

*Joint  
Conference Committee  
Report on*

*House Bill 1400*

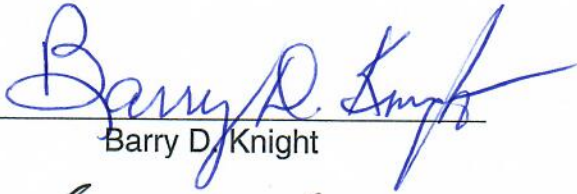
*2023 Session*

February 25, 2023

**We, the conferees, appointed by the respective bodies to consider and report the disagreeing vote on House Bill 1400 report as follows:**

- A. We recommend that the House and Senate amendments be rejected.**
- B. We recommend that House Bill 1400, as introduced, be amended as follows to resolve the matters under disagreement.**

Respectfully submitted,



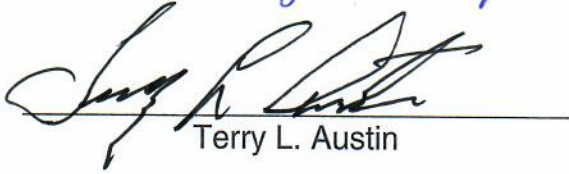
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Barry D. Knight



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Janet D. Howell



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Terry L. Austin



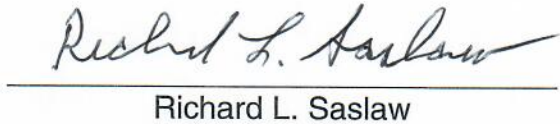
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George L. Barker



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Robert S. Bloxom, Jr.



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Richard L. Saslaw



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Emily M. Brewer



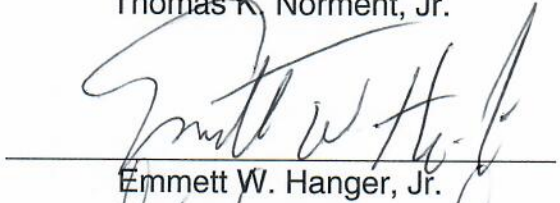
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Thomas K. Norment, Jr.



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Luke E. Torian



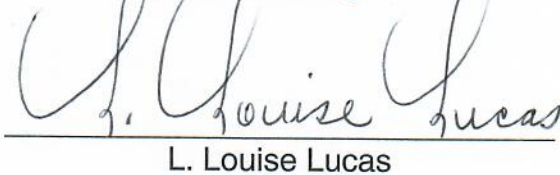
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Emmett W. Hanger, Jr.



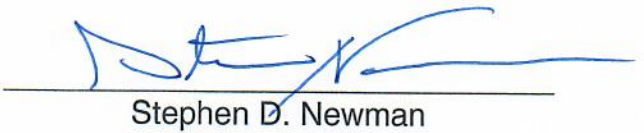
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Mark D. Sickles



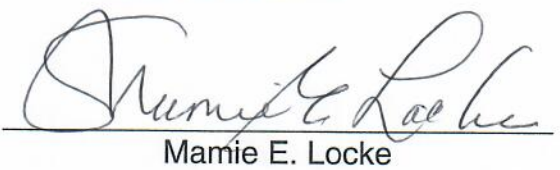
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L. Louise Lucas




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Stephen D. Newman



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Mamie E. Locke



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R. Creigh Deeds

**House Conferees**

**Senate Conferees**

2023 SESSION

HOUSE SUBSTITUTE

23107602D

HOUSE BILL NO. 1400

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee on February 25, 2023)

(Patron Prior to Substitute—Delegate Knight)

A BILL to amend and reenact Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, and to amend Chapter 2 of the Acts of Assembly of 2022, Special Session I, which appropriates the public revenues for two years ending, respectively, on June 30, 2023, and June 30, 2024, by adding items numbered 138.10 and C-79.50, relating to general appropriation act.

Be it enacted by the General Assembly of Virginia:

1. That Items 267 and 269 of Chapter 2 of the Acts of Assembly of 2022, Special Session I are amended and reenacted and that Chapter 2 of the Acts of Assembly of 2022, Special Session I is amended and reenacted by adding items numbered 138.10 and C-79.50, as follows:

	Item Details(\$)		Appropriations(\$)	
	First Year FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
267. Revenue Stabilization Fund (73500)			\$1,127,733,028	\$0\$405,952,425
Payments to the Revenue Stabilization Fund (73501)	\$1,127,733,028	\$0\$405,952,425		
Fund Sources:				
General	\$1,127,733,028	-\$0\$405,952,425		

Authority: Title 2.2, Chapter 18, Article 4, Code of Virginia.

A. On or before November 1 of each year, the Auditor of Public Accounts shall report to the General Assembly the certified tax revenues collected in the most recently ended fiscal year. The auditor shall, at the same time, provide his report on the 15 percent limitation and the amount that could be paid into the fund in order to satisfy the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia as well as the additional deposit requirement of § 2.2-1829, Code of Virginia.

B. Out of this appropriation, \$1,127,733,028 the first year from the general fund attributable to actual tax collections for fiscal year 2021 shall be paid by the State Comptroller on or before June 30, 2023, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia. This amount is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2021. This appropriation meets the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

C. 1. Notwithstanding the provisions of subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3, Code of Virginia, through June 30, 2024, the combined amount in the Revenue Stabilization Fund and the Revenue Reserve Fund shall not exceed 20 percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales as certified by the Auditor of Public Accounts for the three fiscal years immediately preceding.

2. The Secretary of Finance shall prepare a report to include recommendations for consideration of any adjustments to, or a removal of, the existing cap on the combined balance of the Revenue Stabilization Fund and the Revenue Reserve Fund, pursuant to subsection E of § 2.2-1829 and subsection F of § 2.2-1831.3, Code of Virginia, which shall be delivered to the Governor and the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by September 1, 2022.

D.1. Out of this appropriation, \$405,952,425 the second year from the general fund attributable to actual tax collections for fiscal year 2022 shall be paid by the State Comptroller on or before June 30, 2024, into the Revenue Stabilization Fund pursuant to § 2.2-1829, Code of Virginia.

2. Notwithstanding the provisions of § 2.2-1831.3 and § 2.2-1831.4, Code of Virginia, the State Comptroller shall transfer \$498,700,000 from the Revenue Reserve Fund to the Revenue Stabilization Fund on or before June 30, 2024. This amount was provided in Chapter 1, 2022 Acts of Assembly, Special Session I, as an advanced reservation for the mandatory deposit to the Revenue Stabilization Fund required in fiscal year 2024.

3. The combined total of the actions authorized in this paragraph, \$904,652,425, is based on the certification of the Auditor of Public Accounts of actual tax revenues for fiscal year 2022. These actions meet the mandatory deposit requirement of Article X, Section 8 of the Constitution of Virginia.

Item Details(\$)	Appropriations(\$)
First Year	

HOUSE SUBSTITUTE

HB1400H1

61			FY2023	Second Year FY2024	Second Year FY2024 First Year
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85 Authority: Title 2.2, Chapter 8, Code of Virginia.

86 Pursuant to the amounts contingently appropriated in Item 485, paragraph L of this act, on or

87 before June 30, 2023, the State Comptroller shall deposit \$250,000,000 from the general fund into the

88 Virginia Retirement System trust fund. The Virginia Retirement System shall allocate these funds in the

89 following manner in an effort to address the unfunded liabilities associated with each plan:

90 1. An amount estimated at \$73,052,105 to the state employee plan.

91 2. An amount estimated at \$147,457,029 to the public school teacher plan.

92 3. An amount estimated at \$3,652,605 to the State Police Officers' Retirement System.

93 4. An amount estimated at \$6,628,802 to the Virginia Law Officers' Retirement System.

94 5. An amount estimated at \$2,083,338 to the Judicial Retirement System.

95 6. An amount estimated at \$2,840,915 to the health insurance credit plan for state employees.

96 7. An amount estimated at \$4,004,338 to the health insurance credit plan for public school teachers.

97 8. An amount estimated at \$10,146,126 to the group life insurance plan.

98 9. An amount estimated at \$91,992 to the health insurance credit plan for Constitutional Officers

99 and their employees.

100 10. An amount estimated at \$40,585 to the health insurance credit plan for local social services

101 employees.

102 11. An amount estimated at \$2,165 to health insurance credit plan for the Registrars and their

103 employees.

				Item Details(\$)	Appropriation-
					s(\$)
				First Year	
FY20-	Second	First Year FY2023	Second Year FY2024		
23	Year				
	FY2024				
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114 A. Included in this Item is \$100,000,000 the first year from the general fund that is designated for

115 project supplements to address shortfalls for projects and central capital construction pools.

116 1. In fulfillment of the requirement in paragraph L, Item 485 of this act, there is included

117 \$100,000,000 from the general fund in the first year.

118 2. Funding provided in this Item and remaining from Item C-69.60 of Chapter 1, 2022 Acts of

119 Assembly, Special Session I, may be transferred and used for the purposes described in paragraph B. of

120 this Item, pursuant to the approval process and requirements in paragraph C. of this Item.

121 B.1. Notwithstanding § 2.2-1519 E.1., Code of Virginia., funding may be used to address shortfalls

122 for capital projects that (i) were previously authorized for construction in a central construction pool

123 subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the

124 requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) have received a funding report from

125 the Department of General Services prior to April 1, 2022.

126 2. Funding may be used for projects, within the limits of the 105 percent cost threshold set forth in  
 127 § 2.2-1519 E.1., Code of Virginia, that (i) were authorized for construction in a central construction  
 128 pool subject to the process delineated in § 2.2-1515 et. seq., Code of Virginia; (ii) have satisfied the  
 129 requirements of § 2.2-1519 C. and E.2., Code of Virginia; and (iii) had not received a funding report as  
 130 of April 1, 2022.

131 3. Funding may be used to address shortfalls for projects that have been authorized in an  
 132 Appropriation Act or other authorizing legislation for construction that were not budgeted in a central  
 133 construction pool, provided that the agency is unable to use additional value engineering or reduce the  
 134 size or scope of the project to remain within available appropriation while meeting the original  
 135 programmatic intent of the appropriation.

136 4. Funding may be used to address shortfalls in central capital construction pools that have  
 137 insufficient funding remaining to meet the outstanding needs of projects authorized within a given pool.

138 C.1. A transfer authorized by this Item may only be effectuated if (i) the Director of the Department  
 139 of Planning and Budget provides notice of the amount and purpose of any such proposed transfer to the  
 140 Six-Year Capital Outlay Plan Advisory Committee; and (ii) no member of the committee or their  
 141 designee objects, in writing or via email, to the transfer within 14 days of receiving such notice. If an  
 142 objection is received, the committee may discuss such proposed transfer at its next meeting and vote as  
 143 to whether to recommend such transfer.

144 2. Specific project allocations for transfer from this Item shall be based upon recommendations from  
 145 the Department of General Services.

146 3. Supplemental amounts determined in accordance with paragraph B.1., B.2., and B.3. of this Item  
 147 shall be adjusted to match the proportion of a project's total cost supported by general fund as set forth  
 148 in the funding report, Appropriation Act, or other authorizing legislation.

149 4. After receiving funds pursuant to paragraphs B.1. or B.3. of this Item, projects shall comply with  
 150 the provisions of paragraph K. of § 2.0 of this act.

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152 *Direct Aid to Public Education*

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		Item Details(\$)		Appropriations(\$)
		First Year		
	FY2023	Second Year FY2024	First Year FY2023	Second Year FY2024
138.10 State Education Programs (17700)				\$132,813,671
Distribution of State Education Assistance (17701)				\$130,279,159
Fund Sources:			\$132,813,671	\$130,279,159
General				
Special		Trust and Agency	\$132,703,671	
			\$110,000	
		\$0	\$125,816,329	
			\$125,000	
			\$4,337,830	
A. The appropriations within this agency shall be adjusted as follows:				
		General Fund	First Year	
		Appropriations		
FY2023	Second Year			
	FY2024			
		Update Average		
		Daily		
		Membership		
		projections		
based on Fall	\$28,389,627	\$42,826,514		
Membership				
		Update costs of	\$1,233,501	
		Categorical		
		programs		
	\$1,241,783	Update costs of	(\$16,271,483)	(\$6,450,403)
		Incentive		
		programs		
		Update Fall		
		Membership data		
		in Direct Aid		
program formulas	\$97,384			
	\$214,336			

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192			Update Lottery	\$9,499,460	(\$4,337,838)
193			proceeds for		
194			public education		
195			Update program	\$9,139,785	\$9,139,785
196			participation for		
197			Remedial Summer		
198			School		
199			Update sales tax		
200			distribution for		
201			school age		
202	population	\$0			
203		(\$93,912)			
204					
205			Update sales tax	\$90,474,422	
206			revenue for public		
207			education		
208		\$77,507,889			
209					
210			Update	(\$335,000)	\$0
211			Supplemental		
212			Education		
213			accounts		
214					
215			Update the cost of	(\$104,903)	\$0
216			Lottery-funded		
217			programs		
218					
219			Update the state	\$2,147,022	\$4,647,991
220			cost for English		
221			as a Second		
222			Language		
223			Update Academic		
224			Year Governor's		
225			School per		
226	pupil amounts	\$1,104,051	\$1,120,184		
227			Use Lottery fund	(\$9,499,465)	\$0
228			balances to		
229			support existing		
230			appropriation		
231			General Fund	\$115,874,401	\$125,816,329
232			Total:		
233					
234			Nongeneral Fund	First Year	
235			Appropriations		
236	FY2023	Second Year			
237		FY2024			
238			Increase		
239			nongeneral fund		
240			appropriation for		
241			Summer		
242			Residential		
243			Governor's World		
244			Language		
245	Academies	\$110,000	\$125,000		
246			Update Lottery	(\$9,499,462)	\$4,337,830
247			proceeds for		
248			public education		
249			Use Lottery fund	\$9,499,462	\$0
250			balances to		
251			support existing		
252			appropriation		
253			Nongeneral Fund	\$110,000	\$4,462,830
254			Total:		

255 B. Out of this appropriation, \$16,829,270 the first year from the general fund is provided to ensure  
 256 that the sum of basic aid and sales tax payments a school division receives in fiscal year 2023 is at  
 257 least the sum of basic aid and sales tax payments that was communicated to school divisions in

258 *Superintendents Memo #133-22.*

259 **2. That this act is effective on its passage as provided in § 1-214 of the Code of Virginia.**