

General Assembly Approves Amendments to Biennium Budget



The General Assembly approved a package of revisions to the state’s 2024-2026 biennium budget on Saturday, February 22, prior to adjourning the 2025 session. The amendments contained in the [conference report](#) represent an agreement negotiated between the House and Senate on revisions to the Governor’s proposed budget, which was submitted in December. Both the House and Senate approved the budget conference report by wide margins of 81-18 and 37-3, respectively. The Governor now has 30 days from the date of adjournment to act on the budget bill, along with all other bills presented to him in the last week of the legislative session (bills sent to the Governor when there are more than seven days remaining in the session must be acted upon within a seven-day window). The legislature will then review the Governor’s amendments and vetoes at the reconvened session on April 2.

Following is an overview of items of interest to local governments in the budget conference report. Additional detail provided by the state Compensation Board is available at [this link](#), and tables provided by “money committee” staff with estimated distributions to school divisions as proposed in the conference report may be found at [this link](#). More details on school division distributions will be posted on the Virginia Department of Education’s website at [this link](#).

K-12 Education: Support Cap

- Functionally eliminates the cap on recognition of support positions by providing \$222.9 million in FY 2026 to fund positions at a ratio that corresponds with prevailing local practice. This action has been long-sought by VACo and its advocacy partners and addresses VACo’s top budget priority for this session. ([Item 125 #11c](#))



EMPOWERING EMPLOYERS
STRENGTHENING EMPLOYEES

Pierce Insurance leads the way with Voluntary Benefits that transform the landscape for local county government employers, employees, and the community.

Employers:

- Save time and administration costs
- Attract a talented workforce
- Retain valuable employees

Employees:

- Enhance financial security
- Improve overall wellbeing
- Meet specific needs

Community:

Unite employers, employees, and their communities with programs such as Benefits That Benefit Children.



Pierce Insurance was selected by National Benefit Partners to represent Benefits That Benefit Children's voluntary products and services and our clients have since raised over **\$122,000** for Children's Hospital Foundations.

WIN



CHILDREN'S CHAMPIONS
EMPLOYERS

Benefits That Benefit Children "Children's Champions" employers win because they generate significant donations to children's hospitals in their communities simply by offering select best-in-class voluntary benefits to their employees - *no purchase necessary.*

WIN



CHILDREN'S CHAMPIONS
EMPLOYEES

Benefits That Benefit Children "Children's Champions" employees win because they are able to elect best-in-class voluntary benefits products and services with preferred underwriting and plan designs from some of the nation's top-rated employee benefit providers.

WIN



CHILDREN'S HOSPITAL
FOUNDATIONS

Children's hospitals all across the country win because the Benefits That Benefit Children cause marketing program raises awareness of their special financial needs and provides significant donations to their foundations.



Lonnie Pierce, CEO/President
Lonnie@pierceins.com
Direct Telephone # 252-725-3064



Donna Pierce, Client Relations
Donna@pierceins.com
Direct Telephone # 704-576-0934

SCAN ME



pierceins.com



Capitol Contact

Virginia General Assembly

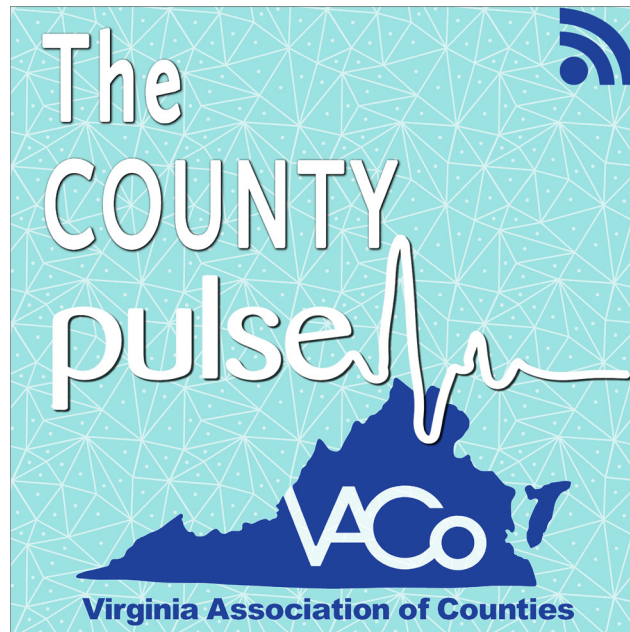
Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219
www.vaco.org • 804.788.6652

FEBRUARY 2025

- February 20, 2025: [FOIA Fees Legislation Falters](#)
- February 18, 2025: [BPOL Legislation Headed to Conference](#)
- February 18, 2025: **Capitol Contact ALERT!** [Maintain State-Local Partnership in Children's Services Act](#)
- February 13, 2025: **ACTION ITEM:** [School Construction Financing Bill Language Needed in Budget](#)
- February 11, 2025: **ACTION ITEM:** [Oppose Bill to Preempt Local Land Use Authority](#)
- February 6, 2025: [Status of JLARC K-12 Funding Legislation Post Crossover](#)
- February 4, 2025: [Money Committees Release Budget Proposals](#)

JANUARY 2025

- January 30, 2025: [VACo Opposes Bill Mandating Targets for Utility-Scale Solar in Comprehensive Plans for Transportation Services](#)
- January 29, 2025: **Capitol Contact ALERT!** [VACo Opposes Bill that Imposes Strict Limitations on Providing Drinking Water](#)
- January 29, 2025: **Capitol Contact ALERT!** [VACo Opposes Bill Mandating Targets for Utility-Scale Solar in Comprehensive Plans](#)
- January 28, 2025: [Oppose Bills Mandating Collective Bargaining and Other Employment Terms for Transportation Services](#)
- January 24, 2025: **Capitol Contact ALERT!** [Contact Your Legislators to Oppose Speed Camera Bills that Preempt Local Authority](#)
- January 23, 2025: [County Government Day Capitol Contact](#)
- January 21, 2025: [VACo Supports School Construction Financing Bill](#)
- January 16, 2025: [VACo Opposes Bills Mandating Collective Bargaining and Other Employment Terms for Transportation Services](#)
- January 14, 2025: [VACo Advocates for Removal of K-12 Support Cap](#)
- January 9, 2025: [General Assembly Convenes, Adopts Schedule for 2025 General Assembly Session](#)



Season 4

Energy Landscape of Virginia Series with Joe Lerch

Energy Landscape of Virginia Episode 8 | Virginia General Assembly Update – Legislation on Data Centers and Utility-Scale Solar



[Listen to the Podcast.](#)

Virginia General Assembly Update – Legislation on Data Centers and Utility-Scale Solar. Joe Lerch and VACo Executive Director Dean Lynch provide an update on the status of legislation relating to Data Centers and Utility-Scale Solar. **Where to find out more about topics covered in this episode**

- [JLARC “Data Centers in Virginia” Report](#)
- [HB 1601/SB 1449](#) – Siting of Data Centers; Site Assessment
- [House Budget Amendment](#) – Extends the sunset date for sales tax exemption for data centers from 2035 to 2050
- [Senate Budget Amendment](#) – Requires data center operators to meet energy efficiency standards to qualify for sales tax exemption
- [Capitol Contact ALERT: VACo Opposes Bill Mandating Targets for Utility-Scale Solar in Comprehensive Plans](#) (January 29, 2025)
- [Bills to Mandate Counties put State Targets for Utility-Scale Solar in Comprehensive Plans Fail](#) (February 4, 2025)
- [ACTION ITEM: Oppose Bill to Mandate Statewide Standards for Solar Facilities](#) (February 11, 2025)

VACo Contact: [Joe Lerch, AICP](#)



Visit Richmond County and the Richmond County Historic Courthouse

Location: SE – Richmond Road / Main Street

Built: 1748

Style: Colonial

Architect: Landon Carter

Contractor: Landon Carter

Description: The building faces north and is a one story red colored brick and wood structure. The north front has a projecting central section with entrance. The windows are arched. The roof is hipped. The building was remodeled in 1877. The architect was T Buckler Ghequiere.

Note: The courthouse is the fifth oldest courthouse still in use in the United States. The oldest courthouse is located in King William County (1725). The second oldest courthouse is located in Salem County, NJ (1735). The third oldest is in Hanover County (1737). The fourth oldest is in Charles City County (1740). King and Queen County is the sixth oldest (1750).

SOURCE: [American Courthouses](#)

VACo 2025 REGIONAL MEETINGS



IN-PERSON AND VIRTUAL
MEETINGS SCHEDULE TO BE
RELEASED SOON!



You are VAcorp

You are not merely a customer of VAcorp; you **are** VAcorp! We are both owned and governed by you – our members! VAcorp is created under 15.2-2700 of the local government code where all assets and surplus belong to the members. In addition, VAcorp is controlled by a Supervisory Board that is elected from and by our members. The Board determines and approves all major risk pool decisions, and as a voting member, you have a voice in the decisions that matter most.

Know Who You Are

Because you are VAcorp itself, we think it is critical that you understand exactly what VAcorp is and why it exists. Many simply think of us as their “insurance carrier” – writing customized coverages and handling claims when they occur – but we are so much more!

Our History

The Birth of Risk Pools

VAcorp is not an insurance company, but rather a Risk Pool.

Unstable economic conditions in the mid-1980s led to a commercial insurance crisis with ballooning premiums and widespread policy cancellations. As a result, Risk Pools began to form as an alternative to volatile traditional carriers, allowing Pool members to exert more control over their coverages and costs. Today, almost all public sector entities throughout the country get their coverage from Risk Pools rather than from commercial insurance companies.

VAcorp’s Origin

VAcorp was founded by a handful of Virginia counties in 1993. The ultimate goals of the program were to provide **cost stability**, the most **comprehensive coverages** possible, and **custom services** tailored specifically to the unique needs of our members. While we are pleased by how well our prices compare against the competition, our goal was never to guarantee the lowest cost. Instead, we promised to avoid the wild price swings that we’ve seen in other providers and provide stable pricing year after year, and that is exactly what we have delivered. VAcorp rates are actually **lower today in 2024 than they were in 1993!**

VAcorp’s Growth

Today, VAcorp is the **largest self-insurance risk pool** for public sector entities in the Commonwealth with a membership retention rate of better than 98%. Over the years, we have expanded beyond counties to include municipalities, school divisions, authorities, volunteer fire & rescue companies, state agencies, and non-profits funded by taxpayer dollars. **Over 560 members** have joined VAcorp, including 8 of the 10 largest counties, 8 of the 10 largest cities, and 8 of the 10 largest school divisions. We believe that the extraordinary success of the program can be attributed to our unwavering commitment to our founding principles.

VAcorp Exists to Serve You

VAcorp was created solely to serve Virginia's public sector entities, and from day one until now, we have never lost sight of that purpose. Because we answer only to our members, every decision is designed to benefit the group over the long haul.

VAcorp advocates for local government through a myriad of partnerships with affiliated associations including: VACo, VSBA, VLGMA, VASS, VFGOA, VASBO, LGA, Regional Jail Association, PDC, etc. While there is a cost associated with these partnerships, they add value to the group by aiding in our ability to lobby the General Assembly on behalf of our members.

You may not always see the immediate payoff, but every VAcorp decision is made in alignment with our vision to serve our members and promote the health and longevity of your program.

Take a look at a few of VAcorp's milestones over the years:

- **1993** - VAcorp is established with 12 founding members and less than \$700,000 in annual contribution.
- **1998** - VAcorp terminates service contract with claims administration vendor and hires staff to promote more control and efficiency.
- **1999** - VAcorp offers coverage to K-12 Public Schools across the Commonwealth.
- **2001** - VAcorp begins offering Public Officials Liability coverage in response to VARisk offering limited coverage.
- **2004** - VAcorp begins providing Environmental Liability coverage to all members at no additional cost. Even in 2024, VAcorp is the only provider offering this coverage with a low \$25,000 deductible. Other providers offer this coverage with a \$250,000 deductible.
- **2008** - VAcorp responded to the great recession by freezing rates and providing financial relief with over \$8,000,000 in dividends to members.
- **2011** - VAcorp introduces Line of Duty Act (LODA) coverage, creates the only LODA trust in the state, and absorbs existing LODA losses in response to the state pushing this cost to the local level. VAcorp paid all of its members' 2010 past liability for over \$1,000,000.
- **2013** - VAcorp merges with the VSBA Self-Insurance Group and assumes their liabilities to prevent School Boards from being assessed. This action saves Local Governments in excess of \$5,000,000.
- **2013** - VAcorp becomes the first to offer Cyber Risk coverage in Virginia offering the broadest coverage available to local governments anywhere in the US.
- **2016** - VAcorp offers Student Accident and Catastrophic Accident coverage in order to fill VHSL coverage gaps.
- **2020** - VAcorp provides over \$5,000,000 in rate credits during the COVID pandemic to assist members.
- **2023** - VAcorp includes security risk management coverage (active shooter) for all members (coverage has been included for Schools since 2013).





Equipment Lease-Purchase Financing

Equipment Lease-Purchase Financing is a great tool to make your locality's and school division's budget go further!

Contact us for details.

VML/VACo Equipment Lease-Purchase Financing offers:

- Competitive rates and low closing costs.
- Predictable and level payments.
- Lease terms up to the expected life of the equipment.
- Streamlined process – we handle the details for you.

Budget less in the current year by spreading payments out over the useful life of the equipment – perfect for school buses, fire engines, and police cars.

CONTACT US TODAY

Questions?

Contact Steve Mulroy
804-648-0635

[**smulroy@valocalfinance.org**](mailto:smulroy@valocalfinance.org)



Stafford Appoints Loew as Parks, Recreation and Tourism Director



Stafford County Administrator Bill Ashton announces the selection of Eugene Loew as the County's new Parks, Recreation and Tourism Director. Loew has over 20 years of experience in parks and recreation. He comes to Stafford County from Prince William County where he served as the Assistant Director of Parks and Recreation.

"Eugene has the expertise and vision to lead our Parks Department in expanding recreational and tourism opportunities for our growing community," said County Administrator Bill Ashton. "His ability to forge strategic partnerships, secure alternative funding sources, and implement innovative solutions will ensure fiscal responsibility while prioritizing engagement, accessibility, and quality of life for all Stafford residents."

"My focus will be on implementing operational improvements, optimizing our budget and enhancing our public recreation services to ensure access for all residents," stated Loew. "Stafford's location on the interstate halfway between Washington, D.C., and Richmond makes it a prime destination and I look forward to enhancing our tourism program to attract more visitors."

A George Mason University graduate with a Bachelor of Science in Sustainability Management, Loew also holds a Lean Six Sigma Black Belt certification. He brings a data-driven, efficiency-focused approach to his leadership. His career spans roles in golf course and park maintenance in Fairfax County and leadership positions in Dallas, Sacramento, and Prince William County.

With his extensive experience and strategic mindset, Loew is poised to elevate Stafford County's parks, recreation, and tourism programs for residents and visitors alike.

Let's
solve
this.



Virginia's Best Future is Powered by *Home*

City. County. Town. Neighborhood. We're here to partner with communities — making investments in housing that open doors to a future of unlimited possibilities.

Let's work together to make Virginia an even greater and more affordable place to live, work and do business. Visit us at VirginiaHousing.com.



K-12 Education: Special Education

- Provides \$52.8 million in FY 2026 as an add-on to basic aid for students receiving special education. ([Item 125 #6c](#))

K-12 Education: School Capital

- Removes the proposed transfer of \$150 million from the Literary Fund to the School Construction Fund in FY 2025 that was included in the introduced budget; provides an additional \$10 million in FY 2026 from expected casino revenues, for a total of \$310 million for School Construction Assistance Grants over the biennium. Replaces an additional \$25 million from the General Fund with Literary Fund revenues for teacher retirement costs ([Item 125 #9c](#), [Item 125 #10c](#))
- Does not include provisions of proposed legislation allowing an additional 1 percent local option sales and use tax for school capital needs.

K-12 Education: School-Based Mental Health

- Revises language regarding the existing \$15 million per year provided for school-based health clinics. The introduced budget proposed to allow funds to be used to provide technical assistance to school divisions seeking guidance on integrating mental health services and grants to school divisions to contract for community-based mental health services from public or private community-based providers. The conference agreement strikes this language and instead allows funds to be used for school districts to contract with a telehealth provider and adds mobile clinics as an allowable use of funds. ([Item 295 #5c](#))

K-12: Additional Items

- Eliminates the \$50 million proposed in the introduced budget in FY 2025 for infrastructure, technical training, and evidence-based supports for schools identified as needing intensive support or “off-track” under the Board of Education’s School Performance and Support Framework. Also eliminates the \$250,000 in FY 2025 and \$1 million in FY 2026 proposed for regional support specialists to assist divisions with multiple schools identified as “off track” and needing intensive support; instead directs the Department of Education to maintain at least 30 full-time employees in the Office of School Quality to support schools and school divisions not meeting state benchmarks, of which at least six are to be deployed as regional support specialists focused on academic improvement in math, literacy, and science. ([Item 120 #1c](#) and [Item 120 #2c](#))
- Includes \$11 million in FY 2025 and \$1 million in FY 2026 for improvements to mathematics instruction. ([Item 117 #1c](#))
- Retains a series of technical amendments included in the introduced budget that capture updates in average daily membership, categorical and incentive program costs, English language learner data, Lottery proceeds, participation in certain programs, and sales tax distribution. The conference report also captures technical updates to the early reading intervention program ([Item 125 #7c](#)) and the school breakfast program ([Item 125 #8c](#)), and recognizes an additional \$24 million in Lottery proceeds in FY 2026 (freeing up a like amount of General Funds) ([Item 125 #3c](#))

- Eliminates the \$50 million proposed in the introduced budget for the Virginia Opportunity Scholarship Program, which would provide grant awards for qualified students to support certain expenses of attending an accredited private school in the Commonwealth. ([Item 125 #1c](#))
- Eliminates the introduced budget's proposed deposit of \$25 million in FY 2025 to 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 in Virginia. ([Item 125 #5c](#))
- Provides \$1 million in FY 2025 to support public engagement, facilitation and technical support for the Joint Subcommittee to Study Elementary and Secondary Funding; this funding is redirected from the Governor's Transformation Office. ([Item 1 #3c](#))

Compensation: Instructional Positions

- Retains the 3 percent salary increase in each year of the biennium included in the 2024 Appropriation Act. In addition, provides \$134.4 million in FY 2025 for a one-time bonus payment of \$1,000, to be provided no later than June 1, 2025, for funded SOQ instructional positions (defined to include all teacher, guidance counselor, librarian, instructional aide, principal, and assistant principal positions). No local match is required, and school divisions have the discretion to determine the amount of bonus per employee to maximize the use of these funds to promote retention among instructional and support positions. ([Item 125 #2c](#))

Compensation and Retirement: State and State-Supported Local Employees

- Maintains the 3 percent salary increase in each year of the biennium included in the 2024 Appropriation Act. In addition, provides \$83.1 million for a 1.5 percent bonus for state and state-supported local employees; state employee bonuses will be provided June 16, 2025, and the state-supported local employee bonus is effective July 1, 2025; language allows state funds for the bonus payment for state-supported local employees that are provided on a reimbursement basis that are not expended during FY 2025 to be reappropriated. ([Item 469 #1c](#))
- Reduces the proposed 9.3 percent salary increase included in the introduced budget for Sheriff's dispatch positions to 6 percent. ([Item 60 #1c](#))
- Directs the Compensation Board to assess potential options for information to be provided to the General Assembly related to comparable state roles and local salary supplements for employees in constitutional offices, with a report on recommendations due by October 1, 2026. ([Item 67 #3c](#))
- Retains the \$130,716 in FY 2026 included in the introduced budget for salary increases for certain Constitutional officers due to population increases.
- Directs the Department of Human Resource Management (DHRM) to evaluate total compensation, including retirement benefits, for law enforcement officers employed by the Commonwealth and covered under the VaLORS retirement system. Also directs

DHRM and VRS to determine whether the elimination of the traditional VRS defined benefit pension has affected the Commonwealth's ability to retain and recruit government employees, and directs DHRM to solicit similar assessments from the Department of Education and VRS on the effects on recruitment and retention of teachers. ([Item 74 #2c](#))

- Includes \$1 million in FY 2026 to fund a \$2,231 across-the-board salary increase for Department of Juvenile Justice security positions, to help address vacancy rates at the Bon Air Juvenile Correctional Center. ([Item 413 #2c](#))
- Reduces the \$3.3 million included in the introduced budget for salary increases for the Virginia State Police to \$2.5 million and directs a report on turnover and vacancy savings. ([Item 416 #1c](#))

Public Safety – Withholding of Jail Per Diems or HB 599 Funding

- Strikes language in the introduced budget that provides for withholding of HB 599 funding or jail per diem payments from a locality if an official in charge of a 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, or if an official in charge of a jail or 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. ([Item 377 #1c](#))

Public Safety – School Resource Officer Incentive Grants Fund

- Removes the increase of \$6.8 million in FY 2025 proposed in the introduced budget for the School Resource Officer Incentive Grants Fund. Designates nongeneral fund balances to be used for digital mapping projects for emergency response and for continuation of previous grants. ([Item 394 #1c](#))

Public Safety – Public Safety Communications Grants

- Eliminates the \$2.5 million proposed in the introduced budget in FY 2025 for competitive grants to localities for the purchase of public safety radio and communications infrastructure equipment. ([Item 394 #4c](#))

Public Safety – Victim Witness Grant Program

- Eliminates the additional \$200,000 per year proposed for the Victim Witness Grant Program in the introduced budget and the language earmarking at least \$500,000 per year for the Office of the Attorney General; provides an additional \$1.5 million in FY 2026. ([Item 394 #6c](#), [Item 394 #9c](#))

Public Safety – Sexual Assault and Domestic Violence Agencies

- Provides an additional \$2 million in FY 2026. ([Item 394 #8c](#))

Public Safety – Unmanned Aircraft Replacement

- Provides \$1 million in FY 2025 to the Department of Criminal Justice Services to administer and provide grant funding for an Unmanned Aircraft Trade and Replace Program, which would provide funding to local law enforcement agencies, local fire or ambulance service providers, or other local first responders to replace unmanned aircraft systems

manufactured by foreign adversaries with systems that meet the criteria in the National Defense Authorization Act of 2024. ([Item 394 #2c](#))

Public Safety – Office of First Responder Wellness

- Removes the additional funding proposed for the Office of First Responder Wellness in the introduced budget (\$322,218 in FY 2026) and eliminates the proposed expansion of funds to nonprofit organizations that support first responders (in addition to law enforcement). ([Item 394 #5c](#))

Public Safety – Fire Programs

- Moves the \$5 million proposed in the introduced budget for grants to localities to purchase protective equipment for firefighters from FY 2026 to FY 2025. Adds language to the provisions of the introduced budget directing the Department of Fire Programs to assess the fees charged by the State Fire Marshal's office to conduct fire safety inspections and the costs to provide these services to require that this review include a description of which fees, if any, are recommended for an increase based on the market cost and the projected additional fee revenue that would result from such recommended increase. ([Item 406 #1c](#), [Item 407 #1c](#))

Administration: Compensation Board – Constitutional Officers

- Provides \$5.5 million in FY 2026 for 70 additional Commonwealth's Attorney positions, to be distributed in accordance with current staffing standard needs to assist with anticipated workload increases resulting from legislation regarding expungement and sealing of criminal records. Language requires localities to use such funding to supplement, not supplant, local funds provided for salaries of Commonwealth's Attorneys and their employees. ([Item 64 #1c](#))
- Provides \$270,970 in FY 2026 to convert the Bath County and Highland County Commonwealth's Attorneys' offices to full-time status. ([Item 64 #2c](#))
- Provides \$5.5 million in FY 2026 for 117 Deputy Clerk IV positions to assist with anticipated workload increases resulting from legislation regarding expungement and sealing of criminal records. Language requires localities to use such funding to supplement, not supplant, local funds provided for salaries of Circuit Court Clerks and their employees. ([Item 65 #1c](#))

Administration: Compensation Board – Jails

- Directs the Compensation Board, in conjunction with the Board of Local and Regional Jails, to survey local and regional jails to identify the jail staffing and jail space impacts of making inmates available to appear in virtual court hearings and make potential recommendations for staffing and space needs in local and regional jails to address the identified frequency of virtual hearings requested by the court. ([Item 61 #1c](#))
- Revises the process by which local and regional jail capital projects are reviewed by the Department of General Services in order to qualify for state reimbursement of up to 25 percent of project costs; requires the review process for projects with costs exceeding \$12 million. ([Item 264 #2c](#))

Administration: Elections

- Retains \$500,000 provided in the introduced budget for IT needs at the Department of Elections; reduces the \$750,000 provided in the introduced budget for upgrades to planning for replacement of the Committee Electronic Tracking and Campaign Finance Management systems by \$500,000, leaving \$250,000 for this purpose. ([Item 77 #1c](#))

Other Administration

- Retains the additional \$1.9 million included in the introduced budget in increased state matching funds for the federal State and Local Cybersecurity Grant Program.
- Modifies language in the introduced budget that directs the Virginia Information Technologies Agency and the Virginia Fusion Center to provide a semi-annual confidential briefing to the Joint Subcommittee on Cyber Risk to clarify the purpose of the Joint Subcommittee and the role of JLARC. ([Item 82 #1c](#))

Agriculture and Forestry

- Provides \$450,000 in FY 2026 for the Large Animal Veterinary Grant Program, to be administered by the State Veterinarian in accordance with legislation passed this session (the introduced budget provided funding in this amount for a loan repayment program to be administered by the Department of Health). ([Item 85 #1c](#))
- Retains the action in the introduced budget to move funding previously appropriated directly to the Blue Catfish Processing, Flash Freezing, and Infrastructure Grant Program to the Governor's Agriculture and Forestry Industries Development Fund and earmark funding to support the Program; provides an additional \$250,000 in FY 2025. ([Item 87 #1c](#))
- Eliminates the \$250,000 proposed in the introduced budget for the Pasture, Rangeland, and Forage Insurance Premium Assistance Fund. ([Item 86 #1c](#))

Commerce and Trade - Business Sites

- Provides an additional \$20 million in FY 2025 for the Virginia Business Ready Sites Program Fund and eliminates the proposed additional \$50 million provided in the introduced budget in FY 2026 (for total funding of \$60 million over the biennium). Allows the Virginia Economic Development Partnership Authority to determine a site of at least 25 contiguous acres to be an eligible site for the Virginia Business Ready Sites Program Fund, provided that the site is located in a locality with an area of 35 square miles of land or fewer. Provides \$15 million in FY 2025 to Pulaski County for specific site readiness projects. ([Item 101 #10c](#), [Item 101 #3c](#), [Item 103 #2c](#))

Commerce and Trade – Broadband

- Maintains the action in the introduced budget to move \$10 million in funding for the Virginia Telecommunication Initiative from FY 2026 to FY 2025 (which would place all funding for the biennium in the first year). Includes language stating that it is the intent of the General Assembly that the funding provided for the Virginia Telecommunication Initiative be continued in the next biennium. ([Item 103 #3c](#))

Commerce and Trade – Housing

- Restores the down-payment assistance pilot program included in the 2024 Appropriation Act that the introduced budget proposed to eliminate (this program is funded through Regional Greenhouse Gas Initiative balances) and directs the Department of Housing and Community Development to implement the program by May 4, 2025. ([Item 102 #5c](#))
- Restores the pilot program for assistance to tenants and nonprofits to acquire manufactured home parks that was included in the 2024 Appropriation Act and proposed to be eliminated in the introduced budget (this program is funded through Regional Greenhouse Gas Initiative balances) and directs the Department of Housing and Community Development to implement the program by May 4, 2025. ([Item 102 #6c](#))
- Directs the Department of Housing and Community Development to identify programs designed to keep long-term residents in their primary homes as real property tax liabilities increase. ([Item 102 #13c](#))
- Provides \$15 million in FY 2025 to establish the First-Time Homebuyer Grant Program, which will award grants of up to \$10,000 in costs incurred by eligible homebuyers in purchasing direct ownership in residential real property. ([Item 102 #11c](#))
- Provides \$13 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 local investments related to affordable housing. Directs the Department of Housing and Community Development to develop criteria and guidelines for these one-time grants on or before August 1, 2025. Earmarks \$5 million of this funding for Prince William County, \$1 million for the City of Emporia, and \$250,000 for Tazewell County for remediation of blighted properties in the Town of Richlands. ([Item 102 #12c](#))
- Includes \$20 million in FY 2025 for a rental assistance pilot program in Planning Districts 8 and 23. ([Item 102 #3c](#))
- Makes clear that \$675,000 in funding for FY 2026 that was included in the 2024 Appropriation Act is to be provided to support the organizational capacity and administrative needs of the Continuum of Care lead agencies in Virginia, with each lead agency intended to receive \$25,000 in support. ([Item 102 #2c](#))

Commerce and Trade – Disaster Relief

- Eliminates the proposed Disaster Assistance Fund from the introduced budget; instead provides \$50 million in FY 2025 for disaster mitigation and Hurricane Helene relief, with \$25 million provided to assist residents who lost homes or sustained residential property damage as a result of Hurricane Helene (assistance for commercial property and crop loss would be allowed with funds available after all residential claims were executed), and \$25 million to be used for major weather event disaster mitigation, such as improving structures' ability to withstand hazards. From this funding, \$350,000 would be provided for a pilot emergency management mobile communications platform in southwest Virginia. ([Item 102 #1c](#), [Item 102 #10c](#))

Commerce and Trade – Community Development and Tourism

- Provides \$2.5 million in FY 2025 to capitalize the Urban Public-Private Partnership Redevelopment Fund; directs the Department of Housing and Community Development to develop criteria and guidelines for the administration of the grant program. ([Item 103 #4c](#))
- Provides \$1.5 million in FY 2025 to capitalize the Electric Vehicle Rural Infrastructure Fund. ([Item 109 #1c](#))
- Provides \$1 million in FY 2025 for the Solar Interconnection Grant Program, which will provide grants to localities to connect solar facilities to the grid. ([Item 109 #2c](#))
- Provides \$2.5 million in FY 2025 to recapitalize the Community Development Financial Institutions Fund and includes language stipulating use of funds for low-interest loans to qualifying institutions. ([Item 103 #6c](#))
- Retains language in the introduced budget clarifying that previously-appropriated funding may be used to demolish derelict structures, perform remediation, and market for sale the Central Virginia Training Center property.
- Retains the action in the introduced budget to move the previously-appropriated \$2.5 million for the development of an inland port in the Mount Rogers Planning District from FY 2026 to FY 2025.
- Retains funding for a natural gas study in Patrick County included in the introduced budget. Also includes \$6.5 million in FY 2025 for a natural gas infrastructure expansion into Accomack County. ([Item 101 #9c](#))
- Eliminates the additional \$35 million proposed in the introduced budget for the Virginia Innovation Partnership Authority for certain life sciences investments. Instead provides \$7.5 million to the University of Virginia Medical Center for the improvement of a facility to create advanced laboratory space, \$3 million to the Virginia Economic Development Partnership Authority to support a non-profit operating a pharmaceutical manufacturing facility in developing a fast-acting insulin, and \$4 million to the City of Roanoke for the improvement of an existing facility to create advanced laboratory space for new cell/gene therapy companies across southwestern Virginia. ([Item 115 #1c](#), [Item 101 #4c](#), [Item 101 #6c](#), [Item 101 #7c](#))
- Reduces the \$5 million included in the introduced budget for the Virginia Sports Incentive Grant Program by \$2 million; directs the remaining \$3 million to be used to support a major sporting event in Prince William County. ([Item 114 #2c](#))
- Includes \$1.25 million in FY 2025 for a marketing campaign to attract out of state visitors from Black, Indigenous, and Hispanic communities. ([Item 114 #4c](#))
- Retains the \$250,000 in FY 2025 included in the introduced budget to support a visitor center in St. Paul, as well as the \$295,000 in FY 2025 for the Spearhead Trails Initiative; also

provides \$50,000 in FY 2025 for the Blue Highway Festival in Wise County and \$125,000 per year for the Schooner Virginia program in the City of Norfolk. ([Item 114 #1c](#) and [Item 114 #3c](#))

Child Care/Early Childhood

- Reverses the action in the introduced budget to eliminate the existing 0.5000 cap on the Local Composite Index for the Virginia Preschool Initiative; preserves the existing cap. ([Item 125.10 #2c](#))
- Makes the changes to the attendance requirements proposed in the introduced budget subject to review by the Early Childhood Care and Education Commission. ([Item 125.10 #5c](#))
- Reduces the maximum copayment proposed in the introduced budget for FY 2026 Child Care Subsidy and Mixed Delivery slots from 7 percent of household income to 5 percent; strikes the language in the introduced budget that would bar the enrollment of additional school-age children in the Child Care Subsidy Program after July 1 (other than in specified circumstances). ([Item 125.10 #3c](#))
- Revises the language in the introduced budget dealing with out-of-school time learning and extracurricular programs to require the Early Childhood Care and Education Commission to review adjustments to Child Care Subsidy Program reimbursement rates for school age children and the appropriateness of continuing to provide services through the Program to school age children, to include an update on the current structure of publicly-funded out-of-school time learning and extracurricular programs and approaches to maximize state and federal resources by adjusting income eligibility requirements to reflect regional costs of living variations. ([Item 125.10 #6c](#))
- Provides \$25 million in FY 2025 to establish and operate the Employee Child Care Assistance Pilot Program. ([Item 125.10 #7c](#))
- Eliminates the \$15 million proposed in the introduced budget for an early learning capital supply building fund. ([Item 103 #1c](#))

Workforce development

- Eliminates the proposed \$15 million in the introduced budget for the new College and Career Ready Virginia program. ([Item 201 #2c](#))
- Transfers \$15 million from balances in the G3 program to the New Economy Workforce Credential Grant Program in FY 2025; reduces the additional General Fund appropriation proposed in the introduced budget for the New Economy Workforce Credential Grant Program by \$3.5 million in FY 2026 ([Item 201 #2c](#), [Item 130 #1c](#)).
- Eliminates the \$2.1 million in FY 2025 included in the introduced budget for the Virginia Has Jobs Initiative (a new workforce portal designed to connect potential applicants with available employment and training opportunities). Instead sets aside up to \$500,000 from funds provided for higher education internships to support the development and

deployment of the Virginia Has Jobs portal for higher education related internships, with the transfer to the Department of Workforce Development and Advancement for this purpose to be coordinated and approved by the Board of the Virginia Economic Development Partnership. ([Item 113 #1c](#), [Item 354 #1c](#))

Aid to Local Public Libraries

- Provides \$632,142 in FY 2026 in additional state aid to local libraries. ([Item 227 #1c](#))

HHR – Children’s Services Act

- Retains funding in the introduced budget for program growth (\$37 million in FY 2025 and \$68.3 million in FY 2026).
- Retains provisions in the introduced budget to streamline the process of submitting reimbursement requests to the Office of Children’s Services.
- Adjusts the language in the introduced budget that would cap state reimbursement to localities for private day special education services; as introduced, the budget stipulated that state reimbursement to localities for private day education services would not increase more than 2.5 percent over the rates for such services provided the previous year. The conference report adjusts this cap to 5 percent over the previous year’s rates. Directs reporting on the transition of students from private placements back to local school divisions. ([Item 268 #1c](#), [Item 269 #1c](#))

HHR – Health

- Bars the Board of Health from modifying the geographic or designated service areas of regional emergency medical services councils without consulting relevant stakeholders and requires annual reporting on any planned changes to regional council boundaries. ([Item 272 #1c](#))
- Eliminates the proposed \$1 million in the introduced budget for community health workers and doulas at local health districts. ([Item 278 #1c](#))
- Provides \$25 million in FY 2025 for one-time grants to localities to upgrade or replace drinking water infrastructure. Requires priority to be given to Greene County and the Town of Bowling Green in administering grant awards. ([Item 280 #1c](#))
- Requires the Virginia Department of Health to report on progress made in implementing recommendations from the Department of Planning and Budget and JLARC and provides \$300,000 in FY 2026 to hire two internal audit positions. ([Item 283 #1c](#))
- Provides \$1 million in FY 2026 for a pilot program to provide non-emergency medical transportation services for certain uninsured Virginians. ([Item 279 #5c](#))
- Retains funding in the introduced budget for the development of necessary databases for a rainwater harvesting system permitting program. (\$118,551 per year).
- Retains \$1.8 million in the introduced budget in FY 2026 for the Office of Drinking Water to maintain compliance with federal and state regulations.

- Retains \$546,266 GF and \$421,680 NGF in the introduced budget in FY 2026 for rent increases at local health departments.
- Retains action in the introduced budget to increase the fee for an expedited vital records search from \$48 to \$53, effective July 1, 2025.

HHR – Behavioral Health – Crisis Services, Temporary Detention Orders, and State Hospitals

- Instead of the \$3.5 million in FY 2026 proposed in the introduced budget, provides \$2 million in FY 2025 for reimbursement to local law-enforcement agencies for time spent transporting individuals under temporary detention orders and emergency custody orders. Removes language in the introduced budget that directed prioritization of funds for law enforcement agencies within certain Virginia State Police regions; language now directs prioritization for localities with agencies that must travel far distances to transport individuals to state facilities. ([Item 394 #3c](#))
- Reduces the \$35.2 million in proposed funding in the introduced budget for private hospitals to hire Special Conservators of the Peace by \$31.1 million in FY 2026; directs prioritization of this funding to certain regions. ([Item 296 #5c](#))
- Retains the \$1.2 million increase in the introduced budget for co-response teams as part of the Marcus Alert initiative and provides an additional \$4.8 million in FY 2026. ([Item 297 #2c](#))
- Increases support for pilot programs for individuals with dementia or geriatric individuals who may otherwise be admitted to state hospitals by \$1 million in FY 2026. ([Item 296 #4c](#))
- Directs the Department of Behavioral Health and Developmental Services (DBHDS) to form a workgroup to review and recommend a location for a replacement for Northern Virginia Mental Health Institute. ([Item C-24 #1c](#))
- Provides \$3 million in FY 2025 to convert 10 beds at Southeastern Virginia Training Center to a skilled nursing level of care to enable transfer of residents at Hiram Davis Medical Center in anticipation of its planned closing. Directs DBHDS to develop a plan for the closure of Hiram W. Davis Medical Center, including an analysis for the development of skilled nursing beds at Southeastern Virginia Training Center. ([Item C-24 #1c](#), [Item 301 #1c](#))
- Reduces the proposed \$52.1 million in renovations, repairs, and upgrades to state hospital facilities included in the introduced budget by \$19.8 million; directs \$18.2 million for an HVAC replacement at Catawba Hospital and \$10 million to address security, access control, and window replacement at Southwestern Virginia Mental Health Institute. ([Item C-24 #1c](#))
- Retains funding in the introduced budget for four additional forensic evaluators to address the growing forensic population at certain state hospitals.

- Retains funding in the introduced budget for salary increases for trades staff at state facilities.

HHR – Support for Community Services Boards

- Requires that additional state funding for CSBs may not be used to supplant existing local contributions. Prevents DBHDS from granting a waiver for the local match requirement for CSBs unless the locality can demonstrate hardship in terms of reduced employment, per capita income, or property values. ([Item 297 #3c](#))
- Provides \$8.7 million in FY 2026 for CSBs to hire support coordinators to implement additional Medicaid waiver slots provided over the biennium. ([Item 297 #1c](#))
- Provides \$1.5 million in FY 2026 to reimburse CSBs for restoration of competency services. ([Item 296 #3c](#))

HHR – Additional Behavioral Health Items

- Retains changes in the introduced budget to language governing eligibility for grants for recovery support services. Current language allows DBHDS to make grants to members of the Virginia Association of Recovery Residences; the introduced budget proposes to broaden eligibility to “recovery residences certified by the Department of Behavioral Health and Developmental Services for recovery support services.” Provides \$115,846 in FY 2026 to fund the provisions of legislation dealing with the regulation of recovery residences. ([Item 295 #7c](#))
- Directs DBHDS to align and monitor recovery support services, including services offered by recovery residences and other similar providers, with the nationally recognized American Society of Addiction Medicine (ASAM) 4th Edition criteria by June 30, 2026, to ensure quality and consistency in care. ([Item 295 #8c](#))
- Retains funding in the introduced budget for additional quality improvement specialists, registered nurse care consultants, licensed behavioral analysts, dental staff, and dental services contracts as required by the state’s settlement agreement with the U.S. Department of Justice. (\$4.6 million GF and \$532,410 NGF in FY 2026)
- Retains \$663,758 in the introduced budget in FY 2026 for five additional licensing positions.
- Retains the additional \$1.5 million in the introduced budget in FY 2025 for Early Intervention/Part C caseload growth.

HHR – Medicaid

- Retains appropriation in the introduced budget providing approximately \$686 million GF over the biennium for forecasted growth in Medicaid and the children’s health insurance program.
- Authorizes the Department of Medical Assistance Services (DMAS) to pursue a Medicaid waiver to allow coverage for neurobehavioral and neurorehabilitation facilities to support

20 individuals with traumatic brain injuries and neurocognitive disorders; provides \$1.6 million in General Funds in FY 2026. ([Item 288 #13c](#))

- Eliminates the Medicaid reserve fund proposed in the introduced budget. Directs DMAS to convene a workgroup with staff designees from the Department of Planning and Budget and the House Appropriations and Senate Finance and Appropriations Committees to evaluate options for developing a process that recognizes the true costs of policy changes to the Medicaid program and how to integrate such process as part of the development of the state budget. Includes language requiring more detailed reporting of Medicaid expenditures, as well as reporting on cost-effectiveness strategies for Medicaid and the children's health insurance programs. Language also requires a fiscal analysis of policy or programmatic changes to the Medicaid and children's health insurance programs and restricts implementation unless funding is authorized through an appropriation by the General Assembly, a statutory requirement or federal law. Also includes language requiring DMAS to convene semiannual meetings with Cabinet secretaries and staff to monitor Medicaid expenditures and enrollment growth. ([Item 288 #7c](#), [Item 292 #3c](#), [Item 292 #7c](#))
- Directs DMAS and the Department of Social Services to develop cost estimates for the recommendations in a recent report on Medicaid eligibility determination and to establish a joint Steering Committee on Medicaid Eligibility. ([Item 292 #12c](#))
- Retains funding and authorization in the introduced budget for DMAS to add coverage for services provided to Medicaid beneficiaries 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) through a Medicaid waiver.
- Retains funding and authorization in the introduced budget for DMAS to provide covered services for incarcerated youth in the 30 days prior to release and immediately after release in accordance with changes in federal law included in the Consolidated Appropriations Act of 2023 (\$1 million in non-General Funds in FY 2025 and \$367,178 General Funds/\$855,026 non-General Funds in FY 2026).
- Retains funding and authorization in the introduced budget for children served in Psychiatric Residential Treatment Facilities (PRTFs) to maintain their enrollment in managed care during their treatment; payments for PRTF per diem payments and required services will still be paid on a fee-for-service basis (\$273,575 GF and \$290,568 NGF in FY 2026).
- Retains language in the introduced budget specifying the use of funding that was previously provided for DMAS to contract with a vendor to handle all incoming medical assistance-related mail currently directed to local departments of social services.

HHR – Social Services

- Authorizes the State Board of Social Services to promulgate regulations to expand the application window for the Low-Income Home Energy Assistance Program, provided adequate funding is available to extend the application period. ([Item 330 #1c](#))

- Provides an additional \$300,000 in FY 2026 to expand the existing program at the Department of Social Services to find relative and fictive kin for youth in congregate care or youth who have been in foster care for 12 months or more. ([Item 329 #3c](#))
- Directs the Department of Social Services to develop a process for Virginia localities to enter into memorandums of understanding with localities in surrounding states for kinship care. ([Item 329 #1c](#))
- Directs the Department of Social Services to assess the feasibility of requiring local departments to apply for certain federal benefits on behalf of children in foster care and to conserve these benefits in an appropriate trust instrument. ([Item 329 #2c](#))
- Retains \$500,000 in FY 2025 and \$7.5 million included in the introduced budget in FY 2026 to implement recommendations from the Office of the State Inspector General to improve child protective services, to include enhancements to the state child protective services hotline, additional regional consultants, and additional CPS investigator and supervisor positions at local departments of social services.
- Retains \$7.3 million GF and \$6.5 million in NGF in the introduced budget in FY 2026 to supplement existing support for income and employment verification and directs the Department of Social Services to investigate alternatives to its current contract.
- Retains \$500,000 GF and \$500,000 NGF included in the introduced budget in FY 2026 to modernize the statewide 2-1-1 Information and Referral System.
- Retains provisions in the introduced budget funding a 3 percent increase in foster care and adoption assistance payments in accordance with budget language requiring a reasonable, automatic adjustment for inflation in fiscal years following a fiscal year in which salary increases are provided to state employees (\$1.5 million GF and \$1.4 million NGF in FY 2026).
- Retains language from the introduced budget making clear that administrative costs for the Percentage of Income Payment Program (PIPP) are capped at \$5.5 million annually, which includes program administration for state agencies and local departments of social services. VACo had previously secured clarifying language in the budget to ensure that local administrative costs would be covered by the PIPP Fund and that a local match would not be required.
- Retains provisions in the introduced budget increasing the auxiliary grant rate from \$2079/month to \$2103/month, beginning January 1, 2025. Also sweeps \$1 million in balances from the program. ([Item 328 #1c](#))

Labor – Workers’ Compensation

- Increases from 52 to 104 weeks the maximum duration after the date of diagnosis that workers’ compensation benefits are payable for anxiety disorder, depressive disorder, and post-traumatic stress disorder incurred by law enforcement officers and firefighters acting in the line of duty. ([Item 4-14 #6c](#))

Labor – Paid Family and Medical Leave

- Authorizes a treasury loan for the Virginia Employment Commission to fund start-up costs associated with the implementation of a paid family and medical leave program, contingent on the enactment of legislation establishing the program. ([Item 356 #1c](#))

Natural and Historic Resources – Water Quality

- Retains the introduced budget's deposit of \$26.3 million in FY 2025 from FY 2024 surplus revenues to the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund.
- Retains the introduced budget's deposit of \$17.4 million in FY 2025 from FY 2024 surplus revenues to the Water Quality Improvement Fund to support the Enhanced Nutrient Removal Certainty Program.
- Directs the Secretary of Natural and Historic Resources to convene a workgroup to review the Water Quality Improvement Fund, including the organizational structure in the Code of Virginia and budget, disposition of funding, feasibility of the incorporation of the Stormwater Local Assistance Fund, grant approval guidelines including cost-effectiveness and benefits of practices funded, grant agreement terms, annual reporting requirements, potential improvements to the current funding needs assessments, and outdated or unnecessary requirements. ([Item 358 #1c](#))
- Allows 50 percent of any funds previously distributed for agricultural best management practices that cannot be obligated by a soil and water conservation district in any fiscal year by June 15 to be reallocated by the Virginia Soil and Water Conservation Board to any soil and water conservation district for conservation practices. ([Item 359 #5c](#))
- Provides \$40 million in FY 2025 for the Stormwater Local Assistance Fund. ([Item C-53.80 #1c](#))
- Provides \$250,000 in FY 2025 for cyanobacteria mitigation and remediation at Lake Anna. Provides \$500,000 in FY 2025 for monitoring of harmful algal blooms in the Shenandoah River. Provides \$250,000 in FY 2025 for testing of inland waterways for the presence of harmful algal blooms. ([Item 359 #6c](#), [Item 363 #1c](#); [Item 363 #2c](#))
- Removes obsolete language regarding stormwater utility reports to the Auditor of Public Accounts. ([Item 365 #1c](#))
- Deposits \$50 million in FY 2025 to the Virginia Community Flood Preparedness Fund. ([Item 359 #3c](#))
- Provides \$2.3 million in FY 2025 for groundwater research in the Eastern Groundwater Management Area. ([Item 363 #3c](#))
- Modifies the introduced budget's deposit of an additional \$50 million in FY 2025 from FY 2024 surplus revenues for the City of Richmond's Combined Sewer Overflow project to provide \$25 million in each year of the biennium (these funds would otherwise have been deposited to the Water Quality Improvement Fund). ([Item 365 #3c](#))

- Retains provisions in the introduced budget authorizing \$462,541 in interest earnings from the Water Quality Improvement Fund and the Virginia Natural Resources Commitment Fund in FY 2026 to fund three additional positions to provide oversight and assistance to Soil and Water Conservation Districts; also retains provisions authorizing the use of \$355,393 in interest earnings from the Soil and Water Conservation District Dam Maintenance, Repair, and Rehabilitation Fund to support two positions to oversee maintenance, repair, and rehabilitation projects necessary for District-owned dams to be in compliance with the Dam Safety Act and attendant regulations.
- Reverses proposal in the introduced budget to replace \$400 million in bond authorization for wastewater projects over the biennium with a like amount of General Fund dollars from excess FY 2024 revenues. Restores the use of bond proceeds and increases the general fund supported debt authorization by \$31.2 million to reflect cost overruns and increases for these projects. ([Item C-53.50 #1c](#))

Transportation

- Removes authorization for a treasury loan for the Roanoke Regional Airport Commission that was included in the introduced budget. ([Item 422 #1c](#))
- Includes language revising allocations from the Commonwealth Aviation Fund. ([Item 425 #1c](#))
- Directs the Department of Motor Vehicles to evaluate the potential impact of the DMV Select Program on participating localities. ([Item 426 #1c](#))
- Provides \$3.3 million in FY 2025 in updated operating support for the Washington Metropolitan Area Transit Authority. ([Item 433 #1c](#))
- Includes \$250,000 in FY 2025 for a study of the impact of the development of the state's highway system on African American communities. ([Item 437 #1c](#))
- Retains language in the introduced budget modifying the provisions of the 2024 Appropriation Act regarding toll relief in certain localities. Retains provisions in the introduced budget eliminating tolls on the George P. Coleman Bridge, effective January 1, 2026. Directs the Commissioner of Highways to work with the Department of Rail and Public Transportation and toll operators throughout the Commonwealth to reduce, or, when practical, eliminate the practice of charging tolls for public transit buses, when not in conflict with contractual obligations or other provisions of law. ([Item 441 #1c](#))
- Retains provisions in the introduced budget appropriating \$175 million in FY 2025 in FY 2024 surplus revenues to the I-81 Corridor Improvement Program, as required by the 2024 Appropriation Act.

Tax policy

- Eliminates the Car Tax Credit proposed in the introduced budget and instead provides income tax rebates of \$200 for individual taxpayers and \$400 for joint filers. ([Item 255 #1c](#), [Item 258 #1c](#))

- Extends the expiration date on the enhanced 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; and increases the refundability of the earned income tax credit from 15 to 20 percent of the federal earned income tax credit. ([Item 4-14 #3c](#))
- Eliminates the proposed implementation of market-based sourcing for corporate income tax in the introduced budget. Directs the Department of Taxation to assess implementing market-based sourcing, including its administrative feasibility and impact on state tax revenue. ([Item 4-14 #3c](#), [Item 257 #1c](#))
- Directs the Department of Taxation to convene a work group composed of tax practitioners experienced in the preparation of corporate tax returns involving net operating losses to study the treatment of net operating losses in Virginia when compared to other states and make recommendations to simplify such treatment in Virginia. ([Item 257 #2c](#))
- Directs the Joint Subcommittee on Tax Policy to study the data center sales and use tax exemption during the 2025 interim, to include reviewing competitive advantages provided by existing and future exemptions, approaches taken in other states, methods to attract data center investment to non-urbanized areas of the Commonwealth, the recommendations and options in the 2024 JLARC study of data centers, and the estimated direct and indirect economic benefits of data center investment in the Commonwealth. ([Item 1 #1c](#))
- Extends the sales and use tax exemption for certain drilling equipment from July 1, 2025, to July 1, 2026; extends the sales and use tax exemption for bullion and legal tender coins from July 1, 2025, to July 1, 2026; extends the recyclable materials processing equipment tax credit from January 1, 2025, to January 1, 2027. ([Item 3-5.23 #1c](#), [Item 3-5.25 #1c](#), [Item 3-5.26 #1c](#))
- Extends the Housing Opportunity Tax Credit from 2025 until 2030; directs \$20 million of the \$64 million in credits authorized per calendar year from 2026 through 2030 for qualified projects located in certain geographic areas. ([Item 4-14 #4c](#))
- Eliminates the proposal in the introduced budget to provide an income tax deduction for cash tips. ([Item 4-14 #3c](#))
- Eliminates the proposal in the introduced budget to harmonize the interest rate on state tax underpayments or refunds with the rates established by the Internal Revenue Code (current law provides that the rate of interest in the IRS's rate plus two percent). ([Item 4-14 #3c](#))
- Retains the proposal in the introduced budget to increase the threshold for individual taxpayers to make estimated tax payments from the current level of \$150 in tax liability to \$1000, starting with taxable years beginning January 1, 2026.

Impacts of federal policy changes on Virginia budget

- Requires the Department of Taxation to provide estimated fiscal impacts of any changes

to federal income tax policy within 30 business days of their enactment. Directs the Governor to submit a budget bill within 20 business days of receiving the estimated fiscal impacts if the cumulative projected impact of the federal changes would decrease general fund revenues by more than \$100 million in the current or succeeding fiscal year. If these changes occurred after November 1, the Governor would not be required to submit a budget bill within 20 days, but would be required to account for the revenue impacts in the budget submitted under the regular statutory schedule. Stipulates that Virginia will not automatically conform its income tax structure to any federal income tax changes between January 1, 2025, and January 1, 2027, that would increase or decrease state general fund revenues by any amount in the fiscal year in which the amendment was enacted or any of the succeeding four fiscal years, with the exception of amendments to the federal tax code that are subsequently adopted by the General Assembly, or federal income tax “extenders.” ([Item 4-1.02 #1c](#) and [Item 4-14 #3c](#))

- Requires the Department of Planning and Budget 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. Federal grants will be payable only to the extent that non-general fund revenues are sufficient. If federal grant reductions result in additional state General Fund expenditures being required that exceed 1 percent of the General Fund operating budget in the current or succeeding fiscal year, the Governor must consult with General Assembly leadership about a special session. ([Item 4-1.02 #2c](#))
- From any excess FY 2025 revenues that are not required for a Revenue Stabilization Fund deposit, the conference report earmarks the first \$20 million for Virginia Military Survivors and Dependents Education Program tuition waivers; remaining surplus funds after any required deposits to the Water Quality Improvement Fund are to be reserved to address the impacts of any reductions to federal appropriations contained in the state budget. ([Item 470 #1c](#))

Gaming

- Establishes a new significant infrastructure facility limited license tax to be paid to the locality hosting live horse racing for each day of live racing. After July 1, 2026, localities hosting satellite facilities with historical horse racing would no longer be required to split the local share of the tax levied on pari-mutuel wagering with New Kent County. ([Item 4-14 #1c](#))
- Bars the Virginia Racing Commission from authorizing a licensee to construct, establish, operate, or own a satellite facility until a referendum is held on or after July 1, 2025, if the locality has not passed a referendum allowing pari-mutuel wagering on or after July 1, 2018, and no pari-mutuel wagering at satellite facilities was authorized by the Commission on or before January 1, 2025. ([Item 4-14 #2c](#))
- Does not include language establishing the Virginia Gaming Commission or legislation legalizing and imposing a tax and regulatory framework on skill games.

Other items

- Adjusts the scope and title of a project to provide water to state facilities in Nottoway County. ([Item C-53.60 #1c](#))



**INTRODUCING
A NEW VACo
PREMIER
PARTNER**

Anthony Chapman

National Program Director

NACo Public Promise Procurement

Direct: 804.399.1821

Email: achapman@naco.org

Website: www.publicpromiseprocurement.org

The PPP resource hub is up and available at...

<https://publicpromiseprocurement.org/resourcehub>



The VA250 Mobile Museum: A Classroom on Wheels

Get ready to bring Virginia's history to life! The VA250 Mobile Museum Experience, a hands-on, interactive, and immersive museum on wheels, is coming early 2025. This unique experience will transport students back in time, exploring key stories from every region of the state.

Perfect for:

- **Schools:** Enhance your curriculum with a memorable field trip.
- **Community organizations:** Host a unique event for all ages.
- **Local festivals:** Attract visitors with a fascinating historical exhibit.

Book the museum for your school or community event today! Visit [the VA250 website](#) for more information and to schedule a visit.



Get your VA250 license plates - now available

Are you ready to show your pride in America's 250th anniversary? The VA250 commemorative license plate is now available for purchase! As a symbol of our nation's rich history and bright future, this limited-edition license plate offers a unique opportunity to drive with a piece of history.

By purchasing a VA250 license plate, you're not only adding a stylish touch to your vehicle, but you're also supporting a worthy cause. A portion of the proceeds from each plate sold will be donated directly to VA250, a non-profit organization dedicated to creating educational programs, events, and exhibits to commemorate America's 250th anniversary.

Don't miss out on this opportunity to own a piece of history and support a great cause. [Visit the Virginia DMV website](#) to purchase your VA250 license plate today.

In Partnership With

Partnership in Action



Benefits Consulting

Learn how to leverage plan designs for a sustainable benefits program.



State-of-the-Art Technology

Reduce your administrative burden with online enrollment and onboarding tools.



HR Compliance

Meet your legal obligations related to human resources and employee benefits



Employee Advocacy

Provide effective communication and personal support for employees.

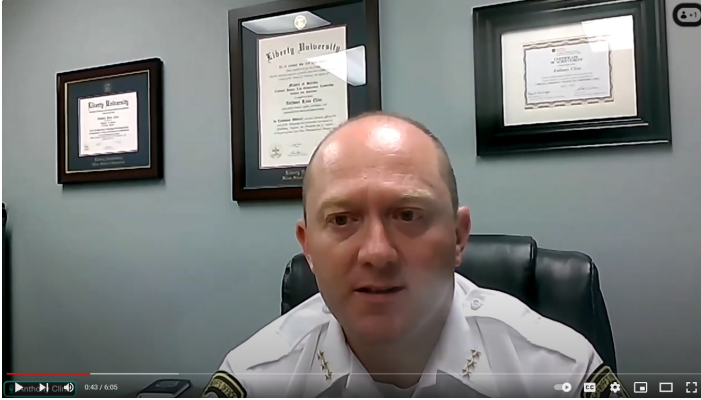
Serving Local Governments

Since 1955

pierceins.com

Lonnie Pierce, CEO/President
Lonnie@pierceins.com
Direct Telephone # 252-725-3064

Donna Pierce, Client Relations
Donna@pierceins.com
Direct Telephone # 704-576-0934



Thank you Wythe County Chief Deputy [Anthony Cline](#) for sharing your experience with Blue Line Solutions!



Thank you Sussex County Sheriff [Ernest Giles](#) for sharing your experience with Blue Line Solutions!

Premier Partner Spotlight

Blue Line Solutions Testimonials

Blue Line Solutions is making a positive impact on communities all over Virginia. In Smyth County - **Blue Line Solutions** recorded during a five-day period that there were 3,530 vehicles traveling through school speed zones at 10mph or higher above the speed limit. That's over 12,000 speeding vehicles a month during school days.

Blue Line Solutions uses information and communications rather than focus on enforcement to reduce speeds in school zones.

During **Blue Line Solutions** Public Information Phase of its program in Smyth County - the number dropped to 213 over a five-day period. That's without writing one ticket. The community heard the problem and reacted to it. During the warning phase - the number dropped to 175. Then during the enforcement phase - it dropped to 72. That's a 98 percent reduction of speeders compared to before the **Blue Line Solutions** program.

"That's absolutely fantastic that we can make a difference in a community," Blue Line Solutions CEO/Founder Mark Hutchinson said.



STRATEGIC SUPPORT. PROFESSIONAL EXPERTISE. DELIVERED WITH CARE.

KEY SERVICES

- BOARD & COUNCIL RETREATS
- EXECUTIVE RECRUITMENT
- FINANCE SUPPORT
- GRANT APPLICATION & ADMINISTRATION
- HUMAN RESOURCES
- INTERIM ASSISTANCE
- LAND USE PLANNING & ZONING
- ORGANIZATIONAL ASSESSMENT
- PUBLIC EDUCATION
- PUBLIC OUTREACH & FACILITATION
- PUBLIC SAFETY
- PUBLIC WORKS
- STRATEGIC PLANNING
- VIRTUAL & IN-PERSON CONTRACT STAFF

Berkley Group is the go-to consultant for local governments and other public agencies. 100% of our services are dedicated to serving public agencies. We understand local government because we have worked in local government and continue to serve them proudly.

Contact us today at 540-208-5188 or info@bgllc.net for any of your community's needs.

VACo Seeks to Create Mentorship Program for Supervisors



Dear Members/County Administrators...

VACo is blessed to have many smart and experienced Supervisors. This year we welcomed a slew of newly elected Supervisors, some of whom have expressed interest in being mentored. VACo thrives when Supervisors connect and share experiences and challenges. Therefore, we would like to establish an informal, voluntary mentoring program to offer opportunities for personalized connections among Supervisors.

If you are interested in being a mentor or being connected with a mentor, please contact Karie Walker, kwalker@vaco.org or 804-343-2504.

We look forward to hearing from you!

Sincerely,

Karie Walker
Director of Programs and Development
Virginia Association of Counties



OneDigital is thrilled to be one of VACo’s newest Premier Partners.

What truly distinguishes OneDigital as a leading **insurance, financial services, and HR consulting advisory firm** is our holistic approach to creating environments that enable people to do their best work and live their best lives. OneDigital understands that counties face rising insurance costs while still struggling to attract/retain talent. This is why we use proprietary software to provide accurate and predictable insurance consulting projections for those core benefits that impact your bottom line and incorporate solutions to improve retention. While voluntary benefits may be the focus of other providers, OneDigital has the expertise in alternative funding strategies, best-in-class analytics, and an in-house actuarial team.

OneDigital has a track record of providing cost-saving solutions to counties. This has been achieved through creative funding strategies, rate holds, and exclusive partnerships with various carriers. One of these exclusive partnerships is through VACORP and Anthem Life. OneDigital is responsible for the inception of the Virginia Local Disability Program (VLDP) which is through the Virginia Retirement System (VRS). Our team of fierce advocates negotiated a 5-year locked rate, including short-term and long-term disability benefits. Your division may already work with us in this capacity, as we currently serve over 270 public sector entities in the VLDP program.



OUR SOLUTIONS FOR EMPLOYERS

MANAGE

- Talent Planning
- Recruiting
- Development & Training

SUPPORT

- Benefits & Compensation
- Total Wellbeing
- Productivity
- Retirement Readiness

ENGAGE

- Culture
- Education & Fiduciary
- Literacy
- Communications

PROTECT

- Compliance
- Workplace Safety
- Operational Continuity
- Cyber Security



Sarah Anne Struckmann
Business Development Executive
 sarah.struckmann@onedigital.com
 434-987-2240



At OneDigital, we harness the power of one to solve complex challenges for businesses and people. Scan the code to the left to watch the video and learn more.

VIRGINIA COUNTY SUPERVISORS' MANUAL

EIGHTH EDITION

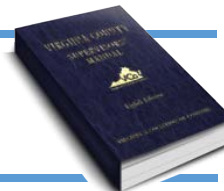


ORDER YOURS TODAY
\$75 EACH

(SHIPPING IS INCLUDED)



Virginia County Supervisors' Manual 8th Edition



The Eighth Edition of VACo's **Virginia County Supervisors' Manual** is in stock. The Supervisors' Manual is the number one resource on the framework of county government and the responsibilities of the county board.

ORDER YOUR ALL-NEW VOLUME NOW

ORDER FORM

NAME: _____ TITLE: _____

COUNTY (OR ORGANIZATION): _____

SHIPPING ADDRESS: _____

CITY / STATE / ZIP: _____

PHONE: _____ EMAIL: _____

PAYMENT INFORMATION

Manuals are \$75 per copy. Number of Copies _____.

Check enclosed for \$_____ Make payable to **VACo Services, Inc.**

If you are paying by credit card, an invoice will be sent you.

Mail completed form to:

Virginia Association of Counties
1207 East Main Street, Suite 300
Richmond, VA 23219-3627

Or FAX form to 804.788.0083 Questions? Call

804.343.2507



The Virginia Association of Counties accepts employment ads in a PDF file or a link to a job site. Please include information for applying, and a link to other important information. Please do not fax your employment ad. VACo members are not charged for placing an employment ad. **The cost is \$100 per ad for non-VACo members.** VACo publishes the ad on its website and mobile app as well as the upcoming County Connections issue. If you have any questions or concerns, please email [Valerie Russell](mailto:Valerie.Russell).

[LICENSED PRACTICAL NURSE \(ASSERTIVE COMMUNITY TREATMENT\)](#) | Chesterfield County | Posted February 24

[APPRAISER I](#) | Chesterfield County | Posted February 24

[CLINICIAN \(SUBSTANCE ABUSE\)](#) | Chesterfield County | Posted February 24

[EMPLOYMENT OPPORTUNITIES](#) | Spotsylvania County | Posted February 24

[ASSISTANT COUNTY ADMINISTRATOR](#) | Hall County, Georgia | Posted February 24

[SCHOOL BUS TECHNICIAN](#) | Chesterfield County | Posted February 24

[SENIOR SCHOOL BUS TECHNICIAN](#) | Chesterfield County | Posted February 24

[EMERGENCY VEHICLE TECHNICIAN](#) | Chesterfield County | Posted February 24

[SENIOR COORDINATOR OF BUSINESS INFORMATION SYSTEMS](#) | City of Norfolk Public Schools | Posted February 24

[SENIOR DIRECTOR OF ACCOUNTING](#) | City of Norfolk Public Schools | Posted February 24

[GENERAL ACCOUNTING MANAGER](#) | City of Norfolk Public Schools | Posted February 24

[EXECUTIVE DIRECTOR OF FINANCIAL SERVICES](#) | City of Norfolk Public Schools | Posted February 24

[COUNTY ADMINISTRATOR](#) | Charlotte County | Posted February 21

[PRINCIPAL ENGINEER \(ENVIRONMENTAL ENGINEERING\)](#) | Chesterfield County | Posted February 21

[BEHAVIORAL HEALTH PSYCHOLOGIST](#) | Chesterfield County | Posted February 21

[COUNTY ADMINISTRATOR](#) | Scott County | Posted February 21

[DIRECTOR OF COMMUNITY DEVELOPMENT](#) | Amelia County | Posted February 21

[DEPUTY CLERK TO THE BOARD OF SUPERVISORS](#) | Stafford County | Posted February 20

[DIRECTOR OF PUBLIC UTILITIES](#) | Shenandoah County | Posted February 20

[DEPUTY DIRECTOR TAX ADMINISTRATION](#) | Fairfax County | Posted February 20

[BENEFITS ADMINISTRATOR](#) | Town of Leesburg | Posted February 20

[DIRECTOR OF FINANCE](#) | Hanover County | Posted February 20

[COMMERCIAL BUILDING INSPECTOR](#) | Chesterfield County | Posted February 20

[STRUCTURAL BUILDING INSPECTOR](#) | Chesterfield County | Posted February 20

[SENIOR PLANNER](#) | Chesterfield County | Posted February 20

[VAN DRIVER](#) | Chesterfield County | Posted February 20

[MHSS SERVICE SUPERVISOR](#) | Chesterfield County | Posted February 20

[SENIOR ADMINISTRATION ANALYST](#) | Chesterfield County | Posted February 20

[MHSS EMPLOYMENT SPECIALIST](#) | Chesterfield County | Posted February 20

[PEER RECOVERY SPECIALIST](#) | Chesterfield County | Posted February 20

[ASSISTANT COUNTY ATTORNEY](#) | Chesterfield County | Posted February 20

[KINSHIP/FOSTER CARE TRAINER](#) | Montgomery County | Posted February 20

[MANAGEMENT SERVICES SPECIALIST II - PAYROLL](#) | Campbell County | Posted February 18

[EMPLOYMENT OPPORTUNITIES](#) | Spotsylvania County | Posted February 18

[DIRECTOR OF PLANNING](#) | City of Winchester | Posted February 14

[TOWN MANAGER](#) | Town of Broadway | Posted February 14

[LOCAL GOVERNMENT OPIOID SETTLEMENT LIAISON](#) | Virginia Opioid Abatement Authority | Posted February 13

[DIRECTOR OF FINANCE](#) | Halifax County | Posted February 13

[EXECUTIVE DIRECTOR](#) | Charlottesville-UVA-Albemarle Emergency Communications Center-Bakertilly | Posted February 13

[INFORMATION & MARKET SPECIALIST](#) | New Kent County | Posted February 13

[EXECUTIVE DIRECTOR, HOUSING CHOICE VOUCHER PROGRAM](#) | Arlington County | Posted February 13

[NETWORK ADMINISTRATOR](#) | Warren County | Posted February 12

[FINANCE DEPARTMENT MANAGER](#) | Amelia County | Posted February 11

[COUNTY ASSESSOR](#) | York County | Posted February 11

[AUTOMOTIVE MAINTENANCE SUPERVISOR](#) | Chesterfield County | Posted February 10

[AUTOMOTIVE TECHNICIAN](#) | Chesterfield County | Posted February 10

[RADIO INSTALLATION TECHNICIAN](#) | Chesterfield County | Posted February 10

[CASHIER/GROUNDS ATTENDANT](#) | Chesterfield County | Posted February 10

[TRANSPORTATION SUPERVISOR](#) | Chesterfield County | Posted February 10

[RESIDENTIAL AIDE \(PAMPAS GROUP HOME\)](#) | Chesterfield County | Posted February 10

[HEAVY EQUIPMENT OPERATOR](#) | Chesterfield County | Posted February 10

[CASE MANAGER \(HOUSING SPECIALIST\)](#) | Chesterfield County | Posted February 10

[SENIOR CLINICIAN](#) | Chesterfield County | Posted February 10

[DEPUTY COUNTY ATTORNEY](#) | Loudoun County | Posted February 10

[ASSISTANT PROGRAM MANAGER](#) | Loudoun County | Posted February 10

[ENGINEER II](#) | Loudoun County | Posted February 10

[EMPLOYMENT OPPORTUNITIES](#) | Spotsylvania County | Posted February 10

[FRAUD INVESTIGATOR – DSS](#) | Montgomery County | Posted February 7

[SENIOR ASSISTANT COUNTY ATTORNEY OR ASSISTANT COUNTY ATTORNEY](#) | Albemarle County | Posted February 7

[ECONOMIC DEVELOPMENT & TOURISM MANAGER](#) | Warren County | Posted February 7

[DIRECTOR OF ECONOMIC DEVELOPMENT](#) | Westmoreland County | Posted February 7

[DEPUTY DIRECTOR OF FINANCE](#) | City of Williamsburg | Posted February 7

[GENERAL MANAGER](#) | King George County Service Authority | Posted February 6

[LEAD EQUIPMENT MECHANIC](#) | Town of Ashland | Posted on February 6

[GRANTS FINANCIAL SPECIALIST \(FINANCE SPECIALIST II\)](#) | Fairfax County | Posted February 6

[SOCIAL MEDIA COORDINATOR FOR FIRE & EMS](#) | Prince George County | Posted February 4

[MANAGER V. ANIMAL CONTROL](#) | Prince George County | Posted February 4

[FIREFIGHTER/EMT PRE-CERTIFIED](#) | Prince George County | Posted February 4

[DEPUTY COURT CLERK I](#) | Prince George County | Posted February 4

[SENIOR ENGINEER](#) | Chesterfield County | Posted February 4

[APPRAISER III](#) | Chesterfield County | Posted February 3

[CLERK TO THE BOARD OF ZONING APPEALS](#) | Chesterfield County | Posted February 3

[RESIDENTIAL COUNSELOR \(IN HOME PROGRAM\)](#) | Chesterfield County | Posted February 3

[COOK/HOUSEKEEPER \(GALLOWAY PLACE\)](#) | Chesterfield County | Posted February 3

[DAY SUPPORT COUNSELOR \(PART TIME\)](#) | Chesterfield County | Posted February 3

[ASSISTANT STORMWATER OPERATIONS MANAGER](#) | Chesterfield County | Posted February 3

[SENIOR CLINICIAN \(CHILD & ADOLESCENT SERVICES\)](#) | Chesterfield County | Posted February 3

[RECOVERY ACADEMY CLINICIAN](#) | Chesterfield County | Posted February 3

[PEER RECOVERY SPECIALIST \(CHESTERFIELD RECOVERY ACADEMY\)](#) | Chesterfield County | Posted February 3

[EMPLOYMENT OPPORTUNITIES](#) | King George County | Posted February 3

[MAINTENANCE WORKER](#) | Montgomery County | Posted February 3

[SENIOR ENGINEER \(PART TIME\)](#) | Chesterfield County | Posted February 3

[EMPLOYMENT OPPORTUNITIES](#) | Spotsylvania County | Posted February 3

[FINANCE MANAGER](#) | Middle Peninsula PDC | Posted February 3

[SENIOR PLANNER – ZONING](#) | Town of Leesburg | Posted January 31

VALUE OF VACo



ADVOCACY

VACo's lobbying efforts have helped stem the tide of unfunded mandates and have saved Counties millions of dollars every year.



EDUCATION

Our educational programs offer County leaders and staff opportunities to become more effective in their communities.



MEMBERSHIP ENGAGEMENT

Some of VACo's best moments are when members convene and work to improve communities all over the Commonwealth.



BUSINESS DEVELOPMENT

Our business development opportunities offer savings and innovative approaches to delivering services at the County level.

VACo LEADERSHIP



President
Ruth Larson
James City County



President-Elect
William M. McCarty
Isle of Wight County



First Vice President
Victor S. Angry
Prince William County



Second Vice President
Phil C. North
Roanoke County



Secretary-Treasurer
Donald L. Hart, Jr.
Accomack County



Immediate Past President
Ann H. Mallek
Albemarle County

VACo STAFF

- Executive Director** | Dean A. Lynch, CAE
- Deputy Director** | Katie Boyle
- Director of Intergovernmental Affairs** | Jeremy R. Bennett
- General Counsel** | Phyllis A. Errico, Esq., CAE
- Director of Communications** | Anh G. Harter
- Government Relations Associate** | James Hutzler
- Director of Technical Services** | John N. Kandris, A+, ACT, CCA
- Director of Finance** | Sue Klaczynski
- Director of Local Government Policy** | Joe Lerch, AICP
- Administrative Coordinator** | Valerie M. Russell
- Director of Programs and Development** | Karie Walker

VACo exists to support county officials and to effectively represent, promote and protect the interests of counties to better serve the people of Virginia.

1207 East Main Street | Suite 300
Richmond, VA 23219-3627
Phone: 804.788.6652 | www.vaco.org

County Connections is a semimonthly publication.

