

**BUDGET PROPOSALS FOR 2020 - 2022
DURING THE 2021 GENERAL ASSEMBLY SESSION
as of January 8, 2021**

**Estimated Impact to Fairfax County - Increase/Decrease Over Prior
Fiscal Year (\$ Million)**

	Governor's Budget	
Direct County Impact	FY 2021	FY 2022
Provides targeted salary adjustments for specific positions reimbursed by the Compensation Board.	\$0.00	TBD
Provides 1.5% bonus on September 1, 2021 to state-supported local employees, contingent on state revenues. The County will need to budget for the bonus in FY 2022.	\$0.00	\$0.42
TOTAL DIRECT COUNTY IMPACT	\$0.00	\$0.42
TOTAL OVER THE BIENNIUM	\$0.42	

Impact to the Fairfax County Public Schools' (FCPS) Operating Fund Budget

Governor Northam's Budget:
Compared to the FCPS' FY 2021 Approved Budget, Governor Northam's budget includes \$21.9 million more in state aid and a \$17.3 million decrease in sales tax revenue for FY 2021.

For FY 2022, Governor Northam's Budget includes \$3.0 million more in state aid and a \$12.7 million decrease in sales tax revenue compared to FCPS' FY 2021 Approved Budget.

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Budget Bill Item #	Issue	Fairfax County Impact
Compensation		
<u>State-Supported Employee Compensation</u>		
477 LL	Governor Northam's Budget: Contingent on FY 2021 revenues meeting projections, provides \$15.5 million for a 1.5% one-time bonus on September 1, 2021 for state-supported local employees. The funding is also contingent on the governing local authority of such employees using such funds to support the provision of a bonus.	Appears that the County will not be able to draw down state funding in FY 2022, unless the County provides a bonus for state-supported local employees. The County would be reimbursed approximately \$0.42 million.
68	Governor Northam's Budget: Provides \$2.6 million to fund salary increases for regional jail officers consistent with those received by deputy sheriffs to equalize the pay grade for all entry-level correctional officers in local and regional jails.	The Sheriff's Office believes that there is no fiscal impact as they are not a regional jail.
68	Governor Northam's Budget: Provides \$2.3 million in FY 2022 to fund 25% of staffing needs for Sheriffs' and Commonwealth's Attorney's offices. This restores funding that was previously unallotted.	The County would realize a potential increase for the Compensation Board reimbursement. TBD.
71, 74	Governor Northam's Budget: Provides \$1.7 million in FY 2022 to fund targeted salary increases for Commissioners of Revenue and local Treasurers' offices. This restores funding that was previously unallotted.	The County would realize a potential increase for the Compensation Board reimbursement. TBD.
73	Governor Northam's Budget: Provides \$1.8 million in FY 2022 to adjust salaries of circuit court clerks to address pay equity with those of the district court clerk positions. This restores funding that was previously unallotted.	Applies to entry-level positions. As a result, the County would realize a potential increase for the Compensation Board reimbursement. TBD.
Judiciary/Public Safety		
<u>State Aid to Localities with Police Departments (HB 599)</u>		
408	Governor Northam's Budget: An increase of \$8.6 million was initially included during the regular session, but subsequently unallotted by the Governor. While the December forecast is projecting General Fund revenues to grow in FY 2021 and FY 2022, HB 599 funding is being kept flat at the FY 2020 level.	Fairfax County will receive the same amount as in FY 2020.
<u>Hate Crimes</u>		
406	Governor Northam's Budget: Provides \$1.5 million in FY 2022 to the Department of Criminal Justice Services for competitive grants to localities to combat hate crimes. This funding was included in the budget passed by the 2020 GA and was unallotted due to COVID-19.	TBD.
<u>Marijuana Expungement</u>		
479	Governor Northam's Budget: Provides \$5 million in FY 2021 and \$20 million in FY 2022 to pay for the cost of expungement reforms, including automatic expungement of misdemeanor marijuana convictions.	TBD.
<u>COVID-19 Response</u>		
411	Governor Northam's Budget: Provides approximately \$42.0 million in FY 2021 and approximately \$36.9 million in FY 2022 for coordinating response and recovery efforts related to the pandemic. This is in addition to separate funding for vaccination and public health education initiatives shown on the Human Services section.	TBD. Funding is available for the purchase, storage, and distribution of personal protective equipment to fulfill requests received through the Virginia Emergency Support Team.
<u>Equity Emergency Management Positions</u>		
413	Governor Northam's Budget: Provides \$237,772 to fund two equity emergency management analyst positions to support local governments that participate in the Health Equity Program. Positions will provide technical assistance and guidance as localities integrate equity into their emergency management programs, support ongoing responses to COVID-19, and build resilience in at-risk communities. Positions will be supported by the COVID-19 Supplemental Emergency Management Performance Grant through FY 2022.	TBD.
<u>Body Worn Cameras</u>		
391	Governor Northam's Budget: Extends the work of the Body Worn Camera Workgroup until November 2021. The work group is directed to examine the workload impact, as well as other fiscal and policy impacts, of the use of body worn cameras on the Commonwealth's public safety and judicial agencies as a whole.	TBD.

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Other Items of Interest		
<u>Virginia Telecommunication Initiative (VATI)</u>		
114.L	Governor Northam's Budget: Provides an additional \$15.25 million in FY 2022 for the VATI, for a total of \$49.7 million.	TBD.
<u>Virginia Housing Trust Fund (HTF)</u>		
113	Governor Northam's Budget: Provides an additional \$15.7 million (for a total of \$70.7 million) in FY 2021 and additional \$25 million (for a total of \$55 million) in FY 2022. This includes additional funding of \$15.7 million in FY 2021 to continue the Virginia Rent and Mortgage Relief Program after the expiration of the federal Coronavirus Relief Funds.	The County's Legislative Program includes support for additional appropriations to the HTF.
<u>Other Items of Interest</u>		
113	Governor Northam's Budget: Restores \$3.3 million in FY 2022 to continue the Eviction Prevention and Diversion Pilot Program, which supports local or regional programs that link clients to departments of social services and legal aid.	TBD.
131	Governor Northam's Budget: Provides \$10.0 million in funding in FY 2022 to increase staffing for the processing of unemployment insurance claims.	The Board of Supervisors sent a letter to the Governor asking to commit additional resources for this purpose.
112	Governor Northam's Budget: Provides \$2.0 million to restore the Virginia Jobs Investment Program (VJIP).	Support for the VJIP was included in the County's 2021 Legislative Program.
86	Governor Northam's Budget: Provides \$16.7 million GF in FY 2021 to support and replace the Virginia Election and Registration Information System (VERIS).	TBD.
221	Governor Northam's Budget: Restores \$1.5 million GF in FY 2021 and \$34.5 million GF in FY 2022 for the Get Skilled, Get a Job, Give Back program (G3), the Governor's workforce development initiative.	TBD.
376, 377, 378	Governor Northam's Budget: In FY 2022, provides \$8.3 million for the Water Protection program, \$2 million for the Air Protection program, and \$1.7 million for the Land Protection program through staffing increases.	TBD.
373	Governor Northam's Budget: Provides \$4.55 million in FY 2022 for technical assistance to soil and water conservation districts for water quality efforts.	TBD.

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Human Services		
<u>Children's Services Act (CSA)</u>		
292	Governor Northam's Budget: Includes an increase of approximately \$2.7 million GF and approximately \$5 million non-GF in FY 2022 to reflect the shifting of costs from Title IV-E to Medicaid for children in psychiatric residential treatment facilities. The Department of Medical Assistance Services has indicated that these costs are no longer to be covered by Title IV-E, which is a state-federal cost-share, and will instead be covered by Medicaid, which includes a local match.	Because of a federal ruling about the order of payer, Medicaid, not Title IV-E, will be the first payer for residential services. Fairfax County CSA will begin paying a match to Medicaid for services that had been covered by Title IV-E with no local match. Budget analysis estimates the added fiscal impact as being approximately \$150,000 annually to cover expenses for about 10 youth in foster care placed in residential annually.
292	Governor Northam's Budget: Provides \$921,296 GF in FY 2022 to reflect the state share of certain costs for children in foster care shifting from Title IV-E to CSA due to the implementation of the federal Family First Prevention Services Act, which limits federal Title IV-E funding for certain congregate care placements (but expands the eligible uses of Title IV-E funding for prevention services).	This item appears similar or same as the issue above. The first item appears to give money to DMAS to cover their additional costs, while this one covers the additional expenditures to the state CSA budget. The projected additional cost to Fairfax would be the same for both items - \$150,000 annually. We can anticipate that the state CSA reimbursement will be reduced by this amount to cover residential care for children in foster care at the local match rate for residential.
293	Governor Northam's Budget: Delays the deadline for submission of a report on rate setting for private special education day placement services from September 1, 2020, to September 1, 2021; provides \$100,000 GF in FY 2022 for the Office of Children's Services to contract for assistance in implementing rate setting. Directs the implementation of statewide rate-setting effective July 1, 2022. Extends the moratorium on rate increases above 2 percent through the end of the biennium.	This will provide a statewide mechanism to control and regulate special education costs in private settings (which have been rising around 7 percent annually). In Fairfax County, the average annual expenditures have increased by 1.8 - 4.7%, a cost increase lower than other parts of the state. The current two percent rate cap has resulted in a reduction in sum sufficiency by not permitting local CSA programs to cover rates over the capped amount in rate setting states like MD. Due to federal law for special education, the Individualized Education Plan (IEP) must be honored and the costs paid, regardless of VA rate structuring. If these costs to the school system are passed on to local government, then Fairfax will now be covering costs with local funds that previously had a state match. The state has basically limited their financial responsibility for the cost increases and passed it on to the locality (school and then county). The two percent cap does not apply to ancillary services and may not result in lowering overall expenditures. The cost expenditures are also driven by utilization and purchase of more days of service, which will not be controlled by rate setting. The current language in the Appropriations Act is directed at localities, not at Private Special Ed programs or the state. It does not prohibit schools from charging greater than two percent, and merely limits the actions of local government, passing on the expense to the school system. The County estimates that uncovered costs may range from \$25-50K in FY 2021 for youth placed in MD and DC programs.
<u>Early Childhood Services</u>		
145	Governor Northam's Budget: During the Special Session I, the amended budget restored most of the funding in FY 2022 for Early Childhood initiatives that were unallotted at the 2020 Reconvened Session of the General Assembly. The Governor's Budget includes approximately \$11.1 million in FY 2022 to restore the remaining unallotted amounts for the Virginia Preschool Initiative (VPI) by increasing the funded per pupil amount from \$6,959 to \$7,655.	Based upon the current County VPI service level (FY 2021), the County would draw down an additional \$2.1 million in state funding.
145	Governor Northam's Budget: Restores Supplemental Education Assistance Programs in FY 2022 that were previously unallotted at the 2020 Reconvened Session of the General Assembly by including \$5 million in FY 2022 for incentive payments to retain early childhood educators.	TBD. Likely positive for educators in community early childhood programs.
145	Governor Northam's Budget: Requires that local VPI programs enroll special education students (defined as students with an Individualized Education Plan) at 10 percent of total enrollment or higher. VPI programs that are unable to meet this target shall provide reasons that the target was not met in their annual comprehensive report.	No fiscal impact anticipated.

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Budget Bill Item #	Issue	Fairfax County Impact
<u>Child Welfare</u>		
354	Governor Northam's Budget: Restores approximately \$9.2 million GF in FY 2022 for the statewide Family First Prevention Services Act (FFPSA) prevention services program. FFPSA is federal legislation that is designed to help keep children safe and out of the foster care system if possible, by keeping families together.	TBD. It is unclear how this funding will be distributed throughout the state. To implement the Families First requirements, it may be necessary to shift workforce resources within Fairfax County's Department of Family Services (DFS).
<u>Health Departments</u>		
302 H	Governor Northam's Budget: Provides \$10.2 million GF in FY 2022 for costs associated with updating the current funding formula for local health departments. A portion of the funding is to be used to hold harmless localities that would otherwise experience a decline in state support. Language directs the Virginia Department of Health to conduct an analysis of local match rates and report to the Governor every two years, and warns that similar hold-harmless funding is not guaranteed in future years.	Does not impact Fairfax County, as the Health Department is already supported at the 45% maximum locality match rate.
299	Governor Northam's Budget: Provides \$30 million GF in FY 2021 and \$59 million GF in FY 2022 to support a mass COVID-19 vaccination campaign, including purchase of equipment, support for local health departments, and warehousing and shipping costs.	Amount of funding support for Fairfax County Health Department is TBD.
299	Governor Northam's Budget: Adds \$722,472 GF in FY 2021 and over \$1.4 million GF in FY 2022 for COVID-19 data modeling.	No budget impact to the Fairfax County Health Department.
307	Governor Northam's Budget: Provides \$6.5 million GF in FY 2021 and \$12.5 million GF in FY 2022 to further enhance the Virginia Department of Health's communication efforts in response to the COVID-19 pandemic through the Virginia's Health is in Our Hands campaign.	No budget impact to the Fairfax County Health Department.
	Governor Northam's Budget: Provides approximately \$3 million GF in FY 2022 and 26 positions to support epidemiologist and communicable disease nurse positions at the Office of Epidemiology for public health emergency response and the COVID-19 pandemic response.	No budget or personnel impact to the Fairfax County Health Department.
<u>Mental and Behavioral Health</u>		
321	Governor Northam's Budget: Provides approximately \$3.5 million GF in FY 2022 to support the diversion and discharge of individuals with dementia from state hospitals, to include contracts to support serving individuals in private settings and funding for a pilot mobile crisis program targeted toward individuals with a diagnosis of dementia. Directs the Secretary of Health and Human Resources to convene a workgroup to make recommendations for the use of evidence-based services for individuals with dementia to improve quality of care and reduce hospitalizations.	TBD.
321	Governor Northam's Budget: Provides \$2.5 million GF in FY 2022 for discharge assistance planning for individuals returning to the community from state hospitals.	This change places a fund that was typically more at the local level in control of the state. It is not a reduction, but an example of an ongoing shift of DBHDS attempting to control financial line items historically largely managed by the CSBs.
320	Governor Northam's Budget: Provides \$80,000 GF in FY 2021 and \$691,612 GF in FY 2022 for administrative costs for implementation of the "Marcus Alert" legislation enacted in the special session.	The CSB has expressed interest in this. DBHDS will be making a determination on which localities will get the initial funding within a month.
	Governor Northam's Budget: Expands allowable uses for previously-appropriated funds for Crisis Intervention Team (CIT) training to support CIT initiatives.	This will allow the CSB some financial flexibility for training, but will have minimal impact due to the small dollar amount of the CIT training budget from the state.
	Governor Northam's Budget: Allows DBHDS to divert Local Inpatient Purchase of Services (LIPOS) funding from localities to a different state funding line.	LIPOS pays for local private hospitalizations. DBHDS is proposing to have this budget moved to a state line item. This is being presented as no net loss to the CSBs and it is unclear how DBHDS plans to administer these dollars once they are moved. They are also planning on taking back any unused funds. This move has the potential to have a significant impact on the amount of outstanding dollars the CSB has for private regional hospitalizations.

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318	Governor Northam's Budget: Authorizes the State Board of Behavioral Health and Developmental Services to promulgate emergency regulations for licensing of children's residential facilities to align with federal requirements in the Family First Prevention Services Act provisions for children's residential service providers to meet the standards for qualified residential treatment programs (QRTPs). Any regulation changes promulgated shall be budget neutral and not exceed funding appropriated for these services.	TBD.
<u>Department of Social Services</u>		
349, 350, 351	Governor Northam's Budget: Provides approximately \$2 million GF and approximately \$2.9 million non-GF in FY 2022 to expand the Supplemental Nutrition Assistance Program's Employment and Training program to 95 additional local departments of social services.	No impact for DFS/Fairfax County.
349	Governor Northam's Budget: Provides \$75,000 GF in FY 2022 for an emergency approval process for kinship caregivers in order to help place children with eligible relatives.	No impact for DFS/Fairfax County.
<u>Safety Net Programs</u>		
356	Governor Northam's Budget: Provides \$3 million non-GF in FY 2022 to extend Temporary Assistance for Needy Families (TANF) grant funding to the Federation of Virginia Food Banks to provide child nutrition programs.	Positive.

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Budget Item #	Issue	Fairfax County Impact
	Public Education	Fairfax County Public Schools (FCPS) Impact (School Operating Fund)
	<u>Update Sales Tax Revenue</u>	
145 C.25 for Sales Tax	<p>Governor Northam's Budget: Reflects the most recent estimates of sales tax revenue dedicated to public education for FY 2021 and 2022. The net change in state funding to school divisions (due to both the estimated sales tax revenue increase and the Basic Aid offset) is an increase of approximately \$42.3 million in FY 2021 and an increase of approximately \$46.6 million in FY 2022 compared to the estimates from the Special Session I.</p>	<p>Sales tax results in reduced funding of \$17.3 million in FY 2021 and \$12.7 million in FY 2022 as compared to FCPS' FY 2021 Approved Budget.</p> <p><i>Note: In FY 2021, a separate one-time COVID-19 relief payment was provided to school divisions to offset the impact of the reduction of sales tax revenue estimates on the local share of Basic Aid. FCPS' allocation totaled \$11.3 million for FY 2021.</i></p>
	<u>Update Lottery Revenue</u>	
145 B.22	<p>Governor Northam's Budget: Total Lottery proceeds are projected to increase by approximately \$27.1 million in FY 2021 and by approximately \$24.8 million in FY 2022, compared to the Lottery estimate during the Special Session I. Lottery proceeds are being used to fund the state's share of the cost of various programs, such as the Infrastructure and Operations Per Pupil Fund, Early Reading Intervention, K-3 Primary Class Size Reduction, Special Education Regional Tuition, and SOL Algebra Readiness.</p>	<p>Lottery revenues result in an increase of \$0.5 million in FY 2021 and \$0.5 million in FY 2022 as compared to FCPS' FY 2021 Approved Budget.</p>
	<u>Update Average Daily Membership (ADM) and Fall Membership</u>	
145A.1	<p>Governor Northam's Budget: Revises projected ADM based on the latest actual ADM and fall membership data available, reflecting a significant downward adjustment due to the impact of the COVID-19 pandemic on student enrollment. On a statewide basis, the revised ADM projections are 44,096 students lower in FY 2021 and 44,296 students lower in FY 2022 than the original projections during the Special Session I. The ADM and fall membership updates result in an estimated decrease of \$201.2 million in FY 2021 and \$202.9 million in FY 2022.</p>	<p>FCPS' ADM is projected to be 8,060 students lower in FY 2021 and 7,600 students lower in FY 2022, resulting in a state funding decrease of \$37.6 million in FY 2021 and \$28.9 million in FY 2022 as compared to FCPS' FY 2021 Approved Budget.</p> <p><i>Note: A separate amendment includes a No Loss Program provision.</i></p>
	<u>One-time Bonus Payment in FY 2022</u>	
145C.44	<p>Governor Northam's Budget: Contingent on FY 2021 revenues meeting projections, provides approximately \$80 million for a two percent, one-time bonus payment in FY 2022 on September 1, 2021. While the bonus payment must be provided by school divisions in order to receive the state funds, a required local match based on the division composite index is not specifically required in FY 2022 under this action. State funding is provided to school divisions that certify to the Virginia Department of Education (VDOE) that a minimum average two percent bonus OR "equivalent action" will be provided in FY 2022, by September 1, 2021, to all instructional and support employees in the division.</p>	<p>For FY 2022, funding of \$7.7 million is included for the state's share of a two percent, one-time bonus payment to FCPS. The FCPS cost of providing a two percent bonus is \$39.3 million. After accounting for the state's share of a two percent bonus, the net expenditure increase to FCPS would be \$31.6M.</p> <p>It is important to note that FCPS did not include a compensation increase that would meet the requirement to receive the state's share of a one-time bonus payment, resulting in a \$7.7 million loss in state funds. If FCPS were to accept the bonus funding, it would result in an additional \$31.6 million local funding match requirement.</p>
	<u>School Safety</u>	
145 B.7.g	<p>Governor Northam's Budget: Includes approximately \$26.6 million for school counselors in FY 2022. The funded staffing standards for school counselors in FY 2021 are 455-to-1 in elementary schools, 370-to-1 in middle schools, and 325-to-1 in high schools. This action reduces the staffing ratios to 325-to-1 in all schools in FY 2022.</p>	<p>For FY 2022, FCPS' total counselors funded in Basic Aid increased from 465 to 558 compared to the FY 2021 Approved Budget, a net increase of 93 funded positions for the state share. FCPS currently meets the staffing ratio included in the Governor's proposal.</p>

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Budget Item #	Issue	Fairfax County Impact
<u>No Loss Funding in FY 2021 and FY 2022</u>		
145 C.40	Governor Northam's Budget: Recognizes the effects of the COVID-19 pandemic on school enrollment by providing approximately \$299.4 million in FY 2021 and approximately \$214.2 million in FY 2022 for No Loss funding compared to projections during the Special Session I.	FCPS would receive \$32.4 million in FY 2021 and \$18.3 million in FY 2022 as a result of this policy change. No Loss funding was not included in the FY 2021 Approved Budget as the policy change came after the budget was approved. This exists because of the technical update to ADM. The Governor's budget revises ADM projections based on the latest actual ADM and fall membership data. The Governor's introduced budget includes a No Loss provision which ensures that each school division's bottom line for FY 2022 does not fall below their FY 2022 Special Session I budget allocations.
<u>Other Items of Interest</u>		
	Governor Northam's Budget: Reduces unfunded liabilities in the VRS teacher retirement plan by directing a deposit of an estimated \$61.3 million in FY 2021 to expedite repayment of contributions that were deferred during the 2010-2012 biennium.	It is anticipated that this action will have a potential impact on future contributions beginning in FY 2023.
<u>Impact to the Fairfax County Public Schools' (FCPS) Operating Fund Budget</u>		
<p>Governor Northam's Budget: Compared to the FCPS' FY 2021 Approved Budget, Governor Northam's budget includes a \$21.9 million increase state aid and a \$17.3 million decrease in sales tax revenue for FY 2021.</p> <p>For FY 2022, Governor Northam's Budget includes a \$3.0 million increase state aid and a \$12.7 million decrease in sales tax revenue compared to FCPS' FY 2021 Approved Budget.</p>		

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Budget Item #	Issue	Fairfax County Impact
Transportation		
REGIONAL ITEMS		
<u>Northern Virginia Transportation Authority (NVTA) Funding</u>		
451	<p>Governor Northam's Budget: Includes the regional funds provided for in HB 2313 (2013), including approximately \$635.3 million for distribution of NVTA Fund revenues over the biennium (approximately \$20.6 million increase).</p>	<p>The amount received by the County is dependent on actual collections of the revenue sources. Through its Six Year Program, NVTA allocates 70 percent (approximately \$444.7 million) to regional projects. This funding has already been approved for projects through adoption of NVTA's FY 2018-2023 Six Year Program.</p> <p>Fairfax County should receive approximately \$85.7 million over the biennium to allocate for local projects approved by the Board of Supervisors (30 percent funding returned to localities), minus the respective shares provided to Vienna and Herndon. Approximately \$14 million annually of this "30 percent funding" will likely be transferred to the Commonwealth's 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>
<u>Regional Gas Tax</u>		
440	<p>Governor Northam's Budget: Provides approximately \$405.9 million over the 2020-2022 biennium for regional gas taxes (for NVTC, PRTC, Hampton Roads Transportation Accountability Commission (HRTAC) and the Interstate 81 Corridor Improvement Fund). Estimates \$109.9 million for NVTC over the 2020-2022 biennium (no change).</p>	<p>The amount received by NVTC and the County is dependent on actual collections of the revenue sources.</p>
STATEWIDE PROGRAMS		
<u>Department of Rail and Public Transportation (DRPT)</u>		
430/442	<p>Governor Northam's Budget: Provides approximately \$1.055 billion for Public Transportation Programs. There are no changes in the funding for the following related programs:</p> <ul style="list-style-type: none"> • \$221.96 million for Operating Assistance; • Approximately \$122.6 million for Capital Assistance; • Approximately \$341.97 million for WMATA operating and capital costs (state share of WMATA assistance); • \$4 million for federally mandated state safety oversight of fixed rail guideway transit agencies, i.e. the Metrorail Safety Commission (MSC); • \$50 million in each year as the state match for federal PRIIA funding; • \$320 million for the WMATA Capital Fund, which includes the local and regional funding redirected as part of HB 1539/SB 856 (2018); and, • Directs the Secretary of Transportation to ensure that at least \$5 million of the annual allocation to the new Transit Ridership Incentive Fund (established in HB 1414/SB 890) is used to provide operating assistance to transit programs that reduce congestion in urban areas. The Secretary is directed to report on the methodology that will be implemented by June 30, 2021. 	<p>The statewide Operating and Capital funding is subject to the transit prioritization process required by the 2018 GA, entitled MERIT, as well as the new programs created in HB 1414/SB 890, so the impact to Fairfax Connector and VRE is currently unclear.</p> <p>DRPT is currently working to implement the new Transit Ridership Incentive Program, which provides operations assistance to reduce congestion in urban areas. This program could also benefit the County.</p>
442	<p>Governor Northam's Budget: Retains language requiring DRPT, in cooperation with Fairfax and Prince William Counties, to conduct an evaluation of enhanced public transportation services, including the cost and feasibility of extending the Blue Line and other multimodal options along I-95 and U.S. Route 1 from the Franconia-Springfield Metro Station to Marine Corps Base Quantico in Prince William County.</p>	<p>This could provide additional information about viable transit options on the I-95/U.S. Route 1 corridor. The report is due by December 1, 2021.</p>
442	<p>Governor Northam's Budget: HB 1539/SB 856 (2018) required urban transit agencies to develop and update a strategic plan every five years and the Commonwealth Transportation Board (CTB) to withhold 20 percent of state funding to the Washington Metropolitan Area Transit Authority (WMATA) if the agency does not adopt or update a strategic plan every three years. The Governor's proposed budget includes language allowing the CTB to delay these strategic plan requirements due to the ongoing COVID-19 pandemic.</p>	<p>This may provide transit systems sufficient time to develop and update their plans, which could be beneficial.</p>
443	<p>Governor Northam's Budget: Retains language requiring DRPT to evaluate the cost of extending VRE service to Gainesville.</p>	<p>This study is due in June 2021. Another study on this issue was completed by VRE in the past three years.</p>

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	<u>Rail Programs</u>	
443	Governor Northam's Budget: Provides approximately \$384 million for Financial Assistance for Rail Programs (\$50 million increase), including: \$6 million for Rail Industrial Access (no change); approximately \$29 million for Rail Preservation Programs (no change); and, approximately \$349 million for Passenger and Freight Rail Financial Assistance Programs (\$50 million increase). The \$50 million increase is transferred from the General Fund to the Commonwealth Transportation Board (CTB) for the purpose of extending intercity passenger rail service from Roanoke to Blacksburg-Christiansburg and increasing the frequency of rail service along the I-81/Route 29 Corridor from Washington, DC.	TBD
430	Governor Northam's Budget: Retains language requiring that the Major Employment and Investment (MEI) Project Approval Commission approve any Memorandum of Understanding between any political subdivision of the Commonwealth, any political subdivision of the United States, federal government agency, Amtrak, VRE, and any private railroad corporation regarding the construction of the Long Bridge or of any issuance of bonds or sale of any land by the new Virginia Passenger Rail Authority.	Would require some legislative approval (the MEI Commission includes members of both the House and Senate) prior to moving forward with the Long Bridge project.
	<u>Virginia Department of Transportation (VDOT)</u>	
	<u>Environmental Monitoring and Evaluation</u>	
445	Governor Northam's Budget: Provides approximately \$82.3 million for Environmental Monitoring and Evaluation (approximately \$.7 million increase), including approximately \$17.4 million for Environmental Monitoring and Compliance for Highway Projects (approximately \$1.2 million increase) and approximately \$58.0 million for Municipal Separate Storm Sewer System (MS4) Compliance Activities (approximately \$.5 million decrease).	The funding change is minimal.
430	Governor Northam's Budget: Retains language requiring the Secretaries of Transportation and Natural Resources to evaluate the scope of drainage outfalls originating from VDOT-maintained roads and make recommendations to address the issue. An interim report is due by December 31, 2020, and a final report, if not provided in the December report, is due by September 30, 2021.	Could provide additional information on how to address stormwater issues.
	<u>Highway Construction</u>	
447	Governor Northam's Budget: Provides approximately \$7.43 billion for Highway Construction Programs, an approximately \$32.3 million decrease from last year's budget. This includes: approximately \$584.9 million for State of Good Repair (approximately \$122.1 million decrease); approximately \$518.6 million for the High Priority Projects Program (approximately \$106.2 million decrease); approximately \$762.6 million for the Construction District Grant Program (approximately \$39.6 million decrease); approximately \$4.58 billion for Specialized State and Federal Programs (approximately \$181.3 million decrease); and, \$902.0 million for Legacy Construction Formula Programs (\$417.4 million increase). Of the Specialized State and Federal Programs: <ul style="list-style-type: none"> • Approximately \$233.4 million is for RSTP; • Approximately \$106.2 million is for HSIP; • Approximately \$166.2 million is for CMAQ; • Approximately \$209.7 million is for Revenue Sharing (approximately \$9.7 million increase); • Approximately \$40.4 million is for the Surface Transportation Block Grant Program Set-Aside; • Approximately \$30.7 million is for the Virginia Transportation Infrastructure Bank (VTIB) (approximately \$26.7 million increase); • Approximately \$20.1 million is for the Transportation Partnership Opportunity Fund (TPOF) (approximately \$18.1 million increase); • Approximately \$2.32 billion represents the estimated project participation costs from localities and regional entities (approximately \$358.7 million increase); • \$218.4 million in the second year represents the bond proceeds to be used for the Route 58 Corridor Development Program. Item 452 also provides \$120 million from the Transportation Trust Fund (TTF) to the U.S. Route 58 Corridor Development Fund in lieu of state recordation taxes that law allocates to the fund; and, • Included in the amounts for specialized state and federal programs is the reappropriation of approximately \$1.06 billion from bond proceeds from various bond programs (approximately \$553 million increase). This is likely due to the increase of new programs, including the I-95 Express Lanes and I-66 Outside the Beltway Project Agreements, the I-81 Corridor Improvement Program, and the Interstate Operations and Enhancement Program. 	<p>Many of these funds are subject to the Smart Scale prioritization process, so the impact to Fairfax County is unclear.</p> <p>Slightly increases the current funding levels for Revenue Sharing.</p> <p>RSTP, CMAQ, HSIP, and Transportation Alternative funds are similar to what was allocated in previous years.</p> <p>Due to the significant changes in transportation revenues that were approved by the GA during the 2020 session, along with the approval to reallocate previously appropriated funds to address needs due to the revenue impacts of the Covid-19 pandemic, the direct impact for several of these programs is yet to be determined.</p>
447	Governor Northam's Budget: Includes \$5 million from the General Fund to support the planning, development, and construction of multi-use trails, with priority given to new trails with a total length longer than 35 miles. The language also notes that the CTB must seek to ensure geographic diversity in the use of these funds.	TBD

**BUDGET PROPOSALS FOR FY 2020 - FY 2022
DURING THE 2020 GENERAL ASSEMBLY SESSION
as of January 8, 2021**

Budget Item #	Issue	Fairfax County Impact
	Highway Maintenance	
448	Governor Northam's Budget: Provides \$4.09 billion for Highway System Maintenance and Operations, a \$174.1 million increase. This includes \$971.0 million for interstates (\$15.0 million increase); \$1.27 billion for primaries (\$55.4 million increase); \$1.24 billion for secondaries (\$59.8 million increase); and, \$430.7 million for Transportation Operations Services (\$21.1 million increase).	Using historical estimates, approximately \$26 million more may be available for maintenance and operations within Northern Virginia.
	Special Structures	
449	Governor Northam's Budget: Provides \$5 million for this new program, a \$35 million decrease.	The reduction is in accordance with the Budget passed in Fall 2020 that allows the CTB to take necessary steps to address the reduction in revenues, to reduce the impacts on currently programmed projects, and to allow for the phased implementation of the additional revenues made available by HB 1414/ SB 890. The Commonwealth report on the overall condition of special structures identified only one such structure in Northern Virginia, so this should have little impact to the region.
	Toll Facilities	
450	Governor Northam's Budget: For the 2020-2022 biennium, provides \$177.3 million for toll facilities (\$9.6 million decrease), including approximately \$3 million for Debt Service (\$.2 million decrease); \$100.9 million for Maintenance and Operations (\$9.4 million decrease); and, \$73.5 million for the Revolving Fund (no change).	TBD.
	Other	
438	Governor Northam's Budget: Retains positions hired to address the workload associated with REAL ID. Would have been reduced from 2,222 to 2,162 in FY 2022.	These positions are necessary to continue the issuance of REAL ID cards, which was delayed by the onset of COVID-19. No additional funding is required for these positions since they will be paid for out of the \$10 REAL ID surcharge approved in 2019.