

Commission on Local Government

Estimate of Local Fiscal Impact

2025 General Assembly Session | 1/20/25

In accordance with the provisions of 30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of legislation impacting local governments.

HB2618: Public school buildings; indoor air quality standards. (Patron: Dan Helmer)

Bill Summary: Public school buildings; indoor air quality standards. Establishes several enumerated requirements for school boards to ensure indoor air quality in each public school building in the local school division, including (i) identifying a designated individual to oversee the establishment of and adherence to a preventive maintenance schedule for the heating, ventilation, and air conditioning (HVAC) system in each such building and the implementation of the use of general or local exhaust ventilation in areas of each such building where housekeeping and maintenance activities involve the use of equipment or products that could reasonably be expected to result in hazardous chemical or particulate exposures, among other things; (ii) controlling microbial and fungal contamination in each such building by promptly repairing water intrusion that can promote microbial or fungal growth; (iii) ensuring indoor air quality during renovation and remodeling or new construction in various ways; and (iv) keeping school building system maintenance records. The bill also requires the Department of Education to establish and administer a school board employee complaint and resolution process relating to indoor air quality in public school buildings.

Local Fiscal Impact: Net Additional Expenditure: x Net Reduction of Revenues:

Summary Analysis:

Number of Localities Responding: 4 Cities, 8 Counties, 3 Towns, 1 Other

Localities estimated a negative fiscal impact ranging from \$24,600 to \$33 million over the biennium.

Localities identified the bill's fiscal impact as the need for staff for compliance and HVAC maintenance, equipment for CO2 monitoring, and ongoing materials like filters and tests. Some localities estimated higher costs due to the need for HVAC replacement, but most localities stated that the requirements of this bill are already standard operating procedure and additional funds are only needed for compliance and reporting.

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Net Increase in Expenditures: Itemized Estimates by Responding Localities

Locality	Nonrecurring Expense - Operating		Nonrecurring Expense - Capital		Nonrecurring Expense - Other		Total Increase in Expenses (Biennium Total)	Response Totals	
	FY26	FY27	FY26	FY27	FY26	FY27			
Albemarle County			500000	500000			1,020,000	Cities:	4
Bedford County	200000	0	0	0	0	0	720,000	Counties:	8
Chesterfield County						0	50,000	Towns:	3
City of Alexandria							0	Other:	1
City of Richmond							32,975,000	Total:	16
City of Virginia Beach							0		
City of Winchester							0		
Fauquier County							0		
Mecklenburg County							135,170		
Montgomery County							0		
Northern Neck PDC							0		
Prince George County							24,600		
Rappahannock County						0	30,000		
Town of Chincoteague							0		
Town of Christiansburg							0		
Town of Rocky Mount							0		

Locality	Expenditure Narrative by Responding Localities
Albemarle County	Currently, Albemarle County Public Schools is already fulfilling most of the requirements contained in the bill. One specific provision within the bill that would affect the County is the requirement for CO2 monitoring. The research around the effects of CO2 in learning environments is relatively new (at least within the context of life expectancy of HVAC equipment), and the County is in the process of adding CO2 monitors as part of all its HVAC upgrade projects. However, these monitors have not yet been installed universally across the Division. Amending the bill to remove specific references to timelines around CO2 monitoring requirements to provide more time for equipment installation for the County's schools would ease the fiscal burden as this bill creates what is essentially a new unfunded mandate.
Bedford County	Anticipated direct net increase in expenditures arises from the need to (1) new position for HVAC Compliance Oversight, (1) new position for HVAC Preventative Maintenance, additional ongoing costs related to annual testing, and one-time costs for design and redistribution of vents. The Personnel Costs are inclusive of estimated benefits.
Chesterfield County	Chesterfield County Public Schools has a comprehensive HVAC preventative maintenance program with annual cost of \$3.45M, which is managed by a HVAC lead with a salary of \$90k. The current preventative maintenance program is similar in nature to what is outlined in the bill and meets the majority of requirements. However, there would be cost associated with various reporting and record keeping requirements outlined. The \$25k estimate in annual reoccurring cost are attributed to those record keeping and reporting requirements, specifically sections § 22.1-141.5.B, § 22.1-141.8 and § 22.1-141.9.
City of Alexandria	The legislation's fiscal impact is currently unquantifiable.
City of Richmond	Additional requirements within this legislation are expected to increase reoccurring expenditure costs for Richmond Public Schools by \$16 million annually. The personnel cost estimate includes a position to oversee all IAQ items and supplemental custodial services when personnel are absent. The operating cost estimate includes preventative maintenance, i.e. filter changes, coil cleaning, chiller maintenance, and legionella water testing at least two times per calendar year. The "other" cost estimate includes mold inspection and testing one time per year, remediation, and custodial equipment repairs and replacement. Lastly, the capital cost estimate includes IAQ related items referenced in a facility conditions assessment completed in 2024.
City of Virginia Beach	Virginia Beach City Public Schools may have minimal increase in expenditures, but at present they budget a significant amount for HVAC replacement, and additional funds may not be needed.
City of Winchester	Winchester Public Schools already in compliance
Fauquier County	we already have protocols set in place. no fiscal impact.
Mecklenburg County	Most of the requirements of this bill are already part of standard operating procedures; however, it is anticipated that one additional custodial technician may have to be hired to support the compliance efforts of this program. The costs involved are are the "all-in" costs of an additional FTE, including salary, health benefits, and VRS coverage. Also, it is anticipated that this position is 100% locally funded and is not incorporated in the SOQ formula.

Locality	Expenditure Narrative by Responding Localities
Montgomery County	There is no anticipated fiscal impact to Montgomery County.
Northern Neck PDC	Planning Districts are not responsible for provision of public education or associated facilities.
Prince George County	School personnel provided input on this response. There would not be a need to add staff, but to purchase / license a reporting and tracking software to satisfy the requirement. The estimated cost is \$12,000 annually; a 5% increase has been added for year 2 (for annual subscription cost increase).
Rappahannock County	Our local school division stated that they are currently meeting the standards except for recordkeeping and estimate the necessary recordkeeping at approximately \$15,000 per year.
Town of Chincoteague	
Town of Christiansburg	The Town of Christiansburg does not have their own school system so there would be no expenditures for the Town.
Town of Rocky Mount	The local school system is not part of the Town of Rocky Mount's budget