

COMMENTARY

Helping Families Struggling to Make Ends Meet

Ensure a living wage and meaningful tax relief for working families to address affordable housing crisis.

BY KERRIE WILSON AND
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Rent or childcare? Food or gas for the car? A doctor's visit or the electric bill? Those are impossible – often daily - decisions faced by too many families and individuals struggling to live and work in Northern Virginia.

At Cornerstones and Britepaths, we serve individuals and families throughout Fairfax County who are struggling to make ends meet and live in constant uncertainty about their future. With nearly 85 years collectively of serving the community, our nonprofits work with our most vulnerable neighbors to help them manage their limited income. But while our region rapidly attracts major industry, we're finding a punishing domino effect is forcing our clients to save less and less just to cover basic needs – with affordable housing as the greatest barrier to everyone thriving in our community.⁹

Addressing the affordable housing crisis in Virginia is possible today if we offer meaningful tax relief for working families and ensure a living wage for families in the Commonwealth. This was the strong recommendation of local and national affordable housing experts convened recently in Northern Virginia.

Of course, meaningful, permanent investment in the Virginia Housing Trust Fund (such as the proposed \$35 million increase) is critical. Practically speaking; however, the long runway for housing production means we must look at near-term solutions to help struggling families today.

That's why we support tax policy proposals that offer a promising path forward.

Legislation has been proposed at the federal and state levels that would strengthen the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC).

At the federal level, lawmakers have proposed to build on the success of the federal version of the EITC and the federal Child Tax Credit. This proposal, known as the Working Families Tax Relief Act, would strengthen both credits, enabling working people to keep more of their hard-earned pay and help millions of more kids in families with low and moderate incomes get a stronger start in life.

At the state level, restrictions around Virginia's state EITC means families are missing out on the full value of the credit. Making the state EITC refundable would allow these families to keep more of the

income they earn.

We work with clients every day like "Denise," who explained to us what the EITC has meant to her and her family...

"I was a 21-year old single mother to a three-year-old. I worked full time, earning about \$12,000 a year. I paid \$75/week in daycare. I had no health care. A constant challenge was not having enough money to pay unexpected bills. A trip to the emergency room cost hundreds of dollars that I didn't have. My old Honda needed a significant repair before passing inspection, which I couldn't afford. Without my car, I couldn't get to work. Thankfully, every year, I received about \$1500 of EITC. The first year I qualified for EITC, I felt like I'd won the lottery. I paid off some bills, bought a new stroller for my son, and a blue futon from IKEA, which meant I no longer slept on the floor next to my son's crib.

The tax credit didn't allow me to work any less hard. It didn't pay the rent, or the tax bill, or fill my tank with gas. But it allowed me to make purchases that I could never have afforded and it improved my quality of life. It also did something less tangible – it gave me hope. I counted on that check and planned and re-planned throughout the year how to best use it."

That hope kept Denise moving forward as she eventually earned a college degree and worked her way into higher-paying jobs. She is now financially comfortable, and her son works as an engineer.

She explained, "My experiences as a young single mother have forever impacted the way I see the economic injustices. We fail as a society if we don't recognize where we can remove obstacles and create opportunities for people to build a good life for themselves and their children. Conversations about social support programs are not hypothetical political statements; they are decisions that impact real people."

It's time to prioritize working Virginians and their families. We urge Virginia's congressional delegation to support improvements to the federal EITC and CTC, and we urge the governor and state lawmakers to strengthen the state EITC by making it refundable. We hope all lawmakers will join them in sponsoring these proposals.

For more information on the proposed tax policy changes, please visit <https://www.thecommonwealthinstitute.org/research/budget-tax/>

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At 6:30 p.m. on Thursday, December 12, 2019, Fairfax Water will conduct a public hearing on its Proposed Schedule of Rates, Fees, and Charges. The hearing will be held in Fairfax Water's offices at 8570 Executive Park Avenue, Fairfax, VA.

The proposed changes, to be effective April 1, 2020, include the following:

1. An increase in the Availability Charge from \$4,260 to \$4,320¹.
2. An increase in the Local Facilities Charge from \$15,285 to \$18,030.
3. An increase in the Service Connection Charge from \$1,300 to \$1,370¹.
4. An increase in the Account Charge from \$39 to \$40.
5. An increase in the Quarterly Billing Service Charge from \$12.20 to \$14.40¹.
6. An increase in the base Commodity Charge from \$3.07 to \$3.20 per 1,000 gallons of water.
7. An increase in the Peak Use Charge from \$3.80 to \$3.85.
8. An increase in the Turn Off / Turn On Charge from \$48 to \$49.
9. An increase in the Fees for Use of Fairfax Water Fire Hydrants to include the increase in the Commodity Charge and the Peak Use Charge.
10. A decrease in the Overhead Charge for Labor from 105% to 104% and the Overhead Charge for Materials from 16% to 13%.
11. An increase in the Installation of Sewer Use Meter Charge from \$38 to \$39.

¹Charges reflect fees associated with a standard 5/8" residential meter. Changes in charges for larger residential and commercial meters are reflected in the Proposed Schedule of Rates, Fees, and Charges.

Fairfax Water is also proposing a \$192.5 million budget for calendar year 2020¹. Water sales are expected to provide \$166.2 million and the remaining \$26.3 million is expected from connection charges, investment income and other sources.

The major areas of operation and maintenance expense are:

Category	-- \$1,000s --	
	2019	2020
Personal Services & Employee Benefits	\$ 56,839	\$ 60,020
Power and Utilities	10,890	11,060
Chemicals	7,241	7,878
Purchased Water	7,510	7,812
Supplies and Materials	5,418	5,713
Insurance	991	1,165
Fuel	685	730
Postage	612	622
Contractual Services	12,635	13,103
Professional Services	829	1,290
Other	2,353	2,562
Sub-Total	106,003	111,955
Transfer to Improvement Fund	(10,380)	(10,313)
Total	\$ 95,623	\$ 101,642

Net revenues are expected to be appropriated as follows:

Debt Payment	\$43,000,000
Improvement Fund	\$11,000,000
General Fund	\$36,099,000

¹ Fairfax Water's Board will continue to monitor economic factors and review revenues and expenditures at mid-year to determine if additional action is needed.

A copy of the proposed changes can be viewed on our website at www.fairfaxwater.org/rates. Those wishing to speak at this hearing or desiring a copy of the proposed changes should call Ms. Karen Barnette at 703-289-6029. Interested parties may submit written comments to PublicHearingComments@fairfaxwater.org or mail written comments to:

Fairfax Water
Public Hearing Comments
8570 Executive Park Avenue
Fairfax, VA 22031

All written comments must be received by close of business on **Wednesday, December 11, 2019** to be included in the record of the public hearing.