

PRIORITY BUDGET ITEMS FOR FAIRFAX COUNTY

2022-2024 BIENNIUM BUDGET (HB 6001)

K-12 FUNDING

- Provides an increase of approximately \$152.3 million statewide to increase the cap on support positions from 21 to 24 per 1,000 students, resulting in \$14.4 million for Fairfax County Public Schools (FCPS) in FY 2024. Fully eliminating the support cap has been a long-standing Fairfax County priority and this funding, along with the increase in FY 2023, is another step towards that goal.
- Dedicates \$6.7 million from remaining federal Elementary and Secondary School Emergency Relief (ESSER) funds for implementation of the Virginia Literacy Act, which is the state plan to improve early literacy rates in K-3 through increased supports at school and at home.
- Provides \$418.3 million in flexible funding statewide, which can be used to implement the Virginia Literacy Act, combat learning loss from COVID-19, and provide additional operating and infrastructure support. This item provides a per pupil allocation based on average daily membership, with additional per pupil allocations based on the number of students in each school division participating in the free lunch program. FCPS could receive approximately \$28 million in additional funding – of particular importance, this funding does not require a local match (a position the County has strongly advocated for in recent years) and it may be carried into future fiscal years as long as the school division provides their local share for the At-Risk Add-on (which is a program that targets state support to schools with the highest concentrations of students eligible for free lunch to provide dropout prevention, after school programs, and specialized instruction).
- Includes approximately \$54.6 million in General Funds (GF) and approximately \$759,000 from the Lottery Proceeds Fund to provide the state share of an additional two percent salary increase for SOQ-recognized positions, beginning January 1, 2024 (this is in addition to the five percent increase already included in the current budget for FY 2024 and the five percent that was included in FY 2023). In order to receive this funding, school divisions must have provided at least an average 2.5 percent salary increase in each year of the biennium and must certify that an equivalent increase of two percent will be provided to instructional and support personnel by January 1, 2024. FCPS could receive approximately \$5.3 million in state funding for this salary increase, but the local match required would be approximately \$23.1 million.
- Allocates \$12 million GF and \$8 million Non-General Funds (NGF) from federal American Rescue Plan Act (APRA) State and Local Fiscal Recovery Funds for school safety and security grants.
- Establishes a Joint Subcommittee on Elementary and Secondary Education Funding, which is directed to review the Joint Legislative Audit and Review Commission's (JLARC) July 2023 report on Virginia's K-12 funding formula and develop a long-range plan for implementation of its recommendations, due November 1, 2024. This powerful report showed that the state is currently underfunding K-12 education by approximately \$1,900 per pupil.

HUMAN SERVICES

Early Childhood

- Exempts community-based providers that are recipients of Virginia Preschool Initiative (VPI) grants from teacher licensure requirements. This change will allow the County's community programs to use VPI funds to pay for teachers. Support for this change was included in the County's Legislative Program.
- Authorizes the Superintendent of Public Instruction to provide flexibility in staff-to-child ratios and group sizes for licensed child day centers, including those that participate in the Child Care Subsidy Program and those that do not. This change allows the number of children per staff to increase by one child for groups of children from birth to the age of public school eligibility, and by two for groups of children from the age of public school eligibility to age 12.
- Provides a 12.5 percent rate increase for Early Intervention services, excluding case management, for all children under age three enrolled through Medicaid, effective January 1, 2024. This is the first rate increase for Early Intervention in over a decade, and while it is an important sign of progress, it will not fully cover current costs. It is important that the GA provide more consistent rate increases in the future, to ensure that funding keeps pace with costs.

Aid to Local Public Libraries

- Includes \$3.6 million GF for additional state aid to local public libraries. For each additional \$1 million in state aid, Fairfax County Public Library (FCPL) receives about \$10,000, so this budget should provide approximately \$36,000 in additional funding for FCPL in FY 2024.

Aging/Adults with Disabilities

- Provides \$700,000 GF to hold Area Agencies on Aging (AAA) harmless from changes to the distribution formula for federal Older Americans Act funding resulting from the 2020 census. Although the Fairfax AAA is not one of the eleven AAAs in Virginia that will be affected by the financial losses from changes to the distribution formula, other AAAs may change or lessen services offered to older adults, adults with disabilities, and caregivers as a result. This may cause the migration of older adults to regions like Fairfax County that have not been impacted, in an effort to retain needed services. The supplemental funding included in the budget will mitigate the negative impacts on the AAA system as a whole, and strengthening the overall AAA system is important, as the percentage of older adults in Virginia is projected to reach 25 percent by 2030.
- Increases the Auxiliary Grant rate from \$1,609 per month to \$2,055 per month, with an additional 15 percent Northern Virginia differential, effective January 1, 2024. There is a severe shortage of auxiliary grant units available for low- and moderate-income adults because the auxiliary grant rate is substantially lower than the cost of care. While this rate increase will not cover the entire cost of assisted living services, it will help minimize the loss of units and encourage more assisted living facilities to accept auxiliary grant recipients, providing more opportunities for low- and moderate-income adults in Fairfax County to find auxiliary grant units in the Fairfax County area. There will be some financial impact to the County, as localities cover 20 percent of the cost of auxiliary grants, while the state covers 80 percent.
- Provides \$250,000 GF to Specially Adapted Resources Clubs (SPARC) to support essential day programs for adults with profound disabilities.

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Children's Services Act (CSA)

- Eliminates language that directed the implementation of rate-setting for private special education day placements funded through CSA. The implementation of that rate-setting, which the Office for Children's Services (OCS) announced over the summer, would have led to the state circumventing CSA's sum sufficiency requirement, which the County strongly opposes.

Social Services

- Provides \$2.3 million GF in foster care and adoption cost of living adjustments. This is a much-needed increase in payments for foster families and adoptive families, which will help them provide for the children in their care, as well as help retain foster families. The increase also applies to youth in the Fostering Futures program (ages 18-20), to be used for housing and living expenses.

Behavioral Health

- Provides \$58 million GF to expand and modernize the comprehensive crisis services system, including investments in additional crisis receiving centers and crisis stabilization units, as well as enhancements to existing sites. Also includes \$10 million GF for the one-time costs of establishing additional mobile crisis services in underserved areas. Further analysis and information on where funding will be allocated is needed to determine the full impact to the County. Funding for crisis services is positive, but it is essential that the allocation is based on population size.
- Provides \$10 million GF for comprehensive psychiatric emergency programs or similar models of psychiatric care in emergency departments. All selected programs must collaborate with the region's Community Services Board (CSB).
- Allocates \$5.1 million GF in one-time funding for the Department of Criminal Justice Services (DCJS) to contract with local law enforcement agencies to provide transportation services or assume custody of individuals under emergency custody orders or temporary detention orders who are awaiting admission to a facility or for whom a bed has not been identified. Off-duty officers or officers working overtime may perform these tasks. DCJS is directed to coordinate with the Department of Behavioral Health and Developmental Services (DBHDS) on criteria for such contracts.
- Provides \$4.2 million GF for child psychiatry and children's crisis response services for children with mental health and behavioral disorders. As is the case with investments in the crisis services system, further analysis and information on where funding will be allocated is needed to determine the full impacts to the County. Funding going toward crisis services is positive, but it is essential that the allocation to localities is based on population size.
- Allocates \$7.5 million GF for DBHDS and partners to provide technical assistance to school divisions seeking guidance on integrating mental health services and grants to contract with public or private providers for community-based mental health services. This is a positive use of funding to address significant youth behavioral health challenges, though it is unclear how and where funding will be allocated. Support for additional state funding for youth behavioral health services is included in the County's Legislative Program.
- Allocates \$4 million GF for DBHDS to contract with the Virginia Mental Health Access Program to develop integrated mental health services for children.
- Provides \$30 million GF for permanent supportive housing for individuals with serious mental illness.

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- Provides \$4 million GF for supervised residential care for 100 individuals, with priority given to projects serving individuals who face extraordinary barriers to discharge from state hospitals. Impact will need to be determined once DBHDS provides additional details on how funding will be allocated.
- Provides \$4.4 million GF to increase funding for the first three steps of STEP-VA (System Transformation, Excellence and Performance in Virginia), the Commonwealth's behavioral health transformation plan – same-day access, primary care screening, and outpatient services. The state underfunding of the mandates in STEP-VA has been a significant problem for localities from the inception of this state initiative, and this adjustment does not address the overall shortfall in funding for these services.
- Allocates \$1.4 million in opioid settlement funding for the purchase and distribution of naloxone.
- Provides a 12.5 percent rate increase, effective January 1, 2024, to Early Periodic Screening Diagnosis and Treatment (EPSDT) Therapeutic Group Homes for adult day health care; consumer-directed facilitation services; crisis supervision, crisis stabilization and crisis support services; transition coordinator services; mental health and early intervention case management services; and, community behavioral health and habilitation services.

Medicaid

- Funds 500 additional Developmental Disabilities (DD) waiver slots, effective January 1, 2024. With the addition of 500 slots projected statewide in FY 2024, the Fairfax-Falls Church CSB's allocation is projected to increase by 70 slots, to 220 additional slots overall (typically the CSB receives 12-14 percent of total state allocations). The County supports increasing Medicaid DD waiver slots to address the Priority One waiting list, which is now over 3,500 in Virginia, particularly where the waiver assignments to localities are not keeping up with the Priority One waiting list. The slot increases afford greater capacity for much needed services, but would also require additional support coordinators and supervisors. Given the persistent workforce issues across the state, the CSB will likely be challenged to balance competing demands.
- Increases rates by 10 percent for the following Medicaid-funded community based services: intensive in-home, mental health skill building, psychosocial rehabilitation, therapeutic day treatment, outpatient psychotherapy, peer recovery support services – mental health, comprehensive crisis services (including 23-hour crisis stabilization, community stabilization, crisis intervention, mobile crisis response, and residential crisis stabilization), assertive community treatment, mental health – intensive outpatient, mental health – partial hospitalization, and family functional therapy and multisystemic therapy, effective January 1, 2024.
- Authorizes the Department of Medical Assistance Services (DMAS) to increase the rate for agency and consumer-directed personal care, respite, and companion services by five percent, effective January 1, 2024.
- Authorizes the re-procurement of the state's managed care service delivery system, with implementation no earlier than July 1, 2024; directs DMAS to exclude dental services, DD waiver services, and other services currently excluded from managed care from the development of a managed care contract.

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Health

- Allocates approximately \$944,000 GF and approximately \$698,000 NGF for rent costs for local health departments.
- Provides \$3.4 million in FY 2024 in state matching funds for federal Drinking Water State Revolving Fund awards from the Infrastructure Investment and Jobs Act.

COMPENSATION/WORKFORCE

- Provides an additional two percent salary increase for Constitutional officers and state-supported local employees, effective December 1, 2023 (this is in addition to the five percent increase that took effect July 1, 2023). This is estimated to result in an additional FY 2024 reimbursement from the Compensation Board of \$400,000 for six months.
- Allocates \$7.6 million GF for compression adjustments for deputy sheriffs and regional jail officers, effective December 1, 2023. The effect of this is to be determined, pending clarification from the Compensation Board. The state reimburses a portion of 485 positions.
- Provides \$4 million GF to increase salaries for attorneys in Commonwealth's Attorneys' offices, effective December 1, 2023. This will result in additional reimbursement from the Compensation Board, but the amount is to be determined, pending additional information from the Compensation Board. The state reimburses a portion of 51 positions.
- Provides \$3.7 million GF to the Indigent Defense Commission for attorney compensation and employee salary compression adjustments, effective December 10, 2023. There are currently 40 positions in the Office of the Public Defender that receive salary supplements from the County. If the salary is increased, it will result in an increase to the supplements the County provides. Supplements are calculated at 15 percent of state salary. The amount is to be determined.
- Provides \$593,507 GF to increase salaries for positions in circuit court clerks' offices, effective December 1, 2023. This will likely result in additional reimbursement from the Compensation Board for the Circuit Court, but the amount is to be determined, pending additional information from the Compensation Board.
- Provides \$1 million GF for salary increases for general district court clerks and juvenile and domestic relations court clerks, effective December 10, 2023. There are currently 160 positions in the General District Court and 42 positions in the Juvenile Court that receive salary supplements from the County. A salary increase will result in an increase to the salary supplement provided by the County. Supplements are calculated at 15 percent of state salary. The amount is to be determined.
- Designates \$400,000 GF to support the Workforce, Innovation, Skills Hub (WISH) in Fairfax County and examine the feasibility of implementing similar regional workforce center models throughout the state.
- Designates \$5.8 million GF of \$143.3 million appropriated for affordable access to higher education to address nursing shortages, with priority given to increased compensation for full and part-time faculty to remain competitive with nursing salaries.
- Provides \$3 million GF for the Nursing Preceptor Incentive Program, increasing maximum incentive payments from \$1,000 to \$5,000, and expanding eligibility to licensed practical nurses and registered nurses.
- Allocates \$5 million in State and Local Fiscal Recovery Funds to establish the Earn to Learn Nursing Education Acceleration Program, which will award grants for the formation of

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collaborative clinical training arrangements between high schools, colleges and universities, hospitals, and health providers.

- Provides \$1.5 million GF for the Virginia Behavioral Health Loan Repayment Program.
- Provides \$18 million GF to increase compensation for CSB staff.

OTHER PRIORITIES

Public Safety

- Increases the jail per diem for locally responsible inmates by \$1 (from \$4 to \$5).
- Provides an additional one-time funding of \$2.1 million GF in HB 599 funding for localities with police departments, which is a top County priority. The additional funding will provide the County with approximately \$300,000 in funding.
- Allocates \$5 million GF for the Firearm Violence Intervention and Prevention Fund to support implementation of evidence-informed gun violence intervention and prevention efforts; \$15 million GF for the Operation Ceasefire Grant Fund, which is used to implement violent crime reduction strategies, provide equipment for law enforcement agencies, and award grants to organizations that are involved in group violence intervention efforts; and, \$10 million GF for the Safer Communities Program to support holistic, community-based strategies that address the root causes and conditions of community violence.

Stormwater Local Assistance Fund (SLAF)

- Provides \$30 million GF to the Stormwater Local Assistance Fund (\$10 million of that funding is dedicated to specific projects).

Elections

- Provides \$7.3 million GF to cover costs associated with the 2024 Presidential Primary – \$7.1 million may be used to reimburse localities for their expenditures and \$147,308 may be used to cover costs incurred directly by the Department of Elections.

Affordable Housing

- Allocates \$200,000 GF for the Department of Housing and Community Development (DHCD)'s statewide housing needs assessment and plan, as required by SB 839 passed by the 2023 GA. This law expanded the responsibilities of DHCD to include conducting a comprehensive statewide housing needs assessment at least every five years, developing a statewide housing plan and updating the plan at least every five years, and providing annual updates to the GA on the status of progress towards achieving the goals of the plan. It also requires Virginia localities with a population greater than 3,500 to submit annual reports to DHCD summarizing any local housing policies, ordinances, or processes affecting the development and construction of housing during the preceding fiscal year (the reports will be due by September 1 each year and will be published on the DHCD website).