

*Joint
Conference Committee
Report on*

House Bill 29

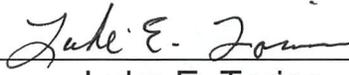
2024 Session

March 7, 2024

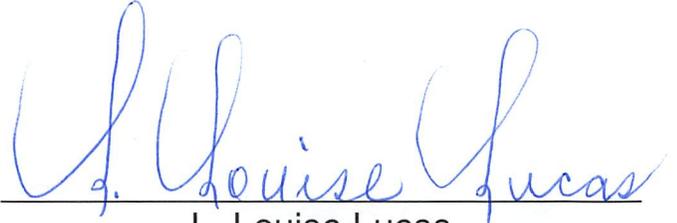
We, the conferees, appointed by the respective bodies to consider and report the disagreeing vote on House Bill 29 report as follows:

- A. We recommend that the House and Senate amendments be rejected.**
- B. We recommend that House Bill 29, as introduced, be amended as follows to resolve the matters under disagreement.**

Respectfully submitted,



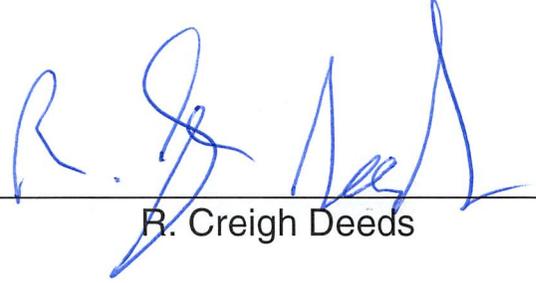
Luke E. Torian



L. Louise Lucas



Mark D. Sickles



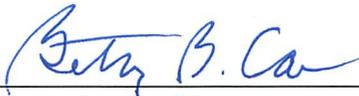
R. Creigh Deeds



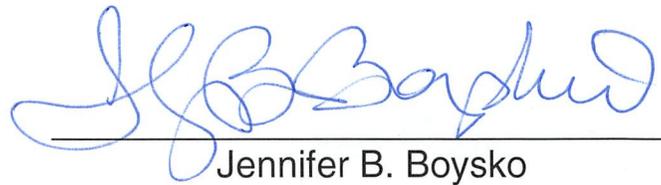
David L. Bulova



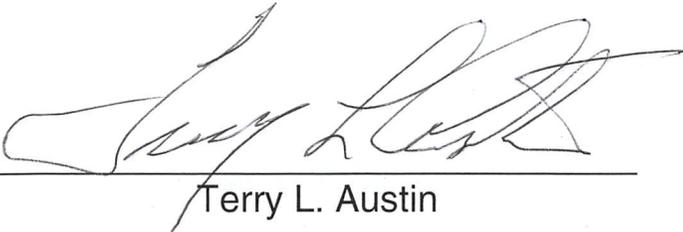
Mamie E. Locke



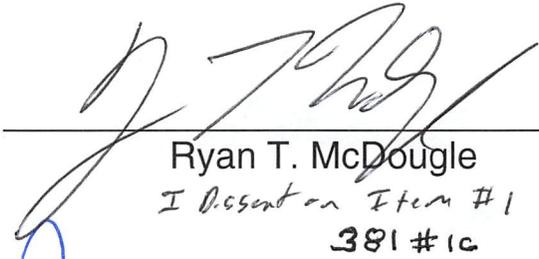
Betsy B. Carr



Jennifer B. Boysko



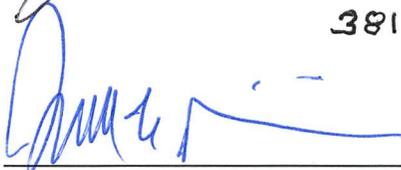
Terry L. Austin


I dissent on Item #1
381 #1c

Ryan T. McDougale



Robert S. Bloxom, Jr.



Todd E. Pillion

I dissent on item #1
381 #1c

House Conferees

Senate Conferees

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Item 0 #1c

Revenues

Revenues

Language

Language:

Page 1, strike lines 28 through 39 and insert:

	"First Year	Second Year	Total
Unreserved Beginning Balance	\$10,684,532,497	<i>\$10,930,591,910</i>	<i>\$21,615,124,407</i>
Additions to Balance	(\$3,078,628,035)	<i>(\$7,126,108,812)</i> <i>(\$6,603,924,564)</i>	<i>(\$10,204,736,847)</i> <i>(\$9,682,552,599)</i>
Official Revenue Estimates	\$24,871,135,500	<i>\$26,369,314,900</i> <i>\$27,754,500,000</i>	<i>\$51,240,450,400</i> <i>\$52,625,635,500</i>
Transfers	\$714,716,804	<i>(\$129,796,220)</i> <i>\$35,516,292</i>	<i>\$584,920,584</i> <i>\$750,233,096</i>
Total General Fund Resources Available for Appropriation	\$33,191,756,766	<i>\$30,044,001,778</i> <i>\$32,116,683,638</i>	<i>\$63,235,758,544</i> <i>\$65,308,440,404</i>

Page 1, line 44, strike "\$46,252,967, 838" and insert "\$46,257,760,335".

Page 1, line 44, strike "\$91,682,270,501" and insert "\$91,687,062,998".

Page 2, line 7, strike "\$49,710,024,179" and insert "\$49,714,816,676".

Page 2, line 7, strike "\$106,868,923,777" and insert "\$106,873,716,274".

Page 2, line 10, strike "\$81,707,995,277" and insert "\$81,831,500,314".

Page 2, line 10, strike "\$172,058,651,641" and insert "\$172,182,156,678".

Explanation:

(This amendment updates the resource estimates on the front page of House Bill 29 to reflect the conference committee's actions.)

Item 2 #1c

Legislative Department

Auditor of Public Accounts

Language

Language:

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Page 4, line 4, strike "Not set out." and insert:

"Item 2	First Year FY2023	Second Year FY2024
Legislative Evaluation and Review (78300)	\$15,637,832	\$15,637,832
Financial and Compliance Audits (78301)	\$15,637,832	\$15,637,832
Fund Sources:		
General	\$13,704,429	\$13,704,429
Special	\$1,933,403	\$1,933,403

Authority: Article IV, Section 18, Constitution of Virginia; Title 30, Chapter 14, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Auditor of Public Accounts, \$218,491 from July 10, 2022 to June 9, 2023, \$229,416 from June 10, 2023 to December 9, 2023, and \$234,004 from December 10, 2023 to June 30, 2024.

B. 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 pursuant to § 2.2-1829, Code of Virginia. The Auditor shall, at the same time, provide his report on (i) the 15 percent limitation and the amount that could be paid into the Revenue Stabilization Fund and (ii) any amounts necessary for deposit 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.

C. The specifications of the Auditor of Public Accounts for the independent certified public accountants auditing localities shall include requirements for any money received by the sheriff. These requirements shall include that the independent certified public accountant must submit a letter to the Auditor of Public Accounts annually providing assurance as to whether the sheriff has maintained a proper system of internal controls and records in accordance with the Code of Virginia. This letter shall be submitted along with the locality's audit report.

D.1. Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, shall provide to the Auditor of Public Accounts by October 1 of each year, in a format specified by the Auditor, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs. For any specific stormwater outfall generating more than \$200,000 in annual fees, such report shall include identification of specific actions to remediate nutrient and sediment reduction from the specific outfall.

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from

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the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

E. The Auditor of Public Accounts' Specifications for Audits of Counties, Cities, and Towns and the Specifications for Audits of Authorities, Boards, and Commissions, for the independent certified public accountants auditing localities and local government entities, shall include requirements related to the communication of other internal control deficiencies or financial matters, commonly referred to as a management letter. These requirements shall include that any such communication issued by the independent certified public accountants related to other internal control deficiencies or other financial matters that merit the attention of management and the governing body must be made in the form of official, written communication.

F. Out of the amounts appropriated in this item, \$325,000 the first year and \$325,000 the second year from the general fund shall be available to implement compensation adjustments to address recruitment and retention. Implementation of the salary adjustments is contingent on the approval of a compensation plan by the Committee on Joint Rules

G. The Auditor of Public Accounts shall include in the annual Specifications for Audits of Counties, Cities, and Towns, and Specifications for Audits of Authorities, Boards, and Commissions, for the independent certified public accountants auditing localities and local government entities, requirements to ensure that each city and county and applicable local government entity comply with the provisions of Article 12 (§ 2.2-2365 et seq.) of Chapter 22 of Title 2.2, Code of Virginia, and any guidelines, procedures, and criteria set forth by the Opioid Abatement Authority relating to opioid abatement funds. Any such adjustment to the requirements in the Specifications for Audits of Counties, Cities, and Towns and the Specifications for Audits of Authorities, Boards, and Commissions, shall be exempt from the Administrative Process Act and shall be required for audits effective for fiscal years beginning on July 1, 2024, and thereafter.”

Explanation:

(This language only amendment directs annual audits of local expenditures to include a review of the use of any opioid settlement funds. Such review is to ensure compliance with guidelines, procedures, and criteria set forth by the Opioid Abatement Authority, and in turn, compliance with specific national agreements and Virginia court orders related to such settlements, the overarching statewide memorandum of understanding for allocation of opioid abatement monies, and the provisions of Article 12, Chapter 22 of the Code of Virginia. A companion amendment to House Bill 30 proposes the same language to require such reviews in ongoing biennia.)

	Item 6 #1c	
Legislative Department	FY22-23	FY23-24
Division of Legislative Services	\$0	\$232,191 NGF

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Language:

Page 4, line 8, strike "\$9,315,530" and insert "\$9,547,721".

Page 4, line 8, strike "Not set out." and insert:

"Item 6	First Year FY2023	Second Year FY2024
Legislative Research and Analysis (78400)	\$8,738,378	\$9,315,530
Bill Drafting and Preparation (78401)	\$8,738,378	\$9,315,530
Fund Sources:		
General	\$8,718,346	\$8,968,346
Special	\$20,032	\$347,184

Authority: Title 30, Chapter 2.2, Code of Virginia.

A. Out of this appropriation shall be paid the annual salary of the Director, Division of Legislative Services, \$183,500 from July 10, 2022 to June 9, 2023, \$192,938 from June 10, 2023, to December 9, 2023, and \$196,797 from December 10, 2023 to June 30, 2024.

B. Notwithstanding the salary set out in paragraph A. of this item, the Committee on Joint Rules may establish a salary range for the Director, Division of Legislative Services.

C. The Division of Legislative Services shall continue to provide administrative support to include payroll processing, accounting, and travel expense processing at no charge to the Behavioral Health Commission, the Chesapeake Bay Commission, the Joint Commission on Health Care, the Virginia Commission on Youth, the Commission on Electric Utility Regulation, and the Virginia State Crime Commission.

D. Out of this appropriation, \$250,000 the first year from the general fund is provided to support the work of the Senate Joint Resolution 47 (2014) Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century. The funding may be used to contract for expertise and assistance in its work to evaluate the community-based system of service delivery or other related topics as required by the work of the Joint Subcommittee. Any contractor hired shall evaluate the current system along with alternative delivery systems to provide the necessary information and assistance to the subcommittee in determining the most appropriate delivery system, or modifications to the current delivery system, that ensures access, quality, consistency, and accountability. Any remaining balance at year-end shall be carried forward to the subsequent fiscal year.

E.1. Out of this appropriation, \$178,400 each year from the general fund is provided to support costs associated with the Joint Subcommittee to Examine the Commonwealth's Pandemic Response, authorized by Senate Joint Resolution 10 of the 2022 General Assembly.

2. Notwithstanding any other provision of law, the Senate Joint Resolution 10 (2022 Session) Joint Subcommittee to Examine the Commonwealth's Pandemic Response shall continue conducting its study and meet as needed, provide an interim status report by the first day of the

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2024 General Assembly Session, and provide a final report by September 1, 2024. Any remaining appropriation at year end shall be carried forward to the subsequent fiscal year to support the Joint Subcommittee.

F. Included in this item is ~~\$327,152~~ \$559,343 in the second year from dedicated special revenue to implement the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.

G. Out of this appropriation, \$250,000 the second year from the general fund is provided for the Division to procure additional expertise as necessary in its role as staff support to the Virginia Gaming Commission established by House Joint Resolution 548, 2023 Acts of Assembly. In addition to the activities directed in HJR 548, the Joint Subcommittee shall evaluate all potential options to consolidate gaming regulation and oversight in the Commonwealth and provide a detailed transition plan in support of recommendations."

Explanation:

(This amendment appropriates an additional \$232,191 in the second year in dedicated special revenue generated from sales of the "Friends of the Chesapeake Bay" license plate for the recommendations of the Chesapeake Bay Restoration Fund Advisory Committee.)

Item 38 #1c

Legislative Department

Legislative Department Reversion Clearing Account

Language

Language:

Page 5, strike "Not set out.", and insert:

"Item 38	First Year FY2023	Second Year FY2024
Enactment of Laws (78200)	\$710,315	\$710,315
Undesignated Support for Enactment of Laws Services (78205)	\$710,315	\$710,315
Fund Sources:		
General	\$710,315	\$710,315

Authority: Discretionary Inclusion.

A. Transfers out of this appropriation may be made to fund unanticipated costs in the budgets of legislative agencies or other such costs approved by the Joint Rules Committee.

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B. Included within this appropriation is an amount estimated at \$200,000 the first year and \$200,000 the second year from the general fund and one position for the operation of the Capitol Guides program. The allocation of these funds shall be subject to the approval of the Committee on Joint Rules. The Capitol Guides program shall be jointly administered by the Clerk of the House of Delegates and the Clerk of the Senate.

C. On or before June 30, 2024, the Committee on Joint Rules shall authorize a reversion to the general fund of ~~\$7,072,307~~ \$14,029,307 representing savings generated by legislative agencies in the second year of the 2022-2024 biennium. The total savings amount includes estimated savings within the following legislative agencies:

Legislative Agency	Estimated Savings FY 2024
101: General Assembly	\$1,200,000
107: Division of Legislative Services	\$1,200,000 \$3,912,169
<i>109: Division of Legislative Automated Systems</i>	\$500,000
110: Joint Legislative Audit and Review Commission	\$934,762
<i>133: Auditor of Public Accounts</i>	\$601,464
839: Virginia Commission on Youth	\$25,000
844: Joint Commission on Health Care	\$20,000
961: Division of Capitol Police	\$3,692,545 \$6,835,912
Total	\$7,072,307 \$14,029,307"

Explanation:

(This amendment adds language to authorize an additional transfer in the second year of \$6,957,000 in general fund balances from legislative branch agencies.)

	Item 113 #1c	
Commerce and Trade	FY22-23	FY23-24
Economic Development Incentive Payments	\$0	(\$630,000) GF

Language:

Page 20, line 6, strike "\$412,113,433" and insert "\$411,483,433".
 Page 21, line 15, strike "2,869,000" and insert "2,239,000".

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Explanation:

(This amendment adjusts grant payments from the Virginia Economic Development Incentive Grant to align the program with most up to date information from the Virginia Economic Development Partnership Authority.)

Item 113 #2c

Commerce and Trade

Economic Development Incentive Payments

Language

Language:

Page 24, line 34, after "projects." strike remainder of the line.

Page 24 strike lines 35 through 39.

Explanation:

(This amendment eliminates language allowing for the purchase of land with resources from the Virginia Business Ready Sites Acquisition Fund, which overrides the Code requirement for the MEI Commission to review all such purchases.)

Item 113 #3c

Commerce and Trade

Economic Development Incentive Payments

Language

Language:

Page 24, line 29, after "property." insert:

"Any funding remaining at the end of fiscal year 2024 shall be carried forward to the next fiscal year and reappropriated for the purposes described in this paragraph."

Explanation:

(This amendment provides for the carryforward of the \$6.0 million appropriated in fiscal year 2024 for an economic development incentive to be provided related to the sale of the Central Virginia Training Center.)

Item 113 #4c

Commerce and Trade

FY22-23

FY23-24

Economic Development Incentive Payments

\$0

(\$8,500,000)

GF

Language:

Page 20, line 6, strike "\$412,113,433" and insert "\$403,613,433".

Page 23, strike lines 50 through 57.

Page 24, strike lines 1 through 17.

Explanation:

(This amendment redirects \$8.5 million from the general fund for other priorities funding that was provided in fiscal year 2024 to the Economic Development Authority of York County to support a cruise ship port-of-call location and related visitor support and tourism.)

Item 115 #1c

Commerce and Trade

Department of Housing and Community Development

Language

Language:

Page 24, line 54, set out Item 115.

Page 121 of Chapter 1, Acts of Assembly, 2023 Special Session I, insert:

"Y.1. The department shall issue corrective action plans for any projects funded with resources from the State and Local Fiscal Recovery Fund or the Capital Projects Fund of the American Rescue Plan Act of 2021 during the Fiscal Year 2022 Virginia Telecommunication Initiative grant round that in its determination are at risk of completion. For projects funded with resources from the State and Local Fiscal Recovery Fund or the Capital Projects Fund of the American Rescue Plan Act of 2021 during the Fiscal Year 2022 Virginia Telecommunication Initiative grant round that the department determines are at risk of completion by December 31, 2026, the department shall offer the following solutions to units of local government under contract with the department for project delivery: project surrender, partial project surrender, contiguous area surrender, project transfer to another private sector partner, passing transfer to another active Virginia Telecommunication Initiative funded project, project redesign, or any other solution in the judgement of the department that can ensure locations are made eligible for the Broadband Equity, Access, and Deployment (BEAD) Program subgrantee selection process.

2. Units of government under contract with the department for the delivery of projects shall work with the department to surrender contiguous areas, as standardized and defined by the department, that it will not be able to complete by the December 31, 2026 deadline for use of the American Rescue Plan Act funds, prior to beginning the BEAD Program subgrantee selection process or by June 1, 2024, whichever comes sooner, in order to be included n the state's list of BEAD-eligible locations.

3. Any project redesign, including amending a current project, changing the private sector partner, or moving passings to another active Virginia Telecommunication Initiative Project by a unit of local government under contract with the department for the delivery of a project shall

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be concluded prior to beginning the BEAD Program subgrantee selection process or by June 1, 2024, whichever comes sooner, in order for any passings excluded from a project to be included in the state's list of BEAD-eligible locations. Any passings excluded from a rescoped project shall be in a contiguous area, as standardized and defined by the department.

4. Units of local government under contract with the department in mutual agreement with its private sector partner may surrender the entirety of a project or part of a project prior to beginning the BEAD Program subgrantee selection process or by June 1, 2024, whichever comes sooner, in order for any passings excluded from a project to be included in the state's list of BEAD-eligible locations. Any passings surrendered shall be in a contiguous area, as standardized and defined by the department.

5. Prior to any determination by the local government, the private sector partner, or the department, the investment made by public rate payers in the installation of middle-mile fiber included in the fiscal year 2022 Virginia Telecommunication Initiative grant round projects shall be considered in instances where projects are surrendered, partially surrendered, transferred to another project, passings are retuned, or projects are changed through the rescoping process.

6. Nothing in this paragraph shall be construed to limit the ability of the department to effectively administer the Virginia Telecommunication Initiative program.

7. Any American Rescue Plan Act funds returned during this process shall be deposited to the State and Local Fiscal Recovery Fund (12110) or the Capital Project Fund (12120) for transfer in accordance with the provisions of Item 486, paragraph o.1. of this act."

Explanation:

(This amendment outlines a process for the Department of Housing and Community Development to ensure locations are made eligible for the Broadband Equity, Access, and Deployment (BEAD) Program that are connected to fiscal year 2022 American Rescue Plan Act funded Virginia Telecommunications Initiative projects.)

Item 115 #2c

Commerce and Trade

Department of Housing and Community Development

Language

Language:

Page 24, line 54, set out Item 115.

Page 119, Paragraph S, Chapter 1, Acts of Assembly, 2023 Special Session I, strike:

"by local, or private sources" and insert:

"by non-state sources".

Explanation:

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(This amendment updates language related to the required match for Halifax County to receive \$4.0 million in state support for the extension of a water line from Danville to the Virginia International Raceway.)

Item 124 #1c

Commerce and Trade

Fort Monroe Authority

Language

Language:

Page 25, after line 42, insert:

"C. Out of this appropriation, \$2,500,000 the second year from the general fund is provided for the construction of a permanent monument to commemorate the 400-year anniversary of the First Landing of Africans at Point Comfort in Fort Monroe."

Explanation:

(This amendment sets out \$2.5 million from the general fund provided in House Bill 29, as introduced for the Fort Monroe Authority to finish a permanent monument to commemorate the 400-year anniversary of the First Landing of Africans at Point Comfort in Fort Monroe. In fiscal year 2022, the General Assembly appropriated \$6.0 million for the project.)

Item 136 #1c

Education: Elementary and Secondary

Direct Aid to Public Education

Language

Language:

Page 43, line 24, after "486." insert:

"Of this amount, \$1,500,000 is provided to Newport News Public schools to support safety and security improvements at Richneck Elementary School."

Explanation:

(This amendment adds language to designate funding to Richneck Elementary School in Newport News for safety and security improvements.)

Item 137 #1c

Education: Elementary and Secondary

FY22-23

FY23-24

Direct Aid to Public Education

\$0

(\$9,634,497) GF

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Language:

Page 43, line 42, strike "\$9,043,644,838" and insert "\$9,034,010,341".

Page 45, line 22, strike "\$104,725,591" and insert "\$95,091,094".

Page 67, line 30, strike "\$104,725,591" and insert "\$95,091,094".

Explanation:

(This technical amendment updates fiscal year 2024 enrollment data for the Virginia Preschool Initiative.)

Item 137 #2c

Education: Elementary and Secondary	FY22-23	FY23-24	
Direct Aid to Public Education	\$0	(\$595,207)	GF

Language:

Page 43, line 42, strike "\$9,043,644,838" and insert "\$9,043,049,631".

Explanation:

(This technical amendment recaptures \$595,207 from the general fund in early childhood savings in fiscal year 2024.)

Item 274 #1c

Finance	FY22-23	FY23-24	
Department of Taxation	\$0	\$546,540	GF
	0.00	2.00	FTE

Language:

Page 93, line 20, strike "\$64,590,357" and insert "\$65,136,897".

Explanation:

(This amendment provides \$546,540 the second year from the general fund and two positions for administrative costs incurred by the Department of Taxation in support of legislation passed by the 2023 General Assembly related to the Bank Franchise Tax. A companion amendment to House Bill 30 provides ongoing dollars and positions to effectuate the purposes of the law change. The full item will be set out upon enrollment of House Bill 30.)

Item 274 #2c

Finance	FY22-23	FY23-24	
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Conference Report to HB 29

Department of Taxation	\$0	\$381,150	GF
	0.00	2.00	FTE

Language:

Page 93, line 20, strike "\$64,590,357" and insert "\$64,971,507".

Explanation:

(This amendment provides \$381,150 the second year from the general fund and two positions to support costs for the Department of Taxation to implement the provisions of House Bill 590 and Senate Bill 212. A companion amendment to House Bill 30 provides funding to enact these provisions in the next biennium. The full item will be set out upon enrollment of House Bill 30.)

Item 304 #1c

Health and Human Resources

Department of Medical Assistance Services	Language
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Language:

Page 136, after line 51, insert:

"BBBBB.1. The Department of Medical Assistance Services shall develop an inventory of all proposed changes to the Commonwealth's managed care contract to be included in the procurement for Cardinal Care Managed Care program awarded under RFP 13330 as compared to the existing managed care contract. This inventory shall include a description of how each change will impact the Medicaid program, the legal authorization for such change, and any fiscal impact. The department shall report this information to the Department of Planning and Budget, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Joint Subcommittee for Health and Human Resources by no later than June 1, 2024."

Explanation:

(This amendment ensures the General Assembly has an opportunity to review and consider all changes to the new Medicaid managed care contracts prior to implementation in July 1, 2024.)

Item 304 #2c

Health and Human Resources

Department of Medical Assistance Services	Language
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Language:

Page 113, line 33, after "T.", insert "1."

Page 113, after line 39, insert:

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"2. Liable third-party payers are barred from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules."

Explanation:

(This amendment adds language to align Medicaid policy and rules with new federal rules regarding third party payments that will go into effect on July 1, 2024. Third party payments currently come from a number of sources, including child support orders requiring a custodial or non-custodial parent to enroll a child in a health insurance plan.)

	Item 307 #1c	
Health and Human Resources	FY22-23	FY23-24
Department of Medical Assistance Services	\$0	\$2,849,486 NGF

Language:

Page 137, line 17, strike "\$47,421,627" and insert "\$50,271,113".

Explanation:

(This amendment adds \$2.8 million to adjust the nongeneral fund appropriation for the Department of Medical Assistance Services for administrative contracts use to serve the Medicaid expansion population. This amendment shall be enrolled in Item 307, Chapter 1, 2023 Special Session 1, during enrolling of House Bill 29.)

	Item 308 #1c	
Health and Human Resources	FY22-23	FY23-24
Department of Medical Assistance Services	\$0	\$1,710,820 NGF

Language:

Page 137, line 18, strike "\$288,261,699" and insert "\$289,972,519".

Explanation:

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(This amendment adds \$2.8 million to adjust the nongeneral fund appropriation for the Department of Medical Assistance Services for administrative contracts used to serve the Medicaid expansion population. This amendment shall be enrolled in Item 308, Chapter 1, 2023 Special Session 1, during enrolling of House Bill 29.)

Item 340 #1c

Health and Human Resources

Department of Social Services

Language

Language:

Page 150, line 20, strike "\$3.0" and insert "\$5.5".

Page 150, line 22, after "Development", insert:
"and local Departments of Social Services".

Explanation:

(This amendment provides language that clarifies that nongeneral funds from the Percentage of Income Payment Program (PIPP) Fund shall be used to reimburse local Departments of Social Services for the administration of the PIPP program, consistent with § 56-585.6, Code of Virginia, and increases the maximum allowable reimbursement from the fund from \$3.0 million to \$5.5 million.)

Item 344 #1c

Health and Human Resources

Department of Social Services

Language

Language:

Page 155, line 47, strike "\$3,000,000" and insert "\$7,000,000".

Explanation:

(This amendment captures \$7.0 million in balances the second year in the Auxiliary Grant program within the Department of Social Services.)

Item 374 #1c

Natural and Historic Resources

Department of Conservation and Recreation

Language

Language:

Conference Report to HB 29

Page 173, after line 51, insert:

"Y. It is the intent of the General Assembly that the funding appropriated in Item 374.Q. of Chapter 552, 2021 Acts of Assembly, Special Session I, to support Project Harmony shall not revert to the general fund but shall be carried forward to subsequent fiscal years until the department determines that the project is complete."

Explanation:

(This amendment continues funding that was provided in Chapter 552, 2021 Acts of Assembly, Special Session I, until the project is complete.)

Item 380 #1c

Natural and Historic Resources

Department of Environmental Quality

Language

Language:

Page 174, line 14, strike "Not set out." and insert:

"Amendment Drawn to Chapter 1".

Page 469, line 11, strike "Harrison Branch Improvement Project" and insert "Harrison Branch, Greening of Lincoln, Nutrient Loading Reduction, City Hall/Police Station Campus Parking Lot, Robert's Park, Hillwood Avenue East, and Sherrow Avenue Stormwater Improvement Projects."

Explanation:

(This language-only amendment clarifies the project eligibility for funding previously provided.)

Item 381 #1c

Natural and Historic Resources

Department of Environmental Quality

Language

Language:

Set out Item 381.

Page 174, after line 15, insert:

"C. Notwithstanding any other provision of this act, or any other law, no expenditures from general, special, or other nongeneral fund sources shall be used to take any action that impedes or otherwise interferes with Virginia's rejoining of the Regional Greenhouse Gas Initiative or continued participation therein. Notwithstanding any other provision of this act, or any other law, any state agency or authority with responsibilities identified in Code § 10.1-1330 must

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immediately take all actions necessary to rejoin the Regional Greenhouse Gas Initiative and continue participating therein, and any auction proceeds received from allowance sales are hereby appropriated for the purposes set forth in Code § 10.1-1330(C). Such required actions include, but are not limited to, repealing the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs published in the Virginia Register on July 31, 2023, reissuing the final regulation titled 9VAC5-140, Regulation for Emissions Trading Programs published in the Virginia Register on August 3, 2020, selling the allowances generated by the reissued regulatory program through auctions run by the Regional Greenhouse Gas Initiative, distributing auction proceeds in accordance with Code § 10.1-1330(C) and appropriations included herein, and providing annual reporting in accordance with Code § 10.1-1330(D). Any regulatory action necessary to effectuate the requirements of this provision is hereby exempted from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.); the Department of Environmental Quality must complete such regulatory action without further action by the Air Pollution Control Board and the reissued regulatory program must take effect no later than 90 days from the effective date of this act.”

Explanation:

(This amendment requires the Commonwealth to rejoin the Regional Greenhouse Gas Initiative (RGGI) and directs the appropriate agencies to take the necessary actions to rejoin RGGI.)

Item 386 #1c

Natural and Historic Resources

Department of Historic Resources

Language

Language:

Page 178, line 2, after "Town of Fincastle" insert:
"or the County of Botetourt".

Explanation:

(This amendment clarifies that the relocation of the Fincastle Museum may occur in either the Town of Fincastle or the County of Botetourt.)

Item 452.10 #1c

Transportation

FY22-23

FY23-24

Department of Transportation

Language:

Page 187, after line 20, insert:

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"452.10 Transportation Partnership Opportunity
Fund Transfers

\$0

\$0

Of the amounts in the Transportation Partnership Opportunity Fund, up to \$11,000,000 the second year is provided to effectuate the purchase of a site, which is approximately 545 acres, adjacent to the NASA Wallops Flight Facility to support development and prevent encroachment at the launch pad area."

Explanation:

(This amendment authorizes the use of up to \$11.0 million from the TPOF to acquire land adjacent to the NASA Wallops Flight Facility. It is the intent of the General Assembly that this language be included at the end of Item 452 during the enrolling process.)

Item 483 #1c

Central Appropriations

Central Appropriations

Language

Language:

Page 192, line 2, strike "Not Set Out" and insert:

"AA.1 The base salary of the following employees shall be increased by three percent on June 10, 2024:

- a. Full-time and other classified employees of the Executive Department subject to the Virginia Personnel Act;
- b. Full-time employees of the Executive Department not subject to the Virginia Personnel Act, except officials elected by popular vote;
- c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified in the agency head salary levels in § 4-6.01 c;
- d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the Virginia Liaison Office, and the Secretary of the Commonwealth's Office;
- e. Heads of agencies in the Legislative Department;
- f. Full-time employees in the Legislative Department, other than officials elected by popular vote;
- g. Legislative Assistants as provided for in Item 1 of this act;
- h. Judges and Justices in the Judicial Department;
- i. Heads of agencies in the Judicial Department;

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- j. Full-time employees in the Judicial Department;
 - k. Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission, the Chief Executive Officer of the Virginia College Savings Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System.
1. Full-time employees of the State Corporation Commission, the Virginia College Savings Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia Retirement System.
- 2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall receive the salary increases authorized in this paragraph only if they attained at least a rating of "Contributor" on their latest performance evaluation.
- b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative Departments, employees of Independent agencies, and employees of the Executive Department not subject to the Virginia Personnel Act shall be consistent with the provisions of this paragraph, as determined by the appointing or governing authority. However, notwithstanding anything herein to the contrary, the governing authorities of those state institutions of higher education with employees not subject to the Virginia Personnel Act may implement salary increases for such employees that may vary based on performance and other employment-related factors. The appointing or governing authority shall certify to the Department of Human Resource Management that employees receiving the awards are performing at levels at least comparable to the eligible employees as set out in subparagraph 2.a. of this paragraph.
3. The Department of Human Resource Management shall increase the minimum and maximum salary for each band within the Commonwealth's Classified Compensation Plan by three percent on June 10, 2024. No salary increase shall be granted to any employee as a result of this action. The department shall develop policies and procedures to be used in instances when employees fall below the entry level for a job classification due to poor performance. Movement through the revised pay band shall be based on employee performance.
4. The following agency heads, at their discretion, may utilize agency funds or the funds provided pursuant to this paragraph to implement the provisions of new or existing performance-based pay plans:
- a. The heads of agencies in the Legislative and Judicial Departments;
 - b. The Commissioners of the State Corporation Commission and the Virginia Workers' Compensation Commission;
 - c. The Attorney General;
 - d. The Director of the Virginia Retirement System;
 - e. The Director of the Virginia Lottery;
 - f. The Director of the University of Virginia Medical Center;

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- g. The Chief Executive Officer of the Virginia College Savings Plan; and
 - h. The Executive Director of the Virginia Port Authority. and
 - i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.
5. The base rates of pay, and related employee benefits, for wage employees may be increased by up to three percent no earlier than June 10, 2024. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.
6. The governing authorities of the state institutions of higher education may provide a salary adjustment based on performance and other employment-related factors, as long as the increases do not exceed the three percent increase on average for faculty and university staff."

Explanation:

(This amendment includes language authorizing a three percent salary adjustment for state employees effective June 10, 2024. The raise would become effective beginning with the July 1, 2024 payroll and a companion amendment in House Bill 30 provides the funding to support the salary increase. Item 483, this item, was not set out in House Bill 29 as introduced. The legislative intent is to set out the entire item in enrolling.)

Item 486 #1c

Central Appropriations

Central Appropriations

Language

Language:

Page 193, after line 26, insert:

"4) \$3,000,000 in the second year to the Virginia Tourism Authority (320) to support accelerating inbound visitor demand through a paid media advertising campaign. The Virginia Tourism Authority shall use \$400,000 of these funds for a targeted advertising campaign to promote Virginia wineries and state parks."

Page 198, line 33, strike "\$5,000,000" and insert "\$2,000,000".

Explanation:

(This amendment provides \$3.0 million in repurposed American Rescue Plan Act Funds to the Virginia Tourism Authority for a marketing campaign to increase inbound visitor demand with \$400,000 targeted to promotion of Virginia wineries and state parks. It redirects \$3.0 million in unspent federal American Rescue Plan Act funds (ARPA) for the Earn to Learn Nursing Acceleration program in the Virginia Department of Health and allows the program to retain \$2.0 million in ARPA funding, which the Department of Health should be able to deploy by the December 31 deadline.)

Central Appropriations

Central Appropriations

Language

Language:

Page 198, line 52, after "Program" insert:

"included in Item 125.10 of the 2024 - 2026 Appropriations Act."

Page 198, after line 52, insert:

"2) For any funds returned to the State and Local Recovery Fund (12110), up to \$169,898,356, exclusive of the amounts appropriated in the prior paragraph, shall be directed to Direct Aid to Public Education (197) to be used to supplement funding for the Child Care Subsidy Program included in Item 125.10 of the 2024 - 2026 Appropriation Act.

3) Any amounts that exceed the threshold established in the previous paragraph shall be held in the State and Local Fiscal Recovery Fund (12110) and used to offset the Fiscal Year 2026 bond authorization in Item C-53.50 of the 2024 - 2026 Appropriation Act for the Enhanced Nutrient Removal Credit program.

4) Any amounts returned from broadband deployment projects supported with resources from the 2021 American Rescue Plan Act's Capital Projects Fund shall be held in the Capital Projects Fund (12120) and used to offset the Fiscal Year 2026 bond authorization in Item C-53.50 of the 2024 - 2026 Appropriations Act for the Enhanced Nutrient Removal Credit program."

Explanation:

(This amendment provides instructions for any returned funding from the American Rescue Plan Act.)

Central Appropriations

Central Appropriations

Language

Language:

Page 194, after line 31, insert:

"13) American Rescue Plan Act of 2021 (ARPA) funds authorized in paragraphs A.2.f. 12) a) and b), Item 486 of Chapter 1, 2023 Acts of Assembly, Special Session I, and paragraph B.2.k.4), Item 479.20 of Chapter 1, 2021 Acts of Assembly, Special Session II, which have been authorized by the Department of Environmental Quality prior to January 1, 2024, to individual facilities listed in the Enhanced Nutrient Removal Certainty Program under § 62.1-44.19:14, Code of Virginia, may be used to reimburse such facilities for costs incurred for nutrient removal and other wastewater treatment facility improvements approved by the

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Department of Environmental Quality as within the allowed scope of wastewater infrastructure projects under ARPA and applicable federal implementing regulations."

Explanation:

(This amendment provides flexibility in the use of ARPA funds previously provided for wastewater treatment facility improvements approved by the Department of Environmental Quality.)

Item 486 #4c

Central Appropriations

Central Appropriations

Language

Language:

Page 198, after line 52, insert:

"2) \$2,800,000 in the second year to the Department of Elections (132) to be distributed to localities as follows: (i) \$324,000 for localities that are paper-based and need to implement electronic poll books; and (ii) \$2,476,000 to provides grants to localities to upgrade and maintain their systems, if needed, to implement ballot-on-demand systems.

3) Notwithstanding Item 486.10, Chapter 1, 2023 Special Session I Acts of Assembly, \$2,800,000 from the amount of funding provided for the Department of Social Services for redeterminations and appeals work shall be reallocated to the Department of Elections pursuant to the preceding paragraph."

Explanation:

(This amendment redirects the use of \$2.8 million in American Rescue Plan Act (ARPA) funds to the Department of Elections to provide grants to localities. These ARPA funds are redirected from funds provided to the Department of Social Services for eligibility redeterminations, which is being expended slower than expected.)

Item 486.10 #1c

Central Appropriations

Central Appropriations

Language

Language:

Page 202, line 42, strike "Not set out." and insert:

"1. Notwithstanding the provisions of Item 486 of this act, the funding provided pursuant to paragraph A.2.1.1) of Item 486 shall be reallocated in the following manner:

2. \$28,057,684 in the first year to the Department of Medical Assistance Services (602) to

procure a one-time vendor to assist in the redetermination of Medicaid enrollees over the twelve months following the end of the federal continuous Medicaid coverage requirement.

3. \$10,000,000 in the first year to the Department of Social Services (765) to cover the one-time cost of supporting local departments of social services staff with efforts to perform benefit program redeterminations and appeals work in the ~~twelve~~ *seventeen* months following the end of the federal continuous Medicaid coverage requirement.

4. All funds allocated in paragraphs 2 and 3 shall only be used to support one-time eligibility redetermination efforts necessary to meet federal post public health emergency (unwinding) requirements. Prior to the transfer of any funds, impacted agencies shall provide the Department of Planning and Budget and Task Force on Eligibility Redetermination with an accounting of all agency unwinding activities and how any transferred funds will supplement those efforts."

Explanation:

(This amendment extends the amount of time the Department of Social Services has to spend federal American Rescue Plan Act funds (ARPA) for redetermination efforts from twelve to seventeen months following the end of the federal continuous Medicaid coverage requirement.)

Item 487.50 #1c

Central Appropriations

Central Appropriations

Language

Language:

Page 203, line 15, unstrike "Virginia Economic Development".

Page 203, line 16, unstrike "Partnership (310)".

Page 203, line 17, strike "Office of the Secretary of Labor (195)".

Page 203, line 48, unstrike "Virginia Economic Development".

Page 203, line 49, unstrike "Partnership" and strike:

"Office of the Secretary of Labor".

Page 203, line 49, unstrike "in accordance with the provisions established in §".

Page 203, line 50, unstrike "23.1-1244".

Page 203, line 53, after "fields.", insert:

"Any balance remaining on June 30, 2024, shall be carried forward for the same purpose."

Explanation:

(This amendment removes proposed actions to the change the administrative oversight for the Advanced Manufacturing Talent Investment Program and Fund from the Virginia Economic Development Partnership Authority to the Secretary of Labor. This allows the remaining current appropriation for the Advanced Manufacturing Talent Investment Program and Fund to be distributed to projects based on eligibility. There is a current process and plan in place to

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distribute the remaining balance to projects to help meet the hiring needs of manufacturers in Hampton Roads and Southwest Virginia.)

Item 494 #1c

Independent Agencies

Virginia Lottery

Language

Language:

Page 206, line 7, strike "Not set out.", and insert:

"Item 494	First Year - FY2023	Second Year - FY2024
State Lottery Operations (81100)	\$186,725,080	\$191,510,004
Regulation and Law Enforcement (81105)	\$26,098,336	\$26,383,260
Gaming Operations (81106)	\$151,695,994	\$156,195,994
Administrative Services (81107)	\$8,930,750	\$8,930,750
Fund Sources:		
Enterprise	\$164,190,767	\$168,690,767
Dedicated Special Revenue	\$22,534,313	\$22,819,237

Authority: Title 58.1, Chapter 40 and Chapter 41, Code of Virginia.

A. Out of the amounts for Virginia Lottery Operations shall be paid:

1. Reimbursement for compensation and reasonable expenses of the members of the Virginia Lottery Board in the performance of their duties, as provided in § 2.2-2813, Code of Virginia.
2. The total costs for the operation and administration of the state lottery, pursuant to § 58.1-4022, Code of Virginia.
3. The costs of informing the public of the purposes of the Lottery Proceeds Fund, established pursuant to Article X, Section 7-A, Constitution of Virginia.

B. Expenses related to the regulation and oversight of Casino Gaming shall be paid from the combination of licensing and related fees collected under Title 58.1, Chapter 41, Code of Virginia.

C. Expenses related to the regulation and oversight of Sports Betting shall be paid from a combination of ongoing licensing and fees related to the activities described in Title 58.1, Chapter 40, Code of Virginia.

D. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may authorize an interest-free treasury loan for the Virginia Lottery to fund start-up costs associated with the implementation of Casino Gaming and Sports Betting activities as enacted by the 2020 General Assembly of Virginia. The Secretary of Finance may extend the repayment plan for any

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such interest-free treasury loan for a period of longer than twelve months.

E. Notwithstanding the provisions of § 58.1-4030 and § 58.1-4037, Code of Virginia, a permit holder, through the first 12 months of sports betting activity, may exclude from adjusted gross revenue the value of allowable bonuses or promotions provided to bettors as an incentive to place or as a result of their having placed Internet sports betting wagers. After the first 12 months of sports betting activity, a permit holder is prohibited from excluding from adjusted gross revenue any bonuses or promotions provided to bettors as an incentive to place or as a result of their having placed Internet sports betting wagers. The provisions of this paragraph begin the first month a permit holder collects wagers related to sports betting, as defined in § 58.1-4030, Code of Virginia.

F. Notwithstanding § 58.1-4123, Code of Virginia, for any eligible host city that has not passed a referendum on casino gaming prior to July 1, 2022, the department shall not grant any initial license to operate a gaming operation unless a referendum is held on or after November 1, 2023 on the question of whether casino gaming shall be permitted in such city and is approved by the voters of such city.

G. Prior to June 30, 2024, The Department shall renew the authorization to conduct casino gaming on a temporary basis pursuant to § 58.1-4110 for another six months beyond the second year of operation, provided a portion of the temporary gaming facility will be incorporated as a part of the permanent gaming facility, the preferred casino gaming operator has met the \$300 million minimum capital investment pursuant to subsection B of § 58.1-4108, and the Department determines that the preferred casino gaming operator has made a good faith effort to comply with the approved construction schedule."

Explanation:

(This language amendment directs the Virginia Lottery to renew qualifying authorizations to conduct casino gaming on a temporary basis for six months beyond the second year of operation, provided the operator complies with stipulated provisions.)

Item 3-1.01 #1c

Transfers

Interfund Transfers

Language

Language:

Page 228, after line 24, insert:

"QQ. On or before June 30, 2024, the State Comptroller shall transfer an estimated \$3,393,641 from the Virginia Biosciences Health Research Corporation."

Explanation:

(This amendment transfers \$3.3 million in nongeneral funds from the Virginia Bioscience

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Health Research Corporation (VBHRC) to the general fund. Chapter 56 of the 2020 General Assembly, Special Session I provided \$5.0 million in resources to VBHRC to invest in public-private partnerships to help accelerate the research and development of therapeutic drug treatments for COVID-19.)

Item 3-1.01 #2c

Transfers

Interfund Transfers

Language

Language:

Page 223, line 6, strike "\$174,069,911" and insert "\$169,169,911".

Explanation:

(This amendment reduces the assumed transfer of Alcoholic Beverage Control Authority net profits by \$4.9 million in the second year.)

Item 3-1.01 #3c

Transfers

Interfund Transfers

Language

Language:

Page 227, line 45, strike the second "\$500,000" and insert "\$2,834,659".

Explanation:

(This amendment transfers excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust Fund to the general fund in the second year.)

Item 3-1.01 #4c

Transfers

Interfund Transfers

Language

Language:

Page 228, after line 24, insert:

"QQ. Notwithstanding any other provision of law or Item in this act, on the effective date of this act pursuant to § 4-14.00 of this act, the State Comptroller shall transfer \$85,127,240 to the general fund from the College Partnership Laboratory Schools Fund established pursuant to § [22.1-349.2](#), Code of Virginia."

Explanation:

(This amendment transfers to the general fund unobligated balances from the College Partnership Laboratory Schools Fund.)

Item 3-5.14 #1c

Adjustments and Modifications to Tax Collections

Sunset Dates for Income Tax Credits and Sales and Use Tax Exemptions

Language

Language:

Page 233, line 14, after "Assembly," insert:

"to the Virginia housing opportunity tax credit under Article 13.4 (§ 58.1-439.29 et seq.) of Chapter 3 of Title 58.1 of the Code of Virginia,".

Explanation:

(This amendment ensures the Virginia Housing Opportunity Tax Credit will expire at the end of 2025, consistent with the provisions in the Code of Virginia establishing the program.)

Item 4-14 #1c

Effective Date

Language

Language:

Page 326, strike lines 20 through 47.

Page 327-332, strike all lines.

Page 333, strike lines 1 through 15.

Page 333, line 20, unstrike "and".

Page 333, line 20, strike ", twenty-seventh, and twenty-eighth" .

Explanation:

(This amendment removes proposed legislation for the Virginia Sports and Entertainment Authority.)
