

# Fairfax County Initial Budget Overview

## 2.23.2024

### K-12 FUNDING

#### ***Grocery Tax Hold Harmless***

- Senate Item 125 #3s: Provides \$121.3 million in FY 2025 and \$121.8 million in FY 2026 to restore the hold-harmless payments provided in lieu of the distribution to K-12 from the state portion of the sales and use tax on groceries.

*This would result in \$25.3 million in additional revenue for Fairfax County Public Schools (FCPS) in FY 2025. It is essential for the Commonwealth to honor the commitment it made to localities as part of the compromise for eliminating the grocery tax during the 2022 GA.*

#### ***Sales Tax Base Expansion***

- Senate Item 125 #15s: Assumes higher sales tax for K-12 from digital sales, including business-to-business transactions (\$62.2 million General Funds (GF) in FY 2025 and \$155.8 million GF in FY 2026).

*This would result in a net of \$8 million in additional revenue for FCPS in FY 2025.*

#### ***Compensation***

*While the County supports increased salaries for K-12 staff, it is essential to note that when the state provides such funding is only pays for approximately 20 percent of the cost of salary increases to FCPS staff, while approximately 80 percent must be provided with local funding.*

- House Item 125 #10h: Removes the one percent bonus included in the Governor's budget for FY 2025, and replaces it with the state share of a 3.4 percent increase each year for funded SOQ and support positions, effective July 1, 2024, and July 1, 2025. The state share is pro-rated for divisions providing smaller increases; however, to draw down funds each year, a school division must provide at least an average two percent salary increase each year. (This implements **HB 187** for the 2024-2026 biennium, which establishes a methodology for funding the state's share of compensation adjustments as needed to increase Virginia's average teacher salary to at least the national average, by the end of FY 2028.)

*This would result in \$14.8 million in additional revenue for FCPS in FY 2025 (not accounting for the local impact typically associated with a state salary increase). This also appears to represent a net change accounting for the \$5.1 million reduction in revenue to FCPS associated with action to remove the Governor's proposed one percent bonus.*

- Senate Item 125 #2s: Removes the one percent bonus included in the Governor's budget for FY 2025, and replaces it with the state share of a three percent salary increase each year for funded SOQ instructional and support positions, effective October 1, 2024, and July 1, 2025. The state share will be pro-rated for school divisions providing smaller increases; however, a school division must provide at least an average salary increase of 1.5 percent each year in order to access the funds.

*This would result in \$13.8 million in additional revenue for FCPS in FY 2025 (not accounting for the local impact typically associated with a state salary increase). Also, note that this includes a separate line item (Item 125 #21s) reducing revenue to FCPS by \$5.1 million associated with removing the Governor's proposed one percent bonus.*

## Fairfax County Initial Budget Overview 2.23.2024

### ***Cap on Support Positions***

- Senate Item 125 #1s: Includes \$198.6 million in FY 2025 and \$202 million in FY 2026 to eliminate the cap on support positions in the SOQ, restoring pre-recession era funding cuts.

*This would result in \$18.7 million in additional revenue for FCPS in FY 2025. Elimination of the state cap on K-12 support positions is a top long-time County priority.*

### ***English Language Learners***

- House Item 125 #13h: Provides \$51.3 million GF in FY 2025 and \$43.7 million GF in FY 2026 to establish staffing ratios per English Learner (EL) student based on student proficiency level, instead of the current standard that provides one position per 50 identified EL students. This is designed to implement **HB 624** and **HB 1247**.

*Local impact is to be determined, but would represent a substantial net cost to FCPS. This would result in \$12.9 million in additional revenue for FCPS in FY 2025. However, the proposed staffing standards are substantially higher than FCPS's current staffing, so there is a very high anticipated local cost - well above the state's share.*

- Senate Item 125 #4s: Provides \$12.8 million GF in FY 2025 and \$13.9 million GF in FY 2026 to increase the ratio for English language learners from 20 to 22 per 1,000 students.

*This would result in \$2.3 million in additional revenue for FCPS in FY 2025 as FCPS already meets the staffing standard contemplated by the amendment.*

### ***At-Risk Add On and Per Pupil Funding***

- House Item 125 #12h: Provides \$196.3 million GF in FY 2025 and \$188.2 million GF in FY 2026 to partially address JLARC study recommendations 8, 9 and 10. The amendment (i) consolidates SOQ Prevention, Intervention, and Remediation and At-Risk Add-On incentive funding into a single SOQ At-Risk Add-On funding program, (ii) transitions the proxy used to estimate the number of at-risk students from federal free lunch rates to federal Identified Student Percentage rates, using a multiplier of 1.35, (iii) distributes a six percent add on to basic aid funding per at-risk student, and (iv) distributes an additional add on between zero and 42.5 percent to basic aid funding per At-Risk student based on the concentration of At-Risk students in the school division relative to all other school divisions.

*Despite \$196 million statewide in new At-Risk Add-On funding in FY 2025, FCPS would see a decrease of \$4.8 million in revenue in FY 2025, due to methodology changes in the distribution formulas.*

- Senate Item 125 #5s: Provides \$88 million GF and \$25 million Non-General Fund (NGF) from 2024 Lottery proceeds in FY 2025 and \$112.6 million GF in FY 2026 to increase the maximum percentage for the At-Risk Add On from 36 percent to 45.2 percent.

*This would result in \$3.9 million in additional revenue for FCPS in FY 2025.*

- Senate Item 125 #6s: Provides \$67.5 million GF in FY 2025 and \$102.3 million GF in FY 2026 to support additional students placed at-risk. Funding shall be disbursed to support the state share of \$232.47 in FY 2025 and \$353.46 in FY 2026.

*This would result in \$4 million in additional revenue for FCPS in FY 2025.*

## Fairfax County Initial Budget Overview 2.23.2024

### TRANSPORTATION

#### *Washington Metropolitan Area Transit Authority (WMATA)*

- Senate Item 1 #2s: Provides \$550,000 for the associated costs of the joint subcommittee created by **SJ 28** (Ebbin), which requires a study of long-term, sustainable, dedicated funding and cost-containment controls and strategies to ensure WMATA, Virginia Railway Express, and all Northern Virginia transit systems meet the growing needs of public transit in the region.
- Senate Item 433 #1s: Provides a temporary exemption, for FY 2025 and 2026, to the Code of Virginia provision that limits the annual Virginia operating assistance for WMATA to no more than three percent over the prior year's approved budget, provided that the Department of Rail and Public Transportation (DRPT) has determined that WMATA has met certain planning and reporting requirements.
- House Item 433 #1h: Provides a temporary exemption, for FY 2025 and 2026, to the Code of Virginia provision that limits the annual Virginia operating assistance for WMATA to no more than three percent over the prior year's approved budget. Also, provides an additional \$65 million in FY 2025 and \$84.5 million in FY 2026 to address WMATA funding needs. Additionally, requires WMATA to complete a comparison of its total costs and overhead costs against the cost of similar transit systems and submit this comparison to the Joint Subcommittee on Northern Virginia Public Transit.

*Both the House and Senate include language suspending the three percent cap, which ensures that a portion of annual state aid to WMATA will not be withheld. The House budget also provides additional funding to help address WMATA's operational funding needs.*

#### *Transportation Partnership Opportunity Fund (TPOF)*

- House Item 438 #3h/Senate Item 438 #2s: Eliminates the \$20 million transfer from the GF to TPOF, which was proposed in the Governor's budget.
- House Item 438 #4h: Reduces the amount of Commonwealth Transportation Fund (CTF) revenues that can be transferred to TPOF from \$200 million to up to \$90 million, with no more than \$15 million allowed in any individual year. Also, specifies that any proposed direction of TPOF funds in excess of \$20 million for any one project, as well as any cumulative direction of funds pursuant to that subdivision in excess of \$50 million during a biennium, shall be subject to Major Employment and Investment (MEI) Project Commission approval, to be completed within 21 days of submission. Absent a recommendation within 21 days, the funds will be directed as proposed.
- Senate Item 438 #2s: Removes the provision providing for the \$200 million transfer to the TPOF.

*The impact of these amendments is to be determined. The CTF does provide funding for various programs that benefit the County, while the County has not utilized TPOF funds in several years.*

#### *Toll Relief in Hampton Roads*

- Senate Item 441 #1s: Provides \$92 million GF over the biennium for an additional toll relief program for eligible drivers utilizing the Elizabeth River tunnels who earn less than \$50,000 per year and meet certain residency requirements. When combined with an existing toll relief

## Fairfax County Initial Budget Overview 2.23.2024

program, this will provide a 100 percent toll rebate on up to 14 trips per week on the Elizabeth River Tunnels for eligible drivers through 2036.

*No direct impact to transportation in Fairfax County as this funding comes directly from the General Fund; however, here are not similar programs recommended for other toll facilities in the Commonwealth.*

### **AFFORDABLE HOUSING**

- House Item 102 #1h: Provides an additional \$12.5 million GF in FY 2025 and \$25 million GF in FY 2026 for the Virginia Housing Trust Fund. Total funding available is \$87.5 million in FY 2025 and \$100 million in FY 2026.
- House Item 102 #2h: Provides \$5 million from unobligated balances of the Regional Greenhouse Gas Initiative (RGGI) for the Department of Housing and Community Development (DHCD) to launch a new program to assist nonprofits and associations of tenants residing in manufactured home parks to acquire land on which homes reside.
- House Item 102 #4h: Provides \$5 million from unobligated RGGI balances for DHCD to create a new grant program to provide second forgivable mortgages to home buyers.
- House Item 102 #5h: Provides an additional \$700,000 in each year for the Virginia Eviction Reduction Program, which provides funding to local and regional eviction prevention programs through a competitive grant process administered by DHCD.

*Direct impact on County to be determined. Affordable housing is a priority in the County's 2024 Legislative Program, supporting state funding and actions to increase the availability of affordable, accessible, integrated housing and prevent homelessness, including expanded investments in tools and programs to address affordable housing needs, and to strengthen tenant protections against evictions.*

#### ***Specific Population Supports***

- House Item 297 #1h: Provides \$5 million GF in each year to expand permanent supportive housing (PSH) for individuals with serious mental illness (SMI).

*Support for increased funding for PSH is included in the County's 2024 Legislative Program.*

- Senate Item 297 #2s: Provides an additional \$1 million GF each year to support the State Rental Assistance Program which provides rental subsidies to individuals with developmental disabilities.

*Direct impact on County to be determined. Support for affordable housing is in the County's 2024 Legislative Program.*

- Senate Item 102 #1s: Provides \$2.7 million GF each year to Continuum of Care lead agencies to expand their organizational capacities to serve the growing population of Virginians at risk of, or experiencing, homelessness.

*Direct impact on County to be determined. Support for homelessness prevention is included in the County's 2024 Legislative Program.*

# Fairfax County Initial Budget Overview

## 2.23.2024

### HUMAN SERVICES

#### ***Community Service Board (CSB) Performance Measures***

- House Item 295 #6h/Senate Item 295 #6-9s: Adds language requiring the Department of Behavioral Health and Developmental Services (DBHDS) to study and report on a number of different aspects of STEP-VA and CSB performance. This includes assessing documentation requirements to ensure they are not duplicative or in conflict with each other; review for potential revisions to all performance measures in the base performance contract and addendums; reporting average salaries, turnover, and vacancy rates by position type across CSBs; and, working with the Department of Medical Assistance Services (DMAS) to ensure proper Medicaid reimbursement is occurring.

*Overall impact on County to be determined. CSB is already working on much of this, and there are concerns regarding potential increased administrative burdens when collaborating with DBHDS and their system, which is different than local systems, as well as additional reporting requirements (in order for DBHDS to acquire the data for some reviews). Some aspects are helpful, however, particularly given that it is important to understand the full cost of satisfying the unmet need for each of the nine STEP-VA service components.*

#### ***Crisis Services***

- Senate Item 267 #2s: Adds language directing the Secretary of Health and Human Resources to report to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee (“money committees”) and to the Behavioral Health Commission, a plan detailing how funds appropriated in the 2023 and 2024 GA sessions will be spent to expand and modernize the comprehensive crisis services system by December 1, 2024.

*This report could help demonstrate if (and how) the investments in the crisis care continuum have increased crisis care services in the community.*

#### ***STEP-VA***

*Support for full, uninterrupted funding for implementation of STEP-VA is included in the County’s 2024 Legislative Program.*

- House Item 297 #3h: Adds \$4.5 million GF in both FY 2025 and FY 2026. Of this, \$1.2 million each year is provided to increase funding for outpatient mental health and substance use services and \$3.3 million each year is provided to increase funding for six steps of STEP-VA to account for inflation in the cost to implement and deliver services that did not receive funding adjustments in the 2022-2024 biennium budget amendments agreed to in September 2023.

*The \$1.2 million for outpatient mental health and substance use disorder services goes beyond just an inflationary adjustment, which is positive.*

- Senate Item 297 #4s: Provides \$3.3 million GF in both FY 2025 and FY 2026 to account for inflation in the cost to implement and deliver services associated with the six steps of STEP-VA which did not receive funding adjustments in previous budget actions.

## Fairfax County Initial Budget Overview 2.23.2024

*Funding to adjust for increasing costs due to inflation would have a positive impact on addressing high inflation but does not address the total shortfall in state funding for these services.*

### **Youth Behavioral Health**

- House Item 117 #1h: Adds language directing the Virginia Department of Education (VDOE) to work with DBHDS and the DMAS on a plan for creating a new program to deliver flexible mental health funds to school divisions.

*Specific impact on the County is to be determined. While there is no significant impact to CSB, the development of a plan to provide ongoing school-based mental health funding is important.*

- House Item 297 #4h: Provides an additional \$2.4 million GF each year for children's mental health services, and revises language to encourage flexible use of funds to build service capacity focused on the specialized needs of children and youth across the crisis services continuum.

*Further analysis and information about how funding will be allocated is needed to determine full impact to the County. Funding going toward youth crisis services is positive, but it is essential that the allocation is fair to localities based upon population size.*

### **Developmental Disability (DD) Medicaid Waivers**

- House Item 288 #5h: Adds \$3.3 million GF and \$3.4 million NGF in FY 2025 and \$37.9 million GF and \$38.4 million NGF in FY 2026 to phase in the 3,440 Priority One Community Living (CL) and Family and Individual Supports (FIS) DD waiver slots on a quarterly basis over the 2024-2026 biennium and provide a three percent increase in DD waiver services rates each year of the biennium. Of the 172 CL waiver slots each year, 43 slots will be released each quarter, and of the 1,548 FIS waiver slots, 387 will be released each quarter.
- Senate Item 288 #1s: Phases in the 3,440 Priority One DD waiver slots on a quarterly basis. Of the 172 CL waiver slots each year, 43 will be released each quarter, and of the 1,548 FIS waiver slots each year, 387 will be released each quarter.
- Senate 288 #8s: Adds \$17.6 million GF and \$18.2 million NGF in FY 2025 and \$19.9 million GF and \$20.3 million NGF in FY 2026 to increase Medicaid DD waiver rates by 2.1 percent.

*Addressing the Priority One waitlist is a County priority, and support is included in the County's 2024 Legislative Program. The Fairfax-Falls Church CSB's Priority One waiting list includes 1,124 individuals (more than a third of the approximately 3,400 individuals on the waitlist statewide as of November 2023). Modifications to the slot allocation process are helpful as releasing slots quarterly will allow CSB to more slowly roll out allocated waiver slots while building the workforce. Rate increases are positive for providers and help to build provider capacity. Based on the numbers, Fairfax County could anticipate approximately 77 slots per quarter, which is close to the number received per fiscal year currently.*

### **Early Childhood and Child Care**

- House Item 125.10 #1h: Consolidates funding for early childhood programs (Child Care Subsidy Program, Mixed Delivery, Virginia Preschool Initiative (VPI), and Early

## Fairfax County Initial Budget Overview 2.23.2024

Childhood Expansion) in the new Early Childhood Care and Education Fund established pursuant to **HB 419** (Bulova). Restores the 0.5 Local Composite Index (LCI) cap on VPI that was removed in the Governor's budget. Adds funding to support 519 additional slots in FY 2025 and 1,094 slots in FY 2026 for the Child Care Subsidy Program.

- Senate Item 125 #8s: Provides \$42.9 million GF in FY 2025 and \$43.7 million GF in FY 2026 to restore the 0.5 LCI cap for VPI (that was removed in the Governor's budget) and restore VPI expansion funding and the 20 percent nonparticipation rate. Also maintains the unused portion of funds to support activities related to Direct Aid to Public Education.

*Restoring the LCI cap is helpful as removing the cap would have reduced state VPI funding by \$11.6 million in FY 2025 and \$11.7 million in FY 2026, with nearly half of that cut resulting from reduced funding to Fairfax County (\$5.1 million each year). Additional funding and slots for the Child Care Subsidy Program is helpful to maintain access to affordable child care for families currently receiving child care assistance. Additional funds are still needed to serve new families and, if volume continues to increase, additional staffing positions may be needed. Support for increased state resources for early childhood education programs is a County priority and is included in the County's 2024 Legislative Program.*

### WORKFORCE

- House Items 130 #3h: Provides an additional \$7.8 million GF each year for the Workforce Credential Grant Program, for a total of \$30.2 million in FY 2025 and \$31.5 million in FY 2026.

*Support for addressing workforce issues is a County priority and is included in the County's 2024 Legislative Program.*

- Senate Item 296 #4s: Provides \$1 million GF as one-time funding for workforce development and business expansion to grow provider capacity for individuals with disabilities receiving waiver services.

*An investment in the provider workforce is important to help ensure adequate system capacity to handle the anticipated increase in service volume with the expansion of DD waiver slots.*

- House Item 271 #1h: Redirects some funding from the Governor's budget to other initiatives, and expands who can qualify for the Behavioral Loan Repayment Program to and child and adolescent psychiatry fellows and adds academic medical centers as a preferred practice site. Restores the 2-year minimum term of practice.
- Senate Item 295 #3s: Provides \$7.5 million GF each year for paid internships, clinical supervision hours, loan repayment, and scholarships to grow the CSB workforce.
- Senate Item 297 #3s: Provides \$2.5 million GF in both FY 2025 and FY 2026 to help CSBs hire additional staff for crisis stabilization units whose bed capacity is not fully utilized because of a lack of staff.

*The amount of funds coming to Fairfax County will need to be determined, but investments in the behavioral health workforce are critical. This is a positive step by the state to find ways to stabilize the behavioral health care workforce in the future. To support behavioral health staff working at*

## Fairfax County Initial Budget Overview 2.23.2024

*CSBs and other public agencies, language could be added prioritizing access to such funding for those participating in the public behavioral health care system.*

### COMPENSATION/COMPENSATION BOARD

Budget amendments to fund all unfunded positions in the Local Finance Director's offices were not included in either the House or the Senate Budget.

Both the House and the Senate have passed legislation (**HB 1/SB 1**) and included budget amendments for increasing the minimum wage to \$13.50 an hour in FY 2025 and \$15 per hour in FY 2026. Potential budget impacts on County and school employees are to be determined.

- House Item 469 #2h: Provides funding for a three percent salary increase in FY 2025 and FY 2026, effective July 1, 2024, and July 1, 2025, for state-supported local employees. (The Governor had proposed a one percent bonus payment on December 1, 2024, a one percent salary increase on July 1, 2025, and another one percent bonus payment on December 1, 2025.)

*The County would receive approximately \$1.2 million in additional state funding from the Compensation Board in FY 2025 and an additional \$1.3 million in FY 2026.*

- Senate Item 469 #2s: Provides funding for a 2.5 percent salary increase in FY 2025 and FY 2026, effective July 1, 2024, and July 1, 2025, for state-supported local employees.

*The County would receive approximately \$800,000 in additional state funding from the Compensation Board in FY 2025 (effective October 1, 2025), and an additional \$1.1 million in FY 2026 (effective July 1, 2025).*

### AID TO PUBLIC LIBRARIES

- House Items 227 #1h/Senate Item 227 #1s: Provides \$2.5 million GF each year to increase state aid to local public libraries. This funding represents the third installment of a four-year plan to fully fund the state library aid formula by FY 2026.

*Support for increasing state funding to libraries is included in the County's 2024 Legislative Program.*

### JUDICIARY/PUBLIC SAFETY

- Senate Items 31 #3s: Removes \$750,000 GF in FY 2026 that was included in the Governor's budget for specialty dockets, maintaining an increase of \$750,000 in each year. Clarifies that funding will be directed to specialty dockets that currently do not receive state funding and that have demonstrated a high demand for service.



## Fairfax County Initial Budget Overview 2.23.2024

*Fairfax County has received state funding for specialty dockets from the state in the past and, based on the criteria outlined in the amendment, might not qualify for any of this funding in the future. However, it is important to note that the County does have increased needs for the service.*

- Senate Item 64 #1s: Provides \$2.2 million GF in FY 2025 and \$2.4 million GF in FY 2026 to allocate an additional 29 Assistant Commonwealth's Attorney positions and 18 paralegal positions in Commonwealth's Attorneys' offices (CWA) statewide beginning in FY 2025, which will be distributed based on the recently revised staffing standards approved by the Compensation Board.

*It is unclear at this time what the distribution of positions will be throughout the state. The County supported the study (which was partially a result of a County legislative initiative) and supports the provision of state funding for new positions; it is essential, however, that an appropriate amount of the new positions are provided to the Fairfax CWA office.*

- Senate Item 394 #3s: Provides \$2.7 million GF in FY 2025 and \$2.5 million GF in FY 2026 to increase grants for victims' services agencies, including \$2.5 million GF each year for Victim Services Grant Program competitive grants to offset expected declines in federal funding through the Victims of Crime Act (VOCA), and \$200,000 GF in FY 2025 for legal services for victims of human trafficking.

*Direct impact on County to be determined. Additional funding is needed to offset declines in VOCA funding to restore services and support growing demand.*

- Senate Item 396 #1s: Provides \$10 million per year to localities with police departments (HB599 funding) if the locality meets certain criteria for rates of violent crime.

*No local impact as the County would not qualify. While support for restoring "HB599" funding is a County priority, it should be distributed to all localities with local law enforcement through statutory funding formula.*

- Senate Item 417 #1s: Provides \$6.2 million GF the first year to provide body-worn cameras to Virginia State Police officers (estimated to cover 1,200 body-worn cameras.)

*Direct impact on County to be determined, but this would likely create tremendous workload issue for the state as well as CWA.*

### ECONOMIC INITIATIVES

- Senate Item 1 #4s: Provides \$17,192 each year from the general fund for the impact associated with **SB 439**, which establishes the Blockchain and Cryptocurrency Commission in the legislative branch of state government for the purpose of studying and making recommendations related to blockchain technology and cryptocurrency and fostering the appropriate expansion of blockchain technology and the cryptocurrency industry in the Commonwealth.

*Support for state and County partnerships for economic development and diversification efforts is in the County's 2024 Legislative Program.*

## Fairfax County Initial Budget Overview 2.23.2024

- House Item 382 #1h: Provides \$9.0 million the first year and \$10.1 million the second year from NGF pursuant to **HB 698**, which would establish the framework for the establishment of a regulated adult-use recreational cannabis market in the Commonwealth.
- Senate Item 382 #1s/Item 474.2 #1s/Item 474.3 #1s: Transfers the Cannabis Control Authority (CCA) program area to Independent Agencies in the appropriation act to align with its status as an independent authority, as established by § 4.1-601, Code of Virginia. In addition to transferring CCA's base appropriation, adjusts CCA's budget to account for expanded regulatory efforts and provides \$4 million GF the first year for low-interest loans.

*The Board is monitoring **HB 498** and **SB 448** that would set up a retail marijuana and supports strong local government land use and taxing authority being included in any legislation.*

### TAXATION

- House Item 3-5.17 #1h: Restores language removed in **HB 30** as introduced that limits that the amount of Land Preservation Tax Credit that may be claimed by an individual in a taxable year to \$20,000.

*There are concerns regarding the cap being placed on the Land Preservation Tax Credit as this could discourage investment in this important area. Support for the Land Preservation Tax Credit is part of the County's 2-24 Legislative Program.*

- House Item 77 #1h/Senate Item 77 #1s: Provides \$190,000 GF in FY 2025 to the Board of Elections to provide for a referendum at the November 5, 2024, election to approve or reject an amendment to the Constitution of Virginia that would expand the real property tax exemption that is currently available to the surviving spouses of soldiers killed in action to be available to the surviving spouses of soldiers who died in the line of duty with a Line of Duty determination from the U.S. Department of Defense.

*Currently, a locality can choose to do this via local ordinance, which Fairfax County has done (Fairfax County Code 4-10-6 establishes a reduced real estate tax rate of \$0.01 per \$100 of assessed value.) While this would likely not have any local fiscal impact given our current ordinance, the County does not support diminution of current local taxing authority.*

### ENVIROMENT AND SUSTAINABILITY

- House Item 358 #1h: Remove language from the introduced budget that would have eliminated the requirement for 15 percent of mandatory Water Quality Improvement Fund (WQIF) deposits be directed to the WQIF Reserve, if the Reserve exceeded \$100 million. Also, require the deposit to be made unless otherwise specified.
- Senate Item 358 #1s: Remove language from the introduced budget that would have eliminated the requirement for 15 percent of mandatory WQIF deposits be directed to the WQIF Reserve, if the Reserve exceeded \$100 million.
- House Item 359 #11h/Senate Item 359 #1s: Restore the \$1 million per year from taxes on watercraft fuels sales that would be deposited to the WQIF reserve, but was reduced in the introduced budget.

## Fairfax County Initial Budget Overview 2.23.2024

*Support for adequate state funding for WQIF is included in the County's 2024 Legislative Program.*

- House Item 4-5.12 #1h (caboose)/Item 4-5.12 #1h (biennium): Requires participation in RGGI as a condition on all appropriations in the budget.

*The County sent a letter to the Governor urging him to keep Virginia in RGGI, and the County supports efforts to return Virginia to that initiative.*

- House Item 362 #1h: Moves the effective date of the prohibition on use of polystyrene containers from 2028 to 2025 for retail food establishments operating 20 or more locations in the Commonwealth, and from 2030 to 2026 for smaller establishments.
- Senate Item 471 #3s: Provides \$20 million GF in FY 2025 to create and fund the Virginia Clean Energy Innovation Bank to help finance climate initiatives Virginia with low-rate financing issued by the U.S. Department of Energy pursuant to **SB 729**).
- HB Item 363 #5h: Provides \$380,160 each year from the general fund and three positions pursuant to **HB 1085**, which establishes a system of monitoring and reporting on Per- and Polyfluorinated Substances (PFAS) sources within public water systems.
- Senate Item 280 #2s: Provides \$500,000 in FY 2025 for Virginia Department of Health to conduct a cost analysis of implementing pending federal PFAS regulations for Virginia local water systems and to implement pending federal Environmental Protection Agency Copper Rules for water system lead service lines.

*Support for efforts to combat climate change through energy efficiency, conservation, renewable energy, education, and other measures are in the County's 2024 Legislative Program.*

- House Item 88 #1h/Item 96 #2h/Item 360 #1h/Item 367 #1h: Includes a series of amendments providing funding for invasive species management, including \$485,000 per year for Virginia Department Agriculture and Consumer Services; \$940,000 per year for the Department of Forestry; \$250,000 per year for the Department of Conservation and Recreation; and \$775,000 per year for the Department of Wildlife Resources.

*The County supports efforts to combat invasive species.*

- House Item 364 #1h: Provides \$150,000 GF to fund **HB 884** which established a pilot program in Northern Virginia to prohibit cars from having exhaust systems which emit noises in excess of 95 decibels. The \$150,000 from the general fund is provided to purchase equipment to test vehicles if they are cited for being in violation of the prohibition.

*This would fund one of the vehicle exhaust noise bills the Board has discussed.*