Fund.	TBD.
Governor Item 371	Provides \$35 million in FY 2025 for a capital grant program to celebrate the country's Semiquincentennial, the 250 th .	TBD.
Governor	No additional funding is included to fund the Stormwater Local Assistance Fund (SLAF).	Support for SLAF funding is included in the County's legislative program.
Other Items of Interest		
Governor Item 103	Reduces the appropriation for the Virginia Telecommunication Initiative by \$29.7 million in FY 2025 and by \$49.7 million in FY 2026, leaving an appropriation of \$20 million in FY 2025.	TBD.
Governor Item 471	Provides \$20 million in FY 2025 to support the American Revolution 250 Commission operations.	TBD.
Governor Item 471	Provides \$150 million to improve state agency information technology infrastructure.	TBD.
Tax Changes		
Governor Item 4-14	Reduces individual income tax rates by an average of 12% (5.10%, 4.40%, 2.65%, and 1.75%), resulting in a revenue reduction of \$3.5 billion for the state over the biennium.	No impact to County revenues. However, it will impact overall state revenue, which could affect the funding the state has for core services, potentially requiring local governments to fill in the gaps.
Governor Item 4-14	Increases statewide sales tax rate by 0.9 percentage point, generating \$1.8 billion in revenue over the biennium.	No impact to County revenues. The administration has indicated that this will offset the reduction in income tax and also that

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		the expectation is for the additional revenue generated by the expansion of the sales tax to make up for the elimination of the sales tax for K-12 funding.
Governor Item 4-14	<p>Effective January 1, 2025, expands the sales tax base to “new economy” products (digital downloads, streaming music and videos, computer services, website hosting and design, data storage, etc.), resulting in a revenue increase of \$714 million over the biennium.</p> <p>The projected increase in the Local Option 1% Sales Tax distribution statewide as a result of the expanded tax base is \$51.9 million in FY 2025 and \$130.4 million in FY 2026.</p>	<p>The administration has indicated that the expectation is for the additional revenue generated by the expansion of the sales tax to make up for the elimination of the grocery sales tax for K-12 funding. More information about the net impact on Fairfax County Public Schools (FCPS) is included in the Public Education section.</p> <p>Fairfax County is approximately 14% of the Local Option 1% Sales Tax statewide distribution. For half a year in FY 2025, the County would get \$7.3 million and \$18.3 million in FY 2026 in the County’s General Fund.</p>
Governor Item 4-14	Expands the non-refundable Earned Income Tax Credit (EITC) from 20% to 25% of the federal credit, resulting in a revenue reduction to the state of \$29 million in FY 2026.	No impact to County’s revenue.

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Public Education

Source	Amendment	Fairfax County Impact
Joint Legislative Audit and Review Commission (JLARC) Study		
<i>Governor</i>	Does not provide funding to address any of the JLARC study recommendations.	The watershed JLARC study released July 2023, demonstrates how dramatically the state has been underfunding K-12 and provides a critical opportunity to serve as an impetus for a substantial and ongoing increase in state K-12 funding. Because the JLARC report included both short-term and long-term recommendations, it is essential that the state begin to implement the short-term recommendations (including the full elimination of the support cap on K-12 positions).
Recalculation of Local Composite Index for 2024-2026		
<i>Governor</i> Item 125	The Local Composite Index (LCI) is calculated every two years, as part of the state’s updating of K-12 costs. Counties and cities with a lower LCI receive more state funding, while those with a higher LCI receive less funding.	FCPS' LCI increased from 0.6532 to 0.6579 for the new biennium. The impact of the funding change associated with changes in the LCI for Fairfax County Public Schools (FCPS) has been included, primarily in SOQ accounts and estimated at a decrease in funding of \$9.3 million in FY 2025.
Update Costs of the Standards of Quality (SOQ)		
<i>Governor</i> Item 125	Provides approximately \$72.6 million GF in FY 2025 and approximately \$87.9 million GF in FY 2026 to fully fund the biennial rebenchmarking of K-12 SOQ costs. These increases do not reflect changes in policy, but are instead treated more as technical updates to address the cost of continuing current programs with the required data revisions.	The funding is included across multiple line items in the overall SOQ accounts and the total impact cannot be isolated. It should be noted that, according to the JLARC study, the state SOQ formula dramatically underestimates the actual costs of public education, as evidenced by the fact that it provided \$6.6 billion less than what was spent by local school divisions in FY 2021. In FY 2022, FCPS spent \$1.2 billion above the SOQ formula’s calculated required local effort.
Sales Tax		
<i>Governor</i> Item 125	Language in the budget proposes to override the statutory requirement to provide an amount equal to the revenue that would have been distributed to school divisions if the state portion of the “grocery tax” had not been eliminated in January 2023. The proposed elimination of the supplemental	This results in a decrease of \$36.7 million in FY 2025 offset by a basic aid increase resulting in a net reduction of \$23.9 million. It is important to note that the proponents of eliminating the state “grocery tax” on food assured localities and others that the revenue

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	GF payment in lieu of the grocery sales tax totals approximately \$229 million over the biennium. The net reduction accounts for the offsetting increase to the state share of Basic Aid.	loss resulting from that policy change would be backfilled by the state in an ongoing fashion; unfortunately just a short time later, the Governor’s budget proposes to undo that compromise, which was a concern for localities and school divisions as that legislation was being considered by the GA.
Governor Item 125	Recognizes additional sales and use tax revenues dedicated to public education resulting from additional revenue generated by taxable services and digital personal property (approximately \$85.7 million GF over the biennium).	<p>Of the \$85.7 million, FCPS’ estimated share is \$5 million in FY 2025 and \$12.9 million in FY 2026 (net impact including basic aid offset).</p> <p>The Administration has represented this will make up for the “grocery tax” funding, but FCPS would receive substantially less than it would have under the “grocery tax” funding allocation. This would be extremely difficult to track in future years, and potentially ensures that state funding remains flat rather than growing over time (particularly in light of the fact that when any given state tax is reduced or eliminated, it is incredibly challenging to impose an additional tax or increase a tax rate to generate the revenues needed to fully fund core services).</p>
Bonuses in FY 2025		
Governor Item 125	Provides \$53 million in FY 2025 for the state’s share of a 1% bonus payment for funded SOQ instructional and support positions, effective July 1, 2024.	<p>These funds require a local match based on the LCI. The proposal would provide state funding of approximately \$5.1 million for FCPS in FY 2025.</p> <p>For FY 2025, the cost to provide a 1% compensation increase totals \$28.5 million. After accounting for one-time state funding (and the fact that FCPS must pay 100% of any increase for non-SOQ positions), the net cost to FCPS would be \$23.4 million.</p> <p>Typically, state bonuses can present challenges, in addition to local match requirements, as they are not built into the salary base going forward. Additionally, in a high LCI locality like Fairfax County, the state funds a very small portion of the bonus, while FCPS must provide substantial funding to enact that bonus.</p>

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Compensation Increases in FY 2026		
Governor Item 125	Provides \$122.8 million GF in FY 2026 for the state share of a 2% compensation increase for funded SOQ instructional and support positions.	<p>The proposal would provide state funding of approximately \$11.7 million for FCPS in FY 2026. A required local match based on the division’s LCI will be required.</p> <p>The cost to provide a 2% compensation supplement is \$56.9 million. After accounting for state funding, the net cost to FCPS would be \$45.2 million.</p> <p>As is the case with state funding for bonuses, state funding for salary increases, if funded, is a small part of the overall funding needed; Fairfax County must fund the rest. For example, the 5% raises in FY 2023 provided Fairfax County Public Schools (FCPS) with approximately \$22 million in state funding, while requiring approximately \$103 million in local funding.</p>
Reading Specialists		
Governor Item 125	Provides \$61.2 million over the biennium for the state share of one reading specialist position per 550 students in grades 4-5, and one reading specialist position per 1,100 students in grades 6-8, in accordance with legislation passed in 2023.	Of the \$61.2 million, FCPS’ estimated share is \$2.7 million in both FY 2025 and FY 2026 and FCPS already meets the staffing requirements.
Other Items of Interest		
Governor Item 123	Provides \$200,000 GF in both FY 2025 and FY 2026 to create a Chief School Mental Health Officer to lead mental health and wellness initiatives for educators and K-12 students.	No FCPS impact.
Governor Item 117 R	Provides \$14.4 million over the biennium for the Virginia Department of Education to contract with a telehealth provider for the provision of high-quality mental health services statewide to public school students in grades 6-12.	More information on State program required to evaluate FCPS impact.
Governor Item 125	Provides funding for a one-time payment of \$350 million in FY 2025 to address unfunded liabilities in the Virginia Retirement System (VRS) public school teacher plan. Includes \$115 million GF and \$235 million from the Literary Fund. Uses \$150 million per year from the Literary Fund	Improving the funded status of the VRS will provide long-term financial savings for the state and localities.

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	(rather than GF) for school employee retirement contributions.	
Governor Item 125	Appropriates \$80 million Non-General Funds (NGF) per year from casino gambling proceeds deposited into the School Construction Fund for the School Construction Assistance Program.	As these are grant funds, there may be opportunities in the future to apply and receive funds.
Governor Item 125	Provides \$30 million GF per year for the College Partnership Laboratory School Fund.	Opposition to diverting funding away from local public schools and toward alternative options is reflected in the County's 2024 legislative program.
Governor Item 125	Provides \$20 million per year for a new Diploma Plus program, which would provide grants to high school students to support attainment of high-demand industry-recognized credentials.	No direct impact on FCPS.
Governor Item 116	Requires the Secretary of Education to convene a stakeholder work group to make recommendations on teacher compensation, specifically addressing regional, comparative, and differentiated pay analysis; how teacher pay impacts student achievement; and, an implementation plan for a teacher compensation model that includes student outcomes and a clear and reliable differentiated model.	
Impact to the FCPS's FY 2025 Operating Fund Budget:		
Governor's Introduced Budget:		
<p>FCPS' FY 2025 Budget Forecast included \$64.6 million in additional state revenue. The Governor's budget includes a decrease of \$8.2 million in sales tax and an increase of \$21.5 million in state aid, for a net increase in state revenue of only \$13.3 million. Compared to the Budget Forecast, the Governor's budget leaves a gap of \$51.2 million.</p>		

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Health and Human Services

Source	Amendment	Fairfax County Impact
Children’s Services Act (CSA)		
Governor Items 268, Item 269	Provides \$48.5 million GF in both FY 2025 and FY 2026 to reflect the projected growth in services provided through CSA. Cost increases are expected due to increased caseloads as well as rate increases for various services, including special education private day school services, foster care maintenance payments, and residential services.	TBD.
Early Childhood		
Governor Item 103.U.1	Provides \$25 million GF in FY 2025 to establish the early learning capital incentives grant program, with the objective of increasing the supply of quality early learning spaces in childcare and early learning deserts. Local government and public higher education institution grantees will be selected through a competitive process that prioritizes increasing capacity in areas of greatest need.	It is unclear whether Fairfax County would be eligible to apply, as the recent JLARC report, “Virginia’s Self-Sufficiency Programs and the Availability and Affordability of Child Care” indicated that the Fairfax region does not have an unmet demand for child care slots. Support for early childhood education is included in the County’s Legislative Program.
Governor Item 117.N	Provides \$174.3 million GF in FY 2025 and \$237.8 million GF in FY 2026 to continue the Child Care Subsidy Program after federal pandemic funding becomes unavailable. A portion of this support is from redirected savings under the Virginia Preschool Initiative (VPI) and Early Childhood Expansion programs. Additionally, this funding supports the establishment of a digital wallet platform to host early learning and child care accounts for participating families.	Positive. This will continue to expand access to affordable child care. However, additional funds are still needed to serve new families.
Governor Item 117.P	Extends authority allowing the Superintendent of Public Instruction to alter staff-to-child ratios and group sizes for licensed child day centers and child day centers that participate in the Child Care Subsidy Program. Authority is now set to expire June 30, 2026.	While this continued flexibility will mitigate some ongoing workforce recruitment and retention challenges, there could be unintended negative consequences if the child: teacher ratio is increased, as that affects quality child care.
Governor Item 125.C.14.a.4a	For Planning District 8 localities, raises the state share of the per pupil grant for the VPI from \$8,989 to \$10,701 for students in the full-day	Positive. However, need to ensure the County is able to match the

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	program, and raises the state share of the per pupil grant from \$4,495 to \$5,351 for students in the half-day program.	increase in order to increase capacity.
Governor Item 125.C.14.a.4a	Directs the Department of Education, by November 1 of odd years, to determine an appropriate non-participation rate for VPI by examining participation levels and unmet demand across all birth to five-year-old publicly funded early childhood programs and expected enrollment in the upcoming biennium. Future budgets will include the application of this non-participation rate, and any resulting savings from VPI will be appropriated to the Child Care Subsidy Program.	TBD. It is unclear what the formula to project enrollment for the biennium will be or how it could affect the County.
	Eliminates language capping the LCI at 0.5 for the purposes of determining the state and local shares of funding for VPI. This cap was put in place when Governor Kaine made a big push on expanding preschool, and it makes a substantial funding difference for high LCI localities like Fairfax County.	Current budget language caps the LCI for VPI at 0.5; removing the cap would mean that the local share would increase for localities with LCIs above 0.5, which could affect the County’s ability to expand the program to serve more students.
Governor Item 125.C.14.b.1	Adds language requiring a locality’s VPI plan to include a mechanism for annually measuring and reporting unmet parental demand and preferences, including establishing waitlists.	It will be important to ensure that there are no unintended consequences in requiring a waitlist, as some families could potentially be on the same waitlist for both Head Start and VPI.
Governor Item 125.C.14.1	Anticipates savings from VPI, transferring unused VPI funds to VDOE to support direct services under the Child Care Subsidy Program (provided there is unmet parental demand rather than allowing this funding to be used as flexible funding to supplement any other VPI initiatives).	It will be important to ensure funding is transferred to the Child Care Subsidy Program only if VPI funds are unused and all VPI requirements are met.
Workforce		
Governor Item 271.C	Adds \$5 million GF in both FY 2025 and FY 2026 for the Behavioral Health Loan Repayment Program and expands the program to include psychiatric registered nurses. \$1 million in each year is reserved for awards to eligible school-based behavioral health professionals.	TBD. This is a positive step by the state to find ways to stabilize the behavioral health care workforce in the future. To support behavioral health staff working at CSBs and other public agencies, language could be added prioritizing access to such funding for those participating in the public behavioral health care system.

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Governor Item 271.F	Adds \$936,000 GF in both FY 2025 and FY 2026 to fund nursing scholarship and loan repayment programs.	TBD. A positive step by the state to find ways to stabilize the public health and behavioral health care workforce in the future. The funding opportunities proposed have the potential to increase the pipeline and retention of nurses.
Governor Item 271.H	Provides \$4 million GF in both FY 2025 and FY 2026 to continue the Earn to Learn Nursing Program. (\$5 million was provided in FY 2024 to establish the program.)	TBD. A positive step by the state to find ways to stabilize the public health and behavioral health care workforce in the future. The funding opportunities proposed have the potential to increase the pipeline and retention of nurses.
Department of Health		
Governor Item 275.A.	Allows tuberculosis (TB) funding to be used for both drug-resistant and drug-susceptible tuberculosis based on need.	Positive. Provides funding flexibility to meet the demand of patients with either drug susceptible or drug resistant TB (i.e. combines funds that are currently divided into two separate accounts).
Governor Item 277.G	Provides \$333,333 GF in FY 2025 and \$500,000 GF in FY 2026 as the state match to support evidence-based home visiting services from the federal Maternal Infant Early Childhood Home Visiting (MIECHV) program.	Positive. This additional appropriation will allow the state to meet the Health Resources and Services Administration (HRSA) requirements for a state match to sustain evidence-based home visiting in localities that receive MIECHV funds (including Fairfax County).
Behavioral Health		
Governor Item 288.UU.1.b	Provides \$1 million GF and \$1 NGF in both FY 2025 and FY 2026 to fund 20 psychiatric residents who will begin their residences in July 2024.	TBD. Positive step by the state to find ways to stabilize the behavioral health care workforce in the future.
Governor Item 288.XX	Effective July 1, 2024, authorizes Department of Medical Assistance Services to modify Medicaid behavioral health services to: (1) phase out legacy services, including Mental Health Skill Building, psychosocial rehabilitation, intensive in-home services, and therapeutic day treatment; (2) replace youth services with tiered community-based supports for youth and families with, and at-risk for, behavioral health disorders appropriate for delivery in homes and schools; (3) replace legacy services for adults with a comprehensive	TBD. While this is a needed change, the local impact of the proposed changes, and the involvement of DMAS, raises several concerns. There is a lack of clear language about partnering with community-based service providers – both public and private – to fully grasp the implications of these changes. The expectation for cost neutrality is problematic, as it

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	<p>array of psychiatric rehabilitative services for adults with serious mental illness (SMI), including community-based and center-based services; (4) replace legacy Targeted Case Management – SMI and Targeted Case Management – Serious Emotional Disturbance (SED) with Tiered Case Management Services. All new and modified services must be evidence-based and trauma-informed. DMAS will only proceed with these changes if they can be implemented in a budget neutral manner. Any new or modified services will be designed to ensure out-year costs are in line with the current legacy service spending projections, and no new Medicaid behavioral health services or rates will be implemented until corresponding legacy services have ended. Implementation of the authorized redesigned services will be completed no later than June 30, 2026. This transition is necessary to ensure Virginia can secure federal support for a comprehensive continuum of behavioral health services through an 1115 SMI waiver.</p>	<p>typically results in service providers – both contracted and directly operated – absorbing the financial burdens of significant changes. Additionally, there are concerns about the clarity and communication of information, especially with numerous unanswered questions and the state's push towards a set deadline of June 30, 2026.</p>
<p>Governor Item 288.VVVV</p>	<p>Directs DMAS to seek federal authority to expand provider qualifications, allowing individuals working on their required hours of supervision for certification through the Department of Behavioral Health and Developmental Services (DBHDS) to be approved as Medicaid providers for mental health and substance use disorder peer support services. Also authorizes DMAS to adjust caseload limits for peer recovery specialists to align with DBHDS and the Department of Health Professions, as well as revised policies reflecting the need to operate within a crisis or emergency room setting. DMAS must ensure that any provider caseload limit increase does not have any adverse impact on quality of care or program integrity. Also authorizes DMAS to promulgate emergency regulations to implement these changes within 280 days of enactment of the budget.</p>	<p>Positive. In the short term, the CSB could lower minimum qualifications for entry level peer recovery specialists, broadening the possible applicant pool. This should improve recruitment efforts. Peer recovery specialist positions are difficult to fill, and such employees are difficult to retain. In the medium term, CSB could begin billing Medicaid for Peer Recovery Support Services, likely in FY 2026.</p>
<p>Governor Item 295.GG</p>	<p>Provides \$1 million GF in both FY 2025 and FY 2026 for DBHDS to contract with a vendor to establish and maintain a credentialing database for youth mental health services.</p>	<p>TBD. Streamlining the credentialing process and creating a database that increases efficiencies and the timeliness of tracking credentialing is positive for CSBs,</p>

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		as long as there is not an accompanying increased paperwork burden.
Governor Item 295.JJ	Provides \$10 million in FY 2025 for comprehensive psychiatric emergency programs or similar models of care in emergency departments.	TBD. Further analysis and information on how and where funding will be allocated is needed. Investments in a comprehensive psychiatric care program would be a positive use of funds.
Governor Item 295.KK	Provides \$2.6 million GF in both FY 2025 and FY 2026 for DBHDS to contract with the Virginia Crisis Intervention Team Coalition to facilitate expansion of de-escalation training and knowledge of behavioral health laws and regulations.	TBD. Direct impact on County unknown at this time, but funding to facilitate expansion of de-escalation training and knowledge of behavioral health laws and regulations among first responders and hospital personnel is beneficial, especially given that the Department of Criminal Justice Services is working towards Crisis Intervention curriculum standardization across the state by January 2025.
Governor Item 295.LL	Provides \$1.1 million GF in FY 2025 and \$210,000 GF in FY 2026 to support the costs of medically monitored high-intensity inpatient services for youth and adolescents with serious mental illness or substance use disorder who may otherwise require inpatient hospitalization.	Positive. CSB is working to build a Crisis Receiving Center that would include this level of care, for youth, in Fairfax to serve the region. Additional funding would be helpful.
Governor Item 296.E	Provides \$4.7 million GF in both FY 2025 and FY 2026 for alternative custody and transportation for individuals subject to temporary detention orders and expands eligibility to cover individuals under involuntary commitment orders. DBHDS shall implement a plan for alternative custody options in consultation with local law enforcement, CSBs, or other stakeholders, as appropriate.	TBD. Further analysis is needed to determine full impacts to the County.
Governor Item 296.O	Reduces by \$1.2 million GF in both FY 2025 and FY 2026 funding to divert admissions from state hospitals by purchasing acute inpatient and community-based psychiatric services at private facilities. This reflects anticipated balances for local inpatient purchase of service funds.	No impact. Reduced funding for Local Inpatient Purchase of Service (LIPOS) is reasonable at this point, as the County and other regions continue to face increased difficulty securing hospital beds because of the Commonwealth's capacity issues and insufficient funding.

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Governor Item 296.P.2	Amends language relating to alternative inpatient options to allocate \$1.5 million to pursue a pilot program to support non-inpatient services for individuals at risk of discharge from a private inpatient setting into a state facility setting.	TBD. Further analysis and information on location of pilot program needed to determine full impacts to the County.
Governor Item 296.S	Provides \$33 million GF in FY 2025 and \$2.6 million GF in FY 2026 to support the continued expansion and modernization of the statewide crisis services system by investing in crisis receiving centers, crisis stabilization units, pharmacy improvements, and other crisis initiatives.	TBD. Further analysis and information about how funding will be allocated is needed to determine full impacts to the County. Funding going toward crisis services is positive, but it is essential that the allocation is fair to localities based upon population size.
Governor Item 296.U	Provides \$10 million GF in FY 2025 for the one-time costs of establishing additional mobile crisis services in underserved areas	TBD. Further analysis and information on how funding will be allocated is needed. The funding for mobile crisis units is one-time funding, so jurisdictions will have to absorb the costs with local dollars after the first year. Community-based mobile crisis services throughout the state could help to alleviate the current burden on state psychiatric hospitals, potentially increasing capacity for all jurisdictions (including Fairfax) when inpatient beds are truly needed for the most acute clients.
Governor Item 297.SS	Provides \$3.4 million GF in FY 2025 and \$3.3 million GF in FY 2026 for peer wellness stay programs.	TBD. Further analysis needed to determine full impacts to the County.
Medicaid Waivers		
Governor Item 288.L	Provides \$50 million GF and \$52.2 million NGF in FY 2025, and \$100.2 million GF and \$104.3 million NGF in FY 2026, to increase the number of Developmental Disability (DD) waiver slots by adding 344 Community Living (CL) slots (172 in each year), and 3,096 Family and Individual Supports (FIS) slots (1,548 in each year).	Positive in increasing waiver slots to eliminate the Priority 1 (P1) waitlist – a priority for Fairfax County. While the expansion of waiver slots is a critical step forward in providing necessary services to more families, such growth requires a well-coordinated, strategic approach with DBHDS to effectively manage the implications on staffing, service provision, and overall system capacity in Fairfax County. While the ability to offer

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		services to more families is unquestionably positive, the dynamic and unpredictable nature of the P1 waitlist in the County presents significant challenges. As nearly a third of Virginia’s P1 individuals reside in Fairfax County, flexibility to gradually initiate waiver services as CSB works to address staffing ratios and allow community providers to manage the expected increase in demand is needed.
<i>Governor</i> Item 288.UUUU	Directs DMAS to seek federal authority to implement a telehealth option for the following DD waiver services – benefits planning, community coaching, community engagement, community guide, group day services, group and individual supported employment, independent living supports, individual and family/caregiver training, in-home support services, peer mentoring, service facilitation, therapeutic consultation, and workplace assistance services.	Telehealth service delivery would impact support coordinators’ ability to effectively assess an individual’s environment, general health/well-being, and safety. This may be sufficient on a case-by-case basis when in-person visits cannot be managed, but it is not ideal or sufficient in all circumstances. Would give Support Coordinators more flexibility in participating in and observing the services being provided. However, telehealth decreases the number of people physically seeing the person in their environment, which could lead to unseen/unreported abuse, neglect and exploitation. There is also a potential for fraudulent use, which would increase workload for Support Coordinators who monitor supports being provided.
Opioids/Substance Use Disorder		
<i>Governor</i> Item 49.H	Provides \$1 million in both FY 2025 and FY 2026 from a multistate settlement associated with JUUL products to DBHDS to support an annual youth vaping prevention campaign.	Positive. Support for addressing the vaping crisis affecting teens and young adults is included in the County’s Legislative Program.
<i>Governor</i> Item 49.I	Provides \$4 million in both FY 2025 and FY 2026 from the Commonwealth Opioid Abatement and Remediation Fund for DBHDS to address the opioid crisis through a marketing campaign and classroom-based programmatic efforts.	No impact to County revenues. Funds go to DBHDS, but the County supports increased state action to address the opioid crisis.

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Governor Item 60.P	Provides \$500,000 in one-time funding in FY 2025 from the Commonwealth Opioid Abatement and Remediation Fund for an Opioid Use Reduction and Jail-based Substance Use Disorder Treatment and Transition Fund to address the opioid crisis in jails and post-release communities.	No anticipated County impact.
Governor Item 275.L	Provides \$5.5 million in both FY 2025 and FY 2026 from the Commonwealth Opioid Abatement and Remediation Fund for the purchase and distribution of opioid reversal agents and test kits and for the development of tracking software.	TBD. It remains unclear how funding will be allocated throughout the state.
Governor Item 281.C	Provides \$400,000 in FY 2025 from the Commonwealth Opioid Abatement and Remediation Fund to establish a one-year demonstration project to implement testing for the analysis of fentanyl and norfentanyl in wastewater in up to three geographically diverse localities. A report on the findings and conclusions of the project will be provided to the Governor, the Chairmen of the House Appropriations and Senate Finance and Appropriations Committees, and the Department of Planning and Budget director at the conclusion of the project.	TBD. Three localities will be chosen for this demonstration project. The funding level in the Governor’s proposed budget may be insufficient to include Fairfax County as one of the localities. Moreover, in addition to fentanyl and norfentanyl, the state should also be testing for xylazine (aka “Tranq”), as an emerging overdose challenge.
Governor Item 295.X	Amends language to allow access to substance use disorder treatment in specialty dockets, rather than only in drug treatment courts.	Positive. Broadening the scope of docket services is positive, as 60% of all mental health docket participants also have co-occurring substance use disorder.
Other Items of Interest		
Governor Item 295.CC, Item 296.N	Amends language to allow funds for dementia behavioral specialists and other dementia-specific purposes to be used for the general geriatric population.	Broadening the scope of these services is positive.
Governor Item 324.J	Provides \$1.5 million GF in FY 2025 and \$2.5 million GF in FY 2026 to develop and implement educational programming, coaching and support services for fathers, and to create a public awareness campaign that promotes responsible and involved fatherhood in Virginia. Educational and other programmatic materials will be made available to all local departments of social services and other relevant Virginia departments and agencies.	Positive. Funding could sustain the Stable Families, Thriving Futures program, which provides support to pregnant and parenting teens and young adults, including responsible fatherhood resources.

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Item 326.I, R	Provides \$8.1 million GF in FY 2025 and \$7.8 million GF in FY 2026 to sustain the relative maintenance payment program and provide funding for kinship and alternative living arrangement supports. Includes funding for bonus payments to local departments of social services not to exceed \$250 for each time a new child enters foster care and is placed with a kinship foster parent or for a child already in foster care who transitions to the care of a kinship foster parent. Payments will not exceed \$360,000/year, in aggregate.	Positive. This will help increase permanency for children in foster care and give financial support to the relatives who take care of these children. The bonus payments could be used to support relative placements (such as purchasing beds, dressers, smoke detectors, etc.) to help ensure approval and placement for the child in foster care to live with their relative.
Item 329.T	Provides \$246,548 GF in both FY 2025 and FY 2026 to address the increase in adult protective services calls to the child protective services hotline.	No County impact.
Item 334.G	Provides \$50,000 GF and \$50,000 NGF in FY 2025 to initiate a pilot program to send a text message to Medicaid recipients prior to renewal to determine if continued enrollment is desired.	No County impact.
Governor Item 394.G	Provides \$3.5 million GF in FY 2026 to support sexual assault and domestic violence programs to account for declines in federal grant awards.	This funding will offset continued cuts to Virginia’s Victims of Crime Act (VOCA) allocation. Additional investment is needed to restore services and support growing demand.

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Transportation

Source	Amendment	Fairfax County Impact
REGIONAL ITEMS		
Northern Virginia Transportation Authority (NVTA) Funding		
<i>Governor</i> Item 446	Includes approximately \$847.2 million for distribution of NVTA Fund revenues over the biennium, approximately a \$25.2 million increase.	<p>The amount received by the County is dependent on actual collections from revenue sources. Through its Six Year Program, NVTA allocates 70% (approximately \$593.1 million in FY 2024-2026) to regional projects, and that funding has already been approved for projects through adoption of NVTA's FY 2020-2025 and FY 2022-2027 Six Year Programs.</p> <p>Fairfax County should receive approximately \$114 million over the biennium to allocate for local projects approved by the Board of Supervisors (30% funding returned to localities), minus the respective shares provided to the Towns of Vienna and Herndon. Approximately \$14 million annually of this "30% funding" will likely be transferred to the Commonwealth's Washington Metropolitan Area Transit Authority (WMATA) Capital Fund for the County's share of local funding for State of Good Repair, as required by HB 1539/SB 856 (2018).</p>
Regional Gas Tax		
<i>Governor</i> Item 430	Provides approximately \$207.4 million over the 2024-2026 biennium for regional gas taxes (for NVTC, Potomac and Rappahannock Transportation Commission (PRTC), and other regional gas taxes). Estimates approximately \$101.6 million for NVTC over the FY 2024-2026 biennium, and an additional \$22.2 million annually that is transferred to the WMATA Capital Fund per HB 1539/SB 856 (2018). Also, \$15 million of NVTC and PRTC revenues are transferred annually to the Commuter Rail Operating and Capital Fund.	The amount received by NVTC and the County is dependent on actual collections from the revenue sources.
Washington Metropolitan Area Transit Authority (WMATA) Funding		

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Governor Item 433	Specifies that Virginia’s share of WMATA’s FY 2025 budget may increase by an amount determined to be appropriate by the Director of the Department of Rail and Public Transportation (DRPT), rather than the 3% cap specified in Code of Virginia. The budget requires the Director of DRPT to submit recommendations to the Secretary of Transportation by July 31, 2024. At that time, the Director is required to direct WMATA to prepare and submit a corrective action plan by November 30, 2024, which must include, at a minimum, cost reduction strategies, sizing employee headcount relative to ridership and vehicle-revenue miles, and a timeline for automation of the Metrorail system. If total Virginia operating assistance included in the approved FY 2025 WMATA budget increases by more than the amount recommended by the Director of DRPT, or if WMATA fails to submit a satisfactory corrective action plan, the Commonwealth Transportation Board (CTB) will withhold 35% of state aid, in accordance with the Code of Virginia.	Could help address one of the issues that must be dealt with as part of the WMATA budget shortfall. While the County believes that WMATA should meet a statutory requirement, it is important to remember that the local jurisdictions in Virginia are responsible for providing substantial funding for WMATA. If the Commonwealth withholds its contributions, the local governments are still legally bound to make the payments.
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STATEWIDE PROGRAMS

Department of Rail and Public Transportation (DRPT)

Governor Item 433	<p>Provides approximately \$1.4 billion for Public Transportation Programs (approximately \$212.9 million over the FY 2022-2024 biennium, due to updated revenue projections), including:</p> <ul style="list-style-type: none"> • Approximately \$226.1 million for Operating Assistance (approximately \$13.1 million increase); • Approximately \$156.9 million for Capital Assistance (approximately \$36.9 million increase); • Approximately \$429.1 million for WMATA operating and capital costs (state share of WMATA assistance) (approximately \$71.4 million increase); • Approximately \$55.4 million for the Transit Ridership Incentive Program (TRIP) (new set-aside in the budget); • Approximately \$32.3 million for Virginia Railway Express (VRE) Assistance (new set-aside in the budget); 	<p>Statewide Operating and Capital funding is subject to the transit prioritization process required by legislation passed in the 2018 General Assembly, entitled MERIT, and programs created in HB 1414/SB 890 (2020), so the impact to Fairfax Connector is unclear.</p> <p>TRIP funding is allocated through a separate application process.</p> <p>Per HB 1496/SB 1079 (2023), VRE now receives up to 3.5% of the Commonwealth Mass Transit Fund for operations and capital (similar to WMATA’s set-aside), rather than receive funding through the MERIT process.</p>
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	<ul style="list-style-type: none"> • Approximately \$23.1 million for Special Programs (new set-aside in the budget); • \$4 million for federally mandated state safety oversight of fixed rail guideway transit agencies, i.e. the Metrorail Safety Commission (MSC) (no change); and, • \$100 million as the state match for the federal Passenger Rail Investment and Improvement Act (PRIIA) (no change). <p>Includes approximately \$318.8 million for the WMATA Capital Fund, which includes state funding as well as the local and regional funding redirected as part of HB 1539/SB 856 (2018) (no change).</p>	
Virginia Passenger Rail Authority/Rail Programs		
Governor Item 431	Includes approximately \$687.1 million for passenger rail development and operation programs (approximately \$71.7 million above FY 2022-2024 projections).	TBD. Will help fund rail projects, including those located in Northern Virginia (such as improvements in the I-95 Corridor).
Virginia Department of Transportation (VDOT)		
<u>Environmental Monitoring and Evaluation</u>		
Governor Item 436	Includes approximately \$54.2 million for Environmental Monitoring and Evaluation (approximately \$.6 million decrease). This includes approximately \$24.2 million for Environmental Monitoring and Compliance for Highway Projects (approximately \$4.3 million increase) and approximately \$21.2 million for Municipal Separate Storm Sewer System (MS4) Compliance Activities (approximately \$6.2 million decrease).	TBD.
<u>Highway Construction</u>		
Governor Item 438	Provides approximately \$7.6 billion for Highway Construction Programs, an approximately \$1.5 billion decrease, due to updated revenue projections, the removal of GF appropriations for one-time spending in the last budget, and the adjustment of appropriation amounts to conform to the final program amounts in the FY 2024-2026 Transportation Six-Year Financial Plan, as approved by the CTB in June 2023. This includes:	<p>Many of these funds are subject to Smart Scale or other prioritization processes, so the impact to Fairfax County is unclear.</p> <p>The decrease in CMAQ should decrease the amount of funding from this program that is provided to Northern Virginia.</p>

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	<ul style="list-style-type: none"> • Approximately \$256.5 million for the Virginia Highway Safety Improvement Program (approximately \$104.1 million increase); • Approximately \$910.1 million for the Interstate Operations and Enhancement Program (approximately \$322.1 million increase); • Approximately \$840 million for State of Good Repair (approximately \$7.9 million increase); • Approximately \$598.1 million for the High Priority Projects Program (approximately \$265.8 million decrease); • Approximately \$865.3 million for the Construction District Grant Program (approximately \$158.1 million decrease), which includes approximately \$241.7 million from the regional fuel tax collected in transportation districts that do not have a regional authority; • Approximately \$3.8 billion for Specialized State and Federal Programs (approximately \$1.2 billion decrease); and, • \$214 million for Legacy Construction Formula Programs (\$296.2 million decrease). <p>Of the Specialized State and Federal Programs:</p> <ul style="list-style-type: none"> • Approximately \$280.9 million for the federal Regional Surface Transportation Program (RSTP) (approximately \$47.5 million increase); • Approximately \$78.6 million in federal funds for a new federal resiliency program (approximately \$11 million decrease); • Approximately \$167.8 million for the federal Congestion Mitigation and Air Quality Program (CMAQ) (approximately \$124.1 million decrease); • \$400 million for Revenue Sharing (Approximately \$5.4 million decrease); • Approximately \$64.7 million for the Surface Transportation Block Grant 	<p>The increases in RSTP and Transportation Alternative funds could benefit the County and region.</p>
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	<p>Program Set-Aside (approximately \$24.3 million increase); and,</p> <ul style="list-style-type: none"> • Approximately \$69.1 million federal and state matching funds for the federal Carbon Reduction Program (approximately \$1.1 million decrease). <p>Included in the amounts for Specialized State and Federal Programs:</p> <ul style="list-style-type: none"> • Approximately \$1.7 billion represents estimated project participation costs from localities and regional entities; and, • The reappropriation of approximately \$935.3 million from bond proceeds from various bond programs. <p>Provides at least \$200 million to the Transportation Partnership Opportunity Fund (TPOF) out of the Commonwealth Transportation Funding in the FY 2025-2030 Six-Year Financial Plan. Provides an additional \$20 million for TPOF from the GF.</p> <p>Provides \$70 million from the GF to support the I-81 Northbound Lane Widening Program in the Salem District.</p> <p>Does not provide a specific allocation for the Virginia Transportation Infrastructure Bank.</p>	
<u>Highway Maintenance</u>		
Governor Item 439	<p>Provides approximately \$4.7 billion for Highway System Maintenance and Operations (approximately \$482 million increase). This includes:</p> <ul style="list-style-type: none"> • Approximately \$1 billion for interstates (approximately \$44 million increase); • Approximately \$1.3 billion for primaries (approximately \$255.9 million decrease); • Approximately \$1.5 billion for secondaries (approximately \$291.9 million increase); and, • Approximately \$755.3 million for Transportation Operations Services (approximately \$354.9 million increase). 	<p>Using historical estimates, approximately \$73 million more may be available for maintenance and operations within Northern Virginia.</p>
<u>Special Structures</u>		

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Governor Item 440	Provides \$171.8 million for this program (approximately \$10.5 million increase).	The Commonwealth’s report on the overall condition of special structures identified only one such structure in Northern Virginia, so this will likely have little impact on the region.
<u>Toll Facilities</u>		
Governor Item 441	Provides approximately \$195.7 million for toll facilities (approximately \$1.2 million decrease), including approximately \$112.2 million for Maintenance and Operations (approximately \$11.2 million decrease); and approximately \$83.5 million for the Revolving Fund (\$10 million decrease).	TBD.
<u>Virginia Port Authority</u>		
Governor Item 449	Provides \$33.9 million for Economic Development Services (approximately \$18.3 million increase), with \$16 million provided from the Commonwealth Transportation Fund (CTF). The CTF has not historically provided funding for this purpose.	