BUDGET PROPOSALS FOR THE 2024-2026 BIENNIUM DURING THE 2025 GENERAL ASSEMBLY SESSION

as of February 14, 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.	
House Item 469 #1h	Maintains the 3% salary increase from the adopted budget. In addition, provides $14 million General Fund (GF) in FY 2025 to fund a 1% one-time bonus for state supported local employees, effective December 1, 2025. The bonus funding is contingent on the local governing body using the funding to support the provision of bonuses.	The County would receive approximately $500,000 in additional state funding from the Compensation Board in FY 2026 to provide a 1% bonus to Constitutional officers and state-supported local employees.
Senate Item 469 #1s	Maintains the 3% salary increase from the adopted budget. In addition, provides up to $21.1 million GF in FY 2025 to fund a 1.5% one-time bonus for state supported local employees, effective July 1, 2025. The bonus funding is contingent on the local governing body using the funding to support the provision of bonuses.	The County would receive approximately $700,000 in additional state funding from the Compensation Board in FY 2026 to provide a 1.5% bonus to Constitutional officers and state-supported local employees. However, the County will have to fund the full bonuses for the other employees in the offices that are not currently funded by the Compensation Board.
House Item 469 #2h	Makes a $100 million lump sum payment to the Virginia Retirement System (VRS) in FY 2025 to reduce the unfunded liability in the state employee retiree health credit program.	**No impact.**
Senate Item 470 #1s	Earmarks $500 million from FY 2025 excess revenues, after any Constitutionally mandated deposit to the Revenue Stabilization Fund (known as the Rainy Day Fund) - $250 million would be reserved for the unfunded liabilities of retirement plans administered by the VRS and $250 million would be reserved for other post-employment benefit plans administered by VRS.	**Positive.** Fairfax County Public School employees are part of VRS and additional state funding to pay for other post-employment benefit plans could mean the local cost will be lower.
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.
House Item 60	No change from the Governor's budget.	

Senate Item 60 #1s	Removes the $1.4 million in FY 2026 included in the Governor's budget for sheriffs' dispatchers and dispatcher supervisors' salaries.	
Senate Item 61 #1s	Directs the Compensation Board to survey local and regional jails to identify the staffing and space impacts of making inmates available to appear in virtual court hearings, submitting a report by June 30, 2026.	**Study.** The Fairfax County Adult Detention Center (ADC) has one virtual courtroom for adults. Depending on the results of this study, there might be a need for enhancements, potentially increasing local costs.
Senate Item 67 #1s	Directs the Compensation Board to recommend options to support analysis of salary increases for employees in Constitutional offices, based on factors such as market rates and costs, workloads, and parity amongst employees in Constitutional offices.	**Study**. Support for increased funding for the court system and Constitutional officers' is included in the County's 2025 legislative program. The County currently supplements salaries based on a percentage – increased state funding for competitive salaries could reduce some of the County's funding responsibility for these state positions.
Governor/House/ Senate 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).	Appears that this funding is for the Virginia Supreme Court. Improvements to the state system may aid in local implementation.
House Item 31	No change from the Governor's budget.	
Senate Item 31 #2s	Reduces by $1 million GF in FY 2026 the proposed increase for technology expenses at the Supreme Court, bringing the total increase to $2 million annually.	Improvements to the state system may aid in local implementation.
Senate Item 31 #3s	Provides $600,000 GF in FY 2025 for the fiscal impact of **SB 1466** (Surovell), related to criminal record sealing. Funding covers system updates, including those necessary for new data collection.	Improvements to the state system may aid in local implementation. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation

House Item 28 #1h	Provides $600,000 GF in FY 2026 to the Virginia Supreme Court for costs associated with **HB 2723** (Herring).	Improvements to the state system may aid in local implementation. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
House Item 33 #2h	Removes $100,000 GF in FY 2026 to revert balances in the Sealing Fee Fund in accordance with the provisions of **HB 2723** (Herring).	Improvements to the state system can aid local implementation. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
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. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
House/Senate Item 40 #1h, #1s	Provides $100,000 GF and one position in FY 2026 to the Indigent Defense Commission for costs associated with **HB 2723** (Herring)/**SB 1466** (Surovell), related to expungement and sealing of records.	Improvements to the state system can aid local implementation. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
House Item 33 #4h	Provides $2.5 million GF in FY 2026 for deposit to the Criminal Fund to support the cost of court-appointed attorneys for the implementation of **HB 2723** (Herring).	Improvements to the state system can aid local implementation. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
House Item 64 #1h	Provides $5.8 million in FY 2026 to fund 120 paralegal positions for Commonwealth's Attorneys' offices; allows the Compensation Board to use the funding for assistant attorney positions and requires distribution of positions in accordance with staffing standards to assist with anticipated workload increases associated with the implementation of **HB 2723** (Herring).	**Positive.** TBD how many positions will be allocated to Fairfax County. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation

Senate Item 64 #1s	Provides $1.6 million in FY 2026 for 68 additional Assistant Commonwealth's Attorney positions, effective March 1, 2026 (intended to align with the effective date of **SB 1466** (Surovell)). Language stipulates that localities may not utilize such funding to supplement, nor supplant, local funds provided for salaries of Commonwealth's Attorneys and their employees.	**Positive.** TBD how many positions will be allocated to Fairfax County. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
House Item 65 #1h	Provides $5.5 million in FY 2026 for 120 Deputy Clerk IV positions; directs the Compensation Board to distribute one position to each Circuit Court Clerk office to assist with anticipated workload increases associated with **HB 2723** (Herring).	**Positive.** Exact impact TBD. It is important to note that there will be a fiscal impact to Fairfax County, as the County supplements State Clerk salaries. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
Senate Item 65 #1s	Provides $1.5 million in FY 2026 to support an additional 120 Deputy Clerk IV positions, effective March 1, 2026 (intended to align with the effective date of **SB 1466** (Surovell)). Language requires localities to use the funds to supplement, and not supplant, local funding.	**Positive.** Exact impact TBD. It is important to note that there will be a fiscal impact to Fairfax County, as the County supplements State Clerk salaries. The County supports **HB 2723** (Herring)/**SB 1466** (Surovell) to improve implementation including state funding for local implementation
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 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.
House/Senate Item 377 #1h, #1s	Removes language included in the Governor's budget that withholds payments for certain local law enforcement agencies for noncompliance with new requirements related to immigration enforcement.	**Positive.** Specifically, the language that is removed would have withheld Compensation Board jail per diem payments and Aid to Localities with Police Departments (HB 599) funding for noncompliance.

Governor/House/ Senate Item 396	Does not provide additional HB 599 funding in FY 2026. 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.
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.
House/Senate Item 394 #1h, #4s	Removes the increase of $6.8 million GF in FY 2025 for SRO Incentive Grants Fund, in light of significant cash balances currently in the Fund.	
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 Department of Housing and Community Development (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.
House/Senate Item 394 #2h, #2s	Removes the $2.5 million in FY 2025 for communications infrastructure grants to localities.	
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.
House Item 394 #3h	Reduces funding by $1.5 million for reimbursements to local law enforcement agencies for time spent transporting individuals subject to an ECO or TDO, as proposed in the Governor's budget (leaving $2 million for this purpose). Does not remove language in the Governor's budget directing the prioritization of funds for law enforcement agencies within certain VSP regions.	**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.
Senate Item 394 #1s	Moves the $3.5 million from FY 2026 to FY 2025 for reimbursement to local law enforcement agencies for time spent transporting individuals under TDOs and ECOs. Removes language in the	**Positive.**

	Governor's budget directing the prioritization of funds for law enforcement agencies within certain VSP regions.	
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.
House Item 394 #4h	Eliminates the additional $200,000 in each year proposed in the Governor's budget for the Victim Witness Grant Program.	
Senate Item 394 #5s, #8s	Eliminates the additional $200,000 each year proposed in the Governor's budget for the Victim Witness Grant Program. Provides an additional $1 million in FY 2026 for the Victim Witness Grant Program.	**TBD.**
House Item 394 #5h	Provides $4.1 million in FY 2026 for local sexual assault and domestic violence agencies to offset reductions in support received through federal VOCA funding.	**Positive.** Proposes to offset reductions in support received through VOCA funding. The County had to fund an additional $959,199 in costs in FY 2025 resulting from these reductions**.**
Senate Item 394 #7s	Provides $1 million in FY 2026 for local sexual assault and domestic violence agencies.	**Positive.**
Senate Item 394 #10s	Provides $3 million GF in FY 2025 in one-time funding for a grant program to assist state and local law enforcement and other first responders with replacing unmanned aircraft systems (drones) to comply with federal requirements.	**TBD.** Fairfax County's fleet includes 36 drones, 29 of which will need to be replaced to comply with the new federal requirements.
Governor Item 406	Provides $5 million in FY 2026 to assist localities with purchasing protective equipment for firefighters. Priority is given to localities that (i) score both above average or high on the DHCD fiscal stress index and double-distressed according to the 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.
House	No change from the Governor's budget.	**TBD.**
Senate Item 406 #1s	Moves $5 million GF from FY 2026 to FY 2025 for firefighter non-vehicular equipment. Requirements for the prioritization of funds remain the same as the Governor's budget.	**TBD.**

Senate Item 4-14 #6s	Amends the Code of Virginia to increase maximum duration after the date of diagnosis from 52 weeks to 104 weeks for workers' compensation benefits payable for anxiety disorder, depressive disorder, and post-traumatic stress disorder incurred by law-enforcement officers and firefighters acting in the line of duty.	
Economic Development/Workforce/Housing		
Governor Item 101	Includes an increase of $50 million 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.**
House Item 101 #3h	Moves $20 million in support for the Virginia Business Ready Sites Program Fund from FY 2026 to FY 2025 (leaving total funding of $90 million over the biennium). Includes language barring further transfers from the second year of the biennium to the first year.	**TBD.**
Senate Item 101 #4s	Provides an additional $20 million GF in FY 2025 and reduces the appropriation by $50 million GF in FY 2026 for the Business Ready Sites Grant Program, leaving total funding of $60 million over the biennium.	**TBD.**
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.**
House Item 102 #12h	Redirects the $25 million GF proposed in the Governor's budget for a Disaster Assistance Fund to a Hurricane Helene relief program to be administered by the DHCD (this program would assist residents who lost homes or sustained residential property damage.)	**TBD.**
Senate Item 102 #7s	Eliminates $25 million GF in FY 2025 provided in the Governor's budget to establish the Disaster Assistance Fund.	**TBD.**
Senate Item 102 #3s	Provides $50 million GF in FY 2025 to assist victims of Hurricane Helene that suffered major residential damage and to improve the likelihood that housing stock is better able to withstand hazards in communities affected by flood disasters.	**TBD.**
Senate Item 102 #5s	Provides $15 million GF in FY 2025 to establish and fund a family rental assistance pilot program to provide rental assistance to households with	**TBD.**

	children under age 16 whose income does not exceed 50% of the area median income for the locality.	
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.	
House Item 102 #5h	Restores the pilot program for assistance to tenants and nonprofits to acquire manufactured home parks that was included in the adopted budget and proposed to be eliminated in the Governor's budget (this program is funded through Regional Greenhouse Gas Initiative balances).	This proposal provides specific funding to preserve mobile home communities and to support ownership by the residents of the communities. Support manufactured housing parks is included in the County's legislative program.
House Item 102 #2h	Directs DHCD to provide recommendations to help long-term, low-income homeowners continue to keep their properties in areas where property liabilities have increased substantially overtime.	**TBD.**
House Item 102 #3h	Provides $15 million in FY 2026 for grants to first-time homebuyers.	**TBD.**
House Item 102 #6h	Provides $1.5 million in FY 2026 to fund legislation that would provide grants for localities that adopt certain zoning policies to allow for additional housing development.	**TBD.**
House Item 102 #9h	Provides $500,000 in FY 2026 for the Virginia Eviction Prevention and Diversion Program.	**Positive.**
House Item 102 #11h	Provides $14 million in FY 2025 for grants to localities or planning district commissions that have established, or will establish by December 31, 2025, a local housing trust fund for long-term investments for affordable housing; earmarks $5 million of these funds for Prince William County and $1 million for the City of Emporia.	**Positive.** However, $6 million of the funding is earmarked for specific localities.
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.	
House Item 102 #1h	Restores the down-payment assistance pilot program funded through RGGI balances included in the adopted budget that the Governor's budget proposed to eliminate.	Funding may create another tool to promote affordable homeownership. Currently, one of the most significant barriers to homeownership for low and moderate-income would-be

		homebuyers is access to affordable financing.
Senate	No change from the Governor's budget.	
Governor/House/ Senate 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.**
House Item 114 #1h	Increases proposed Virginia Sports Tourism Incentive Program by $3 million, which would be earmarked for an event in Prince William County.	**No impact.**
Senate Item 114 #1s	Removes the $5 million GF in FY 2025 provided in the Governor's budget for a sports tourism initiative.	
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.
House Item 130 G.1.	No change from the Governor's budget.	
Senate Item 130 #2s	Provides $15 million in FY 2025 and redirects $3.5 million in FY 2026 for the New Economy Workforce Credential grant program. Restricts high school student participation in the program except for certain circumstances.	**Positive.** Support for workforce initiatives is included in the County's legislative program.
State Aid to Local Libraries		
Senate Item 227 #1s	Provides an additional $0.6 million in FY 2026 in state aid to local libraries.	**Positive.** Exact impact TBD.
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.
House	No change from the Governor's budget.	
Senate Item 359 #1s	Deposits $50 million in FY 2025 to the Virginia Community Flood Preparedness Fund.	**TBD.**

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.
House Item 365 #2h	Provides $50 million in FY 2025 for SLAF.	**Positive.**
Senate Item C-53.80 #1s	Provides $40 million in FY 2025 to SLAF to be used to provide grants for capital projects, including i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration.	**Positive.**
Governor Item 365	Deposits $17.4 million of FY 2024 surplus revenues into WQIF to support the Enhanced Nutrient Removal Certainty Program.	**Positive.**
House/Senate	No change from the Governor's budget.	
Tax Policy Changes		
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.
House/Senate Item 255 #1h, #2h, #1s	Eliminates the proposed Car Tax Credit. Provides $977.8 million GF in FY 2025 for an income tax rebate of $200 for single files and $400 for married filers to be paid during FY 2026.	**No direct impact on County revenues.** The Commonwealth should rebalance its resources and responsibilities so that the funding partnership with localities is restored, ensuring the delivery of critically needed services in communities throughout Virginia.

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.
House/Senate Item 4-14	Removes the proposed elimination of the state income tax on tipped wages included in the Governor's budget.	
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 $557.2 million in FY 2026 and $1.16 billion in FY 2027.	**No direct impact on County revenues.**
House/Senate Item 4-14 #3h, #1s	Extends the expiration date on the standard deduction, refundable earned income tax credit, and the pass-through entity elective tax until January 1, 2027. Increases the standard deduction for tax year 2025 and 2026 to $8,750 for single filers and $17,500 for joint filers, a $250 and $500 increase respectively. It also increases the refundability of the earned income tax credit from 15% to 20% of the federal earned income tax credit.	**No direct impact on County revenues.** The Commonwealth should rebalance its resources and responsibilities so that the funding partnership with localities is restored, ensuring the delivery of critically needed services in communities throughout Virginia.
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.	**No direct impact on County revenues.**
House/Senate Item 4-14 #3h, #1s	Eliminates the proposed implementation of market-based sourcing for corporate income tax in the Governor's budget.	
Senate Item 257 #1s	Directs the Department of Taxation (TAX) to assess implementing market-based sourcing, including its administrative feasibility and impact on state tax revenue.	**Study.** This study should be closely monitored.
Senate Item 257 #2s	Directs TAX to convene a workgroup of tax practitioners to study the treatment of net operating losses in Virginia when compared to other states and make recommendations to simplify such treatment.	**Study.** This study should be closely monitored.

House Item 489.50 #1h; Item 4-14 #2h	Establishes the Virginia Gaming Commission as an independent agency of the Commonwealth.	
Senate Item 489.10 #2s; Item 4-14 #2s	Embeds 2024 legislation legalizing skill games and imposing a tax and regulatory framework on the games. Authorizes a treasury loan for the Virginia Alcoholic Beverage Control Authority to administer oversight until the Lottery Board promulgates necessary regulations. The amendment authorizes and specifies the registration requirements for the distribution, operation, hosting, and play of skill game machines. It imposes a 25% tax on the gross receipts from the play of each skill game machine from each distributor and provides for the use of such tax proceeds, with most being deposited into the PreK-12 Priority Fund.	Establishes a regulatory framework for skill games. Of the 25% tax on gross receipts, the following would have a direct impact on the County if these were to operate within the County : • 15% to the localities in which skill game machines are located; • 1% to the law-enforcement agencies that have primary law-enforcement responsibilities in any locality in which skill game machines are located; and, • 75% to the PreK-12 Priority Fund established pursuant to § 58.1-4207. Could provide additional revenue to the County, though any action on skill games will need to be reviewed for local taxation implications as well as local land use authority.
Senate Item 4-14 #3s	Authorizes all counties and cities to impose an additional local sales and use tax at a rate not to exceed 1% with the revenue used only for capital projects for the construction or renovation of schools if such levy is approved in a voter referendum. It specifies that the revenues from this tax shall not be used to reduce, supplant, or offset any amounts of local appropriations or local funding for capital projects for the construction or renovation of schools on the date such tax is first imposed in the county or city.	**Provides additional local taxing authority.** Embeds legislation from 2024 GA, which was vetoed by the Governor. Would require approval in a referendum.
House Item 3-5.25 #1h	Provides that for the purpose of the local option property tax exemption for the surviving spouses of first responders who die in the line of duty, a surviving spouse may qualify if the deceased law enforcement officer was a member of the U.S. Capitol Police or District of Columbia Police Department who was involved in the police response on January 6, 2021.	**Minimal impact.**

House Item 3-5.25 #2h	Extends the sunset date for the retail sales and use tax exemption for data center equipment from 2035 to 2050.	Given that equipment meeting these requirements is already tax exempt, the state and County would continue to forgo this potential revenue.
Senate Item 4-14 #7	Requires data centers to meet energy efficiency standards to qualify for the retail sales tax exemption for data center equipment.	Localities should be granted increased flexibility to explore initiatives that promote clean air, energy efficiency, conservation, and other critical measures that could spur the development of innovative approaches to address the impact of global climate change and sustainability. Localities should also be granted additional authority to address the environmental and community impacts of data centers.
Senate Item 4-14 #9	Extends the Housing Opportunity Tax Credit from tax year 2025 to 2030. This credit is subject to an annual cap equal to $60 million per calendar year, as well as a multi-year cap on the program of $555 million.	
Federal Government		
House/Senate Item 4-1.01 #1h Item 4-1.0s #1s	Directs the formation of a select committee to monitor changes in federal funding levels to Virginia. Requires the TAX to provide estimated fiscal impacts of any changes to federal income tax policy within 30 business days of their enactment, and directs the Governor to submit a budget bill within 20 business days of receiving the estimated fiscal impacts if the cumulative projected impact would decrease GF revenues by more than $100 million in the current or succeeding fiscal year (there is a caveat that if this occurs after November 1 the Governor could include it in the introduced budget rather than notifying the GA separately).	The recent Presidential election signals potentially sweeping changes for maintaining the long-standing relationship between the Federal Government and Fairfax County, as well as challenges for a wide variety of federal policy issues related to Fairfax County priorities. Enhancing this critical partnership in a variety of areas is a top County priority. Given the policy priorities of the previous Trump Administration, combined with proposals President Trump has recently espoused, it appears that while some impacts may be positive for both Fairfax County and the Commonwealth, there are likely to be many that are negative.
House/Senate Item 4-14 #3h, #1s	Stipulate that Virginia will not automatically conform its income tax structure to any federal income tax changes that would increase or decrease state GF revenues by any amount in the	The recent Presidential election signals potentially sweeping changes for maintaining the long-standing relationship between the Federal

	fiscal year in which the amendment was enacted or any of the succeeding four fiscal years, with the exception of the amendments to the federal tax code that are subsequently adopted by the GA, or federal income tax "extenders." This is a departure from the rolling conformity statute enacted in 2023, which generally provides for conformity with federal changes that affect state revenues up to certain thresholds.	Government and Fairfax County, as well as challenges for a wide variety of federal policy issues related to Fairfax County priorities. Enhancing this critical partnership in a variety of areas is a top County priority. Given the policy priorities of the previous Trump Administration, combined with proposals President Trump has recently espoused, it appears that while some impacts may be positive for both Fairfax County and the Commonwealth, there are likely to be many that are negative.
Senate Item 4-1.01 #1s	Requires DPB to provide the estimated fiscal impact (within 30 business days after enactment of federal changes) that impact federal grant revenue to the Commonwealth by at least $100 million in the current or succeeding fiscal year. The Governor would be required to submit plans detailing the reductions, the impact on services, and the amount that must be offset by state revenues. For additional funding the state is required to expend, the plan must detail specific offsetting spending reductions. Additionally, if the federal actions result in additional GF expenditures of 1% of GF operation budget, the Governor must notify the Chairs of the Senate Finance and Appropriations and House Appropriations Committee's, and the Governor would be barred from withhold any spending authority until the GA enacts a spending reduction plan through a general appropriation act.	The recent Presidential election signals potentially sweeping changes for maintaining the long-standing relationship between the Federal Government and Fairfax County, as well as challenges for a wide variety of federal policy issues related to Fairfax County priorities. Enhancing this critical partnership in a variety of areas is a top County priority. Given the policy priorities of the previous Trump Administration, combined with proposals President Trump has recently espoused, it appears that while some impacts may be positive for both Fairfax County and the Commonwealth, there are likely to be many that are negative.

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.
House/Senate Item 125 #4h, #3s	Provides $222.9 million in FY 2026 to recognize support positions under the school funding formula in accordance with prevailing local practices. The House budget eliminates the cap on recognition of these positions, reverting to the methodology used prior to 2009 to fund support positions, and the Senate budget funds positions at a ratio that corresponds with prevailing local practice, functionally eliminating the cap (for the current year).	**Positive**. Fairfax County Public Schools (FCPS) would receive $20.3 million in FY 2026. The House budget eliminates the support cap entirely, while the Senate budget provides funding to remove the fiscal impact of the support cap on localities, but leaves a staffing ratio in place. As a result, the Senate budget would require revisions to each biennium budget if the prevailing practice ratio changed.
House/Senate Item 125 #4h, #4s	Provides $52.8 million in FY 2026 as an add-on to basic aid of 4.75% for special education students receiving Level I services and 5.25% for special education students receiving Level II services.	**Positive.** FCPS would receive $5.4 million in FY 2026.
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 FCPS staff, while approximately 80% must be provided with local funding.

House Item 125 #8h	Maintains the 3% salary increase from the adopted budget. Provides $140.5 million for a one-time $1,000 bonus payment for state-supported instructional and support positions, with no local match required. The bonus would be provided September 1.	**Positive.** FCPS would receive $20.3 million in FY 2025 to provide a one-time $1,000 bonus (reappropriated for expenditure for the same purpose in FY 2026). In FY 2026, the cost to FCPS to provide a bonus (as was provided in FY 2023) is $37.2 million. After accounting for the state share of $20.3 million, the net cost to FCPS is $16.9 million.
Senate Item 125 #5s	Maintains the 3% salary increase from the adopted budget. Provides $134.4 million for a one-time $1,000 bonus payment for state-supported instructional and support positions, with no local match required. The bonus would be provided no later than June 1, 2025, but allows for flexibility to use the funding to provide a small bonus to all staff should the locality choose to.	**Positive.** FCPS would receive $19.5 million in FY 2025 to provide a one-time $1,000 bonus. In FY 2025, the cost to FCPS to provide a bonus (as provided in FY 2023) is $37.2 million. After accounting for the state share of $19.5 million, the net cost to FCPS is up to $17.7 million.
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.
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.
House/Senate Item 125 #6h, #9s	Includes $2.7 million GF each year, reflecting updated literacy screening data for Fairfax County.	This amendment reflects a technical correction of $2.7 million for Early Reading data for FCPS for both years.
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.
House/Senate Item 125 #1h, #1s	Eliminates the $50 million proposed in the Governor's budget for the Virginia Opportunity Scholarship Program.	
Other Items of Interest		
Governor/House/ Senate 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.
House Item 124 #7h	Provides Fairfax County $114,320 GF in FY 2026 to support after-school programming at Title I elementary schools, including tutoring to support literacy and math for at-risk students, and student engagement opportunities in the arts.	Both revenues and expenditures would amount to $114,320, resulting in a net balance of zero.
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.
House Item 119 #1h	Defers the implementation of the next statewide assessment contract until the 2027-2028 school year.	
Senate	No change from the Governor's budget.	
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	**TBD.** The impact to FCPS cannot be determined at this time.

	needed for schools identified as "Off Track" or "Needs Intensive Support".	
House/Senate Item 120 #1h, #2h, #1s, #2s	Eliminates the $50.3 million GF in FY 2025 and $1 million in FY 2026 proposed in the Governor's budget to establish the School Performance and Support Framework Resource Hub.	
Senate Item 120 #3s	Funds a mathematics improvement initiative with $12 million in FY 2025 and $1 million in FY 2026; these funds include one-time grant funds for curriculum support and innovative strategies to improve student outcomes in FY 2025 and ongoing funding for regional specialists and a data analyst.	
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.
House Item 123 #1h	Eliminates the funding included in the Governor's budget for Virginia's Visualization and Analytics Solution.	
Senate	No change from the Governor's budget.	
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.
House Item 125 #9h	Removes the proposed transfer of $150 million from the Literary Fund to the School Construction Fund in FY 2025. Provides an additional $10 million in FY 2026 from expected casino revenues. These actions provide $310 million for School Construction Assistance Grants over the biennium, an increase of $150 million from the adopted budget	
Senate Item 125 #10s	Removes the proposed transfer of $150 million from the Literary Fund to the School Construction Fund in FY 2025.	
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.

House/Senate Item 125 #3h, #2s	Eliminates the proposed deposit of $25 million in FY 2025 to the College Partnership Laboratory School Fund.	
House Item 1 #3h	Provides $1 million GF in FY 2025 to support the Joint Subcommittee to Study Elementary and Secondary Funding's ongoing work to review Virginia's K-12 funding formula.	Strong support for the implementation of the 2023 JLARC K-12 study's recommendations is included in the County's 2025 Legislative Program. This work is critical to appropriately address the current underfunding of K-12 education.
Senate Item 1 #1s	Establishes a workgroup to make recommendations to the Joint Subcommittee on Elementary and Secondary Education Funding regarding updates to the SOQ funding formula.	Strong support for the implementation of the 2023 JLARC K-12 study's recommendations is included in the County's 2025 Legislative Program. This work is critical to appropriately address the current underfunding of K-12 education.
House Item 118 #1h	Provides $5 million GF in FY 2025 to support system enhancements to the Virginia Individualized Education Plan (IEP) System. These enhancements include modules to support student progress tracking, document translation, family engagement, IEP and 504 processes, and a dashboard to support performance monitoring	

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

Governor's 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 $0.6 million in FY 2026.

Compared to the FY 2025 Approved Budget, the Governor's 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.

House Amendments: Compared to the Governor's budget, the House amendments provide an increase of $28.3 million in FY 2026. Compared to FCPS' FY 2026 Proposed Budget, the House amendments provide an increase of $28.3 million in FY 2026. However, after accounting for local funding for bonus expenditures, FCPS would receive a net total of $11.4 million. *The House includes $144,320 to FCPS to support afterschool programming at Title I elementary schools.*

Senate Amendments: Compared to the Governor's budget, the Senate amendments provide an increase of $28.3 million in FY 2026. Compared to FCPS' FY 2026 Proposed Budget, the Senate amendments provide an increase of $28.3 million in FY 2026. Unlike the House, the Senate accelerates the bonus to FY 2025 which requires up to an additional $17.7 million in the current fiscal year. However, it also allows for flexibility to use the funding to provide a small bonus to all staff should the locality choose to.

Both House and Senate amendments maintain the 0.5 cap on the local composite index (LCI) applicable to Virginia Preschool Initiative (VPI) funding.

Health and Human Services

Source	Amendment	Fairfax County Impact
Behavioral Health		
Governor Item 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.	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. However, this will likely require the creation of multiple billing and 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.
House Item 288 #8h	Adds $142,593 GF and $428,713 NGF in FY 2026 and language to ensure payments for long-acting injectable or extended-release medications for substance use disorder (SUD) are also unbundled.	**Positive.** Positive impact, but payment for long-acting injectables and extended-release medication for SMI and SUD should be unbundled from all treatment settings, not just hospitals. This amendment extends this provision for cases of SUD.
Senate Item 288 #13s	Adds language to ensure payments for long-acting injectable or extended-release medications for SUD are also unbundled.	**Positive.** Positive impact, but payment for long-acting injectables and extended-release medication for SMI and SUD should be unbundled from all treatment settings, not just hospitals. This amendment extends this provision for cases of SUD.
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.
House Item 295 #5h	Adds language to allow school divisions to contract with a mental telehealth provider to provide mental health services to students. Eliminates language in the Governor's budget that allowed DBHDS to provide technical assistance to school divisions.	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.
Senate Item 296 #1s	Strikes language that allowed DBHDS to provide technical assistance to school divisions, and	Support for additional state funding for youth behavioral health services

	clarifies language to allow for the creation of mobile school-based health clinics.	is included in the County's Legislative Program. This policy allows for the development of mobile school-based health clinics to reduce barriers to accessing care.
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.
House/Senate Item 295 #2h, 6s	Eliminates the $1 million GF in FY 2025 for the youth mental health campaign.	This funding would have been positive for increasing prevention efforts.
House Item 295 #4h	Authorizes DBHDS and the Department of Planning and Budget (DPB) to direct up to $75,000 from the Crisis Call Center Fund to Mental Health Virginia Warmline, a peer support line that reduces 988 crisis call center volume.	**Negative.** 988 focuses on low acuity cases and needs full funding to handle current and projected call volumes. Redirecting funding could undermine the development of a comprehensive crisis response system. A peer support line should be adequately funded separately from 988.
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.
House Item 296 #1h	Reduces funding for private hospitals to hire Special Conservators of the Peace by $30.2 million.	**Negative.** Additional funding would have been helpful for law enforcement.
Senate Item 296 #5s	Reduces funding for private hospitals to hire Special Conservators of the Peace by $31.1 million.	**Negative.** Additional funding would have been helpful for 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.** Improves access to care, allowing primary care providers to obtain expert consultation.
House Item 296 #4h	Provides an additional $750,000 GF in FY 2026 to expand the Adult Psychiatric Access Line.	**Positive.** Improves access to care, allowing primary care providers to obtain expert consultation.
Senate Item 296 #2s	Provides an additional $1 million GF in FY 2026 to expand the Adult Psychiatric Access Line.	**Positive.** Improves 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 (CSBs) for the establishment of new teams.
House Item 297 #2h	Provides $3.6 million GF in FY 2026 to support six additional Marcus Alert sites to develop co-response programs.	**Negative.** Funding only supports new co-responder programs, while established programs like Fairfax County's, would receive no support. The funding the County receives for Marcus Alert does not pay for the co-responder program, because it was in place prior to the availability of Marcus Alert funding. A more equitable statewide funding approach is needed to support both new and established co-responder programs, particularly with increasing DBHDS data requirements and oversight.
Senate Item 297 #1s	Provides $7.8 million GF in FY 2026 to support additional co-response teams, especially in localities that have not yet received funding to implement the Marcus Alert system.	**Negative.** Funding only supports new co-responder programs, while established programs like Fairfax County's, would receive no support. The funding the County receives for Marcus Alert does not pay for the co-responder program, because it was in place prior to the availability of Marcus Alert funding. A more equitable statewide funding approach is needed to support both new and established co-responder programs, particularly with increasing DBHDS data requirements and oversight.
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.
House Item 296 #3h	Provides $100,000 GF in FY 2026 to support the Regional Older Adults Facility Team (RAFT) in Northern Virginia to provide services to older adults with mental illness and dementia.	**Positive.** State funding for RAFT in Northern Virginia is positive. RAFT provides intensive multidisciplinary mental health treatment for older adults with SMI. The RAFT team is one of the programs of the Northern Virginia Regional Projects Office.

House Item 296 #5h	Provides $2 million GF in FY 2026 to support pilot programs for individuals with dementia or geriatric individuals who may otherwise be admitted to a state facility.	**No direct County impact.**
House Item 297 #3h	Provides $8 million GF in FY 2026 for CSBs to support their prevention staff and expand prevention programs.	**Positive.** Allows CSBs to continue services funded by the American Rescue Plan Act (ARPA). Federal ARPA funding ends in September 2025.
Senate Item 288 #6s	Directs DMAS to apply for an 1115 waiver to include outpatient behavioral health services; mental health services; addiction and recovery treatment; and prescription drugs to treat behavioral health-related conditions of individuals incarcerated in state and local regional jails.	**Positive.** Allowing CSB to bill for services and medications at the Fairfax County ADC is a positive change. Expanded billable services would provide a fiscal benefit and help improve continuity of care. It would require updates to the electronic health record system and processes for the jail-based team.
Senate Item 294 #1s	Allows DBHDS to use the Behavioral Health and Developmental Services Trust Fund appropriation for community-based housing for any population currently served by the department.	**No direct County impact.** The Trust Fund can only be used to provide community housing for individuals with intellectual disabilities who were transitioning from state training centers to community-based settings. This amendment expands the use of Trust Fund money for housing beyond individuals leaving state facilities to include any clients they serve.
Senate Item 297 #2s	Directs DBHDS to revise discharge protocols to require state hospitals and CSBs to (i) explore whether permanent supportive housing (PSH) is a suitable discharge option for all patients by November 1, 2025; (ii) develop and implement a standardized assessment tool for state hospital staff to evaluate suitability for PSH as part of every discharge plan; (iii) develop a statewide training curriculum about the PSH program and conduct training with all staff involved in discharge planning; and, (iv) identify positions for which training on the PSH program is mandatory. Requires DBHDS to report to the Behavioral Health Commission by December 1, 2025.	**Positive.** Expanding PSH screening in discharge planning would be a positive step toward increasing housing stability for individuals with SMI. Standardized assessments and staff training would help ensure more consistent and informed referrals. If more individuals are identified for PSH, CSBs should monitor potential increases in workload for Homeless Management Information System (HMIS) applications. Additionally, CSB would monitor the impact on workflows, staffing needs, and local PSH capacity to support successful transitions.

Senate Item 297 #3s	Requires local governments to maintain local contributions to CSBs each year, absent an extreme hardship, unless a state appropriation is intended to supplant local funding (for any additional state funding provided to CSBs, existing contributions from local governments shall not be supplanted).	**No County impact.** No impact on the Fairfax-Falls Church CSB as the majority of funding comes from local dollars. This amendment is targeted at localities unable to provide the required 10 percent match.
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.	**Negative.** The County supports continued state responsibility for funding mandated CSA services on a sum sufficient basis, and opposes changes to CSA, increasing costs to Fairfax County. The proposed rate cap limits the state's match and would shift costs to localities as providers may continue to charge higher rates beyond the 2.5% cap.
House Item 268 #1h	Eliminates language in the Governor's budget that caps increases in the state reimbursement to localities for CSA special education private day educational services at 2.5% starting in FY 2026.	**Positive.** Eliminating the rate cap will allow reimbursement to localities for the actual costs of private day special education services.
Senate Item 268 #1s	Maintains language that caps increases in the state reimbursement to localities for CSA special education private day educational services at 2.5%, starting in FY 2026, and reflects approximately $9.9 million in anticipated savings for the state.	**Negative.** The County supports continued state responsibility for funding mandated CSA services on a sum sufficient basis, and opposes changes to CSA that increase costs to Fairfax County. The County opposes maintaining the proposed rate cap on these critical shared state-local services. The proposed rate cap limits the state's match and would shift costs to localities as providers may continue to charge higher rates beyond the 2.5% cap.

House Item 269 #1h	Requires the Office of Comprehensive Services (OCS), in coordination with VDOE's Office of Special Education, to report to the General Assembly by October 1 of each year, recommendations made to each local education agency (LEA) and progress made in improving the LEA's ability to serve students; an assessment of barriers to students returning to an LEA from a private day placement; and trends in behavioral and emotional diagnoses including students on home-based instruction that may require private day placements.	**No significant County impact.** There may be some costs for LEAs to provide this information and OCS has no authority to require LEAs to improve their services. However, a report or summary may identify trends or provide solutions to the problem of increasing costs.
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.
House/Senate Item 103 #1h, #3s	Eliminates $14 million GF in FY 2025 for the early learning capital supply-building fund.	**No County impact.** It is unclear if Fairfax County would have been eligible for this funding.
House Item 125.10 #1h	Provides $25 million GF in FY 2025 for public-private funded child care pilots. State funding will not exceed 1/3 of the cost of these child care slots, participating employers will cover at least as much as the state contribution, and employees will cover the remainder. Family income eligibility will be the same as the Child Care Subsidy Program (CCSP). These funds will support the establishment of an estimated 2,679 early childhood education slots for the two initial years of the pilot.	**TBD.** While the public private partnership model is positive, it is unclear if the copayment for families would be the same or greater than CCSP.
Senate Item 125.10 #3s	Provides $25 million GF in FY 2025 to support an early childhood employer cost-share pilot program through public-private partnerships to provide additional early childhood care and education slots. Directs the Virginia Early Childhood Foundations and the Early Childhood Care and Education Commission to establish guidelines for the pilot program that address early childhood care and education supply challenges and prioritize areas of greatest need.	**TBD.** While the public private partnership model is positive, it will be important to monitor how the prioritization of areas of greatest need will be determined.
Governor Item 125.10.A	Adds slots in FY 2025 and 2026 for 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 and attendance requirements).
House Item 125.10 #6h	Repurposes $3 million in unused FY 2025 VPI slots to reduce FY 2025 CCSP waitlists by 318 slots.	**TBD.** Helpful for unused funds to be used for CCSP versus reverted to the GF. The County had some unused VPI slots that would be repurposed, so direct County impact will depend on FY 2025 waitlist for CCSP.
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 other households (with no household exceeding 7% of their income).	**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.
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.
House Item 125.10 #5h	Reduces the copayment proposed in the Governor's budget for CCSP and Mixed Delivery slots in FY 2026 from 7% of household income to 5%, continues school age enrollments in CCSP, and	**Positive.** Continues to provide subsidies for school age children and decreases the maximum copayment to 5% of household income from the

	directs the Early Childhood Care and Education Commission to review several issues during the 2025 interim, including future approaches to addressing school age child care needs, and recognition of regional variations in cost of living to determine eligibility for subsidized early childhood slots.	7% proposed in the Governor's budget.
Senate Item 125.10 #4s	Removes the proposed pause on enrolling school-aged children in CCSP, and directs the Early Childhood Care and Education Commission to review and recommend updates to the enrollment of school-aged children in CCSP.	**Positive.** Continues to provide subsidies for school age children.
Governor Items 125.10.B.7, 125.10.C.4, 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.
Senate Item 125.10 #6s	Adds language making revisions to early childhood education program attendance requirements subject to review by the Early Childhood Care and Education Commission, and requiring VDOE to report proposed changes to the General Assembly (GA) by November 1, 2025, for CCSP, Mixed Delivery, and VPI.	**TBD.** Ensure that revisions to attendance requirements do not hinder family participation in CCSP.
Senate Item 125.10 #5s	Requires VDOE to report waitlist data for CCSP, Mixed Delivery, and VPI, including an estimate of how many children on the waitlist could be served immediately if a slot became available based on eligibility and regional capacity, to the GA by November 1 of each year.	**No County impact.**
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.
House/Senate Item 125.10 #4h, #1s	Restores the cap on the LCI for VPI.	**Positive.** Eliminating the cap would have reduced funding to Fairfax County by $5.1 million (nearly half of the cut to funding statewide).

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, more state funding for this program overall is essential for serving additional children.
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.
Senate Item 279 #2s	Provides $500,000 GF in FY 2026 to contract with the Virginia Community Healthcare Association (VHCA) to enable FQHCs to continue providing comprehensive medical, dental, maternal, and mental health services to the most vulnerable and uninsured Virginians, primarily in rural and urban settings.	Additional funding for FQHCs and Free and Charitable Clinics is positive; however, this amount does not keep up with the increasing cost of care and the increased number of Virginians seeking affordable health care.
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, and Virginia Waterworks Regulations as well as 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.
Maternal Health		
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.
Senate Item 267 #2s	Eliminates $500,000 GF in FY 2025 for a media campaign relating to warning signs during and after pregnancy.	**No County budget impact.**
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.

Senate Item 277 #1s	Updates language related to pilot perinatal health hub programs, directing the Virginia Neonatal Perinatal Collaborative to be the lead on the pilot programs instead of VDH and adding requirements for potential pilot hub locations.	**No significant County budget impact.** This is a pilot program to establish perinatal health hubs to be led by the Virginia Neonatal Perinatal Collaborative.
House/Senate Item 277 #3h, #3s	Provides $553,200 GF in FY 2026 to implement the provisions of **HB 2446** (Mundon King), which directs VDH to establish a public awareness campaign, develop and distribute educational materials, and create an online resource hub focused on perinatal and postpartum depression.	**TBD.** This could have a positive impact on County operations and residents by increasing awareness of perinatal and postpartum depression along with providing a web-based resource hub. Maternal mental health conditions are the most common complication of pregnancy and birth.
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**. Fairfax County has among the lowest rates of maternal mortality in the Commonwealth.
Senate Item 278 #1s	Removes $1 million GF in FY 2026 and language making existing funding available to doulas.	**No County budget impact.**
Senate Item 292 #11s	Directs DMAS to make efforts to ensure that pregnant women that apply for Medicaid coverage utilize the Cover Virginia Call Center, to the maximum extent possible, to reduce the application processing time and expedite the applicant into coverage.	**No significant County impact.** Positive impact on County residents. This amendment would improve the processing time of Medicaid applications via use of the Cover Virginia Call Center and support timely access to covered services.
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 (CMS) 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-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.	**Positive.** Expands covered care for eligible youth.
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 and require the County to update its information technology (IT) systems. It will also require more administrative staff time to bill hourly while yielding the same amount of revenue.
Senate Item 288 #12s	Clarifies that in the conversion from a daily rate to an hourly rate, the hourly rate for adult day care services is limited to no more than six hours per day.	**Negative.** While most participants attend approximately six hours a day, capping the hourly rate would prevent the County from being reimbursed for any additional hours a participant attends. This amendment also does not address the underlying issues created by changing from a daily rate to an hourly rate.
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.).

House Item 288 #1h	Eliminates language and proposed funding to create a Medicaid reserve fund.	**Negative.** No direct County budget impact; however, may make it more difficult for the state to effectively implement new federal Medicaid legislation and/or initiatives.
Senate Item 288 #11s	Eliminates funding associated with the Medicaid Reserve and instead directs DMAS to convene a workgroup to evaluate options for developing a process that recognizes the true costs of policy changes to the Medicaid program and how to integrate that process into the development of the state budget.	**Negative.** No direct County budget impact; however, may make it more difficult for the state to effectively implement new federal Medicaid legislation and/or initiatives.
Senate Item 288 #7s	Directs the Joint Subcommittee for Health and Human Resources Oversight to meet and begin immediate consideration of the fiscal impact to the Commonwealth from the loss of federal assistance for the Medicaid expansion population and the resulting impact on Medicaid enrollment and coverage losses.	**Positive.** Addressing this issue is a critical need given events at the federal level. Virginia is a "trigger" state, meaning any loss of federal funding for the Medicaid expansion population may require Virginia to scale back or eliminate coverage for such individuals. This amendment requires the state to assess the financial impact and recommend options before enrollees automatically lose coverage.
House Item 288 #9h	Provides $1.6 million GF and $3 million NGF in FY 2026 to provide Medicaid coverage for neurobehavioral and neurorehabilitation facilities to support 20 individuals with traumatic brain injuries and neurocognitive disorders by January 1, 2026.	**Positive.** No direct impact, but expanding capacity to serve more low-income individuals who suffer from traumatic brain injuries or neurocognitive disorders is positive.
Senate Item 288 #14s	Provides $1.8 million GF and $3.6 million NGF in FY 2026 to provide Medicaid coverage for inpatient and residential neurobehavioral treatment for individuals with traumatic brain injury through a brain injury waiver.	**Positive.** No direct impact, but expands capacity to serve more low-income individuals who suffer from traumatic brain injuries through a new brain injury waiver.
Senate Item 288 #15s	Provides $10 million GF and $11.7 million NGF in FY 2026 to increase Medicaid rates for nursing facilities.	**Positive.** No direct impact, but provides greater reimbursement to providers, expanding capacity for providers to serve more low-income individuals who require nursing home facility care.
Senate Item 292 #6s	Directs DMAS to develop a plan for reimbursing community paramedicine services in Virginia.	**Positive.** A Medicaid reimbursement model would provide consistent revenue for Fairfax County's community paramedicine efforts,

		ensuring program sustainability and potential expansion. Community paramedicine can help address chronic conditions, behavioral health issues, and gaps in primary care by providing in-home assessments, chronic disease management, and care coordination – improving patient health outcomes while also reducing hospital readmissions. As DMAS develops its plan, it is critical that the County have an opportunity to provide input in shaping a fair and effective reimbursement model.
Senate Item 292 #8s	Directs DMAS to share training opportunities, including training on dementia care, to consumer-directed and agency-hired home care workers.	**Positive.** Expands dementia care training opportunities to providers serving affected populations. No significant impact.
Senate Item 292 #9s	Clarifies that DMAS may only conduct provider rate studies after specific authorization by the GA, and authorizes a rate study of Developmental Disability (DD) services.	**TBD.** DD rates studies are critical for ensuring sustainable reimbursement rates.
Senate Item 292 #12s	Directs DMAS to develop cost estimates for options proposed in the Evaluation of Medicaid Eligibility Determination report to the GA in December 2024, and work with the Virginia Department of Social Services (VDSS) to establish a joint Steering Committee on Medicaid Eligibility.	**Positive.** This report includes many findings and recommendations to improve the VDSS/DMAS governance structure, systems, processes, and performance for Medicaid eligibility. Cost estimates developed pursuant to this budget amendment will allow the state to determine which, if any improvements to pursue. Some of these may have direct impacts to the work and processes of the County's Department of Family Services.
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 DBHDS can comply with state and federal 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 (SIS) evaluations and service authorization staff.	**TBD.** More timely SIS evaluations and service authorizations could be positive.
House Item 288 #7h	Provides $658,252 GF and $687,152 NGF in FY 2026 to direct DMAS to submit amendments to the CMS for two DD waivers to provide Medicaid payment for designated staff support for adults with DD in acute care settings.	**No significant County impact.** This associated budget amendment to HB 2160 is important funding for providers**.** HB 2160 allows family members and friends to be trained and paid as support staff through Medicaid waivers, which could help with provider workforce issues.
Senate Item 296 #3s	Adds $686,000 GF in FY 2026 for the Provider Development Incubator, intended to stimulate workforce development and business expansion to grow provider capacity for individuals with disabilities receiving waiver services.	**No direct County budget impact.** Although this is a small amount of funding, investment in the provider workforce is positive as it could help ensure adequate system capacity to handle the anticipated increase in service volume,
House Item 297 #1h	Provides $8.7 million GF in FY 2026 for CSBs to hire additional support coordinators.	**No significant County impact.** The County's Legislative Program includes support for building CSB and provider capacity, including the hiring and retention of support coordinators, to ensure individuals are connected with services in a timely manner. While additional funding is helpful in acknowledging the support coordination needs, a wide gap will remain for the Fairfax-Falls Church CSB, which will receive 1,200 new waivers at a cost of $5.7 million (requiring 73 new full-time equivalents (FTEs)) – approximately 66% of the statewide funding included. Additionally, ongoing funding will be needed to cover the full cost of this state-mandated service and allow the CSB to create additional FTEs. The funding will help support new support coordinators during their training process before they are able

		to bill Medicaid (4-6 months) when the full cost is borne by local jurisdictions. Support coordinator teams must grow to ensure that with the increased waiver slots, individuals are connected to services in a timely manner.
Senate Item 288 #22s	Directs DMAS to review and consider the benefits of adding center-based respite service to the Community Living and Family and Individuals Support waivers.	**TBD.** Could expand respite options for families, though implementation timeline and details need clarification.
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.**
Senate Item 325 #1s	Removes $440,000 NGF in FY 2026 for the expansion of the TANF Full Employment Program.	**TBD.** These funds were added to the FY 2025 budget, but are consistently underutilized so this change may have a minimal impact.
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 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	**Positive.** Virginia's payments for foster care and adoptive families are typically some of the lowest of all states.

	requires rate increases in the year following a salary increase provided to state employees.	
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.
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 on 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.
House Item 329 #1h	Provides $425,750 GF in FY 2026 for VDSS to expand the existing program to find relative and fictive kin for youth in foster care.	**Positive.** The use of electronic tools to locate relatives and fictive kin has increased placement with relatives in foster care and prevented foster care.
Senate Item 329 #1s	Provides $100,000 GF in FY 2026 to VDSS to expand the existing program to find relative and fictive kin for youth in foster care.	**Positive.** The use of electronic tools to locate relatives and fictive kin has increased placement with relatives in foster care and prevented foster care.
House Item 329 #2h	Provides $1.6 million GF in FY 2026 to fund the fiscal impact of **HB 1964** (Tata), which creates the Future in Focus program to provide a monthly maintenance care payment and case management services to individuals aged 21-23 to support their housing costs as they transition to adulthood and self-sufficiency.	**TBD.** This would be an increase in CSA funding and local match and additional staff would be needed to handle the increased caseload of up to 40 young adults within the first two years. The funding amount provided in this budget amendment is lower than the cost estimated in the bill's fiscal impact statement. **HB 1964** (Tata) failed to advance in the 2025 GA session.

Senate Item 329 #2s	Directs VDSS to develop a process for Virginia localities to enter into memorandums of understanding with localities in surrounding states for the purposes of kinship care.	**Positive.** Will expedite permanency for children so they can be placed immediately versus going through the Interstate/Intercountry Placement of Children (ICPC) process.
Senate Item 329 #3s	Directs VDSS to assess the feasibility of requiring local departments of social services (DSS) to apply for benefits administered by the Social Security Administration (SSA) or the Department of Veterans Affairs on behalf of eligible children in foster care and require local departments that are representative payees for children in foster care to conserve such federal benefits in an appropriate trust instrument.	**Positive.** The requirement to apply for benefits would codify Fairfax County's current practice. The County would need to develop a mechanism to create trusts for each child.
House Item 330 #1h	Authorizes the State Board of Social Services to expand the application window for the Low-Income Home Energy Assistance Program (LIHEAP) to a year-round basis, provided adequate funding is available to extend the application period. Provides $120,000 GF in FY 2026 to provide technical support.	**Positive.** This amendment adds funds for technical support to extend LIHEAP applications year-round. A related bill was enacted last year (contingent on funding being available), but has not yet been implemented – presumably due to funding, which is included in this amendment.
House Item 331 #1h	Provides $4 million GF in FY 2025 to support the renovation of the Prince William and Fairfax Welcome Centers operated by CASA.	**Positive.** The County contributed $1.5 million to this project from its American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds funding.
House Item 331 #4h	Provides $400,000 GF in FY 2026 to Fairfax County for the Lorton Community Action Center, which provides individuals with low income, older adults, and families access to basic needs and self-sufficiency programs.	**Positive.**
House Item 331 #7h	Provides $500,000 in FY 2026 from the TANF block grant to Cornerstones to address the rising needs for safe and stable housing, food security, quality child care, youth enrichment, and family self-sufficiency.	**Positive.** TANF and SNAP employment programs rely on additional support from non-profit partners to serve the large number of people accessing employment services.
House/Senate Item 331 #9h, 3s	Provides $125,000 in FY 2026 from the TANF block grant to Northern Virginia Family Services (NVFS) to provide services that address the basic needs of families in crisis, including providing food, financial assistance, access to health services, and workforce development programs.	**Positive.** TANF and SNAP employment programs rely on additional support from non-profit partners to serve the large number of people accessing employment services.

House Item 331 #6h	Provides $175,000 in FY 2026 from the TANF block grant to provide increased support for local Community Action Agencies (CAAs). This increase will hold CAAs harmless from any reductions resulting from a new locality electing to be served by an existing CAA (which will impact existing CAA allocation percentages), which goes into effect July 1, 2025.	**Positive.** Fairfax County would lose $3,700 in TANF funding without this amendment. However, the Senate amendment (Item 331 #2s) is the preferred approach as it would result in a larger funding increase to the County.
Senate Item 331 #2s	Provides $4.3 million in FY 2026 from the TANF block grant to contract with local CAAs. This increase will hold CAAs harmless from any reductions resulting from a new locality electing to be served by an existing CAA (which will impact existing CAA allocation percentages), which goes into effect July 1, 2025; and mandated national census updates impacting the state's CAA funding formula starting July 1, 2026.	**Positive.** This funding will provide an additional $305,235 to Fairfax County.
Senate Item 324 #1s	Directs VDSS to develop a plan that includes (i) a review of best practices for providing treatment and services to trafficking victims, (ii) analysis of data gaps and recommendations for addressing them, (iii) recommendations to improve and establish additional long-term support services for trafficking victims; and, (iv) training policies for mandatory reporters of suspected trafficking cases.	**Positive.** VDSS already mandates involvement in these cases, but does not provide any guidance, resources, or training on how to work them. However, this plan will require funding which is not attached to this item. The completed strategic plan is not due until November 2026.
Senate Item 324 #2s	Provides $479,665 GF in FY 2026 to fund the fiscal impact of **SB 773** (Favola), which requires local DSS to develop housing plans for individuals leaving foster care due to age that includes a description of housing options being pursued.	**No County impact.** This will codify Fairfax County's current practice.
Senate Item 334 #2s	Provides $500,000 GF in FY 2026 to VDSS to begin the process of transitioning electronic benefits transfer (EBT) cards to chip cards to combat fraud.	**Positive.** Provides funds to transition to chip cards for SNAP, further safeguarding customers against skimming and EBT theft.
Substance Use Disorder (SUD)		
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.
House Item 277 #5h	Requires VDH to maintain a list of agencies and organizations that submit requests for and receive opioid antagonists through its distribution program.	**No significant County impact.**
Senate Item 288 #12s	Increases rates by 12.5% for office-based addiction treatment, opioid treatment services, partial	**Positive.** Rate increases can enhance provider sustainability and access to

	hospitalization services, and intensive outpatient services for SUD.	SUD services in the community for CSB clients.
Senate Item 295 #1s	Provides $115,846 GF in FY 2026 to support the **SB 838** (VanValkenburg) workgroup, that requires the Secretary of Health and Human Resources to convene and make recommendations regarding the creation of an oversight process of residential recovery homes and transparency in the credentialing process.	**No direct County impact.**
Workforce		
House Item 271 #2h	Directs VDH to expand the Mary Marshall Scholarship Program to increase the number of nurses coming into the profession to address significant shortages, including expanding eligibility to individuals who entered the United States for urgent humanitarian reasons and paying the fees for Virginians with a nursing degree from an international educational institution to be credentialed in order to practice.	**Positive.** This would be helpful for long-term care staffing in the region, which is a critical necessity now and as the population ages.
House Item 271 #4h	Provides $150,000 GF in FY 2026 for Birmingham Green to establish the Birmingham Green Workforce Development Training Center to improve the Certified Nurses Assistant (CNA) program, introduce new career training opportunities for its workforce, and further health care career opportunities for staff from other health care operations.	**Positive.**
Senate Item 271 #2s	Allows $300,000 GF each year of existing nursing scholarship funds to be used for school nurse scholarships to address the lack of access to Registered Nurses in schools.	This policy will provide financial support to aid the recruitment and retention of licensed practical nurses (LPNs) and registered nurses (RNs) in schools.
House Item 324 #1h	Provides $500,000 GF in FY 2026 to VDSS to develop a child welfare workforce support program to include a confidential peer support helpline and a pilot program of the Community Resiliency Model, an evidence-based model that focuses on providing workers with the skills to help themselves and others after experiencing trauma and stress.	**Positive.** Although no County financial impact, this will provide additional support to our child welfare staff, as this work can lead to secondary trauma. It is beneficial to have experienced individuals who understand the challenges of this work available for support during these times.
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.	**No County budget impact.** Positive impact for individuals with DD.

Senate Item 267 #1s	Eliminates $100,000 GF in FY 2025 related to the collegiate experience of individuals with DD.	**No County budget impact.** Funding would have been helpful for individuals with DD.
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 4-5.04.l	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.
House Item 277 #4h	Provides $644,075 GF in FY 2026 and three positions for the fiscal impact of **HB 1724** (Delaney), which establishes the Prescription Drug Affordability Board.	**Positive.** The County has historically supported the establishment of a Prescription Drug Affordability Board.
House Item 315 #1h	Provides $1.5 million GF in FY 2026 to increase support to the Area Agencies on Aging (AAAs).	**Positive.** This would provide an additional approximately $110,700 to the Fairfax AAA, a significant impact. Lessens net cost to Fairfax County by increasing state funds to implement needed programs for older adults.
House Item 315 #3h	Provides $750,000 GF in FY 2026 to Fairfax County to support the Washington Area Villages Exchange in the creation of a pilot program to reduce the public health risk of social isolation among older Virginians by expanding the availability of Villages to additional sites.	**Positive.** Provides funds directly to Fairfax County to help introduce a pilot program geared at reducing social isolation to neighboring areas.
Senate Item 295 #4s	Provides $25,000 GF in FY 2026 to be distributed by DBHDS' Lock and Talk program, via CSBs, to facilitate distribution of firearms safes to people who are unable to benefit from Virginia's tax credit for firearms safes due to limited financial resources.	**No significant County impact.**

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.	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. 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).
House/Senate	No change from the Governor's budget	
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.

House/Senate	No change from the Governor's budget	
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.
House/Senate Item 433 #1h, #1s	Restores $3.3 million GF for WMATA operating support.	The Governor's budget reduced the funding provided in the adopted budget by $11.13 million due to updated subsidy figures. More recent estimates indicate that a reduction of only $7.8 million is necessary.
STATEWIDE PROGRAMS		
Department of Rail and Public Transportation (DRPT)		
Governor Item 433	Provides approximately $1.5 billion for Public Transportation Programs (no change except for the $11.13 million reduction for additional WMATA assistance), including: • 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	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. TRIP funding is allocated through a separate application process. 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.

	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). Includes approximately $318.8 million for the WMATA Capital Fund, which is comprised of state funding and the local and regional funding redirected as part of **HB 1539**/**SB 856** (2018) (no change).	
House	No change from the Governor's budget.	
Senate Item 433 #2s	Provides $200,000 GF in FY 2025 to Hampton Roads Transit for a one-time transit investment.	
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).
House/Senate	No change from the Governor's budget.	
Virginia Department of Transportation (VDOT)		
Environmental Monitoring and Evaluation		
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.**
House/Senate	No change from the Governor's budget.	
Ground Transportation Planning and Research		
House Item 437 #1h	Provides $250,000 GF in FY 2025 to complete a study of the impact the development of the state's highway systems on African American communities. The study will include spatial and health analyses, the effects of discriminatory practices, and recommendations for reparative actions and equitable infrastructure planning	**TBD.**
Senate	No language	
Highway Construction		
Governor Item 438	Provides approximately $7.2 billion for Highway Construction Programs, an approximately $431 million decrease due to updated revenue	Many of these funds are subject to Smart Scale or other prioritization

	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: • 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 (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; • Approximately $3.99 billion for Specialized State and Federal Programs (approximately $203 million increase); and, • $214 million for Legacy Construction Formula Programs (no change). Of the Specialized State and Federal Programs: • 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	processes, so the impact to Fairfax County is unclear. The decrease in CMAQ should decrease the amount of funding from this program that is provided to Northern Virginia. The increases in RSTP and Transportation Alternative funds could benefit the County and region. The County has not utilized TPOF funds in several years, so the impact of the TPOF language has not been determined. 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 Roads) have received GF transfers for transportation projects).

	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). Included in the amounts for Specialized State and Federal Programs: • 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 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. 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. 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.	
House/Senate	No change from the Governor's budget.	
Highway Maintenance		
Governor Item 439; C-33	Provides approximately $5.3 billion for Highway System Maintenance and Operations (approximately $543.7 million increase). This includes: • 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). Capital Budget provides $15.5 million from the CTF to add to the existing maintenance reserve.	Using historical estimates, approximately $70 million more may be available for maintenance and operations within Northern Virginia.
House/Senate	No change from the Governor's budget.	
Special Structures		
Governor Item 440	Provides $177.6 million for this program (approximately $5.9 million increase).	**TBD.**
House/Senate	No change from the Governor's budget.	
Toll Facilities		
Governor Item 441	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). 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. Eliminates the collection of tolls for use of the George P. Coleman Bridge and eliminates the requirement to reimburse the Toll Facility	**TBD**. 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).

	Revolving Account if sufficient funds are not available.	
House Item 441 #1h	Requires the VDOT Commissioner to coordinate with the DRPT to ensure that public transit buses are exempted from tolls.	As Fairfax Connector Buses do not currently pay tolls when on the toll facilities in the region, this language should not have a significant impact.
Senate	No language	
Virginia Port Authority		
Governor 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.
House/Senate	No change from the Governor's budget.	
Department of Motor Vehicles		
Governor Item 426; C-34	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. 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.	**TBD.**
House Item 426 #1h	Requires the DMV to conduct an analysis of the DMV Select Program to evaluate its potential financial impact on participating localities. The report is due December 1, 2025	**TBD.**
Senate	No change from the Governor's budget.	