

**BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025**

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

General

Source	Amendment	Fairfax County Impact
Compensation/Compensation Board		
Governor Item 469	No changes in compensation. The adopted budget included a 3% salary increase each year for state-supported local employees.	
Governor Item 60	Provides \$1.4 million in FY 2026 for a 9.3% salary increase for sheriffs' dispatchers and dispatcher supervisors effective July 1, 2025.	No impact. Currently, Fairfax County does not have any communications positions compensated through the Compensation Board.
Governor Item 62	No additional funding is included to address staffing standards, or the restoration of prior salary reductions to unfunded or underfunded positions at the Local Director of Finance offices.	
Judiciary/Public Safety		
Governor Item 31	Provides an additional \$3 million to meet sealing legislation requirements passed by the General Assembly (GA).	TBD. Appears that this funding is for Virginia's Supreme Court.
Governor Item 40	Increases Non-General Fund (NGF) appropriation by \$1.3 million in each year for supplemental pay provided by localities for public defenders.	Positive. Fairfax County currently provides salary supplements to 40 positions at the Office of the Public Defender at a cost of \$600,000.
Governor Item 377	Would withhold state funding from any locality implementing sanctuary city-style practices (if the official in charge of the jail does not comply with lawful U.S. Immigration and Customs Enforcement (ICE) detainers and does not provide at least 48-hour pre-release notification to ICE). Funds could also be withheld if the official in charge of the jail, local law enforcement agency, or sheriff's office prohibits or impedes communication or cooperation with ICE pursuant to adoption of a local ordinance, procedure, policy, or custom.	TBD. County staff continue to analyze the potential implications of this proposed language. At a minimum it is important to clarify that the Sheriff, who oversees the County's Adult Detention Center (ADC), is an elected Constitutional officer independent of Fairfax County, so withholding County funds for actions by an elected Constitutional officer could create significant challenges.
Governor Item 396	Does not provide additional funding in FY 2026 for the State Aid to Localities with Police Departments (HB 599) Program. The adopted budget provided the same level of funding in both FY 2025 and FY 2026.	The County's legislative program supports full restoration of HB 599 law enforcement funding.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Governor Item 394	Provides an additional \$6.8 million in FY 2025 for School Resource Officers (SRO) Incentive Grants Fund.	TBD. Could be positive if the County is able to apply for additional SROs as well as funding to assist with training and equipment.
Governor Item 394	Provides \$2.5 million in FY 2025 for public safety communications infrastructure grants to assist localities with purchasing public safety radio and communications infrastructure equipment. Priority shall be given to localities that (i) score both above average or high on the DHCD fiscal stress index and double-distressed according to the Virginia Economic Development Partnership's (VEDP) Commonwealth Opportunity Funds Distress Localities Assessment and (ii) demonstrate the need for such equipment.	TBD. Most likely will have no impact as Fairfax County does not score average or high on the Virginia Department of Housing and Community Development (DHCD) fiscal stress index.
Governor Item 394	Provides \$3.5 million in FY 2026 to reimburse local law enforcement agencies for time spent transporting individuals under Temporary Detention Order (TDO) and Emergency Custody Order (ECO) transportation. Priority is given to Virginia State Police (VSP) Regions II, IV, and VI, and localities whose agencies must travel far distances to transport an individual to a state facility.	TBD. Most likely will have no impact as Fairfax County is within VSP Division VII. The Fairfax County Police Department (FCPD) spends over \$500,000 annually on this function.
Governor Item 394	Provides an additional \$200,000 in each year for the Victim Witness Grant Program.	TBD. Direct impact on County to be determined. Additional funding is needed to offset declines in federal Victims Of Crime Act (VOCA) funding to restore services and support growing demand.
Governor Item 406	Provides \$5 million in FY 2026 to assist localities with purchasing protective equipment for firefighters. Priority shall be given to localities that (i) score both above average or high on the DHCD fiscal stress index and double-distressed according to the Virginia Economic Development Partnership's (VEDP) Commonwealth Opportunity Funds Distress Localities Assessment and (ii) demonstrate the need for such equipment.	TBD. Most likely will have no impact as Fairfax County does not score average or high on the DHCD fiscal stress index. Protective equipment is essential to protect from fire, smoke, hazardous materials, and other dangers encountered by firefighters.
Economic Development/Workforce/Housing		
Governor Item 101	Includes an increase of \$50 million General Funds (GF) in FY 2026, for a total of \$70 million for the Virginia Business Ready Sites Program Fund (grants require recipients to provide matching funds).	TBD.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Governor Item 102	Provides \$25 million in FY 2025 to establish the Disaster Assistance Fund to address life, safety, and housing disaster-related costs not covered by federal assistance, private donations, or insurance.	TBD.
Governor Item 102	Removes the authorization to utilize \$5 million from unobligated balances of the Regional Greenhouse Gas Initiative (RGGI) for DHCD to launch a new program assisting non-profits and associations of tenants residing in manufactured home parks to acquire the land on which such homes reside.	
Governor Item 102	Removes the authorization to utilize \$5 million from the unobligated balances of RGGI for DHCD to create a new grant program providing second forgivable mortgages to home buyers.	
Governor Item 102 E	No additional funding is included for the Virginia Housing Trust Fund. The adopted budget includes \$87.5 million GF each year.	Support for increased funding for the Virginia Housing Trust Fund funding is included in the County's legislative program. This Fund plays an important role in Fairfax County's affordable housing development and preservation activities.
Governor Item 114	Provides \$5 million in FY 2025 for the Virginia Tourism Authority to establish and support the Virginia Sports Incentive Grant Program.	TBD.
Governor Item 130 G.1.	Provides an additional \$3.5 million GF in FY 2026 for the Workforce Credential Grant Program, for a total of \$22.5 million in FY 2025 and \$27.3 million in FY 2026.	Positive. Support for workforce initiatives is included in the County's legislative program.
Natural and Historic Resources		
Governor Item 359	Deposits \$26.3 million in FY 2025 into the Water Quality Improvement Fund (WQIF). Of this amount, \$8.9 million is designated for deposit to the reserve within WQIF. This meets the mandatory deposit requirement in the Constitution associated with the FY 2024 excess GF revenue collections and discretionary year-end GF balances.	Positive. Support for WQIF funding is included in the County's legislative program.
Governor Item 365	No additional funding is included to fund the Stormwater Local Assistance Fund (SLAF).	Support for SLAF funding is included in the County's legislative program.
Governor Item 365	Deposits \$17.4 million of FY 2024 surplus revenues into WQIF to support the Enhanced Nutrient Removal Certainty Program.	Positive.
Tax Changes		

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Governor Item 4-14 Item 255	Proposes a new car tax credit (a refundable income tax credit for taxable years beginning January 1, 2025), funded by \$1.1 billion from the FY 2025 projected surplus. The credit would be available to individuals with federal adjusted gross income under \$50,000, and to married couples filing a joint return with federal adjusted gross income under \$100,000 (capped at \$150 and \$300, respectively, or the amount actually paid in personal property tax on qualifying vehicles, whichever is less). If a locality increases its personal property tax rate on qualifying vehicles by more than 2.5% above the rate it imposed the prior year, taxpayers in that locality would not qualify for the credit. The \$1.1 billion would fund credits for taxable years beginning January 1, 2025, and ending by January 1, 2028. The projected state revenue reduction after that time would be \$360 million annually.	No direct impact on County revenues. However, it will impact overall state revenues, potentially exacerbating state underfunding for core services.
Governor Item 4-14	Proposes the elimination of state income tax on tipped wages (both cash and electronic). The estimated partial year impact in FY 2026 would be a reduction in state revenue of \$35 million, with a projected annual reduction of \$70 million beginning in FY 2027.	No direct impact on County revenues. However, it will impact overall state revenues, potentially exacerbating state underfunding for core services.
Governor Item 4-14	Makes permanent the standard deduction amounts for income taxes (\$8,500 for single individuals and \$17,000 for married persons). The increases enacted in recent years are scheduled to expire on January 1, 2026. Allowing the reductions to go into effect would increase state revenues by \$57 million in FY 2026 and \$1.2 billion in FY 2027.	No direct impact on County revenues.
Governor Item 4-14	Proposes allowing market-based sourcing in the attribution of income for purposes of corporate income taxes for service sector companies operating in multiple states. Businesses would pay the tax where the intangible goods or services are delivered (as is currently done for tangible goods) rather than where the business or majority of employees are located.	TBD.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Public Education

Joint Legislative Audit and Review Commission (JLARC) Study		
Governor	Does not provide additional funding to address the JLARC study recommendations.	The watershed JLARC study released in 2023 highlights the dramatic state underfunding of K-12, providing a critical opportunity to spur a substantial and ongoing increase in state funding for public education. The JLARC report included both short-term and long-term recommendations - it is essential that the state begin implementing the short-term recommendations as quickly as possible (including the full elimination of the cap on funding for support positions).
Compensation – Salary Increases		
Governor Item 125	No changes in compensation. The adopted budget includes funding for the state's share of two 3% salary increases (effective July 1, 2024, for FY 2025, and July 1, 2025, for FY 2026).	For FY 2026, the cost to FCPS to provide a 3% salary increase totals \$91 million. After accounting for the state share of \$18.2 million, the net cost to FCPS is \$72.9 million. FCPS' FY 2026 Fiscal Forecast included funding beyond this amount. While the County supports increased salaries for K-12 staff, it is essential to note that when the state provides such funding, it only pays for approximately 20% of the cost of salary increases to Fairfax County Public School (FCPS) staff, while approximately 80% must be provided with local funding.
Updated Projections		
Governor Item 125	Updates funding provided to local school divisions based on the latest sales tax forecast and school age population estimates. Provides an additional \$44.9 million in FY 2025 and \$41.4 million in FY 2026. Sales tax distributions reduce the state's share of basic aid funding, resulting in a net increase of \$20 million in FY 2025 and \$16.8 million in FY 2026.	This results in a net increase of \$4.2 million in FY 2025 and \$800,000 in FY 2026 compared to the current 2024-2026 biennium budget.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Governor Item 125	Provides an additional \$13.3 million GF in FY 2025 and \$20.5 million GF in FY 2026 in Direct Aid, based on actual fall membership data.	This results in a decrease of \$4.4 million in FY 2025 and a decrease of \$4.8 million FY 2026 compared to the current 2024-2026 biennium budget.
Governor Item 125	Updates cost of the English Learner Teacher Standards of Quality (SOQ) program to reflect updated data for verified English learners, including proficiency level data, providing an additional \$48.8 million in FY 2025 and \$61.9 million in FY 2026.	This results in \$5.7 million in additional revenue for FCPS in FY 2025 and \$6.1 million in FY 2026 compared to the current 2024-2026 biennium budget.
Governor Item 125	Technical updates to non-SOQ programs result in reduced funding of \$13.2 million in FY 2025 and \$3.2 million in FY 2026.	The impact to FCPS is a reduction of \$3.7 million in FY 2025 and \$2.9 million in FY 2026 compared the current 2024-2026 biennium budget. In particular, a change in the Early Reading Intervention Program would result in a decrease of \$2.9 million in FY 2026.
Virginia Opportunity Scholarships		
Governor Item 125	Provides \$50 million GF in FY 2026 to establish the Virginia Opportunity Scholarship Program, to provide grants to qualified students of \$5,000 per academic year for qualified expenses for attending an accredited private school in the Commonwealth (including tuition, fees, textbooks, transportation, uniforms, and other specialized education programs).	Diverts funding from local public schools and toward alternative options.
Other Items of Interest		
Governor Item 124	Provides an additional \$200,000 GF in FY 2026 for school divisions to pay a portion of the vision screening of students in kindergarten, grades two or three, and grades seven and ten.	TBD. The impact to FCPS cannot be determined at this time.
Governor Item 119	Provides \$61 million in FY 2025 and \$5 million in FY 2026 for the Virginia Department of Education (VDOE) to implement a new statewide assessment contract, including funds for one-time transition costs and new ongoing costs.	It appears this funding is only for VDOE and not local school divisions.
Governor Item 123	Provides \$1.9 million GF in FY 2025 and \$3.1 million in FY 2026 to support Virginia's Visualization and Analytics Solution, a data tool used by local school divisions originally implemented with pandemic relief funds.	It appears this funding is only for VDOE and not local school divisions.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Governor Item 120	Provides \$50.3 million GF in FY 2025 and \$1 million in FY 2026 to establish the School Performance and Support Framework Resource Hub, including ongoing funding for regional support specialists in math, literacy, and science, and one-time funding to support infrastructure, technical training, and evidence-based supports needed for schools identified as “Off Track” or “Needs Intensive Support”.	TBD. The impact to FCPS cannot be determined at this time.
Governor Item 125	Provides an additional \$270 million in FY 2025 and \$20 million in FY 2026 NGF for the School Construction Fund.	TBD. As these are grant funds, there may be opportunities to apply and receive funds, depending on program requirements.
Governor Item 125	Provides \$25 million GF in FY 2025 for the College Partnership Laboratory School Fund for the design, launch, and operation of college partnership laboratory schools established by a Historically Black College or University (HBCU) in Virginia.	Though Fairfax County prioritizes racial and social equity through the One Fairfax policy, this proposal potentially diverts funding from local public schools and toward alternative options.

Impact on the FCPS’s FY 2025 and FY 2026 Operating Fund Budget:

Governor’s Introduced Budget:

FCPS’ FY 2026 Fiscal Forecast included \$23.7 million in additional state revenue compared to the FY 2025 Approved Budget. The Governor’s budget includes an increase of \$11.7 million in sales tax and an increase of \$11.5 million in state aid, for a net increase in state revenue of \$23.2 million as compared to the FY 2025 Approved Budget. Compared to the Fiscal Forecast, the Governor’s budget is a decrease of \$600,000 million in FY 2026.

Compared to the FY 2025 Approved Budget the Governor’s introduced budget is an increase of \$2 million for FY 2025.

Not delineated above is the Virginia Preschool Initiative (VPI) cap removal in FY 2026, resulting in a loss of approximately \$5.1 million. See VPI details in Early Childhood section (p. 11).

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Health and Human Services

Source	Amendment	Fairfax County Impact
Behavioral Health		
Governor Items 285.C, 293.C	Adds emergency regulatory language for the Board of Counseling to regulate peer recovery specialist-trainees. Also allows the Department of Medical Assistance Services (DMAS) to reimburse individuals who are not yet certified (but are completing their required supervision) in order to become certified as a peer recovery specialist. Also includes language allowing the State Board of Behavioral Health and Developmental Services to promulgate emergency regulations related to peer recovery specialist-trainees.	Positive. Increases revenue for peer recovery services.
Governor Item 288.UU	Increases graduate medical education supplemental payments for all qualifying psychiatric residencies to \$150,000 annually, effective July 1, 2026.	Positive. Positive impact on psychiatrist education as well as access to care.
Governor Item 288.XX.3	Authorizes coverage for services provided to Medicaid beneficiaries (ages 21-64) during short-term stays (not to exceed 60 days) for acute care in psychiatric hospitals or residential treatment settings that qualify as Institutes of Mental Disease through an 1115 serious mental illness (SMI) waiver. Resources are also provided to support the cost of implementing and overseeing services provided through the SMI waiver. Authority to reappropriate first year balances is also provided should program implementation costs run into 2026.	Positive. Support for state application and approval of an 1115 mental health community waiver is included in the County's Legislative Program. Positive to expand crisis services and reimbursement for community-based crisis stabilization services.
Governor Item 288.LLLLL	Enables children served in psychiatric residential treatment facilities (PRTF) to maintain enrollment in managed care during treatment. The payment for PRTF per diem payments and PRTF required services will be separated from the managed care contract and paid as a fee-for-service benefit. No service eligible for reimbursement through the Children's Services Act (CSA) will be included in managed care.	<p>This policy is an important step to ensure children in PRTF can continue in managed care while receiving appropriate services. Separating PRTF services allows increased flexibility, ensuring essential services are covered. Additionally, excluding services eligible for reimbursement through CSA from managed care will prevent unnecessary overlap/duplication and confusion.</p> <p>However, this will likely require the creation of multiple billing and</p>

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

		reimbursement processes, which could become a substantial administrative burden, potentially leading to inconsistencies in coverage and reimbursement as well as delayed care. This would be a barrier to access, impacting youth in need of services.
Governor Item 288.MMMMM	Requires the payment of medical assistance, separate from the hospital daily rate, for long-acting injectable or extended-release medications administered for SMI in a hospital emergency department or hospital inpatient setting.	Positive. Positive impact, but payment for long-acting injectables and extended-release medication should be unbundled from all treatment settings, not just hospitals.
Governor Item 295.FF	Allows funds provided for school-based mental health services to be used for grants to school divisions (in addition to the current language directing the Department of Behavioral Health and Developmental Services (DBHDS) to contract with Federally Qualified Health Centers (FQHCs) to establish school-based clinics for mental health and primary health care).	Support for additional state funding for youth behavioral health services is included in the County's Legislative Program. This policy provides schools additional flexibility to use funds for school-based mental health services, intended to reduce barriers to mental health and primary care for students.
Governor Item 295.SS	Provides \$1 million GF in FY 2025 to create outreach and educational campaigns related to the impacts of mental health, substance use, and social media on youth and adolescents.	Positive. Support for additional state funding for youth behavioral health services is included in the County's Legislative Program. Positive to increase prevention efforts.
Governor Item 296.E.2	Provides authorization and \$35.2 million in FY 2026 to allow DBHDS to provide funding to private hospitals for special conservators of the peace (potentially relieving law enforcement from maintaining custody during a period of emergency custody or temporary detention).	Positive. Positive impact on law enforcement.
Governor Item 296.L	Amends current language to allow DBHDS to make grants to any certified recovery residence.	Positive. Positive in expanding potential recovery housing.
Governor Item 296.Y	Provides \$1.5 million GF in FY 2026 to sustain two regional pilot hubs through the Medical Society of Virginia for the Adult Psychiatric Access Line.	Positive for improving access to care, allowing primary care providers to obtain expert consultation.
Governor Item 297.LL	Provides \$1.2 million GF in FY 2026 to support two additional local crisis co-response teams in 2026.	While expanding community-based crisis services is positive, Fairfax County received funding for such teams in recent years, so it is likely this funding would be directed to other Community Services Boards

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

		(CSBs) for the establishment of new teams.
Governor Item 297.UU	Provides \$777,000 GF in FY 2026 for 10 youth peer support specialists and associated training costs.	Positive. Positive to expand youth peer services.
Children's Services Act (CSA)		
Governor Item 268.B	Funds the projected revised forecast for CSA services.	Positive.
Governor Item 268.C	Simplifies the current funding model for reimbursement for services provided through the CSA by consolidating the separate base and supplemental allocations into a single pool available to reimburse localities for eligible expenses. This change does not impact local match rates.	Positive. The streamlined process will ease the County's administrative burden.
Governor Item 268.L	Provides that for services provided on or after July 1, 2025, the reimbursement rate to localities for private day educational services shall not increase more than 2.5% over the rates for such services provided the previous year.	TBD. While costs for special education private day services rise annually and cost containment efforts could be helpful, the cap only applies to the state's match on expenditures without limiting local liability. Providers may continue to charge higher rates beyond the 2.5% cap, leaving localities to fund the overage with local dollars.
Early Childhood		
Governor Item 103.U	Provides \$14 million GF in FY 2025 to establish an early learning capital supply-building fund, a competitive grant fund designed to increase the supply of quality early learning spaces in child care and early learning deserts.	TBD. Funding for early childhood programs is a priority in the County's Legislative Program. It is unclear if Fairfax County has been established as a child care desert.
Governor Item 125.10.A	Adds slots in FY 2025 and 2026 for the Child Care Subsidy Program (CCSP), and in FY 2026 for the Mixed Delivery Program, by making changes to CCSP, Mixed Delivery Program, and the VPI.	TBD. While increasing child care slots is positive, some of the changes proposed to fund this increase may increase barriers for families to access these critical programs (such as family copayment rates, job search, attendance requirements).
Governor Item 125.10.B.4	Provides that family copayment rates for FY 2025 shall not exceed those in effect at the beginning of FY 2024. Additionally, family copayment rates for FY 2026 shall be \$5 per month for households whose income is below 100% of the federal poverty level (FPL) and up to 7% of annual income for all	TBD. Families with income below 100% FPL do not currently make copayments, so it will be important to determine if this could affect families accessing services.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

	other households (with no household exceeding 7% of their income).	
Governor Item 125.10.B.5	Provides that parental work and job search requirements for FY 2025 shall not exceed those in effect at the beginning of FY 2024. Additionally, parental work and job search requirements for FY 2026 will include a time limit of 90 days for job search (households would be eligible for one extension for extraordinary circumstances, as defined and tracked by VDOE).	TBD. It is unclear if those unable to find a job within 90 days will lose child care subsidies (if so that could create critical disruptions for families).
Governor Item 125.10.B.6	Limits new CCSP enrollment (as of July 1, 2025) to birth-to-five year old children, unless they qualify as hard-to-serve. VDOE must define "hard-to-serve" by July 1, 2025.	TBD. While serving birth-to-five children is critical, families with school-age children are also in need of child care. Limiting enrollment may pose a risk of school-age children being left unattended or decrease work participation for families no longer being able to access child care.
Governor Item 125.10.I	Establishes a workgroup to review options for school-age children, including a review of all publicly funded out-of-school time learning and extracurricular programs. The workgroup will also make recommendations on whether to resume enrollment of school-age children in CCSP. A report from the workgroup is due September 1, 2025.	The workgroup will need to be monitored to ensure school-age children are able to participate in CCSP or another viable option for families.
Governor Items 125.10.B.7, 125.10.C.4, and 125.10.D.1.d.	Requires VDOE to revise attendance requirements for CCSP, Mixed Delivery Initiative, and VPI to ensure participating children fully benefit as well as maximizing of available resources.	TBD. While tracking attendance is positive to ensure participation, it is unclear how the requirements will be revised, and whether those changes could create barriers for families accessing the programs.
Governor Item 125.10.D.1.e.iii	Removes the cap on the composite index of local ability-to-pay (LCI) for VPI starting in FY 2026. The cap is currently set at 0.5 for the purpose of determining the state and local shares of funding for VPI.	Negative. Removing the LCI cap for VPI would increase the local share of funding for localities with LCIs above 0.5 (like Fairfax County), potentially affecting the County's ability to continue to serve children currently in the program as well as expand the program to serve more children.
Governor Item 297.H	Provides approximately \$1.5 million GF in FY 2026 to account for an anticipated 5% increase in caseload and costs for Part C early intervention services from 2025 to 2026.	TBD. Positive to increase funding for Part C; however, overall more state funding for this program is essential for serving additional children.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Health Departments		
Governor Item 275	Provides \$1 million GF in FY 2026 for the Division of Disease Prevention to continue sexually transmitted infection (STI) prevention efforts, resulting from an unanticipated loss of grant funding.	TBD. The Virginia Department of Health (VDH) is losing federal Centers for Disease Control and Prevention (CDC) grant STI funding, which supports two County Health Department positions through May 2025. It is critical that the state use this funding to ensure the County positions are maintained.
Governor Item 278.J	Provides an additional \$1 million GF in FY 2026 for community health workers and doulas at local health districts, prioritizing those serving localities with the highest rates of maternal mortality.	No County budget impact, as Fairfax County has among the lowest rates of maternal mortality in the Commonwealth.
Governor Item 280.H	Provides approximately \$1.8 million GF in FY 2026 to ensure compliance with the Safe Drinking Water Act, National Primary Drinking Water Regulations, Virginia Public Water Supplies Law, Virginia Waterworks Regulations, and to support Office of Drinking Water programs. Requires the Office of Drinking Water to report to the House Appropriations and Senate Finance and Appropriations Committees by October 1, 2025.	Additional funding to support drinking water protection is positive for County residents; however, funding levels are significantly lower than those required to meet the actual need. For example, the Fairfax Water Authority's initial capital cost to address PFAS treatment is \$300 million.
Department of Medical Assistance Services (DMAS)		
Governor	Provides \$715,000 GF and approximately \$2 million NGF in FY 2025 for eligibility and enrollment systems changes as part of implementing new federal rules. Final rules recently issued by the Centers for Medicare and Medicaid Services make a number of changes to the Commonwealth's application, eligibility determination, enrollment, and renewal processes. This funding is necessary to comply with these federal requirements.	Positive. Will streamline process to comply with new federal rules, ensuring clients receive appropriate determination. Also, will ease administrative burden for both customers and staff in implementing new federal rules.
Governor Item 288.AAAA	Clarifies that current Appropriation Act language prohibiting cost sharing in Medicaid applies to co-insurance and deductibles.	Positive. Removing these financial barriers will improve access to healthcare services for enrollees, particularly those in vulnerable populations by eliminating all cost sharing requirements; enhancing overall health equity within the community.
Governor Item 288.GGGG.2	Authorizes the provision of covered services, including screenings, diagnostic services, and targeted case management, in the 30 days pre-	Positive. Expands covered care for eligible youth.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

	release and immediately post-release to eligible incarcerated youth and young adults in accordance with Section 5121 of the federal Consolidated Appropriations Act of 2023.	
Governor Item 288.HHHHH	Provides authority for DMAS to change the reimbursement methodology for adult day health care from a daily rate to an hourly rate (reimbursement rate adjustments must be budget neutral for the state.)	Negative. While this may be budget neutral for DMAS, it will create an increased administrative burden for the County. It will also require more administrative staff time to bill hourly while yielding the same amount of revenue.
Governor Item 288.KKKKK	Directs DMAS to require that liable third-party payers are barred from refusing payment for an item or service solely because it did not receive prior authorization under the third-party payer's rules.	Positive. Rules aim to ensure patients and providers are not penalized for administrative oversights (and that these oversights do not result in the denial of claims for services delivered), reducing barriers to care and ensuring providers receive timely payment for services.
Governor Item 288.NNNNN	Ensures sufficient GF appropriations in future budgets by creating a funding reserve mechanism for the Medicaid program (to account for projected but unbudgeted costs of new initiatives). Provides approximately \$973,000 GF in FY 2026.	Positive. No direct County budget impact; however, state funding reserves for projected new Medicaid initiatives may ease administrative burden of implementation at the local level (system enhancements, form revision, etc.).
Medicaid Waivers		
Governor	Provides \$150,000 GF and \$850,000 NGF in FY 2025 and \$239,000 GF and \$239,000 NGF and four positions in FY 2026 to ensure the department can comply with state and federal developmental disability (DD) waiver requirements associated with contract monitoring, quality reviews and rules changes. Authority to reappropriate first year balances is also provided should implementation costs extend into 2026.	While funding to ensure DBHDS is in compliance is important, increased funding is also needed for support coordination and provider services.
Governor	Provides approximately \$212,000 GF and \$212,000 NGF in FY 2025 and \$956,000 GF and \$1.5 million NGF and 12 positions in FY 2026 for the administrative costs of services provided to individuals on DD waivers, including supports intensity scale evaluations and service authorization staff.	TBD. More timely Supports Intensity Scale (SIS) evaluations and service authorizations could be positive.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Department of Social Services		
Governor	Provides \$440,000 NGF in FY 2026 to expand the Temporary Assistance for Needy Families (TANF) Full Employment Program to agencies and community organizations that offer volunteer work with the goal of improving employability.	TBD.
Governor Item 326.J	Provides approximately \$7.3 million GF and \$6.5 million NGF in FY 2026 to supplement existing support for employment and income verification services. In addition, the Virginia Department of Social Services (VDSS) is required to investigate alternatives to its current employment and income verification services contract that may offer more affordable contract opportunities.	Positive. No direct County budget impact; however, additional support for income and employment verifications services may ease administrative burdens on County and customers, potentially expediting the eligibility determination process.
Governor Item 328.A	Effective January 1, 2025, increases auxiliary grant rate from \$2,079 to \$2,103.	Positive to increase auxiliary grant rate, but it is still wholly insufficient to cover the actual cost of care/housing in an assisted living facility.
Governor Item 329	Adjusts funding for the cost of providing foster care and adoption subsidy payments based on recent expenditure trends and the impact of child welfare policy changes (reduces funding by approximately \$14.3 million GF and \$9.8 million NGF in FY 2025 and \$13 million GF and \$9.2 million NGF in FY 2026).	TBD. Impact of funding reduction to both the County and state is of concern. Fairfax County currently has 249 children in foster care, which is significantly more (approximately 50) than the average in previous fiscal years.
Governor	Provides approximately \$1.5 million GF and \$1.4 million NGF in FY 2026 to raise the maximum payments for foster care families and adoption assistance by 3%. Appropriation Act language requires rate increases in the year following a salary increase provided to state employees.	Positive. Virginia's payments for foster care and adoptive families are typically some of the lowest of all states.
Governor	Provides approximately \$7.5 million and five positions in FY 2026 to implement recommendations from the Office of the State Inspector General to improve child protective services.	Positive. Will fund positions for the state hotline, which currently has long wait times. Though Fairfax County has its own hotline, it uses the state's after hours to collect information (not for screening purposes).
Governor Item 329.M	Provides \$500,000 GF in FY 2025 to enhance the existing interactive voice response system used by the state child protective services hotline.	Positive to enhance the system.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Governor Item 334.H	Provides \$805,000 GF and \$805,000 NGF in FY 2026 for enhanced electronic identity validation services, which utilize a digital platform to verify applicant identities online. Through this effort, the agency aims to decrease improperly provided benefits and services.	TBD. More information is needed on the intended use of the new identity validation platform. If solely used as an additional method to verify identity, it could have a positive impact to customers, easing their administrative burden and potentially expediting eligibility determinations. However, if required as a secondary level of identity verification, this could have a negative impact by requiring an additional step in the process.
Other Items of Interest		
Governor Item 267.F	Provides \$100,000 GF in FY 2025 to develop a plan to enhance the collegiate experience for individuals with DD.	Positive impact for individuals with DD.
Governor Item 267.G	Provides \$500,000 GF in FY 2025 for a media campaign to raise awareness of potentially life-threatening warning signs during and after a woman's pregnancy.	No County budget impact. The County could choose to participate in the campaign once it is developed.
Governor Item 277.H	Provides \$2.5 million GF in FY 2026 to support a perinatal health hub pilot program in Virginia to reduce maternal and infant mortality. VDH will provide two-year grant awards for community-based providers.	No County budget impact. Community-based providers could benefit if awarded funds.
Governor Item 270.F	Directs the Department for the Deaf and Hard-of-Hearing (DDHH) to report on the anticipated statewide transition to Real-Time Text (RTT) and associated forms of digital telecommunication technology as related to relay services.	TBD. Could allow more accurate and timely communication experiences for people with disabilities.
Governor Item 277.I	Provides \$100,000 in FY 2026 in Commonwealth Opioid Abatement and Remediation funding for one-time costs associated with the development of the Opioid Impact Reduction Registry.	TDB. Positive to measure outcomes, but unclear what data localities would need to collect/report for the registry.
Governor Item 4-5.04.1	Prevents expenditures from GF or NGF sources to be used for providing abortion services, except as otherwise required by federal law.	No County budget impact. However, the proposal could create inequities by limiting reproductive health care access to those who have insurance coverage or can afford services out-of-pocket.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Transportation

REGIONAL PROGRAMS		
Northern Virginia Transportation Authority (NVTA) Funding		
Governor Item 446	Includes approximately \$865.9 million for distribution of NVTA fund revenues over the biennium, an increase of approximately \$18.6 million.	<p>The amount received by the County is dependent on actual collections from revenue sources. Through its Six Year Program, NVTA allocates 70% (approximately \$606.1 million from FY 2024 to FY 2026) to regional projects, which has already been approved through adoption of NVTA's FY 2020-2025 and FY 2022-2027 Six Year Programs.</p> <p>Fairfax County should receive approximately \$116 million over the biennium to allocate for local projects approved by the Board of Supervisors (30% funding returned to localities), minus the respective shares provided to the Towns of Vienna and Herndon. Each year, approximately \$14 million of this "30% funding" will likely be transferred to the Commonwealth's Washington Metropolitan Area Transit Authority (WMATA) Capital Fund for the County's share of local funding for State of Good Repair, as required by HB 1539/SB 856 (2018).</p>
Regional Gas Tax		
Governor Item 430	Provides approximately \$207.4 million over the 2024-2026 biennium for regional gas taxes (for the Northern Virginia Transportation Commission (NVTC), the Potomac and Rappahannock Transportation Commission (PRTC), and other regional gas taxes). Estimates approximately \$101.6 million for NVTC over the FY 2024-2026 biennium (no change), and an additional \$22.2 million annually that is transferred to the WMATA Capital Fund per HB 1539/SB 856 (2018). Also, \$15 million of NVTC and PRTC revenues are transferred annually to the Commuter Rail Operating and Capital Fund.	The amount received by NVTC and the County is dependent on actual collections from the revenue sources.

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

Washington Metropolitan Area Transit Authority (WMATA) Funding		
Governor Item 433	Retains language temporarily suspending, for FY 2025 and FY 2026, provisions in the Code of Virginia limiting the state's annual operating assistance for WMATA to no more than 3% over the prior year's approved budget. It also provides an additional \$133.57 million, total, in FY 2025 and FY 2026 to address WMATA's funding needs (\$11.13 million decrease from the adopted budget). Additionally, retains language requiring WMATA to complete a comparison of its total costs and overhead costs to those of similar transit systems, submitting this comparison to the Joint Subcommittee on Northern Virginia Public Transit.	Provides funding to help address WMATA's operational funding needs, as well as language suspending the 3% cap, to ensure that a portion of annual state aid to WMATA will not be withheld. The Youngkin Administration has indicated the reduction in additional funding support is due to updated subsidy figures.
STATEWIDE PROGRAMS		
Department of Rail and Public Transportation (DRPT)		
Governor Item 433	<p>Provides approximately \$1.5 billion for Public Transportation Programs (no change except for the \$11.13 million reduction for additional WMATA assistance), including:</p> <ul style="list-style-type: none"> • Approximately \$226.1 million for Operating Assistance; • Approximately \$156.9 million for Capital Assistance; • Approximately \$429.1 million for WMATA operating and capital costs; • Approximately \$55.4 million for the Transit Ridership Incentive Program (TRIP); • Approximately \$32.3 million for Virginia Railway Express (VRE) Assistance; • Approximately \$23.1 million for Special Programs; • \$4 million for federally mandated state safety oversight of fixed rail guideway transit agencies, i.e. the Metrorail Safety Commission (MSC); and, • \$100 million as the state match for the federal Passenger Rail Investment and Improvement Act (PRIIA). <p>Includes approximately \$318.8 million for the WMATA Capital Fund, which is comprised of</p>	<p>Statewide Operating and Capital funding is subject to the transit prioritization process required by legislation passed in the 2018 GA, entitled MERIT, and programs created in HB 1414/SB 890 (2020), so the impact to Fairfax Connector is unclear.</p> <p>TRIP funding is allocated through a separate application process.</p> <p>Per HB 1496/SB 1079 (2023), VRE now receives up to 3.5% of the Commonwealth Mass Transit Fund for operations and capital (similar to WMATA's set-aside), rather than receiving funding through the MERIT process.</p>

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

	state funding and the local and regional funding redirected as part of HB 1539/SB 856 (2018) (no change).	
Virginia Passenger Rail Authority/Rail Programs		
Governor Item 431	Includes approximately \$687.1 million for passenger rail development and operation programs (no change).	TBD. Will help fund rail projects, including those located in Northern Virginia (such as improvements in the I-95 Corridor).
Virginia Department of Transportation (VDOT)		
<u>Environmental Monitoring and Evaluation</u>		
Governor Item 436	Includes approximately \$55.3 million for Environmental Monitoring and Evaluation (approximately \$1.1 million increase). This includes approximately \$33.3 million for Environmental Monitoring and Compliance for Highway Projects (approximately \$9.1 million increase) and \$12.7 million for Municipal Separate Storm Sewer System (MS4) Compliance Activities (approximately \$8.6 million decrease).	TBD.
<u>Highway Construction</u>		
Governor Item 438	<p>Provides approximately \$7.2 billion for Highway Construction Programs, an approximately \$431 million decrease due to updated revenue projections, and the adjustment of appropriation amounts to conform to the final program amounts in the 2024-2026 Transportation Six-Year Financial Plan, as approved by the CTB in June 2024. This includes:</p> <ul style="list-style-type: none"> • Approximately \$198.6 million for the Virginia Highway Safety Improvement Program (approximately \$57.9 million decrease); • Approximately \$785.3 million for the Interstate Operations and Enhancement Program (approximately \$124.8 million decrease); • Approximately \$684 million for State of Good Repair (approximately \$156 million decrease); • Approximately \$442.1 million for the High Priority Projects Program (approximately \$156 million decrease); • Approximately \$716.1 million for the Construction District Grant Program 	<p>Many of these funds are subject to Smart Scale or other prioritization processes, so the impact to Fairfax County is unclear.</p> <p>The decrease in CMAQ should decrease the amount of funding from this program that is provided to Northern Virginia.</p> <p>The increases in RSTP and Transportation Alternative funds could benefit the County and region.</p> <p>The County has not utilized TPOF funds in several years, so the impact of the TPOF language has not been determined.</p> <p>The provision providing additional funds to I-81 improvements could impact funding to other programs that affect Fairfax County (it should be noted that other regions of the state (Northern Virginia and Hampton</p>

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

	<p>(approximately \$149.1 million decrease), which includes approximately \$243.8 million from the regional fuel tax collected in transportation districts that do not have a regional authority;</p> <ul style="list-style-type: none"> • Approximately \$3.99 billion for Specialized State and Federal Programs (approximately \$203 million increase); and, • \$214 million for Legacy Construction Formula Programs (no change). <p>Of the Specialized State and Federal Programs:</p> <ul style="list-style-type: none"> • Approximately \$261.2 million for the federal Regional Surface Transportation Program (RSTP) (approximately \$15.7 million decrease); • Approximately \$75 million in federal funds for a new federal resiliency program (approximately \$3.6 million decrease); • Approximately \$160.4 million for the federal Congestion Mitigation and Air Quality Program (CMAQ) (approximately \$7.4 million decrease); • \$200 million for Revenue Sharing (no change); • Approximately \$64.7 million for the Surface Transportation Block Grant Program Set-Aside (approximately \$60,000 increase); and, • Approximately \$65.9 million federal and state matching funds for the federal Carbon Reduction Program (approximately \$3.2 million decrease). <p>Included in the amounts for Specialized State and Federal Programs:</p> <ul style="list-style-type: none"> • Approximately \$1.58 billion represents estimated project participation costs from localities and regional entities; and, • Reappropriation of approximately \$773 million in bond proceeds from various bond programs. tfc 	<p>Roads) have received GF transfers for transportation projects).</p>
--	--	--

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

	<p>Retains language limiting the amount of Commonwealth Transportation Fund (CTF) revenues that can be transferred to the Transportation Partnership Opportunity Fund (TPOF) to up to \$90 million, with no more than \$15 million in any individual year.</p> <p>Also retains language specifying that proposed direction of TPOF funds in excess of \$20 million for any one project, and cumulative direction of funds in excess of \$50 million in a biennium, shall be subject to approval by the Major Employment and Investment (MEI) Project Approval Commission. The Commission has 21 days to review submissions – if a negative recommendation is made, or if no recommendation is made, the funding will proceed.</p> <p>As specified in the biennium budget adopted May 2024, provides an additional \$175 million GF (for a total of \$245 million) for the advancement of projects in the I-81 Corridor Improvement program.</p>	
<u>Highway Maintenance</u>		
Governor Items 439; C-33	<p>Provides approximately \$5.3 billion for Highway System Maintenance and Operations (approximately \$543.7 million increase). This includes:</p> <ul style="list-style-type: none"> • Approximately \$1.2 billion for interstates (approximately \$211.8 million increase); • Approximately \$1.5 billion for primaries (approximately \$202.1 million decrease); • Approximately \$1.56 billion for secondaries (approximately \$91.8 million increase); and, • Approximately \$801 million for Transportation Operations Services (approximately \$45.7 million increase). <p>Capital Budget provides \$15.5 million from the CTF to add to the existing maintenance reserve.</p>	Using historical estimates, approximately \$70 million more may be available for maintenance and operations within Northern Virginia.
<u>Special Structures</u>		
Governor Item 440	Provides \$177.6 million for this program (approximately \$5.9 million increase).	TBD

BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM
DURING THE 2025 GENERAL ASSEMBLY SESSION
as of January 17, 2025

<u>Toll Facilities</u>		
<i>Governor</i> Item 441	<p>Provides approximately \$335.4 million for toll facilities (approximately \$38.7 million increase), including approximately \$120.2 million for Maintenance and Operations (approximately \$92.9 million decrease); and approximately \$215.2 million for the Revolving Fund (\$131.7 million decrease).</p> <p>Included is \$101 million GF over the biennium to provide additional toll relief through 2036 to eligible drivers of the Elizabeth River Crossings (in Hampton Roads) who earn less than \$50,000 per year. Amends the language to clarify driver eligibility and expand use of funds.</p> <p>Eliminates the collection of tolls for use of the George P. Coleman Bridge and eliminates the requirement to reimburse the Toll Facility Revolving Account if sufficient funds are not available.</p>	<p>TBD.</p> <p>Though toll relief for Elizabeth River Crossings does not directly impact Fairfax County, similar relief is not provided to Northern Virginia drivers who pay substantially higher tolls (when combined with the existing toll relief program for Elizabeth River Crossings, this proposal would provide a 100% toll rebate on up to 14 trips per week for eligible drivers through 2036).</p>
Virginia Port Authority		
<i>Governor</i> Item 449	Provides \$33.9 million for Economic Development Services (no change), with \$16 million provided from the CTF.	The CTF has not historically provided funding for this purpose.
Department of Motor Vehicles		
<i>Governor</i> Items 426; C-34	<p>Authorizes the Department of Motor Vehicles (DMV) to charge a 1.5% convenience fee for credit card transactions \$10,000 and above. DMV would still be prohibited from charging customers for the use of credit cards for internet or other transactions under \$10,000.</p> <p>Provides \$25 million from the CTF to support modernizing the DMVs mainframe system and \$16 million for the next phase of the previously approved project to renovate the DMV headquarters.</p>	TBD