

VACo

LEGISLATIVE DAY CAPITOL CONTACT

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PREPARED BY
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VACo
COUNTY GOVERNMENT
DAY

EDUCATION

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JLARC Recommendation Bills.

Following the 2023 Joint Legislative Audit and Review Commission (JLARC) study on how to improve the Standards of Quality (SOQ) in the Commonwealth and the 2024 recommendations of the Joint Subcommittee on Elementary and Secondary Education, several legislators have introduced legislation and budget amendments meant to help localities with K-12 funding.

VACo supports the JLARC and Joint Subcommittee recommendations and the subsequent legislation as VACo's 2025 top Funding Priority.

[HB 1831 \(Simonds\)](#) and [SB 1236 \(Aird\)](#) effectively end the support cap and require the Department of Education, (i) in calculating the deduction of federal funds in the Standards of Quality funding formula, to examine actual school division spending on support costs as a percentage of actual school division spending on all public education costs, with certain exceptions such as food service, and (ii) in calculating the costs in the Standards of Quality funding formula beginning with fiscal year 2029, to include all employee benefit costs incurred by a majority of school divisions, including costs related to retirement, health care, life insurance, and payout of earned but unused leave. The bills also require support services positions to be funded based on a calculation of prevailing costs and prohibits such positions from being subject to any method of funding calculation that caps the number of funded support services positions based on a ratio of such positions to students enrolled in the school division, except for certain support services positions enumerated in the bills.

[HB 1954 \(Rasoul\)](#) and [SB 977 \(Hashmi\)](#) also effectively end the support cap and codify additional recommendations related to the cost of K-12 salaries, additional funding for special education, at-risk students, and English learners, among other provisions.

KEY POINTS

- For far too long localities have been trying to emphasize how out-of-date and inadequate the current SOQs are.
- Per code, the State should be funding 55% of the costs of education and localities should be funding 45% of the costs of education. However, over time localities have been forced to pay far more than the allotted 45%.
- These recommendations change the standards for the better and finally provide the changes localities desperately need to help support our schools.
- Local governments solely fund over 57,000 K-12 staff positions.

- The state funding formula recognizes only 8% of actual instructional aides employed.
- In FY 2021, local governments invested \$6.6 billion more than the state funding formula indicated was needed.

School Construction Legislation.

VACo supports legislation that once again seeks to grant additional revenue raising authority if approved by local referendum for school capital needs. Funding for school construction and renovation is one of the biggest concerns and responsibilities of local governments in the Commonwealth and has been almost solely a local responsibility for decades. The condition of the facilities in which children are educated has a direct impact on their ability to learn.

Many localities face significant challenges in raising sufficient funds to undertake these projects. These challenges include over-reliance on real property taxes to generate revenue, which can have vastly different yields depending on the locality and disproportionately burden a subset of taxpayers within a jurisdiction. This raises concerns over equity and diversity of revenues.

SB 1307 (McPike) would permit any county or city to impose an additional local sales and use tax of up to 1 percent, if initiated by a resolution of the local governing body and approved by voters at a local referendum. The revenues of such a local tax would be used solely for capital projects for the construction or renovation of schools. Any tax imposed shall expire when the costs for capital projects are to be repaid and shall not be more than 20 years after the date of the resolution passed.

Currently, this authority is limited to the qualifying localities of Charlotte, Gloucester, Halifax, Henry, Mecklenburg, Northampton, Patrick, and Pittsylvania Counties and the City of Danville. SB 1307 also has a maintenance of effort provision.

KEY POINTS

- According to the **Commission on School Construction and Modernization**, more than half of K-12 school buildings in Virginia are more than 50 years old. The amount of funding needed to replace these buildings is estimated to cost \$24.8 billion.
- This legislation was a unanimous recommendation by the Commission on School Construction and Modernization.
- This bill is about parity for local governments, giving all counties the same authority currently given to nine localities.
- This bill is **NOT** a tax increase. It would merely create a local option and another tool in the toolbox of local government, which would only be enacted by local referendum.

Budget Amendments to Support.

Item 125#3h (Rasoul) provides \$277.5 million in FY 26 to (i) eliminate the existing “support cap” that calculates the number of funded support positions based on 24 positions per 1,000 students and revert to the methodology used prior to 2009, based on prevailing staffing ratios, and (ii) establish a special education add-on to provide support in addition to existing funding for special education positions, calculated based on the state's share of a 4 percent add on to basic aid for students receiving Level I services and an 10 percent add-on to basic aid for students receiving Level II services. This amendment is derived from recommendations of the Joint Subcommittee to Study Elementary and Secondary Education Funding.

Item 125 #2h (Bulova), Item 125 #9h (Simonds), Item 125 #18s (Aird) and Item 125 #13s (Boysko) provide \$222.9 million in FY 26 to implement the Joint Legislative Audit and Review Commission (JLARC) recommendation to lift the cap on K-12 education support staff funding that was left over from the Great Recession. Since fiscal year 2010, funded support positions have been calculated as a linear weighted average of support positions to funded SOQ instructional positions as reported by divisions.

Item 125 #7s (Hashmi) provides \$1.2 billion GF in FY 26 to support the provisions of Senate Bill 977 to fully fund the recommendations from the 2023 Joint Legislative Audit and Review Commission (JLARC) report, 'Virginia's K-12 Funding Formula.' The legislation also provides add-on funding for students with disabilities that, together with the existing support for students with disabilities, provides funding similar in scale to what is recommended by JLARC Policy Option 5. This estimate is based on data previously provided by the Department of Education, but the legislation's fiscal impact is to be determined.

Item 125 #7h (Cousins) increases support for the School Construction Assistance Program by \$290.0 million from the general fund in FY 25, in addition to the \$290.0 million increase included in the introduced budget. This would increase support for the program to \$740.0 million over the biennium.

KEY POINTS

- Virginia desperately needs to increase funding in all schools regardless of location. Teachers and other support and instructional staff deserve to be paid more and proportionately.
- These amendments are meant to provide additional state support for school divisions for positions that are currently funded with local dollars.
- Schools also must be clean, safe, and inviting places to learn in. If the roof is leaking, the ceiling is cracked, or the HVAC is old, learning cannot properly take place.
- Please support additional funding for school buildings and the providers that work within.

ELECTIONS

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Support resources for election administration.

[Item C-53.80 #2h \(Krizek\)](#), which was requested by VACo, would authorize \$18 million in state bond proceeds to be used as matching funds to localities to assist with the replacement of voting equipment. A companion amendment ([Item 77 #1h](#)) would provide resources to the Department of Elections to administer the program and direct the department to convene a workgroup of stakeholders representing general registrars, electoral boards, and local governments to develop criteria and guidelines for allocation of funds.

[Item 78 #1s \(Roem\)](#) would provide \$8.2 million in FY 2026 for additional staffing in general registrars' offices.

KEY POINTS

- Many counties will soon be replacing ballot scanners and accessible equipment that are reaching the end of their usable lives, or have recently done so; one-time state assistance with these costs would be an avenue for the state to support election administration at the local level.
- Staffing needs were cited as a top concern in a survey of general registrars conducted by the Department of Elections after the 2023 elections. Currently, the state provides ongoing funding for a portion of general registrars' salaries and electoral board members' compensation, but not for additional personnel in registrars' offices.

Ranked choice voting legislation returns.

[SB 1009 \(Salim\)](#) would allow elections for any local office to be conducted by ranked-choice voting, with the decision to conduct an election in this manner to be made by a majority vote of the local governing body, in consultation with the local electoral board and general registrar. The bill includes language requested by VACo last year providing that if a town council votes to conduct an election for town council or mayor by ranked choice voting, the board of supervisors may require the town to reimburse the county for costs associated with conducting the election that would not have been incurred absent the town council's decision to conduct the election by ranked choice voting. VACo has no position on ranked choice voting as a concept but has maintained that the decision to conduct an election via ranked-choice voting should continue to rest with the locality, since the financial responsibility would be borne locally.

Changes to election calendar potentially under consideration.

[SJ 253 \(Surovell\)](#) would establish a joint subcommittee of legislators and citizen members to study the consolidation and scheduling of general elections in Virginia, to include potential effects of moving some or all of Virginia's state or local elections to even-numbered years to coincide with the federal election cycle. [HB 1794](#)

[\(Helmer\)/SB 1119 \(VanValkenburg\)](#) would require primaries for offices to be filled at the November election in Presidential election years to be held on the date of the presidential primary.

ENERGY AND LAND USE

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Oppose bills to preempt local decisions on siting of solar facilities.

[HB 2126 \(Sullivan\)](#) and [SB 1190 \(Deeds\)](#) establish a process to override decisions by any county that denies certain applications for a utility-scale solar or battery storage project of at least 20 megawatts (MW) in generation/storage capacity. The legislation also mandates (1) that by July 1, 2028, every locality shall include in its comprehensive plan provisions making it consistent with state's [Commonwealth Clean Energy Policy](#); and (2) that by July 1, 2026, every locality shall adopt an ordinance for the permitting of solar and battery storage facilities, and that such ordinance be consistent with a model ordinance developed by the state.

The specifics for preemption of local decisions include the following:

- Creation of the Virginia Energy Facility Review Board to establish a “model local ordinance” for the siting, permitting, and zoning review of any “critical interconnection project,” which is defined as a solar or battery storage project of at least 20 MW in capacity and within 3 miles to an interconnection point (substation) to the electric grid.
- Every critical interconnection project must be submitted to the Review Board, and within 90 days of receipt of an application, the review board must determine whether the application meets the criteria of the model ordinance and should be approved by the locality where it is located.
- For any zoning request to approve a critical interconnection project, a locality is required to approve or deny the application within 180 days of receipt of an application. If the locality fails to render a decision within 180 days, it is automatically granted approval.
- An applicant may appeal a denial to the Circuit Court and the legislation establishes there is a rebuttable presumption that the opinion of the Review Board is correct. Such presumption may only be overcome by a preponderance of evidence that the locality's decision to deny the project was consistent with provisions of the model ordinance and does not include any unreasonable restrictions.

It is important to note that the definition of an “unreasonable restriction” includes:

1. any prohibition on solar energy facilities or energy storage facilities;
2. any provision or condition that has the effect of limiting the amount of land available for solar energy facilities or energy storage facilities to less than 5 percent of any zoning district;

3. any provision or condition that is more stringent than or in addition to those listed in a model local ordinance adopted by the Review Board; or
4. any provision or condition on solar energy facilities or energy storage facilities that limits the total amount, density, or size of such facilities in a manner that would prevent the locality from achieving its meaningful contribution to clean energy.

VACo opposes both bills. HB 2126 will be heard in the [House Labor and Commerce Committee](#) SB 1190 will be heard in the [Senate Commerce and Labor Committee](#).

KEY POINTS

- Utility-scale solar projects are in effect largescale power plants, many of which may have oversized footprints. For example, a solar facility with a generating capacity of 100 MW can occupy 1,000 acres or more of land.
- Local review and approval of utility-scale solar and battery storage projects are necessary to determine if the use and location are consistent with a locality's land use goals and objectives. The state should not usurp local authority to determine how such facilities fit within local landscapes.

Oppose bills limiting local authority for the approval and siting of data centers.

In response to rapid growth in data centers across the Commonwealth, and their impacts on energy use, water demand, noise and proximity to residential areas, there are numerous bills addressing how the state and localities should review and permit them. VACo has identified the following bills that place limits on County decisions regarding approval of data centers:

[HB 1984 \(Lovejoy\)](#) requires that any local government land use application required for the siting of a data center be approved only for areas that are one-quarter mile or more from federal, state, or local parks, schools, and property zoned or used for residential use.

[HB 2026 \(Thomas\)](#) requires a locality to review and amend its zoning ordinance to (i) designate data centers as industrial uses for zoning purposes; (ii) review the locations of zones allowing data centers by right, and adjust the zoning map, if needed, considering proximity to residential areas; (iii) review the minimum requirements in the zoning ordinance, such as setbacks and building heights, for the purpose of mitigating negative impacts on residential or other sensitive areas and consider adding requirements specific to data centers as needed; (iv) identify optimal areas for data center development in the locality, including locations that are suitable from the locality's perspective as well as the industry's perspective; (v) consider zoning ordinance changes to reduce the likelihood of noisy data centers, including through limiting allowable locations and requiring sound modeling, and prohibit the constant low-frequency noise

of data centers from reaching residential areas; and (vi) require commitments from data centers making zoning requests to sufficiently mitigate negative impacts on any nearby residential areas. The provisions of the bill shall only apply to localities where data centers are already addressed in the locality's zoning ordinance and where a locality is revising its zoning ordinance to include data centers.

[SB 1045 \(Roem\)](#) requires that any local government land use application for the siting of a data center shall only be approved if such application is for a data center located on property classified by local ordinance for industrial use.

VACo opposes these bills. HB 1984 and HB 2026 will be heard in the **[House Counties, Cities and Towns Subcommittee #2](#)**. SB 1045 will be heard in **[Senate Local Government Committee](#)**.

KEY POINTS

- Virginia Counties are responding to the growth and expected demand for data centers by amending local ordinances to address their potential impacts.
- VACo supports maintaining local authority to address the siting and impacts of any proposed land use, including data centers.

ENVIRONMENT AND AGRICULTURE

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Interbasin Water Transfers – Drinking Water Impacts.

[SB 923 \(Stuart\)](#) would prohibit the Department of Environmental Quality (DEQ) from issuing a Virginia Water Protection Permit for any surface water withdrawal in Virginia if more than 5 percent of the nonconsumptive volume of water withdrawn will be returned to a different major river basin. **VACo opposes the bill.**

KEY POINTS

- The bill would impose limitations on the ability of water utilities to provide drinking water to citizens now and in the future.
- Efforts to supply water needs are not necessarily confined by the boundaries of river basins and inter-basin transfers of water have proven to be beneficial in using surplus water to meet drinking needs in Virginia.
- The bill would ban all inter-basin water transfers and harm counties that engage in regional water planning now and in the future and by doing so, limit the development and growth goals of counties.

Budget Amendments to Support.

Stormwater Local Assistance Fund: [365 #1s \(Stuart\)](#) and [Item C-53.80#1h \(Bulova\)](#) would provide \$50 million general fund in FY 26 for deposit to the Stormwater Local Assistance Fund to assist the Commonwealth in meeting Virginia's Chesapeake Bay Phase III Watershed Implementation Plan.

Enhanced Nutrient Removal Certainty (WQIF): [Item 365 #1h \(Bulova\)](#) would provide for a total of \$48.6 million from the general fund in fiscal year 2026 to support wastewater treatment upgrades identified by the Enhanced Nutrient Removal Certainty program. The amendment is for \$31.2 million in FY 26. The Governor's introduced budget includes \$17.4 million from the GF for FY 25. The additional funding would represent the most recent available cash flow estimate for projects in the current biennium.

Forest Sustainability Fund: [Item 96 #2s \(Perry\)](#), [Item 96 #2h \(Bloxom\)](#) and [Item 96 #3h \(Lopez\)](#) would provide \$2.5 million from the general fund in fiscal year

2026 for deposit in the Forest Sustainability Fund. The fund is used by localities with forest use value assessments to enhance recreation, environmental education, and local forest management

Virginia Farmland and Forestland Preservation Fund: [Item 96#3s \(Marsden\)](#) provides an additional \$5 million GF the first year and \$5 million GF the second year to be deposited to the Virginia Farmland and Forestland Preservation Fund.

FINANCE

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Oppose legislation placing restrictions on local meals tax.

[HB 2004 \(McNamara\)](#) would cap rates for local meals taxes at 4 percent, after January 1, 2028; rates of up to 6 percent would be allowed after approval in a referendum initiated by resolution of the local governing body or on the filing of a petition signed by 10 percent of the registered voters in a locality. These provisions would apply to counties, cities, and towns. Currently, counties may impose meals taxes at rates of up to 6 percent without seeking voter approval via referendum; cities and towns are not subject to caps on meals tax rates. **VACo is opposed to this legislation.**

KEY POINTS

- This bill would retreat from progress made in 2020 to provide counties with the ability to raise revenues similar to authority previously provided to cities and towns. (Prior to 2020, most counties could impose a meals tax only via referendum, and rates were capped at 4 percent.)
- Members of local boards of supervisors are elected by county residents and are accountable to them for all the decisions they make, including decisions involving local revenues.
- Meals taxes can be an important option for revenue diversification for localities.

Grocery tax elimination bills return.

[HB 2006 \(McNamara\)](#) and [SB 1172 \(Suetterlein\)](#) would eliminate the 1 percent local option sales and use tax on groceries and replace the lost revenue with a state appropriation based on each city and county's monthly pro rata share of total sales and use tax collections. HB 2006 would make this change effective July 1, 2025; SB 1172 would take effect on January 1, 2026. **VACo continues to oppose eliminating this local revenue source.** While the bills would provide for replacement revenue, localities would be relying on the state to honor this commitment in the future.

Support legislation and budget amendments to ensure sustainability of tax exemptions for veterans and surviving spouses.

[Item 251 #1s \(Aird\)](#), which was introduced at the request of VACo and VML, would provide one-time funding of \$103 million in FY 2026 to reimburse local governments

for the amount of lost revenue attributable to property tax exemptions for disabled veterans or their surviving spouses and the surviving spouses of members of the armed forces who are killed in the line of duty, if more than 1 percent of such locality's taxable real estate was exempt from taxation. These provisions are modeled on legislation supported by VACo in previous years. The amendment also includes language that requires the Auditor of Public Accounts to convene a stakeholder group which would be charged with conducting a review of current exemptions and recent trends and an analysis of future growth and developing options to address the ongoing cost to localities.

[SB 1312 \(McPike\)](#) would require the Commonwealth to reimburse 50 percent of lost revenue associated with the property tax exemptions for disabled veterans or their surviving spouses and the surviving spouses of members of the armed forces who are killed in the line of duty in any locality in which at least 1 percent of real property was exempt from real property taxes in tax year 2022. **[Item 255.10 #1s \(McPike\)](#)** provides \$42 million in FY 2026 for this purpose.

KEY POINTS

- Counties appreciate the many sacrifices of veterans and their families and their contributions to their communities. Real property tax revenues are the mainstay of local government budgets, and state actions that reduce these revenues place pressure on other local government budget priorities, including services that benefit veterans and their families.
- The cost to implement this program has grown substantially since its inception, with lost revenues estimated at \$240 million in FY 2024.
- These proposals to provide state assistance to localities with substantial concentrations of exempt property would help to ensure that the cost of providing these mandatory property tax exemptions is shared by all taxpayers in the Commonwealth.

VACo working to ensure BPOL legislation receives thorough review.

[HB 1743 \(Watts\)](#) deals with the ability of businesses to deduct gross receipts attributable to business conducted in another state or foreign country from taxation under the BPOL tax. Under current law, receipts attributable to business conducted in another state or foreign country in which the taxpayer is liable for an income tax or other tax based on income are deductible. HB 1743 would expand this provision to cover receipts from other states or foreign countries with a net income tax or other tax based upon income or gross receipts. This legislation is anticipated to affect local revenues, with a potentially significant impact in some jurisdictions, although the full scope is difficult to quantify. Allowing the deductibility of gross receipts generated in states with other types of taxes also adds complexity to tax administration, since states have different rules and thresholds for filing. Given the unknown revenue impact and

administrative complexity involved in the bill, and the compressed timeline of the short session, VACo has encouraged a more thorough review of its implications and is continuing to discuss the bill with the patron and proponents of the legislation.

Competing approaches to short-term rental tax collections under consideration.

[SB 1330 \(Marsden\)](#) requires the Department of Taxation to establish a statewide short-term rental registry and requires all accommodations providers and accommodations intermediaries (companies like Airbnb) to register with the Department and provide information on individual properties offered for short-term rental, to include amounts of taxes collected for specific properties. Local Commissioners of the Revenue or other assessing officials would have access to the information on the registry and would be authorized to share certain information with local zoning officials. The Commissioner of the Revenue would be required to notify an accommodations intermediary upon discovering that a short-term rental on its platform was not lawful, and the intermediary would be required to remove the non-compliant listing from its platform within seven days. **VACo supports this legislation.** A companion bill, **[HB 1557 \(Ware\)](#)**, failed in subcommittee earlier this week. **[HB 2383 \(Mundon King\)](#)** and **[SB 1402 \(Surovell\)](#)** reflect a compromise between Airbnb and Commissioners of the Revenue. Airbnb has agreed to comply with current law requiring monthly reporting of property addresses and gross receipts for all accommodations facilitated by in each locality. This information will allow transient occupancy tax collections to be properly attributed and audited, a long-sought goal of local tax administrators. Other provisions in the bills stipulate that this information may only be used for tax collection purposes and may not be shared with other departments or officials within the locality.

Budget amendments to support.

Staffing in sheriffs' offices: **[Item 60 #4h \(Delaney\)](#)**, **[Item 60 #2s \(Diggs\)](#)** and **[Item 60 #3s \(Carroll Foy\)](#)** would provide \$15.2 million in FY 2026 to fund sheriffs' deputies in accordance with the statutory staffing standard of one deputy per 1500 people in localities where the sheriff has primary responsibility for law enforcement.

Staffing in Director of Finance offices: **[Item 62 #2h \(Bulova\)](#)** provides \$1.5 million in FY 2026 to restore funding for 98 unfunded positions in offices of Directors of Finance.

Staffing for Commonwealth's Attorneys: **[Item 64 #3h \(Ward\)](#)** and **[Item 64 #2s \(Perry\)](#)** provide \$25.7 million in FY 2026 for staffing for Commonwealth's Attorneys' offices consistent with new staffing standards developed by the Compensation Board.

FOIA AND PUBLIC NOTICE

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Virginia Freedom of Information Act; notice of public meetings; proposed agenda required.

VACo opposed [SB 876 \(Ebbin\)](#), as introduced, because it did not provide for the addition of, and action on, agenda issues that were emerging or required swift attention. The bill expands current notice information required of Public Bodies providing that the notice shall include a proposed agenda listing all items expected to be considered by the public body at the meeting and that agenda items shall be sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting. What is particularly problematic about the bill is added language that provides that amendments to the proposed agenda may be made prior to the meeting, but the public body shall not take any final action on those amended or additional agenda items. This provision would essentially prevent modifying the agenda at a meeting and would prohibit a local public body from responding promptly to issues.

Operation of local government requires action on issues that come with the day-to-day complexities of safely and efficiently operating of local government functions. Requiring public bodies to wait until the next meeting, which may be a month away, to take action, is unreasonable at best and a public safety concern at worst.

The patron considered concerns raised by VACo and other public bodies and introduced a substitute to the bill which provides in part *that the agenda and any subsequent revisions shall be posted on the public body's official public government website, if any, and made available to the public prior to the meeting.* It also provides that *any items added to the agenda after the meeting commences may be considered and discussed at the meeting, but final action shall not be taken on such an item unless the matter is time sensitive.* This new language would allow action on matters added to the agenda that are time sensitive, but all other matters added cannot be acted on until a subsequent meeting.

To express concerns about your county policies as they relate to this bill contact the Patron Senator Ebbin or your legislators.

FOIA Requests to Public Bodies.

[SB 1029 \(Roem\)](#) is a revised version of past bills introduced by the patron and opposed by VACo to provide free or reduced requester fees for FOIA requests to public bodies. The introduced version of this bill is based on a work group of stakeholders that held several meetings over the past year under the umbrella of the Freedom of Information Act Advisory Council. The council did not take a position on the bill as it lacked a quorum at its last meeting before the session. The bill limits the fees that can be charged for producing public records to the median hourly rate of pay of employees of the public body, or the actual hourly rate of pay of the person performing the work, whichever is less. It also provides that a public body may petition a court for relief from this fee limit, if there is no one who can process the request at the median hourly rate of pay or less.

The bill also amends existing law providing that a public body may petition a court for additional time to respond to a request for public records to allow such petitions to be heard in either general district or circuit court, to give such petitions priority on the court's docket, and to toll the response time while such a petition is pending before a court. As part of the **[workgroup](#)**, the Virginia Freedom of Information Advisory (FOIA) Council staff has published best practices guides pertaining to access to public records under FOIA, FOIA charges, and making requests for public records.

VACo does not endorse the workgroup product as reflected in this bill. Contact your **[Senators](#)** to express concerns about your county policies as they relate to this bill.

Public Notice Legislation.

VACo supports **[HB 1996 \(Bennett Parker\)](#)**, which allows the second public hearing notice that a planning commission publishes for certain planning and zoning actions to be published no less than five days before the date of the meeting. Current law requires such notice to be published no less than seven days before the date of the meeting and this time frame was problematic for several localities due to the deadlines of the local newspaper.

KEY POINT

- The slightly shorter notice period will allow more timely action on these matters by the Public Body.

HEALTH AND HUMAN RESOURCES

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Support budget amendments to maintain state-local partnership in Children’s Services Act.

Language in the Governor’s introduced budget would cap the state’s contribution to the Children’s Services Act by stipulating that the rate of state reimbursement to localities for private day educational services for services provided on or after July 1, 2025, may not increase more than 2.5 percent over the rates for such services provided the previous year. VACo worked with advocacy partners to submit amendments to remove this provision, and to suggest instead that the state take a focused look at ways to assist public schools to serve children with high support needs.

[Item 268 #1h \(Carr\)](#), [Item 268 #2h \(Coyner\)](#), [Item 268 #3h \(Hodges\)](#), [Item 268 #1s \(Favola\)](#), and [Item 268 #2s \(Deeds\)](#) would all strike the language regarding the cap. [Item 1 #4s \(Favola\)](#), which was also submitted at the request of VACo and its advocacy partners, would direct the Joint Subcommittee on Elementary and Secondary Education Funding to review a recommendation from a previous workgroup to create a defined pool of funds within the Department of Education reserved for students with highest support needs in public schools, to include consideration of whether this goal could be met by expanding or restructuring the existing Students with Intensive Support Needs Application funding mechanism.

KEY POINTS

- Under the language in the introduced budget imposing the cap, if a provider’s rate increased beyond 2.5 percent over the previous year’s rate, and no alternative placement was available or suitable, the locality would be left to cover both the state and local shares of costs in excess of that cap. The state limiting its financial exposure to cost increases runs contrary to the structure of CSA, which is a state-local partnership.
- Providing additional support to local public schools was an area of consensus in a 2021-2022 workgroup on CSA, but further work needed to be done to determine the best mechanism to provide that support.
- The Joint Subcommittee on Elementary and Secondary Education Funding held a robust discussion about the need to improve state support for special education at its last meeting in 2024, with a plan for further work in the 2025 interim. The

proposed budget language would ensure that the issue of private placements funded through CSA is part of that discussion.

Oppose legislation to require closure of juvenile detention centers.

[SB 1432 \(Marsden\)](#) requires the closure and consolidation of seven juvenile detention centers by January 1, 2026. VACo is opposed to this legislation. Throughout several workgroups reviewing this issue, VACo has maintained its position that any decisions regarding consolidation should be made by the affected local governments so that the full spectrum of community needs can be considered, to include opportunities for the reinvestment of savings into the provision of additional services, as well as potential drawbacks, such as housing youth farther from their families and communities.

The bill would require a series of closures and consolidations, as follows:

- Loudoun County Juvenile Detention Center, Northern Virginia Juvenile Detention Center, and Prince William County Juvenile Detention Center would be closed and consolidated into the Fairfax County Juvenile Detention Center or other detention center as negotiated by the localities or commissions;
- Henrico Juvenile Detention Center would be closed and consolidated into the James River Juvenile Detention Center, Chesterfield Juvenile Detention Home, or other detention center as negotiated by the localities or commissions;
- Richmond Juvenile Detention Center would be closed and consolidated into the Chesterfield Juvenile Detention Home or other detention center as negotiated by the localities or commissions;
- Norfolk Juvenile Detention Center would be closed and consolidated into the Virginia Beach Juvenile Detention Center, Chesapeake Juvenile Services, or other detention center as negotiated by the localities or commissions;
- Blue Ridge Juvenile Detention Center would be closed and consolidated into the Shenandoah Valley Juvenile Center or other detention center as negotiated by the localities or commissions.

The bill requires a locality or commission operating a facility that would receive youth from a facility that would be closed under the provisions of the bill to negotiate with the locality from which the youth would be placed regarding “mutually agreeable funding contributions for the operation of such receiving juvenile secure detention facility.” These agreements must include certain provisions regarding access to post-dispositional programming, medical and hospitalization costs, and transportation costs. If the localities are unable to reach an agreement, the Department of Juvenile Justice would determine the contributions, and failure to comply with this determination could result in the loss of state funding. Under the bill, a locality or commission operating a detention facility that refuses to accept youth who would otherwise have been placed in a facility that is closed would not be eligible for state funding for its facility.

The bill also proposes changes to staffing requirements for education professionals at detention centers. Rather than a ratio of one teacher for every 12 beds, the ratio would be changed to one full-time equivalent program employee (which may include teachers, lead teachers, principals, and program administrative support staff) for every six students based on a rolling average daily population at the facility from the previous three fiscal years. Contracts between the Board of Education and local school divisions must allow a teacher employed by a local school board to continue serving in the local school division and also work part-time at a regional or local detention center; these teachers would be eligible for a \$3000 annual bonus.

KEY POINTS

- Juvenile detention centers are owned and operated locally, with some state support. Decisions regarding consolidation should be made by the affected local governments so that the benefits and drawbacks can be fully considered.
- The most recent study of this issue concluded that several facilities could be closed and consolidated, provided that an extensive list of barriers could be overcome, including the potential negative effects of placing youth farther from home on family engagement, youth access to legal counsel, and youth engagement in services in their home communities. This legislation does not address these barriers.

Support Medicaid coverage of behavioral health treatment for incarcerated individuals in local/regional jails.

VACo worked with advocacy partners to introduce budget language directing the Department of Medical Assistance Services (DMAS) to apply for a waiver from the Centers for Medicare and Medicaid Services to allow coverage of behavioral health services, addiction and recovery treatment, and prescription medications for behavioral health-related conditions of incarcerated individuals in state facilities and local and regional jails ([Item 288 #16s \(Favola\)](#)). Several other amendments ([Item 292 #2h \(Coyner\)](#) and [Item 292 #4s \(Locke\)](#)) have been introduced to provide coverage for prenatal and postpartum care for incarcerated pregnant and postpartum women up to 90 days prior to release.

KEY POINTS

- In 2023, the Centers for Medicare and Medicaid Services (CMS) issued guidance on a new Medicaid Reentry Section 1115 Demonstration Opportunity that would allow federal funding to cover certain medical and behavioral health services for state prisoners and local and regional jail inmates while they are in a correctional facility. Currently, Virginia Medicaid may cover costs incurred during a hospital admission for these individuals, but not services provided within a prison or jail. As of July 2024, nine states had received approval for reentry waivers using this new flexibility and 14 states were awaiting approval.

- Jails continue to serve large numbers of individuals with mental illness and substance use disorders, despite commendable efforts to develop a comprehensive continuum of community-based services, including crisis services. The State Compensation Board’s most recent report indicates that approximately 26 percent of the jail population that was able to be assessed during the period covered by the report was known or suspected to have a mental illness; of those with a mental illness, approximately 52 percent had a co-occurring substance use disorder.
- Studies have shown that access to treatment pre- and post-release can improve outcomes.

Helpful legislation allows more flexibility for crisis stabilization services.

[HB 2534 \(Sewell\)](#) and [SB 1304 \(McPike\)](#) would allow more flexibility to provide crisis stabilization services in facilities with more than 16 beds by directing DMAS to amend its regulations to remove the prohibition on providing crisis stabilization services in “institutions of mental disease.” Generally, under federal law, Medicaid cannot cover services in these settings, which are defined to include hospitals, nursing facilities, or other institutions with more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of individuals with mental illness, including substance use disorders. This legislation would work in tandem with language and funding in the Governor’s introduced budget to allow DMAS to pursue a Medicaid waiver to allow coverage for services provided during short-term stays for acute care in psychiatric hospitals or residential treatment settings that qualify as Institutes of Mental Disease (such as crisis stabilization units). **VACo supports these efforts.**

Budget amendments to support.

Assistance with implementing new Developmental Disability waiver slots: [Item 297 #5h \(Sickles\)](#) and [Item 297 #3s \(Deeds\)](#) provide \$8.7 million in FY 2026 for Community Services Boards (CSBs) to cover the onboarding costs for the additional support coordinators needed for the 3,440 new Developmental Disability waiver slots that have been funded over the biennium. This funding is intended to cover the expenses incurred until a new support coordinator can carry a full caseload and begin billing Medicaid.

Marcus Alert funding: [Item 297 #2h \(Willett\)](#) and [Item 297 #6s \(McPike\)](#) provide \$18 million in FY 2026 to fund additional programs in order to keep implementation on pace for the 2028 statutory deadline, as well as increasing support for all Marcus Alert programs from \$600,000 to \$972,000 per year.

Substance use disorder treatment in local and regional jails: [Item 394 #2h \(Coyner\)](#) and [Item 394 #14s \(Favola\)](#) would provide \$10 million from opioid

settlement funding in FY 2026 for deposit in the Jail-Based Substance Use Disorder Treatment and Transition Fund. VACo supported the creation of the Fund, which was established in 2023 for the planning or operation of substance use disorder treatment services and transition services, such as medically assisted treatment therapies, addiction recovery, and other services for persons with substance use disorder who are incarcerated in local and regional jails.

Early Intervention: [Item 297 #4h \(Willett\)](#) and [Item 297 #1s \(Deeds\)](#) provide \$5.7 and \$5.8 million, respectively, in FY 2026 to address program growth in Virginia's Part C/Early Intervention program, which serves infants and toddlers with disabilities. A related bill, [HB 1710 \(Gardner\)](#), directs DMAS to convene a stakeholder group to assess and make recommendations related to reimbursement rates for this program; VACo supports this bill.

Home visiting: [Item 292 #4h \(Rasoul\)](#) and [Item 292 #3s \(Favola\)](#) direct DMAS to establish a workgroup to develop a plan for a Medicaid reimbursed home visiting benefit for pregnant and postpartum individuals and their families.

HOUSING

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Support bill to expand optional affordable dwelling unit program to all localities.

SB 1313 (McPike) expands to all localities the ability to provide optional increases in density to meet affordable housing needs in the Commonwealth. Currently this authority is only provided to seven jurisdictions and has proven successful in developing affordable housing units where developers have chosen this option.

The legislation also lays out additional implementation measures and tools for localities to consider when developing a successful program. These include lot size reductions, accessory housing unit allowances, conversion of vacant office and commercial space to multi-family apartments, and allowance for lower-cost home construction alternatives such as manufactured homes and duplex manufactured homes.

VACo supports the bill. After passing in the Senate Local Government Committee by a [vote of 8-6-1](#), SB 1313 will be heard on the [Senate](#) Floor this week for further consideration.

KEY POINTS

- VACo supports incentives to assist localities in creating and sustaining more affordable housing.
- SB 1313 requires a locality, before adopting a program, to create an advisory committee of stakeholders that includes residents, developers, real estate professionals, affordable housing advocates, and finance professionals. This provision will help to craft successful programs at the local level.

Oppose bills to make accessory dwelling units (ADU) a by-right use.

SB 932 (Salim) / **HB 1832 (Simonds)** mandate that all localities permit accessory dwelling units (ADUs) as an accessory use in residential zoning districts. The legislation also prohibits a locality from requiring rear or side setbacks for the ADU that are greater than the setback required for the primary dwelling. **VACo opposes both bills.** SB 932 will be heard in the [Senate Local Government Committee](#) on Monday, January 27. HB 1832 will be heard in the [House Counties, Cities and Towns Subcommittee #2](#).

KEY POINTS

- Local governments have the authority to allow for the inclusion of ADUs within their zoning ordinances and determine the context of where ADUs can be reasonably accommodated to meet the needs of residents and homeowners.
- A mandate to authorize an ADU in all residential zoning districts excludes input from citizens and communities on whether, and how, ADUs can fit within existing and proposed residential developments.

LABOR

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[HB 2764 \(Tran\)](#) / [SB 917 \(Surovell\)](#) would undermine the existing local option for local governments to engage in collective bargaining agreements with their employees and require local governments to engage in collective bargaining should their employees so choose. The bill creates the Public Employee Relations Board, which shall determine appropriate bargaining units and provide for certification and decertification elections for exclusive bargaining representatives of state employees and local government employees. The bills have other, problematic provisions. **VACo opposes any effort to mandate collective bargaining for public employees.**

[HB 2495 \(Askew\)](#) / [SB 1401 \(Lucas\)](#) would authorize firefighters and emergency medical services providers employed by a political subdivision of the Commonwealth to engage in collective bargaining through labor organizations. The bills set up a three-member board of arbitration regarding any dispute arising between an employer and firefighters or emergency services. Under the bills, determinations made by the board are final on a disputed issue and are binding on the parties involved. **VACo opposes any effort to mandate collective bargaining for public employees.**

PUBLIC SAFETY

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[HB 2069 \(Garrett\)](#) would increase the assessment on certain insurance companies from one percent to 1.5 percent. The bill provides that the portion of the Fire Programs Fund allocated to localities may be used for the additional purposes of (i) constructing, improving, or expanding fire station facilities; (ii) providing mental health resources for fire personnel; or (iii) hiring additional fire personnel and funding recruitment and retention programs. The bill also prohibits such funds from being used, except as provided, for the purposes of investments, operating expenses, debt repayment, taxes, or fees. The bill also establishes the Aid to Localities Grant Program, to be funded by 0.25 percent of the assessments on insurance companies, for the purposes of helping local fire departments that are at risk of closing or facing major violations due to the lack of funds needed to be in compliance with relevant laws and regulations. **VACo supports this bill.**

Budget Amendments to Support.

[Item 272 #2h \(Sewell\)](#) adds \$10 million from the general fund in FY 26 for grants to local governments to update or establish prescription drug box programs. These updates ensure compliance with new standards for secure drug disposal to prevent misuse and environmental harm, in accordance with the latest federal and state regulatory changes to prescription drug box programs.

[Item 394 #3h \(Krizek\)](#) and [Item 394 #8s \(Perry\)](#) provides \$7.5 million from the general fund in fiscal year 2025 to establish the Unmanned Aircraft Trade and Replace Program, intended to provide grants of up to \$25,000 to replace drones operated by state and local law enforcement and local first responder agencies that are manufactured by entities domiciled in a country defined as a foreign adversary of the United States.

KEY POINTS

- Funding for public safety continues to be a key priority for local governments.
- Responding to federal unfunded mandates requires additional state support.
- Localities provide most of the public safety services funding.

TRANSPORTATION

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Transportation Services Mandate.

[SB 919 \(Salim\)](#) / [HB 2619 \(Helmer\)](#) would require the governing body of any county that contracts with a private company to provide transportation services, for the contract to include provisions requiring any employee of the private company be given compensation and benefits that are at a minimum equivalent to the compensation and benefits provided to a public employee.

Furthermore, the bill states that if a county has adopted an ordinance or resolution authorizing collective bargaining by employees of such county, in contracting with a private company for transportation services, the county would require such company to enter and adhere to a collective bargaining agreement. **VACo opposes SB 919 and HB 2619.**

KEY POINTS

- The bills would mandate collective bargaining within select counties, interfere with the ability for a county to make employment and services delivery decisions, and may have costly unintended consequences (as shown by this [fiscal impact statement](#)).
- The bills include language that could be potentially harmful to counties such as how “transportation services” are constituted. Generally, this means those who operate transit systems but could very likely include mechanics of such systems.
- The bills would almost certainly raise the operating costs of transportation delivery systems at a time when the budgets of these services are very tight as it is.

Towing – Repeal of Local Authority.

[SB 1332 \(Marsden\)](#) and [HB 2214 \(McQuinn\)](#) repeal the authority for localities to establish trespass towing fees, with exceptions, and requires the State Corporation Commission to establish such fees statewide and adjust such fees annually. **VACo opposes SB 1332 and HB 2214.**

KEY POINTS

- This bill strips localities of little authority they currently have to set rates regarding trespass towing

- While the bills repeal a locality’s ability to set the initial hook up and removal fee, they also authorize localities to regulate storage fees, administration fees and other fees as well as the ability for localities to regulate and permit towing operations.
- Towing is a local issue and having a locality regulate and permit towing at the local level while having the initial hook up and removal fee set at the state level is contradictory.

Speed Camera Bill Would Redirect Funds from Locality to State.

[HB 2041 \(Seibold\)](#) would authorize the governing body of any county, city, or town to provide, by ordinance, for the placement and operation of a speed safety camera by the law-enforcement agency of such locality for the purposes of recording vehicle speed violations on any highway in such locality as long as:

- The highway speed limit is 45 miles per hour or less
- The highway is in a priority pedestrian corridor as identified by the Department of Transportation in the statewide Pedestrian Safety Action Plan or
- The highway is a high-risk pedestrian corridor as designated by the Commissioner of Highways

The bill also states that civil penalties collected from speed safety cameras are to be used solely for the operating costs of such speed safety cameras, and that any excess funds collected are to be annually deposited in the Virginia Highway Safety Improvement Program (VHSIP). While VACo supports photo speed enforcement as a public safety tool, VACo opposes this bill because it diverts locally generated funds away from our communities and into the state-administered Virginia Highway Safety Improvement Program (VHSIP).

VACo firmly believes that if localities are granted the expanded authority to implement and oversee speed safety camera programs, they should retain all excess funds generated. Keeping these funds at the local level empowers communities to invest in critical programs and infrastructure improvements that directly address their unique needs and priorities.

Additionally, this bill imposes unnecessary administrative burdens on local governments and law enforcement agencies, creating operational challenges that could hinder the effectiveness of speed safety initiatives.

VACo urges lawmakers to prioritize local control and flexibility to ensure that resources remain where they are needed most—within our communities.

Budget Amendments to Support.

Unpaved Road Funding: [Item 438 #2s \(Stanley\)](#) and [Item 438 #8h \(Williams\)](#) provide \$25 million from the general fund in fiscal year 2026 to be allocated for improvements of unpaved secondary highways. Delegate Williams' amendment is a **request of VACo** and we are happy to see and support Senator Stanley in his efforts as well.

Restore Distribution of Recordation Tax: [Item 251 #1h \(Wiley\)](#) would provide \$20 million from the general fund the second year from state recordation tax revenue to localities for transportation or education purposes.

Washington Metropolitan Area Transit Authority (WMATA): [Item 433 #2s \(Boysko\)](#) and [Item 433 #1h \(Sickles\)](#) restores \$3.3 million in general fund support for WMATA operating support. The Governor's amendments moved \$73.4 million from the general fund from the second year to the first year and removed all second-year funding, reflecting a net savings of \$11.1 million general fund. An updated estimate shows a revised savings of \$7.8 million compared to the Budget Bill signed in 2024 (Chapter 2).

Transit Operating Shortfall: [Item 433 #1s \(Locke\)](#) and [Item 433 #3h \(Askew\)](#), Senator Locke's amendment would provide \$50 million GF in FY 25 while Delegate Askew's would provide \$50 million GF in FY 26 in one-time funding to the Commonwealth's Mass Transit Fund's Transit Operating and Transit Capital sub-funds. The funding would go toward assisting Virginia's transit agencies with their operating shortfalls.

Thursday, January 23, 2025

General Assembly Committee Schedule

15 minutes after adjournment

[\(Live Stream of Senate Committee Meetings\)](#)

[\(Live Stream of House Committee Meetings\)](#)

[\(Senate and House Committees Information\)](#)

[\(General Assembly Full Schedule\)](#)

Senate Education and Health-Public Education

Senate Room C, Room 311, General Assembly Building | [Subcommittee Info](#)

1/2 hour after adjournment of the Senate [\(View Meeting\)](#)

House Labor and Commerce

House Room A, Room 008, General Assembly Building | [Committee Info](#)

1/2 hour after adjournment of the House [\(Agenda\)](#) [\(View Meeting\)](#)

House Labor and Commerce-Subcommittee #2

House Room A, Room 008, General Assembly Building | [Subcommittee Info](#)

Immediately upon adjournment of the House Committee on Labor and Commerce
[\(Agenda\)](#) [\(View Meeting\)](#)

House General Laws

House Room B, Room 205, General Assembly Building | [Committee Info](#)

1/2 hour after adjournment of the House [\(Agenda\)](#) [\(View Meeting\)](#)

House General Laws-Housing/Consumer Protection

House Room B, Room 205, General Assembly Building | [Subcommittee Info](#)

Immediately upon adjournment of the House Committee on General Laws [\(Agenda\)](#)
[\(View Meeting\)](#)

House General Laws-Professions/Occupations and Administrative Process

House Room B, Room 205, General Assembly Building | [Subcommittee Info](#)

2 hours after adjournment of the House Committee on General Laws [\(Agenda\)](#) [\(View Meeting\)](#)

3 PM

Senate Finance and Appropriations-Education

Senate Finance & Appropriations Room, Room 1300, General Assembly Building | [Subcommittee Info](#) | [\(Agenda\)](#) [\(View Meeting\)](#)

4 PM

House Public Safety-Firearms

House North Subcommittee Room, Room 200, General Assembly Building | [Subcommittee Info](#) | [\(Agenda\)](#) [\(View Meeting\)](#)

House Health and Human Services-Social Services

House Room C, Room 206, General Assembly Building | [Subcommittee Info](#) | [\(Agenda\)](#) [\(View Meeting\)](#)

Senate Education and Health-Public Education

Senate Room C, Room 311, General Assembly Building | [Subcommittee Info](#) | [Docket Info](#)