

2020 SPECIAL SESSION I

BUDGET AMENDMENTS TO THE 2020 APPROPRIATION ACT

ITEMS OF INTEREST

GOVERNOR'S INTRODUCED BUDGET

As a result of the COVID-19 pandemic and the economic uncertainty that accompanied it, Governor Northam asked legislators to essentially hit the “pause” button on most new spending approved by the General Assembly in March until the state could more fully assess the Commonwealth’s financial position. To achieve this, the Governor proposed, and the GA generally accepted, amendments to specifically "unallot" new, discretionary spending across all agencies. Those amendments placed that spending on hold until a reforecast of state revenues could be conducted. That revenue reforecast was completed in August, and is the basis for the Governor’s proposed budget amendments to the 2020-2022 biennium budget considered by the GA during the special session.

Resource adjustments

A net reduction of \$2.529 billion over the biennium (revenue + transfers).

Spending adjustments

A reduction in total spending of \$2.398 billion over the biennium.

Item 484.20 - Converts agency unallotment actions to budget reductions. Reduces funding by \$754 million in FY 2021 and \$1.335 billion in FY 2022.

HOUSE AMENDMENTS

The House outlined some guiding principles for their budget amendments, with the intention of focusing on high priority items including: criminal justice and police reform; impacts on health, education, state and local government operations, business, and the Commonwealth’s economy from COVID-19; and, addressing the revenue reductions resulting from COVID-19.

Overall, the House budget applies savings strategies in order to restore items that were unallotted at the April reconvened session and eliminated in the Governor’s proposed budget in August. In addition, the House budget includes contingent appropriations to establish priorities should revenues meet certain targets. The House provides for approximately \$20 million in contingent spending in FY 2021, provided the December revenue forecast is no more than \$100 million below the August forecast. An additional \$187 million in spending would be authorized for specified items in FY 2022, provided that FY 2021 General Fund (GF) collections meet the revenue forecast. It also allocates the remaining federal Coronavirus Relief Fund (CARES Act) dollars that were provided to the state by the federal government.

SENATE AMENDMENTS

The Senate budget makes a limited number of changes to the Governor’s introduced budget, totaling \$222.2 million, which is offset by savings of \$217.2 million. It also includes a prioritized list of spending items for FY 2022, to be funded by any revenue generated in excess of the FY 2021 forecast. In addition, it allocates the remaining federal Coronavirus Relief Fund (CARES Act) dollars, funding additional items contingent on revenues meeting certain targets.

CONFERENCE REPORT

The conference report recognizes savings and revenue adjustments of \$280 million, and includes approximately \$240 million in new spending compared to the Governor's introduced budget. This spending is associated with previously authorized items during the 2020 regular session, which were unallotted in April and proposed to be eliminated by the Governor in August due to projected reduced available resources as a result of COVID-19. With the exception of one item (compensation), the conference report eliminated all contingent spending, leaving an unappropriated balance of \$300 million at the end of the biennium. The conference report also allocates the remaining federal Coronavirus Relief Funds (CARES Act) to items such as unemployment assistance, support for K-12, child care, and election administration. It includes language to ensure all Coronavirus Relief Fund (CARES Act) amounts are utilized, and nothing will be returned to the federal government. Language states that if, by December 1, it appears funds cannot be fully spent on a specific activity, amounts could be moved to one of the other specified purposes. If, as of December 18, additional unspent amounts remain, all remaining funds will be transferred to the Unemployment Insurance Trust Fund.

K-12 Education

GOVERNOR'S INTRODUCED BUDGET

Item 145 - Updates funding provided to local school divisions based on the latest sales tax projections provided by the Department of Taxation. Reduces statewide funding by \$95.2 million in FY 2021 and \$93.6 million in FY 2022. **Fairfax County Public Schools' impact is a Sales Tax reduction of \$20.3 million in FY 2021 and \$20 million in FY 2022.**

Additionally, FCPS faces the prospect of uncertain student enrollments. To date, enrollments are running substantially behind where they were at the same time last year. That enrollment uncertainty is likely to linger through the year as school divisions adjust operations to address local health conditions and as parents make corresponding enrollment decisions. Enrollment loss would affect FCPS' Average Daily Membership numbers and thus the state per pupil funding allocations, compounding funding losses elsewhere.

Reallots funding in FY 2021 only for the following Supplemental Education programs in the Direct Aid to Public Education budget: Early Childhood Educator Incentive (\$3 million); Black History Museum and Cultural Center of Virginia (\$1.3 million); American Civil War Museum (\$1 million); and Jobs for Virginia Graduates (\$1.67 million).

HOUSE AMENDMENTS

Item 145 #1h, Item 479.20 #1h - Provide \$95.2 million in FY 2021 from the "gray machine" ("games of skill" temporarily allowed to continue operations) revenues to hold school divisions' harmless from the mid-year sales tax reforecast. This is intended as a one-time action to address the extraordinary situation facing school divisions during the pandemic, and should not be viewed as a precedent to backfill typical forecast adjustments for sales tax.

Item 145 #2h - Provides flexibility to school divisions in staffing English learner and school counselor positions in the first year of the biennium. Staffing flexibility for support positions, which had been included in the Appropriations Act since 2010, had been proposed to be eliminated during the 2020 regular session.

Item 145 #3h - Includes language delaying the implementation of restrictions on the use of the new Infrastructure and Operations Per Pupil distribution for one year. During the 2020 regular session, the General Assembly restructured the lottery per-pupil distribution to require a certain portion of funds to be used for non-recurring expenditures (30 percent of funds in FY 2021 and 40 percent of funds in FY 2022).

Item 145 #4h - Authorizes school divisions to use textbook payments in FY 2021 to address costs related to school reopening or virtual learning, and waives local match requirements for these funds.

Item 145 #5h - Provides that semi-monthly payments to school divisions would not be reduced in January as a result of potential reductions in September average daily membership counts. This language prevents school divisions from experiencing reductions in state payments in the middle of the fiscal year, and allows the issue to be revisited after average daily membership is calculated in March.

Item 479.10 #1h - Directs \$200 million in Coronavirus Relief Fund (CARES Act) dollars to be distributed to school divisions on a per-pupil basis to assist with costs associated with the pandemic, such as implementing social distancing measures and supporting distance learning.

SENATE AMENDMENTS

Item 145 #1s, Item 479.10 #2s - Provide \$95.2 million in FY 2021 from the COVID-19 Relief Fund, to be disbursed to local divisions as COVID-19 Local Relief payments in support of the Standards of Quality. These payments will be distributed to local school divisions based on the net reduction of state funds apportioned to school divisions as a result of the mid-year sales tax reforecast.

Item 479.10 #1s - Directs up to \$200 million in Coronavirus Relief Fund (CARES Act) dollars to be distributed to school divisions to provide temporary financial assistance in responding to the pandemic (\$195 per pupil).

Item 479.20 #1s - Contingent on GF collections through June 15, 2021, exceeding the August revenue forecast, includes restoration of \$35.2 million GF in FY 2022 for At-Risk Add-On funding and \$48.3 million GF in FY 2022 to maximize VPI slots for three- and four-year-olds in the list of priority items to be funded from the surplus revenue.

CONFERENCE REPORT

Item 145 #1c - Authorizes school divisions to use textbook payments in FY 2021 to address costs related to school reopening or virtual learning and waives local match requirements for these funds.

Item 145 #2c - Provides that semi-monthly payments to school divisions would not be reduced in January as a result of potential reductions in September average daily membership counts. This language prevents school divisions from experiencing reductions in state payments in the middle of the fiscal year and allows the issue to be revisited after average daily membership is calculated in March. **This is positive, as Fairfax County Public Schools had expressed concern about a potentially significant reduction in state payments as a result of lower September average daily membership numbers.**

Item 145 #3c, Item 479.10 #1c - Provide \$95.2 million in FY 2021 from the COVID-19 Relief Fund (from gray machine revenues), to be disbursed to local divisions as COVID-19 Local Relief payments in support of the Standards of Quality to hold school divisions' harmless from the mid-year sales tax reforecast. These one-time payments will be distributed to school divisions based on the net reduction of state funds as a result of lower projected sales tax. **This is positive, as Fairfax County Public Schools' impact for the sales tax reduction was \$20.3 million in FY 2021 and \$20 million in FY 2022.**

Item 479.10 #2c - Distributes \$220.1 million in Coronavirus Relief Fund (CARES Act) dollars to school divisions to assist with costs associated with the pandemic. **Fairfax County Public Schools' impact is \$31,697,575.**

Item 482.20 #32c - Restores \$35.2 million GF in FY 2022 for the At-Risk Add-On. These funds were included in the budget as passed in March, but unallotted in April and proposed to be eliminated in the August introduced budget. **Fairfax County Public Schools' impact is in FY 2022.**

Compensation

HOUSE AMENDMENTS

Item 479.30 #1h - Provides funding for a \$1,500 bonus for state employees and a 1.5 percent bonus for state-supported local employees, effective September 1, 2021, provided that the revenue reforecast included in the Governor's December budget is no more than \$100 million below the August 2020 revenue forecast and that GF revenue collections meet this forecast.

SENATE AMENDMENTS

Item 477 #1s - Provides \$18.4 million in FY 2021 for a \$500 bonus for sworn law enforcement personnel of state agencies, sworn constitutional officers and their staffs, and sworn officers of local police departments, effective December 1, 2020.

Item 479.20 #1s - Contingent on GF collections through June 15, 2021, exceeding the August revenue forecast, specifies that 2 percent bonus payments for state employees, constitutional officers and their employees, state-supported local employees, and the state share of funded SOQ instructional and support positions would be included in the list of priority items to be funded from the surplus revenue. Bonus payments would be provided August 1, 2021.

CONFERENCE REPORT

Item 477 #3c - Provides \$10.9 million in FY 2021 for a one-time \$500 bonus for state sworn law-enforcement personnel and sworn state-supported local constitutional officers and their staffs and regional jail superintendents and their staffs, to be paid December 1, 2020. **Fairfax County impact – based on the number of Compensation Board positions for state-supported local constitutional officers, this amendment results in approximately \$220,000 in FY 2021.**

Item 477 #4c - Contingent on FY 2021 revenues meeting the forecast, provides \$97.8 million for one-time bonus payments. State employees would receive a one-time bonus payment of \$1,500 on September 1, 2021; includes funding for a one-time bonus of 1.5 percent on September 1, 2021, for constitutional officers and state-supported local employees. Language provides that if there is no downward revision to the revenue projection for FY 2022 and such revenue estimate includes sufficient revenue to provide the bonus payments and a salary increase for SOQ-recognized instructional and support positions, the Governor is directed to include such a salary increase in his introduced budget for consideration by the 2021 General Assembly. **Fairfax County impact is in FY 2022 – TBD.**

Judiciary/Public Safety

GOVERNOR'S INTRODUCED BUDGET

Law Enforcement Training Academies

Item 403 - Provides funding of \$1.5 million in FY 2021 and \$0.6 million in FY 2022 and five positions to support proposed legislation to establish statewide mandatory minimum training standards for law-enforcement training academies.

HOUSE AMENDMENTS

Item 479.40 #1h - Provides \$102,000 GF in FY 2021 and \$3.4 million in FY 2022 for the Department of Behavioral Health and Developmental Services (DBHDS) to implement the "Marcus Alert" system, and a total of \$224,000 GF over the biennium for Department of Criminal Justice Services (DCJS) costs. The General Assembly is considering legislation that would create this system, which seeks to ensure that when law enforcement is called to respond to a situation in which an individual is experiencing a behavioral health crisis, that individual is provided with treatment, with the goals of reducing arrests and use of force by law enforcement and accelerating access to care for individuals in crisis.

Item 391 #1h - Directs the Secretary of Public Safety and Homeland Security to establish an E-911 Border Response Workgroup to assess deficiencies related to the timely routing of E-911 calls to the appropriate Public Safety Answering Point across state or county borders.

Item 479.30 #1h - Contingent on the December revenue forecast being reduced by no more than \$100 million below the August revenue forecast, restores \$500,000 GF in FY 2021 for pre-release and post-incarceration services; if GF revenue collections meet the forecast for FY 2021, restores \$1 million in FY 2022.

SENATE AMENDMENTS

Item 27.50 #1s - Provides approximately \$59,000 GF over the biennium to fund the Commission on Civil Rights and Policing, which would be created pursuant to legislation under consideration this session.

Item 320 #1s, Item 404 #1s - Provide approximately \$350,000 GF over the biennium for DBHDS costs associated with the "Marcus Alert" system and approximately \$184,000 GF over the biennium for DCJS implementation costs.

Item 482.20 #7s - Restores \$5.7 million GF in FY 2021 and \$7.6 million GF in FY 2022 for district court clerk positions that were unallotted in April.

Item 406 #1s - Provides \$6.4 million GF in FY 2021 for grants to law enforcement agencies for one-time costs associated with purchasing, operating, and maintaining body-worn camera systems. Provides funding for a coordinator to manage the program. Language stipulates that a local match would be required for grants.

Item 482.20 #26s - Restores \$1.2 million GF in FY 2021 and \$2.3 million GF in FY 2022 for pretrial and probation services. This funding provides for programs to be established in localities currently lacking such programs, and had been included in the budget as passed in the 2020 regular session, but was unallotted in April.

Item 482.20 #27s - Restores \$500,000 GF in FY 2021 and \$1 million GF in FY 2022 for pre-release and post-incarceration services. This funding had been included in the budget as passed in the 2020 regular session, but was unallotted in April.

CONFERENCE REPORT

Item 482.20 #17c, Item 320 #2c, Item 404 #1c, Item 322 #2c - Restore \$30.2 million GF in FY 2022 for STEP-VA services, including \$6.8 million for mobile crisis services and \$4.7 million for crisis dispatch to assist in implementation of the Marcus Alert system, which is set out in legislation under consideration by the legislature and seeks to ensure that an appropriate behavioral health response is provided when an individual is experiencing a behavioral health crisis. Provides approximately \$184,000 GF over the biennium in staffing costs for DBHDS to implement the Marcus Alert legislation, and \$184,000 in staffing costs at DCJS over the biennium. Provides \$3 million GF in FY 2022 to fund community care teams pursuant to the legislation establishing the Marcus Alert system. **Fairfax County - it is unclear how this funding will be allocated throughout the state.**

Item 391 #1c - Directs the Secretary of Public Safety and Homeland Security to establish an E-911 Border Response Workgroup to assess deficiencies related to the timely routing of E-911 calls to the appropriate Public Safety Answering Point across state or county borders.

Item 406 #1c - Provides \$6.4 million GF in FY 2021 for grants to law enforcement agencies for one-time costs associated with purchasing, operating, and maintaining body-worn camera systems. Language stipulates that a local match would be required for grants. **Fairfax County - it is unclear how this funding will be allocated throughout the state.**

Item 408 #1c - Provides \$7.5 million GF in FY 2021 to be distributed to local police departments on December 1, 2020, to be used to attract and retain qualified sworn personnel and support costs associated with criminal justice reform (supplement for HB 599). These funds will be distributed among the localities based on the respective percentage shares of the most recent headcount of sworn law enforcement officers employed by each local police department. **Fairfax County impact – TBD.**

Item 482.20 #24c - Restores \$1.4 million GF in FY 2021 and \$7.6 million GF in FY 2022 for district court clerk positions that were unallotted in April. **Fairfax County impact - it is not clear how these positions will be allocated throughout the state.**

Item 482.20 #25c - Restores approximately \$950,000 GF in FY 2021 and \$5.7 million GF in FY 2022 for additional public defender positions (\$3.8 million in FY 2021 and \$5.7 million in FY 2022 had been unallotted in April). **Fairfax County is likely to receive additional public defender positions. The County funds the salary supplement.**

Item 482.20 #20c - Restores funding related to a new judgeship in the 19th district judicial district. **Fairfax County impact is positive. The County's Legislative Program includes support for authorizing and funding this 12th judgeship.**

It should be noted that funding which was initially included in the state budget but then unallotted in April for additional Commonwealth's Attorneys and support staff positions to address workload demands **was not restored in the conference report.**

Elections

GOVERNOR'S INTRODUCED BUDGET

Item 86 - Provides funding of \$2 million to reimburse localities for prepaid postage for voters to return absentee ballots for the November 2020 general election and provides language to clarify procedures for handling absentee ballots that have errors or other issues and additional language clarifying absentee ballot drop-off procedures.

In order to expedite changes that would affect the November 2020 election, the GA enacted separate legislation (using a budget format) to address election issues. SB 5120 (Howell) appropriates \$2 million to the Department of Elections to be used to provide prepaid postage for the return of absentee ballots for the November 3, 2020, election (such prepaid postage be provided by localities and reimbursed by the state). The bill also makes other procedural changes for absentee voting for the November 3, 2020, election, including directing the State Board of Elections to promulgate emergency regulations for the establishment and operation of drop-off locations for completed ballots and removing the requirement for a witness to certify an absentee ballot signature. The bill was treated as a mini budget bill, allowing it to become effective much sooner than other bills enacted during the special session. After passing both houses, SB 5120 was signed by the Governor, becoming law immediately (non-budget bills will not become effective for four months after the special session adjourns unless they pass by a four-fifths majority).

HOUSE AMENDMENTS

Item 479.10 #1h - Directs the distribution of \$10 million in Coronavirus Relief Funds (CARES Act) to general registrars' offices on the basis of population to assist with additional printing and mailing costs, drop boxes, temporary staffing, polling place cleaning, and other costs associated with assuring voter safety during the pandemic.

SENATE AMENDMENTS

Item 4-14 #3s - Includes language implementing the provisions of the constitutional amendment establishing the Virginia Redistricting Commission, contingent on passage of the amendment at the November general election.

CONFERENCE REPORT

Item 479.10 #2c - Directs the distribution of \$10 million in Coronavirus Relief Funds (CARES Act) to general registrars' offices based on population or need to assist with costs anticipated for the November 3 general election, to include additional printing and mailing costs, drop boxes, temporary staffing, polling place cleaning, and other costs associated with ensuring voter safety during the pandemic. Removes the \$2 million included in the Governor's introduced budget (Item 86). **If distributed based on population, Fairfax County could expect approximately \$1.3 million.**

Workforce

HOUSE AMENDMENTS

Item 479.10 #1h - Directs \$210 million from the federal Coronavirus Relief Fund (CARES Act) in FY 2021 to provide additional support for the state's Unemployment Insurance program, and directs the Governor to work with the Virginia Employment Commission to determine the best use of the funds.

SENATE AMENDMENTS

Item 479.10 #1s - Includes language authorizing the Governor to deposit remaining Coronavirus Relief Funds (CARES Act) (after their use for purposes specified elsewhere) into the Unemployment Trust Fund, if permissible by law.

CONFERENCE REPORT

Item 479.10 #2c - Directs \$210 million from the federal Coronavirus Relief Fund (CARES Act) in FY 2021 to provide additional support for the state's Unemployment Insurance program, and directs the Governor to work with the Virginia Employment Commission to determine the best use of the funds. Provides that if Coronavirus Relief Funds (CARES Act) are unspent as of December 18, 2020, the funds are to be transferred to the Unemployment Compensation Fund.

Broadband

GOVERNOR'S INTRODUCED BUDGET

Item 114 – Reallots \$16 million per year and provides additional appropriation of \$15 million for the Virginia Telecommunication Initiative (VATI) in the first year, bringing total state support for the program to \$49.7 million in FY 2021 and \$34.7 million in FY 2022. VATI is a grant program supporting broadband deployment in the Commonwealth. **Fairfax County impact – TBD.**

HOUSE AMENDMENTS

Item 114 #1h - Includes language establishing a one-year pilot project in FY 2022 that allows the Department of Housing and Community Development (DHCD) to fund local government projects without a private sector partner, if they address an unserved community's lack of access to telehealth or virtual learning platforms.

Item 114 #2h, Item 479.30 #1h - Make restoration of \$16 million in FY 2022 for VATI contingent on the FY 2021 revenue forecast being met (this funding was unallotted in April but proposed to be restored in the Governor's August budget amendments).

CONFERENCE REPORT

Item 479.10 #2c - Accounts for use of \$30 million in Coronavirus Relief Funds for broadband accessibility, as announced by the Governor.

Retains Governor's restoration of \$16 million GF per year to VATI and provision of an additional \$15 million in FY 2021, for a total appropriation of \$84.5 million over the biennium. **Fairfax County impact – TBD.**

Housing

GOVERNOR'S INTRODUCED BUDGET

Item 113 - Reallots \$23 million per year and provides additional GF support of \$25 million to the Virginia Housing Trust Fund in the first year, bringing total state support for the trust fund to \$55 million in FY 2021 and \$30 million in FY 2022. Reallots \$3.3 million GF in FY 2021 for an eviction prevention and diversion program. The County's Legislative Program includes support for additional appropriations to the Virginia Housing Trust Fund.

Temporary Moratorium on Evictions

Enactment 8 - Provides language to implement a temporary moratorium on evictions with certain exceptions until after April 30, 2021. Language also establishes the requirement for landlords to offer tenants the right to enter into a repayment plan for past due accounts.

HOUSE AMENDMENTS

Item 113 #1h - Designates \$25 million from the Housing Trust Fund in FY 2021 to continue the Virginia Rent and Mortgage Relief Program after the expiration of federal Coronavirus Relief Funds (CARES Act) in December 2020; includes language providing that financial assistance may be provided with these funds for past-due rent accumulated prior to April 1, 2020, and allowing landlords and tenants to access the program.

Item 113 #2h, Item 479.30 #1h - Make restoration of \$23 million GF for the Housing Trust Fund in FY 2022 contingent on meeting the FY 2021 revenue forecast. This funding was unallotted in April but proposed to be restored in the Governor's August budget amendments.

Item 4-14 #1h - Sets out requirements for certain landlords to provide the opportunity for tenants affected by the state of emergency to enter into a payment plan; these provisions apply while the Centers for Disease Control and Prevention's order preventing residential evictions is in effect. Provides that landlords are barred from terminating residential tenancies during a state of emergency due to a communicable disease of public health threat when tenants are affected by the state of emergency, except under certain circumstances.

SENATE AMENDMENTS

Item 4-14 #1s - Sets out requirements for certain landlords to provide the opportunity for tenants affected by the state of emergency to enter into a payment plan; these provisions apply while the Centers for Disease Control and Prevention's order preventing residential evictions is in effect. Provides that landlords are barred from terminating residential tenancies during a state of emergency due to a communicable disease of public health threat when tenants are affected by the state of emergency, except under certain circumstances

CONFERENCE REPORT

Item 113 #1c - Designates \$12.5 million from the Housing Trust Fund in FY 2021 to continue the Virginia Rent and Mortgage Relief Program after the expiration of federal Coronavirus Relief Funds (CARES Act) in December 2020; includes language providing that financial assistance may be provided with these funds for past-due rent accumulated prior to April 1, 2020, and allowing landlords and tenants to access the program.

Item 479.10 #2c - Directs \$3 million in Coronavirus Relief Funds (CARES Act) to provide emergency housing for homeless individuals. This funding would supplement the \$8.8 million in Coronavirus Relief Funding (CARES Act) already provided for this purpose.

Item 4-14 #2c - Replaces the eviction moratorium language included in the Governor's proposed budget and establishes the terms by which landlords may evict a tenant for nonpayment. The amendment also provides that if a tenant refuses to apply for rental assistance and refuses to cooperate with their landlord in applying for rental assistance through the Virginia Rent and Mortgage Relief Program, the landlord can take action on or before December 31, 2020, to obtain possession of a dwelling unit for non-payment of rent.

Aid to Local Public Libraries

HOUSE AMENDMENTS

Item 247 #1h - Provides \$1 million GF in FY 2021 for local libraries to provide broadband access, job search assistance, and virtual learning.

CONFERENCE REPORT

Item 247 #1c - Provides \$1 million GF in FY 2021 for local libraries to provide broadband access, job search assistance, and virtual learning. **Fairfax County impact – TBD.**

Human Services

GOVERNOR'S INTRODUCED BUDGET

Enhanced Federal Medical Assistance Percentage (FMAP) for Medicaid

Items 312, 313, and 315 - Account for the impact of Virginia receiving enhanced (by 6.2 percent) FMAP for Medicaid and children's health care programs. The amounts reflect the latest Department of Medical Assistance Services (DMAS) estimates based on receiving FMAP through December 31, 2020. This amendment also provides the necessary federal appropriation. Replaces \$331 million of GF appropriation with Non-GF appropriation. **Fairfax County impact – TBD.**

Families First Coronavirus Response Act

Items 312, 313, and 315 - Fund the impact of the federal continuation of coverage requirement as required by the Families First Coronavirus Response Act (H.R. 6201). The amounts reflect the latest DMAS estimates for the additional cost to Medicaid and children's health care programs through October 31, 2020. Includes \$89.1 million in GF and \$245.3 million in Non-GF in FY 2021. **Fairfax County impact – TBD.**

Foster Care and Adoptions FMAP

Item 354 - Reduces the GF appropriation by \$5.8 million and increases the Non-GF appropriation by \$5.8 million for foster care and adoptions to account for the temporary enhanced FMAP rate. This adjustment has been calculated through December 2020, when the enhanced rate is set to expire. **Fairfax County impact – TBD.**

HOUSE AMENDMENTS

Item 313 #1h - Adds \$11.2 million GF and \$11.2 million in matching federal Medicaid funds to extend the \$20 per day add-on to Medicaid nursing and specialized care facility rates to provide stability to the nursing home industry during the COVID-19 crisis.

SENATE AMENDMENTS

Item 313 #13s - Adds \$11.2 million GF and \$11.2 million in matching federal Medicaid funds to extend the \$20 per day add-on to Medicaid nursing and specialized care facility rates to provide stability to the nursing home industry during the COVID-19 crisis.

Items 312, 313, and 315 - Capture savings from lower managed care rates that took effect on July 1, 2020.

CONFERENCE REPORT

Item 313 #2c - Adds \$11.2 million GF and \$11.2 million in matching federal Medicaid funds to extend the \$20 per day add-on to Medicaid nursing and specialized care facility rates to June 30, 2021, to provide stability to the nursing home industry during the COVID-19 crisis.

Items 312, 313, and 315 - Capture savings from lower managed care rates that took effect on July 1, 2020.

Item 356 #1c - Provides \$750,000 each year from the Temporary Assistance to Needy Families (TANF) block grant for Cornerstones, a human services agency, to support their wrap-around services to families in Northern Virginia. **Fairfax County impact – positive.**

MEDICAID WAIVERS

CONFERENCE REPORT

Item 482.20 #28c - Restores \$10.7 million in FY 2021 and \$22.0 million in FY 2022 to increase group home, sponsored residential, and group day support rates effective January 1, 2021 for services provided through the current Medicaid Developmental Disability waiver programs using updated data measures available, including wage assumptions, to 100 percent of the rate model benchmark. These funds were included in the budget passed in March, but subsequently unallotted in April due to the pandemic and eliminated in the introduced budget.

Item 482.20 #29c - Restores \$3.7 million in FY 2022 to increase Medicaid rates for community integration services provided through the current Medicaid Developmental Disability waiver programs using updated data. These funds were included in the budget passed in March, but subsequently unallotted in April due to the pandemic and eliminated in the introduced budget.

Child Care/Early Childhood

GOVERNOR'S INTRODUCED BUDGET

Virginia Preschool Initiative

Item 350 and 357 - Transfer federal TANF funds from the Department of Social Services (DSS) to Direct Aid to Public Education to support the Virginia Preschool Initiative in FY 2021. A like amount of GF support is transferred from Direct Aid to Public Education to DSS to address the critical need for in-person child care access for families of school-aged children. Funding from the Child Care Development Fund (CCDF) block grant balances is appropriated to back-fill TANF funding at DSS, in order to allow those child care-related services to continue uninterrupted. Budget language is modified to allow centers serving families in need of in-person care to be exempt from licensure. Includes funding of \$16.6 million in FY 2021. **Fairfax County impact – TBD.**

HOUSE AMENDMENTS

Item 350 #1h, Item 479.10 #1h - Provide \$16.6 million in federal Coronavirus Relief Funds (CARES Act) in FY 2021 to supplement the \$16.6 million GF that was proposed in the Governor's August budget to contract with local partners to support child care; provides that the federal funds are to be expended prior to the GF allocation.

Item 479.10 #1h - Directs \$60 million in federal Coronavirus Relief Funds (CARES Act) to be used to provide stabilization grants to licensed child care providers, with the goals of preserving the long-term capacity of the child care system during the pandemic and providing additional child care slots in the near term.

SENATE AMENDMENTS

Item 479.10 #1s - Directs \$20 million in federal Coronavirus Relief Funds (CARES Act) to be used for child care stabilization grants.

Item 479.20 #1s - Includes restoration of \$48.4 million for pre-K for at-risk three- and four-year-olds on the list of priority spending items to be restored with revenues exceeding the August forecast

CONFERENCE REPORT

Item 350 #1c, Item 479.10 #2c - Provide \$16.6 million in federal Coronavirus Relief Funds (CARES Act) in FY 2021 to supplement the \$16.6 million GF that was proposed in the Governor's August budget to contract with local partners to support child care; provides that the federal funds are to be expended prior to the GF allocation. . **Fairfax County impact – TBD.**

Item 479.10 #2c - Directs \$60 million in federal Coronavirus Relief Funds (CARES Act) to be used to provide stabilization grants to child care providers and local community partnerships, with the goals of preserving the long-term capacity of the child care system during the pandemic and providing additional child care slots in the near term.

Item 482.20 #31c – Restores \$37.3 million GF in FY 2022 to increase the Virginia Preschool Initiative per-pupil amount by 10 percent (the budget passed in March included this increase in FY 2021 and an additional increase in FY 2022, but these funds were unallotted in April). **Fairfax County impact – TBD.**

Behavioral Health

HOUSE AMENDMENTS

Item 321 #1h - Provides \$882,000 GF per year in partial restoration of funding for the Virginia Mental Health Access Program (which supports children's access to mental health care); \$4.2 million GF per year to move the program toward statewide implementation had been unallotted in April.

SENATE AMENDMENTS

Item 482.20 #22s - Restores \$2.1 million in FY 2021 and \$4.2 million in FY 2022 for the Virginia Mental Health Access Program.

Item 482.20 #23s - Restores \$11.5 million GF in FY 2022 for crisis services as part of STEP-VA, including \$6.8 million for mobile crisis and \$4.7 million for crisis dispatch to assist in implementation of the Marcus alert system under consideration by the legislature. \$19.1 million in FY 2021 and \$30.1 million in FY 2022 for STEP-VA had been unallotted in April.

Item 482.20 #21s - Restores \$3 million GF in FY 2021 and \$12 million in FY 2022 for permanent supportive housing (\$8.5 million in FY 2021 and \$17 million in FY 2022 had been unallotted in April).

Item 479.20 #1s - Contingent on GF collections through June 15, 2021, exceeding the August revenue forecast, includes the following items in the list of priorities to be funded from the surplus revenue in FY 2022: \$5 million for permanent supportive housing; \$18.6 million for implementation of STEP-VA; \$2.5 million to increase mental health provider rates; \$10.3 million to enhance behavioral health services covered by Medicaid; \$7.6 million to increase Medicaid rates for psychiatric residential treatment facilities.

CONFERENCE REPORT

Item 482.20 #16c - Restores \$2.1 million in FY 2021 and \$4.2 million in FY 2022 for the Virginia Mental Health Access Program (which supports children's access to mental health care). **Likely positive, though it is unclear how the funds will be dispersed throughout the state. The County has been supportive of this concept in the past.**

Item 482.20 #14c - Restores \$7.5 million GF in FY 2021 and \$10 million GF in FY 2022 for discharge assistance plans to assist in providing community-based services for individuals at state hospitals who are clinically ready for discharge. **Fairfax County impact - TBD. It is unclear how this funding will be distributed throughout the state.**

Item 482.20 #15c - Restores \$3 million GF in FY 2021 and \$17 million GF in FY 2022 for permanent supportive housing. **The County's Legislative Program supports increased funding for permanent supportive housing, allocated based on the size of the population served. It is not clear how this funding will be distributed throughout the state.**

Item 482.20 #3c - Restores \$2.5 million GF in FY 2022 for Medicaid rate increases for mental health services providers.

Item 482.20 #27c - Restores \$10.3 million GF in FY 2022 for the redesign of Medicaid behavioral health services. **Fairfax County impact – TBD.**

Item 482.20 #30c - Restores \$7.6 million GF in FY 2022 for a Medicaid rate increase for psychiatric residential treatment facilities, effective July 1, 2021.

Social Services

GOVERNOR'S INTRODUCED BUDGET

Temporary Assistance for Needy Families Unemployed Parents (TANF UP)

Item 350 - Funds a one-time payment of \$0.2 million to TANF UP program participants that is equivalent to 15 percent of the monthly benefit payment for four months. **Fairfax County impact – TBD.**

Emergency Food Supply Package Program

Item 356 - Provides funding of \$650,000 to build capacity in the emergency food supply package program provided by food banks and other non-profits as a low-touch, convenient way to address food shortages during fall 2020 and winter 2021. **Fairfax County impact – TBD.**

Temporary Assistance for Needy Families (TANF) block grant

Item 349 and 359 - Provide a one-time benefit payment from the TANF block grant to qualifying families with children in Head Start who did not receive the federal Pandemic-EBT food benefit payment for school-aged children. Includes funding of \$3.7 million in FY 2021. **Fairfax County impact – TBD.**

SENATE AMENDMENTS

Item 479.20 #1s - Contingent on GF collections through June 15, 2021, exceeding the August revenue forecast, includes partial restoration of \$17.4 million GF for prevention services at local departments of social services in the list of priorities to be funded from the surplus revenue in FY 2022. (The budget as passed in March contained \$12.5 million in FY 2021 and \$17.4 million in FY 2022, which was unallotted in April.)

Item 482.20 #24s - Restores approximately \$580,000 GF in FY 2021 and \$1.2 million GF in FY 2022 to fund a 15 percent increase in TANF cash assistance payment to two-parent families, beginning January 1, 2021 (a similar increase was provided to most TANF families beginning July 1, 2020, but the two-parent cash assistance is funded with GF dollars and the proposed funding was unallotted in April).

CONFERENCE REPORT

Item 482.20 #46c - Restores \$8.7 million GF in FY 2022 for prevention services at local departments of social services. (The budget as passed in March contained \$12.5 million in FY 2021 and \$17.4 million in FY 2022 for this purpose, which was unallotted in April.) **Fairfax County impact - TBD. It is unclear how this funding will be distributed throughout the state.**

Item 482.20 #18c - Restores approximately \$580,000 GF in FY 2021 and \$1.2 million GF in FY 2022 to fund a 15 percent increase in the TANF cash assistance payment to two-parent families, beginning January 1, 2021 (a similar increase was provided to most TANF families beginning July 1, 2020, but the two-parent cash assistance is funded with GF dollars and the proposed funding was unallotted in April). **Positive. Fairfax County's Human Services Issue Paper includes support for increasing TANF rates.**

Transportation

GOVERNOR'S INTRODUCED BUDGET

Transportation Funding Flexibility

Item 430 P - Provides the Commonwealth Transportation Board (CTB) the flexibility to address the decrease in revenues available resulting from COVID-19 to reduce the impact on projects with funding already programmed. This includes allowing the CTB to utilize funding currently allocated to projects from certain programs (Revenue Sharing, State of Good Repair (SOGR), High Priority Project (HPPP), and District Grant (DGP) Programs) that is not currently needed to support the project based on its current schedule to increase the funding available to the Commonwealth Transportation Fund (CTF) for distribution to other programs and projects supported by the CTF. The language provides that the funding will be replaced in the year or years needed to maintain the project's current schedule, but no later than FY 2024 for Revenue Sharing or FY 2025 for the SOGR, HPPP, and DPG Programs. The language also allows the CTB to reduce funding in FY 2021 for statewide transit capital assistance, special programs, and the new Transit Ridership Incentive Program to ensure funding is available for statewide transit operating assistance and the Commonwealth distribution to the Northern Virginia Transportation Commission (NVTC) for WMATA capital and operating assistance. **Fairfax County impact – there should be little impact to the County as long as funding is returned and projects can move forward as scheduled. It is important that the Commonwealth coordinate with localities and agencies to ensure that the affected projects will continue to advance. It is also understandable that the focus on transit funding should be on operating assistance due to the impact that the COVID-19 pandemic has had on transit ridership and farebox revenue.**

Virginia Passenger Rail Authority

Item 443.D.2 - Provides that the Department of Rail and Public Transportation (DRPT) will be responsible for conducting all necessary business functions assigned to the Authority until its formal establishment occurs. Formal establishment includes appointments to the Authority's board of directors, a formal meeting of the board, the hiring of an executive director, and the execution of the a funding agreement between DRPT and the Authority regarding the transfer of funds from the Commonwealth Rail Fund.

HOUSE AMENDMENTS

Transportation Funding Flexibility

Item 430 #1h - Requires the Secretary of Transportation to report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees detailing the redirection and repayment of Transportation Funds allowed by Item 430 P in the Governor's Introduced Budget. The language also mandates that changes to project allocations cannot be made at the same meeting at which they are proposed, and must not be acted on until a subsequent CTB meeting.

DMV Online Services for High-Risk Populations

Item 436 #1h– Adds language that clarifies that the DMV must allow individuals who are 65 or over and individuals with an underlying medical condition to make all needed transactions electronically or through the mail during the state of emergency.

Remote Meetings

Item 4-0.01 #1h – Adds language that modifies the language allowing meetings to be conducted remotely during the state of emergency to include joint meetings of public entities. § 33.2-214.3 requires the Northern Virginia Transportation Authority, NVTC, the Virginia Railway Express, and the CTB to conduct a joint public meeting annually to present and receive comments on the transportation projects proposed

and conducted by each entity in Planning District 8. This language will allow this meeting to be conducted remotely during the pandemic, as is currently allowed for state, local, regional, or regulatory bodies.

CONFERENCE REPORT

Item 430 #1c - Requires the Secretary of Transportation to report to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees detailing the redirection and repayment of Transportation Funds allowed by Item 430 P in the Governor's Introduced Budget. The language also mandates that changes to project allocations cannot be made at the same meeting at which they are proposed, and must not be acted on until a subsequent CTB meeting.

Item 436 #1c – Adds language that clarifies that the DMV must allow individuals who are 65 or over and individuals with an underlying medical condition to make all needed transactions electronically or through the mail during the state of emergency.

Item 4-0.01 #1c – Adds language that modifies the language allowing meetings to be conducted remotely during the state of emergency to include joint meetings of public entities. § 33.2-214.3 requires the Northern Virginia Transportation Authority, NVTC, the Virginia Railway Express, and the CTB to conduct a joint public meeting annually to present and receive comments on the transportation projects proposed and conducted by each entity in Planning District 8. This language will allow this meeting to be conducted remotely during the pandemic, as is currently allowed for state, local, regional, or regulatory bodies.

Other Items of Interest

GOVERNOR'S INTRODUCED BUDGET

Tobacco Products Tax Revenue

Item 282 and 3-5.21 - Implement the tobacco products tax pursuant to § 58.1-1021.02 of the Code of Virginia to heated tobacco products. Heated tobacco products would be taxed at a rate of 2.25 cents per stick beginning January 1, 2021. Additional language under Item 282 allows the Department of Taxation to recover administrative costs of implementing this tax from tobacco products tax revenue. **No impact to Fairfax County.**

Tipping Fee

Item 372E - Directs the Secretary of Natural Resources, in consultation with the Secretary of Agriculture and Forestry, to study and develop a plan to require landfill operators pay a solid waste disposal fee, or a tipping fee, for each ton of solid waste received at the landfill. Such fee shall be in addition to any fee established by a locality. The plan shall include recommendations for the amount and structure of any proposed fee, and recommendations for use of any revenue that may be generated from such fee. The plan shall be submitted to the Governor and General Assembly no later than November 1, 2020.

Water Quality Improvement Fund (WQIF)

Item 373 – Reallots \$3.8 million and directs the required deposit to WQIF from the FY 2020 discretionary year-end GF balances in the amount of \$34.2 million in FY 2022. Fairfax County has used WQIF for projects in the past, and likely will have future projects that qualify for WQIF funding.

Utility Disconnection Prohibition

Enactment 7 - Provides language to prohibit utility disconnections until at least 60 days after the end of a state of emergency declared by the Governor (pursuant to § 44-146.17 of the Code of Virginia) in response to a communicable disease of public health threat. Language also establishes the requirement for electric companies, natural gas suppliers, and water service providers to offer customers the right to enter into a repayment plan for past due accounts.

Separate legislation addressing the issue of utility disconnections has also been considered by the GA. **SB 5118** (McClellan) has been substantially revised during the legislative process to largely exempt “municipal utilities” (defined to also exempt counties, authorities and other political subdivisions) from the restrictions and requirements of the bill, other than requiring some reporting upon request. The bill now focuses almost exclusively on SCC-regulated (“jurisdictional”) utilities. **SB 5118** has passed the Senate and was sent to House Appropriations (a House version of legislation related to utility disconnection, **HB 5117** (Aird) was not heard in House committee, so it is likely that **SB 5118** will be the bill that is considered by the House.

HOUSE AMENDMENTS

Item 372 #1h – Eliminates language included in the Governor’s budget proposing a study to develop a plan for landfill operators to pay a solid waste disposal fee.

Item 4-14 #2h - Includes language barring utility providers, including water and wastewater providers, from disconnecting service to residential customers for nonpayment of bills or fees until a determination by the Governor that such a prohibition is not necessary or until 60 days after the end of the state of emergency. Requires utilities to offer customers a repayment plan for past-due accounts.

Item 4-14 #2h, Item 479.10 #1h - Provide \$120 million in Coronavirus Relief Funds (CARES Act) to offset debts for customers more than 30 days in arrears.

SENATE AMENDMENTS

Item 372 #1s - Eliminates language included in the Governor’s budget proposing a study to develop a plan for landfill operators to pay a solid waste disposal fee.

Item 4-14 #2s - Includes language barring utility providers, including water and wastewater providers, from disconnecting service to residential customers for nonpayment of bills or fees until a determination by the Governor that such a prohibition is not necessary or until 60 days after the end of the state of emergency. Requires utilities to offer customers a repayment plan for past-due accounts. Provides an exemption from the moratorium under certain circumstances in which the utility has arrearages in its accounts receivable exceeding 1 percent of its annual operating revenues.

CONFERENCE REPORT

Item 372 #1c - Eliminates language included in the Governor’s budget proposing a study to develop a plan for landfill operators to pay a solid waste disposal fee.

Item 4-14 #1c - Extends utility disconnection moratorium until 60 days after the end of the declared state of emergency, or until the Governor determines that economic and public health conditions have improved, whichever is sooner. For customers more than 30 days in arrears, the utility must offer repayment plans for past due accounts. Such repayment plans shall last a term 6 months to 24 months, as determined by the customer to be most sustainable and affordable. No utility may disconnect customers currently making timely payments under a repayment plan. Utilities and customers may seek debt relief or mitigation from any available resource, may enter into another payment plan offered by the utility, and may renegotiate the

terms of the repayment plan. Utilities may seek relief from the disconnection moratorium if their accounts receivable arrearages exceed 1 percent of the utility's annual operating revenue. If relief is granted, disconnections may be resumed for the purpose of forcing a repayment plan. Because language addressing the issue of utility disconnection was incorporated into the budget, separate legislation was not pursued further.

Item 479.10 #2c - Directs the use of \$100 million in federal Coronavirus Relief Funds (CARES Act) to provide assistance to utility customers with accounts over 30 days in arrears. Requires the State Corporation Commission to establish an application process in order to distribute funds directly to utilities for the purpose of efficiently providing direct assistance to customers, and directs the SCC to transfer funds to the DHCD for distribution to utilities that do not fall under the jurisdiction of the SCC.

Item 482.20 #35c – Restores funding of \$250,000 in FY 2021 to Fairfax County to support NOVA Parks in commemoration of the centennial of Women's Suffrage..

Item 482.20 #45c – Restores funding of \$160,800 in each year of the biennium for Mason Neck State Park.