

**BUDGET PROPOSALS FOR FY 2018 - FY 2020 DURING THE 2018  
GENERAL ASSEMBLY SESSION  
as of January 19, 2018**

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

	Governor's Budget	
	FY 2019*	FY 2020
<b>Direct County Impact</b>		
Provide 2% Salary Increase for State Supported Local Employees in FY 2020	\$0.00	\$0.40
Increase HB599 Funding	\$0.90	\$1.00
<b>TOTAL DIRECT COUNTY IMPACT</b>	<b>\$0.90</b>	<b>\$1.40</b>
<b>TOTAL OVER THE BIENNIUM</b>	<b>\$2.30</b>	

*\* Compares to County's FY 2018 Adopted Budget*

**Impact to the Fairfax County Public Schools (FCPS) FY 2019  
Operating Fund Budget**

**Governor McAuliffe's Budget:**

Compared to FCPS' FY 2018 Approved Budget, Governor McAuliffe's Budget includes \$31.3 million more in state aid and \$8.9 in sales tax.

Compared to FCPS' FY 2019 Budget Forecast presented to the School Board and the Board of Supervisors on November 28, 2017, Governor McAuliffe's Budget includes \$8.7 million more in state aid and \$5.0 million in sales tax revenue.

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as of January 19, 2018**

Budget Bill Item #	Issue	Fairfax County Impact
<b>Compensation Board</b>		
474.T1	<p><b><u>State-Supported Employee Compensation</u></b></p> <p><b>Governor McAuliffe's Budget:</b> Provides 2% salary increase for all Constitutional officers and employees effective December 1, 2019 (FY 2020), provided that the governing body uses the added funding to support such salary increases.</p> <p>No compression based increases are included for Constitutional officers and their employees in FY 2019 or FY 2020; no additional funding to support qualified and unfunded new participation in approved career development programs is included for FY 2019 or FY 2020.</p> <p>No additional funding or positions are included to address staffing standards, including law enforcement, court services, or jail overcrowding.</p>	<p><b>Impact is in FY 2020.</b> Results in an increase of \$0.4 million in FY 2020.</p>
	<p><b><u>Inmate Per Diem Funding</u></b></p> <p><b>Governor McAuliffe's Budget:</b> Provides additional per diem funding of \$0.4 million in FY 2019 and \$1.4 million in FY 2020 based upon revised local- and state-responsible inmate population forecasts.</p>	<p>Funding to localities will be based on actual inmate population.</p>
<b>Public Safety</b>		
397	<p><b><u>State Aid to Localities with Police Departments (HB 599)</u></b></p> <p><b>Governor McAuliffe's Budget:</b> Provides \$6.6 million in FY 2019 and an additional \$7.2 million in FY 2020 based on a projected General Fund (GF) revenue growth rate of 3.7% and 3.9%. Statutory policy requires that HB 599 funding increase at the rate of GF revenue growth.</p>	<p>Results in an increase of \$900,000 for Fairfax County in FY 2019 and \$1 million in FY 2020.</p>
<b>Revenue</b>		
292	<p><b><u>Health Department/Onsite Sewage Systems Permit Fees</u></b></p> <p><b>Governor McAuliffe's Budget:</b> Effective July 1, 2019 (FY 2020), authorizes certain state fees for repair of an onsite sewage system or an alternative discharging system. The revenue would accrue to the state.</p> <p>In addition, requires the development of a long-term plan to adequately fund the food safety and restaurant inspection programs. In developing the plan, the state will seek input from representatives from local governments, private sector organizations, and the public. Among other things, the state will consider options to fund the programs through a flexible fee schedule that takes into account the number, size, and type of establishments and the time and resources to inspect such establishments. The state will also consider the feasibility of unifying the food safety inspections; currently, non-restaurant facilities (e.g., Wegmans) are inspected by the Local Health Department (inspects restaurant portion of facility) and the Virginia Department of Agriculture and Consumer Services (inspects other portions of the food facility). The plan should be developed no later than October 1, 2018.</p>	<p>Fairfax County would not receive any new revenue.</p> <p>This might increase operating budget costs if Local Health Departments become responsible for all food safety inspections at non-restaurant establishments such as grocery stores. Consolidation of inspections would be positive for public health, less confusing to facility owners and more efficient. However, the County would need to monitor and provide input during the development of the plan to ensure that Local Health Departments receive adequate funding to support inspection of non-restaurant facilities.</p>

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Budget Bill Item #	Issue	Fairfax County Impact
<b>Other Items of Interest</b>		
362	<p><b><u>Water Quality Improvement Fund (WQIF)</u></b>  <b>Governor McAuliffe's Budget:</b> Provides \$22.5 million for the mandatory deposit to the Water Quality Improvement Fund (WQIF) associated with the FY 2017 year-end surplus. \$19.8 million is designated for Virginia cost-share programs and technical assistance provided through the Virginia Natural Resources Commitment Fund, and \$2 million is designated for the WQIF Reserve. The remaining \$750,000 remains in the WQIF for specified statewide purposes.</p>	
38	<p><b><u>Mental Health and Drug Court Dockets</u></b>  <b>Governor McAuliffe's Budget:</b> Provides \$0.4 million each year to expand mental health and drug court dockets, as well as \$0.2 million and positions for drug court evaluation and monitoring.</p>	The County's Legislative Program includes support for specialty dockets.
106	<p><b><u>Virginia Growth and Opportunity Fund (Go Virginia)</u></b>  <b>Governor McAuliffe's Budget:</b> Provides \$49 million over the biennium for the Go Virginia initiative to foster public-sector growth and job creation through state incentives for regional collaboration by business, education, and government.</p>	
107	<p><b><u>Virginia Enterprise Zone program</u></b>  <b>Governor McAuliffe's Budget:</b> Provides \$12.8 million each year for the Virginia Enterprise Zone Program.</p>	
105	<p><b><u>Housing Trust Fund</u></b>  <b>Governor McAuliffe's Budget:</b> Provides \$11 million over the biennium to support the Housing Trust Fund.</p>	The County's Legislative Program includes support for additional appropriations to the Virginia Housing Trust Fund.
466	<p><b><u>Veterans Benefits Offices</u></b>  <b>Governor McAuliffe's Budget:</b> Provides \$0.2 million in FY 2019 and \$0.4 million in FY 2020 and positions to open new veterans benefits offices in Virginia Beach and Fort Belvoir in Fairfax County.</p>	

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Budget Bill Item #	Issue	Fairfax County Impact
<b>Human Services</b>		
<b>Medicaid Expansion</b>		
303	<p><b>Governor McAuliffe's Budget:</b> Authorizes the expansion of Medicaid on October 1, 2018, to non-elderly adults with incomes up to 133 percent of the federal poverty level (over 300,000 Virginians would gain access to health care). The Governor proposes that the matching contributions needed to draw down federal Medicaid funds be covered by an assessment on the net patient revenue of private acute care hospitals operating in Virginia. The estimated GF savings to the Commonwealth is approximately \$152 million in FY 2019 and \$269.7 million in FY 2020.</p> <p>Also directs the Department of Medical Assistance Services (DMAS) to disenroll and eliminate coverage for newly eligible individuals, in the event that a federal action results in a reduction in federal medical assistance.</p>	<p>Support for the expansion of Medicaid as envisioned by the Affordable Care Act is included in the County's Legislative Program.</p> <p>The Fairfax-Falls Church Community Services Board (CSB) anticipates that additional individuals served by the CSB will receive Medicaid benefits as a result of this change.</p>
341	<p><b>Governor McAuliffe's Budget:</b> Provides \$2.3 million GF and \$16.9 million NGF in FY 2019 and \$3.6 million GF and \$27.3 million NGF in FY 2020 to increase the capacity of local eligibility workers to handle the increased volume of applications associated with an expansion of Medicaid.</p>	<p>Support for the expansion of Medicaid as envisioned by the Affordable Care Act is included in the County's Legislative Program.</p>
<b>Medicaid Waivers</b>		
303 I	<p><b>Governor McAuliffe's Budget:</b> Provides approximately \$14.5 million GF and \$14.5 million NGF in FY 2019 and \$30.5 million GF and \$30.5 million NGF in FY 2020 to add a total of 825 new waiver slots to the Community Living (CL) and Family and Individual Support (FIS) waivers over the biennium. These slots are mandated by the settlement agreement with the U.S. Department of Justice, and include 70 slots for individuals transitioning out of facilities (35 each year), 75 slots to address the FIS waiver waitlist (25 in the first year and 50 in the second year), and 680 slots to address the CL waiver waitlist (325 the first year and 355 the second year).</p> <p>Also provides approximately \$940,000 GF and \$940,000 NGF in FY 2019 and \$1.9 million GF and \$1.9 million NGF in FY 2020 to fund 50 CL waiver slots that will be held in reserve capacity by the Department of Behavioral Health and Developmental Services (DBHDS), to address unanticipated emergency situations.</p> <p>Adds language requiring DBHDS to report on the use of emergency slots, and requiring the Department of Medical Assistance (DMAS) and DBHDS to track all costs, placements, and services associated with the additional CL and FIS waiver slots.</p>	<p>Likely positive, although demand for the CL and FIS will continue to exceed the available waiver slots, even with this increase. More than 2,000 individuals are on the Fairfax Falls-Church CSB's DD waiver waitlist (a combined waitlist for all the different waivers). The additional funding will support Fairfax individuals with DD, but the amount allocated will not cause a significant reduction in the number of individuals waiting for a waiver.</p>
303 OOO	<p><b>Governor McAuliffe's Budget:</b> Provides approximately \$4.8 million GF in FY 2019 and \$5.1 million in FY 2020 (with matching NGF in both years) to increase rates for consumer-directed personal, respite, and companion care services by two percent in the home and community-based services waivers and Early Periodic Screening, and Diagnosis and Treatment (EPSDT) program to cover provider expenses.</p>	<p>No direct impact on Fairfax County, as these rates are paid to providers in the community. Fairfax County's Human Services Issue Paper includes support for state funding and expansion of Virginia's Medicaid waivers.</p>

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Budget Bill Item #	Issue	Fairfax County Impact
<b><u>Medicaid</u></b>		
305, 306	<b>Governor McAuliffe's Budget:</b> Increases funding for the Family Access to Medical Insurance Security (FAMIS) program (Virginia's Children's Health Insurance Program (CHIP)) by approximately \$5.7 million GF in FY 2019 and \$40 million GF in FY 2020 to reflect the latest expenditure forecast. Funding assumes that the current enhanced federal match (88 percent) is maintained for federal FY 2018 and 2019. In federal FY 2020, it is expected that the federal match rate for Virginia will drop to 76.5 percent.	These are required increases due to higher costs and utilization.  Congress temporarily authorized this federal program through March 2018, but a long-term authorization is still needed. The Governor's proposal includes the assumption that Congress will take action to continue the program.
303	<b>Governor McAuliffe's Budget:</b> Increases funding by \$575.8 million GF over the biennium for the cost of Medicaid utilization and inflation as estimated in the most recent forecast expenditures.	These are required increases due to higher costs and utilization.
<b><u>Children's Services Act (CSA)</u></b>		
282	<b>Governor McAuliffe's Budget:</b> Provides approximately \$16.9 million in FY 2019 and \$37.3 million in FY 2020 to fund the anticipated caseload and expenditure growth in services provided through CSA. It is projected that expenditures will grow by 6.9 percent in FY 2019 and an additional 7.3 percent in FY 2020. The majority of growth in the program is attributed to an increase in special education private day programs.	These are required increases due to higher costs and utilization (sum sufficient language ensures that state and local governments provide the necessary funds).
282	<b>Governor McAuliffe's Budget:</b> Provides \$250,000 in FY 2019 and authority for the Office of Children's Services to contract with a consultant for a study on the adequacy of current rates paid to special education private day service providers. The language also requires the consultant to recommend a rate setting methodology.	This study would need to be monitored closely due to possible changes in scope that could impact the state-local funding partnership.

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Budget Bill Item #	Issue	Fairfax County Impact
<b><u>Virginia Preschool Initiative</u></b>		
128	<b>Governor McAuliffe's Budget:</b> Provides \$50,000 GF in both years for the Department of Education to resume site visits to VPI programs to help ensure compliance with state guidelines and provide technical assistance to localities. These funds will also provide increased technical assistance and professional development for VPI local coordinators through regional annual meetings.	Positive, as this will support program quality throughout the state.
136	<b>Governor McAuliffe's Budget:</b> Captures approximately \$24 million GF in each year in savings based on an anticipated percentage of unused student slots calculated through the 2018-2020 biennium rebenchmarking process. Also adds language that reallocates unused slots to school divisions that utilized 100 percent of their calculated slots in the previous school year and have a waiting list for additional, unserved eligible children.	Fairfax County does not currently use all available slots, partially due to the required local match.
<b><u>Child Care/Head Start</u></b>		
340	<b>Governor McAuliffe's Budget:</b> Provides an additional \$2.2 million NGF over the biennium in federal Child Care and Development Fund grant awards.	TBD.
341 E	<b>Governor McAuliffe's Budget:</b> Provides an additional approximately \$26.5 million NGF over the biennium for anticipated expenditure increases in local staff, operations and supportive costs.	Likely positive, although it is not clear how the funds will be distributed throughout the state.
347 E	<b>Governor McAuliffe's Budget:</b> Reduces the number of positions from the federal Child Care and Development Fund to address the workload associated with licensing, inspecting, and monitoring family day homes, from 79 to 59 in both years. Also changes the reporting frequency (from quarterly to annually) for the Department of Social Services' report on implementation of licensing, inspecting and monitoring family day homes.	No anticipated impact to the County.
<b><u>Child Protective Services</u></b>		
344 M	<b>Governor McAuliffe's Budget:</b> Provides \$3 million GF in each year of mandated reinvestment funding to begin to procure a comprehensive child welfare information system for case management to replace four existing information systems. The new system will serve as the system of record for all local department of social services employees who investigate reports of abuse and neglect; provide prevention services to families; and serve children in foster care as well as those who have been adopted.	Fairfax County Department of Family Services staff will use the new system, but staff do not anticipate a local fiscal impact.
<b><u>Foster Care/Adoption</u></b>		
344	<b>Governor McAuliffe's Budget:</b> Adds \$6.6 million GF and \$13.4 million NGF over the biennium to cover the cost of providing foster care and adoption subsidy payments. Based on recent expenditure trends and the impact of child welfare policy changes, this adjusts the appropriation to cover the necessary costs of providing payments to foster care and adoptive parents.	There is no local match required for adoption subsidies.

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Budget Bill Item #	Issue	Fairfax County Impact
<b><u>Behavioral Health/Substance Use Disorder</u></b>		
303, 312	<b>Governor McAuliffe's Budget:</b> Provides \$5.9 GF in each year for staffing costs, and \$1.6 million GF in each year to cover Medicaid costs to implement same day access at all 40 Community Services Boards (CSBs) by July 1, 2019. The 2017 GA passed legislation making this a mandated service and appropriated funds to implement same-day access in 18 of the 40 CSBs (not including the Fairfax-Falls Church CSB). The funds in this amendment will provide the same support to the remaining CSBs.	The Fairfax-Falls Church CSB has been working towards meeting this standard, but does not have sufficient funding or staffing to meet the demand. Staff estimate that the Fairfax-Falls Church CSB would receive \$250,000, but implementing this mandate will cost \$2.5 million.
312	<b>Governor McAuliffe's Budget:</b> Provides \$3.7 million GF in FY 2019 and \$7.4 million GF in FY 2020 to implement primary care screening services at all 40 CSBs in Virginia, as required by legislation passed by the 2017 GA. Beginning July 1, 2019, all CSBs are responsible for outpatient clinic primary care screening and monitoring of key health indicators and health risk.	Although DBHDS has not specified all required aspects of primary care screening, Fairfax-Falls Church CSB staff anticipate that additional nursing staff will be needed to perform this task. It is unclear how this money will be distributed throughout the state, but it is unlikely that the funding received will be sufficient to cover the cost of providing this mandated service.
308	<b>Governor McAuliffe's Budget:</b> Increases the number of licensing officer positions in DBHDS by five in FY 2019 with four additional positions in FY 2020, totaling nine new licensing positions. The additional positions are needed to address the backlog generated by the increasing number of providers and provider locations that must be licensed by the agency in order to provide services.	Likely positive, as this will help facilities obtain licenses more quickly.
312	<b>Governor McAuliffe's Budget:</b> Replaces federal grant funding with \$5 million GF in each year for medication-assisted treatment for individuals with substance use disorders, and provides approximately \$800,000 GF in FY 2019 and \$1.7 million GF in FY 2020 for permanent supportive housing for up to 75 pregnant or parenting women with substance abuse disorders.	Positive, although it is unclear how this funding will be distributed throughout the state. The County's Legislative Program includes support for programs to combat substance use disorder.
312	<b>Governor McAuliffe's Budget:</b> Provides \$1.8 GF in FY 2019 and \$2.8 million GF in FY 2020 to fund the projected growth in the Early Intervention - Part C Caseload.	These are required increases due to increased costs and utilization (Part C is a mandated service). This will increase program capacity.
<b><u>Mental Health</u></b>		
310, 311, 343	<b>Governor McAuliffe's Budget:</b> Provides approximately \$1.8 million GF in FY 2019 and \$2.8 million GF in FY 2020 to fund the development and support of one assisted living facility for individuals with serious mental illness in the first year, and a second assisted living facility in the second year. In addition, funds are included to create two community support teams, and funds are provided to cover associated costs to the Auxiliary Grant program.	This will expand the capacity of mental health services, but it is not clear where the new facilities will be located. DBHDS recently released an RFP requesting proposals for group homes and 24-hour facilities in the southern part of the state.
312	<b>Governor McAuliffe's Budget:</b> Provides \$1.5 million GF in FY 2019 and \$3 million GF in FY 2020 to expand supportive housing options for up to 200 individuals with serious mental illness. Priority will be given to individuals currently residing in state facilities who have been determined ready for discharge, but need housing to be placed in the community.	Likely positive, as this may increase the number of licensed providers in Northern Virginia.
312	<b>Governor McAuliffe's Budget:</b> Provides \$2.3 million GF in FY 2019 and \$4.6 million GF in FY 2020 to transition individuals currently on the extraordinary barriers to discharge list at state mental health facilities into the community.	Likely positive, although it is not clear how these funds will be distributed throughout the state.
300	<b>Governor McAuliffe's Budget:</b> Provides an additional \$3 million GF in FY 2019 and \$3.9 million in FY 2020 for hospital and physician services for persons subject to an involuntary mental commitment.	Likely positive.

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Budget Bill Item #	Issue	Fairfax County Impact
<b><u>Northern Virginia Training Center (NVTC)/DOJ Settlement Agreement</u></b>		
310	<b>Governor McAuliffe's Budget:</b> Provides \$1.2 million GF in FY 2019 for expenditures needed to comply with the DOJ settlement agreement to include provider training, provider compliance review, and quality management and IT improvements.	Staff anticipate that this funding will be appropriated to DBHDS to fund statewide training for DD providers and increase DBHDS' ability to conduct quality assurance compliance reviews on contracted services. This issue has been identified in several reports by the independent DOJ implementation auditor.
303	<b>Governor McAuliffe's Budget:</b> Adjusts the budget to reflect anticipated closures of the Central Virginia Training Center (CVTC) and Southwestern Virginia Training Center (SWVTC) and the associated costs (\$10.5 million GF and \$10.5 million NGF in FY 2019, and \$17 million GF and \$17 million NGF in FY 2020).	TBD. Some individuals served by the Fairfax-Falls Church CSB currently reside in training centers in other parts of the state.
312	<b>Governor McAuliffe's Budget:</b> Adjusts appropriation from the Behavioral Health Trust Fund to properly reflect the amount of funds anticipated to be available in FY 2019 from the sale of the Northern Virginia Training Center. A portion of the anticipated proceeds was appropriated in FY 2018. This reduces the appropriation by approximately \$4.8 million NGF in FY 2019 and \$8.6 million NGF in FY 2020. The remaining \$3.9 million in FY 2019 will be used to develop services for individuals with complex medical needs and multiple diagnoses.	TBD. It is unclear if the remaining \$3.9 million will be dedicated to developing services in Northern Virginia. The County's Legislative Program includes support for budget language that requires the proceeds of the sale of the NVTC to be used solely to develop services and housing opportunities for persons with developmental disabilities in Northern Virginia. DBHDS continues to be non-committal regarding the allocation of these dollars to Northern Virginia.
312	<b>Governor McAuliffe's Budget:</b> Provides approximately \$2.4 million GF in FY 2019 and \$3.2 million GF in FY 2020 to staff a children's crisis therapeutic home and an adult transitions home located in Northern Virginia, acquired pursuant to Chapter 780, the 2016 Appropriation Act, which provided one-time funds from the Behavioral Health and Developmental Services Trust Fund for the development of services in the region for those with intensive behavioral or medical needs. The DOJ settlement agreement mandates the development of crisis infrastructure to support the target population.	TBD. The County's Legislative Program includes support for additional funding for community-based services for individuals in Northern Virginia.
312	<b>Governor McAuliffe's Budget:</b> Provides \$1.6 million GF in FY 2019 and \$4 million GF in FY 2020 to fund rental subsidies for 343 individuals with developmental disabilities to live in their own housing with appropriate supports. The DOJ settlement agreement requires the Commonwealth to establish and implement a plan to address access to independent housing options. As a result of this requirement, the Commonwealth has established a goal of providing rental assistance to 847 individuals. Current funding has allowed for 504 individuals to receive rental assistance. This request would provide funding to support the remaining 343.	Likely positive.
311	<b>Governor McAuliffe's Budget:</b> Provides \$1.3 million GF and authorizes 8.75 positions in FY 2020 to create a Developmental Disability Health Supports Network (DDHSN) in the region currently served by the Central Virginia Training Center. Current base funding for DDHSNs in FY 2018 is \$3.9 million, which funds networks that replace services previously provided by the Southside Virginia Training Center, Northern Virginia Training Center, and Southwestern Virginia Training Center.	Likely positive, as these funds will support the specialized health needs of individuals leaving the training centers that are closing. Some individuals served by the Fairfax-Falls Church CSB currently reside in training centers in other parts of the state. However, staff do not anticipate that this appropriation would significantly impact individuals' ability to return to Northern Virginia.



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<b><u>Long-Term Care</u></b>		
343 A	<b>Governor McAuliffe's Budget:</b> Increases the licensed assisted living facility rates for individual facilities (with an occupancy rate of 85 percent of licensed capacity) and adult foster care homes from \$1,221 per month to \$1,271 per month. The Department of Social Services may add a 15 percent differential to the maximum amount for facilities in Planning District 8.	Likely positive.
334	<b>Governor McAuliffe's Budget:</b> Provides \$440,000 GF in both years to cover the on-going operating costs associated with replacing the current case management system used by adult services and adult protective services (APS) workers. Federal funds are being used to implement the new system, and state GF support is needed to cover licensing and support costs.	Likely positive. The Northern Virginia Aging Network's legislative platform includes this as a budget priority. These funds will support Peer Place/No Wrong Door, which will bring local APS and Adult Services programs into the No Wrong Door Virginia network, and improve access to services and supports for older adults, individuals with disabilities, caregivers, veterans and families.
<b><u>Safety Net Programs</u></b>		
340	<b>Governor McAuliffe's Budget:</b> Reduces by approximately \$25 million NGF in FY 2019 and \$29 million NGF in FY 2020 funding for TANF to properly account for the anticipated costs of providing mandated TANF benefits.	This reduction reflects projected caseload changes. No local impact anticipated.
340	<b>Governor McAuliffe's Budget:</b> Adjusts funding by adding \$800,000 in each year for the TANF Unemployed Parents (UP) program, based on a revised projection of the estimated 2018-2020 biennial costs.	This reduction reflects projected caseload changes. Fairfax County staff are seeing a slight increase in TANF-UP clients.
<b><u>Northern Virginia Family Services</u></b>		
346 G	<b>Governor McAuliffe's Budget:</b> Provides \$500,000 from the TANF block grant in each year to NVFS to provide supportive services that address the basic needs of families in crisis. The 2016-2018 biennium budget provided \$200,000 GF in FY 2017 and \$500,000 from the TANF block grant in FY 2018.	Likely positive.

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Budget Bill  
Item #

136

Public Education	Fairfax County Public Schools (FCPS) Impact (School Operating Fund)
<p><b>Direct Aid to Public Education</b></p> <p><b><u>Recalculation of Local Composite Index for 2018-2020</u></b></p> <p><b>Governor McAuliffe's Budget:</b> The Local Composite Index (LCI) is calculated every two years for the state's biennium budget. Counties and cities with a lower composite index receive more state funding, while those with a higher index receive less funding.</p>	<p>FCPS' local composite index decreased from 0.6844 to 0.6754 for the new biennium. The state did not delineate the impact due to the LCI.</p>
<p><b><u>Update Costs of the Standards of Quality (SOQ), Sales Tax and Basic Aid</u></b></p> <p><b>Governor McAuliffe's Budget:</b> Provides \$230.2 million in FY 2019 and \$254.7 million in FY 2020 to fully fund the biennial rebenchmarking of K-12 SOQ costs. These increases do not reflect changes in policy but adjust the cost of continuing current programs with the required data revisions.</p> <p>Updates Sales Tax revenue projections, increasing state funding by \$32.9 million in FY 2019 and \$63.9 million in FY 2020. The state share of Basic Aid decreases approximately \$18.3 million in FY 2019 and \$35.7 million in FY 2020 due to the revised sales tax estimates. The net change is an increase of \$14.5 million in FY 2019 and \$28.2 million in FY 2020.</p>	<p>The combined impact of rebenchmarking and the impact due to a decrease in the LCI totals \$8.7 million as compared to the presentation to the School Board (SB) and the Board of Supervisors (BOS) on November 28, 2017.</p> <p>Results in an additional \$5.0 million as compared to preliminary projections for FY 2019 presented to the SB/BOS at the joint board meeting on November 28, 2017. Due to the volatility often experienced in sales tax receipts, FCPS staff historically have not relied on the state's projections for this revenue item at this phase in the budget process.</p>
<p><b><u>Update Lottery Proceeds</u></b></p> <p><b>Governor McAuliffe's Budget:</b> Total Lottery proceeds are projected to increase (by \$40.2 million) to \$586.7 million in each year of the biennium.</p>	<p>The impact on Lottery funding to FCPS is minimal, at \$0.5 million, and already reflected in the overall impact of \$8.7 million due to rebenchmarking and a decrease in the LCI.</p>
<p><b>Salary Increase in FY 2020</b></p> <p><b>Governor McAuliffe's Budget:</b> Provides \$51.3 million in FY 2020 for the state's share of a 2% salary increase for instructional and support positions, effective December 1, 2019.</p>	<p><b>No Compensation Supplement provided in FY 2019.</b> For FY 2020, funding of \$4.7 million is included for the state share to FCPS.</p>
<p>474</p> <p><b>Virginia Retirement System (VRS) Contributions</b></p> <p><b>Governor McAuliffe's Budget:</b> Decreases state funding for fringe benefit rates by \$22.5 million in FY 2019 and \$22.6 million in FY 2020 based on lower employer contribution rates:</p> <p>1) VRS contribution rate of 15.68% in for FY 2019 and FY 2020 (down from 16.32% in FY 2018);</p> <p>2) retiree health care credit rate of 1.20% in FY 2019 and FY 2020 (down from 1.23% in FY 2018);</p> <p>3) employer rate for group life of 0.52% in FY 2019 and FY 2020, the same as in FY 2018.</p> <p>Decreases transfer from the Literary Fund to support the state's share of cost for teacher retirement by \$35 million in FY 2019 and by \$45 million in FY 2020 and replaces it with General Funds. This is only a change in the source of funding.</p>	<p>Results in reduced expenditures of \$9.8 million as compared to the FY 2018 approved budget. This impact was previously included in the FY 2019 budget forecast presented to the SB/BOS on November 28, 2017.</p>

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Budget Bill  
Item #

135

<p><b>At-Risk Program</b> <b>Governor McAuliffe's Budget:</b> Provides \$7.1 million in FY 2020 to enhance funding for the At-Risk program, which provides funding to support the additional costs of educating at-risk students.</p>	<p><b>No impact to FY 2019.</b> FCPS will receive additional \$0.2 million in FY 2020.</p>
<p><b>Other Items of Interest</b> <b>Governor McAuliffe's Budget:</b> Provides \$7.7 million in state funding for a full time principal in every elementary school in FY 2020. Currently, state funding is provided for 0.5 of an elementary school principal in schools with enrollment under 300 students. <b>Governor McAuliffe's Budget:</b> Provides \$1 million over the biennium to fund two-week cybersecurity camps dedicated to exposing high school students to cybersecurity careers. <b>Governor McAuliffe's Budget:</b> Provides \$1 million over the biennium to support principal recruitment and retention incentives in Virginia's most challenged school divisions. <b>Governor McAuliffe's Budget:</b> Includes \$11.5 million to ensure that no locality loses state funding for public education in FY 2019 as compared to that locality's FY 2018 state distribution.</p>	<p><b>No impact in FY 2019.</b> Currently, there is only one elementary school (Bucknell) in FCPS with enrollment under 300.  No direct impact to FCPS.  No direct impact to FCPS. The Department of Education will establish criteria for awarding funds.  No direct impact to FCPS.</p>

<p><b><u>Impact to the Fairfax County Public Schools (FCPS) FY 2019 Operating Fund Budget</u></b>  <b>Governor McAuliffe's Budget:</b> Compared to FCPS' FY 2018 Approved Budget, Governor McAuliffe's Budget includes \$31.3 million more in state aid and \$8.9 in sales tax revenue.  Compared to FCPS' FY 2019 Budget Forecast presented to the SB/BOS on November 28, 2017, Governor McAuliffe's Budget includes \$8.7 million more in state aid and \$5.0 million in sales tax revenue.</p>
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**BUDGET PROPOSALS FOR FY 2016 - FY 2018 CABOOSE  
as of January 19, 2018**

Budget Item #	Issue	Fairfax County Impact
<b>Transportation</b>		
<b>HB 2313 Regional Implementation</b>		
456	<p><b>Governor's Budget:</b> Includes the regional funds provided for in HB 2313, including \$658.6 million for distribution of Northern Virginia Transportation Authority Fund Revenues over the biennium. The Commonwealth's revised estimates are \$800,000 above what was projected for the biennium last year.</p>	<p>The amount received by the County is dependent on actual collections of the revenue sources. However, based on these projections, over the biennium, Fairfax County should receive approximately \$98.8 million to allocate for local projects approved by the Board of Supervisors, minus the respective shares provided to Vienna and Herndon (30% funding returned to localities). NVTa will allocate approximately \$461 million, of which approximately \$230 million should benefit the County (70% funding retained by NVTa). Staff anticipate that Fairfax County could receive approximately \$400,000 more than previously estimated.</p>
<b>Highway Construction</b>		
453	<p><b>Governor's Budget:</b> Increases Highway Construction Programs' overall funding by \$355.9 million over the biennium. \$259.6 million is provided for State of Good Repair (\$.5 million increase); \$227.8 million for the High Priority Projects Program (\$72.5 million increase); \$209.3 million for the Construction District Grant Program (\$54 million increase); \$2.7 billion for Specialized State and Federal Programs (\$382.4 million increase); and \$1.2 billion is available for Legacy Construction Formula Programs (\$153.5 million decrease). Of the Specialized State and Federal Programs:</p> <ul style="list-style-type: none"> <li>• \$205.3 million is for the Regional Surface Transportation Program (RSTP);</li> <li>• \$109.1 million is for the Highway Safety Improvement Program (HSIP);</li> <li>• \$140.8 million is for the Congestion Mitigation and Air Quality (CMAQ) Program;</li> <li>• \$250 million is for Revenue Sharing;</li> <li>• \$40.6 million is for the Surface Transportation Block Grant Program Set-Aside;</li> <li>• \$6.9 million is for the Virginia Transportation Infrastructure Bank (VTIB); and</li> <li>• \$3.5 million is for the Transportation Partnership Opportunity Fund (TPOF).</li> </ul>	<ul style="list-style-type: none"> <li>• Many of these funds are subject to the Smart Scale prioritization process, so the impact to Fairfax County is currently unclear.</li> <li>• Retaining the current funding levels for Revenue Sharing (\$100 million in FY 2018), which is a reduction from previous years. This could be detrimental to the County, which regularly applies for, and receives, close to the maximum award (recently reduced from \$10 million to \$5 million total award per locality).</li> <li>• RSTP, HSIP, CMAQ, and TAP funds are similar to what was allocated in previous years.</li> </ul>
<b>Highway Maintenance</b>		
454	<p><b>Governor's Budget:</b> Increases funding for Highway System Maintenance and Operations by \$.5 million for the biennium; with \$41 million less for Interstates, \$22.4 million less for primaries, and \$55.4 million more for secondaries, and \$11.4 million more for Transportation Operations Services.</p>	<p>Using historical estimates, an estimated \$85,000 more may be available for maintenance within Northern Virginia.</p>
<b>Toll Facilities</b>		
455	<p><b>Governor's Budget:</b> Increases funding to the Toll Facilities Account by \$22.1 million for the biennium; with \$2.7 million more for Acquisition and Construction; \$10.7 million more for Maintenance and Operations; and \$8.7 million more for the Toll Facilities Revolving Fund.</p>	<p>This relates to the construction and operation of new facilities, including those located in the County.</p>
<b>Miscellaneous</b>		
442	<p><b>Governor's Budget:</b> Provides a line of credit up to \$20.7 million to the Department of Motor Vehicles (DMV) as a temporary cash flow advance to support operational costs related to the implementation and issuance of REAL ID compliant credentials. DMV has authority to impose a \$10 surcharge on all first issuances of REAL ID compliant credentials that are acceptable for federal purposes, which will be used to reimburse the line of credit.</p>	<p>No direct impact on the County.</p>

**BUDGET PROPOSALS FOR FY 2018 - FY 2020  
DURING THE 2018 GENERAL ASSEMBLY SESSION  
as of January 19, 2018**

Budget Item #	Issue	Fairfax County Impact
<b>Transportation</b>		
<b>County-Related Projects</b>		
446	<b>Governor's Budget:</b> Removes language directing the Department of Rail and Public Transportation (DRPT) to work with Fairfax County and the Virginia Department of Transportation to develop a cost-effective method to make improvements to the rail bridge over Route 1 as part of the Atlantic Gateway project.	Progress has been made on the project, but language may need to be retained until the full issue has been resolved.
<b>HB 2313 Implementation and Washington Metropolitan Area Transit Authority (WMATA)/VRE Funding</b>		
456	<b>Governor's Budget:</b> Includes the regional funds provided for in HB 2313, including \$823.2 million for distribution of Northern Virginia Transportation Authority Fund Revenues over the biennium. The funding is \$164.6 million above what was projected for the 2016-2018 biennium in the Caboose Bill to provide funding for WMATA and VRE. The additional revenue comes from increasing two regional revenue sources provided to NVTA for regional transportation projects – the regional congestion relief fee (grantor's tax) would increase from \$0.15 to \$0.25 for each \$100 of value of property sold, and the Transient Occupancy Tax on hotel stays would increase from two percent to three percent.  Of the total funds provided to NVTA, 35 percent would be allocated to WMATA capital needs and 5 percent would be allocated to VRE capital and operating needs.  Language also includes a price floor for the regional gas tax to match the price floor for the statewide gas tax, with such funds being provided to WMATA for capital improvements.	Impact on the County is currently unknown. The proposal would provide additional funding for WMATA and VRE. However, the number (and amount) of new projects that NVTA would be able to fund would be reduced.  Support for the regional gas tax floor is included in the County's Legislative Program.
<b>Other WMATA Items</b>		
433	<b>Governor's Budget:</b> Removes language directing the Secretary of Transportation to undertake a review of WMATA with the intent of identifying issues requiring reform, including identifying all issues of concern that must be addressed as part of the WMATA Compact renegotiation.	The review was completed and has been provided to the General Assembly.
445	<b>Governor's Budget:</b> Includes \$2.4 million from the Mass Transit Account for federally mandated state safety oversight of fixed rail guideway transit agencies, i.e. the Metrorail Safety Commission (MSC).	The County supported the MSC Legislation during the 2017 General Assembly session. Utilizing this funding for the MSC could lead to slightly reduced funding for statewide transit funding (the Northern Virginia region receives a large portion of this funding).
445	<b>Governor's Budget:</b> Removes language requiring WMATA to submit quarterly reports on actions taken to address recommendations of the USDOT's 2014 Systems Review.	WMATA has fulfilled this requirement in the past and the Governor is proposing discontinuing the requirement. No direct impact on the County is expected.
448	<b>Governor's Budget:</b> Retains language directing VDOT to provide a loan of up to \$6.2 million, in each year, to address any shortfall in transit funding due to FTA's withholding of Virginia's transit allocations because the Metro Safety Commission has not been enacted by all of the signatory parties. The amounts would be repaid once FTA releases Virginia's allocations.  Certification has not occurred yet, partially because the District of Columbia has not appointed all their members to the MSC, and other factors.	Should help address funding shortfalls for transit systems related to FTA's decision. The delay could impact approximately \$4 million for Northern Virginia transit systems, including WMATA and VRE.

**BUDGET PROPOSALS FOR FY 2018 - FY 2020  
DURING THE 2018 GENERAL ASSEMBLY SESSION  
as of January 19, 2018**

Budget Item #	Issue	Fairfax County Impact
<b>Dulles Airport Funding</b>		
433	<p><b>Governor's Budget:</b> No longer includes language regarding funding for \$50 million in additional funding for the Metropolitan Washington Airports Authority (MWAA) for the reduction of enplanement costs at Dulles Airport, along with requirements in regards to the receipt of those funds.</p>	<p>These were one-time funds expected to help improve the competitiveness of Dulles, which was consistent with the Board's Federal Legislative Strategy.</p>
<b>Mass Transit Funding</b>		
445	<p><b>Governor's Budget:</b> Provides \$950.1 million for Public Transportation Programs for the biennium, including \$378.2 million for Operating Assistance (\$7.8 million increase) and \$191.3 million for Capital Assistance (\$77.5 million increase).</p> <p>Authorizes the CTB to issue \$110 million in bonds in the second year for the Transit Capital Fund, to be used to support capital expenditures involving the establishment, improvement, or expansion of public transportation services through specific projects approved by the CTB.</p>	<p>This funding will help address the transit capital funding shortfall, conservatively identified at \$130 million annually over the ten years, expected to begin in 2019. Northern Virginia receives a significant amount of the funding, due to the amount of transit service provided. While the increased funding will address capital needs, the specific impact is unknown due to proposed changes to the capital funding process (as noted in the item below).</p>
445	<p><b>Governor's Budget:</b> Requires DRPT, in conjunction with the Transit Service Delivery Advisory Committee, to complete the development and implementation of a statewide project-specific prioritization process for state transit capital funding to be approved by the Commonwealth Transportation Board. The process should be based upon the recommendations of the Transit Capital Project Revenue Advisory Board and undertaken with input from localities, MPOs, transit authorities, transportation authorities, and other stakeholders. DRPT will report annually on the state of implementation of the process, which must be in place no later than July 1, 2020.</p>	<p>Extensive changes have been made to the distribution of these funds in the past two years, pursuant to SB 1140 (2013). Additionally, capital funds are already prioritized for rolling stock (buses and trains), many of which are replacement vehicles (which is more analogous to road maintenance and is not prioritized through HB 2). Further, the majority of statewide transit service exists in Northern Virginia - changing current formulas is likely to reduce funding for the region. The Transit Capital Project Revenue Advisory Board report noted that the General Assembly and CTB should consider the additional need for revenues before implementing a new prioritization process.</p>

**BUDGET PROPOSALS FOR FY 2018 - FY 2020  
DURING THE 2018 GENERAL ASSEMBLY SESSION  
as of January 19, 2018**

Budget Item #	Issue	Fairfax County Impact
	<b>Highway Maintenance</b>	
454	<p><b>Governor's Budget:</b> Increases funding for Highway System Maintenance and Operations by \$41.9 million for the biennium over the 2016-2018 Caboose bill: \$631.5 million for Interstates (\$21.1 million reduction); \$928.3 million for primaries (\$16.4 million reduction) and \$1.3 billion for secondaries (\$75.7 million increase); and \$382.0 million for Transportation Operations Services (\$3.8 million increase).</p>	Using historical estimates, approximately \$7.1 million more may be available for maintenance within Northern Virginia.
	<b>Highway Construction</b>	
	<b>Overall Funding</b>	
450	<p><b>Governor's Budget:</b> Increases Highway Construction Programs' overall funding by \$196 million over the biennium from the 2016-2018 Caboose. \$129.1 million is provided for State of Good Repair (\$130.5 million reduction); \$309 million for the High Priority Projects Program (\$81.2 million increase); \$309 million for the Construction District Grant Program (\$99.7 million increase); \$2.97 billion for Specialized State and Federal Programs (\$293.5 million increase); and \$988.7 million is available for Legacy Construction Formula Programs (\$167.4 million decrease). Of the Specialized State and Federal Programs:</p> <ul style="list-style-type: none"> <li>• \$221.1 million is for the Regional Surface Transportation Program (RSTP);</li> <li>• \$106.2 million is for the Highway Safety Improvement Program (HSIP);</li> <li>• \$155.9 million is for the Congestion Mitigation and Air Quality (CMAQ) Program;</li> <li>• \$200 million is for Revenue Sharing;</li> <li>• \$40.4 million is for the Surface Transportation Block Grant Program Set-Aside;</li> <li>• \$6.9 million is for the Virginia Transportation Infrastructure Bank (VTIB);</li> <li>• \$3.5 million is for the Transportation Partnership Opportunity Fund (TPOF)</li> <li>• \$769.8 million represents the estimated project participation costs from localities and regional entities.</li> <li>• \$150.9 in the second year represents the bond proceeds to be used for the Route 58 Corridor Development Program.</li> </ul>	<ul style="list-style-type: none"> <li>• Many of these funds are subject to the Smart Scale prioritization process, so the impact to Fairfax County is currently unclear.</li> <li>• Retaining the current funding levels for Revenue Sharing (\$100 million in FY 2018), which is a reduction from previous years. This could be detrimental to the County, which regularly applies for, and receives, close to the maximum award (recently reduced from \$10 million to \$5 million total award per locality).</li> <li>• RSTP, HSIP, CMAQ, and TAP funds are similar to what was allocated in previous years.</li> </ul>

**BUDGET PROPOSALS FOR FY 2018 - FY 2020  
DURING THE 2018 GENERAL ASSEMBLY SESSION  
as of January 19, 2018**

Budget Item #	Issue	Fairfax County Impact
<b>I-66 Projects</b>		
433	<b>Governor's Budget:</b> Removes language directing the CTB to enter into discussions with Fairfax and Arlington Counties regarding use of air rights over I-66 in their respective jurisdictions no later than October 1, 2016. A report on the progress and outcome of such discussions was required by July 15, 2017.	A report was submitted to the General Assembly. An update was provided to the Board of Supervisors at the September 19, 2017, Legislative Committee meeting.
433	<b>Governor's Budget:</b> Removes language directing the Secretary of Transportation to report to House Appropriations and Senate Finance on the outcome of negotiations under the I-66 Outside the Beltway RFP by October 31, 2016, to enable consideration of proceeding with public financing of such project if the public-private proposal does not meet the terms outlined in the RFP.  <b>Governor's Budget:</b> Removes language requiring that the CTB provide up to \$140 million in the FY 2017-2022 SYIP to add a third eastbound travel lane on I-66 from the Dulles Connector Road to the Glebe Road/Fairfax Drive exit; begin environmental work on such project by July 15, 2016; and complete a minimum of 30 percent of the design work by November 1, 2017; as well as the language noting it is the intent of the General Assembly that tolling on I-66 Inside the Beltway should not extend beyond four hours during the morning rush hour and four hours during the evening rush hour on weekdays, excluding national holidays and weekends.	The CTB approved commercial close with the project partner for the project in December 2016. Financial close occurred in Fall 2017.  The funding has already been committed and the project is ongoing. Additionally, the hours of operation have been addressed in legal documents.
<b>Toll Facilities</b>		
452	<b>Governor's Budget:</b> Reduces funding to the Toll Facilities Account by \$31.8 million for the biennium from the 2016-2018 Caboose Bill; no funding is provided for Acquisition and Construction; \$6.4 million is provided for Debt Service (similar to the amount provided in the 2016-2018 biennium); \$12.8 million more for Maintenance and Operations; and, \$23.1 million more for the Toll Facilities Revolving Fund.	TBD. There are several toll facilities in the County.
433	<b>Governor's Budget:</b> Removes language stating that existing statutory provisions governing project labor agreements apply to PPTA projects.	Removes any concern about multistate facilities. The impact on other projects is TBD.
452	<b>Governor's Budget:</b> Removes language directing VDOT to examine how to develop an annual report on public and private toll road violations and civil penalties and administrative fees levied and collected each year.	No direct impact to the County. Report was due on November 15, 2017, but has not been submitted yet.
<b>Miscellaneous</b>		
439	<b>REAL ID</b> <b>Governor's Budget:</b> Continues a line of credit up to \$20.7 million to the Department of Motor Vehicles (DMV) as a temporary cash flow advance to support operational costs related to the implementation and issuance of REAL ID compliant credentials. DMV has authority to impose a \$10 surcharge on all first issuances of REAL ID compliant credentials that are acceptable for federal purposes, which will be used to reimburse the line of credit.	No direct impact on the County.