

2018 SPECIAL SESSION I

HOUSE BILL NO. 5001

Offered April 11, 2018

Prefiled March 21, 2018

A BILL to amend and reenact Chapter 836 of the 2017 Acts of Assembly, which appropriated the public revenues and provided a portion of such revenues for the two years ending, respectively, on the thirtieth day of June, 2017, and the thirtieth day of June, 2018.

Patron - Jones, S.C.

Referred to the Committee on Appropriations

Be it enacted by the General Assembly of Virginia:

1. That Items 53, 61, 69, 84, 85, 91, 106, 138, 139, 266, 281, 285, 303, 305, 306, 308, 309, 310, 313, 315, 330, 341, 342, 343, 344, 345, 346, 349, 350, 375, 379, 393, 410, 433, 435, 442, 451, 452, 453, 454, 455, 456, 457, 458, 475, 476, 478.30, 479, 480, 491, C-50, 3-1.01, 3-2.03, 3-5.03, 4-6.01, 4-8.03, and 4-14.00, of Chapter 836 of the 2017 Acts of Assembly be hereby amended and reenacted and that the cited chapter be further amended by adding § 3-5.20 and that the cited chapter be further amended by striking therefrom Item 478.10.

2. §1. The following are hereby appropriated, for the current biennium, as set forth in succeeding parts, sections and items, for the purposes stated and for the years indicated:

A. The balances of appropriations made by previous acts of the General Assembly which are recorded as unexpended, as of the close of business on the last day of the previous biennium, on the final records of the State Comptroller; and

B. The public taxes and arrears of taxes, as well as moneys derived from all other sources, which shall come into the state treasury prior to the close of business on the last day of the current biennium. The term "moneys" means nontax revenues of all kinds, including but not limited to fees, licenses, services and contract charges, gifts, grants, and donations, and projected revenues derived from proposed legislation contingent upon General Assembly passage.

§ 2. Such balances, public taxes, arrears of taxes, and monies derived from all other sources as are not segregated by law to other funds, which funds are defined by the State Comptroller, pursuant to § 2.2-803, Code of Virginia, shall establish and constitute the general fund of the state treasury.

§ 3. The appropriations made in this act from the general fund are based upon the following:

	First Year	Second Year	Total
Unreserved Balance, June 30, 2016	\$623,444,000	\$0	\$623,444,000
	\$1,278,097,637		\$1,278,097,637
Additions to Balance	\$112,929,105	-\$128,219,397 (\$348,768,102)	\$241,148,502 (\$235,838,997)
Official Revenue Estimates	\$18,560,962,400	-\$19,193,307,390 \$19,328,182,934	\$37,754,269,790 \$37,889,145,334
Revenue Stabilization Fund	\$294,653,279	\$272,542,500	\$567,195,779
Transfer	\$650,847,811	\$640,823,562 \$622,684,929	-\$1,291,671,373 \$1,273,532,740
Total General Fund Resources Available for Appropriation	\$20,242,836,595 \$20,897,490,232	\$20,234,892,849 \$19,874,642,261	-\$40,477,729,444 \$40,772,132,493

The appropriations made in this act from nongeneral fund revenues are based upon the following:

	First Year	Second Year	Total
Balance, June 30, 2016	\$4,795,976,243	\$0	\$4,795,976,243
Official Revenue Estimates	\$27,771,433,871	\$28,300,946,274 \$28,107,952,202	\$56,072,380,145 \$55,879,386,073
Lottery Proceeds Fund	\$599,982,144	\$546,495,789 \$586,659,574	\$1,146,477,933 \$1,186,641,718

1	Internal Service Fund	\$2,077,103,387	\$2,174,937,786	\$4,252,041,173
2			\$1,975,159,775	\$4,052,263,162
3	Bond Proceeds	\$384,882,000	\$408,626,132	\$793,508,132
4	Total Nongeneral Fund			
5	Revenues Available for			
6	Appropriation	\$35,629,377,645	\$31,431,005,981	\$67,060,383,626
7			\$31,078,397,683	\$66,707,775,328
8	TOTAL PROJECTED			
9	REVENUES	\$55,872,214,240	\$51,665,898,830	\$107,538,113,070
10		\$56,526,867,877	\$50,953,039,944	\$107,479,907,821

11 § 4. Nongeneral fund revenues which are not otherwise segregated pursuant to this act shall be segregated in accordance with the acts
12 respectively establishing them.

13 § 5. The sums herein appropriated are appropriated from the fund sources designated in the respective items of this act.

14 § 6. When used in this act the term:

15 A. "Current biennium" means the period from the first day of July two thousand sixteen, through the thirtieth day of June two thousand
16 eighteen, inclusive.

17 B. "Previous biennium" means the period from the first day of July two thousand fourteen, through the thirtieth day of June two
18 thousand sixteen, inclusive.

19 C. "Next biennium" means the period from the first day of July two thousand eighteen, through the thirtieth day of June two thousand
20 twenty, inclusive.

21 D. "State agency" means a court, department, institution, office, board, council or other unit of state government located in the
22 legislative, judicial, or executive departments or group of independent agencies, or central appropriations, as shown in this act, and
23 which is designated in this act by title and a three-digit agency code.

24 E. "Nonstate agency" means an organization or entity as defined in § 2.2-1505 C, Code of Virginia.

25 F. "Authority" sets forth the general enabling statute, either state or federal, for the operation of the program for which appropriations
26 are shown.

27 G. "Discretionary" means there is no continuing statutory authority which infers or requires state funding for programs for which the
28 appropriations are shown.

29 H. "Appropriation" shall include both the funds authorized for expenditure and the corresponding level of full-time equivalent
30 employment.

31 I. "Sum sufficient" identifies an appropriation for which the Governor is authorized to exceed the amount shown in the Appropriation
32 Act if required to carry out the purpose for which the appropriation is made.

33 J. "Item Details" indicates that, except as provided in § 6 H above, the numbers shown under the columns labeled Item Details are for
34 information reference only.

35 K. Unless otherwise defined, terms used in this act dealing with budgeting, planning and related management actions are defined in the
36 instructions for preparation of the Executive Budget.

37 § 7. The total appropriations from all sources in this act have been allocated as follows:

38	BIENNIUM 2016-18			
39	General Fund	Nongeneral Fund	Total	
40	OPERATING EXPENSES	\$40,468,348,902	\$63,654,062,447	\$104,122,411,349
41		\$40,569,575,242	\$64,223,460,313	\$104,793,035,555
42	LEGISLATIVE			
43	DEPARTMENT	\$164,767,347	\$6,776,127	\$171,543,474
44	JUDICIAL DEPARTMENT	\$968,525,789	\$66,480,945	\$1,035,006,734
45	EXECUTIVE DEPARTMENT	\$39,333,570,633	\$62,390,912,891	\$101,724,483,524
46		\$39,434,796,973	\$62,951,965,884	\$102,386,762,857

1	INDEPENDENT AGENCIES	\$1,485,133	\$1,189,892,484	\$1,191,377,617
2			\$1,198,237,357	\$1,199,722,490
3	STATE GRANTS TO			
4	NONSTATE AGENCIES	\$0	\$0	\$0
5	CAPITAL OUTLAY			
6	EXPENSES	\$1,000,000	\$1,033,878,832	\$1,034,878,832
7	TOTAL	\$40,469,348,902	\$64,687,941,279	\$105,157,290,181
8		\$40,570,575,242	\$65,257,339,145	\$105,827,914,387

9 § 8. This chapter shall be known and may be cited as the "2018 Amendments to the 2017 Appropriation Act."

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	PART 1: OPERATING EXPENSES			
2	LEGISLATIVE DEPARTMENT			
3	1.	Not set out.		
4	2.	Not set out.		
5	3.	Not set out.		
6	4.	Not set out.		
7	5.	Not set out.		
8	§ 1-1. DIVISION OF LEGISLATIVE SERVICES (107)			
9	6.	Not set out.		
10	7.	Not set out.		
11	8.	Not set out.		
12	9.	Not set out.		
13	10.	Not set out.		
14	11.	Not set out.		
15	12.	Not set out.		
16	13.	Not set out.		
17	14.	Not set out.		
18	15.	Not set out.		
19	16.	Not set out.		
20	17.	Not set out.		
21	18.	Not set out.		
22	19.	Not set out.		
23	20.	Not set out.		
24	21.	Not set out.		
25	22.	Not set out.		
26	23.	Not set out.		
27	24.	Omitted.		

ITEM 24.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	25.	Not set out.		
2	26.	Not set out.		
3	27.	Omitted.		
4	28.	Not set out.		
5	28.10	Not set out.		
6		Grand Total for Division of Legislative Services.....	\$8,867,608	\$8,287,113
7		General Fund Positions.....	67.50	67.50
8		Position Level.....	67.50	67.50
9		Fund Sources: General.....	\$8,475,060	\$8,242,982
10		Special.....	\$392,548	\$44,131
11	29.	Not set out.		
12	30.	Not set out.		
13	31.	Not set out.		
14	32.	Not set out.		
15	33.	Not set out.		
16	34.	Not set out.		
17	35.	Not set out.		
18	36.	Not set out.		
19		TOTAL FOR LEGISLATIVE DEPARTMENT.....	\$83,896,856	\$87,646,618
20		General Fund Positions.....	592.50	593.50
21		Nongeneral Fund Positions.....	26.50	28.50
22		Position Level.....	619.00	622.00
23		Fund Sources: General.....	\$80,459,665	\$84,307,682
24		Special.....	\$3,183,825	\$3,085,563
25		Trust and Agency.....	\$115,717	\$115,717
26		Federal Trust.....	\$137,649	\$137,656

ITEM 37.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	JUDICIAL DEPARTMENT			
2	37.	Not set out.		
3	38.	Not set out.		
4	39.	Not set out.		
5	40.	Not set out.		
6	41.	Not set out.		
7	42.	Not set out.		
8	43.	Not set out.		
9	44.	Not set out.		
10	45.	Not set out.		
11	46.	Not set out.		
12	47.	Not set out.		
13	48.	Not set out.		
14	49.	Not set out.		
15	50.	Not set out.		
16	51.	Not set out.		
17	52.	Not set out.		
18	§ 1-2. JUDICIAL DEPARTMENT REVERSION CLEARING ACCOUNT (104)			
19	53.	Across the Board Reductions (71400).....	\$877,395	\$3,502,395
20		Fund Sources: General.....	\$877,395	\$3,502,395
21		Authority: Discretionary Inclusion.		
22		A. Sufficient funding is included within the Judicial Department to support a total of 408		
23		circuit and district court judgeships in fiscal year 2017 and 407 circuit and district court		
24		judgeships in fiscal year 2018. The vacant judgeships to be filled as of July 1, 2016, are as		
25		follows:		
26		1. Circuit Court judgeships: one each in the 10th, 19th, and 23rd Circuits; and two each in the		
27		15th and 25th Circuits, for a total of seven Circuit Court judgeships to be filled as of July 1,		
28		2016.		
29		2. General District Court judgeships: one each in the 7th, 16th, 19th, 21st, 24th and 31st		
30		Districts; and two in the 15th District, for a total of eight General District Court judgeships to		
31		be filled as of July 1, 2016.		
32		3. Juvenile and Domestic Relations District Court judgeships: one each in the 5th, 17th, and		
33		29th Districts, for a total of three Juvenile and Domestic Relations District Court judgeships		
34		to be filled as of July 1, 2016, and one in the 13th District to be filled as of August 1, 2016.		

ITEM 53.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	B. The vacant judgeships to be filled as of July 1, 2017, are as follows:				
2	1. Circuit Court judgeships: one each in the 3rd, 6th, and 7th Circuits, and two in the 19th				
3	Circuit, for a total of five Circuit Court judgeships to be filled as of July 1, 2017.				
4	2. General District Court judgeship: one each in the 8th and 15th Districts, for a total of				
5	two General District Court judgeships to be filled as of July 1, 2017.				
6	3. Juvenile and Domestic Relations District Court judgeships: one each in the 2nd, 5th,				
7	and 20th Districts, for a total of three Juvenile and Domestic Relations District Court				
8	judgeships to be filled as of July 1, 2017.				
9	C. On or before June 30, 2018, the Director of the Department of Planning and Budget				
10	shall revert an amount estimated at \$198,822 from Judicial agency balances.				
11	D. Notwithstanding the provisions of § 17.1-507, Code of Virginia, upon the next vacancy				
12	of an authorized judgeship in the 19th judicial circuit, the maximum number of authorized				
13	judgeships in the 19th judicial circuit shall be reduced from 15 to 14.				
14	E. Included within this item is \$2,625,000 the second year from the general fund for a				
15	compensation initiative for district court clerks and deputy clerks effective September 10,				
16	2017. The annualized cost of the compensation initiative shall not exceed \$3,500,000 and				
17	the implementation is subject to approval by the Committee on District Courts.				
18	F. On or before June 30, 2017, the Director, Department of Planning and Budget, shall				
19	authorize the reversion to the general fund of \$1,500,000 the first year from the fiscal year				
20	2016 balances of the Criminal Fund.				
21	G. On or before June 30, 2018, the Director, Department of Planning and Budget, shall				
22	transfer to the general fund \$1,500,000 the second year from the fiscal year 2017				
23	balances of the Criminal Fund.				
24	Total for Judicial Department Reversion Clearing				
25	Account.....			\$877,395	\$3,502,395
26	Fund Sources: General.....	\$877,395	\$3,502,395		
27	TOTAL FOR JUDICIAL DEPARTMENT.....			\$516,137,863	\$518,868,871
28	General Fund Positions.....	3,267.71	3,267.71		
29	Nongeneral Fund Positions.....	104.00	104.00		
30	Position Level.....	3,371.71	3,371.71		
31	Fund Sources: General.....	\$482,917,972	\$485,607,817		
32	Special.....	\$9,379,549	\$9,417,938		
33	Dedicated Special Revenue.....	\$22,333,608	\$22,335,813		
34	Federal Trust.....	\$1,506,734	\$1,507,303		

ITEM 54.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	EXECUTIVE DEPARTMENT			
2	EXECUTIVE OFFICES			
3	54.	Not set out.		
4	55.	Not set out.		
5	56.	Not set out.		
6	57.	Not set out.		
7	58.	Not set out.		
8	§ 1-3. ATTORNEY GENERAL AND DEPARTMENT OF LAW (141)			
9	59.	Not set out.		
10	60.	Not set out.		
11	61.	Regulation of Business Practices (55200).....		\$3,540,386
12				\$3,040,386
13				\$3,540,386
14		Regulatory and Consumer Advocacy (55201).....	\$3,540,386	\$3,040,386
15		Fund Sources: General.....	\$1,620,729	\$1,620,729
16		Special.....	\$1,919,657	\$1,419,657
17				\$1,919,657
18	Authority: Title 2.2, Chapter 5, Code of Virginia.			
19	Included in this Item is \$1,250,000 the first year and \$750,000 the second year from special			
20	funds for the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust			
21	Fund as established in Item 48 of Chapter 966 of the Acts of Assembly 1994 and amended			
22	herein. The Department of Law is authorized to deposit to the fund any fees, civil penalties,			
23	costs, recoveries, or other moneys which from time to time may become available as a result			
24	of regulatory and consumer advocacy litigation, litigation in which the Office of the Attorney			
25	General participates, or civil enforcement efforts including, but not limited to, those brought			
26	pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of			
27	Title 3.2 of the Code of Virginia. The Department of Law is also authorized to deposit to the			
28	fund any attorneys' fees which from time to time may be obtained. Any deposit to, and			
29	interest earnings on, the fund shall be retained in the fund, provided, however, that any			
30	amounts contained in the fund that exceed \$750,000 on the final day of the fiscal year shall be			
31	deposited to the credit of the general fund. In addition to the uses of the fund permitted by			
32	Item 48 of Chapter 966 of the Acts of Assembly of 1994, the fund may be used to pay costs			
33	associated with enforcement efforts pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§			
34	3.2-4204 et seq.) of Chapter 42 of Title 3.2 of the Code of Virginia, costs associated with			
35	litigation initiated by the Office of the Attorney General, and costs associated with civil			
36	commitment procedures pursuant to Chapter 9 of Title 37.2 of the Code of Virginia.			
37	62.	Not set out.		
38	63.	Not set out.		
39	Total for Attorney General and Department of Law....		\$48,328,403	\$47,830,276
40				\$48,330,276
41	General Fund Positions.....		218.00	218.00
42	Nongeneral Fund Positions.....		194.00	194.00
43	Position Level.....		412.00	412.00

ITEM 63.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Fund Sources: General.....	\$22,827,749	\$22,828,509		
2	Special.....	\$14,903,358	\$14,404,471		
3			\$14,904,471		
4	Federal Trust.....	\$10,597,296	\$10,597,296		
5	64. Not set out.				
6	Grand Total for Attorney General and Department				
7	of Law.....			\$50,840,965	\$50,342,838
8					\$50,842,838
9	General Fund Positions.....	218.00	218.00		
10	Nongeneral Fund Positions.....	220.00	220.00		
11	Position Level.....	438.00	438.00		
12	Fund Sources: General.....	\$22,827,749	\$22,828,509		
13	Special.....	\$17,415,920	\$16,917,033		
14			\$17,417,033		
15	Federal Trust.....	\$10,597,296	\$10,597,296		
16	65. Not set out.				
17	66. Not set out.				
18	67. Not set out.				
19	TOTAL FOR EXECUTIVE OFFICES.....			\$65,594,202	\$65,010,576
20					\$65,510,576
21	General Fund Positions.....	304.67	304.67		
22	Nongeneral Fund Positions.....	237.33	237.33		
23	Position Level.....	542.00	542.00		
24	Fund Sources: General.....	\$35,206,202	\$35,121,463		
25	Special.....	\$17,698,310	\$17,199,423		
26			\$17,699,423		
27	Commonwealth Transportation.....	\$2,003,511	\$2,003,511		
28	Dedicated Special Revenue.....	\$88,883	\$88,883		
29	Federal Trust.....	\$10,597,296	\$10,597,296		

ITEM 68.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018

1 **OFFICE OF ADMINISTRATION**

2 68. Not set out.

3 **§ 1-4. COMPENSATION BOARD (157)**

4 69.	Financial Assistance for Sheriffs' Offices and Regional Jails (30700).....			\$454,667,560	\$461,578,851 \$460,431,984
7	Financial Assistance for Regional Jail Operations (30710).....	\$147,429,386	\$147,486,762 \$146,301,937		
10	Financial Assistance for Local Law Enforcement (30712).....	\$91,529,820	\$92,907,980 \$92,950,277		
13	Financial Assistance for Local Court Services (30713).....	\$54,132,394	\$56,024,027 \$56,079,085		
16	Financial Assistance to Sheriffs (30716).....	\$12,267,597	\$13,064,356		
17	Financial Assistance for Local Jail Operations (30718).....	\$149,308,363	\$152,095,726 \$152,036,329		
20	Fund Sources: General.....	\$446,667,560	\$453,578,851 \$452,431,984		
22	Dedicated Special Revenue.....	\$8,000,000	\$8,000,000		

23 Authority: Title 15.2, Chapter 16, Articles 3 and 6.1; and §§ 53.1-83.1 and 53.1-85, Code of
24 Virginia.

25 A.1. The annual salaries of the sheriffs of the counties and cities of the Commonwealth shall
26 be as hereinafter prescribed, according to the population of the city or county served and
27 whether the sheriff is charged with civil processing and courtroom security responsibilities
28 only, or the added responsibilities of law enforcement or operation of a jail, or both.
29 Execution of arrest warrants shall not, in and of itself, constitute law enforcement
30 responsibilities for the purpose of determining the salary for which a sheriff is eligible.

31 2. Whenever a sheriff is such for a county and city together, or for two or more cities, the
32 aggregate population of such political subdivisions shall be the population for the purpose of
33 arriving at the salary of such sheriff under the provisions of this item and such sheriff shall
34 receive as additional compensation the sum of one thousand dollars.

35	July 1, 2016	July 1, 2017	December 1, 2017
36	to	to	to
	June 30, 2017	November 30, 2017	June 30, 2018

37 **Law Enforcement and Jail Responsibility**

38	Less than 10,000	\$68,077	\$68,077	\$68,077
39	10,000 to 19,999	\$78,248	\$78,248	\$78,248
40	20,000 to 39,999	\$85,988	\$85,988	\$85,988
41	40,000 to 69,999	\$93,466	\$93,466	\$93,466
42	70,000 to 99,999	\$103,850	\$103,850	\$103,850
43	100,000 to 174,999	\$115,391	\$115,391	\$115,391
44	175,000 to 249,999	\$121,463	\$121,463	\$121,463
45	250,000 and above	\$134,958	\$134,958	\$134,958

46 **Law Enforcement or Jail**

47	Less than 10,000	\$66,714	\$66,714	\$66,714
48	10,000 to 19,999	\$76,683	\$76,683	\$76,683

ITEM 69.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	20,000 to 39,999	\$84,267	\$84,267	\$84,267	\$84,267
2	40,000 to 69,999	\$91,596	\$91,596	\$91,596	\$91,596
3	70,000 to 99,999	\$101,774	\$101,774	\$101,774	\$101,774
4	100,000 to 174,999	\$113,081	\$113,081	\$113,081	\$113,081
5	175,000 to 249,999	\$119,034	\$119,034	\$119,034	\$119,034
6	250,000 and above	\$132,934	\$132,934	\$132,934	\$132,934
7	No Law Enforcement or Jail Responsibility				
8	Less than 10,000	\$62,686	\$62,686	\$62,686	\$62,686
9	10,000 to 19,999	\$69,651	\$69,651	\$69,651	\$69,651
10	20,000 to 39,999	\$77,388	\$77,388	\$77,388	\$77,388
11	40,000 to 69,999	\$85,988	\$85,988	\$85,988	\$85,988
12	70,000 to 99,999	\$95,543	\$95,543	\$95,543	\$95,543
13	100,000 to 174,999	\$106,158	\$106,158	\$106,158	\$106,158
14	175,000 to 249,999	\$111,743	\$111,743	\$111,743	\$111,743
15	250,000 and above	\$125,511	\$125,511	\$125,511	\$125,511
16	B. Out of the amounts provided for in this Item, no expenditures shall be made to provide				
17	security devices such as magnetometers in standard use in major metropolitan airports.				
18	Personnel expenditures for operation of such equipment incidental to the duties of				
19	courtroom and courthouse security deputies may be authorized, provided that no				
20	additional expenditures for personnel shall be approved for the principal purpose of				
21	operating these devices.				
22	C. Notwithstanding the provisions of § 53.1-120, or any other section of the Code of				
23	Virginia, unless a judge provides the sheriff with a written order stating that a substantial				
24	security risk exists in a particular case, no courtroom security deputies may be ordered for				
25	civil cases, not more than one deputy may be ordered for criminal cases in a district court,				
26	and not more than two deputies may be ordered for criminal cases in a circuit court. In				
27	complying with such orders for additional security, the sheriff may consider other deputies				
28	present in the courtroom as part of his security force.				
29	D. Should the scheduled opening date of any facility be delayed for which funds are				
30	available in this Item, the Director, Department of Planning and Budget, may allot such				
31	funds as the Compensation Board may request to allow the employment of staff for				
32	training purposes not more than 45 days prior to the rescheduled opening date for the				
33	facility.				
34	E. Consistent with the provisions of paragraph B of Item 76, the board shall allocate the				
35	additional jail deputies provided in this appropriation using a ratio of one jail deputy for				
36	every 3.0 beds of operational capacity. Operational capacity shall be determined by the				
37	Department of Corrections. No additional deputy sheriffs shall be provided from this				
38	appropriation to a local jail in which the present staffing exceeds this ratio unless the jail is				
39	overcrowded. Overcrowding for these purposes shall be defined as when the average				
40	annual daily population exceeds the operational capacity. In those jails experiencing				
41	overcrowding, the board may allocate one additional jail deputy for every five average				
42	annual daily prisoners above operational capacity. Should overcrowding be reduced or				
43	eliminated in any jail, the Compensation Board shall reallocate positions previously				
44	assigned due to overcrowding to other jails in the Commonwealth that are experiencing				
45	overcrowding.				
46	F. Two-thirds of the salaries set by the Compensation Board of medical, treatment, and				
47	inmate classification positions approved by the Compensation Board for local correctional				
48	facilities shall be paid out of this appropriation.				
49	G.1. Subject to appropriations by the General Assembly for this purpose, the				
50	Compensation Board shall provide for a master deputy pay grade to those sheriffs' offices				
51	which had certified, on or before January 1, 1997, having a career development plan for				
52	deputy sheriffs that meet the minimum criteria set forth by the Compensation Board for				
53	such plans. The Compensation Board shall allow for additional grade 9 positions, at a				

ITEM 69.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	level not to exceed one grade 9 master deputy per every five Compensation Board grade 7 and				
2	8 deputy positions in each sheriff's office.				
3	2. Each sheriff who desires to participate in the Master Deputy Program who had not certified				
4	a career development plan on or before January 1, 1997, may elect to participate by certifying				
5	to the Compensation Board that the career development plan in effect in his office meets the				
6	minimum criteria for such plans as set by the Compensation Board. Such election shall be				
7	made by July 1 for an effective date of participation the following July 1.				
8	3. Subject to appropriations by the General Assembly for this purpose, funding shall be				
9	provided by the Compensation Board for participation in the Master Deputy Program to				
10	sheriffs' offices electing participation after January 1, 1997, according to the date of receipt by				
11	the Compensation Board of the election by the sheriff.				
12	H. The Compensation Board shall estimate biannually the number of additional law				
13	enforcement deputies which will be needed in accordance with § 15.2-1609.1, Code of				
14	Virginia. Such estimate of the number of positions and related costs shall be included in the				
15	board's biennial budget request submission to the Governor and General Assembly. The				
16	allocation of such positions, established by the Governor and General Assembly in Item 76 of				
17	this act, shall be determined by the Compensation Board on an annual basis. The annual				
18	allocation of these positions to local sheriffs' offices shall be based upon the most recent final				
19	population estimate for the locality that is available to the Compensation Board at the time				
20	when the agency's annual budget request is completed. The source of such population				
21	estimates shall be the Weldon Cooper Center for Public Service of the University of Virginia				
22	or the United States Bureau of the Census. For the first year of the biennium, the				
23	Compensation Board shall allocate positions based upon the most recent provisional				
24	population estimates available at the time the agency's annual budget is completed.				
25	I. Any amount in the program Financial Assistance for Sheriffs' Offices and Regional Jails				
26	may be transferred between Items 69 and 70, as needed, to cover any deficits incurred in the				
27	programs Financial Assistance for Confinement of Inmates in Local and Regional Facilities,				
28	and Financial Assistance for Sheriffs' Offices and Regional Jails.				
29	J.1. Subject to appropriations by the General Assembly for this purpose, the Compensation				
30	Board shall provide for a Sheriffs' Career Development Program.				
31	2. Following receipt of a sheriff's certification that the minimum requirements of the Sheriffs'				
32	Career Development Program have been met, and provided that such certification is submitted				
33	by sheriffs as part of their annual budget request to the Compensation Board on or before				
34	February 1 of each year, the Compensation Board shall increase the annual salary shown in				
35	paragraph A of this Item by the percentage shown herein for a twelve-month period effective				
36	the following July 1.				
37	a. 9.3 percent increase for all sheriffs who certify their compliance with the established				
38	minimum criteria for the Sheriffs' Career Development Program where such criteria includes				
39	that a sheriff has achieved certification in a program agreed upon by the Compensation Board				
40	and the Virginia Sheriffs' Institute by Virginia Commonwealth University , or, where such				
41	criteria include that a sheriff's office seeking accreditation has been assessed and will be				
42	considered for accreditation by the accrediting body no later than March 1, and have achieved				
43	accreditation by March 1 from the Virginia Law Enforcement Professional Standards				
44	Commission, or the Commission on Accreditation of Law Enforcement agencies, or the				
45	American Correctional Association.				
46	b. For sheriffs that have not achieved one of the above accreditations:				
47	1. 3.1 percent for all sheriffs who certify their compliance with the established minimum				
48	criteria for the Sheriffs' Career Development Program; and				
49	2. 3.1 percent additional increase for sheriffs who certify their compliance with the				
50	established minimum criteria for the Sheriffs' Career Development Program and operate a jail;				
	and				
51	3. 3.1 percent additional increase for all sheriffs who certify their compliance with the				
52	established minimum criteria for the Sheriffs' Career Development Program and provide				
53	primary law enforcement services in the county.				

ITEM 69.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	4. The provisions of subparagraphs 2.b.1. through 2.b.3. of this paragraph shall apply only				
2	to sheriffs certifying their compliance with the established minimum criteria for the				
3	Sheriffs' Career Development Program prior to July 1, 2016, and shall expire on June 30,				
4	2018.				
5	5. Other constitutional officers' associations may request the General Assembly to include				
6	certification in a program agreed upon by the Compensation Board and the officers'				
7	associations by the Weldon Cooper Center for Public Service to the requirements for				
8	participation in their respective career development programs.				
9	K. Notwithstanding the provisions of Article 7, Chapter 15, Title 56, Code of Virginia,				
10	\$8,000,000 the first year and \$8,000,000 the second year from the Wireless E-911 Fund is				
11	included in this appropriation for local law enforcement dispatchers to offset dispatch				
12	center operations and related costs.				
13	L. Notwithstanding the provisions of §§ 53.1-131 through 53.1-131.3, Code of Virginia,				
14	local and regional jails may charge inmates participating in inmate work programs a				
15	reasonable daily amount, not to exceed the actual daily cost, to operate the program.				
16	M. Included in this appropriation is \$1,064,770 the first year and \$1,064,770 the second				
17	year from the general fund for the Compensation Board to contract for services to be				
18	provided by the Virginia Center for Policing Innovation to implement and maintain the				
19	interface between all local and regional jails in the Commonwealth and the Statewide				
20	Automated Victim Notification (SAVIN) system, to provide for SAVIN program				
21	coordination, and to maintain the interface between SAVIN and the Virginia Sex Offender				
22	Registry. All law enforcement agencies receiving general funds pursuant to this item shall				
23	provide the data requirements necessary to participate in the SAVIN system.				
24	N. Included in this appropriation is \$23,793 in the second year from the general fund to				
25	provide for increased participation ,effective August 1, 2017, in the Sheriffs' Career				
26	Development Program.				
27	O. Included in this appropriation is \$1,862,058 in the second year from the general fund to				
28	provide for increased participation ,effective August 1, 2017, in the Sheriff's Master				
29	Deputy Career Development Program.				
30	P. Included in this appropriation is \$1,824,731 in the first year and \$1,992,042 in the				
31	second year from the general fund to support staffing costs associated with the expansion				
32	project at Central Virginia Regional Jail.				
33	Q. Included in this appropriation is \$171,693 in the first year and \$179,474 in the second				
34	year from the general fund to support staffing costs associated with the expansion project				
35	at Pamunkey Regional Jail.				
36	R. Included in this appropriation is \$7,266,074 in the second year from the general fund				
37	to implement a salary compression plan for sheriffs' offices and regional jails ,effective				
38	August 1, 2017. The base salary of each sworn officer with three or more years of				
39	continuous service shall be increased by an amount equal to \$80 for each full year of				
40	service, up to a maximum of thirty years. The base salary of each non-sworn officer with				
41	three or more years of continuous service shall be increased by an amount equal to \$65 for				
42	each full year of service, up to a maximum of thirty years.				
43	70. Not set out.				
44	71. Not set out.				
45	72. Not set out.				
46	73. Not set out.				
47	74. Not set out.				

ITEM 75.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1 75.	Not set out.			
2 76.	Not set out.			
3 4	Total for Compensation Board.....		\$683,910,435	\$692,931,824 \$691,784,957
5	General Fund Positions.....	20.00	20.00	
6	Nongeneral Fund Positions.....	1.00	1.00	
7	Position Level.....	21.00	21.00	
8 9	Fund Sources: General.....	\$667,509,723	\$676,531,112 \$675,384,245	
10	Trust and Agency.....	\$8,000,712	\$8,000,712	
11	Dedicated Special Revenue.....	\$8,400,000	\$8,400,000	
12 77.	Not set out.			
13 78.	Not set out.			
14 79.	Not set out.			
15 80.	Not set out.			
16 81.	Not set out.			
17 82.	Not set out.			
18 83.	Not set out.			
19	§ 1-5. DEPARTMENT OF HUMAN RESOURCE MANAGEMENT (129)			
20 21	84. Personnel Management Services (70400).....		\$17,929,317	\$18,097,180 \$17,267,180
22	Agency Human Resource Services (70401).....	\$2,998,734	\$1,013,879	
23	Human Resource Service Center (70402).....	\$1,254,584	\$1,254,584	
24	Equal Employment Services (70403).....	\$819,418	\$819,418	
25 26	Health Benefits Services (70406).....	\$6,803,269	\$7,405,908 \$6,405,908	
27	Personnel Development Services (70409).....	\$1,036,577	\$659,577	
28	Personnel Management Information System (70410).....	\$0	\$1,827,972	
29	Employee Dispute Resolution Services (70416).....	\$949,598	\$949,598	
30 31	State Employee Program Services (70417).....	\$1,815,577	\$2,009,346 \$2,179,346	
32	State Employee Workers' Compensation Services (70418).....	\$1,367,467	\$1,367,467	
34	Administrative and Support Services (70419).....	\$884,093	\$789,431	
35	Fund Sources: General.....	\$6,860,977	\$4,790,839	
36 37	Special.....	\$9,700,873	\$1,235,048 \$1,405,048	
38 39	Enterprise.....	\$0	\$2,901,717 \$2,401,717	
40	Internal Service.....	\$0	\$7,609,204	
41 42	Trust and Agency.....	\$1,367,467	\$7,109,204 \$1,560,372	
43	Authority: Title 2.2, Chapters 12 and 28 through 32, Code of Virginia.			
44 45 46	A. The Department of Human Resource Management shall report any proposed changes in premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees at least sixty days prior to			

ITEM 84.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	implementation.				
2	B.1. The Department of Human Resource Management shall operate a human resource				
3	service center to support the human resource needs of those agencies identified by the				
4	Secretary of Administration in consultation with the Department of Planning and Budget.				
5	The agencies identified shall cooperate with the Department of Human Resource				
6	Management by transferring such records and functions as may be required.				
7	2. Out of this appropriation, \$590,353 the first year and \$590,353 the second year from the				
8	general fund shall be used to support the human resource service center.				
9	3. Nothing in this paragraph shall prohibit additional agencies from using the services of				
10	the center; however, these additional agencies' use of the human resource service center				
11	shall be subject to approval by the affected cabinet secretary and the Secretary of				
12	Administration.				
13	4. a. Agencies that are partially or fully funded with nongeneral funds that receive				
14	approval by the affected cabinet secretary and the Secretary of Administration to join the				
15	human resource service center, on or after July 1, 2014, shall pay the Department of				
16	Human Resource Management the costs to support the human resource service center. The				
17	agency's share of the costs to support the human resource service center shall be based on				
18	the agency's applicable nongeneral fund expenditures as set out in § 4-5.03 of this act.				
19	b. The rates required to recover the costs of the human resource service center shall be				
20	provided by the Department of Human Resource Management to the Department of				
21	Planning and Budget by September 1 each year for review and approval of the subsequent				
22	fiscal year's rate in accordance with § 4-5.03 of this act.				
23	c. The rates for the human resource service center shall be \$995.00 per full-time				
24	equivalent and \$398.00 per wage employee the first year and \$995.00 per full-time				
25	equivalent and \$398.00 per wage employee the second year.				
26	C. The institutions of higher education shall be exempt from the centralized advertising				
27	requirements identified in Executive Order 73 (01).				
28	D.1. To ensure fair and equitable performance reviews, the Department of Human				
29	Resource Management, within available resources, is directed to provide performance				
30	management training to agencies and institutions of higher education with classified				
31	employees.				
32	2. Agency heads in the Executive Department are directed to require appropriate				
33	performance management training for all agency supervisors and managers.				
34	E. The Department of Human Resource Management shall take into account the claims				
35	experience of each agency and institution when setting premiums for the workers'				
36	compensation program.				
37	F.1. The Department of Human Resource Management shall report to the Governor and				
38	Chairmen of the House Appropriations and Senate Finance Committees by October 1 of				
39	each year, on its recommended workers' compensation premiums for state agencies for the				
40	following biennium. This report shall also include the basis for the department's				
41	recommendations, the number and amount of workers' compensation settlements				
42	concluded in the previous fiscal year, and the impact of those settlements on the workers'				
43	compensation program's reserves.				
44	2. Beginning July 1, 2015, the Department of Human Resource Management shall conduct				
45	an annual review of each state agency's loss control history, to include the severity of				
46	workers' compensation claims, experience modification factor, and frequency normalized				
47	by payroll. Based on the annual review, state agencies deemed by the Department of				
48	Human Resource Management as having higher than normal loss history shall be required				
49	to participate in a loss control program. All executive, judicial, legislative, and				
50	independent agencies required to participate in the loss control program shall fully				
51	cooperate with the Department of Human Resource Management's review. The				
52	Department of Human Resource Management shall provide a report to the Governor,				
53	Director, Department of Planning and Budget, and Chairmen of the House Appropriations				

ITEM 84.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	and Senate Finance Committees on the status and recommendations of the loss control				
2	program no later than October 30 of each year.				
3	3. a. A working capital advance of up to \$20,000,000 shall be provided to the Department of				
4	Human Resource Management to identify and potentially settle certain workers' compensation				
5	claims open for more than one year but less than 10 years. The Department of Human				
6	Resource Management shall pay back the working capital advance from annual premiums				
7	over a seven year period. The Department of Human Resource Management shall provide a				
8	report to the Governor, Director, Department of Planning and Budget, and Chairmen of the				
9	House Appropriations and Senate Finance Committees on the status of the settlement				
10	program, the number of claims settled, and the estimated state costs avoided from the				
11	settlements no later than October 30 of each year.				
12	b. The Secretary of Finance and Secretary of Administration shall approve the drawdowns				
13	from this working capital advance prior to the expenditure of funds. The State Comptroller				
14	shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance				
15	Committees of any approved drawdowns.				
16	G. The Department of Human Resource Management shall report to the Governor and				
17	Chairmen of the House Appropriations and Senate Finance Committees, by October 15 of				
18	each year, on the renewal cost of the state employee health insurance program premiums that				
19	will go into effect on July 1 of the following year. This report shall include the impact of the				
20	renewal cost on employee and employer premiums and a valuation of liabilities as required by				
21	Other Post Employment Benefits reporting standards.				
22	H. Out of this appropriation, \$606,439 the first year and \$606,439 the second year from the				
23	general fund is provided for the time, attendance and leave system.				
24	I. The Department of Human Resource Management shall develop and distribute instructions				
25	and guidelines to all executive department agencies for the provision of an annual statement				
26	of total compensation for each classified employee. The statement should account for the full				
27	cost to the Commonwealth and the employee of cash compensation as well as Social Security,				
28	Medicare, retirement, deferred compensation, health insurance, life insurance, and any other				
29	benefits. The Director, Department of Human Resource Management, shall ensure that all				
30	executive department agencies provide this notice to each employee. The Department of				
31	Accounts and the Virginia Retirement System shall provide assistance upon request. Further,				
32	the Director of the Department of Human Resource Management shall provide instructions				
33	and guidelines for the development notices of total compensation to all independent,				
34	legislative, and judicial agencies, and institutions of higher education for preparation of				
35	annual statements to their employees.				
36	J. 1. The appropriation for the Personnel Management Information System (PMIS) is a sum				
37	sufficient and amounts shown are estimates from an internal service fund which shall be paid				
38	solely from revenues derived from charges to executive branch agencies, identified by the				
39	Department of Human Resource Management and approved by the Department of Planning				
40	and Budget, to support the operation of PMIS and its subsystems authorized in this Item.				
41	2.a. The rate for agencies to support PMIS and its subsystems, operated and maintained by the				
42	Department of Human Resource Management, shall be \$16.85 per position the second year.				
43	The rate is based upon the higher of the agency's maximum employment level as of July 1,				
44	2016, and filled wage positions as of June 30, 2016, or the total number of filled classified				
45	and wage positions as of June 30, 2016.				
46	b. The rates authorized to support the operation of PMIS and its subsystems shall be provided				
47	by the Department of Human Resource Management and approved by the Department of				
48	Planning and Budget by September 1 each year for review and approval of the subsequent				
49	fiscal year's rate in accordance with § 4-5.03 of this act.				
50	3. The State Comptroller shall recover the cost of services provided for the administration of				
51	the internal service fund through interagency transactions as determined by the State				
52	Comptroller.				
53	K. Out of the amounts appropriated for this item to support the Commission on Employee				
54	Retirement Security and Pension Reform, the Department of Human Resource Management is				

ITEM 84.		Item Details(\$)		Appropriations(\$)		
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	authorized to spend an amount estimated at \$75,000 each year on the development and					
2	maintenance of an employee exit survey and an amount estimated at \$20,000 per year to					
3	subscribe to Occupationally Based Data Services focused on total compensation and					
4	evaluation of peer employers.					
5	Total for Department of Human Resource					
6	Management.....			\$17,929,317	\$18,097,180	
7					\$17,267,180	
8	General Fund Positions.....	60.46	53.46			
9	Nongeneral Fund Positions.....	54.54	67.54			
10	Position Level.....	115.00	121.00			
11	Fund Sources: General.....	\$6,860,977	\$4,790,839			
12	Special.....	\$9,700,873	\$1,235,048			
13			\$1,405,048			
14	Enterprise.....	\$0	\$2,901,717			
15			\$2,401,717			
16	Internal Service.....	\$0	\$7,609,204			
17			\$7,109,204			
18	Trust and Agency.....	\$1,367,467	\$1,560,372			
19	Administration of Health Insurance (149)					
20	85. Personnel Management Services (70400).....			\$1,944,464,330	\$2,087,219,541	
21					\$1,952,449,823	
22	Health Benefits Services (70406).....	\$1,515,195,823	\$1,619,195,823			
23			\$1,419,195,823			
24	Local Health Benefit Services (70407).....	\$429,268,507	\$459,268,507			
25			\$504,504,000			
26	Health Insurance Benefit Payment Under the Line					
27	of Duty Act (70408).....	\$0	\$8,755,211			
28			\$28,750,000			
29	Fund Sources: Enterprise.....	\$429,268,507	\$459,268,507			
30			\$504,504,000			
31	Internal Service.....	\$1,515,195,823	\$1,619,195,823			
32			\$1,419,195,823			
33	Trust and Agency.....	\$0	\$8,755,211			
34			\$28,750,000			
35	Authority: § 2.2-2818, § 2.2-1204, and Title 9.1, Chapter 4, Code of Virginia.					
36	A. The appropriation for Health Benefits Services is sum sufficient and amounts shown					
37	are estimates from an internal service fund which shall be paid from revenues paid by state					
38	agencies to the Department of Human Resource Management.					
39	B. The amounts for Local Health Benefits Services include estimated revenues received					
40	from localities for the local choice health benefits program.					
41	C.1. In the event that the total of all eligible claims exceeds the balance in the state					
42	employee medical reimbursement account, there is hereby appropriated a sum sufficient					
43	from the general fund of the state treasury to enable the payment of such eligible claims.					
44	2. The term "employee medical reimbursement account" means the account administered					
45	by the Department of Human Resource Management pursuant to § 125 of the Internal					
46	Revenue Code in connection with the health insurance program for state employees (§					
47	2.2-2818, Code of Virginia).					
48	D. Any balances remaining in the reserved component of the Employee Health Insurance					
49	Fund shall be considered part of the overall Health Insurance Fund. It is the intent of the					
50	General Assembly that future premiums for the state employee health insurance program					
51	shall be set in a manner so that the balance in the Health Insurance Fund will be sufficient					
52	to meet the estimated Incurred But Not Paid liability for the Fund and maintain a					
53	contingency reserve at a level recommended by the Department of Human Resource					
54	Management for a self-insured plan subject to the approval of the General Assembly.					

ITEM 85.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	E. The Department of Human Resource Management shall implement a Medication Therapy				
2	Management pilot program for state employees with certain disease states including Type II				
3	diabetes. The department shall continue to consult with all provider stakeholders in order to				
4	establish program parameters.				
5	F. Concurrent with the date the Governor introduces the budget bill, the Directors of the				
6	Departments of Planning and Budget and Human Resource Management shall provide to the				
7	Chairmen of the House Appropriations and Senate Finance Committees a report detailing the				
8	assumptions included in the Governor's introduced budget for the state employee health				
9	insurance plan. The report shall include the proposed premium schedule that would be				
10	effective for the upcoming fiscal year and any proposed changes to the benefit structure.				
11	G. Of money appropriated for the state employee health insurance fund, \$500,000 the first				
12	year and \$650,000 the second year shall be held separate and apart from the fund to pay for				
13	any required fees due to the Patient-Centered Outcomes Research Institute.				
14	H. The Director of the Department of Human Resource Management shall analyze pharmacy				
15	claims data from the past biennium in order to assess the value of payments made to the state				
16	employee health program's contracted third party administrators, and the value of payments				
17	made by the contracted third party administrators to their contracted prescription benefit				
18	managers (PBMs). The Director shall identify and report any difference in value in payments				
19	made to the contracted PBMs and payments made to the state employee health program's				
20	contracted third party administrators and shall make recommendations to the Chairmen of the				
21	House Appropriations Committee and Senate Finance Committees by October 1, 2016.				
22	I. In addition to such other payments as may be available, the full cost of group health				
23	insurance, net of any deductions and credits, for the surviving spouses and dependents of				
24	certain public safety officers killed in the line of duty and for certain public safety officers				
25	disabled in the line of duty, and the spouses and dependents of such disabled officers, are				
26	payable from this Item pursuant to Title 9.1, Chapter 4, Code of Virginia, effective July 1,				
27	2017.				
28	J. The Department of Human Resource Management shall identify the requirements, costs,				
29	and benefits of implementing a shared-savings incentive program for state-employed, public				
30	sector or retired enrollees who elect to shop and receive health care services at a lower cost				
31	than the average price paid by their carrier for a comparable health care service. Under such a				
32	program, the Department shall develop a plan to reimburse the insured for using a lower cost				
33	site of service. The cash payment incentive could be calculated as a percentage or as a flat				
34	dollar amount, or by some reasonable methodology determined by the Department. The				
35	Department shall determine whether to administer the program itself or through a third-party,				
36	or to require carriers to offer access to such a program for health care services eligible for				
37	shared incentives and estimate the projected fiscal impact of the program. No later than				
38	November 1, 2017 the Department shall report to the Chairmen of the House Appropriations				
39	and Senate Finance Committees.				
40	Total for Administration of Health Insurance.....			\$1,944,464,330	\$2,087,219,541
41					\$1,952,449,823
42	Fund Sources: Enterprise.....	\$429,268,507	\$459,268,507		
43			\$504,504,000		
44	Internal Service.....	\$1,515,195,823	\$1,619,195,823		
45			\$1,419,195,823		
46	Trust and Agency.....	\$0	\$8,755,211		
47			\$28,750,000		
48	Grand Total for Department of Human Resource			\$1,962,393,647	\$2,105,316,721
49	Management.....				\$1,969,717,003
50					
51	General Fund Positions.....	60.46	53.46		
52	Nongeneral Fund Positions.....	54.54	67.54		
53	Position Level.....	115.00	121.00		
54	Fund Sources: General.....	\$6,860,977	\$4,790,839		

ITEM 85.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Special.....	\$9,700,873	\$1,235,048		
2			\$1,405,048		
3	Enterprise.....	\$429,268,507	\$462,170,224		
4			\$506,905,717		
5	Internal Service.....	\$1,515,195,823	\$1,626,805,027		
6			\$1,426,305,027		
7	Trust and Agency.....	\$1,367,467	\$10,315,583		
8			\$30,310,372		
9	86. Not set out.				
10	87. Not set out.				
11	TOTAL FOR OFFICE OF ADMINISTRATION....			\$2,901,762,108	\$3,057,044,003
12					\$2,920,297,418
13	General Fund Positions.....	373.46	354.96		
14	Nongeneral Fund Positions.....	471.04	492.04		
15	Position Level.....	844.50	847.00		
16	Fund Sources: General.....	\$704,704,005	\$715,442,707		
17			\$714,295,840		
18	Special.....	\$17,781,223	\$9,375,504		
19			\$9,545,504		
20	Enterprise.....	\$461,721,840	\$494,721,930		
21			\$539,457,423		
22	Internal Service.....	\$1,686,058,753	\$1,797,274,701		
23			\$1,596,774,701		
24	Trust and Agency.....	\$16,612,329	\$25,432,809		
25			\$45,427,598		
26	Dedicated Special Revenue.....	\$8,400,000	\$8,400,000		
27	Federal Trust.....	\$6,483,958	\$6,396,352		

ITEM 88.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF AGRICULTURE AND FORESTRY			
2	88.	Not set out.		
3	§ 1-6. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES (301)			
4	89.	Not set out.		
5	90.	Not set out.		
6	91.	Agricultural Industry Marketing, Development,		
7		Promotion, and Improvement (53200).....		\$20,805,272
8				\$20,505,272
9				\$20,761,470
10		Grading and Certification of Virginia Products		
11		(53201).....		
12		\$7,214,196	\$7,214,196	
13		Milk Marketing Regulation (53204).....		
14		\$802,494	\$802,494	
15		Marketing Research (53205).....		
16		\$272,806	\$272,806	
17		Market Virginia Agricultural and Forestry Products		
18		Nationally and Internationally (53206).....		
19		\$4,826,995	\$4,701,995	
20		Agricultural Commodity Boards (53208).....		
21		\$5,969,906	\$6,544,906	
22			\$6,801,104	
23		Agribusiness Development Services and Farmland		
24		Preservation (53209).....		
25		\$1,718,875	\$968,875	
26		Fund Sources: General.....		
27		\$8,180,975	\$7,830,975	
28			\$8,087,173	
29		Special.....		
30		\$108,125	\$158,125	
31		Trust and Agency.....		
32		\$6,704,556	\$6,704,556	
33		Dedicated Special Revenue.....		
34		\$5,090,718	\$5,090,718	
35		Federal Trust.....		
36		\$720,898	\$720,898	
37		Authority: Title 3.2, Chapters 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 30,		
38		32, 34, 36.2; Title 28.2, Chapter 2; and Title 61.1, Chapter 4, Code of Virginia.		
39		A. Agricultural Commodity Boards shall be paid from the special fund taxes levied in the		
40		following estimated amounts:		
41		1. To the Tobacco Board, \$143,000 the first year and \$143,000 the second year.		
42		2. To the Corn Board, \$390,000 the first year and \$390,000 the second year.		
43		3. To the Egg Board, \$210,000 the first year and \$210,000 the second year.		
		4. To the Soybean Board, \$980,000 the first year and \$980,000 the second year.		
		5. To the Peanut Board, \$320,000 the first year and \$320,000 the second year.		
		6. To the Cattle Industry Board, \$425,000 the first year and \$425,000 the second year.		
		7. To the Virginia Small Grains Board, \$750,000 the first year and \$750,000 the second year.		
		8. To the Virginia Horse Industry Board, \$320,000 the first year and \$320,000 the second		
		year.		
		9. To the Virginia Sheep Industry Board, \$35,000 the first year and \$35,000 the second year.		
		10. To the Virginia Potato Board, \$25,000 the first year and \$25,000 the second year.		
		11. To the Virginia Cotton Board, \$180,000 the first year and \$180,000 the second year.		
		12. To the State Apple Board, \$257,650 the first year and \$257,650 the second year.		
		B. Each commodity board is authorized to expend funds in accordance with its authority as		
		stated in the Code of Virginia. Such expenditures will be limited to available revenue levels.		

ITEM 91.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	C. Each commodity board specified in this Item shall provide an annual notification to its				
2	excise tax paying producers which summarizes the purpose of the board and the excise				
3	tax, current tax rate, amount of excise taxes collected in the previous tax year, the previous				
4	fiscal year expenditures and the board's past year activities. The manner of notification				
5	shall be determined by each board.				
6	D. The Commissioner shall take all necessary actions to ensure that the fees collected are				
7	adequate to cover the nongeneral fund portion of the Grain Inspection Program expenses,				
8	including those related to product inspections that are requested by parties financially				
9	interested in any agricultural products pursuant to § 3.2-3400, Code of Virginia.				
10	E. Out of the amounts in this Item shall be paid from certain special fund license taxes,				
11	license fees, and permit fees levied or imposed under Title 28.2, Chapters 2, 3, 4, 5, 6 and				
12	7, Code of Virginia, to the Virginia Marine Products Board, \$402,543 and two positions				
13	the first year and \$402,543 and two positions the second year.				
14	F. Out of the amounts in this Item, \$2,017,494 the first year and \$2,017,494 \$2,273,692 the				
15	second year from the general fund shall be deposited to the Virginia Wine Promotion				
16	Fund as established in § 3.2-3005, Code of Virginia.				
17	G. Out of the amounts in this Item, \$500,000 the first year and \$250,000 the second year				
18	from the general fund shall be deposited to the Virginia Farmland Preservation Fund				
19	established in § 3.2-201, Code of Virginia. This appropriation shall be deemed sufficient				
20	to meet the provisions of § 2.2-1509.4, Code of Virginia.				
21	H. Out of the amounts in this Item, the Commissioner is authorized to expend from the				
22	general fund amounts not to exceed \$25,000 the first year and \$25,000 the second year for				
23	entertainment expenses commonly borne by businesses. Further, such expenses shall be				
24	recorded separately by the agency.				
25	I. Out of the amounts in this Item, the Commissioner is authorized to expend \$1,120,226				
26	the first year and \$1,120,226 the second year from the general fund for the promotion of				
27	Virginia's agricultural products overseas. Such efforts shall be conducted in concert with				
28	the international offices opened by the Virginia Economic Development Partnership.				
29	J. Out of the amounts in this Item, \$25,000 the first year and \$25,000 the second year from				
30	the general fund shall be provided to support 4-H and Future Farmers of America youth				
31	participation educational costs at the State Fair of Virginia. These funds shall not be used				
32	for administrative costs by the State Fair.				
33	K. 1. Out of the amounts in this Item, \$75,000 the first year from the general fund shall be				
34	used for research, development and the applied commercialization of specialty crops. For				
35	the purpose of these funds, specialty crops shall be defined as those crops not currently				
36	under widespread commercial production in Virginia, (not listed in the top 20				
37	commodities in Virginia as reported annually by the National Agricultural Statistics				
38	Service) but which are commercially produced in other regions of the United States or				
39	other regions of the world.				
40	2. Projects supported with these funds will encompass a crop, or crops, which have a				
41	unique potential for successful commercialization due to an existing commercial end				
42	market for the crop, or crops, having been identified within the Commonwealth. In				
43	selecting projects, priority shall be given to crops for which a commercial processor(s) or				
44	packer(s), operates within Virginia, and due to the specialty crop not currently being				
45	commercially grown in Virginia, this crop is currently imported into Virginia. The goal of				
46	the project is to improve the productivity and competitiveness of existing commercial food				
47	and agribusiness processors in Virginia through accelerated crop development of selected				
48	specialty crops that can be used as inputs and substitutes for an imported commodity.				
49	L. Out of the amounts in this item, \$113,580 the first year and \$113,580 the second year				
50	from the general fund and one full-time equivalent position shall be used to establish the				
51	Virginia Farm Business Development Program. This program shall provide farmers and				
52	small agribusinesses that qualify under guidelines as established by the Department with				
53	grants not to exceed \$5,000 to assist with business planning, market research, and other				
54	related activities including in-depth research, website design, social media strategy, food				

ITEM 91.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	innovation, packaging design, modernization of facilities and business certification. The				
2	authorized position shall be used for management of the grant program and to conduct				
3	regional workshops on marketing and business development. Not later than November 15,				
4	2016, the Department shall report to the Chairmen of the House Committee on Appropriations				
5	and the Senate Committee on Finance on the efforts undertaken by the Department to				
6	establish the program, the grant guidelines, and the number of grants awarded.				
7	M. Out of the amounts in this item, \$50,000 the first year from the general fund shall be				
8	provided for the renovation of the Appomattox 4-H Center.				
9	N. The department is directed to survey local farmer's markets across the Commonwealth to				
10	determine if any local regulations governing the operations of such markets discourage the				
11	sale of Virginia products by the use of a locally-grown perimeter rule that gives preference to				
12	out-of-state products over products grown in Virginia. If the department finds any such				
13	impediments exist, it shall encourage local farmer's markets to revise their guidelines to				
14	ensure that Virginia products are given first preference, regardless of the distance from the				
15	particular market. In instances where a local Virginia grown product already is selling at a				
16	particular market, competitors from across the state should be allowed to sell their Virginia				
17	grown products provided there are no objections submitted by competing Virginia sellers.				
18	92. Not set out.				
19	93. Not set out.				
20	94. Not set out.				
21	95. Not set out.				
22	96. Not set out.				
23	97. Not set out.				
24	98. Not set out.				
25	99. Not set out.				
26	100. Not set out.				
27	Total for Department of Agriculture and Consumer				
28	Services.....			\$69,793,118	\$69,682,200
29					\$69,938,398
30	General Fund Positions.....	331.00	328.00		
31	Nongeneral Fund Positions.....	206.00	214.00		
32	Position Level.....	537.00	542.00		
33	Fund Sources: General.....	\$36,498,563	\$35,109,950		
34			\$35,366,148		
35	Special.....	\$5,776,982	\$6,030,277		
36	Trust and Agency.....	\$6,863,290	\$6,863,290		
37	Dedicated Special Revenue.....	\$9,619,377	\$9,619,377		
38	Federal Trust.....	\$11,034,906	\$12,059,306		
39	101. Not set out.				
40	102. Not set out.				
41	103. Not set out.				
42	104. Not set out.				

ITEM 104.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	TOTAL FOR OFFICE OF AGRICULTURE AND				
2	FORESTRY			\$105,441,728	\$107,220,192
3					\$107,476,390
4	General Fund Positions.....	504.59	496.59		
5	Nongeneral Fund Positions.....	329.41	337.41		
6	Position Level.....	834.00	834.00		
7	Fund Sources: General.....	\$54,740,051	\$53,875,454		
8			\$54,131,652		
9	Special.....	\$17,721,998	\$19,326,205		
10	Trust and Agency.....	\$6,969,828	\$6,969,828		
11	Dedicated Special Revenue.....	\$10,199,246	\$10,199,246		
12	Federal Trust.....	\$15,810,605	\$16,849,459		

ITEM 105.		Item Details(\$)		Appropriations(\$)		
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	OFFICE OF COMMERCE AND TRADE					
2	§ 1-7. SECRETARY OF COMMERCE AND TRADE (192)					
3	105.	Not set out.				
4	Economic Development Incentive Payments (312)					
5	106.	Economic Development Services (53400).....			\$52,541,610	\$64,681,679
6						\$62,536,679
7		Financial Assistance for Economic Development				
8		(53410).....	\$52,541,610	\$64,681,679		
9				\$62,536,679		
10		Fund Sources: General.....	\$52,391,610	\$46,505,799		
11				\$44,360,799		
12		Special.....	\$0	\$12,662,000		
13		Dedicated Special Revenue.....	\$150,000	\$5,513,880		
14		Authority: Discretionary Inclusion.				
15		A.1. Out of the amounts in this Item, \$20,750,000 the first year and \$19,750,000 the second				
16		year from the general fund shall be deposited to the Commonwealth's Development				
17		Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds shall be used at				
18		the discretion of the Governor, subject to prior consultation with the Chairmen of the House				
19		Appropriations and Senate Finance Committees, to attract economic development prospects to				
20		locate or expand in Virginia. If the Governor, pursuant to the provisions of § 2.2-115, E.1.,				
21		Code of Virginia, determines that a project is of regional or statewide interest and elects to				
22		waive the requirement for a local matching contribution, such action shall be included in the				
23		report on expenditures from the Commonwealth's Development Opportunity Fund required by				
24		§ 2.2-115, F., Code of Virginia. Such report shall include an explanation on the jobs				
25		anticipated to be created, the capital investment made for the project, and why the waiver was				
26		provided.				
27		2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans				
28		shall be approved by the Governor and made in accordance with procedures established by				
29		the Virginia Economic Development Partnership and approved by the State Comptroller.				
30		Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid				
31		to the general fund of the state treasury. The Governor may establish the interest rate to be				
32		charged, otherwise, any interest charged shall be at market rates as determined by the State				
33		Treasurer and shall be indicative of the duration of the loan. The Virginia Economic				
34		Development Partnership shall be responsible for monitoring repayment of such loans and				
35		reporting the receivables to the State Comptroller as required.				
36		3. Funds may be used for public and private utility extension or capacity development on and				
37		off site; road, rail, or other transportation access costs beyond the funding capability of				
38		existing programs; site acquisition; grading, drainage, paving, and other activity required to				
39		prepare a site for construction; construction or build-out of publicly-owned buildings; grants				
40		or loans to an industrial development authority, housing and redevelopment authority, or other				
41		political subdivision pursuant to their duties or powers; training; or anything else permitted by				
42		law.				
43		4. Consideration should be given to economic development projects that 1) are in areas of				
44		high unemployment; 2) link commercial development along existing transportation/transit				
45		corridors within regions; and 3) are located near existing public infrastructure.				
46		5. It is the intent of the General Assembly that the Virginia Economic Development				
47		Partnership shall work with localities awarded grants from the Commonwealth's Development				
48		Opportunity Fund to recover such moneys when the economic development projects fail to				
49		meet minimal agreed-upon capital investment and job creation targets. All such recoveries				
50		shall be deposited and credited to the Commonwealth's Development Opportunity Fund.				

ITEM 106.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	6. Up to \$5,000,000 of previously awarded funds and funds repaid by political			
2	subdivisions or business beneficiaries and deposited to the Commonwealth's Development			
3	Opportunity Fund may be used to assist Prince George County with site improvements			
4	related to the location of a major aerospace engine manufacturer to the Commonwealth.			
5	B.1. Out of the appropriation for this Item, \$2,722,310 the first year and \$2,220,330			
6	\$2,075,330 the second year from the general fund shall be deposited to the Investment			
7	Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used			
8	to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia. In			
9	the second year, \$1,763,880 from the Investment Performance Grant subfund of the			
10	Virginia Investment Partnership Grant Fund is hereby appropriated and shall be used to			
11	pay investment performance grants in accordance with § 2.2-5101, Code of Virginia.			
12	2. Consideration should be given to economic development projects that 1) are in areas of			
13	high unemployment; 2) link commercial development along existing transportation/transit			
14	corridors within regions; and 3) are located near existing public infrastructure.			
15	C.1. Out of the appropriation for this Item, \$1,800,000 the first year and \$1,800,000 the			
16	second year from the general fund shall be deposited to the Major Eligible Employer			
17	Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay			
18	investment performance grants in accordance with § 2.2-5102, Code of Virginia.			
19	2. Consideration should be given to economic development projects that 1) are in areas of			
20	high unemployment; 2) link commercial development along existing transportation/transit			
21	corridors within regions; and 3) are located near existing public infrastructure.			
22	D. Out of the appropriation for this Item, \$6,000,000 the first year and \$3,000,000 the			
23	second year from the general fund and an amount estimated at \$150,000 the first year and			
24	\$150,000 the second year from nongeneral funds shall be deposited to the Governor's			
25	Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These			
26	nongeneral fund revenues shall be deposited to the fund from revenues generated by the			
27	digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such			
28	funds shall be used at the discretion of the Governor to attract film industry production			
29	activity to the Commonwealth.			
30	E. Out of the appropriation for this Item, \$378,000 the first year from the general fund			
31	shall be deposited to the Aerospace Engine Manufacturer Workforce Training Grant Fund			
32	in support of the location of an aerospace engine facility in Prince George County. In the			
33	second year, \$11,000,000 from the Aerospace Manufacturing Performance Grant Fund			
34	and \$1,662,000 from the Aerospace Manufacturer Workforce Training Grant Fund is			
35	hereby appropriated. These funds shall be used for grants in accordance with §§ 59.1-			
36	284.20 and 59.1-284.22, Code of Virginia. The Director, Department of Planning and			
37	Budget shall transfer these funds to the impacted state agencies upon request to the			
38	Director, Department of Planning and Budget by the respective state agency.			
39	F.1. Out of the appropriation for this Item, \$4,200,000 the first year and \$1,600,000 the			
40	second year from the general fund shall be deposited to the Virginia Economic			
41	Development Incentive Grant subfund of the Virginia Investment Partnership Grant Fund			
42	to be used to pay investment performance grants in accordance with § 2.2-5102.1, Code of			
43	Virginia. In the second year, \$3,600,000 from the Virginia Economic Development			
44	Incentive Grant subfund of the Virginia Investment Partnership Grant Fund is hereby			
45	appropriated and shall be used to pay investment performance grants in accordance with §			
46	2.2-5102.1, Code of Virginia.			
47	2. Consideration should be given to economic development projects that 1) are in areas of			
48	high unemployment; 2) link commercial development along existing transportation/transit			
49	corridors within regions; and 3) are located near existing public infrastructure.			
50	3. Notwithstanding § 2.2-5102.1.E. or any other provision of law, and subject to			
51	appropriation by the General Assembly, up to \$4,000,000 in economic development			
52	incentive grants is authorized for eligible projects to be awarded on or after July 1, 2017,			
53	but before June 30, 2018. Any eligible project awarded such grants shall be subject to the			
54	conditions set forth in § 2.2-5102.1.			

ITEM 106.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	G. Out of the appropriation for this Item, \$7,155,840 the first year from the general fund shall				
2	be deposited to the Advanced Shipbuilding Training Facility Fund to be used to pay grants in				
3	accordance with § 59.1-284.23, F., Code of Virginia.				
4	H. Out of the appropriation for this Item, \$2,000,000 the second year from the general fund				
5	shall be deposited to the Pulp, Paper, and Fertilizer Advanced Manufacturing Performance				
6	Grant Program Fund to be used for performance grants in accordance with § 59.1-284.28,				
7	Code of Virginia.				
8	I.1. Out of the appropriation for this Item, \$2,500,000 the first year and \$3,750,000 the second				
9	year from the general fund shall be provided for the Virginia Biosciences Health Research				
10	Corporation (VBHRC), a non-stock corporation research consortium initially comprised of				
11	the University of Virginia, Virginia Commonwealth University, Virginia Polytechnic Institute				
12	and State University, George Mason University and the Eastern Virginia Medical School. The				
13	consortium will contract with private entities, foundations and other governmental sources to				
14	capture and perform research in the biosciences, as well as promote the development of				
15	bioscience infrastructure tools which can be used to facilitate additional research activities.				
16	The Director, Department of Planning and Budget, is authorized to provide these funds to the				
17	non-stock corporation research consortium referenced in this paragraph upon request filed				
18	with the Director, Department of Planning and Budget by VBHRC.				
19	2. Of the amounts provided in J.1. for the research consortium, up to \$2,500,000 the first year				
20	and \$3,750,000 the second year may be used to develop or maintain investments in research				
21	infrastructure tools to facilitate bioscience research.				
22	3. The remaining funding shall be used to capture and perform research in the biosciences and				
23	must be matched at least dollar-for-dollar by funding provided by such private entities,				
24	foundations and other governmental sources. No research will be funded by the consortium				
25	unless at least two of the participating institutions, including the five founding institutions and				
26	any other institutions choosing to join, are actively and significantly involved in collaborating				
27	on the research. No research will be funded by the consortium unless the research topic has				
28	been vetted by a scientific advisory board and holds potential for high impact near-term				
29	success in generating other sponsored research, creating spin-off companies or otherwise				
30	creating new jobs. The consortium will set guidelines to disburse research funds based on				
31	advisory board findings. The consortium will have near-term sustainability as a goal, along				
32	with corporate-sponsored research gains, new Virginia company start-ups, and job creation				
33	milestones.				
34	4. Other publicly-supported institutions of higher education in the Commonwealth may				
35	choose to join the consortium as participating institutions. Participation in the consortium by				
36	the five founding institutions and by other participating institutions choosing to join will				
37	require a cash contribution from each institution in each year of participation of at least				
38	\$50,000.				
39	5. Of these funds, up to \$500,000 the first year and \$500,000 the second year may be used to				
40	pay the administrative, promotional and legal costs of establishing and administering the				
41	consortium, including the creation of intellectual property protocols, and the publication of				
42	research results.				
43	6. The Virginia Economic Development Partnership, in consultation with the publicly-				
44	supported institutions of higher education in the Commonwealth participating in the				
45	consortium, shall provide to the Governor, and the Chairmen of the Senate Finance and House				
46	Appropriations committees, by November 1 of each year a written report summarizing the				
47	activities of the consortium, including, but not limited to, a summary of how any funds				
48	disbursed to the consortium during the previous fiscal year were spent, and the consortium's				
49	progress during the fiscal year in expanding upon existing research opportunities and				
50	stimulating new research opportunities in the Commonwealth.				
51	7. The accounts and records of the consortium shall be made available for review and audit by				
52	the Auditor of Public Accounts upon request.				
53	8. Up to \$2,500,000 of the funds managed by the Commonwealth Health Research Board				
54	(CHRB), created pursuant to § 32.1-162.23, Code of Virginia, shall be directed toward				
55	collaborative research projects, approved by the boards of the VBHRC and CHRB, to support				

ITEM 106.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Virginia's core bioscience strengths, improve human health, and demonstrate commercial				
2	viability and a high likelihood of creating new companies and jobs in Virginia.				
3	J.1. Out of this appropriation, \$209,859 the first year and \$209,868 the second year from				
4	the general fund shall be provided to the Virginia-Israel Advisory Board.				
5	2. The Virginia-Israel Advisory Board shall seek prior approval of all travel and related				
6	expenditures from the Secretary of Commerce and Trade.				
7	3. The Virginia-Israel Advisory Board shall report by January 15 of each year to the				
8	Chairmen of the Senate Finance and House Appropriations Committees on the board's				
9	activities and expenditure of state funds.				
10	K. Out of this appropriation, \$5,669,833 the first year and \$5,669,833 the second year				
11	from the general fund shall be available for eligible businesses under the Virginia Jobs				
12	Investment Program. Pursuant to § 2.2-1611, Code of Virginia, the appropriation provided				
13	for the Virginia Jobs Investment Program for eligible businesses shall be deposited to the				
14	Virginia Jobs Investment Program Fund.				
15	L. Out of this appropriation \$500,000 the first year from the general fund is provided for				
16	the purpose of attracting new tourism and hospitality projects and expanding existing				
17	tourism and hospitality projects in the Commonwealth. Funds shall be disbursed through				
18	the Virginia Tourism Authority as grants or loans to political subdivisions or business				
19	entities authorized to transact business in the Commonwealth based on criteria as				
20	approved by the Governor. The Governor shall transmit his specific criteria for awarding				
21	and distributing these funds to the Chairmen of the House Committee on Appropriations				
22	and the Senate Finance Committee prior to any expenditure of this appropriation.				
23	M. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from				
24	the general fund may be provided to the Virginia Economic Development Partnership to				
25	facilitate additional domestic and international marketing and trade missions approved by				
26	the Governor. The Director, Department of Planning and Budget, is authorized to provide				
27	these funds to the Virginia Economic Development Partnership upon written approval of				
28	the Governor.				
29	N. Out of the appropriation in this Item, \$6,000,000 the second year from the general fund				
30	shall be deposited to the Advanced Shipbuilding Production Facility Grant Fund for a				
31	grant to be paid in accordance with § 59.1-284.29 E., Code of Virginia.				
32	Total for Economic Development Incentive				
33	Payments.....			\$52,541,610	\$64,681,679
34					\$62,536,679
35	Fund Sources: General.....	\$52,391,610	\$46,505,799		
36			\$44,360,799		
37	Special.....	\$0	\$12,662,000		
38	Dedicated Special Revenue.....	\$150,000	\$5,513,880		
39	Grand Total for Secretary of Commerce and Trade.			\$53,245,242	\$65,385,458
40					\$63,240,458
41	General Fund Positions.....	7.00	7.00		
42	Position Level.....	7.00	7.00		
43	Fund Sources: General.....	\$53,095,242	\$47,209,578		
44			\$45,064,578		
45	Special.....	\$0	\$12,662,000		
46	Dedicated Special Revenue.....	\$150,000	\$5,513,880		
47	107. Not set out.				
48	108. Not set out.				
49	109. Not set out.				

ITEM 110.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	110.	Not set out.		
2	111.	Not set out.		
3	112.	Not set out.		
4	113.	Not set out.		
5	114.	Not set out.		
6	115.	Not set out.		
7	116.	Not set out.		
8	117.	Not set out.		
9	118.	Not set out.		
10	119.	Not set out.		
11	120.	Not set out.		
12	121.	Not set out.		
13	122.	Not set out.		
14	123.	Not set out.		
15	124.	Not set out.		
16	125.	Not set out.		
17	125.10	Omitted.		
18	126.	Not set out.		
19	127.	Not set out.		
20	128.	Not set out.		
21	129.	Not set out.		
22	TOTAL FOR OFFICE OF COMMERCE AND			
23	TRADE.....		\$916,635,941	\$967,021,343
24				
25	General Fund Positions.....	369.34	368.34	
26	Nongeneral Fund Positions.....	1,307.66	1,307.66	
27	Position Level.....	1,677.00	1,676.00	
28	Fund Sources: General.....	\$188,247,010	\$205,630,466	
29			\$203,485,466	
30	Special.....	\$20,685,087	\$33,848,815	
31	Commonwealth Transportation.....	\$1,535,130	\$1,535,238	
32	Trust and Agency.....	\$606,000,616	\$606,000,616	
33	Dedicated Special Revenue.....	\$25,257,117	\$30,125,908	
34	Federal Trust.....	\$74,910,981	\$89,880,300	

ITEM 130.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF EDUCATION			
2	130.	Not set out.		
3	§ 1-8. DEPARTMENT OF EDUCATION, CENTRAL OFFICE OPERATIONS (201)			
4	131.	Not set out.		
5	132.	Not set out.		
6	133.	Not set out.		
7	134.	Not set out.		
8	135.	Not set out.		
9	136.	Not set out.		
10	137.	Not set out.		
11	Direct Aid to Public Education (197)			
12	138.	Financial Assistance for Educational, Cultural,		
13		Community, and Artistic Affairs (14300).....		
14			\$26,895,095	\$28,253,945
15		Financial Assistance for Supplemental Education		\$27,796,445
16		(14304).....	\$26,895,095	\$28,253,945
17				\$27,796,445
18		Fund Sources: General.....	\$26,895,095	\$28,253,945
19				\$27,796,445
20		Authority: Discretionary Inclusion.		
21	Appropriation Detail of Educational, Cultural, Community, and Artistic Affairs			
22	(14300)			
23	Supplemental Education Assistance		FY 2017	FY 2018
24	Programs (14304)			
25	Achievable Dream		\$500,000	\$500,000
26	Career and Technical Education		\$298,021	\$298,021
27	Resource Center			
28	Career Council at Northern Neck Career		\$60,300	\$60,300
29	& Technical Center			
30	Charter School Supplement		\$100,000	\$100,000
31	College Partnership Laboratory School		\$0	\$50,000
32	Communities in Schools (CIS)		\$1,244,400	\$1,244,400
33	Computer Science Training For		\$550,000	\$550,000
34	Teachers			
35	Great Aspirations Scholarship Program		\$400,000	\$400,000
36	(GRASP)			
37	High School Program Innovation		\$500,000	\$500,000
38	Jobs for Virginia Graduates (JVG)		\$573,776	\$573,776
39	National Board Certification Program		\$5,015,000	\$5,100,000
40				\$4,642,500
41	Newport News Aviation Academy -		\$100,000	\$100,000
42	STEM Program			

ITEM 138.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Petersburg Executive Leadership		\$350,000		\$350,000
2	Recruitment Incentives				
3	Positive Behavioral Interventions &		\$1,098,000		\$1,098,000
4	Support (PBIS)				
5	Project Discovery		\$425,000		\$662,500
6	Small School Division Assistance		\$145,896		\$145,896
7	Southside Virginia Regional Technology		\$108,905		\$108,905
8	Consortium				
9	Southwest Virginia Public Education		\$124,011		\$124,011
10	Consortium				
11	STEM Program / Research Study (VA		\$870,625		\$681,975
12	Air & Space Center)				
13	STEM Competition Team Grants		\$100,000		\$200,000
14	Targeted Extended School Year Grants		\$7,763,312		\$7,763,312
15	Teach for America		\$500,000		\$500,000
16	Teacher Improvement Funding Initiative		\$15,000		\$15,000
17	Teacher Recruitment & Retention Grant		\$1,931,000		\$1,931,000
18	Programs				
19	Teacher Residency Program		\$500,000		\$1,000,000
20	Van Gogh Outreach Program		\$71,849		\$71,849
21	Virginia Early Childhood Foundation		\$2,350,000		\$2,750,000
22	(VECF)				
23	Virginia Reading Corps Pilot		\$300,000		\$300,000
24	Virginia Student Training and		\$300,000		\$300,000
25	Refurbishment (VA STAR) Program				
26	Vocational Lab Pilot		\$0		\$175,000
27	Wolf Trap Model STEM Program		\$600,000		\$600,000
28	Total		\$26,895,095		\$28,253,945
29					\$27,796,445

30 A. Out of this appropriation, the Department of Education shall provide \$573,776 the first
31 year and \$573,776 the second year from the general fund for the Jobs for Virginia Graduates
32 initiative.

33 B. Out of this appropriation, the Department of Education shall provide \$124,011 the first
34 year and \$124,011 the second year from the general fund for the Southwest Virginia Public
35 Education Consortium at the University of Virginia's College at Wise. An additional \$71,849
36 the first year and \$71,849 the second year from the general fund is provided to the
37 Consortium to continue the Van Gogh Outreach program with Lee and Wise County Public
38 Schools and expand the program to the twelve school divisions in Southwest Virginia.

39 C. This appropriation includes \$108,905 the first year and \$108,905 the second year from the
40 general fund for the Southside Virginia Regional Technology Consortium to expand the
41 research and development phase of a technology linkage.

42 D. An additional state payment of \$145,896 the first year and \$145,896 the second year from
43 the general fund is provided as a Small School Division Assistance grant for the City of
44 Norton. To receive these funds, the local school board shall certify to the Superintendent of
45 Public Instruction that its division has entered into one or more educational, administrative or
46 support service cost-sharing arrangements with another local school division.

47 E. Out of this appropriation, \$298,021 the first year and \$298,021 the second year from the
48 general fund shall be allocated for the Career and Technical Education Resource Center to
49 provide vocational curriculum and resource instructional materials free of charge to all school
50 divisions.

51 F. It is the intent of the General Assembly that the Department of Education provide bonuses
52 from state funds to classroom teachers in Virginia's public schools who hold certification
53 from the National Board of Professional Teaching Standards. Such bonuses shall be \$5,000

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1	the first year of the certificate and \$2,500 annually thereafter for the life of the certificate.			
2	This appropriation includes an amount estimated at \$5,015,000 the first year and			
3	\$5,100,000 \$4,642,500 the second year from the general fund for the purpose of paying			
4	these bonuses. By October 15 of each year, school divisions shall notify the Department of			
5	Education of the number of classroom teachers under contract for that school year that			
6	hold such certification.			
7	G. This appropriation includes \$1,931,000 the first year and \$1,931,000 the second year			
8	from the general fund for grants, scholarships, and incentive payments to attract, recruit,			
9	and retain high-quality teachers and fill critical teacher shortage disciplines in Virginia's			
10	public schools.			
11	1. Out of this appropriation, \$708,000 the first year and \$708,000 the second year from the			
12	general fund is provided for teaching scholarship loans. These scholarships shall be for			
13	undergraduate students in college with a cumulative high school grade point average of at			
14	least 2.7, who were in the top 10 percent of their high school class or alternative measure			
15	of achievement as selected by the institution, who are nominated by their college and			
16	students at the graduate level, and who meet the criteria and qualifications, pursuant to §			
17	22.1-290.01, Code of Virginia. Awards shall be made to students who are enrolled full-			
18	time or part-time in approved undergraduate or graduate teacher education programs for			
19	(i) critical teacher shortage disciplines, such as special education, chemistry, physics, earth			
20	and space science, foreign languages, or technology education or (ii) as students meeting			
21	the qualifications in § 22.1-290.01, Code of Virginia, who have been identified by a local			
22	school board to teach in any discipline or at any grade level in which the school board has			
23	determined that a shortage of teachers exists; however, such persons shall meet the			
24	qualifications for awards granted pursuant to this Item; or (iii) those students seeking			
25	degrees in Career and Technical education. Minority students may be enrolled in any			
26	content area for teacher preparation and male students may be enrolled in any approved			
27	elementary or middle school teacher preparation program; therefore, this provision shall			
28	satisfy the requirements for the Diversity in Teaching Initiative and Fund, pursuant to			
29	Chapters 570, 597, 623, 645, and 719 of the Acts of Assembly of 2000. Scholarship			
30	recipients may fulfill the teaching obligation by accepting a teaching position (i) in one of			
31	the critical teacher shortage disciplines; or (ii) regardless of teaching discipline, in a			
32	school with a high concentration of students eligible for free or reduced price lunch; or			
33	(iii) in any discipline or at grade levels with a shortage of teachers; or (iv) in a rural or			
34	urban region of the state with a teacher shortage. For the purposes of this Item, "critical			
35	teacher shortage area and discipline" means subject areas and grade levels identified by			
36	the Board of Education in which the demand for classroom teachers exceeds the supply of			
37	teachers, as defined in the Board of Education's Regulations Governing the Determination			
38	of Critical Teacher Shortage Areas. Scholarship amounts are based on \$10,000 per year			
39	for full-time students, and shall be prorated for part-time students based on the number of			
40	credit hours. The Department of Education shall report annually on the critical shortage			
41	teaching areas in Virginia.			
42	a. The Department of Education shall make payments on behalf of the scholarship			
43	recipients directly to the Virginia institution of higher education where the scholarship			
44	recipient is enrolled full-time or part-time in an approved undergraduate or graduate			
45	teacher education program.			
46	b. The Department of Education is authorized to recover total funds awarded as			
47	scholarships, or the appropriate portion thereof, in the event that scholarship recipients fail			
48	to honor the stipulated teaching obligation.			
49	c. Within the fiscal year, any funds not awarded from this program may be applied toward			
50	the other teacher preparation, recruitment, and retention programs under paragraph G.			
51	2. Out of this appropriation, \$808,000 the first year and \$808,000 the second year from the			
52	general fund is provided to attract, recruit, and retain high-quality diverse individuals to			
53	teach science, technology, engineering, or mathematics (STEM) subjects in Virginia's			
54	middle and high schools. A teacher with up to three years of teaching experience			
55	employed full-time in a Virginia school division who has been issued a five-year Virginia			
56	teaching license with an endorsement in Middle Education 6-8: Mathematic, Mathematics-			
57	Algebra-I, mathematics, Middle Education 6-8: Science, Biology, Chemistry, Earth and			

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1	Space Science, physics, or technology education and assigned to a teaching position in a			
2	corresponding STEM subject area is eligible to receive a \$5,000 initial incentive award after			
3	the completion of the first, second, or third year of teaching with a satisfactory performance			
4	evaluation and a signed contract in the same school division for the following school year. A			
5	teacher, holding one or more of the aforementioned endorsements and assigned to a teaching			
6	position in a corresponding STEM subject area and regardless of teaching experience, who is			
7	reassigned from a fully accredited school in a Virginia school division to a hard-to-staff			
8	school or a school that is not fully accredited and receives a satisfactory performance			
9	evaluation and a signed contract in the same school division for the following year is also			
10	eligible to receive an initial incentive award of \$5,000. An additional \$1,000 incentive award			
11	may be granted for each year the eligible teacher receives a satisfactory evaluation and			
12	teaches a qualifying STEM subject in which the teacher has an endorsement for up to three			
13	years in a Virginia school division following the year in which the teacher receives the initial			
14	incentive award. The maximum incentive award for each eligible teacher is \$8,000. Funding			
15	will be awarded on a first-come, first-served basis with preference to teachers assigned to			
16	teach in hard-to-staff schools or low-performing schools not fully accredited. Within the fiscal			
17	year, any funds not awarded from this program may be applied toward the other teacher			
18	preparation, recruitment, and retention programs under paragraph G.			
19	4. Out of this appropriation, \$415,000 the first year and \$415,000 the second year from the			
20	general fund is provided to help school divisions recruit and retain qualified middle-school			
21	mathematics teachers. Within the fiscal year, any funds not awarded from this program may			
22	be applied toward the other teacher preparation, recruitment, and retention programs under			
23	paragraph G.			
24	H. Out of this appropriation, \$400,000 the first year and \$400,000 the second year from the			
25	general fund shall be distributed to the Great Aspirations Scholarship Program (GRASP) to			
26	provide students and families in need access to financial aid, scholarships, and counseling to			
27	maximize educational opportunities for students.			
28	I. Out of this appropriation, the Department of Education shall provide \$1,244,400 the first			
29	year and \$1,244,400 the second year from the general fund to Communities in Schools. These			
30	funds will be used to continue existing Communities in Schools programming in Petersburg			
31	and Richmond City, expand programming to all Petersburg schools, and expand the Pathways			
32	to Parents as Partners program to two additional Richmond City elementary schools.			
33	J. This appropriation includes \$100,000 the first year and \$100,000 the second year from the			
34	general fund for the Superintendent of Public Education to award supplemental grants to			
35	charter schools.			
36	K. 1. Out of this appropriation, the Department of Education shall provide \$425,000 the first			
37	year and \$662,500 the second year from the general fund for Project Discovery. These funds			
38	are towards the cost of the program in Abingdon, Accomack/Northampton, Alexandria,			
39	Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, Cumberland,			
40	Danville/Pittsylvania, Fairfax, Franklin/Patrick, Goochland/Powhatan, Lynchburg, Newport			
41	News, Norfolk, Richmond City, Roanoke City, Smyth, Surry/Sussex, Tazewell,			
42	Williamsburg/James City, and Wythe and the salary of a fiscal officer for Project Discovery.			
43	The Department of Education shall administer the Project Discovery funding distributions to			
44	each community action agency. Distributions to each community action agency shall be based			
45	on performance measures established by the Board of Directors of Project Discovery. The			
46	contract with Project Discovery should specify the allocations to each local program and			
47	require the submission of a financial and budget report and program evaluation performance			
48	measures.			
49	2. Each participating community action agency shall submit annual performance metrics for			
50	services provided through the Project Discovery program that provide measurable evaluations			
51	and outcomes of participating students. Such performance metrics shall include evidenced-			
52	based data that effectively measure academic improvement outcomes. In addition, the			
53	performance metrics shall also include evidenced-based data to evaluate the specific			
54	effectiveness of the program for participating students on a longitudinal basis. Further, the			
55	performance metrics shall include the coordination and collaboration efforts the program staff			
56	regularly have with the school-based personnel, such as teachers and guidance counselors,			
57	that support and maximize opportunities of participating students to successfully graduate			

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1	from high school and then to enroll and graduate from an institution of higher learning.			
2	Project Discovery shall submit a comprehensive and cumulative program performance			
3	metrics evaluation to the Department of Education and the Chairmen of the House			
4	Appropriations and Senate Finance Committees no later than October 1, 2016.			
5	L. Out of this appropriation, the Department of Education shall provide \$300,000 the first			
6	year and \$300,000 the second year from the general fund for the Virginia Student Training			
7	and Refurbishment Program.			
8	M. Out of this appropriation, \$1,098,000 the first year and \$1,098,000 the second year			
9	from the general fund is provided to expand the number of schools implementing a system			
10	of positive behavioral interventions and supports with the goal of improving school			
11	climate and reducing disruptive behavior in the classroom. Such a system may be			
12	implemented as part of a tiered system of supports that utilizes evidence-based, system-			
13	wide practices to provide a response to academic and behavioral needs. Any school			
14	division which desires to apply for this competitive grant must submit a proposal to the			
15	Department of Education by June 1 preceding the school-year in which the program is to			
16	be implemented. The proposal must define student outcome objectives including, but not			
17	limited to, reductions in disciplinary referrals and out-of-school suspension rates. In			
18	making the competitive grant awards, the Department of Education shall give priority to			
19	school divisions proposing to serve schools identified by the Department as having high			
20	suspension rates. No funds awarded to a school division under this grant may be used to			
21	supplant funding for schools already implementing the program.			
22	N. Targeted Extended School Year Payments			
23	1. Out of this appropriation, \$7,150,000 the first year and \$7,150,000 the second year from			
24	the general fund is provided for a targeted extended school year incentive in order to			
25	improve student achievement. Annual start-up grants of up to \$300,000 per school may be			
26	awarded for a period of up to two years after the initial implementation year. The per			
27	school amount may be up to \$400,000 in the case of schools that have a Denied			
28	Accreditation status or had a Denied Accreditation status when the initial application was			
29	made. After the third consecutive year of successful participation, an eligible school's			
30	grant amount shall be based on a shared split of the grant between the state and			
31	participating school division's local composite index. Such continuing schools shall			
32	remain eligible to receive a grant based on the 2012 JLARC Review of Year Round			
33	Schools' researched base findings.			
34	2. Except for school divisions with schools that are in Denied Accreditation status, any			
35	other school division applying for such a grant shall be required to provide a twenty			
36	percent local match to the grant amount received from either an extended year start-up or			
37	planning grant.			
38	3. In the case of any school division with schools that are in Denied Accreditation status			
39	that apply for funds, the school division shall also consult with the Superintendent of			
40	Public Instruction or designee on all recommendations regarding instructional programs or			
41	instructional personnel prior to submission to the local board for approval.			
42	4. Out of this appropriation, \$613,312 the first year and \$613,312 the second year from the			
43	general fund is provided for planning grants of no more than \$50,000 each for local school			
44	divisions pursuing the creation of new year-round school programs for divisions or			
45	individual schools in support of the findings from the 2012 JLARC Review of Year			
46	Round Schools. School divisions must submit applications to the Department of Education			
47	by August 1 of each year. Priority shall be given to schools based on need, relative to the			
48	state accreditation ratings or similar federal designations. Applications shall include			
49	evidence of commitment to pursue implementation in the upcoming school year. If			
50	balances exist, existing extended school year programs may be eligible to apply for			
51	remaining funds.			
52	5. A school division that has been awarded an extended school year start-up grant, a year-			
53	round program start-up grant, or an extended year planning grant for the development of			
54	an extended year or a new year-round program may spend the awarded grant over two			
55	consecutive fiscal years.			

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1	6. a) Any such school division receiving funding from a Targeted Extended School Year grant				
2	shall provide an annual progress report to the Department of Education that evaluates end of				
3	year success of the extended year or year-round model implemented as compared to the prior				
4	school year performance as measured by an appropriate evaluation matrix no later than				
5	August 1 each year.				
6	b) The Department of Education shall develop such evaluation matrix that would be				
7	appropriate for a comprehensive evaluation for such models implemented. Further, the				
8	Department of Education is directed to submit the annual progress reports from the				
9	participating school divisions and an executive summary of the program's overall status and				
10	levels of measured success to the Chairmen of House Appropriations and Senate Finance				
11	Committees no later than October 1 each year.				
12	7. Any funds remaining in this paragraph following grant awards may be disbursed by the				
13	Department of Education as grants to school divisions to support innovative approaches to				
14	instructional delivery or school governance models.				
15	O. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
16	general fund is provided through grants or contracts for the cost of fees and financial				
17	incentives associated with hiring teachers in challenged schools. These funds may be used for				
18	grants or contracts awarded and expenses associated with supporting the Teach for America				
19	program. School divisions or their partners may apply for those funds through applications				
20	submitted to the Department of Education. Applications must be submitted to the Department				
21	of Education by September 1 each year. Within the fiscal year, any unobligated balance may				
22	be used for the Teacher Residency program.				
23	P. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the				
24	general fund is provided for the Accomack, Arlington, Chesterfield, Fairfax, Loudoun,				
25	Norfolk, Petersburg, Richmond City, and Wythe Public Schools to support expansion of a				
26	STEM model program for kindergarten and preschool students. Each developed model will				
27	focus on enhancing children's learning experiences through the arts.				
28	Q. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
29	general fund is provided for the Achievable Dream partnership with Newport News School				
30	Division. This funding is in lieu of a like amount from the Neighborhood Assistance Program				
31	Tax Credits for An Achievable Dream Middle and High School, Inc.				
32	R. Out of this appropriation, \$500,000 the first year and \$1,000,000 the second year from the				
33	general fund is provided for grants for teacher residency partnerships between university				
34	teacher preparation programs and the Petersburg, Norfolk, and Richmond City school				
35	divisions to help improve new teacher training and retention for hard-to-staff schools. The				
36	grants will support a site-specific residency model program for preparation, planning,				
37	development and implementation, including possible stipends in the program to attract				
38	qualified candidates and mentors. Applications must be submitted to the Department of				
39	Education by August 1 each year.				
40	S. Out of this appropriation, \$60,300 the first year and \$60,300 the second year from the				
41	general fund is provided to the Northern Neck Regional Technical Center to expand the				
42	workforce readiness education and industry based skills and certification development efforts				
43	supporting that region in the state. These funds support the Center's programs that serve high				
44	school students from the surrounding counties of Essex, Lancaster, Northumberland,				
45	Rappahannock, Westmoreland and Colonial Beach.				
46	T. Out of this appropriation, \$2,350,000 the first year and \$2,750,000 the second year from				
47	the general fund is provided to the Virginia Early Childhood Foundation.				
48	1. Of this amount, \$250,000 the first year and \$250,000 the second year is provided for				
49	general operations of the Foundation's grant program to strengthen the capacity of local				
50	communities to promote school readiness for young children through innovative regional				
51	partnerships.				
52	2. Of this amount, \$600,000 the first year and \$1,000,000 the second year is provided to				
53	operate a scholarship program to increase the skills of Virginia's early education workforce.				
54	3. Of this amount, \$1,500,000 the first year and \$1,500,000 the second year is provided to				

ITEM 138.	Item Details(\$)		Appropriations(\$)	
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1	pilot an initiative to promote public-private delivery of pre-kindergarten services to high-			
2	risk children and communities.			
3	4. Notwithstanding any provisions of § 22.1-199.6 or § 22.1-299, and in order to achieve			
4	the priorities of the Joint Subcommittee on Virginia Preschool Initiative for exploring the			
5	feasibility of and barriers to mixed delivery preschool systems in Virginia, recipients of a			
6	Mixed-Delivery Preschool grant shall be provided maximum flexibility within their			
7	respective pilot initiative in order to fully implement the associated goals and objectives of			
8	the pilot. Recipients of a Mixed-Delivery Preschool grant and divisions participating in			
9	such grant pilot activities shall be exempted from all regulatory and statutory provisions			
10	related to teacher licensure requirements and qualifications when paid by public funds			
11	within the confines of the Mixed-Delivery Preschool pilot initiative.			
12	In the case of new pilot grants awarded beginning in the second year, in addition to the			
13	provisions of § 22.1-199.6 E., grants shall be awarded to recipients that offer high quality			
14	preschool experience to participating enrolled at-risk four-year-old children.			
15	U. This appropriation includes \$500,000 the first year and \$500,000 the second year from			
16	the general fund to support ten competitive grants, not to exceed \$50,000 each, for			
17	planning the implementation of systemic High School Program Innovation by either			
18	individual school divisions or consortia of school divisions or implementing a plan for			
19	High School Program Innovation previously approved by the Department of Education.			
20	The local applicant(s) selected to conduct this systemic approach to high school reform, in			
21	consultation with the Department of Education, will develop and plan or implement			
22	innovative approaches to engage and to motivate students through personalized learning			
23	and instruction leading to demonstrated mastery of content, as well as skills development			
24	of career readiness. Essential elements of high school innovation include: (1) student			
25	centered learning, with progress based on student demonstrated proficiency; (2) 'real-			
26	world' connections that promote alignment with community work-force needs and			
27	emphasize transition to college and/or career; and (3) varying models for educator			
28	supports and staffing. Individual school divisions or consortia will be invited to apply on a			
29	competitive basis by submitting a grant application that includes descriptions of key			
30	elements of innovations, a detailed budget, expectations for outcomes and student			
31	achievement benefits, evaluation methods, and plans for sustainability. The Department of			
32	Education will make the final determination of which individual school divisions or			
33	consortia of divisions will receive the year-long planning grant for High School			
34	Innovation or a grant to implement a High School Program Innovation plan previously			
35	approved by the Department of Education. Any school division or consortium of divisions			
36	which desires to apply for this competitive grant must submit a proposal to the			
37	Department of Education by June 1 preceding the school year in which the planning or			
38	implementation for systemic high school innovation is to take place.			
39	V.1. Out of this appropriation, \$550,000 the first year and \$550,000 the second year from			
40	the general fund is provided to train new teachers in computer science and develop an in-			
41	state infrastructure for training existing teachers to teach computer science curricula.			
42	2. Northern Virginia Community College, in consultation with the Department of			
43	Education, shall contract in accordance with House Bill 1663 to develop, market, and			
44	implement high-quality and effective computer science training and professional			
45	development activities for public school teachers throughout the Commonwealth for the			
46	purpose of improving the computer science literacy of all public school students in the			
47	Commonwealth. Further, Northern Virginia Community College shall establish an			
48	advisory committee for the purpose of advising the college and its partner organization on			
49	the development, marketing, and implementation of training and professional development			
50	activities pursuant to House Bill 1663, subsection A. The Secretary of Commerce and			
51	Trade, the Secretary of Education, and the Secretary of Technology shall each submit to			
52	the college a list of names of qualified individuals, and the college shall appoint members			
53	to such advisory committee from such lists.			
54	W. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from			
55	the general fund is provided to support the Newport News Aviation Academy's four-year			
56	high school STEM program, which focuses on piloting, aircraft maintenance, engineering,			
57	computers, and electronics.			

ITEM 138.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	X.1. Out of this appropriation, \$15,000 the first year and \$15,000 the second year is provided				
2	for grants to school divisions of up to \$5,000 each to explore alternative teacher compensation				
3	approaches that move away from tenure-based step increases toward compensation systems				
4	based on teacher performance and student progress. Priority will be given to school divisions				
5	that have not previously explored alternative compensation approaches and have schools not				
6	achieving full accreditation, or that have high numbers of at-risk students needing qualified				
7	teachers in hard-to-staff subjects.				
8	Y. Out of this appropriation, \$100,000 the first year and \$200,000 the second year from the				
9	general fund is provided for STEM Competition Team Grants. Notwithstanding § 22.1-362,				
10	Code of Virginia, Paragraph B, grants may not exceed \$5,000 each.				
11	Z. Out of this appropriation, \$870,625 the first year and \$681,975 the second year from the				
12	general fund is provided to support a multi-platform STEM education engagement program				
13	and research study, via the Virginia Air & Space Center.				
14	AA. Out of this appropriation, \$350,000 the first year and \$350,000 the second year from the				
15	general fund is provided for executive leadership incentives in the Petersburg City Public				
16	Schools to strengthen the impact of division and school level executive leadership on student				
17	achievement in the school division. Such incentives may include, but not be limited to,				
18	supplements to locally funded salaries, deferred salary compensation, bonuses, housing and				
19	commuting supplements, and professional development supplements. The Department of				
20	Education shall provide such executive management incentive payments directly to the				
21	Petersburg City Public Schools accounts pursuant to a Memorandum of Understanding				
22	entered into between the Board of Education and the Petersburg City School Board. Such				
23	Agreement shall be approved by both parties by July 1, 2016, shall cover no less than both				
24	years of the biennium, and may be amended with the consent of both parties. Such Agreement				
25	shall include operational and student achievement metrics and include provisions for the				
26	achievement of such metrics as a condition of payment of the incentive funds by the				
27	Department of Education. The Department of Education shall provide updates on				
28	implementation of the Agreement to the Chairmen of the Senate Finance and House				
29	Appropriations Committees.				
30	BB. Out of this amount, \$300,000 the first year and \$300,000 the second year from the				
31	general fund shall be reserved for school divisions to partner with the Virginia Reading Corps				
32	program. The Virginia Reading Corps shall report annually to the school divisions and				
33	Department of Education on the outcomes of this program.				
34	CC. Out of this appropriation, \$50,000 in the second year from the general fund is provided				
35	for Chesterfield County Public Schools to partner and plan with Virginia State University for				
36	the continued development of a College Partnership Laboratory School in support of Ettrick				
37	Elementary School.				
38	DD. Out of this appropriation, \$175,000 is provided the second year from the general fund to				
39	establish a Career and Technical Education Vocational Laboratory pilot that will be located				
40	within the Virginia Aviation Academy located in the Newport News school division. This				
41	vocational-based lab will be developed and focused on advanced, augmented and virtual				
42	reality related education.				
43	139. State Education Assistance Programs (17800).....			\$6,459,942,658	\$6,733,290,559
44					\$6,728,174,733
45	Standards of Quality for Public Education (SOQ)				
46	(17801).....	\$5,761,863,096	\$5,962,735,008		
47			\$5,960,310,630		
48	Financial Incentive Programs for Public Education				
49	(17802).....	\$31,306,863	\$164,957,065		
50			\$111,375,310		
51	Financial Assistance for Categorical Programs				
52	(17803).....	\$58,191,555	\$59,102,697		
53			\$58,010,050		
54	Distribution of Lottery Funds (17805).....	\$608,581,144	\$546,495,789		
55			\$598,478,743		
56	Fund Sources: General.....	\$5,648,408,991	\$6,001,765,200		
57			\$5,944,951,420		

ITEM 139.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Special.....	\$895,000	\$895,000		
2	Commonwealth Transportation.....	\$2,310,000	\$2,385,000		
3			\$2,100,000		
4	Trust and Agency.....	\$808,328,667	\$728,245,359		
5			\$780,228,313		
6	Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section				
7	2, Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ 22.1-176 through				
8	22.1-198, 22.1-199.1, 22.1-199.2, 22.1-213 through 22.1-221, 22.1-227 through 22.1-237,				
9	22.1-253.13:1 through 22.1-253.13:8, 22.1-254.01, Code of Virginia; Title 51.1, Chapters				
10	1, 5, 6.2, 7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended;				
11	P.L. 94-142, as amended; P.L. 98-524, as amended, Federal Code.				
12	Financial Incentive Programs for Public Education (17802): §§ 22.1-24, 22.1-289.1				
13	through 22.1-318, Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended;				
14	P.L. 89-642, as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended,				
15	Federal Code.				
16	Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of				
17	1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-108, 22.1-199 through 22.1-				
18	212.2:2, 22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of				
19	Virginia; P.L. 89-10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended;				
20	P.L. 94-142, as amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as				
21	amended; P.L. 98-524, as amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73,				
22	as amended; P.L. 105-220, as amended, Federal Code.				
23	Distribution of Lottery Funds (17805): §§ 58.1-4022 and 58.1-4022.1, Code of Virginia				
24	Appropriation Detail of Education				
25	Assistance Programs (17800)				
26	Standards of Quality (17801)		FY 2017		FY 2018
27	Basic Aid		\$3,186,089,992		\$3,187,633,305
28					\$3,183,987,395
29	Sales Tax		\$1,347,400,000		\$1,377,942,000
30					\$1,379,600,000
31	Textbooks (split funded)		\$12,159,059		\$76,599,186
32					\$76,553,533
33	Vocational Education		\$52,314,746		\$52,236,389
34					\$52,171,294
35	Gifted Education		\$34,319,375		\$34,425,282
36					\$34,402,263
37	Special Education		\$382,103,771		\$382,857,839
38					\$382,617,870
39	Prevention, Intervention, and		\$113,782,747		\$113,821,446
40	Remediation				\$113,569,762
41	English as a Second Language (split		\$0		\$55,594,856
42	funded)				\$57,167,836
43	VRS Retirement (includes RHCC)		\$401,170,449		\$447,555,445
44					\$447,217,922
45	Social Security		\$194,571,030		\$195,042,985
46					\$194,895,531
47	Group Life		\$13,264,538		\$13,240,433
48					\$13,230,308
49	Remedial Summer School		\$24,687,389		\$25,785,842
50					\$23,836,129
51	Total		\$5,761,863,096		\$5,962,735,008
52					\$5,959,249,843

ITEM 139.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Incentive Programs (17802)				
2	Compensation Supplement		\$0	\$31,846,184	
3				\$31,728,026	
4	Governor's School	\$17,906,049		\$18,420,000	
5				\$18,360,067	
6	Governor's School Planning Grant - Career	\$100,000		\$0	
7	and Technical Education				
8	At-Risk Add-On (split funded)		\$0	\$76,080,851	
9				\$55,357,226	
10	Clinical Faculty	\$318,750		\$318,750	
11	Career Switcher Mentoring Grants	\$279,983		\$279,983	
12	Special Education Endorsement Program	\$550,000		\$437,186	
13	Special Education – Vocational Education	\$200,089		\$200,089	
14	Special Education - Regional Tuition (split		\$0	\$32,680,039	
15	funded)			\$0	
16	Virginia Workplace Readiness Skills	\$308,655		\$308,655	
17	Assessment				
18	Math/Reading Instructional Specialists	\$1,834,538		\$1,834,538	
19	Initiative				
20	Early Reading Specialists Initiative	\$1,476,790		\$1,476,790	
21	Breakfast After the Bell Incentive	\$1,074,000		\$1,074,000	
22	Small School Division Enrollment Loss	\$7,258,009		\$0	
23	Fund				
24	Total	\$31,306,863		\$164,957,065	
25				\$111,375,310	
26	Categorical Programs (17803)				
27	Adult Education	\$1,051,800		\$1,051,800	
28	Adult Literacy	\$2,480,000		\$2,480,000	
29	Virtual Virginia	\$5,355,808		\$5,425,808	
30	American Indian Treaty Commitment	\$38,282		\$37,691	
31				\$36,250	
32	School Lunch Program	\$5,801,932		\$5,801,932	
33	Special Education - Homebound	\$5,138,187		\$5,240,952	
34				\$5,031,473	
35	Special Education - Jails	\$3,420,695		\$3,476,490	
36	Special Education - State Operated	\$34,904,851		\$35,588,024	
37	Programs			\$34,706,297	
38	Total	\$58,191,555		\$59,102,697	
39				\$58,010,050	
40	Lottery (17805)				
41	Foster Care	\$9,198,359		\$9,595,565	
42				\$10,228,314	
43	At-Risk Add-On (split funded)	\$98,013,725		\$22,010,800	
44				\$42,389,648	
45	Virginia Preschool Initiative	\$69,351,713		\$70,950,500	
46				\$69,097,338	
47	Early Reading Intervention	\$20,057,840		\$20,098,089	
48				\$22,635,044	
49	Mentor Teacher	\$1,000,000		\$1,000,000	
50	K-3 Primary Class Size Reduction	\$123,321,155		\$128,583,847	
51				\$121,269,427	

ITEM 139.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	School Breakfast Program	\$4,887,179		\$5,492,229
2				\$5,722,214
3	SOL Algebra Readiness	\$12,968,589		\$12,775,341
4				\$12,828,757
5	Supplemental Lottery Per Pupil	\$36,581,531		\$191,267,718
6	Allocation			\$191,272,274
7	Regional Alternative Education	\$8,528,727		\$8,639,782
8				\$8,838,911
9	Individualized Student Alternative	\$2,247,581		\$2,247,581
10	Education Program (ISAEP)			
11	Special Education – Regional Tuition	\$84,678,643		\$54,898,940
12	(split funded)			\$92,162,325
13	Career and Technical Education –	\$12,400,829		\$12,400,829
14	Categorical			
15	Project Graduation	\$2,774,478		\$1,387,240
16				\$1,387,387
17	Race to GED (NCLB/EFAL)	\$2,410,988		\$2,410,988
18	Path to Industry Certification	\$1,831,464		\$1,831,464
19	(NCLB/EFAL)			
20	Supplemental Basic Aid	\$810,169		\$904,877
21				\$756,242
22	Textbooks (split funded)	\$64,250,653		\$0
23	English as a Second Language (split	\$53,267,521		\$0
24	funded)			
25	Total	\$608,581,144		\$546,495,789
26				\$598,478,743
27	Technology – VPSA	\$67,138,400		\$69,169,200
28				\$58,735,300
29	Security Equipment - VPSA	\$6,000,000		\$6,000,000
30	Payments out of the above amounts shall be subject to the following conditions:			
31	A. Definitions			
32	1. "March 31 Average Daily Membership," or "March 31 ADM" - The responsible school			
33	division's average daily membership for grades K-12 including (1) handicapped students			
34	ages 5-21 and (2) students for whom English is a second language who entered school for			
35	the first time after reaching their twelfth birthday, and who have not reached twenty-two			
36	years of age on or before August 1 of the school year, for the first seven (7) months (or			
37	equivalent period) of the school year through March 31 in which state funds are			
38	distributed from this appropriation. Preschool and postgraduate students shall not be			
39	included in March 31 ADM.			
40	a. School divisions shall take a count of September 30 fall membership and report this			
41	information to the Department of Education no later than October 15 of each year.			
42	b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to			
43	the Department of Education shall be calculated using March 31 ADM unadjusted for			
44	half-day kindergarten programs, estimated at 1,243,100.49 the first year and 1,248,935.53			
45	1,247,836.85 the second year. March 31 ADM for half-day kindergarten shall be adjusted			
46	at 85 percent.			
47	c. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home			
48	instruction pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a			
49	full-time basis in any mathematics, science, English, history, social science, vocational			
50	education, health education or physical education, fine arts or foreign language course, or			
51	receiving special education services required by a student's individualized education plan,			
52	shall be counted in the funded fall membership and March 31 ADM of the responsible			

ITEM 139.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	school division. Each course shall be counted as 0.25, up to a cap of 0.5 of a student.			
2	d. Students enrolled in an Individualized Student Alternative Education Program (ISAEP)			
3	pursuant to § 22.1-254 E shall be counted in the March 31 Average Daily Membership of the			
4	responsible school division. School divisions shall report these students separately in their			
5	March 31 reports of Average Daily Membership.			
6	2. "Standards of Quality" - Operations standards for grades kindergarten through 12 as			
7	prescribed by the Board of Education subject to revision by the General Assembly.			
8	3.a. "Basic Operation Cost" - The cost per pupil, including provision for the number of			
9	instructional personnel required by the Standards of Quality for each school division with a			
10	minimum ratio of 51 professional personnel for each 1,000 pupils or proportionate number			
11	thereof, in March 31 ADM for the same fiscal year for which the costs are computed, and			
12	including provision for driver, gifted, occupational-vocational, and special education, library			
13	materials and other teaching materials, teacher sick leave, general administration, division			
14	superintendents' salaries, free textbooks (including those for free and reduced price lunch			
15	pupils), school nurses, operation and maintenance of school plant, transportation of pupils,			
16	instructional television, professional and staff improvement, remedial work, fixed charges and			
17	other costs in programs not funded by other state and/or federal aid.			
18	b. The state and local shares of funding resulting from the support cost calculation for school			
19	nurses shall be specifically identified as such and reported to school divisions annually.			
20	School divisions may spend these funds for licensed school nurse positions employed by the			
21	school division or for licensed nurses contracted by the local school division to provide school			
22	health services.			
23	4.a. "Composite Index of Local Ability-to-Pay" - An index figure computed for each locality.			
24	The composite index is the sum of 2/3 of the index of wealth per pupil in unadjusted March			
25	31 ADM reported for the first seven (7) months of the 2013-2014 school year and 1/3 of the			
26	index of wealth per capita (population estimates for 2013 as determined by the Weldon			
27	Cooper Center for Public Service of the University of Virginia) multiplied by the local			
28	nominal share of the costs of the Standards of Quality of 0.45 in each year. The indices of			
29	wealth are determined by combining the following constituent index elements with the			
30	indicated weighting: (1) true values of real estate and public service corporations as reported			
31	by the State Department of Taxation for the calendar year 2013 - 50 percent; (2) adjusted			
32	gross income for the calendar year 2013 as reported by the State Department of Taxation - 40			
33	percent; (3) the sales for the calendar year 2013 which are subject to the state general sales			
34	and use tax, as reported by the State Department of Taxation - 10 percent. Each constituent			
35	index element for a locality is its sum per March 31 ADM, or per capita, expressed as a			
36	percentage of the state average per March 31 ADM, or per capita, for the same element. A			
37	locality whose composite index exceeds 0.8000 shall be considered as having an index of			
38	0.8000 for purposes of distributing all payments based on the composite index of local ability-			
39	to-pay. Each constituent index element for a locality used to determine the composite index of			
40	local ability-to-pay for the current biennium shall be the latest available data for the specified			
41	official base year provided to the Department of Education by the responsible source agencies			
42	no later than November 15, 2015.			
43	b. For any locality whose total calendar year 2013 Virginia Adjusted Gross Income is			
44	comprised of at least 3 percent or more by nonresidents of Virginia, such nonresident income			
45	shall be excluded in computing the composite index of ability-to-pay. The Department of			
46	Education shall compute the composite index for such localities by using adjusted gross			
47	income data which exclude nonresident income, but shall not adjust the composite index of			
48	any other localities. The Department of Taxation shall furnish to the Department of Education			
49	such data as are necessary to implement this provision.			
50	c.1) Notwithstanding the funding provisions in § 22.1-25 D, Code of Virginia, additional state			
51	funding for future consolidations shall be as set forth in future Appropriation Acts.			
52	2) In the case of the consolidation of Clifton Forge and Alleghany County school divisions,			
53	the fifteen year period for the application of a new composite index shall apply beginning			
54	with the fiscal year that starts on July 1, 2004. The composite index established by the Board			
55	of Education shall equal the lowest composite index that was in effect prior to July 1, 2004, of			
56	any individual localities involved in such consolidation, and this index shall remain in effect			

ITEM 139.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	for a period of fifteen years, unless a lower composite index is calculated for the combined			
2	division through the process for computing an index as set forth above.			
3	3) If the composite index of a consolidated school division is reduced during the course of			
4	the fifteen year period to a level that would entitle the school division to a lower interest			
5	rate for a Literary Fund loan than it received when the loan was originally released, the			
6	Board of Education shall reduce the interest rate of such loan for the remainder of the			
7	period of the loan. Such reduction shall be based on the interest rate that would apply at			
8	the time of such adjustment. This rate shall remain in effect for the duration of the loan			
9	and shall apply only to those years remaining to be paid.			
10	4) In the case of the consolidation of Bedford County and Bedford City school divisions,			
11	the fifteen year period for the application of a new composite shall apply beginning with			
12	the fiscal year that starts on July 1, 2013. The composite index established by the Board of			
13	Education shall equal the lowest composite index that was in effect prior to July 1, 2013,			
14	of any individual localities involved in such consolidation, and this index shall remain in			
15	effect for a period of fifteen years, unless a lower composite index is calculated for the			
16	combined division through the process for computing an index as set forth above.			
17	d. When it is determined that a substantial error exists in a constituent index element, the			
18	Department of Education will make adjustments in funding for the current school year			
19	only in the division where the error occurred, <i>except in the case of Roanoke County for the</i>			
20	<i>2017-2018 school year.</i> The composite index of any other locality shall not be changed as			
21	a result of the adjustment. No adjustment during the biennium will be made as a result of			
22	updating of data used in a constituent index element.			
23	e. In the event that any school division consolidates two or more small schools, the			
24	division shall continue to receive Standards of Quality funding and provide for the			
25	required local expenditure for a period of five years as if the schools had not been			
26	consolidated. Small schools are defined as any elementary, middle, or high school with			
27	enrollment below 200, 300 and 400 students, respectively.			
28	5. "Required Local Expenditure for the Standards of Quality" - The locality's share based			
29	on the composite index of local ability-to-pay of the cost required by all the Standards of			
30	Quality minus its estimated revenues from the state sales and use tax dedicated to public			
31	education and those sales tax revenues transferred to the general fund from the Public			
32	Education Standards of Quality/Local Real Estate Property Tax Relief Fund and			
33	appropriated in this Item, both of which are returned on the basis of the latest yearly			
34	estimate of school age population provided by the Weldon Cooper Center for Public			
35	Service, as specified in this Item, collected by the Department of Education and			
36	distributed to school divisions in the fiscal year in which the school year begins.			
37	6. "Required Local Match" - The locality's required share of program cost based on the			
38	composite index of local ability-to-pay for all Lottery and Incentive programs, where			
39	required, in which the school division has elected to participate in a fiscal year.			
40	7. "Planning District Eight" - The nine localities which comprise Planning District Eight			
41	are Arlington County, Fairfax County, Loudoun County, Prince William County,			
42	Alexandria City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City.			
43	8. "State Share of the Standards of Quality" - The state share of the Standards of Quality			
44	(SOQ) shall be equal to the total funded SOQ cost for a school division less the school			
45	division's estimated revenues from the state sales and use tax dedicated to public education			
46	based on the latest yearly estimate of school age population provided by the Weldon			
47	Cooper Center for Public Service, adjusted for the state's share of the composite index of			
48	local ability to pay.			
49	9. Entitlements under this Item that use school-level or division-level Free Lunch			
50	eligibility percentages to determine the entitlement amounts are based on the most recent			
51	data available as of the biennial rebenchmarking calculations made for the current			
52	biennium. However, October 2013 Free Lunch eligibility data is used in the case of			
53	schools that participate in the Community Eligibility Provision program.			
54	10. In the event that the general fund appropriations in this Item are not sufficient to meet			

ITEM 139.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	the entitlements payable to school divisions pursuant to the provisions of this Item, the			
2	Department of Education is authorized to transfer any available general fund funds between			
3	these Items to address such insufficiencies. If the total general fund appropriations after such			
4	transfers remain insufficient to meet the entitlements of any program funded with general			
5	fund dollars, the Department of Education is authorized to prorate such shortfall			
6	proportionately across all of the school divisions participating in any program where such			
7	shortfall occurred. In addition, the Department of Education is authorized each year to			
8	temporarily suspend textbook payments made to school divisions from Lottery funds to			
9	ensure that any shortfall in Lottery revenue can be accounted for in the remaining textbook			
10	payments to be made for the year.			
11	11. The Department of Education is directed to apply a cap on inflation rates in the same			
12	manner prescribed in § 51.1-166.B, Code of Virginia, when updating funding to school			
13	divisions during the biennial rebenchmarking process.			
14	12. Notwithstanding any other provision in statute or in this Item, the Department of			
15	Education is directed to combine the end-of-year Average Daily Membership (ADM) for			
16	those school divisions who have partnered together as a fiscal agent division and a contractual			
17	division for the purposes of calculating prevailing costs included in the Standards of Quality			
18	(SOQ).			
19	13. Notwithstanding any other provision in statute or in this Item, the Department of			
20	Education is directed to include zeroes in the linear weighted average calculation of support			
21	non-personal costs for the purpose of calculating prevailing costs included in the Standards of			
22	Quality (SOQ).			
23	14. Notwithstanding any other provision in statute or in this Item, the Department of			
24	Education is directed to eliminate the corresponding and appropriate object code(s) related to			
25	reported travel expenditures included the linear weighted average non-personal cost			
26	calculations for the purpose of calculating prevailing costs included in the Standards of			
27	Quality (SOQ).			
28	15. Notwithstanding any other provision in statute or in this Item, the Department of			
29	Education is directed to eliminate the corresponding and appropriate object code(s) related to			
30	reported leases and rental and facility expenditures included the linear weighted average non-			
31	personal cost calculations for the purpose of calculating prevailing costs included in the			
32	Standards of Quality (SOQ).			
33	16. Notwithstanding any other provision in statute or in this Item, the Department of			
34	Education is directed to fund transportation costs using a 15 year replacement schedule, which			
35	is the national standard guideline, for school bus replacement schedule for the purpose of			
36	calculating funded transportation costs included in the Standards of Quality (SOQ).			
37	17. To provide temporary flexibility, notwithstanding any other provision in statute or in this			
38	Item, school divisions may elect to increase the teacher to pupil staffing ratios in kindergarten			
39	through grade 7 and English classes for grades 6 through twelve by one additional student; the			
40	teacher to pupil staffing ratio requirements for Elementary Resource teachers, Prevention,			
41	Intervention and Remediation, English as a Second Language, Gifted and Talented, Career			
42	and Technical funded programs (other than on Career and Technical courses where school			
43	divisions will have to maintain a maximum class size based on federal Occupational Safety &			
44	Health Administration safety requirements) are waived; and the instructional and support			
45	technology positions, librarians and guidance counselors staffing ratios for new hires are			
46	waived.			
47	18. To provide additional flexibility, notwithstanding the provisions of § 22.1-79.1, Code of			
48	Virginia, any school division that was granted a waiver regarding the opening date of the			
49	school year for the 2011-12 school year under the good cause requirements shall continue to			
50	be granted a waiver for the 2016-17 school year and the 2017-2018 school year.			
51	B. General Conditions			
52	1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for			
53	instructional staff members to the employer's cost for a number not exceeding the number of			
54	instructional positions required by the Standards of Quality for each school division and for			

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1	their salaries at the statewide prevailing salary levels as printed below.			
2	Instructional Position	First Year Salary	Second Year Salary	
3	Elementary Teachers	\$47,185	\$47,185	
4	Elementary Assistant Principals	\$67,119	\$67,119	
5	Elementary Principals	\$82,846	\$82,846	
6	Secondary Teachers	\$49,744	\$49,744	
7	Secondary Assistant Principals	\$72,057	\$72,057	
8	Secondary Principals	\$92,041	\$92,041	
9	Instructional Aides	\$17,108	\$17,108	
10	a.1) Payment by the state to a local school division shall be based on the state share of			
11	fringe benefit costs of 55 percent of the employer's cost distributed on the basis of the			
12	composite index.			
13	2) A locality whose composite index exceeds 0.8000 shall be considered as having an			
14	index of 0.8000 for purposes of distributing fringe benefit funds under this provision.			
15	3) The state payment to each school division for retirement, social security, and group life			
16	insurance costs for non-instructional personnel is included in and distributed through			
17	Basic Aid.			
18	b. Payments to school divisions from this Item shall be calculated using March 31			
19	Average Daily Membership adjusted for half-day kindergarten programs.			
20	c. Payments for health insurance fringe benefits are included in and distributed through			
21	Basic Aid.			
22	2. Each locality shall offer a school program for all its eligible pupils which is acceptable			
23	to the Department of Education as conforming to the Standards of Quality program			
24	requirements.			
25	3. In the event the statewide number of pupils in March 31 ADM results in a state share of			
26	cost exceeding the general fund appropriation in this Item, the locality's state share of			
27	Basic Aid shall be reduced proportionately so that this general fund appropriation will not			
28	be exceeded. In addition, the required local share of Basic Aid shall also be reduced			
29	proportionately to the reduction in the state's share.			
30	4. The Department of Education shall make equitable adjustments in the computation of			
31	indices of wealth and in other state-funded accounts for localities affected by annexation,			
32	unless a court of competent jurisdiction makes such adjustments. However, only the			
33	indices of wealth and other state-funded accounts of localities party to the annexation will			
34	be adjusted.			
35	5. In the event that the actual revenues from the state sales and use tax dedicated to public			
36	education and those sales tax revenues transferred to the general fund from the Public			
37	Education Standards of Quality/Local Real Estate Property Tax Relief Fund and			
38	appropriated in this Item (both of which are returned on the basis of the latest yearly			
39	estimate of school age population provided by the Weldon Cooper Center for Public			
40	Service) for sales in the fiscal year in which the school year begins are different from the			
41	number estimated as the basis for this appropriation, the estimated state sales and use tax			
42	revenues shall not be adjusted.			
43	6. This appropriation shall be apportioned to the public schools with guidelines established			
44	by the Department of Education consistent with legislative intent as expressed in this act.			
45	7.a. Appropriations of state funds in this Item include the number of positions required by			
46	the Standards of Quality. This Item includes a minimum of 51 professional instructional			
47	positions and aide positions (C 5); Education of the Gifted, 1.0 professional instructional			
48	position (C 6); Occupational-Vocational Education Payments and Special Education			
49	Payments; a minimum of 6.0 professional instructional positions and aide positions (C 7			
50	and C 8) for each 1,000 pupils in March 31 ADM each year in support of the current			
51	Standards of Quality. Funding in support of one hour of additional instruction per day			

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1	based on the percent of students eligible for the federal free lunch program with a pupil-			
2	teacher ratio range of 18:1 to 10:1, depending upon a school division's combined failure rate			
3	on the English and Math Standards of Learning, is included in Remedial Education Payments			
4	(C 9).			
5	b. No actions provided in this section signify any intent of the General Assembly to mandate			
6	an increase in the number of instructional personnel per 1,000 students above the numbers			
7	explicitly stated in the preceding paragraph.			
8	c. Appropriations in this Item include programs supported in part by transfers to the general			
9	fund from the Public Education Standards of Quality/Local Real Estate Property Tax Relief			
10	Fund pursuant to Part 3 of this Act. These transfers combined together with other			
11	appropriations from the general fund in this Item funds the state's share of the following			
12	revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of Assembly			
13	of 2004: five elementary resource teachers per 1,000 students; one support technology			
14	position per 1,000 students; one instructional technology position per 1,000 students; and a			
15	full daily planning period for teachers at the middle and high school levels in order to relieve			
16	the financial pressure these education programs place on local real estate taxes.			
17	d. To provide flexibility, school divisions may use the state and local funds for instructional			
18	technology resource teachers required by the Standards of Quality to employ a data			
19	coordinator position, an instructional technology resource teacher position, or a data			
20	coordinator/instructional resource teacher blended position. The data coordinator position is			
21	intended to serve as a resource to principals and classroom teachers in the area of data			
22	analysis and interpretation for instructional and school improvement purposes, as well as for			
23	overall data management and administration of state assessments. School divisions using			
24	these SOQ funds in this manner shall only employ instructional personnel licensed by the			
25	Board of Education.			
26	e. To provide flexibility in the provision of reading intervention services, school divisions			
27	may use the state Early Reading Intervention initiative funding provided from the Lottery			
28	Proceeds Fund and the required local matching funds to employ reading specialists to provide			
29	the required reading intervention services. School divisions using the Early Reading			
30	Intervention Initiative funds in this manner shall only employ instructional personnel licensed			
31	by the Board of Education.			
32	f. To provide flexibility in the provision of mathematics intervention services, school			
33	divisions may use the state Standards of Learning Algebra Readiness initiative funding			
34	provided from the Lottery Proceeds Fund and the required local matching funds to employ			
35	mathematics teacher specialists to provide the required mathematics intervention services.			
36	School divisions using the Standards of Learning Algebra Readiness initiative funding in this			
37	manner shall only employ instructional personnel licensed by the Board of Education.			
38	8.a.1) Pursuant to § 22.1-97, Code of Virginia, the Department of Education is required to			
39	make calculations at the start of the school year to ensure that school divisions have			
40	appropriated adequate funds to support their estimated required local expenditure for the			
41	corresponding state fiscal year. In an effort to reduce the administrative burden on school			
42	divisions resulting from state data collections, such as the one needed to make the			
43	aforementioned calculations, the requirements of § 22.1-97, Code of Virginia, pertaining to			
44	the adequacy of estimated required local expenditures, shall be satisfied by signed			
45	certification by each division superintendent at the beginning of each school year that			
46	sufficient local funds have been budgeted to meet all state required local effort and required			
47	local match amounts. This provision shall only apply to calculations required of the			
48	Department of Education related to estimated required local expenditures and shall not pertain			
49	to the calculations associated with actual required local expenditures after the close of the			
50	school year.			
51	2) The Department of Education shall also make calculations after the close of the school year			
52	to verify that the required local effort level, based on actual March 31 Average Daily			
53	Membership, was met. Pursuant to § 22.1-97, Code of Virginia, the Department of Education			
54	shall report annually, no later than the first day of the General Assembly session, to the House			
55	Committees on Education and Appropriations and the Senate Committees on Finance and			
56	Education and Health, the results of such calculations made after the close of the school year			
57	and the degree to which each school division has met, failed to meet, or surpassed its required			

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1	local expenditure. The Department of Education shall specify the calculations to			
2	determine if a school division has expended its required local expenditure for the			
3	Standards of Quality. This calculation may include but is not limited to the following			
4	calculations:			
5	b. The total expenditures for operation, defined as total expenditures less all capital			
6	outlays, expenditures for debt service, facilities, non-regular day school programs (such as			
7	adult education, preschool, and non-local education programs), and any transfers to			
8	regional programs will be calculated.			
9	c. The following state funds will be deducted from the amount calculated in paragraph a.			
10	above: revenues from the state sales and use tax (returned on the basis of the latest yearly			
11	estimate of school age population provided by the Weldon Cooper Center for Public			
12	Service, as specified in this Item) for sales in the fiscal year in which the school year			
13	begins; total receipts from state funds (except state funds for non-regular day school			
14	programs and state funds used for capital or debt service purposes); and the state share of			
15	any balances carried forward from the previous fiscal year. Any qualifying state funds that			
16	remain unspent at the end of the fiscal year will be added to the amount calculated in			
17	paragraph a. above.			
18	d. Federal funds, and any federal funds carried forward from the previous fiscal year, will			
19	also be deducted from the amount calculated in paragraph a. above. Any federal funds that			
20	remain unspent at the end of the fiscal year and any capital expenditures paid from federal			
21	funds will be added to the amount calculated in paragraph a. above.			
22	e. Tuition receipts, receipts from payments from other cities or counties, and fund			
23	transfers will also be deducted from the amount calculated in paragraph a, then			
24	f. The final amount calculated as described above must be equal to or greater than the			
25	required local expenditure defined in paragraph A. 5.			
26	g. The Department of Education shall collect the data necessary to perform the			
27	calculations of required local expenditure as required by this section.			
28	h. A locality whose expenditure in fact exceeds the required amount from local funds may			
29	not reduce its expenditures unless it first complies with all of the Standards of Quality.			
30	9.a. Any required local matching funds which a locality, as of the end of a school year, has			
31	not expended, pursuant to this Item, for the Standards of Quality shall be paid by the			
32	locality into the general fund of the state treasury. Such payments shall be made not later			
33	than the end of the school year following that in which the under expenditure occurs.			
34	b. Whenever the Department of Education has recovered funds as defined in the preceding			
35	paragraph a., the Secretary of Education is authorized to repay to the locality affected by			
36	that action, seventy-five percent (75%) of those funds upon his determination that:			
37	1) The local school board agrees to include the funds in its June 30 ending balance for the			
38	year following that in which the under expenditure occurs;			
39	2) The local governing body agrees to reappropriate the funds as a supplemental			
40	appropriation to the approved budget for the second year following that in which the under			
41	expenditure occurs, in an appropriate category as requested by the local school board, for			
42	the direct benefit of the students;			
43	3) The local school board agrees to expend these funds, over and above the funds required			
44	to meet the required local expenditure for the second year following that in which the			
45	under expenditure occurs, for a special project, the details of which must be furnished to			
46	the Department of Education for review and approval;			
47	4) The local school board agrees to submit quarterly reports to the Department of			
48	Education on the use of funds provided through this project award; and			
49	5) The local governing body and the local school board agree that the project award will			
50	be cancelled and the funds withdrawn if the above conditions have not been met as of June			
51	30 of the second year following that in which the under expenditure occurs.			

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1	c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum sufficient,				
2	not to exceed 75 percent of the funds deposited in the general fund pursuant to the preceding				
3	paragraph a.				
4	10. The Department of Education shall specify the manner for collecting the required				
5	information and the method for determining if a school division has expended the local funds				
6	required to support the actual local match based on all Lottery and Incentive programs in				
7	which the school division has elected to participate. Unless specifically stated otherwise in				
8	this Item, school divisions electing to participate in any Lottery or Incentive program that				
9	requires a local funding match in order to receive state funding, shall certify to the				
10	Department of Education its intent to participate in each program by July 1 each fiscal year in				
11	a manner prescribed by the Department of Education. As part of this certification process,				
12	each division superintendent must also certify that adequate local funds have been				
13	appropriated, above the required local effort for the Standards of Quality, to support the				
14	projected required local match based on the Lottery and Incentive programs in which the				
15	school division has elected to participate. State funding for such program(s) shall not be made				
16	until such time that the school division can certify that sufficient local funding has been				
17	appropriated to meet required local match. The Department of Education shall make				
18	calculations after the close of the fiscal year to verify that the required local match was met				
19	based on the state funds that were received.				
20	11. Any sum of local matching funds for Lottery and Incentive program which a locality has				
21	not expended as of the end of a fiscal year in support of the required local match pursuant to				
22	this Item shall be paid by the locality into the general fund of the state treasury unless the				
23	carryover of those unspent funds is specifically permitted by other provisions of this act. Such				
24	payments shall be made no later than the end of the school year following that in which the				
25	under expenditure occurred.				
26	12. The Superintendent of Public Instruction shall provide a report annually, no later than the				
27	first day of the General Assembly session, on the status of teacher salaries, by local school				
28	division, to the Governor and the Chairmen of the Senate Finance and House Appropriations				
29	Committees. In addition to information on average salaries by school division and statewide				
30	comparisons with other states, the report shall also include information on starting salaries by				
31	school division and average teacher salaries by school.				
32	13. All state and local matching funds required by the programs in this Item shall be				
33	appropriated to the budget of the local school board.				
34	14. By November 15 of each year, the Department of Planning and Budget, in cooperation				
35	with the Department of Education, shall prepare and submit a preliminary forecast of				
36	Standards of Quality expenditures, based upon the most current data available, to the				
37	Chairmen of the House Appropriations and Senate Finance Committees. In odd-numbered				
38	years, the forecast for the current and subsequent two fiscal years shall be provided. In even-				
39	numbered years, the forecast for the current and subsequent fiscal year shall be provided. The				
40	forecast shall detail the projected March 31 Average Daily Membership and the resulting				
41	impact on the education budget.				
42	15. School divisions may choose to use state payments provided for Standards of Quality				
43	Prevention, Intervention, and Remediation in both years as a block grant for remediation				
44	purposes, without restrictions or reporting requirements, other than reporting necessary as a				
45	basis for determining funding for the program.				
46	16. Except as otherwise provided in this act, the Superintendent of Public Instruction shall				
47	provide guidelines for the distribution and expenditure of general fund appropriations and				
48	such additional federal, private and other funds as may be made available to aid in the				
49	establishment and maintenance of the public schools.				
50	17. At the Department of Education's option, fees for audio-visual services may be deducted				
51	from state Basic Aid payments for individual local school divisions.				
52	18. For distributions not otherwise specified, the Department of Education, at its option, may				
53	use prior year data to calculate actual disbursements to individual localities.				
54	19. Payments for accounts related to the Standards of Quality made to localities for public				

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1	education from the general fund, as provided herein, shall be payable in twenty-four semi-			
2	monthly installments at the middle and end of each month.			
3	20. Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the			
4	Department of Education shall, for purposes of calculating the state and local shares of the			
5	Standards of Quality, apportion state sales and use tax dedicated to public education and			
6	those sales tax revenues transferred to the general fund from the Public Education			
7	Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based			
8	on the July 1, 2014, estimate of school age population provided by the Weldon Cooper			
9	Center for Public Service and, in the second year, based on the July 1, 2015, estimate of			
10	school age population provided by the Weldon Cooper Center for Public Service.			
11	Notwithstanding § 58.1-638 D., Code of Virginia, and other language in this Item, the			
12	State Comptroller shall distribute the state sales and use tax revenues dedicated to public			
13	education and those sales tax revenues transferred to the general fund from the Public			
14	Education Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first			
15	year based on the July 1, 2014, estimate of school age population provided by the Weldon			
16	Cooper Center for Public Service and, in the second year, based on the July 1, 2015,			
17	estimate of school age population provided by the Weldon Cooper Center for Public			
18	Service.			
19	21. The school divisions within the Tobacco Region, as defined by the Tobacco			
20	Indemnification and Community Revitalization Commission, shall jointly explore ways to			
21	maximize their collective expenditure reimbursement totals for all eligible E-Rate funding.			
22	22. This Item includes appropriations totaling an estimated \$608,581,144 the first year and			
23	\$546,495,789 \$598,478,743 the second year from the revenues deposited to the Lottery			
24	Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and			
25	towns to support public education programs pursuant to Article X, Section 7-A			
26	Constitution of Virginia. Any county, city, or town which accepts a distribution from this			
27	fund shall provide its portion of the cost of maintaining an educational program meeting			
28	the Standards of Quality pursuant to Section 2 of Article VIII of the Constitution without			
29	the use of distributions from the fund.			
30	23. For reporting purposes, the Department of Education shall include Lottery Proceeds			
31	Funds as state funds.			
32	24.a. Any locality that has met its required local effort for the Standards of Quality			
33	accounts for FY 2017 and that has met its required local match for incentive or Lottery-			
34	funded programs in which the locality elected to participate in FY 2017 may carry over			
35	into FY 2018 any remaining state Direct Aid to Public Education fund balances available			
36	to help minimize any FY 2018 revenue adjustments that may occur in state funding to that			
37	locality. Localities electing to carry forward such unspent state funds must appropriate the			
38	funds to the school division for expenditure in FY 2018.			
39	b. Any locality that has met its required local effort for the Standards of Quality accounts			
40	for FY 2018 and that has met its required local match for incentive or Lottery-funded			
41	programs in which the locality elected to participate in FY 2018 may carry over into FY			
42	2019 any remaining state Direct Aid to Public Education fund balances available to help			
43	minimize any FY 2019 revenue adjustments that may occur in state funding to that			
44	locality. Localities electing to carry forward such unspent state funds must appropriate the			
45	funds to the school division for expenditure in FY 2019.			
46	25. Localities are encouraged to allow school boards to carry over any unspent local			
47	allocations into the next fiscal year. Localities are also encouraged to provide increased			
48	flexibility to school boards by appropriating state and local funds for public education in a			
49	lump sum.			
50	26. The Department of Education shall include in the annual School Performance Report			
51	Card for school divisions the percentage of each division's annual operating budget			
52	allocated to instructional costs. For this report, the Department of Education shall establish			
53	a methodology for allocating each school division's expenditures to instructional and non-			
54	instructional costs in a manner that is consistent with the funding of the Standards of			
55	Quality as approved by the General Assembly.			

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1	27. It is the intent of the General Assembly that all school divisions annually provide their				
2	employees, upon request, with a user-friendly statement of total compensation, including				
3	contract duration if less than 12 months.				
4	28. The Department of Education, in collaboration with the Virginia Community College				
5	System, will ensure that the same policies regarding the cost for dual enrollment courses held				
6	at a community college, are consistently applied to public school students and home-schooled				
7	students alike. These policies will clearly address the school division contributions and any				
8	student charges for dual enrollment courses, and will ensure that public school students and				
9	home-school students are treated in the same manner.				
10	C. Apportionment				
11	1. Subject to the conditions stated in this paragraph and in paragraph B of this Item, each				
12	locality shall receive sums as listed above within this program for the basic operation cost and				
13	payments in addition to that cost. The apportionment herein directed shall be inclusive of, and				
14	without further payment by reason of, state funds for library and other teaching materials.				
15	2. School Employee Retirement Contributions				
16	a. This Item provides funds to each local school board for the state share of the employer's				
17	retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer to				
18	the retirement allowance account as provided by Title 51.1, Chapter 1, Code of Virginia.				
19	b. Notwithstanding § 51.1-1401, Code of Virginia, the Commonwealth shall provide				
20	payments for only the state share of the Standards of Quality fringe benefit cost of the retiree				
21	health care credit. This Item includes payments in both years based on the state share of fringe				
22	benefit costs of 55 percent of the employer's cost on funded Standards of Quality instructional				
23	positions, distributed based on the composite index of the local ability-to-pay.				
24	3. School Employee Social Security Contributions				
25	a. This Item provides funds to each local school board for the state share of the employer's				
26	Social Security cost incurred by it, on behalf of the instructional personnel for subsequent				
27	transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia.				
28	b. Appropriations for contributions in paragraphs 2 and 3 above include payments from funds				
29	derived from the principal of the Literary Fund in accordance with Article VIII, Section 8, of				
30	the Constitution of Virginia. The amounts set aside from the Literary Fund for these purposes				
31	shall not exceed \$199,347,523 the first year and \$181,349,570 the second year.				
32	4. School Employee Insurance Contributions				
33	This Item provides funds to each local school board for the state share of the employer's				
34	Group Life Insurance cost incurred by it on behalf of instructional personnel who participate				
35	in group insurance under the provisions of Title 51.1, Chapter 5, Code of Virginia.				
36	5. Basic Aid Payments				
37	a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is				
38	established individually for each local school division based on the number of instructional				
39	personnel required by the Standards of Quality and the statewide prevailing salary levels				
40	(adjusted in Planning District Eight for the cost of competing) as well as recognized support				
41	costs calculated on a prevailing basis for an estimated March 31 ADM.				
42	2) This appropriation includes funding to recognize the common labor market in the				
43	Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area.				
44	Standards of Quality salary payments for instructional and support positions in school				
45	divisions of the localities set out below have been adjusted for the equivalent portion of the				
46	Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in				
47	Planning District Eight. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren,				
48	Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments				
49	for instructional and support positions have been increased by 25 percent each year of the				
50	COCA rates paid to school divisions in Planning District Eight.				
51	The support COCA rate is 10.6 percent.				

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1	b. The state share for a locality shall be equal to the Basic Operation Cost for that locality			
2	less the locality's estimated revenues from the state sales and use tax (returned on the basis			
3	of the latest yearly estimate of school age population provided by the Weldon Cooper			
4	Center for Public Service, as specified in this Item), in the fiscal year in which the school			
5	year begins and less the required local expenditure.			
6	c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use			
7	tax estimates are as cited in this Item.			
8	d. 1) In accordance with the provisions of § 37.2-713, Code of Virginia, the Department of			
9	Education shall deduct the locality's share for the education of handicapped pupils residing			
10	in institutions within the Department of Behavioral Health and Developmental Services			
11	from the locality's Basic Aid payments.			
12	2) The amounts deducted from Basic Aid for the education of intellectually disabled			
13	persons shall be transferred to the Department of Behavioral Health and Developmental			
14	Services in support of the cost of educating such persons; the amount deducted from Basic			
15	Aid for the education of emotionally disturbed persons shall be used to cover			
16	extraordinary expenses incurred in the education of such persons. The Department of			
17	Education shall establish guidelines to implement these provisions and shall provide for			
18	the periodic transfer of sums due from each local school division to the Department of			
19	Behavioral Health and Developmental Services and for Special Education categorical			
20	payments. The amount of the actual transfers will be based on data accumulated during the			
21	prior school year.			
22	e. 1) The apportionment to localities of all driver education revenues received during the			
23	school year shall be made as an undesignated component of the state share of Basic Aid in			
24	accordance with the provisions of this Item. Only school divisions complying with the			
25	standardized program established by the Board of Education shall be entitled to participate			
26	in the distribution of state funds appropriated for driver education. The Department of			
27	Education will deduct a designated amount per pupil from a school division's Basic Aid			
28	payment when the school division is not in compliance with § 22.1-205 C, Code of			
29	Virginia. Such amount will be computed by dividing the current appropriation for the			
30	Driver Education Fund by actual March 31 ADM.			
31	2) Local school boards may charge a per pupil fee for behind-the-wheel driver education			
32	provided, however, that the fee charged plus the per pupil basic aid reimbursement for			
33	driver education shall not exceed the actual average per pupil cost. Such fees shall not be			
34	cause for a pro rata reduction in Basic Aid payments to school divisions.			
35	f. Textbooks			
36	1) The appropriation in this Item includes \$12,159,059 the first year and \$76,599,186			
37	\$76,553,533 the second year from the general fund and \$64,250,653 the first year from the			
38	Lottery Proceeds Fund as the state's share of the cost of textbooks based on a per pupil			
39	amount of \$109.78 the first year and \$109.78 the second year. A school division shall			
40	appropriate these funds for textbooks or any other public education instructional			
41	expenditure by the school division. The state's distributions for textbooks shall be based			
42	on adjusted March 31 ADM. These funds shall be matched by the local government, based			
43	on the composite index of local ability-to-pay.			
44	2) School divisions shall provide free textbooks to all students.			
45	3) School divisions may use a portion of this funding to purchase Standards of Learning			
46	instructional materials. School divisions may also use these funds to purchase electronic			
47	textbooks or other electronic media resources integral to the curriculum and classroom			
48	instruction and the technical equipment required to read and access the electronic			
49	textbooks and electronic curriculum materials.			
50	4) Any funds provided to school divisions for textbook costs that are unexpended as of			
51	June 30, 2017, or June 30, 2018, shall be carried on the books of the locality to be			
52	appropriated to the school division the following year to be used for same purpose. School			
53	divisions are permitted to carry forward any remaining balance of textbook funds until the			
54	funds are expensed for a qualifying purpose.			

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1	g. The one-cent state sales and use tax earmarked for education and the sales tax revenues				
2	transferred to the general fund from the Public Education Standards of Quality/Local Real				
3	Estate Property Tax Relief Fund and appropriated in this Item which are distributed to				
4	localities on the basis of the latest yearly estimate of school age population provided by the				
5	Weldon Cooper Center for Public Service as specified in this Item shall be reflected in each				
6	locality's annual budget for educational purposes as a separate revenue source for the current				
7	fiscal year.				
8	h. The appropriation for the Standards of Quality for Public Education (SOQ) includes				
9	amounts estimated at \$365,400,000 the first year and \$374,280,780 \$379,100,000 the second				
10	year from the amounts transferred to the general fund from the Public Education Standards of				
11	Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this act which are				
12	derived from the 0.375 cent increase in the state sales and use tax levied pursuant to § 58.1-				
13	638, Code of Virginia. These additional funds are provided to local school divisions and local				
14	governments in order to relieve the financial pressure education programs place on local real				
15	estate taxes.				
16	i. From the total amounts in paragraph h. above, an amount estimated at \$243,600,000 the				
17	first year and \$249,487,190 \$252,700,000 the second year (approximately 1/4 cent of sales				
18	and use tax) is appropriated to support a portion of the cost of the state's share of the				
19	following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the Acts of				
20	Assembly of 2004: five elementary resource teachers per 1,000 students; one support and one				
21	instructional technology position per 1,000 students; a full daily planning period for teachers				
22	at the middle and high school levels in order to relieve the pressure on local real estate taxes				
23	and shall be taken into account by the governing body of the county, city, or town in setting				
24	real estate tax rates.				
25	j. From the total amounts in paragraph h. above, an amount estimated at \$121,800,000 the				
26	first year and \$124,793,590 \$126,400,000 the second year (approximately 1/8 cent of sales				
27	and use tax) is appropriated in this Item to distribute the remainder of the revenues collected				
28	and deposited into the Public Education Standards of Quality/Local Real Estate Property Tax				
29	Relief Fund on the basis of the latest yearly estimate of school age population provided by the				
30	Weldon Cooper Center for Public Service as specified in this Item.				
31	k. For the purposes of funding certain support positions in Basic Aid, a funding ratio				
32	methodology is used based upon the prevailing ratio of actual support positions, consistent				
33	with those recognized for SOQ funding, to actual instructional positions, consistent with those				
34	recognized for SOQ funding, as established in Chapter 781, 2009 Acts of Assembly. For the				
35	purposes of making the required spending adjustments, the appropriation and distribution of				
36	Basic Aid shall reflect this methodology. Local school divisions shall have the discretion as to				
37	where the adjustment may be made, consistent with the Standards of Quality funded in this				
38	Act.				
39	6. Education of the Gifted Payments				
40	a. An additional payment shall be disbursed by the Department of Education to local school				
41	divisions to support the state share of one full-time equivalent instructional position per 1,000				
42	students in adjusted March 31 ADM.				
43	b. Local school divisions are required to spend, as part of the required local expenditure for				
44	the Standards of Quality the established per pupil cost for gifted education (state and local				
45	share) on approved programs for the gifted.				
46	7. Occupational-Vocational Education Payments				
47	a. An additional payment shall be disbursed by the Department of Education to the local				
48	school divisions to support the state share of the number of Vocational Education instructors				
49	required by the Standards of Quality. These funds shall be disbursed on the same basis as the				
50	payment is calculated.				
51	b. An amount estimated at \$110,555,414 the first year and \$110,801,754 \$110,798,639 the				
52	second year from the general fund included in Basic Aid Payments relates to vocational				
53	education programs in support of the Standards of Quality.				

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1	8. Special Education Payments				
2	a. An additional payment shall be disbursed by the Department of Education to the local				
3	school divisions to support the state share of the number of Special Education instructors				
4	required by the Standards of Quality. These funds shall be disbursed on the same basis as				
5	the payment is calculated.				
6	b. Out of the amounts for special education payments, general fund support is provided to				
7	fund the caseload standards for speech pathologists at 68 students for each year of the				
8	biennium.				
9	9. Remedial Education Payments				
10	a. An additional payment estimated at \$113,782,747 the first year and \$113,821,446				
11	\$113,569,762 the second year from the general fund shall be disbursed by the Department				
12	of Education to support the Board of Education's Standards of Quality Prevention,				
13	Intervention, and Remediation program adopted in June 2003.				
14	b. The payment shall be calculated based on one hour of additional instruction per day for				
15	identified students, using the three year average percent of students eligible for the federal				
16	Free Lunch program as a proxy for students needing such services. Fall membership shall				
17	be multiplied by the three year average division-level Free Lunch eligibility percentage to				
18	determine the estimated number of students eligible for services. Pupil-teacher ratios shall				
19	be applied to the estimated number of eligible students to determine the number of				
20	instructional positions needed for each school division. The pupil-teacher ratio applied for				
21	each school division shall range from 10:1 for those divisions with the most severe				
22	combined three year average failure rates for English and math Standards of Learning test				
23	scores to 18:1 for those divisions with the lowest combined three year average failure rates				
24	for English and math Standards of Learning test scores.				
25	c. Funding shall be matched by the local government based on the composite index of				
26	local ability-to-pay.				
27	d. To provide flexibility in the instruction of English Language Learners who have limited				
28	English proficiency and who are at risk of not meeting state accountability standards,				
29	school divisions may use state and local funds from the SOQ Prevention, Intervention, and				
30	Remediation account to employ additional English Language Learner teachers to provide				
31	instruction to identified limited English proficiency students. Using these funds in this				
32	manner is intended to supplement the instructional services provided through the SOQ				
33	staffing standard of 17 instructional positions per 1,000 limited English proficiency				
34	students. School divisions using the SOQ Prevention, Intervention, and Remediation funds				
35	in this manner shall only employ instructional personnel licensed by the Board of				
36	Education.				
37	e. An additional state payment estimated at \$76,080,851 \$55,357,226 the second year				
38	from the general fund and \$98,013,725 the first year and \$22,010,800 \$42,389,648 the				
39	second year from the Lottery Proceeds Fund shall be disbursed based on the estimated				
40	number of federal Free Lunch participants, in support of programs for students who are				
41	educationally at risk. The additional payment shall be based on the state share of:				
42	1) A minimum 1.0 percent add-on, as a percent of the per pupil basic aid cost, for each				
43	child who qualifies for the federal Free Lunch Program; and				
44	2) An addition to the add-on, based on the concentration of children qualifying for the				
45	federal Free Lunch Program. Based on its percentage of Free Lunch participants, each				
46	school division will receive between 1.0 and 13.0 percent in additional basic aid per Free				
47	Lunch participant. These funds shall be matched by the local government, based on the				
48	composite index of local ability-to-pay.				
49	3a) Local school divisions are required to spend the established at-risk payment (state and				
50	local share) on approved programs for students who are educationally at risk.				
51	b) To receive these funds, each school division shall certify to the Department of				
52	Education that the state and local share of the at-risk payment will be used to support				
53	approved programs for students who are educationally at risk. These programs may				

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1	include: Dropout Prevention, community and school-based truancy officer programs,			
2	Advancement Via Individual Determination (AVID), Project Discovery, Reading Recovery,			
3	programs for students who speak English as a second language, or programs related to			
4	increasing the success of disadvantaged students in completing a high school degree and			
5	providing opportunities to encourage further education and training. Further, each school			
6	division shall report to the Department, in the manner prescribed and date set by the			
7	Department, the uses of (i) increased funds in fiscal year 2017 above the levels in fiscal year			
8	2016, as well as (ii) the uses of the base level of these funds. The Department shall compile			
9	the responses and provide them to the Chairmen of Senate Finance and House Appropriations			
10	Committees no later than the first day of the 2017 Session.			
11	4) If the Board of Education has required a local school board to submit a corrective action			
12	plan pursuant to § 22.1-253.13:3, Code of Virginia, either for the school division pursuant to a			
13	division level review, or for any schools within its division that have been designated as not			
14	meeting the standards as approved by the Board of Education, the Superintendent of Public			
15	Instruction shall determine and report to the Board of Education whether each such local			
16	school board has met its obligation to develop and submit such corrective action plan(s) and is			
17	making adequate and timely progress in implementing the plan(s). Additionally, if an			
18	academic review process undertaken pursuant to § 22.1-253.13:3, Code of Virginia, has			
19	identified actions for a local school board to implement, the Superintendent of Public			
20	Instruction shall determine and report to the Board of Education whether the local school			
21	board has implemented required actions. If the Superintendent certifies that a local school			
22	board has failed or refused to meet any of those obligations, the Board of Education shall			
23	withhold payment of some or all At-Risk Add-On funds otherwise allocated to the affected			
24	division pursuant to this allocation for the pending fiscal year. In determining the amount of			
25	At-Risk Add-On funds to be withheld, the Board of Education shall take into consideration			
26	the extent to which such funds have already been expended or contractually obligated. The			
27	local school board shall be given an opportunity to correct its failure and, if successful in a			
28	timely manner, may have some or all of its At-Risk Add-On funds restored at the Board of			
29	Education's discretion.			
30	f. Regional Alternative Education Programs			
31	1) An additional state payment of \$8,528,727 the first year and \$8,639,782 the second year			
32	from the Lottery Proceeds Fund shall be disbursed for Regional Alternative Education			
33	programs. Such programs shall be for the purpose of educating certain expelled students and,			
34	as appropriate, students who have received suspensions from public schools and students			
35	returned to the community from the Department of Juvenile Justice.			
36	2) Each regional program shall have a small student/staff ratio. Such staff shall include, but			
37	not be limited to education, mental health, health, and law enforcement professionals, who			
38	will collaborate to provide for the academic, psychological, and social needs of the students.			
39	Each program shall be designed to ensure that students make the transition back into the			
40	"mainstream" within their local school division.			
41	3) a) Regional alternative education programs are funded through this Item based on the			
42	state's share of the incremental per pupil cost for providing such programs. This incremental			
43	per pupil payment shall be adjusted for the composite index of local ability-to-pay of the			
44	school division that counts such students attending such program in its March 31 Average			
45	Daily Membership. It is the intent of the General Assembly that this incremental per pupil			
46	amount be in addition to the basic aid per pupil funding provided to the affected school			
47	division for such students. Therefore, local school divisions are encouraged to provide the			
48	appropriate portion of the basic aid per pupil funding to the regional programs for students			
49	attending these programs, adjusted for costs incurred by the school division for transportation,			
50	administration, and any portion of the school day or school year that the student does not			
51	attend such program.			
52	b) In the event a school division does not use all of the student slots it is allocated under this			
53	program, the unused slots may be reallocated or transferred to another school division.			
54	1. A school division must request from the Department of Education the availability and			
55	possible use of any unused student slots. If any unused slots are available and if the requesting			
56	school division chooses to utilize any of the unused slots, the requesting school division shall			
57	only receive the state's share of tuition for the unused slot that was allocated in this Item for			

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1	the originally designated school division.			
2	2. However, no requesting school division shall receive more tuition funding from the			
3	state for any requested unused slot than what would have been the calculated amount for			
4	the requesting school division had the unused slot been allocated to the requesting school			
5	division in the original budget. Furthermore, the requesting school division shall pay for			
6	any remaining tuition payment necessary for using a previously unused slot.			
7	3. The Department of Education shall provide assistance for the state share of the			
8	incremental cost of Regional Alternative Education program operations based on the			
9	composite index of local ability-to-pay.			
10	g. Remedial Summer School			
11	1) This appropriation includes \$24,687,389 the first year and \$25,785,842 \$23,836,129 the			
12	second year from the general fund for the state's share of Remedial Summer School			
13	Programs. These funds are available to school divisions for the operation of programs			
14	designed to remediate students who are required to attend such programs during a summer			
15	school session or during an intersession in the case of year-round schools. These funds			
16	may be used in conjunction with other sources of state funding for remediation or			
17	intervention. School divisions shall have maximum flexibility with respect to the use of			
18	these funds and the types of remediation programs offered; however, in exercising this			
19	flexibility, students attending these programs shall not be charged tuition and no high			
20	school credit may be awarded to students who participate in this program.			
21	2) For school divisions charging students tuition for summer high school credit courses,			
22	consideration shall be given to students from households with extenuating financial			
23	circumstances who are repeating a class in order to graduate.			
24	3) From the amounts provided for Remedial Summer School, there is hereby appropriated			
25	\$300,000 the second year from the general fund to support pilot public-private			
26	partnerships between local school divisions and the Greater Richmond and Central			
27	Virginia affiliates of the Virginia Alliance of YMCAs to expand student participation			
28	opportunities in existing summer Power Scholars Academies in such partnered school			
29	divisions. The Virginia Alliance of YMCAs shall prepare and submit an evaluation report			
30	for such pilot partnerships between the school divisions and the Greater Richmond and			
31	Central Virginia YMCA affiliates to the Chairmen of House Appropriations and Senate			
32	Finance Committees no later than October 31, 2018.			
33	10. K-3 Primary Class Size Reduction Payments			
34	a. An additional payment estimated at \$123,321,155 the first year and \$128,583,847			
35	\$121,269,427 the second year from the Lottery Proceeds Fund shall be disbursed by the			
36	Department of Education as an incentive for reducing class sizes in the primary grades.			
37	b. The Department of Education shall calculate the payment based on the incremental cost			
38	of providing the lower class sizes based on the lower of the division average per pupil cost			
39	of all divisions or the actual division per pupil cost.			
40	c. Localities are required to provide a match for these funds based on the composite index			
41	of local ability-to-pay.			
42	d. By October 15 of each year school divisions must provide data to the Department of			
43	Education that each participating school has a September 30 pupil/teacher ratio in grades			
44	K through 3 that meet the following criteria:			
45	Qualifying School Percentage of Students Approved	Grades K-3	Maximum Individual	
46	Eligible for Free Lunch, Three-Year Average	School Ratio	K-3 Class Size	
47	30% but less than 45%	19 to 1	24	
48	45% but less than 55%	18 to 1	23	
49	55% but less than 65%	17 to 1	22	
50	65% but less than 70%	16 to 1	21	
51	70% but less than 75%	15 to 1	20	

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1	75% or more		14 to 1		19
2	e. School divisions may elect to have eligible schools participate at a higher ratio, or only in a				
3	portion of grades kindergarten through three, with a commensurate reduction of state and				
4	required local funds, if local conditions do not permit participation at the established ratio				
5	and/or maximum individual class size. In the event that a school division requires additional				
6	actions to ensure participation at the established ratio and/or maximum individual class size,				
7	such actions must be completed by December 1 of the impacted school year. Special				
8	education teachers and instructional aides shall not be counted towards meeting these required				
9	pupil/teacher ratios in grades kindergarten through three.				
10	f. The Superintendent of Public Instruction may grant waivers to school divisions for the class				
11	size requirement in eligible schools that have only one class in an affected grade level in the				
12	school.				
13	11. Literary Fund Subsidy Program Payments				
14	a. The Department of Education and the Virginia Public School Authority (VPSA) shall				
15	provide a program of funding for school construction and renovation through the Literary				
16	Fund and through VPSA bond sales. The program shall be used to provide funds, through				
17	Literary Fund loans and subsidies, and through VPSA bond sales, to fund a portion of the				
18	projects on the First or Second Literary Fund Waiting List, or other critical projects which				
19	may receive priority placement on the First or Second Literary Fund Waiting List by the				
20	Department of Education. Interest rate subsidies will provide school divisions with the present				
21	value difference in debt service between a Literary Fund loan and a borrowing through the				
22	VPSA. To qualify for an interest rate subsidy, the school division's project must be eligible				
23	for a Literary Fund loan and shall be subject to the same restrictions. The VPSA shall work				
24	with the Department of Education in selecting those projects to be funded through the interest				
25	rate subsidy/bond financing program, so as to ensure the maximum leverage of Literary Fund				
26	moneys and a minimum impact on the VPSA Bond Pool.				
27	b. The Department of Education may offer Literary Fund loans from the uncommitted				
28	balances of the Literary Fund after meeting the obligations of the interest rate subsidy sales				
29	and the amounts set aside from the Literary Fund for Debt Service Payments for Education				
30	Technology in this Item.				
31	c. 1) In the event that on any scheduled payment date of bonds of the Virginia Public School				
32	Authority (VPSA) authorized under the provisions of a bond resolution adopted subsequent to				
33	June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from the provisions of				
34	either § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, Code of Virginia, the				
35	sum of (i) the payments on general obligation school bonds of cities, counties, and towns				
36	(localities) paid to the VPSA and (ii) the proceeds derived from the application of the				
37	provisions of § 15.2-2659, Code of Virginia, to such bonds of localities, is less than the debt				
38	service due on such bonds of the VPSA on such date, there is hereby appropriated to the				
39	VPSA, first, from available moneys of the Literary Fund and, second, from the general fund a				
40	sum equal to such deficiency.				
41	2) The Commonwealth shall be subrogated to the VPSA to the extent of any such				
42	appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with				
43	respect to the defaulting locality and to full recovery of the amount of such deficiency,				
44	together with interest at the rate of the defaulting locality's bonds.				
45	d. The chairman of the Board of Commissioners of the VPSA shall, on or before November 1				
46	of each year, make and deliver to the Governor and the Secretary of Finance a certificate				
47	setting forth his estimate of total debt service during each fiscal year of the biennium on				
48	bonds of the VPSA issued and projected to be issued during such biennium pursuant to the				
49	bond resolution referred to in paragraph a above. The Governor's budget submission each year				
50	shall include provisions for the payment of debt service pursuant to paragraph 1) above.				
51	12. Educational Technology Payments				
52	a. Any unobligated amounts transferred to the educational technology fund shall be disbursed				
53	on a pro rata basis to localities. The additional funds shall be used for technology needs				
54	identified in the division's technology plan approved by the Department of Education.				

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1	b. The Department of Education shall authorize amounts estimated at \$11,618,250 the first				
2	year from the Literary Fund to provide debt service payments for the education technology				
3	grant program conducted through the Virginia Public School Authority in 2012.				
4	c. The Department of Education shall authorize amounts estimated at \$12,127,750 the first				
5	year and \$12,132,750 the second year from the Literary Fund to provide debt service				
6	payments for the education technology grant program conducted through the Virginia				
7	Public School Authority in 2013.				
8	d. 1) The Department of Education shall authorize amounts estimated at \$13,248,500 the				
9	first year and \$13,246,250 the second year from the Literary Fund to provide debt service				
10	payments for the education technology grant program conducted through the Virginia				
11	Public School Authority in 2014.				
12	2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues				
13	to pay debt service on the Virginia Public School Authority bonds or notes authorized for				
14	this program. In developing the proposed 2018-2020 biennial budget for public education,				
15	the Department of Education shall include a recommendation to the Governor to authorize				
16	sufficient Literary Fund revenues to make debt service payments for this program in fiscal				
17	year 2019.				
18	e. 1) The Department of Education shall authorize amounts estimated at \$13,808,000 the				
19	first year and \$13,805,000 the second year from the Literary Fund to provide debt service				
20	payments for the education technology grant program conducted through the Virginia				
21	Public School Authority in 2015.				
22	2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues				
23	to pay debt service on the Virginia Public School Authority bonds or notes authorized for				
24	this program. In developing the proposed 2018-2020 biennial budget for public education,				
25	the Department of Education shall include a recommendation to the Governor to authorize				
26	sufficient Literary Fund revenues to make debt service payments for this program in fiscal				
27	years 2019 and 2020.				
28	f. 1) The Department of Education shall authorize amounts estimated at \$13,753,517 the				
29	first year and \$13,753,750 the second year from the Literary Fund to provide debt service				
30	payments for the education technology grant program conducted through the Virginia				
31	Public School Authority in 2016.				
32	2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues				
33	to pay debt service on the Virginia Public School Authority bonds or notes authorized for				
34	this program. In developing the proposed 2018-2020 and 2020-2022 biennial budget for				
35	public education, the Department of Education shall include a recommendation to the				
36	Governor to authorize sufficient Literary Fund revenues to make debt service payments				
37	for this program in fiscal years 2019, 2020, and 2021.				
38	g. 1) An education technology grant program shall be conducted through the Virginia				
39	Public School Authority, through the issuance of equipment notes in an amount estimated				
40	at \$67,138,400 in fiscal year 2017 and \$69,169,200 \$58,735,300 in fiscal year 2018.				
41	Proceeds of the notes will be used to establish a computer-based instructional and testing				
42	system for the Standards of Learning (SOL) and to develop the capability for high speed				
43	Internet connectivity at high schools followed by middle schools followed by elementary				
44	schools. School divisions shall use these funds first to develop and maintain the capability				
45	to support the administration of online SOL testing for all students with the exception of				
46	students with a documented need for a paper SOL test.				
47	2) The Department of Education shall authorize amounts estimated at \$14,351,594				
48	\$13,950,086 the second year from the Literary Fund to provide debt service payments for				
49	the education technology grant program conducted through the Virginia Public School				
50	Authority in 2017.				
51	3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues				
52	to pay debt service on the Virginia Public School Authority bonds or notes authorized for				
53	education technology grant programs in fiscal year 2017 and in fiscal year 2018. In				
54	developing the proposed 2018-2020, 2020-2022, and 2022-2024 biennial budgets for				

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1	public education, the Department of Education shall include a recommendation to the			
2	Governor to authorize sufficient Literary Fund revenues to make debt service payments for			
3	these programs in fiscal years 2019, 2020, 2021, 2022, and 2023.			
4	4) Grant funds from the issuance of \$67,138,400 in fiscal year 2017 and \$69,169,200			
5	\$58,735,300 in fiscal year 2018 in equipment notes are based on a grant of \$26,000 per school			
6	and \$50,000 per school division. For purposes of this grant program, eligible schools shall			
7	include schools that are subject to state accreditation and reporting membership in grades K			
8	through 12 as of September 30, 2016, for the fiscal year 2017 issuance, and September 30,			
9	2017, for the fiscal year 2018 issuance, as well as regional vocational centers, special			
10	education centers, alternative education centers, regular school year Governor's Schools, and			
11	the School for the Deaf and the Blind. Schools that serve only pre-kindergarten students shall			
12	not be eligible for this grant.			
13	5. a.) Supplemental grants shall be allocated to eligible divisions to support schools that are			
14	not fully accredited in accordance with this paragraph. Schools that include a ninth grade that			
15	administer SOL tests in Spring 2016 and that are not fully accredited for the second			
16	consecutive year, based on school accreditation ratings in effect for fiscal year 2016 and fiscal			
17	year 2017 will qualify to participate in the Virginia e-Learning Backpack Initiative in fiscal			
18	year 2017 and receive: (1) a supplemental grant of \$400 per student reported in ninth grade			
19	fall membership in a qualifying school for the purchase of a laptop or tablet for that student			
20	and (2) a supplemental grant of \$2,400 per qualifying school to purchase two content creation			
21	packages for teachers. Schools eligible to receive this supplemental grant in fiscal year 2017			
22	shall continue to receive the grant for the number of subsequent years equaling the number of			
23	grades 9 through 12 in the qualifying school up to a maximum of four years. Schools that			
24	administer SOL tests in Spring 2017 and that are not fully accredited for the second			
25	consecutive year based on school accreditation ratings in effect for fiscal year 2017 and fiscal			
26	year 2018 will qualify to participate in the initiative in fiscal year 2018. Schools eligible for			
27	the supplemental grants in previous fiscal years shall continue to be eligible for the remaining			
28	years of their grant award. Schools eligible to receive this supplemental grant in fiscal year			
29	2018 shall continue to receive the grant for the number of subsequent years equaling the			
30	number of grades 9 through 12 in the qualifying school up to a maximum of four years.			
31	Grants awarded to qualifying schools that do not have grades 10, 11, or 12 may transition			
32	with the students to the primary receiving school for all years subsequent to grade 9. Schools			
33	are eligible to receive these grants for a period of up to four years beginning in fiscal year			
34	2014 and shall not be eligible to receive a separate award in the future once the original award			
35	period has concluded. Schools that are fully accredited or that are new schools with			
36	conditional accreditation in their first year shall not be eligible to receive this supplemental			
37	grant.			
38	b.) Supplemental grants allocated to school divisions for participation in the Virginia e-			
39	Learning Backpack Initiative prior to fiscal year 2017 shall be used in eligible schools for (1)			
40	the purchase of a laptop or tablet for a student reported in ninth grade fall membership, and			
41	(2) the purchase of two content creation packages for teachers per grant. The amounts for			
42	such grants shall remain unchanged.			
43	6) Required local match:			
44	a) Localities are required to provide a match for these funds equal to 20 percent of the grant			
45	amount, including the supplemental grants provided pursuant to paragraph g. 5). At least 25			
46	percent of the local match, including the match for supplemental grants, shall be used for			
47	teacher training in the use of instructional technology, with the remainder spent on other			
48	required uses. The Superintendent of Public Instruction is authorized to reduce the required			
49	local match for school divisions with a composite index of local ability-to-pay below 0.2000.			
50	The Virginia School for the Deaf and the Blind is exempt from the match requirement.			
51	b) School divisions that administer 100 percent of SOL tests online in all elementary, middle,			
52	and high schools may use up to 75 percent of their required local match to purchase targeted			
53	technology-based interventions. Such interventions may include the necessary technology and			
54	software to support online learning, technology-based content systems, content management			
55	systems, technology equipment systems, information and data management systems, and			
56	other appropriate technologies that support the individual needs of learners. School divisions			
57	that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in			

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1	qualifying schools to purchase laptops and tablets for ninth grade students reported in fall			
2	membership and content creation packages for teachers.			
3	7) The goal of the education technology grant program is to improve the instructional,			
4	remedial, and testing capabilities of the Standards of Learning for local school divisions			
5	and to increase the number of schools achieving full accreditation.			
6	8) Funds shall be used in the following manner:			
7	a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1			
8	student to computer ratio; (2) an Internet-ready local area network (LAN) capability; and			
9	(3) high speed access to the Internet. School connectivity (computers, LANs and network			
10	access) shall include sufficient download/upload capability to ensure that each student will			
11	have adequate access to Internet-based instructional, remedial and assessment programs.			
12	b) When each high school in a division meets the goals established in paragraph a) above,			
13	the remaining funds shall be used to develop similar capability in first the middle schools			
14	and then the elementary schools.			
15	c) For purposes of establishing or enhancing a computer-based instructional program			
16	supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds			
17	may be used to purchase handheld multifunctional computing devices that support a broad			
18	range of applications and that are controlled by operating systems providing full			
19	multimedia support and mobile Internet connectivity. School divisions that elect to use			
20	these grant funds to purchase such qualifying handheld devices must continue to meet the			
21	on-line testing requirements stated in paragraph g. 1) above.			
22	d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph			
23	g.5) above. These supplemental grants shall be used in qualifying schools for the purchase			
24	of laptops and tablets for ninth grade students reported in fall membership and content			
25	creation packages for teachers. Participating school divisions will be required to select a			
26	core set of electronic textbooks, applications and online services for productivity, learning			
27	management, collaboration, practice, and assessment to be included on all devices. In			
28	addition, participating school divisions will assume recurring costs for electronic textbook			
29	purchases and maintenance.			
30	e) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school			
31	divisions became one school division, whether by consolidation of only the school			
32	divisions or by consolidation of the local governments, such resulting division shall be			
33	provided funding through this program on the basis of having the same number of school			
34	divisions as existed prior to September 30, 2000.			
35	9) Local school divisions shall maximize the use of available federal funds, including E-			
36	Rate Funds, and to the extent possible, use such funds to supplement the program and			
37	meet the goals of this program.			
38	h. The Department of Education shall maintain criteria to determine if high schools,			
39	middle schools, or elementary schools have the capacity to meet the goals of this			
40	initiative. The Department of Education shall be responsible for the project management			
41	of this program.			
42	i. 1) In the event that, on any scheduled payment date of bonds or notes of the Virginia			
43	Public School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code			
44	of Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v),			
45	Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary			
46	Fund are less than the amounts authorized for debt service due on such bonds or notes of			
47	the VPSA on such date, there is hereby appropriated to the VPSA from the general fund a			
48	sum equal to such deficiency.			
49	2) The Chairman of the Board of Commissioners of the VPSA shall, on or before			
50	November 1 of each year, make and deliver to the Governor and the Secretary of Finance			
51	a certificate setting forth his estimate of total debt service during each fiscal year of the			
52	biennium on bonds and notes of the VPSA issued and projected to be issued during such			
53	biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's			
54	budget submission each year shall include provisions for the payment of debt service			

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1	pursuant to paragraph 1) above.			
2	j. Unobligated proceeds of the notes, including investment income derived from the proceeds			
3	of the notes may be used to pay interest on, or to decrease principal of the notes or to fund a			
4	portion of such other educational technology grants as authorized by the General Assembly.			
5	k. 1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies			
6	with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered by			
7	a Telephone Company for the State Government" shall be deemed to include communications			
8	lines into public schools which are used for educational technology. The rate structure for			
9	such lines shall be negotiated by the Superintendent of Public Instruction and the Chief			
10	Information Officer of the Virginia Information Technologies Agency. Further, the			
11	Superintendent and Director are authorized to encourage the development of "by-pass"			
12	infrastructure in localities where it fails to obtain competitive prices or prices consistent with			
13	the best rates obtained in other parts of the state.			
14	2) The State Corporation Commission, in its consideration of the discount for services			
15	provided to elementary schools, secondary schools, and libraries and the universal service			
16	funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is			
17	hereby encouraged to make the discounts for intrastate services provided to elementary			
18	schools, secondary schools, and libraries for educational purposes as large as is prudently			
19	possible and to fund such discounts through the universal fund as provided in § 254 of the			
20	Telecommunications Act of 1996. The commission shall proceed as expeditiously as possible			
21	in implementing these discounts and the funding mechanism for intrastate services, consistent			
22	with the rules of the Federal Communications Commission aimed at the preservation and			
23	advancement of universal service.			
24	13. Security Equipment Payments			
25	1) A security equipment grant program shall be conducted through the Virginia Public School			
26	Authority, through the issuance of equipment notes in an amount estimated at up to			
27	\$6,000,000 in fiscal year 2017 and \$6,000,000 in fiscal year 2018 in conjunction with the			
28	Virginia Public School Authority technology notes program authorized in C.12. of this Item.			
29	Proceeds of the notes will be used to help offset the related costs associated with the purchase			
30	of appropriate security equipment that will improve and help ensure the safety of students			
31	attending public schools in Virginia.			
32	2) The Department of Education shall authorize amounts estimated at \$4,924,392 the first			
33	year and \$6,203,522 \$6,163,368 the second year from the Literary Fund to provide debt			
34	service payments for the security equipment grant programs conducted through the Virginia			
35	Public School Authority in fiscal years 2013, 2014, 2015, 2016, and 2017.			
36	3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to			
37	pay debt service on the Virginia Public School Authority bonds or notes authorized for this			
38	program. In developing the proposed 2018-2020, and 2020-2022, and 2022-2024 biennial			
39	budgets for public education, the Department of Education shall include a recommendation to			
40	the Governor to authorize sufficient Literary Fund revenues to make debt service payments			
41	for these programs in fiscal years 2019, 2020, 2021, 2022, and 2023.			
42	4) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public			
43	School Authority issued for the purpose described in § 22.1-166.2, Code of Virginia, and not			
44	benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of Virginia, or §			
45	22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less than the			
46	amounts authorized for debt service due on such bonds or notes on such date, there is hereby			
47	appropriated to the Virginia Public School Authority from the general fund a sum equal to			
48	such deficiency.			
49	5) The Chairman of the Board of Commissioners of the Virginia Public School Authority			
50	shall, on or before November 1 of each year, deliver to the Governor and the Secretary of			
51	Finance a certificate setting forth his estimate of total debt service during each fiscal year of			
52	the biennium on bonds and notes issued and projected to be issued during such biennium. The			
53	Governor's budget submission each year shall include provisions for the payment of debt			
54	service pursuant to paragraph 1) above.			

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1	6) Grant award funds from the issuance of up to \$6,000,000 in fiscal year 2017 and			
2	\$6,000,000 in fiscal year 2018 in equipment notes shall be distributed to eligible school			
3	divisions. The grant awards will be based on a competitive grant basis of up to \$100,000			
4	per school division. School divisions will be permitted to apply annually for grant funding.			
5	For purposes of this program, eligible schools shall include schools that are subject to state			
6	accreditation and reporting membership in grades K through 12 as of September 30, 2016,			
7	for the fiscal year 2017 issuance, and September 30, 2017, for the fiscal year 2018			
8	issuance, as well as regional vocational centers, special education centers, alternative			
9	education centers, regular school year Governor's Schools, and the Virginia School for the			
10	Deaf and the Blind.			
11	7) School divisions would submit their application to Department of Education by August			
12	1 of each year based on the criteria developed by the Department of Education in			
13	collaboration with the Department of Criminal Justice Services who will provide			
14	requested technical support. Furthermore, the Department of Education will have the			
15	authority to make such grant awards to such school divisions.			
16	8) It is also the intent of the General Assembly that the total amount of the grant awards			
17	shall not exceed \$30,000,000 over any ongoing revolving five year period.			
18	9) Required local match:			
19	a) Localities are required to provide a match for these funds equal to 25 percent of the			
20	grant amount. The Superintendent of Public Instruction is authorized to reduce the			
21	required local match for school divisions with a composite index of local ability-to-pay			
22	below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match			
23	requirement.			
24	b) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school			
25	divisions became one school division, whether by consolidation of only the school			
26	divisions or by consolidation of the local governments, such resulting division shall be			
27	provided funding through this program on the basis of having the same number of school			
28	divisions as existed prior to September 30, 2000.			
29	c) Local school divisions shall maximize the use of available federal funds, including E-			
30	Rate Funds, and to the extent possible, use such funds to supplement the program and			
31	meet the goals of this program.			
32	14. Virginia Preschool Initiative Payments			
33	a.1) It is the intent of the General Assembly that a payment estimated at \$69,351,713 the			
34	first year and \$70,950,500 \$69,097,338 the second year from the Lottery Proceeds Fund			
35	shall be disbursed by the Department of Education to schools and community-based			
36	organizations to provide quality preschool programs for at-risk four-year-olds who are			
37	residents of Virginia and unserved by Head Start program funding. In no event shall			
38	distributions from the Lottery Proceeds Fund be made directly to community-based or			
39	private providers.			
40	2) These state funds and required local matching funds shall be used to provide programs			
41	for at-risk four-year-old children, which include quality preschool education, health			
42	services, social services, parental involvement and transportation. It shall be the policy of			
43	the Commonwealth that state funds and required local matching funds for the Virginia			
44	Preschool Initiative not be used for capital outlay. Programs must provide full-day or half-			
45	day and, at least, school-year services.			
46	3) The Department of Education, in cooperation with the Council on Child Day Care and			
47	Early Childhood Programs, shall establish academic standards that are in accordance with			
48	appropriate preparation for students to be ready to successfully enter kindergarten. These			
49	standards shall be established in such a manner as to be measurable for student			
50	achievement and success. Students shall be required to be evaluated in the fall and in the			
51	spring by each participating school division and the school divisions must certify that the			
52	Virginia Preschool Initiative program follows the established standards in order to receive			
53	the funding for quality preschool education and criteria for the service components. Such			
54	guidelines shall be consistent with the findings of the November 1993 study by the Board			

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1	of Education, the Department of Education, and the Council on Child Day Care and Early				
2	Childhood Programs.				
3	4) a) Grants shall be distributed based on an allocation formula providing the state share of a				
4	\$6,125 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a full-				
5	day program. The number of unserved at-risk four-year-olds in each locality shall be based on				
6	the projected number of kindergarten students, updated once each biennium for the				
7	Governor's introduced biennial budget. Half-day programs shall operate for a minimum of				
8	three hours of classroom instructional time per day, excluding breaks for lunch or recess, and				
9	grants to half-day programs shall be funded based on the state share of \$3,062 per unserved				
10	at-risk four-year-old in each locality. Full-day programs shall operate for a minimum of five				
11	and one-half instructional hours, excluding breaks for meals and recess. No additional state				
12	funding is provided for programs operating greater than three hours per day but less than five				
13	and one-half hours per day. In determining the state and local shares of funding, the				
14	composite index of local ability-to-pay is capped at 0.5000.				
15	b) For new programs in the first year of implementation only, programs operating less than a				
16	full school year shall receive state funds on a fractional basis determined by the pro-rata				
17	portion of a school year program provided. In determining the prorated state funds to be				
18	received, a school year shall be 180 days.				
19	b.1) Any locality which desires to participate in this grant program must submit a proposal				
20	through its chief administrator (county administrator or city manager) by May 15 of each				
21	year. The chief administrator, in conjunction with the school superintendent, shall identify a				
22	lead agency for this program within the locality. The lead agency shall be responsible for				
23	developing a local plan for the delivery of quality preschool services to at-risk children which				
24	demonstrates the coordination of resources and the combination of funding streams in an				
25	effort to serve the greatest number of at-risk four-year-old children.				
26	2) The proposal must demonstrate coordination with all parties necessary for the successful				
27	delivery of comprehensive services, including the schools, child care providers, local social				
28	services agency, Head Start, local health department, and other groups identified by the lead				
29	agency.				
30	3) A local match, based on the composite index of local ability-to-pay, shall be required. For				
31	purposes of meeting the local match, localities may use local expenditures for existing				
32	qualifying programs, however, at least seventy-five percent of the local match will be cash				
33	and no more than twenty-five percent will be in-kind. In-kind contributions are defined as				
34	cash outlays that are made by the locality that benefit the program but are not directly charged				
35	to the program. The value of fixed assets cannot be considered as an in-kind contribution.				
36	Localities shall also continue to pursue and coordinate other funding sources, including child				
37	care subsidies. Funds received through this program must be used to supplement, not				
38	supplant, any funds currently provided for programs within the locality. However, in the event				
39	a locality is prohibited from continuing the previous level of support to programs for at-risk				
40	four-year-olds from Title I of the federal Elementary and Secondary Education Act (ESEA),				
41	the state and local funds provided in this grants program may be used to continue services to				
42	these Title I students. Such prohibition may occur due to amendments to the allocation				
43	formula in the reauthorization of ESEA as the No Child Left Behind Act of 2001 or due to a				
44	percentage reduction in a locality's Title I allocation in 2016-2017 or 2017-2018. Any locality				
45	so affected shall provide written evidence to the Superintendent of Public Instruction and				
46	request his approval to continue the services to Title I students.				
47	c. Local plans must provide clear methods of service coordination for the purpose of reducing				
48	the per child cost for the service, increasing the number of at-risk children served and/or				
49	extending services for the entire year. Examples of these include:				
50	1) "Wraparound Services" -- methods for combining funds such as child care subsidy dollars				
51	administered by local social service agencies with dollars for quality preschool education				
52	programs.				
53	2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services				
54	to at-risk four-year-old children through an existing child care setting by purchasing				
55	comprehensive services within a setting which currently provides quality preschool education.				

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1	3) "Expansion of Service" - methods for using grant funds to purchase slots within				
2	existing programs, such as Head Start, which provide comprehensive services to at-risk				
3	four-year-old children.				
4	d.1) Local plans must indicate the number of at-risk four-year-old children to be served,				
5	and the eligibility criteria for participation in this program shall be consistent with the				
6	economic and educational risk factors stated in the 2015-2016 programs guidelines that				
7	are specific to: (i) family income at or below 200 percent of poverty, (ii) homelessness,				
8	(iii) student's parents or guardians are school dropouts, or (iv) family income is less than				
9	350 percent of federal poverty guidelines in the case of students with special needs or				
10	disabilities. Up to 15 percent of a division's slots may be filled based on locally				
11	established eligibility criteria so as to meet the unique needs of at-risk children in the				
12	community.				
13	2) The Department of Education is directed to compile from each school division the				
14	aggregated information as to the number of enrolled students whose families are (i) at or				
15	below 130 percent of poverty, and (ii) above 130 percent but below 200 percent of				
16	poverty. The Department shall report this information annually, after the application and				
17	fall participation reports are submitted to the Department from the school divisions, to the				
18	Chairmen of House Appropriations and Senate Finance Committees. In addition, the				
19	Department will post and maintain the summary information by division on the				
20	Department's website in keeping with current student privacy policies.				
21	e.1) The Department of Education and the Council on Child Day Care and Early				
22	Childhood Programs shall provide technical assistance for the administration of this grant				
23	program to provide assistance to localities in developing a comprehensive, coordinated,				
24	quality preschool program for serving at-risk four-year-old children.				
25	2) A pre-application session shall be provided by the Department and the Council on				
26	Child Day Care and Early Childhood Programs prior to the proposal deadline. The				
27	Department shall provide interested localities with information on models for service				
28	delivery, methods of coordinating funding streams, such as funds to match federal IV-A				
29	child care dollars, to maximize funding without supplanting existing sources of funding				
30	for the provision of services to at-risk four-year-old children. A priority for technical				
31	assistance in the design of programs shall be given to localities where the majority of the				
32	at-risk four-year-old population is currently unserved.				
33	f. The Department of Education shall include in the program's application package specific				
34	information regarding the potential availability of funding for supplemental grants that				
35	may be used for one-time expenses, other than capital, related to start-up or expansion of				
36	programs, with priority given to proposals for expanding the use of partnerships with				
37	either nonprofit or for-profit providers. Furthermore, the Department is mandated to				
38	communicate to all eligible school divisions the remaining available balances in the				
39	program's adopted budget, after the fall participation reports have been submitted and				
40	finalized for such grants.				
41	15. Early Reading Intervention Payments				
42	a. An additional payment of \$20,057,840 the first year and \$20,098,089 \$22,635,044 the				
43	second year from the Lottery Proceeds Fund shall be disbursed by the Department of				
44	Education to local school divisions for the purposes of providing early reading				
45	intervention services to students in grades kindergarten through 3 who demonstrate				
46	deficiencies based on their individual performance on diagnostic tests which have been				
47	approved by the Department of Education. The Department of Education shall review the				
48	tests of any local school board which requests authority to use a test other than the state-				
49	provided test to ensure that such local test uses criteria for the early diagnosis of reading				
50	deficiencies which are similar to those criteria used in the state-provided test. The				
51	Department of Education shall make the state-provided diagnostic test used in this				
52	program available to local school divisions. School divisions shall report the results of the				
53	diagnostic tests to the Department of Education on an annual basis at a time to be				
54	determined by the Superintendent of Public Instruction.				
55	b. These payments shall be based on the state's share of the cost of providing two and one-				
56	half hours of additional instruction each week for an estimated number of students in each				

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1 school division at a student to teacher ratio of five to one. The estimated number of students
 2 in each school division in each year shall be determined by multiplying the projected number
 3 of students reported in each school division's fall membership in grades kindergarten, 1, 2,
 4 and 3 by the percent of students who are determined to need services based on diagnostic tests
 5 administered in the previous year in that school division and adjusted in the following
 6 manner:

	Year 1	Year 2
7 Kindergarten	100%	100%
8 Grade 1	100%	100%
9 Grade 2	100%	100%
10 Grade 3	100%	100%

12 c. These payments are available to any school division that certifies to the Department of
 13 Education that an intervention program will be offered to such students and that each student
 14 who receives an intervention will be assessed again at the end of that school year. At the
 15 beginning of the school year, local school divisions shall partner with the parents of those
 16 third grade students in the division who demonstrate reading deficiencies, discussing with
 17 them a developed plan for remediation and retesting. Such intervention programs, at the
 18 discretion of the local school division, may include, but not be limited to, the use of: special
 19 reading teachers; trained aides; full-time early literacy tutors; volunteer tutors under the
 20 supervision of a certified teacher; computer-based reading tutorial programs; aides to instruct
 21 in-class groups while the teacher provides direct instruction to the students who need extra
 22 assistance; or extended instructional time in the school day or year for these students.
 23 Localities receiving these payments are required to match these funds based on the composite
 24 index of local ability-to-pay.

25 d. In the event that a school division does not use the diagnostic test provided by the
 26 Department of Education in the year that serves as the basis for updating the funding formula
 27 for this program but has used it in past years, the Department of Education shall use the most
 28 recent data available for the division for the state-provided diagnostic test.

29 e. The results of all reading diagnostic tests and reading remediation shall be discussed with
 30 the student and the student's parent prior to the student being promoted to grade four.

31 f. Funds appropriated for Standards of Quality Prevention, Intervention, and Remediation,
 32 Remedial Summer School, or At-Risk Add-On may also be used to meet the requirements of
 33 this program.

34 16. Standards of Learning Algebra Readiness Payments

35 a. An additional payment of \$12,968,589 the first year and ~~\$12,775,341~~ \$12,828,757 the
 36 second year from the Lottery Proceeds Fund shall be disbursed by the Department of
 37 Education to local school divisions for the purposes of providing math intervention services to
 38 students in grades 6, 7, 8 and 9 who are at-risk of failing the Algebra I end-of-course test, as
 39 demonstrated by their individual performance on diagnostic tests which have been approved
 40 by the Department of Education. In the second year, this reflects \$199,992 apportioned to
 41 each school division to account for the cost of the diagnostic test. The Department of
 42 Education shall review the tests to ensure that such local test uses state-provided criteria for
 43 diagnosis of math deficiencies which are similar to those criteria used in the state-provided
 44 test. The Department of Education shall make the state-provided diagnostic test used in this
 45 program available to local school divisions. School divisions shall report the results of the
 46 diagnostic tests to the Department of Education on an annual basis at a time to be determined
 47 by the Superintendent of Public Instruction.

48 b. These payments shall be based on the state's share of the cost of providing two and one-half
 49 hours of additional instruction each week for an estimated number of students in each school
 50 division at a student to teacher ratio of ten to one. The estimate number of students in each
 51 school division shall be determined by multiplying the projected number of students reported
 52 in each school division's fall membership by the percent of students that qualify for the
 53 federal Free Lunch Program.

54 c. These payments are available to any school division that certifies to the Department of

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1	Education that an intervention program will be offered to such students and that each			
2	student who receives an intervention will be assessed again at the end of that school year.			
3	Localities receiving these payments are required to match these funds based on the			
4	composite index of local ability-to-pay.			
5	17. School Construction Grants Program Escrow			
6	Notwithstanding the requirements of § 22.1-175.5, Code of Virginia, school divisions are			
7	permitted to withdraw funds from local escrow accounts established pursuant to § 22.1-			
8	175.5 to pay for recurring operational expenses incurred by the school division. Localities			
9	are not required to provide a local match of the withdrawn funds.			
10	18. English as a Second Language Payments			
11	A payment of \$53,267,521 the first year from the Lottery Proceeds Fund and \$55,594,856			
12	\$57,167,836 the second year from the general fund shall be disbursed by the Department			
13	of Education to local school divisions to support the state share of 17 professional			
14	instructional positions per 1,000 students for whom English is a second language. Local			
15	school divisions shall provide a local match based on the composite index of local ability-			
16	to-pay.			
17	19. Special Education Instruction Payments			
18	a. The Department of Education shall establish rates for all elements of Special Education			
19	Instruction Payments.			
20	b. Out of the appropriations in this Item, the Department of Education shall make			
21	available, subject to implementation by the Superintendent of Public Instruction, an			
22	amount estimated at \$84,678,643 the first year and \$32,680,039 from the general fund and			
23	\$54,898,940 \$92,162,325 from the Lottery Proceeds Fund the second year for the purpose			
24	of the state's share of the tuition rates for approved public school regional programs.			
25	Notwithstanding any contrary provision of law, the state's share of the tuition rates shall be			
26	based on the composite index of local ability-to-pay.			
27	c. Out of the amounts for Financial Assistance for Categorical Programs, \$34,904,851 the			
28	first year and \$35,588,024 \$34,706,297 the second year from the general fund is			
29	appropriated to permit the Department of Education to enter into agreements with selected			
30	local school boards for the provision of educational services to children residing in certain			
31	hospitals, clinics, and detention homes by employees of the local school boards. The			
32	portion of these funds provided for educational services to children residing in local or			
33	regional detention homes shall only be determined on the basis of children detained in			
34	such facilities through a court order issued by a court of the Commonwealth. The selection			
35	and employment of instructional and administrative personnel under such agreements will			
36	be the responsibility of the local school board in accordance with procedures as prescribed			
37	by the local school board. State payments for the first year to the local school boards			
38	operating these programs will be based on certified expenditures from the fourth quarter of			
39	FY 2016 and the first three quarters of FY 2017. State payments for the second year to the			
40	local school boards operating these programs will be based on certified expenditures from			
41	the fourth quarter of FY 2017 and the first three quarters of FY 2018.			
42	20. Vocational Education Instruction Payments			
43	a. It is the intention of the General Assembly that the Department of Education explore			
44	initiatives that will encourage greater cooperation between jurisdictions and the Virginia			
45	Community College System in meeting the needs of public school systems.			
46	b. This appropriation includes \$1,800,000 the first year from the Lottery Proceeds Fund			
47	and \$1,800,000 the second year from the Lottery Proceeds Fund for secondary vocational-			
48	technical equipment. A base allocation of \$2,000 each year shall be available for all			
49	divisions, with the remainder of the funding distributed on the basis of student enrollment			
50	in secondary vocational-technical courses. State funds received for secondary vocational-			
51	technical equipment must be used to supplement, not supplant, any funds currently			
52	provided for secondary vocational-technical equipment within the locality. Local school			
53	divisions are not required to provide a local match in order to receive these state funds.			

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1	c.1) This appropriation includes an additional \$2,000,000 the first year and \$2,000,000 the				
2	second year from the Lottery Proceeds Fund to update vocational-technical equipment to				
3	industry standards providing students with classroom experience that translates to the				
4	workforce.				
5	2) Of this amount, \$1,400,000 the first year and \$1,400,000 the second year is provided for				
6	vocational-technical equipment in high-demand, high-skill, and fast-growth industry sectors				
7	as identified by the Virginia Board of Workforce Development and based on data from the				
8	Bureau of Labor Statistics and the Virginia Employment Commission.				
9	3) Of this amount, \$600,000 the first year and \$600,000 the second year will be awarded				
10	based on competitive innovative program grants for high-demand and fast-growth industry				
11	sectors with priority given to state-identified challenged schools, the Governor's Science				
12	Technology, Engineering, and Mathematics (STEM) academies, and the Governor's Health				
13	Science Academies.				
14	d. This appropriation includes \$500,000 the first year and \$500,000 the second year from the				
15	Lottery Proceeds Fund to support credentialing testing materials for students and professional				
16	development for instructors in science, technology, engineering, and mathematics-health				
17	sciences (STEM-H) career and technical education programs.				
18	21. Adult Education Payments				
19	State funds shall be used to reimburse general adult education programs on a fixed cost per				
20	pupil or cost per class basis. No state funds shall be used to support vocational noncredit				
21	courses.				
22	22. General Education Payments				
23	a. This appropriation includes \$2,410,988 the first year and \$2,410,988 the second year from				
24	the Lottery Proceeds Fund to support Race to GED. Out of this appropriation, \$465,375 the				
25	first year and \$465,375 the second year shall be used for PluggedIn VA.				
26	b. This appropriation includes \$2,774,478 the first year and \$1,387,240 \$1,387,387 the second				
27	year from the Lottery Proceeds Fund to support Project Graduation and any associated				
28	administrative and contractual service expenditures related to this initiative.				
29	23. Virtual Virginia Payments				
30	a. From appropriations in this Item, the Department of Education shall provide assistance for				
31	the Virtual Virginia program.				
32	b. This appropriation includes \$498,000 the first year and \$498,000 the second year from the				
33	general fund to expand the Virtual Virginia full-time pilot program to 200 students in grades				
34	nine through 12.				
35	c. This appropriation includes \$260,000 the first year and \$330,000 the second year from the				
36	general fund to expand the virtual mathematics outreach pilot program to offer additional				
37	mathematics courses.				
38	d. The local share of costs associated with the operation of the Virtual Virginia program shall				
39	be computed using the composite index of local ability-to-pay.				
40	24. Individual Student Alternative Education Program (ISAEP) Payments				
41	Out of this appropriation, \$2,247,581 the first year from the Lottery Proceeds Fund and				
42	\$2,247,581 in the second year from the Lottery Proceeds Fund shall be provided for the				
43	secondary schools' Individual Student Alternative Education Program (ISAEP), pursuant to				
44	Chapter 488 and Chapter 552 of the 1999 Session of the General Assembly.				
45	25. Foster Children Education Payments				
46	a. An additional state payment is provided from the Lottery Proceeds Fund for the prior year's				
47	local operations costs, as determined by the Department of Education, for each pupil of school				
48	age as defined in § 22.1-1, Code of Virginia, not a resident of the school division providing				
49	his education (a) who has been placed in foster care or other custodial care within the				

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1	geographical boundaries of such school division by a Virginia agency, whether state or			
2	local, which is authorized under the laws of this Commonwealth to place children; (b) who			
3	has been placed in an orphanage or children's home which exercises legal guardianship			
4	rights; or (c) who is a resident of Virginia and has been placed, not solely for school			
5	purposes, in a child-caring institution or group home.			
6	b. This appropriation provides \$9,198,359 the first year and \$9,595,565 \$10,228,314 the			
7	second year from the Lottery Proceeds Fund to support children attending public school			
8	who have been placed in foster care or other such custodial care across jurisdictional lines,			
9	as provided by subsections A and B of § 22.1-101.1, Code of Virginia. To the extent these			
10	funds are not adequate to cover the full costs specified therein, the Department is			
11	authorized to expend unobligated balances in this Item for this support.			
12	26. Sales Tax Payments			
13	a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a			
14	portion of net revenue from the state sales and use tax, in support of the Standards of			
15	Quality (Title 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion			
16	of August 3, 1982).			
17	b. Certification of payments and distribution of this appropriation shall be made by the			
18	State Comptroller.			
19	c. The distribution of state sales tax funds shall be made in equal bimonthly payments at			
20	the middle and end of each month.			
21	27. Adult Literacy Payments			
22	a. Appropriations in this Item include \$125,000 the first year and \$125,000 the second			
23	year from the general fund for the ongoing literacy programs conducted by Mountain			
24	Empire Community College.			
25	b. Out of this appropriation, the Department of Education shall provide \$100,000 the first			
26	year and \$100,000 the second year from the general fund for the Virginia Literacy			
27	Foundation grants to support programs for adult literacy including those delivered by			
28	community-based organizations and school divisions providing services for adults with 0-			
29	9th grade reading skills.			
30	28. Governor's School Payments			
31	a. Out of the amounts for Governor's School Payments, the Department of Education shall			
32	provide assistance for the state share of the incremental cost of regular school year			
33	Governor's Schools based on each participating locality's composite index of local ability-			
34	to-pay. Participating school divisions must certify that no tuition is assessed to students for			
35	participation in this program.			
36	b.1) Out of the amounts for Governor's School Payments, the Department of Education			
37	shall provide assistance for the state share of the incremental cost of summer residential			
38	Governor's Schools and Foreign Language Academies to be based on the greater of the			
39	state's share of the composite index of local ability-to-pay or 50 percent. Participating			
40	school divisions must certify that no tuition is assessed to students for participation in this			
41	program if they are enrolled in a public school.			
42	2) Out of the amounts for Governor's School Payments, \$93,000 the first year and \$41,000			
43	the second year is provided to support the Hanover Regional Summer Governor's School			
44	for Career and Technical Advancement, which was established pursuant to Chapter 425,			
45	2014 Acts of Assembly, and Chapter 665, 2015 Acts of Assembly.			
46	c. For the Summer Governor's Schools and Foreign Language Academies programs, the			
47	Superintendent of Public Instruction is authorized to adjust the tuition rates, types of			
48	programs offered, length of programs, and the number of students enrolled in order to			
49	maintain costs within the available state and local funds for these programs.			
50	d. It shall be the policy of the Commonwealth that state general fund appropriations not be			
51	used for capital outlay, structural improvements, renovations, or fixed equipment costs			

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1	associated with initiation of existing or proposed Governor's schools. State general fund			
2	appropriations may be used for the purchase of instructional equipment for such schools,			
3	subject to certification by the Superintendent of Public Instruction that at least an equal			
4	amount of funds has been committed by participating school divisions to such purchases.			
5	e. The Board of Education shall not take any action that would increase the state's share of			
6	costs associated with the Governor's Schools as set forth in this Item. This provision shall not			
7	prohibit the Department of Education from submitting requests for the increased costs of			
8	existing programs resulting from updates to student enrollment for school divisions currently			
9	participating in existing programs or for school divisions that begin participation in existing			
10	programs.			
11	f.1) Regular school year Governor's Schools are funded through this Item based on the state's			
12	share of the incremental per pupil cost for providing such programs for each student attending			
13	a Governor's School up to a cap of 1,800 students per Governor's School in the first year and a			
14	cap of 1,800 students per Governor's School in the second year. This incremental per pupil			
15	payment shall be adjusted for the composite index of the school division that counts such			
16	students attending an academic year Governor's School in their March 31 Average Daily			
17	Membership. It is the intent of the General Assembly that this incremental per pupil amount			
18	be in addition to the basic aid per pupil funding provided to the affected school division for			
19	such students. Therefore, local school divisions are encouraged to provide the appropriate			
20	portion of the basic aid per pupil funding to the Governor's Schools for students attending			
21	these programs, adjusted for costs incurred by the school division for transportation,			
22	administration, and any portion of the day that the student does not attend a Governor's			
23	School.			
24	2) Students attending a revolving Academic Year Governor's School program for only one			
25	semester shall be counted as 0.50 of a full-time equivalent student and will be funded for only			
26	fifty percent of the full-year funded per pupil amount. Funding for students attending a			
27	revolving Academic Year program will be adjusted based upon actual September 30th and			
28	January 30th enrollment each fiscal year. For purposes of this Item, revolving programs shall			
29	mean Academic Year Governor's School programs that admit students on a semester basis.			
30	3) Students attending a continuous, non-revolving Academic Year Governor's School			
31	program shall be counted as a full-time equivalent student and will be funded for the full-year			
32	funded per pupil amount. Funding for students attending a continuous, non-revolving			
33	Academic Year Governor's School program will be adjusted based upon actual September			
34	30th student enrollment each fiscal year. For purposes of this Item, continuous, non-revolving			
35	programs shall mean Academic Year Governor's School programs that only admit students at			
36	the beginning of the school year. Fairfax County Public Schools shall not reduce local per			
37	pupil funding for the Thomas Jefferson Governor's School below the amounts appropriated			
38	for the 2003-2004 school year.			
39	4) This appropriation includes an additional \$1,223,796 the first year and \$1,250,538			
40	\$1,243,911 the second year from the general fund to provide the state's share of a 2.5 percent			
41	increase in the tuition amount, and the state's share of \$50.00 per course per student			
42	adjustment added after the 2.5 percent increase. The 2.5 percent increase and the \$50.00 per			
43	course adjustment shall only be effective for fiscal year 2017 and fiscal year 2018. The local			
44	funding contribution of each school division participating in an Academic Year Governor's			
45	Schools program in either year of the biennium shall not be reduced on a per pupil basis			
46	below the amount in fiscal year 2016.			
47	5) The Department of Education shall review the distribution methodology used to determine			
48	the Governor's School tuition payments by November 4, 2016, and submit the findings of the			
49	review to the Chairmen of House Appropriations and Senate Finance Committees. The review			
50	shall include, but not be limited to, consideration of the length of the academic program day			
51	with the intent to determine and provide an equitable distribution of tuition payments based			
52	on the actual length of academic program day, the appropriate state and local shares, and the			
53	academic model used by Governor's Schools in the configuration of the funding formula.			
54	g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12			
55	programs.			
56	i. Out of this appropriation, \$100,000 the first year from the general fund is available for the			

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1	Department of Education to develop, in collaboration with the school divisions and			
2	community colleges in the Roanoke Valley region, a model proposal that establishes a			
3	Regional Career and Technical Governor's School Center.			
4	j. Out of the appropriation included in paragraph 40 of this item, \$135,366 <i>\$134,841</i> the			
5	second year from the general fund is included in the Academic Year Governor's School			
6	funding allocation to increase the per pupil amount the second year as an add-on for a			
7	compensation supplement payment equal to 2.0 percent of base pay on February 15, 2018,			
8	for Academic Year Governor's School instructional and support positions.			
9	29. School Nutrition Payments			
10	It is provided that, subject to implementation by the Superintendent of Public Instruction,			
11	no disbursement shall be made out of the appropriation for school nutrition to any locality			
12	in which the schools permit the sale of competitive foods in food service facilities or areas			
13	during the time of service of food funded pursuant to this Item.			
14	30. School Breakfast Payments			
15	a. Out of this appropriation, \$4,887,179 the first year and \$5,492,229 <i>\$5,722,214</i> the			
16	second year from the Lottery Proceeds Fund is included to continue a state funded			
17	incentive program to maximize federal school nutrition revenues and increase student			
18	participation in the school breakfast program. These funds are available to any school			
19	division as a reimbursement for breakfast meals served that are in excess of the baseline			
20	established by the Department of Education. The per meal reimbursement shall be \$0.22;			
21	however, the department is authorized, but not required to reduce this amount			
22	proportionately in the event that the actual number of meals to be reimbursed exceeds the			
23	number on which this appropriation is based so that this appropriation is not exceeded.			
24	b. In order to receive these funds, school divisions must certify that these funds will be			
25	used to supplement existing funds provided by the local governing body and that local			
26	funds derived from sources that are not generated by the school nutrition programs have			
27	not been reduced or eliminated. The funds shall be used to improve student participation			
28	in the school breakfast program. These efforts may include, but are not limited to,			
29	reducing the per meal price paid by students, reducing competitive food sales in order to			
30	improve the quality of nutritional offerings in schools, increasing access to the school			
31	breakfast program, or providing programs to increase parent and student knowledge of			
32	good nutritional practices. In no event shall these funds be used to reduce local tax			
33	revenues below the level appropriated to school nutrition programs in the prior year.			
34	Further, these funds must be provided to the school nutrition programs and may not be			
35	used for any other school purpose.			
36	c.1) Out of this appropriation, \$1,074,000 the first year and \$1,074,000 the second year			
37	from the general fund is provided to fund an elementary school After-the-Bell Model			
38	breakfast pilot program available on a voluntary basis only to elementary schools where			
39	student eligibility for free or reduced lunch exceeds 45.0 percent for the participating			
40	eligible elementary school, and to provide additional reimbursement for eligible meals			
41	served in the current traditional school breakfast program at all grade levels in any			
42	participating school. The Department of Education is directed to ensure that only eligible			
43	elementary schools receive reimbursement funding for participating in the After-the-Bell			
44	school breakfast model. The elementary schools participating in the pilot program shall			
45	evaluate the educational impact of the models implemented that provide school breakfasts			
46	to students after the first bell of the school day, based on the guidelines developed by the			
47	Department of Education and submit the required report to the Department of Education			
48	no later June 30, 2017 for the 2016-2017 school year and no later than June 30, 2018 for			
49	the 2017-2018 school year.			
50	2) The Department of Education shall communicate, through Superintendent's Memo, to			
51	school divisions the types of breakfast serving models and the criteria that will meet the			
52	requirements for this State reimbursement, which may include, but are not limited to,			
53	breakfast in the classroom, grab and go breakfast, or a breakfast after first period. School			
54	divisions may determine the breakfast serving model that best applies to its students, so			
55	long as it occurs after the instructional day has begun. For the 2016-2017 and 2017-2018			
56	school years, the Department of Education shall monthly transfer to each school division a			

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1	reimbursement rate of \$0.05 per breakfast meal that meets either of the established criteria.			
2	3) No later than July 1, 2016 for the 2016-2017 school year and no later than July 1, 2017 for			
3	the 2017-2018 school year, the Department of Education shall provide for a pilot breakfast			
4	program application process for school divisions with eligible elementary schools, including			
5	guidelines regarding specified required data to be compiled from the prior school year or			
6	years and during the one-year pilot. The number of approved applications shall be based on			
7	the estimated number of pilot sites that can be accommodated within the approved funding			
8	level. The reporting requirements must include: student attendance and tardy arrivals, office			
9	discipline referrals, student achievement measures, teachers' responses to the impact of the			
10	pilot program before and after implementation, and the financial impact on the division's			
11	school food program. The Department of Education shall collect and compile the results of			
12	the pilot breakfast program and shall submit the report to the Governor and the Chairmen of			
13	the House Appropriations and Senate Finance Committees no later than August 1 following			
14	each school year.			
15	31. Clinical Faculty and Mentor Teacher Program Payments			
16	This appropriation includes \$1,000,000 the first year and \$1,000,000 the second year from the			
17	Lottery Proceeds Fund to be paid to local school divisions for statewide Mentor Teacher			
18	Programs to assist pre-service teachers and beginning teachers to make a successful transition			
19	into full-time teaching. This appropriation also includes \$318,750 the first year and \$318,750			
20	the second year from the general fund for Clinical Faculty programs to assist pre-service			
21	teachers and beginning teachers to make a successful transition into full-time teaching. Such			
22	programs shall include elements which are consistent with the following:			
23	a. An application process for localities and school/higher education partnerships that wish to			
24	participate in the programs;			
25	b. For Clinical Faculty programs only, provisions for a local funding or institutional			
26	commitment of 50 percent, to match state grants of 50 percent;			
27	c. Program plans which include a description of the criteria for selection of clinical faculty			
28	and mentor teachers, training, support, and compensation for clinical faculty and mentor			
29	teachers, collaboration between the school division and institutions of higher education, the			
30	clinical faculty and mentor teacher assignment process, and a process for evaluation of the			
31	programs;			
32	d. The Department of Education shall allow flexibility to local school divisions and higher			
33	education institutions regarding compensation for clinical faculty and mentor teachers			
34	consistent with these elements of the programs; and			
35	e. It is the intent of the General Assembly that no preference between pre-service or beginning			
36	teacher programs be construed by the language in this Item. School divisions operating			
37	beginning teacher mentor programs shall receive equal consideration for funding.			
38	32. Career Switcher/Alternative Licensure Payments			
39	Appropriations in this Item include \$279,983 the first year and \$279,983 the second year from			
40	the general fund to provide grants to school divisions that employ mentor teachers for new			
41	teachers entering the profession through the alternative route to licensure as prescribed by the			
42	Board of Education.			
43	33. Virginia Workplace Readiness Skills Assessment			
44	Appropriations in this Item include \$308,655 the first year and \$308,655 the second year from			
45	the general fund to provide support grants to school divisions for standard diploma graduates.			
46	To provide flexibility, school divisions may use the state grants for the actual assessment or			
47	for other industry certification preparation and testing.			
48	34. Reading Specialists Initiative			
49	a. An additional payment of \$1,476,790 the first year and \$1,476,790 the second year from			
50	the general fund shall be disbursed by the Department of Education to qualifying local school			
51	divisions for the purpose of providing a reading specialist for any school with a third grade			

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1	that has a school-wide pass rate of less than 75 percent on the reading Standards of			
2	Learning (SOL) assessments.			
3	b. These payments shall be based on the state's share of the cost of providing one reading			
4	specialist per qualifying school. School divisions with schools participating in this			
5	program in fiscal year 2016 shall be eligible to receive funding at 100 percent of the state			
6	share the first year and 50 percent of the state share the second year for the same schools			
7	and such schools are granted a one-year extension of the two-year waiver referenced in			
8	subsection c. for a third year in fiscal year 2018. The Department of Education is			
9	authorized to disburse additional payments to divisions from any remaining funds each			
10	year to support additional qualifying schools and shall give priority to such schools with			
11	the lowest SOL pass rates for reading or the greatest number of years accredited with			
12	warning in English. Payments to school divisions in support of such additional qualifying			
13	schools each year shall be based on 100 percent of the state share of cost.			
14	c. These payments are available to any school division with a qualifying school that (1)			
15	certifies to the Department of Education that the division has hired a reading specialist to			
16	provide direct services to children reading below grade level in the school to improve			
17	reading achievement and (2) applies and receives a waiver for up to two years from the			
18	Board of Education for the administration of third grade SOL assessments in science or			
19	history and social science or both for the purpose of creating additional instructional time			
20	for reading specialists to work with students reading below grade level to improve reading			
21	achievement.			
22	d. These payments also are available to any school division with a qualifying school that			
23	certifies to the Department of Education that the division is supporting tuition for			
24	collegiate programs and instruction for currently employed instructional school personnel			
25	to earn the credentials necessary to meet licensure requirements to be endorsed as a			
26	reading specialist.			
27	e. School divisions receiving these payments are required to match these funds based on			
28	the composite index of local ability-to-pay.			
29	35. Math/Reading Instructional Specialist Initiative			
30	a. Included in this appropriation is \$1,834,538 the first year and \$1,834,538 the second			
31	year from the general fund in additional payments for reading or math instructional			
32	specialists at underperforming schools. From this amount, the state share of one reading or			
33	math specialist shall be provided to local school divisions with schools which have been			
34	denied accreditation or were accredited with warning for the third consecutive year based			
35	on school accreditation ratings for the 2015-2016 school year. Such schools shall be			
36	eligible to receive the state share of funding for both years of the biennium. In addition,			
37	following the academic review required by § 22.1-253.13:3, Code of Virginia, the			
38	Department of Education shall identify up to 20 additional schools to also receive the state			
39	share of a reading or math instructional specialist. The schools eligible for such personnel			
40	are those which were accredited with warning for the second consecutive year based on			
41	school accreditation ratings for the 2014-2015 and 2015-2016 school years and that have			
42	shown no or limited improvement in student achievement in the past year. Such schools			
43	shall also be eligible to receive the state share of funding for both years of the biennium.			
44	If, following certification from a school division that it will not participate in the program,			
45	the Department is authorized to identify additional eligible schools.			
46	b. These payments are available to any school division with a qualifying school that			
47	certifies to the Department of Education that the division has (1) hired a math or reading			
48	instructional specialist, or (2) is supporting tuition for collegiate programs and instruction			
49	for currently employed instructional school personnel to earn the credentials necessary to			
50	meet licensure requirements to be endorsed as a math specialist or a reading specialist.			
51	Localities receiving these payments are required to match these funds based on the			
52	composite index of local ability-to-pay.			
53	c. The Department of Education is authorized to utilize available funding appropriated to			
54	the Early Reading Specialist Initiative contained in this Item to pay for instructional			
55	specialists at additional eligible schools, or to support tuition for collegiate programs and			
56	instruction for currently employed instructional school personnel at additional eligible			

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1	schools to earn the credentials necessary to meet licensure requirements to be endorsed as an			
2	instructional specialist.			
3	37. Broadband Connectivity Capabilities			
4	By November 1 each year, school divisions shall report to the Department of Education the			
5	status of broadband connectivity capability of schools in the division on a form to be provided			
6	by the Department. Such report shall include school-level information on the method of			
7	Internet service delivery, the level of bandwidth capacity and the degree such capacity is			
8	sufficient for delivery of school-wide digital resources and instruction, degree of internet			
9	connectivity via Wi-Fi, cost information related to Internet connectivity, data security, and			
10	such other pertinent information as determined by the Department of Education. The			
11	Department shall provide a summary of the division responses in a report to be made			
12	available on its agency Web site.			
13	38. Supplemental Lottery Per Pupil Allocation Payments			
14	a. Out of this appropriation, an amount estimated at \$36,581,531 the first year and			
15	\$191,267,718 \$191,272,274 the second year from the Lottery Proceeds Fund shall be			
16	disbursed by the Department of Education to local school divisions to support the state share			
17	of an estimated \$52.56 per pupil the first year and \$274.12 \$274.29 per pupil the second year			
18	in adjusted March 31 average daily membership. These per pupil amounts are subject to			
19	change for the purpose of payment to school divisions based on the actual March 31 ADM			
20	collected each year. No locality shall be required to maintain a per pupil expenditure each			
21	year from local funds which is greater than the per pupil amount expended by the locality for			
22	such purposes in the year upon which the 2016-18 biennial Standards of Quality expenditure			
23	data were based.			
24	b. Of the amounts listed above, school divisions are permitted to spend such funds on both			
25	recurring and nonrecurring expenses in a manner that best supports the needs of the schools			
26	divisions. No local match is required.			
27	c. Any lottery funds provided to school divisions from this item that are unexpended as of			
28	June 30, 2017, and June 30, 2018, shall be carried on the books of the locality to be			
29	appropriated to the school division in the following year.			
30	39. Special Education Endorsement Program			
31	a. Notwithstanding § 22.1-290.02, Code of Virginia, out of this appropriation, \$550,000 the			
32	first year and \$437,186 the second year from the general fund is provided for traineeships and			
33	program operation grants that shall be awarded to public Virginia institutions of higher			
34	education to prepare persons who are employed in the public schools of Virginia, state			
35	operated programs, or regional special education centers as special educators with a			
36	provisional license and enrolled either part-time or full-time in programs for the education of			
37	children with disabilities. Applicants shall be graduates of a regionally accredited college or			
38	university.			
39	b. The award of such grants shall be made by the Department of Education, and the number of			
40	awards during any one year shall depend upon the amounts appropriated by the General			
41	Assembly for this purpose. The amount awarded for each traineeship shall be \$600 for a			
42	minimum of three semester hours of course work in areas required for the special education			
43	endorsement to be taken by the applicant during a single semester or summer session. Only			
44	one traineeship shall be awarded to a single applicant in a single semester or summer session.			
45	40. Compensation Supplement			
46	a.1) The appropriation in this item includes \$31,981,550 \$31,728,026 the second year from			
47	the general fund for the state share of a payment equivalent to a 2.0 percent salary incentive			
48	increase, effective February 15, 2018, for funded SOQ instructional and support positions.			
49	Funded SOQ instructional positions shall include the teacher, guidance counselor, librarian,			
50	instructional aide, principal, and assistant principal positions funded through the SOQ staffing			
51	standards for each school division in the biennium. This amount includes \$135,366 the second			
52	year referenced in paragraph 28. h., for the Academic Year Governor's Schools for a 2.0			
53	percent salary incentive increase, effective February 15, 2018, for instructional and support			
54	positions.			

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1	2) It is the intent that the instructional and support position salaries be increased in school			
2	divisions throughout the state by at least an average of 2.0 percent during the 2016-18			
3	biennium. Sufficient funds are appropriated in this act to finance, on a statewide basis, the			
4	state share of a 2.0 percent salary increase for funded SOQ instructional and support			
5	positions, effective February 15, 2018, to school divisions which certify to the Department			
6	of Education, by June 1, 2017, that salary increases of a minimum average of 2.0 percent			
7	have been or will have been provided during the 2016-18 biennium, either in the first year			
8	or in the second year or through a combination of the two years, to instructional and			
9	support personnel. In certifying that the salary increases have been provided, school			
10	divisions may not include any salary increases that were provided in the first year solely to			
11	offset the cost of required member contributions to the Virginia Retirement System under			
12	§ 51.1-144, Code of Virginia.			
13	b. This funding is not intended as a mandate to increase salaries.			
14	41. Small School Division Enrollment Loss Fund			
15	Out of this appropriation, \$7,258,009 the first year from the general fund is allocated to			
16	eligible school divisions that have realized and reported to the Department of Education a			
17	total of a five percent or more decline in average daily membership from March 31, 2011,			
18	to March 31, 2016, with a minimum dollar amount for such eligible school divisions of			
19	\$75,000. Such eligible school divisions shall receive an apportioned allocation as specified			
20	below:			
21	DIVISION NAME		FY 2017	
22	ALLEGHANY		\$388,339	
23	AMHERST		\$207,863	
24	BATH		\$75,000	
25	BEDFORD		\$411,294	
26	BLAND		\$75,000	
27	BOTETOURT		\$153,580	
28	BRUNSWICK		\$251,930	
29	BUCHANAN		\$187,525	
30	BUENA VISTA		\$99,574	
31	CAMPBELL		\$356,831	
32	CARROLL		\$341,486	
33	CHARLES CITY		\$75,000	
34	CHARLOTTE		\$139,455	
35	CRAIG		\$75,000	
36	CUMBERLAND		\$75,000	
37	DICKENSON		\$147,963	
38	ESSEX		\$92,159	
39	FLUVANNA		\$127,920	
40	FRANKLIN CITY		\$77,994	
41	GLOUCESTER		\$263,849	
42	GRAYSON		\$184,921	
43	HALIFAX		\$356,415	
44	HIGHLAND		\$75,000	
45	LANCASTER		\$75,000	
46	LEE		\$231,524	
47	MARTINSVILLE		\$134,728	
48	MATHEWS		\$75,000	
49	MECKLENBURG		\$182,522	
50	NORTHAMPTON		\$75,000	
51	NORTHUMBERLAND		\$75,000	
52	PAGE		\$137,643	

ITEM 139.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	PETERSBURG				\$180,650
2	POQUOSON				\$123,514
3	PRINCE EDWARD				\$247,748
4	PULASKI				\$200,103
5	RAPPAHANNOCK				\$75,000
6	SMYTH				\$191,886
7	SURRY				\$75,000
8	SUSSEX				\$110,255
9	TAZEWELL				\$322,616
10	WESTMORELAND				\$89,180
11	WISE				\$416,542
12	TOTAL				\$7,258,009
13	140.	Not set out.			
14				\$7,373,904,650	\$7,648,611,401
15	Total for Direct Aid to Public Education.....				\$7,643,038,075
16	Fund Sources: General.....	\$5,675,304,086	\$6,030,019,145		
17			\$5,972,747,865		
18	Special.....	\$895,000	\$895,000		
19	Commonwealth Transportation.....	\$2,310,000	\$2,385,000		
20			\$2,100,000		
21	Trust and Agency.....	\$808,328,667	\$728,245,359		
22			\$780,228,313		
23	Federal Trust.....	\$887,066,897	\$887,066,897		
24	Grand Total for Department of Education, Central				
25	Office Operations.....			\$7,478,537,345	\$7,751,425,397
26					\$7,745,852,071
27	General Fund Positions.....	150.00	144.00		
28	Nongeneral Fund Positions.....	178.50	180.50		
29	Position Level.....	328.50	324.50		
30	Fund Sources: General.....	\$5,735,624,112	\$6,088,518,538		
31			\$6,031,247,258		
32	Special.....	\$5,540,648	\$5,542,274		
33	Commonwealth Transportation.....	\$2,573,327	\$2,648,327		
34			\$2,363,327		
35	Trust and Agency.....	\$808,608,226	\$728,524,922		
36			\$780,507,876		
37	Federal Trust.....	\$926,191,032	\$926,191,336		
38	141.	Not set out.			
39	142.	Not set out.			
40	143.	Not set out.			
41	144.	Not set out.			
42	145.	Not set out.			
43	146.	Not set out.			
44	147.	Not set out.			
45	148.	Not set out.			

ITEM 149.			Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	149.	Not set out.				
2	150.	Not set out.				
3	151.	Not set out.				
4	152.	Not set out.				
5	153.	Not set out.				
6	154.	Not set out.				
7	155.	Not set out.				
8	156.	Not set out.				
9	157.	Not set out.				
10	158.	Not set out.				
11	159.	Not set out.				
12	160.	Not set out.				
13	161.	Not set out.				
14	162.	Not set out.				
15	163.	Not set out.				
16	164.	Not set out.				
17	165.	Not set out.				
18	166.	Not set out.				
19	167.	Not set out.				
20	168.	Not set out.				
21	169.	Not set out.				
22	170.	Not set out.				
23	171.	Not set out.				
24	172.	Not set out.				
25	173.	Not set out.				
26	174.	Not set out.				
27	175.	Not set out.				
28	176.	Not set out.				

ITEM 177.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	177.	Not set out.		
2	178.	Not set out.		
3	179.	Not set out.		
4	180.	Not set out.		
5	181.	Not set out.		
6	182.	Not set out.		
7	183.	Not set out.		
8	184.	Not set out.		
9	185.	Not set out.		
10	186.	Not set out.		
11	187.	Not set out.		
12	188.	Not set out.		
13	189.	Not set out.		
14	190.	Not set out.		
15	191.	Not set out.		
16	192.	Not set out.		
17	193.	Not set out.		
18	194.	Not set out.		
19	195.	Not set out.		
20	196.	Not set out.		
21	197.	Not set out.		
22	198.	Not set out.		
23	199.	Not set out.		
24	200.	Not set out.		
25	201.	Not set out.		
26	202.	Not set out.		
27	203.	Not set out.		
28	204.	Not set out.		

ITEM 204.			Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	205.	Not set out.				
2	206.	Not set out.				
3	207.	Not set out.				
4	208.	Not set out.				
5	209.	Not set out.				
6	210.	Not set out.				
7	211.	Not set out.				
8	212.	Not set out.				
9	213.	Not set out.				
10	214.	Not set out.				
11	215.	Not set out.				
12	216.	Not set out.				
13	217.	Not set out.				
14	218.	Not set out.				
15	219.	Not set out.				
16	220.	Not set out.				
17	221.	Not set out.				
18	222.	Not set out.				
19	223.	Not set out.				
20	224.	Not set out.				
21	225.	Not set out.				
22	226.	Not set out.				
23	227.	Not set out.				
24	228.	Not set out.				
25	229.	Not set out.				
26	230.	Not set out.				
27	231.	Not set out.				

ITEM 232.			Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	232.	Not set out.				
2	233.	Not set out.				
3	234.	Not set out.				
4	235.	Not set out.				
5	236.	Not set out.				
6	237.	Not set out.				
7	238.	Not set out.				
8	239.	Not set out.				
9	240.	Not set out.				
10	241.	Not set out.				
11	242.	Not set out.				
12	243.	Not set out.				
13	244.	Not set out.				
14	245.	Not set out.				
15	246.	Not set out.				
16	247.	Not set out.				
17	248.	Not set out.				
18	249.	Not set out.				
19	250.	Not set out.				
20	251.	Not set out.				
21	252.	Not set out.				
22	253.	Not set out.				
23	254.	Not set out.				
24	255.	Not set out.				
25	255.10	Not set out.				
26	256.	Not set out.				
27	TOTAL FOR OFFICE OF EDUCATION.....				\$18,426,112,099	\$18,392,678,739
28						\$18,387,105,413
29	General Fund Positions.....		18,527.65	18,528.65		

ITEM 256.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Nongeneral Fund Positions.....	40,228.07	40,593.07		
2	Position Level.....	58,755.72	59,121.72		
3	Fund Sources: General.....	\$7,775,650,331	\$8,103,714,179		
4			\$8,046,442,899		
5	Special.....	\$41,228,245	\$40,848,744		
6	Higher Education Operating.....	\$8,511,168,633	\$8,217,476,180		
7	Commonwealth Transportation.....	\$2,573,327	\$2,648,327		
8			\$2,363,327		
9	Enterprise.....	\$5,479,910	\$5,479,910		
10	Trust and Agency.....	\$808,798,226	\$728,714,922		
11			\$780,697,876		
12	Debt Service.....	\$329,379,313	\$337,393,916		
13	Dedicated Special Revenue.....	\$11,914,428	\$16,482,503		
14	Federal Trust.....	\$939,919,686	\$939,920,058		

ITEM 257.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF FINANCE			
2	257.	Not set out.		
3	§ 1-9. DEPARTMENT OF ACCOUNTS (151)			
4	258.	Not set out.		
5	259.	Not set out.		
6	260.	Not set out.		
7	261.	Not set out.		
8	262.	Not set out.		
9	263.	Not set out.		
10	264.	Not set out.		
11	265.	Not set out.		
12	Department of Accounts Transfer Payments (162)			
13	266.	Financial Assistance to Localities - General (72800)		
14		a sum sufficient, estimated at.....	\$570,565,000	\$572,065,000
15				\$571,395,000
16		Distribution of Rolling Stock Taxes (72806).....	\$7,100,000	\$7,100,000
17				\$6,530,000
18		Distribution of Recordation Taxes (72808).....	\$40,000,000	\$40,000,000
19		Financial Assistance to Localities - Rental Vehicle		
20		Tax (72810).....	\$45,000,000	\$46,500,000
21		Distribution of Sales Tax Revenues from Certain		
22		Public Facilities (72811).....	\$1,040,000	\$1,040,000
23		Distribution of Tennessee Valley Authority		
24		Payments in Lieu of Taxes (72812).....	\$1,300,000	\$1,300,000
25				\$1,200,000
26		Distribution of the Virginia Communications Sales		
27		and Use Tax (72816).....	\$440,000,000	\$440,000,000
28		Distribution of Payments to Localities for Enhanced		
29		Emergency Communications Services (72817).....	\$36,000,000	\$36,000,000
30		Distribution of Sales Tax Revenues from Certain		
31		Tourism Projects (72819).....	\$125,000	\$125,000
32		Fund Sources: General.....	\$49,565,000	\$49,565,000
33				\$48,895,000
34		Trust and Agency.....	\$45,000,000	\$46,500,000
35		Dedicated Special Revenue.....	\$476,000,000	\$476,000,000
36	Authority: §§ 15.2-5814, 15.2-5914, 33.2-2400, 58.1-608.3, 58.1-662, 58.1-815.1, 58.1-816,			
37	58.1-1736, 58.1-1741, 58.1-2658.1, and 58.1-3406, Code of Virginia.			
38	A. Out of this appropriation, amounts estimated at \$20,000,000 the first year and \$20,000,000			
39	the second year from the general fund shall be deposited into the Northern Virginia			
40	Transportation District Fund, as provided in § 33.2-2400, Code of Virginia. Said amount shall			
41	consist of recordation taxes attributable to and transferable to the cities of Alexandria, Fairfax,			
42	Falls Church, Manassas, and Manassas Park and the counties of Arlington, Fairfax, Loudoun,			
43	and Prince William, pursuant to § 58.1-816, Code of Virginia. This amount shall be			
44	transferred to Item 457 of this act and shall be used to support the Northern Virginia			

ITEM 266.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Transportation District Program as defined in § 33.2-2401, Code of Virginia. The			
2	Commonwealth Transportation Board shall make such allocations and expenditures from			
3	the fund as are provided in the Northern Virginia Transportation District, Commonwealth			
4	of Virginia Revenue Bond Act of 1993 (Chapter 391, 1993 Acts of Assembly). The			
5	Commonwealth Transportation Board also shall make such allocations and expenditures			
6	from the fund as are provided in Chapters 470 and 597 of the 1994 Acts of Assembly			
7	(amendments to Chapter 391, 1993 Acts of Assembly).			
8	B. Pursuant to Chapters 233 and 662, 1994 Acts of Assembly, out of this appropriation, an			
9	amount estimated at \$1,000,000 the first year and \$1,000,000 the second year from the			
10	general fund shall be deposited into the set-aside fund as requested in an ordinance			
11	adopted March 28, 1995, and in compliance with the requirements provided for in § 58.1-			
12	816.1, Code of Virginia, for an account for the City of Chesapeake. These amounts shall			
13	be transferred to Item 457 of this act and shall be allocated by the Commonwealth			
14	Transportation Board to provide for the debt service pursuant to the Oak Grove			
15	Connector, City of Chesapeake, Commonwealth of Virginia Transportation Program			
16	Revenue Bond Act of 1994 (Chapters 233 and 662, 1994 Acts of Assembly).			
17	C. Out of this appropriation, the Virginia Baseball Stadium Authority shall be paid a sum			
18	sufficient equal to the state personal, corporate, and pass-through entity income and sales			
19	and use tax revenues to which the authority is entitled.			
20	D.1. In order to carry out the provisions of § 58.1-645 et seq., Code of Virginia, there is			
21	hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at			
22	\$440,000,000 in the first year and \$440,000,000 in the second year equal to the revenues			
23	collected pursuant to § 58.1-645 et seq., Code of Virginia, from the Virginia			
24	Communications Sales and Use Tax. All revenue received by the Commonwealth			
25	pursuant to the provisions of § 58.1-645 et seq., Code of Virginia, shall be paid into the			
26	state treasury and deposited to the Virginia Communications Sales and Use Tax Fund and			
27	shall be distributed pursuant to § 58.1-662, Code of Virginia and Item 287 of this act. For			
28	the purposes of the State Comptroller's preliminary and final annual reports required by §			
29	2.2-813, Code of Virginia, however, all deposits to and disbursements from the fund shall			
30	be accounted for as part of the general fund of the state treasury.			
31	2. It is the intent of the General Assembly that all such revenues be distributed to counties,			
32	cities, and towns, the Department for the Deaf and Hard-of-Hearing, and to the			
33	Department of Taxation for the costs of administering the Virginia Communications Sales			
34	and Use Tax Fund.			
35	E. In order to carry out the provisions of § 58.1-1734 et seq., Code of Virginia, there is			
36	hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at			
37	\$45,000,000 in the first year and \$46,500,000 in the second year equal to the revenues			
38	collected pursuant to A. 2 of § 58.1-1736 Code of Virginia, from the Virginia Motor			
39	Vehicle Rental Tax.			
40	F. In order to carry out the provisions of § 56-484.17 et seq., Code of Virginia, there is			
41	hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at			
42	\$36,000,000 in the first year and \$36,000,000 in the second year equal to the revenues			
43	collected pursuant to § 56-484.17.1 Code of Virginia, from the Virginia Wireless Tax.			
44	267.	Not set out.		
45	268.	Not set out.		
46	269.	Not set out.		
47	270.	Not set out.		
48	271.	Not set out.		
49	272.	Not set out.		

ITEM 272.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Total for Department of Accounts Transfer Payments				
2				\$2,169,802,634	\$1,556,272,398
3					\$1,555,602,398
4	Nongeneral Fund Positions.....	1.00	1.00		
5	Position Level.....	1.00	1.00		
6	Fund Sources: General.....	\$1,605,137,105	\$999,565,000		
7			\$998,895,000		
8	Trust and Agency.....	\$87,339,185	\$79,381,054		
9	Dedicated Special Revenue.....	\$477,326,344	\$477,326,344		
10	Grand Total for Department of Accounts.....			\$2,209,949,168	\$1,597,552,534
11					\$1,596,882,534
12	General Fund Positions.....	115.00	115.00		
13	Nongeneral Fund Positions.....	54.00	54.00		
14	Position Level.....	169.00	169.00		
15	Fund Sources: General.....	\$1,617,739,858	\$1,012,168,165		
16			\$1,011,498,165		
17	Special.....	\$862,846	\$862,846		
18	Internal Service.....	\$26,680,935	\$27,814,125		
19	Trust and Agency.....	\$87,339,185	\$79,381,054		
20	Dedicated Special Revenue.....	\$477,326,344	\$477,326,344		
21	273. Not set out.				
22	274. Not set out.				
23	275. Not set out.				
24	276. Not set out.				
25	277. Not set out.				
26	278. Not set out.				
27	279. Not set out.				
28	280. Not set out.				
29	§ 1-10. TREASURY BOARD (155)				
30	281. Bond and Loan Retirement and Redemption (74300).			\$771,334,565	\$813,838,773
31					\$789,570,265
32	Debt Service Payments on General Obligation Bonds				
33	(74301).....	\$72,574,911	\$70,178,689		
34			\$70,187,695		
35	Capital Lease Payments (74302).....	\$5,492,400	\$5,493,288		
36	Debt Service Payments on Public Building Authority				
37	Bonds (74303).....	\$281,328,073	\$287,263,593		
38			\$279,938,447		
39	Debt Service Payments on College Building				
40	Authority Bonds (74304).....	\$411,939,181	\$450,903,203		
41			\$433,950,835		
42	Fund Sources: General.....	\$722,112,126	\$763,747,452		
43			\$739,478,944		
44	Higher Education Operating.....	\$30,011,174	\$31,526,576		
45	Dedicated Special Revenue.....	\$645,000	\$645,000		
46	Federal Trust.....	\$18,566,265	\$17,919,745		

ITEM 281.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018

1 Authority: Title 2.2, Chapter 18, Code of Virginia; Article X, Section 9, Constitution of
2 Virginia.

3 A. The Director, Department of Planning and Budget is authorized to transfer
4 appropriations between Items in the Treasury Board to address legislation affecting the
5 Treasury Board passed by the General Assembly.

6 B.1. Out of the amounts for Debt Service Payments on General Obligation Bonds, the
7 following amounts are hereby appropriated from the general fund for debt service on
8 general obligation bonds issued pursuant to Article X, Section 9 (b), of the Constitution of
9 Virginia:

10	Series	FY 2017		FY 2018	
11		General Fund	Federal Funds	General Fund	Federal Funds
12	2007A	\$6,812,500	\$0	\$6,500,000	\$0
13	2007B	\$4,200,000	\$0	\$0	\$0
14	2008A	\$5,362,800	\$0	\$5,116,800	\$0
15	2008B	\$5,447,850	\$0	\$5,225,850	\$0
16	2009A	\$1,080,250	\$0	\$4,262,250	\$0
17	2009B	\$3,238,564	\$470,381	\$3,185,529	\$441,824
18	2009D Refunding	\$19,659,250	\$0	\$24,849,250	\$0
19	2012 Refunding	\$4,499,700	\$0	\$4,409,200	\$0
20	2013 Refunding	\$11,353,250	\$0	\$4,958,750	\$0
21	2014 Refunding	\$4,436,500	\$0	\$1,107,750	\$0
22	2015B Refunding	\$4,909,550	\$0	\$8,214,550	\$0
23	2016B Refunding	\$1,016,977	\$0	\$1,821,450	\$0
24	Projected debt	\$87,339	\$0	\$85,486	\$0
25	service & expenses			\$94,492	
26	Total Service Area	\$72,104,530	\$470,381	\$69,736,865	\$441,824
27				\$69,745,871	

28 2. Out of the amounts for Debt Service Payments on General Obligation Bonds, sums
29 needed to fund issuance costs and other expenses are hereby appropriated.

30 C. Out of the amounts for Capital Lease Payments, the following amounts are hereby
31 appropriated for capital lease payments:

32		FY 2017	FY 2018
33	Norfolk RHA (VCCS-TCC), Series	\$739,250	\$739,738
34	1995		
35	Virginia Biotech Research Park, 2009	\$4,753,150	\$4,753,550
36	Total Capital Lease Payments	\$5,492,400	\$5,493,288

37 D.1. Out of the amounts for Debt Service Payments on Virginia Public Building Authority
38 Bonds shall be paid to the Virginia Public Building Authority the following amounts for
39 use by the authority for its various bond issues:

40	Series	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
41	2005D	\$1,250,000	\$0	\$1,250,000	\$0
42	2006A	\$3,854,000	\$0	\$0	\$0
43	STARS 2006A	\$7,144,250	\$0	\$0	\$0
44	2006B	\$8,620,250	\$0	\$0	\$0
45	STARS 2006B	\$4,469,000	\$0	\$0	\$0
46	2007A	\$8,992,375	\$0	\$8,994,375	\$0
47	STARS 2007A	\$7,515,875	\$0	\$7,513,250	\$0
48	2008B	\$7,120,275	\$0	\$7,121,212	\$0
49	2009A	\$4,685,520	\$0	\$4,680,433	\$0

ITEM 281.			Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	2009B	\$13,440,387		\$0	\$10,206,500	\$0
2	2009B STARS	\$6,585,500		\$0	\$6,582,000	\$0
3	2009C	\$1,091,060		\$0	\$1,087,256	\$0
4	2009D	\$6,258,800		\$0	\$6,267,750	\$0
5	2010A	\$21,922,619	\$4,427,564		\$21,924,262	\$4,245,372
6	2010B	\$22,230,332	\$3,483,595		\$22,228,807	\$3,483,595
7	2011A STARS	\$631,250		\$0	\$626,750	\$0
8	2011A	\$19,232,175		\$0	\$17,663,175	\$0
9	2011B	\$1,298,724		\$0	\$1,297,524	\$0
10	2012A Refunding	\$10,397,100		\$0	\$14,873,225	\$0
11	2013A	\$10,279,800		\$0	\$10,284,425	\$0
12	2013B	\$3,478,000		\$0	\$3,478,000	\$0
13	2014A	\$9,204,275	\$645,000		\$9,200,150	\$645,000
14	2014B	\$2,009,865		\$0	\$2,014,279	\$0
15	2014C Refunding	\$47,576,200		\$0	\$39,093,450	\$0
16	2015A	\$17,340,371		\$0	\$17,344,371	\$0
17	2015B Refunding	\$17,565,080		\$0	\$21,406,330	\$0
18	2016A	\$2,594,308		\$0	\$14,388,800	\$0
19	2016B Refunding	\$2,840,840		\$0	\$8,816,400	\$0
20	2016C	\$2,360,858		\$0	\$11,658,400	\$0
21	2016D	\$113,933		\$0	\$906,203	\$0
22					\$906,503	
23	Projected debt service and	\$668,892		\$0	\$7,982,299	\$0
24	expenses				\$656,853	
25	Total Service Area	\$272,771,914	\$8,556,159		\$278,889,626	\$8,373,967
26					\$271,564,480	

27 2.a. Funding is included in this Item for the Commonwealth's reimbursement of a portion of
 28 the approved capital costs as determined by the Board of Corrections and other interest costs
 29 as provided in §§ 53.1-80 through 53.1-82.2 of the Code of Virginia, for the following:

30		Commonwealth Share of
31	Project	Approved Capital Costs
32	Prince William – Manassas Regional Jail	\$21,032,421
33	Central Virginia Regional Jail	\$8,464,891
34	Chesapeake City Jail	\$6,860,886
35	Pamunkey Regional Jail Authority	\$288,575
36	Hampton Roads Regional Jail	\$1,759,780
37	Piedmont Regional Jail	\$2,139,464
38	Rappahannock Regional Jail	\$1,095,862
39	Rockbridge Regional Jail	\$103,693
40	Prince William - Manassas Adult Detention Center	\$49,643
41	Total Approved Capital Costs	\$41,795,215

42 b. The Commonwealth's share of the total construction cost of the projects listed in the table
 43 in paragraph D.2.a. shall not exceed the amount listed for each project. Reimbursement of the
 44 Commonwealth's portion of the construction costs of these projects shall be subject to the
 45 approval of the Department of Corrections of the final expenditures.

46 c. This paragraph shall constitute the authority for the Virginia Public Building Authority to
 47 issue bonds for the foregoing projects pursuant to § 2.2-2261 of the Code of Virginia.

48 E.1. Out of the amounts for Debt Service Payments on Virginia College Building Authority

ITEM 281.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Bonds shall be paid to the Virginia College Building Authority the following amounts for			
2	use by the Authority for payments on obligations issued for financing authorized projects			
3	under the 21st Century College Program:			
4	Series	FY 2017	FY2018	
5	2006	\$8,389,625	\$8,488,250	\$0
6				\$0
7	2007A Refunding	\$13,608,250	\$13,614,000	\$0
8				\$0
9	2007B	\$2,420,250		\$0
10	2008A	\$4,970,250		\$4,968,500
11	2009A&B	\$25,021,515	\$25,021,650	\$25,021,660
12				\$25,021,660
13	2009E Refunding	\$24,552,650		\$26,974,900
14	2009F	\$38,279,049		\$38,005,836
15	2010B	\$28,025,164		\$27,863,320
16	2011 A	\$17,776,300	\$17,775,300	\$7,742,050
17				\$7,742,050
18	2012A	\$21,495,900		\$21,499,400
19	2012B	\$23,813,200		\$23,835,200
20	2012 C	\$1,709,412		\$1,689,706
21	2013 A	\$21,958,513		\$21,959,513
22	2014A	\$19,547,900		\$19,545,150
23	2014B	\$5,746,400		\$1,379,650
24	2015A	\$30,852,650		\$30,850,550
25	2015B Refunding	\$7,281,262	\$7,284,361	\$7,284,367
26				\$7,284,367
27	2015C	\$1,480,181		\$1,478,575
28	2015D	\$14,129,800	\$14,134,300	\$14,134,285
29				\$14,134,285
30	2016A	\$19,470,900		\$19,474,600
31	2016B Refunding	\$1,314,667		\$1,972,000
32	2016C	\$4,430,559		\$4,431,339
33	2017B	\$0		\$20,200,125
34	2017C	\$0		\$31,464,203
35	2017D	\$0		\$11,318,863
36	Projected 21st Century debt service & expenses	\$825,200	\$48,576,603	\$785,743
37				\$785,743
38	Subtotal 21st Century	\$337,099,597	\$380,822,703	\$363,879,535
39				

40 2. Out of the amounts for Debt Service Payments on Virginia College Building Authority
41 Bonds shall be paid to the Virginia College Building Authority the following amounts for
42 the payment of debt service on authorized bond issues to finance equipment:

	Series	FY 2017	FY 2018
43	2009D	\$9,051,000	\$0
44	2010A	\$8,242,500	\$0
45	2011A	\$8,537,250	\$8,533,500
46	2012A	\$8,358,500	\$8,362,500
47	2013A	\$9,450,750	\$9,450,500
48	2014A	\$9,655,750	\$9,657,500
49	2015A	\$10,480,000	\$10,484,000
50	2016A	\$11,063,834	\$11,068,500
51	2017A		\$12,514,800
52			

ITEM 281.	Item Details(\$)		Appropriations(\$)		
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	Projected debt service & expenses	\$0		\$12,524,000	
2				\$0	
3	Subtotal Equipment	\$74,839,584		\$70,080,500	
4				\$70,071,300	
5	Total Service Area	\$411,939,181		\$450,903,203	
6				\$433,950,835	
7	3. Beginning with the FY 2008 allocation of the higher education equipment trust fund, the				
8	Treasury Board shall amortize equipment purchases at seven years, which is consistent with				
9	the useful life of the equipment.				
10	4. Out of the amounts for Debt Service Payments on Virginia College Building Authority				
11	Bonds, the following nongeneral fund amounts from a capital fee charged to out-of-state				
12	students at institutions of higher education shall be paid to the Virginia College Building				
13	Authority in each year for debt service on bonds issued under the 21st Century Program:				
14	Institution	FY 2017		FY 2018	
15	George Mason University	\$2,644,092		\$2,804,490	
16	Old Dominion University	\$1,047,123		\$1,108,899	
17	University of Virginia	\$4,721,706		\$5,006,754	
18	Virginia Polytechnic Institute and State University	\$4,867,731		\$5,192,295	
19	Virginia Commonwealth University	\$2,224,530		\$2,359,266	
20	College of William and Mary	\$1,549,053		\$1,639,845	
21	Christopher Newport University	\$122,562		\$131,508	
22	University of Virginia's College at Wise	\$45,540		\$48,330	
23	James Madison University	\$2,675,079		\$2,843,787	
24	Norfolk State University	\$402,831		\$420,789	
25	Longwood University	\$97,911		\$106,149	
26	University of Mary Washington	\$222,750		\$234,834	
27	Radford University	\$281,556		\$300,486	
28	Virginia Military Institute	\$377,190		\$400,470	
29	Virginia State University	\$739,233		\$773,577	
30	Richard Bland College	\$9,900		\$10,830	
31	Virginia Community College System	\$3,139,785		\$3,301,665	
32	TOTAL	\$25,168,572		\$26,683,974	
33	5. Out of the amounts for Debt Service Payments of College Building Authority Bonds, the				
34	following is the estimated general and nongeneral fund breakdown of each institution's share				
35	of the debt service on the Virginia College Building Authority bond issues to finance				
36	equipment. The nongeneral fund amounts shall be paid to the Virginia College Building				
37	Authority in each year for debt service on bonds issued under the equipment program:				
38		FY 2017		FY 2018	
39	Institution	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
40	College of William &	\$2,428,047	\$259,307	\$2,288,559	\$259,307
41	Mary			\$2,304,879	
42	University of Virginia	\$12,878,320	\$1,088,024	\$12,398,010	\$1,088,024
43				\$12,500,059	
44	Virginia Polytechnic	\$12,686,106	\$992,321	\$12,511,190	\$992,321
45	Institute and State			\$12,532,289	
46	University				
47	Virginia Military	\$782,515	\$88,844	\$710,673	\$88,844
48	Institute			\$714,382	
49	Virginia State	\$1,251,928	\$108,886	\$1,102,177	\$108,886
50	University			\$1,107,794	
51	Norfolk State	\$1,134,866	\$108,554	\$974,308	\$108,554

ITEM 281.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	University			\$979,331	
2	Longwood University	\$695,519	\$54,746	\$616,057	\$54,746
3				\$619,168	
4	University of Mary	\$579,022	\$97,063	\$494,620	\$97,063
5	Washington			\$497,364	
6	James Madison	\$2,104,753	\$254,504	\$1,829,499	\$254,504
7	University			\$1,839,166	
8	Radford University	\$1,610,466	\$135,235	\$1,439,279	\$135,235
9				\$1,446,582	
10	Old Dominion	\$4,765,064	\$374,473	\$4,411,475	\$374,473
11	University			\$4,436,165	
12	Virginia	\$9,079,794	\$401,647	\$8,135,604	\$401,647
13	Commonwealth			\$8,197,929	
14	University				
15	Richard Bland College	\$157,143	\$2,027	\$142,476	\$2,027
16				\$143,146	
17	Christopher Newport	\$732,687	\$17,899	\$662,856	\$17,899
18	University			\$666,014	
19	University of	\$239,458	\$19,750	\$206,441	\$19,750
20	Virginia's College at			\$207,490	
21	Wise				
22	George Mason	\$4,075,025	\$205,665	\$3,715,367	\$205,665
23	University			\$3,818,213	
24	Virginia Community	\$12,777,922	\$633,657	\$11,630,735	\$633,657
25	College System			\$12,140,426	
26	Virginia Institute of	\$576,822	\$0	\$486,789	\$0
27	Marine Science			\$490,274	
28	Roanoke Higher	\$76,416	\$0	\$70,040	\$0
29	Education Authority			\$70,364	
30	Southwest Virginia	\$78,865	\$0	\$72,284	\$0
31	Higher Education			\$72,619	
32	Center				
33	Institute for Advanced	\$269,909	\$0	\$247,386	\$0
34	Learning and Research			\$248,534	
35	Southern Virginia	\$66,104	\$0	\$72,216	\$0
36	Higher Education			\$72,617	
37	Center				
38	New College Institute	\$62,148	\$0	\$45,333	\$0
39				\$45,477	
40	Eastern Virginia	\$0	\$0	\$82,099	\$0
41	Medical School			\$78,420	
42	TOTAL	\$69,108,899	\$4,842,602	\$64,345,473	\$4,842,602
43				\$65,228,703	

44 F. Pursuant to various Payment Agreements between the Treasury Board and the
45 Commonwealth Transportation Board, funds required to pay the debt service due on
46 Commonwealth Transportation Board bonds shall be paid to the Trustee for the
47 bondholders by the Treasury Board after transfer of these funds to the Treasury Board
48 from the Commonwealth Transportation Board pursuant to Item 457, paragraph E of this
49 act and §§ 33.2-2300, 33.2-2400, and 58.1-816.1, Code of Virginia.

50 G. Under the authority of this act, an agency may transfer funds to the Treasury Board for
51 use as lease, rental, or debt service payments to be used for any type of financing where
52 the proceeds are used to acquire equipment and to finance associated costs, including but
53 not limited to issuance and other financing costs. In the event such transfers occur, the
54 transfers shall be deemed an appropriation to the Treasury Board for the purpose of
55 making the lease, rental, or debt service payments described herein.

ITEM 281.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	H. Notwithstanding the provisions of 2.2-11.56, Code of Virginia, if tax-exempt bonds were				
2	used by the Commonwealth or its authorities, boards, or institutions to finance the acquisition,				
3	construction, improvement or equipping of real property, proceeds from the subsequent sale				
4	or disposition of such property and any improvements may first be applied toward				
5	remediation options available under federal law in order to maintain the tax-exempt status of				
6	such bonds.				
7	282. Not set out.				
8	Total for Treasury Board.....			\$771,334,565	\$813,838,773
9					\$789,570,265
10	Fund Sources: General.....	\$722,112,126	\$763,747,452		
11			\$739,478,944		
12	Higher Education Operating.....	\$30,011,174	\$31,526,576		
13	Dedicated Special Revenue.....	\$645,000	\$645,000		
14	Federal Trust.....	\$18,566,265	\$17,919,745		
15	283. Omitted.				
16	TOTAL FOR OFFICE OF FINANCE.....			\$3,120,039,367	\$2,549,770,382
17					\$2,524,831,874
18	General Fund Positions.....	1,098.60	1,094.60		
19	Nongeneral Fund Positions.....	204.40	204.40		
20	Position Level.....	1,303.00	1,299.00		
21	Fund Sources: General.....	\$2,452,336,631	\$1,887,513,277		
22			\$1,862,574,769		
23	Special.....	\$13,019,820	\$12,998,062		
24	Higher Education Operating.....	\$30,011,174	\$31,526,576		
25	Commonwealth Transportation.....	\$185,187	\$185,187		
26	Internal Service.....	\$26,680,935	\$27,814,125		
27	Trust and Agency.....	\$99,900,769	\$92,474,824		
28	Dedicated Special Revenue.....	\$479,338,586	\$479,338,586		
29	Federal Trust.....	\$18,566,265	\$17,919,745		

ITEM 284.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF HEALTH AND HUMAN RESOURCES			
2	§ 1-11. SECRETARY OF HEALTH AND HUMAN RESOURCES (188)			
3	284.	Not set out.		
4	Children's Services Act (200)			
5	285.	Protective Services (45300).....		\$329,749,289
6				\$332,099,501
7		Financial Assistance for Child and Youth Services		
8		(45303).....	\$329,749,289	\$332,099,501
9				\$330,707,447
10		Fund Sources: General.....	\$277,141,543	\$279,491,755
11				\$278,099,701
12		Federal Trust.....	\$52,607,746	\$52,607,746
13	Authority: Title 2.2, Chapter 52, Code of Virginia.			
14	A. The Department of Education shall serve as fiscal agent to administer funds cited in			
15	paragraphs B and C.			
16	B.1.a. Out of this appropriation, \$177,853,240 the first year and \$221,429,890 the second			
17	year from the general fund and \$51,609,746 the first year and \$51,607,746 the second year			
18	from nongeneral funds shall be used for the state pool of funds pursuant to § 2.2-5211,			
19	Code of Virginia. This appropriation shall consist of a Medicaid pool allocation, and a			
20	non-Medicaid pool allocation.			
21	b. The Medicaid state pool allocation shall consist of \$28,526,197 the first year and			
22	\$28,526,197 the second year from the general fund and \$43,187,748 the first year and			
23	\$43,187,748 the second year from nongeneral funds. The Office of Children's Services			
24	will transfer these funds to the Department of Medical Assistance Services as they are			
25	needed to pay Medicaid provider claims.			
26	c. The non-Medicaid state pool allocation shall consist of \$149,327,043 the first year and			
27	\$192,903,693 the second year from the general fund and \$8,419,998 the first year and			
28	\$8,419,998 the second year from nongeneral funds. The nongeneral funds shall be			
29	transferred from the Department of Social Services.			
30	d. The Office of Children's Services, with the concurrence of the Department of Planning			
31	and Budget, shall have the authority to transfer the general fund allocation between the			
32	Medicaid and non-Medicaid state pools in the event that a shortage should exist in either			
33	of the funding pools.			
34	e. The Office of Children's Services, per the policy of the State Executive Council, shall			
35	deny state pool funding to any locality not in compliance with federal and state			
36	requirements pertaining to the provision of special education and foster care services			
37	funded in accordance with § 2.2-5211, Code of Virginia.			
38	2.a. Out of this appropriation, \$96,893,303 the first year and \$55,666,865 \$4,274,811 the			
39	second year from the general fund and \$1,000,000 the first year and \$1,000,000 the			
40	second year from nongeneral funds shall be set aside to pay for the state share of			
41	supplemental requests from localities that have exceeded their state allocation for			
42	mandated services. The nongeneral funds shall be transferred from the Department of			
43	Social Services.			
44	b. In each year, the director of the Office of Children's Services may approve and obligate			
45	supplemental funding requests in excess of the amount in 2a above, for mandated pool			
46	fund expenditures up to 10 percent of the total general fund appropriation authority in B1a			
47	in this Item.			
48	c. The State Executive Council shall maintain local government performance measures to			

ITEM 285.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	include, but not be limited to, use of federal funds for state and local support of the Children's				
2	Services Act.				
3	d. Pursuant to § 2.2-5200, Code of Virginia, Community Policy and Management Teams shall				
4	seek to ensure that services and funding are consistent with the Commonwealth's policies of				
5	preserving families and providing appropriate services in the least restrictive environment,				
6	while protecting the welfare of children and maintaining the safety of the public. Each locality				
7	shall submit to the Office of Children's Services information on utilization of residential				
8	facilities for treatment of children and length of stay in such facilities. By December 15 of				
9	each year, the Office of Children's Services shall report to the Governor and Chairmen of the				
10	House Appropriations and Senate Finance Committees on utilization rates and average				
11	lengths of stays statewide and for each locality.				
12	3. Each locality receiving funds for activities under the Children's Services Act (CSA) shall				
13	have a utilization management process, including a uniform assessment, approved by the				
14	State Executive Council, covering all CSA services. Utilizing a secure electronic site, each				
15	locality shall also provide information as required by the Office of Children's Services to				
16	include, but not be limited to case specific information, expenditures, number of youth served				
17	in specific CSA activities, length of stay for residents in core licensed residential facilities,				
18	and proportion of youth placed in treatment settings suggested by the uniform assessment				
19	instrument. The State Executive Council, utilizing this information, shall track and report on				
20	child specific outcomes for youth whose services are funded under the Children's Services				
21	Act. Only non-identifying demographic, service, cost and outcome information shall be				
22	released publicly. Localities requesting funding from the set aside in paragraph 2.a. and 2.b.				
23	must demonstrate compliance with all CSA provisions to receive pool funding.				
24	4. The Secretary of Health and Human Resources, in consultation with the Secretary of				
25	Education and the Secretary of Public Safety and Homeland Security, shall direct the actions				
26	for the Departments of Social Services, Education, and Juvenile Justice, Medical Assistance				
27	Services, Health, and Behavioral Health and Developmental Services, to implement, as part of				
28	ongoing information systems development and refinement, changes necessary for state and				
29	local agencies to fulfill CSA reporting needs.				
30	5. The State Executive Council shall provide localities with technical assistance on ways to				
31	control costs and on opportunities for alternative funding sources beyond funds available				
32	through the state pool.				
33	6. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the				
34	general fund is provided for a combination of regional and statewide meetings for technical				
35	assistance to local community policy and management teams, family assessment and planning				
36	teams, and local fiscal agents. Training shall include, but not be limited to, cost containment				
37	measures, building community-based services, including creation of partnerships with private				
38	providers and non-profit groups, utilization management, use of alternate revenue sources,				
39	and administrative and fiscal issues. A state-supported institution of higher education, in				
40	cooperation with the Virginia Association of Counties, the Virginia Municipal League, and				
41	the State Executive Council, may assist in the provisions of this paragraph. A training plan				
42	shall be presented to and approved by the State Executive Council before the beginning of				
43	each fiscal year. A training calendar and timely notice of programs shall be provided to				
44	Community Policy and Management Teams and family assessment and planning team				
45	members statewide as well as to local fiscal agents and chief administrative officers of cities				
46	and counties. A report on all regional and statewide training sessions conducted during the				
47	fiscal year, including (i) a description of each program and trainers, (ii) the dates of the				
48	training and the number of attendees for each program, (iii) a summary of evaluations of these				
49	programs by attendees, and (iv) the funds expended, shall be made to the Chairmen of the				
50	House Appropriations and Senate Finance Committees and to the members of the State				
51	Executive Council by December 1 of each year. Any funds unexpended for this purpose in the				
52	first year shall be reappropriated for the same use in the second year.				
53	7. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the				
54	general fund is provided for the Office of Children's Services to contract for the support of				
55	uniform CSA reporting requirements.				
56	8. The State Executive Council shall require a uniform assessment instrument.				

ITEM 285.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	9. The Office of Children's Services, in conjunction with the Department of Social			
2	Services, shall determine a mechanism for reporting Temporary Assistance for Needy			
3	Families Maintenance of Effort eligible costs incurred by the Commonwealth and local			
4	governments for the Children's Services Act.			
5	10. For purposes of defining cases involving only the payment of foster care maintenance,			
6	pursuant to § 2.2-5209, Code of Virginia, the definition of foster care maintenance used by			
7	the Virginia Department of Social Services for federal Title IV-E shall be used.			
8	C. The funding formula to carry out the provisions of the Children's Services Act is as			
9	follows:			
10	1. Allocations. The allocations for the Medicaid and non-Medicaid pools shall be the			
11	amounts specified in paragraphs B.1.b. and B.1.c. in this Item. These funds shall be			
12	distributed to each locality in each year of the biennium based on the greater of that			
13	locality's percentage of actual 1997 Children's Services Act pool fund program			
14	expenditures to total 1997 pool fund program expenditures or the latest available three-			
15	year average of actual pool fund program expenditures as reported to the state fiscal agent.			
16	2. Local Match. All localities are required to appropriate a local match for the base year			
17	funding consisting of the actual aggregate local match rate based on actual total 1997			
18	program expenditures for the Children's Services Act. This local match rate shall also			
19	apply to all reimbursements from the state pool of funds in this Item and carryforward			
20	expenditures submitted prior to September 30 each year for the preceding fiscal year,			
21	including administrative reimbursements under paragraph C.4. in this Item.			
22	3.a. Notwithstanding the provisions of C.2. of this Item, beginning July 1, 2008, the local			
23	match rate for community based services for each locality shall be reduced by 50 percent.			
24	b. Localities shall review their caseloads for those individuals who can be served			
25	appropriately by community-based services and transition those cases to the community			
26	for services. Beginning July 1, 2009, the local match rate for non-Medicaid residential			
27	services for each locality shall be 25 percent above the fiscal year 2007 base. Beginning			
28	July 1, 2011, the local match rate for Medicaid residential services for each locality shall			
29	be 25 percent above the fiscal year 2007 base.			
30	c. By October 1 of each year, The State Executive Council (SEC) shall provide an update			
31	to the Governor and the Chairmen of the House Appropriations and Senate Finance			
32	Committees on the outcomes of this initiative.			
33	d. At the direction of the State Executive Council, local Community Policy and			
34	Management Teams (CPMTs) and Community Services Boards (CSBs) shall work			
35	collaboratively in their service areas to develop a local plan for intensive care coordination			
36	(ICC) services that best meets the needs of the children and families. If there is more than			
37	one CPMT in the CSB's service area, the CPMTs and the CSB may work together as a			
38	region to develop a plan for ICC services. Local CPMTs and CSBs shall also work			
39	together to determine the most appropriate and cost-effective provider of ICC services for			
40	children in their community who are placed in, or at-risk of being placed in, residential			
41	care through the Children's Services Act, in accordance with guidelines developed by the			
42	State Executive Council. The State Executive Council and Office of Children's Services			
43	shall establish guidelines for reasonable rates for ICC services and provide training and			
44	technical assistance to CPMTs and fiscal agents regarding these services.			
45	e. The local match rate for all non-Medicaid services provided in the public schools after			
46	June 30, 2011 shall equal the fiscal year 2007 base.			
47	4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent			
48	of the fiscal year 1997 pool fund allocations, not to exceed \$2,060,000 the first year and			
49	\$2,060,000 the second year from the general fund, shall be allocated among all localities			
50	for administrative costs. Every locality shall be required to appropriate a local match			
51	based on the local match contribution in paragraph C.2. of this Item. Inclusive of the state			
52	allocation and local matching funds, every locality shall receive the larger of \$12,500 or			
53	an amount equal to two percent of the total pool allocation. No locality shall receive more			
54	than \$50,000, inclusive of the state allocation and local matching funds. Localities are			

ITEM 285.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	encouraged to use administrative funding to hire a full-time or part-time local coordinator for			
2	the Children's Services Act program. Localities may pool this administrative funding to hire			
3	regional coordinators.			
4	5. Definition. For purposes of the funding formula in the Children's Services Act, "locality"			
5	means city or county.			
6	D. Community Policy and Management Teams shall use Medicaid-funded services whenever			
7	they are available for the appropriate treatment of children and youth receiving services under			
8	the Children's Services Act. Effective July 1, 2009, pool funds shall not be spent for any			
9	service that can be funded through Medicaid for Medicaid-eligible children and youth except			
10	when Medicaid-funded services are unavailable or inappropriate for meeting the needs of a			
11	child.			
12	E. Pursuant to subdivision 3 of § 2.2-5206, Code of Virginia, Community Policy and			
13	Management Teams shall enter into agreements with the parents or legal guardians of children			
14	receiving services under the Children's Services Act. The Office of Children's Services shall			
15	be a party to any such agreement. If the parent or legal guardian fails or refuses to pay the			
16	agreed upon sum on a timely basis and a collection action cannot be referred to the Division			
17	of Child Support Enforcement of the Department of Social Services, upon the request of the			
18	community policy management team, the Office of Children's Services shall make a claim			
19	against the parent or legal guardian for such payment through the Department of Law's			
20	Division of Debt Collection in the Office of the Attorney General.			
21	F. The Office of Children's Services, in cooperation with the Department of Medical			
22	Assistance Services, shall provide technical assistance and training to assist residential and			
23	treatment foster care providers who provide Medicaid-reimbursable services through the			
24	Children's Services Act to become Medicaid-certified providers.			
25	G. The Office of Children's Services shall work with the State Executive Council and the			
26	Department of Medical Assistance Services to assist Community Policy and Management			
27	Teams in appropriately accessing a full array of Medicaid-funded services for Medicaid-			
28	eligible children and youth through the Children's Services Act, thereby increasing Medicaid			
29	reimbursement for treatment services and decreasing the number of denials for Medicaid			
30	services related to medical necessity and utilization review activities.			
31	H. Pursuant to subdivision 21 of § 2.2-2648, Code of Virginia, no later than December 20 in			
32	the odd-numbered years, the State Executive Council shall biennially publish and disseminate			
33	to members of the General Assembly and Community Policy and Management Teams a			
34	progress report on services for children, youth, and families and a plan for such services for			
35	the succeeding biennium.			
36	I. Out of this appropriation, \$275,000 the first year and \$275,000 the second year from the			
37	general fund shall be used to purchase and maintain an information system to provide quality			
38	and timely child demographic, service, expenditure, and outcome data.			
39	J. The State Executive Council shall work with the Department of Education to ensure that			
40	funding in this Item is sufficient to pay for the educational services of students that have been			
41	placed in or admitted to state or privately operated psychiatric or residential treatment			
42	facilities to meet the educational needs of the students as prescribed in the student's Individual			
43	Educational Plan (IEP).			
44	K.1. The Office of Children's Services (OCS) shall report on funding for therapeutic foster			
45	care services including but not limited to the number of children served annually, average cost			
46	of care, type of service provided, length of stay, referral source, and ultimate disposition. In			
47	addition, the OCS shall provide guidance and training to assist localities in negotiating			
48	contracts with therapeutic foster care providers.			
49	2. The Office of Children's Services shall report on funding for special education day			
50	treatment and residential services, including but not limited to the number of children served			
51	annually, average cost of care, type of service provided, length of stay, referral source, and			
52	ultimate disposition.			
53	3. The Office of Children's Services shall report the information included in this paragraph to			
54	the Chairmen of the House Appropriations and Senate Finance Committees beginning			

ITEM 285.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	September 1, 2011 and each year thereafter.				
2	L. Out of this appropriation, the Director, Office of Children's Services, shall allocate				
3	\$2,200,000 the first year and \$2,200,000 the second year from the general fund to				
4	localities for wrap-around services for students with disabilities as defined in the				
5	Children's Services Act policy manual.				
6	M. The State Executive Council (SEC) for Children's Services shall continue to review				
7	and develop a robust set of options for (i) increasing the integration of children receiving				
8	special education private day treatment services into their home school districts, including				
9	mechanisms to involve local school districts in tracking, monitoring and obtaining				
10	outcome data to assist in making decisions on the appropriate utilization of these services,				
11	and (ii) funding the educational costs with local school districts for students whose				
12	placement in or admittance to state or privately operated psychiatric or residential				
13	treatment facilities for non-educational reasons has been authorized by Medicaid. The				
14	SEC shall continue its review with the assistance of relevant stakeholders, including				
15	representatives of the Department of Education, the Department of Medical Assistance				
16	Services, the Office of Comprehensive Services, the Department of Behavioral Health and				
17	Developmental Services, local school districts, local governments, and public and private				
18	service providers. The SEC shall present a robust set of options and recommendations that				
19	include possible changes to policies, procedures, regulations and statutes, including any				
20	fiscal impact for consideration by the Governor and the Chairmen of the House				
21	Appropriations and Senate Finance Committees by November 1, 2016.				
22	286. Not set out.				
23	Total for Children's Services Act.....			\$331,510,913	\$333,946,507
24					\$332,554,453
25	General Fund Positions.....	14.00	14.00		
26	Position Level.....	14.00	14.00		
27	Fund Sources: General.....	\$278,903,167	\$281,338,761		
28			\$279,946,707		
29	Federal Trust.....	\$52,607,746	\$52,607,746		
30	Grand Total for Secretary of Health and Human				
31	Resources.....			\$332,489,393	\$334,675,023
32					\$333,282,969
33	General Fund Positions.....	19.00	19.00		
34	Position Level.....	19.00	19.00		
35	Fund Sources: General.....	\$279,881,647	\$282,067,277		
36			\$280,675,223		
37	Federal Trust.....	\$52,607,746	\$52,607,746		
38	287. Not set out.				
39	288. Not set out.				
40	289. Not set out.				
41	290. Not set out.				
42	291. Not set out.				
43	292. Not set out.				
44	293. Not set out.				
45	294. Not set out.				

ITEM 295.			Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	295.	Not set out.				
2	296.	Not set out.				
3	297.	Not set out.				
4	298.	Not set out.				
5	299.	Not set out.				
6	300.	Not set out.				
7	301.	Not set out.				
8	302.	Not set out.				
9	§ 1-12. DEPARTMENT OF MEDICAL ASSISTANCE SERVICES (602)					
10	303.	Pre-Trial, Trial, and Appellate Processes (32100).....			\$16,740,733	\$16,841,427 \$19,001,621
11						
12		Reimbursements for Medical Services Related to				
13		Involuntary Mental Commitments (32107).....	\$16,740,733	\$16,841,427 \$19,001,621		
14						
15		Fund Sources: General.....	\$16,740,733	\$16,841,427 \$19,001,621		
16						
17		Authority: § 37.2-809, Code of Virginia.				
18		A. Any balance, or portion thereof, in Reimbursements for Medical Services Related to				
19		Involuntary Mental Commitments (32107), may be transferred between Items 43, 44, 45, and				
20		303 as needed, to address any deficits incurred for Involuntary Mental Commitments by the				
21		Supreme Court or the Department of Medical Assistance Services.				
22		B. Out of this appropriation, payments may be made to licensed health care providers for				
23		medical screening and assessment services provided to persons with mental illness while in				
24		emergency custody pursuant to § 37.2-808, Code of Virginia.				
25		C. To the extent that appropriation in this Item are insufficient, the Department of Planning				
26		and Budget shall transfer general fund appropriation, as needed, from Children's Health				
27		Insurance Program Delivery (44600), Medicaid Program Services (45600), and Medical				
28		Assistance Services for Low Income Children (46600), if available, into this Item.				
29	304.	Not set out.				
30	305.	Children's Health Insurance Program Delivery			\$160,086,710	\$167,457,281 \$189,984,660
31		(44600).....				
32						
33		Reimbursements for Medical Services Provided				
34		Under the Family Access to Medical Insurance				
35		Security Plan (44602).....	\$160,086,710	\$167,457,281 \$189,984,660		
36						
37		Fund Sources: General.....	\$5,144,778	\$6,029,247 \$8,732,532		
38						
39		Dedicated Special Revenue.....	\$14,065,627	\$14,065,627		
40		Federal Trust.....	\$140,876,305	\$147,362,407 \$167,186,501		
41						
42		Authority: Title 32.1, Chapter 13, Code of Virginia; Title XXI, Social Security Act, Federal				
43		Code.				
44		A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission				

ITEM 305.	Item Details(\$)		Appropriations(\$)		
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium				
2	differential between: (i) 0.75 percent of the direct gross subscriber fee income derived				
3	from eligible contracts and (ii) the amount of license tax revenue generated pursuant to				
4	subdivision A 4 of § 58.1-2501 for the immediately preceding taxable year and notify the				
5	Comptroller of the Commonwealth to transfer such amounts to the Family Access to				
6	Medical Insurance Security Plan Trust Fund as established on the books of the State				
7	Comptroller.				
8	B. As a condition of this appropriation, revenues from the Family Access to Medical				
9	Insurance Security Plan Trust Fund, shall be used to match federal funds for the Children's				
10	Health Insurance Program.				
11	C. Every eligible applicant for health insurance as provided for in Title 32.1, Chapter 13,				
12	Code of Virginia, shall be enrolled and served in the program.				
13	D. To the extent that appropriations in this Item are insufficient, the Department of				
14	Planning and Budget shall transfer general fund appropriation, as needed, from Medicaid				
15	Program Services (45600) and Medical Assistance Services for Low Income Children				
16	(46600), if available, into this Item to be used as state match for federal Title XXI funds.				
17	E. The Department of Medical Assistance Services shall make the monthly capitation				
18	payment to managed care organizations for the member months of each month in the first				
19	week of the subsequent month.				
20	F. If any part, section, subsection, paragraph, clause, or phrase of this Item or the				
21	application thereof is declared by the United States Department of Health and Human				
22	Services or the Centers for Medicare and Medicaid Services to be in conflict with a federal				
23	law or regulation, such decisions shall not affect the validity of the remaining portions of				
24	this Item, which shall remain in force as if this Item had passed without the conflicting				
25	part, section, subsection, paragraph, clause, or phrase. Further, if the United States				
26	Department of Health and Human Services or the Centers for Medicare and Medicaid				
27	Services determines that the process for accomplishing the intent of a part, section,				
28	subsection, paragraph, clause, or phrase of this Item is out of compliance or in conflict				
29	with federal law and regulation and recommends another method of accomplishing the				
30	same intent, the Director, Department of Medical Assistance Services, after consultation				
31	with the Attorney General, is authorized to pursue the alternative method.				
32	G. The Department of Medical Assistance Services shall amend the state plan for the				
33	Children's Health Insurance Program to add coverage for applied behavior analysis (ABA)				
34	services. The department shall have the authority to implement this change effective upon				
35	passage of this act, and prior to the completion of any regulatory process undertaken in				
36	order to effect such change.				
37	306.	Medicaid Program Services (45600).....		\$9,306,605,828	\$9,705,926,154
38					\$9,990,616,122
39		Reimbursements to State-Owned Mental Health			
40		and Intellectual Disabilities Facilities (45607).....	\$142,690,148	\$140,540,402	
41		Reimbursements for Behavioral Health Services			
42		(45608).....	\$833,340,268	\$892,215,342	
43				\$671,487,348	
44		Reimbursements for Medical Services (45609).....	\$5,613,389,616	\$5,820,956,424	
45				\$7,414,014,680	
46		Reimbursements for Long-Term Care Services			
47		(45610).....	\$2,717,185,796	\$2,852,213,986	
48				\$1,764,573,692	
49		Fund Sources: General.....	\$4,332,818,444	\$4,605,674,894	
50				\$4,651,727,096	
51		Dedicated Special Revenue.....	\$399,790,186	\$359,174,530	
52				\$399,677,948	
53		Federal Trust.....	\$4,573,997,198	\$4,741,076,730	
54				\$4,939,211,078	
55		Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Title			
56		XIX, Social Security Act, Federal Code.			

ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	A. Out of this appropriation, \$71,345,074 the first year and \$70,270,201 the second year from				
2	the general fund and \$71,345,074 the first year and \$70,270,201 the second year from the				
3	federal trust fund is provided for reimbursement to the institutions within the Department of				
4	Behavioral Health and Developmental Services.				
5	B.1. Included in this appropriation is \$64,271,600 the first year and \$66,307,880 <i>\$67,031,489</i>				
6	the second year from the general fund and \$81,753,552 the first year and \$85,496,639				
7	<i>\$86,220,247</i> the second year from nongeneral funds to reimburse the Virginia Commonwealth				
8	University Health System for indigent health care costs. This funding is composed of				
9	disproportionate share hospital (DSH) payments, indirect medical education (IME) payments,				
10	and any Medicaid profits realized by the Health System. Payments made from the federal				
11	DSH fund shall be made in accordance with 42 USC 1396r-4.				
12	2. Included in this appropriation is \$39,565,488 the first year and \$40,676,066 <i>\$42,165,481</i>				
13	the second year from the general fund and \$52,701,218 the first year and \$55,390,844				
14	<i>\$56,880,258</i> the second year from nongeneral funds to reimburse the University of Virginia				
15	Health System for indigent health care costs. This funding is comprised of disproportionate				
16	share hospital (DSH) payments, indirect medical education (IME) payments, and any				
17	Medicaid profits realized by the Health System. Payments made from the federal DSH fund				
18	shall be made in accordance with 42 USC 1396r-4.				
19	3. The general fund amounts for the state teaching hospitals have been reduced to mirror the				
20	general fund impact of reduced and no inflation for inpatient services in FY 2017 and FY				
21	2018 for private hospitals reflected in paragraph GGGG. of this Item. It also includes				
22	reductions for prior year inflation reductions and indigent care reductions. However, the				
23	nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of the				
24	amount of the general fund appropriated, the health systems shall certify the public				
25	expenditures.				
26	4. The Department of Medical Assistance Service shall have the authority to increase				
27	Medicaid payments for Type One hospitals and physicians consistent with the appropriations				
28	to compensate for limits on disproportionate share hospital (DSH) payments to Type One				
29	hospitals that the department would otherwise make. In particular, the department shall have				
30	the authority to amend the State Plan for Medical Assistance to increase physician				
31	supplemental payments for physician practice plans affiliated with Type One hospitals up to				
32	the average commercial rate as demonstrated by University of Virginia Health System and				
33	Virginia Commonwealth University Health System, to change reimbursement for Graduate				
34	Medical Education to cover costs for Type One hospitals, to case mix adjust the formula for				
35	indirect medical education reimbursement for HMO discharges for Type One hospitals and to				
36	increase the adjustment factor for Type One hospitals to 1.0. The department shall have the				
37	authority to implement these changes prior to completion of any regulatory process				
38	undertaken in order to effect such change.				
39	C.1. The estimated revenue for the Virginia Health Care Fund is \$399,790,186 the first year				
40	and \$359,174,530 <i>\$399,677,948</i> the second year, to be used pursuant to the uses stated in §				
41	32.1-367 , Code of Virginia.				
42	2. Notwithstanding § 32.1-366 , Code of Virginia, the State Comptroller shall deposit 41.5				
43	percent of the Commonwealth's allocation of the Master Settlement Agreement with tobacco				
44	product manufacturers, as defined in § 3.2-3100 , Code of Virginia, to the Virginia Health				
45	Care Fund.				
46	3. Notwithstanding any other provision of law, the State Comptroller shall deposit 50 percent				
47	of the Commonwealth's allocation of the Strategic Contribution Fund payment pursuant to the				
48	Master Settlement Agreement with tobacco product manufacturers into the Virginia Health				
49	Care Fund.				
50	4. Notwithstanding any other provision of law, revenues deposited to the Virginia Health Care				
51	Fund shall only be used as the state share of Medicaid unless specifically authorized by this				
52	Act.				
53	D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the application				
54	thereof is declared by the United States Department of Health and Human Services or the				
55	Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation,				

ITEM 306.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	such decisions shall not affect the validity of the remaining portions of this Item, which			
2	shall remain in force as if this Item had passed without the conflicting part, section,			
3	subsection, paragraph, clause, or phrase. Further, if the United States Department of			
4	Health and Human Services or the Centers for Medicare and Medicaid Services			
5	determines that the process for accomplishing the intent of a part, section, subsection,			
6	paragraph, clause, or phrase of this Item is out of compliance or in conflict with federal			
7	law and regulation and recommends another method of accomplishing the same intent, the			
8	Director, Department of Medical Assistance Services, after consultation with the Attorney			
9	General, is authorized to pursue the alternative method.			
10	E.1. The Director, Department of Medical Assistance Services shall seek the necessary			
11	waivers from the United States Department of Health and Human Services to authorize the			
12	Commonwealth to cover health care services and delivery systems, as may be permitted			
13	by Title XIX of the Social Security Act, which may provide less expensive alternatives to			
14	the State Plan for Medical Assistance.			
15	2. At least 30 days prior to the submission of an application for any new waiver of Title			
16	XIX or Title XXI of the Social Security Act, the Department of Medical Assistance			
17	Services shall notify the Chairmen of the House Appropriations and Senate Finance			
18	Committees of such pending application and provide information on the purpose and			
19	justification for the waiver along with any fiscal impact. If the department receives an			
20	official letter from either Chairmen raising an objection about the waiver during the 30-			
21	day period, the department shall not submit the waiver application and shall request			
22	authority for such waiver as part of the normal legislative or budgetary process. If the			
23	department receives no objection, then the application may be submitted. Any waiver			
24	specifically authorized elsewhere in this item is not subject to this provision. Waiver			
25	renewals are not subject to the provisions of this paragraph.			
26	3. The director shall promulgate such regulations as may be necessary to implement those			
27	programs which may be permitted by Titles XIX and XXI of the Social Security Act, in			
28	conformance with all requirements of the Administrative Process Act.			
29	F. It is the intent of the General Assembly to develop and cause to be developed			
30	appropriate, fiscally responsible methods for addressing the issues related to the cost and			
31	funding of long-term care. It is the further intent of the General Assembly to promote			
32	home-based and community-based care for individuals who are determined to be in need			
33	of nursing facility care.			
34	G. To the extent that appropriations in this Item are insufficient, the Department of			
35	Planning and Budget shall transfer general fund appropriation, as needed, from Children's			
36	Health Insurance Program Delivery (44600) and Medical Assistance Services for Low			
37	Income Children (46600), if available, into this Item to be used as state match for federal			
38	Title XIX funds.			
39	H. It is the intent of the General Assembly that the medically needy income limits for the			
40	Medicaid program are adjusted annually to account for changes in the Consumer Price			
41	Index.			
42	I. It is the intent of the General Assembly that the use of the new atypical medications to			
43	treat seriously mentally ill Medicaid recipients should be supported by the formularies			
44	used to reimburse claims under the Medicaid fee-for-service and managed care plans.			
45	J. The Department of Medical Assistance Services shall establish a program to more			
46	effectively manage those Medicaid recipients who receive the highest cost care. To			
47	implement the program, the department shall establish uniform criteria for the program,			
48	including criteria for the high cost recipients, providers and reimbursement, service limits,			
49	assessment and authorization limits, utilization review, quality assessment, appeals and			
50	other such criteria as may be deemed necessary to define the program. The department			
51	shall seek any necessary approval from the Centers for Medicare and Medicaid Services,			
52	and shall promulgate such regulations as may be deemed necessary to implement this			
53	program.			
54	K. The Department of Medical Assistance Services and the Virginia Department of Health			
55	shall work with representatives of the dental community: to expand the availability and			

ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	delivery of dental services to pediatric Medicaid recipients; to streamline the administrative				
2	processes; and to remove impediments to the efficient delivery of dental services and				
3	reimbursement thereof. The Department of Medical Assistance Services shall report its efforts				
4	to expand dental services to the Chairmen of the House Appropriations and Senate Finance				
5	Committees and the Department of Planning and Budget by December 15 each year.				
6	L. The Department of Medical Assistance Services shall not require dentists who agree to				
7	participate in the delivery of Medicaid pediatric dental care services, or services provided to				
8	enrollees in the Family Access to Medical Insurance Security (FAMIS) Plan or any variation				
9	of FAMIS, to also deliver services to subscribers enrolled in commercial plans of the				
10	managed care vendor, unless the dentist is a willing participant in the commercial managed				
11	care plan.				
12	M. The Department of Medical Assistance Services shall implement continued enhancements				
13	to the drug utilization review (DUR) program. The department shall continue the Pharmacy				
14	Liaison Committee and the DUR Board. The department shall continue to work with the				
15	Pharmacy Liaison Committee, meeting at least semi-annually, to implement initiatives for the				
16	promotion of cost-effective services delivery as may be appropriate. The department shall				
17	solicit input from the Pharmacy Liaison Committee regarding pharmacy provisions in the				
18	development and enforcement of all managed care contracts. The department shall report on				
19	the Pharmacy Liaison Committee's and the DUR Board's activities to the Board of Medical				
20	Assistance Services and to the Chairmen of the House Appropriations and Senate Finance				
21	Committees and the Department of Planning and Budget no later than December 15 each year				
22	of the biennium.				
23	N.1. The Department of Medical Assistance Services shall have the authority to seek federal				
24	approval of changes to its Medallion 3.0 waiver.				
25	2. In order to conform the state regulations to the federally approved changes and to				
26	implement the provisions of this Act, the department shall promulgate emergency regulations				
27	to become effective within 280 days or less from the enactment of this Act. The department				
28	shall implement these necessary regulatory changes to be consistent with federal approval of				
29	the waiver changes.				
30	O.1. The Department of Medical Assistance Services shall develop and pursue cost saving				
31	strategies internally and with the cooperation of the Department of Social Services, Virginia				
32	Department of Health, Office of the Attorney General, Children's Services Act program,				
33	Department of Education, Department of Juvenile Justice, Department of Behavioral Health				
34	and Developmental Services, Department for Aging and Rehabilitative Services, Department				
35	of the Treasury, University of Virginia Health System, Virginia Commonwealth University				
36	Health System Authority, Department of Corrections, federally qualified health centers, local				
37	health departments, local school divisions, community service boards, local hospitals, and				
38	local governments, that focus on optimizing Medicaid claims and cost recoveries. Any				
39	revenues generated through these activities shall be transferred to the Virginia Health Care				
40	Fund to be used for the purposes specified in this Item.				
41	2. The Department of Medical Assistance Services shall retain the savings necessary to				
42	reimburse a vendor for its efforts to implement paragraph. O.1. of this Item. However, prior to				
43	reimbursement, the department shall identify for the Secretary of Health and Human				
44	Resources each of the vendor's revenue maximization efforts and the manner in which each				
45	vendor would be reimbursed. No reimbursement shall be made to the vendor without the prior				
46	approval of the above plan by the Secretary.				
47	P. The Department of Medical Assistance Services shall have the authority to pay				
48	contingency fee contractors, engaged in cost recovery activities, from the recoveries that are				
49	generated by those activities. All recoveries from these contractors shall be deposited to a				
50	special fund. After payment of the contingency fee any prior year recoveries shall be				
51	transferred to the Virginia Health Care Fund. The Director, Department of Medical Assistance				
52	Services, shall report to the Chairmen of the House Appropriations and Senate Finance				
53	Committees the increase in recoveries associated with this program as well as the areas of				
54	audit targeted by contractors by November 1 each year.				
55	Q. The Department of Medical Assistance Services in cooperation with the State Executive				
56	Council, shall provide semi-annual training to local Children's Services Act teams on the				

ITEM 306.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	procedures for use of Medicaid for residential treatment and treatment foster care services,			
2	including, but not limited to, procedures for determining eligibility, billing,			
3	reimbursement, and related reporting requirements. The department shall include in this			
4	training information on the proper utilization of inpatient and outpatient mental health			
5	services as covered by the Medicaid State Plan.			
6	R.1. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, the Department of Medical			
7	Assistance Services, in consultation with the Department of Behavioral Health and			
8	Developmental Services, shall amend the State Plan for Medical Assistance Services to			
9	modify the delivery system of pharmaceutical products to include a Preferred Drug List.			
10	In developing the modifications, the department shall consider input from physicians,			
11	pharmacists, pharmaceutical manufacturers, patient advocates, and others, as appropriate.			
12	2.a. The department shall utilize a Pharmacy and Therapeutics Committee to assist in the			
13	development and ongoing administration of the Preferred Drug List program. The			
14	Pharmacy and Therapeutics Committee shall be composed of 8 to 12 members, including			
15	the Commissioner, Department of Behavioral Health and Developmental Services, or his			
16	designee. Other members shall be selected or approved by the department. The			
17	membership shall include a ratio of physicians to pharmacists of 2:1 and the department			
18	shall ensure that at least one-half of the physicians and pharmacists are either direct			
19	providers or are employed with organizations that serve recipients for all segments of the			
20	Medicaid population. Physicians on the committee shall be licensed in Virginia, one of			
21	whom shall be a psychiatrist, and one of whom specializes in care for the aging.			
22	Pharmacists on the committee shall be licensed in Virginia, one of whom shall have			
23	clinical expertise in mental health drugs, and one of whom has clinical expertise in			
24	community-based mental health treatment. The Pharmacy and Therapeutics Committee			
25	shall recommend to the department (i) which therapeutic classes of drugs should be			
26	subject to the Preferred Drug List program and prior authorization requirements; (ii)			
27	specific drugs within each therapeutic class to be included on the preferred drug list; (iii)			
28	appropriate exclusions for medications, including atypical anti-psychotics, used for the			
29	treatment of serious mental illnesses such as bi-polar disorders, schizophrenia, and			
30	depression; (iv) appropriate exclusions for medications used for the treatment of brain			
31	disorders, cancer and HIV-related conditions; (v) appropriate exclusions for therapeutic			
32	classes in which there is only one drug in the therapeutic class or there is very low			
33	utilization, or for which it is not cost-effective to include in the Preferred Drug List			
34	program; and (vi) appropriate grandfather clauses when prior authorization would			
35	interfere with established complex drug regimens that have proven to be clinically			
36	effective. In developing and maintaining the preferred drug list, the cost effectiveness of			
37	any given drug shall be considered only after it is determined to be safe and clinically			
38	effective.			
39	b. The Pharmacy and Therapeutics Committee shall schedule meetings at least semi-			
40	annually and may meet at other times at the discretion of the chairperson and members. At			
41	the meetings, the Pharmacy and Therapeutics committee shall review any drug in a class			
42	subject to the Preferred Drug List that is newly approved by the Federal Food and Drug			
43	Administration, provided there is at least thirty (30) days notice of such approval prior to			
44	the date of the quarterly meeting.			
45	3. The department shall establish a process for acting on the recommendations made by			
46	the Pharmacy and Therapeutics Committee, including documentation of any decisions			
47	which deviate from the recommendations of the committee.			
48	4. The Preferred Drug List program shall include provisions for (i) the dispensing of a 72-			
49	hour emergency supply of the prescribed drug when requested by a physician and a			
50	dispensing fee to be paid to the pharmacy for such supply; (ii) prior authorization			
51	decisions to be made within 24 hours and timely notification of the recipient and/or the			
52	prescribing physician of any delays or negative decisions; (iii) an expedited review			
53	process of denials by the department; and (iv) consumer and provider education, training			
54	and information regarding the Preferred Drug List prior to implementation, and ongoing			
55	communications to include computer access to information and multilingual material.			
56	5. The Preferred Drug List program shall generate savings as determined by the			
57	department that are net of any administrative expenses to implement and administer the			

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1	program.				
2	6. Notwithstanding § 32.1-331.12 et seq., Code of Virginia, to implement these changes, the				
3	Department of Medical Assistance Services shall promulgate emergency regulations to				
4	become effective within 280 days or less from the enactment of this Act. With respect to such				
5	state plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code of				
6	Virginia, shall not apply. In addition, the department shall work with the Department of				
7	Behavioral Health and Development Services to consider utilizing a Preferred Drug List				
8	program for its non-Medicaid clients.				
9	7. The Department of Medical Assistance Services shall (i) continually review utilization of				
10	behavioral health medications under the State Medicaid Program for Medicaid recipients; and				
11	(ii) ensure appropriate use of these medications according to federal Food and Drug				
12	Administration (FDA) approved indications and dosage levels. The department may also				
13	require retrospective clinical justification according to FDA approved indications and dosage				
14	levels for the use of multiple behavioral health drugs for a Medicaid patient. For individuals				
15	18 years of age and younger who are prescribed three or more behavioral health drugs, the				
16	department may implement clinical edits that target inefficient, ineffective, or potentially				
17	harmful prescribing patterns in accordance with FDA-approved indications and dosage levels.				
18	8. The Department of Medical Assistance Services shall ensure that in the process of				
19	developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers the				
20	value of including those prescription medications which improve drug regimen compliance,				
21	reduce medication errors, or decrease medication abuse through the use of medication				
22	delivery systems that include, but are not limited to, transdermal and injectable delivery				
23	systems.				
24	S.1. The Department of Medical Assistance Services may amend the State Plan for Medical				
25	Assistance Services to modify the delivery system of pharmaceutical products to include a				
26	specialty drug program. In developing the modifications, the department shall consider input				
27	from physicians, pharmacists, pharmaceutical manufacturers, patient advocates, the Pharmacy				
28	Liaison Committee, and others as appropriate.				
29	2. In developing the specialty drug program to implement appropriate care management and				
30	control drug expenditures, the department shall contract with a vendor who will develop a				
31	methodology for the reimbursement and utilization through appropriate case management of				
32	specialty drugs and distribute the list of specialty drug rates, authorized drugs and utilization				
33	guidelines to medical and pharmacy providers in a timely manner prior to the implementation				
34	of the specialty drug program and publish the same on the department's website.				
35	3. In the event that the Department of Medical Assistance Services contracts with a vendor,				
36	the department shall establish the fee paid to any such contractor based on the reasonable cost				
37	of services provided. The department may not offer or pay directly or indirectly any material				
38	inducement, bonus, or other financial incentive to a program contractor based on the denial or				
39	administrative delay of medically appropriate prescription drug therapy, or on the decreased				
40	use of a particular drug or class of drugs, or a reduction in the proportion of beneficiaries who				
41	receive prescription drug therapy under the Medicaid program. Bonuses cannot be based on				
42	the percentage of cost savings generated under the benefit management of services.				
43	4. The department shall: (i) review, update and publish the list of authorized specialty drugs,				
44	utilization guidelines, and rates at least quarterly; (ii) implement and maintain a procedure to				
45	revise the list or modify specialty drug program utilization guidelines and rates, consistent				
46	with changes in the marketplace; and (iii) provide an administrative appeals procedure to				
47	allow dispensing or prescribing provider to contest the listed specialty drugs and rates.				
48	5. The department shall report on savings and quality improvements achieved through the				
49	implementation measures for the specialty drug program to the Chairmen of the House				
50	Appropriations and Senate Finance Committees, the Joint Commission on Health Care, and				
51	the Department of Planning and Budget by November 1 of each year.				
52	6. The department shall have authority to enact emergency regulations under § 2.2-4011 of				
53	the Administrative Process Act to effect these provisions.				
54	T.1. The Department of Medical Assistance Services shall reimburse school divisions who				

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1				
2	sign an agreement to provide administrative support to the Medicaid program and who			
3	provide documentation of administrative expenses related to the Medicaid program 50			
	percent of the Federal Financial Participation by the department.			
4	2. The Department of Medical Assistance Services shall retain five percent of the Federal			
5	Financial Participation for reimbursement to school divisions for medical and			
6	transportation services.			
7	U. In the event that the Department of Medical Assistance Services decides to contract for			
8	pharmaceutical benefit management services to administer, develop, manage, or			
9	implement Medicaid pharmacy benefits, the department shall establish the fee paid to any			
10	such contractor based on the reasonable cost of services provided. The department may			
11	not offer or pay directly or indirectly any material inducement, bonus, or other financial			
12	incentive to a program contractor based on the denial or administrative delay of medically			
13	appropriate prescription drug therapy, or on the decreased use of a particular drug or class			
14	of drugs, or a reduction in the proportion of beneficiaries who receive prescription drug			
15	therapy under the Medicaid program. Bonuses cannot be based on the percentage of cost			
16	savings generated under the benefit management of services.			
17	V. The Department of Medical Assistance Services, in cooperation with the Department of			
18	Social Services' Division of Child Support Enforcement (DSCE), shall identify and report			
19	third party coverage where a medical support order has required a custodial or			
20	noncustodial parent to enroll a child in a health insurance plan. The Department of			
21	Medical Assistance Services shall also report to the DCSE third party information that has			
22	been identified through their third party identification processes for children handled by			
23	DCSE.			
24	W.1. Within the limits of this appropriation, the Department of Medical Assistance			
25	Services shall work with its contracted managed care organizations and fee-for-service			
26	health care providers to: (i) raise awareness among the providers who serve the Medicaid			
27	population about the health risks of chronic kidney disease; (ii) establish effective means			
28	of identifying patients with this condition; and (iii) develop strategies for improving the			
29	health status of these patients. The department shall work with the National Kidney			
30	Foundation to prepare and disseminate information for physicians and other health care			
31	providers regarding generally accepted standards of clinical care and the benefits of early			
32	identification of individuals at highest risk of chronic kidney disease.			
33	2. The department shall request any clinical laboratory performing a serum creatinine test			
34	on a Medicaid recipient over the age of 18 years to calculate and report to the physician			
35	the estimated glomerular filtration rate (eGFR) of the patient and shall report it as a			
36	percent of kidney function remaining.			
37	X.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying			
38	that an overpayment for medical assistance services has been made to a provider, the			
39	Director, Department of Medical Assistance Services shall notify the provider of the			
40	amount of the overpayment. Such notification of overpayment shall be issued within the			
41	earlier of (i) four years after payment of the claim or other payment request, or (ii) four			
42	years after filing by the provider of the complete cost report as defined in the Department			
43	of Medical Assistance Services' regulations, or (iii) 15 months after filing by the provider			
44	of the final complete cost report as defined in the Department of Medical Assistance			
45	Services' regulations subsequent to sale of the facility or termination of the provider.			
46	2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the director shall			
47	issue an informal fact-finding conference decision concerning provider reimbursement in			
48	accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code			
49	of Virginia, and applicable federal law. The informal fact-finding conference decision			
50	shall be issued within 180 days of the receipt of the appeal request. If the agency does not			
51	render an informal fact-finding conference decision within 180 days of the receipt of the			
52	appeal request, the decision is deemed to be in favor of the provider. An appeal of the			
53	director's informal fact-finding conference decision concerning provider reimbursement			
54	shall be heard in accordance with § 2.2-4020 of the Administrative Process Act (§ 2.2-			
55	4020 et seq.) and the State Plan for Medical Assistance provided for in § 32.1-325, Code			
56	of Virginia. Once a final agency case decision has been made, the director shall undertake			
57	full recovery of such overpayment whether or not the provider disputes, in whole or in			

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1	part, the informal fact-finding conference decision or the final agency case decision. Interest			
2	charges on the unpaid balance of any overpayment shall accrue pursuant to § 32.1-313, Code			
3	of Virginia, from the date the Director's agency case decision becomes final.			
4	Y. Any hospital that was designated a Medicare-dependent small rural hospital, as defined in			
5	42 U.S.C. §1395ww (d) (5) (G) (iv) prior to October 1, 2004, shall be designated a rural			
6	hospital pursuant to 42 U.S.C. §1395ww (d) (8) (ii) (II) on or after September 30, 2004.			
7	Z. The Department of Medical Assistance Services shall amend its State Plan for Medical			
8	Assistance Services to develop and implement a regional model for the integration of acute			
9	and long-term care services. This model would be offered to elderly and disabled clients on a			
10	mandatory basis. The department shall promulgate emergency regulations to implement this			
11	amendment within 280 days or less from the enactment of this Act.			
12	AA.1. Contingent upon approval by the Centers for Medicare and Medicaid Services as part			
13	of the Money Follows the Person demonstration grant, the Department of Medical Assistance			
14	Services shall seek federal approval for necessary changes to home and community-based			
15	1915(c) waivers to allow individuals transitioning from institutions to receive care in the			
16	community. The Department of Medical Assistance Services shall promulgate any necessary			
17	emergency regulations within 280 days or less from the enactment date of this Act.			
18	2. The Department of Medical Assistance Services shall amend the Individual and Family			
19	Developmental Disabilities Support (DD) Waiver to add up to 30 new slots (up to 15 each			
20	fiscal year) and the Intellectual Disabilities (ID) Waiver to add up to 220 new slots (up to 110			
21	each fiscal year) which will be reserved for individuals transitioning out of institutional			
22	settings through the Money Follows the Person Demonstration. The Department of Medical			
23	Assistance Services shall seek federal approval for necessary changes to the DD and ID			
24	waiver applications to add the additional slots.			
25	BB. The Department of Medical Assistance Services shall have the authority to implement			
26	prior authorization and utilization review for community-based mental health services for			
27	children and adults. The department shall have the authority to promulgate emergency			
28	regulations to implement this amendment within 280 days or less from the enactment of this			
29	Act.			
30	CC. The Department of Medical Assistance Services shall delay the last quarterly payment of			
31	certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the first			
32	quarter of the following year. Quarterly payments that shall be delayed from each June to			
33	each July shall be Disproportionate Share Hospital payments, Indirect Medical Education			
34	payments, and Direct Medical Education payments. The department shall have the authority			
35	to implement this reimbursement change effective upon passage of this Act, and prior to the			
36	completion of any regulatory process undertaken in order to effect such change.			
37	DD. The Department of Medical Assistance Services shall make the monthly capitation			
38	payment to managed care organizations for the member months of each month in the first			
39	week of the subsequent month. The department shall have the authority to implement this			
40	reimbursement schedule change effective upon passage of this Act, and prior to the			
41	completion of any regulatory process undertaken in order to effect such change.			
42	EE. In every June the remittance that would normally be paid to providers on the last			
43	remittance date of the state fiscal year shall be delayed one week longer than is normally the			
44	practice. This change shall apply to the remittances of Medicaid and FAMIS providers. This			
45	change does not apply to providers who are paid a per-month capitation payment. The			
46	department shall have the authority to implement this reimbursement change effective upon			
47	passage of this Act, and prior to the completion of any regulatory process undertaken in order			
48	to effect such change.			
49	FF. Upon approval by the Centers for Medicare and Medicaid Services of the application for			
50	renewal of the Intellectual Disabilities Waiver, expeditious implementation of any revisions			
51	shall be deemed an emergency situation pursuant to § 2.2-4002 of the Administrative Process			
52	Act. Therefore, to meet this emergency situation, the Department of Medical Assistance			
53	Services shall promulgate emergency regulations to implement the provisions of this Act.			
54	GG. The Department of Medical Assistance Services shall provide information to personal			

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1	care agency providers regarding the options available to meet staffing requirements for			
2	personal care aides including the completion of provider-offered training or DMAS			
3	Personal Care Aide Training Curriculum.			
4	HH. The Department of Medical Assistance Services shall impose an assessment equal to			
5	6.0 percent of revenue on all ICF-ID providers. The department shall determine			
6	procedures for collecting the assessment, including penalties for non-compliance. The			
7	department shall have the authority to adjust interim rates to cover new Medicaid costs as			
8	a result of this assessment.			
9	II. The Department of Medical Assistance Services shall make programmatic changes in			
10	the provision of Intensive In-Home services and Community Mental Health services in			
11	order to ensure appropriate utilization and cost efficiency. The department shall consider			
12	all available options including, but not limited to, prior authorization, utilization review			
13	and provider qualifications. The Department of Medical Assistance Services shall			
14	promulgate regulations to implement these changes within 280 days or less from the			
15	enactment date of this Act.			
16	JJ. Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and			
17	§32.1-323.2 of the Code of Virginia, the Department of Medical Assistance Services shall			
18	not add any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and			
19	Family Developmental Disabilities and Support Medicaid Waiver other than those slots			
20	authorized specifically to support the Money Follows the Person Demonstration,			
21	individuals who are exiting state institutions, any slots authorized under Chapters 724 and			
22	729 of the 2011 Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized			
23	elsewhere in this Act.			
24	KK. The Department of Medical Assistance Services shall not adjust rates or the rate			
25	ceiling of residential psychiatric facilities for inflation.			
26	LL. The Department of Medical Assistance Services shall work with the Department of			
27	Behavioral Health and Developmental Services in consultation with the Virginia			
28	Association of Community Services Boards, the Virginia Network of Private Providers,			
29	the Virginia Coalition of Private Provider Associations, and the Association of			
30	Community Based Providers, to establish rates for the Intensive In-Home Service based			
31	on quality indicators and standards, such as the use of evidence-based practices.			
32	MM. The Department of Medical Assistance Services shall seek federal authority through			
33	the necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the			
34	Social Security Act to expand principles of care coordination to all geographic areas,			
35	populations, and services under programs administered by the department. The expansion			
36	of care coordination shall be based on the principles of shared financial risk such as shared			
37	savings, performance benchmarks or risk and improving the value of care delivered by			
38	measuring outcomes, enhancing quality, and monitoring expenditures. The department			
39	shall engage stakeholders, including beneficiaries, advocates, providers, and health plans,			
40	during the development and implementation of the care coordination projects.			
41	Implementation shall include specific requirements for data collection to ensure the ability			
42	to monitor utilization, quality of care, outcomes, costs, and cost savings. The department			
43	shall report by November 1 of each year to the Governor and the Chairmen of the House			
44	Appropriations and Senate Finance Committees detailing implementation progress			
45	including, but not limited to, the number of individuals enrolled in care coordination, the			
46	geographic areas, populations and services affected and cost savings achieved. Unless			
47	otherwise delineated, the department shall have authority to implement necessary changes			
48	upon federal approval and prior to the completion of any regulatory process undertaken in			
49	order to effect such change. The intent of this Item may be achieved through several steps,			
50	including, but not limited to, the following:			
51	a. In fulfillment of this Item, the department may seek federal authority to implement a			
52	care coordination program for Elderly or Disabled with Consumer Direction (EDCD)			
53	waiver participants effective October 1, 2011. This service would be provided to adult			
54	EDCD waiver participants on a mandatory basis. The department shall have authority to			
55	promulgate emergency regulations to implement this amendment within 280 days or less			
56	from the enactment of this Act.			

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1	b. In fulfillment of this Item, the department may seek federal authority through amendments				
2	to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to				
3	allow individuals enrolled in Home and Community Based Care (HCBC) waivers to also be				
4	enrolled in contracted Medallion 3.0 managed care organizations for the purposes of receiving				
5	acute and medical care services. The department shall have authority to promulgate				
6	emergency regulations to implement this amendment within 280 days or less from the				
7	enactment of this Act.				
8	c. In fulfillment of this Item, the department and the Department of Behavioral Health and				
9	Developmental Services, in collaboration with the Community Services Boards and in				
10	consultation with appropriate stakeholders, shall develop a blueprint for the development and				
11	implementation of a care coordination model for individuals in need of behavioral health				
12	services not currently provided through a managed care organization. The overall goal of the				
13	project is to improve the value of behavioral health services purchased by the Commonwealth				
14	of Virginia without compromising access to behavioral health services for vulnerable				
15	populations. Targeted case management services will continue to be the responsibility of the				
16	Community Services Boards. The blueprint shall: (i) describe the steps for development and				
17	implementation of the program model(s) including funding, populations served, services				
18	provided, timeframe for program implementation, and education of clients and providers; (ii)				
19	set the criteria for medical necessity for community mental health rehabilitation services; and				
20	(iii) include the following principles:				
21	1. Improves value so that there is better access to care while improving equity.				
22	2. Engages consumers as informed and responsible partners from enrollment to care delivery.				
23	3. Provides consumer protections with respect to choice of providers and plans of care.				
24	4. Improves satisfaction among providers and provides technical assistance and incentives for				
25	quality improvement.				
26	5. Improves satisfaction among consumers by including consumer representatives on provider				
27	panels for the development of policy and planning decisions.				
28	6. Improves quality, individual safety, health outcomes, and efficiency.				
29	7. Develops direct linkages between medical and behavioral services in order to make it easier				
30	for consumers to obtain timely access to care and services, which could include up to full				
31	integration.				
32	8. Builds upon current best practices in the delivery of behavioral health services.				
33	9. Accounts for local circumstances and reflects familiarity with the community where				
34	services are provided.				
35	10. Develops service capacity and a payment system that reduces the need for involuntary				
36	commitments and prevents default (or diversion) to state hospitals.				
37	11. Reduces and improves the interface of vulnerable populations with local law enforcement,				
38	courts, jails, and detention centers.				
39	12. Supports the responsibilities defined in the Code of Virginia relating to Community				
40	Services Boards and Behavioral Health Authorities.				
41	13. Promotes availability of access to vital supports such as housing and supported				
42	employment.				
43	14. Achieves cost savings through decreasing avoidable episodes of care and hospitalizations,				
44	strengthening the discharge planning process, improving adherence to medication regimens,				
45	and utilizing community alternatives to hospitalizations and institutionalization.				
46	15. Simplifies the administration of acute psychiatric, community mental health rehabilitation,				
47	and medical health services for the coordinating entity, providers, and consumers.				
48	16. Requires standardized data collection, outcome measures, customer satisfaction surveys,				
49	and reports to track costs, utilization of services, and outcomes. Performance data should be				

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1	explicit, benchmarked, standardized, publicly available, and validated.			
2	17. Provides actionable data and feedback to providers.			
3	18. In accordance with federal and state regulations, includes provisions for effective and			
4	timely grievances and appeals for consumers.			
5	d. The department may seek the necessary waiver(s) and/or State Plan authorization under			
6	Titles XIX and XXI of the Social Security Act to develop and implement a care			
7	coordination model, that is consistent with the principles in Paragraph e, for individuals in			
8	need of behavioral health services not currently provided through managed care to be			
9	effective July 1, 2012. This model may be applied to individuals on a mandatory basis.			
10	The department shall have authority to promulgate emergency regulations to implement			
11	this amendment within 280 days or less from the enactment date of this Act.			
12	e. The department may seek the necessary waiver(s) and/or State Plan authorization under			
13	Title XIX of the Social Security Act to develop and implement a care coordination model			
14	for individuals dually eligible for services under both Medicare and Medicaid. The			
15	Director of the Department of Medical Assistance Services, in consultation with the			
16	Secretary of Health and Human Resources, shall establish a stakeholder advisory			
17	committee to support implementation of dual-eligible care coordination systems. The			
18	advisory committee shall support the dual-eligible initiatives by identifying care			
19	coordination and quality improvement priorities, assisting in securing analytic and care			
20	management support resources from federal, private and other sources and helping design			
21	and communicate performance reports. The advisory committee shall include			
22	representation from health systems, health plans, long-term care providers, health policy			
23	researchers, physicians, and others with expertise in serving the aged, blind, and disabled,			
24	and dual-eligible populations. The department shall have authority to implement necessary			
25	changes upon federal approval and prior to the completion of any regulatory process			
26	undertaken in order to effect such change.			
27	NN. The Department of Medical Assistance Services shall make programmatic changes in			
28	the provision of Residential Treatment Facility (Level C) and Levels A and B residential			
29	services (group homes) for children with serious emotional disturbances in order ensure			
30	appropriate utilization and cost efficiency. The department shall consider all available			
31	options including, but not limited to, prior authorization, utilization review and provider			
32	qualifications. The department shall have authority to promulgate regulations to			
33	implement these changes within 280 days or less from the enactment date of this Act.			
34	OO. The Department of Medical Assistance Services, in consultation with the appropriate			
35	stakeholders, shall seek federal authority to implement a pricing methodology to modify			
36	or replace the current pricing methodology for pharmaceutical products as defined in 13			
37	VAC 30- 80-40, including the dispensing fee, with an alternative methodology that is			
38	budget neutral or that creates a cost savings. The department shall have the authority to			
39	promulgate emergency regulations to implement this amendment within 280 days or less			
40	from the enactment of this Act. The department shall have the authority to implement			
41	these changes prior to completion of any regulatory process undertaken in order to effect			
42	such change.			
43	PP. The Department of Medical Assistance Services shall mandate that payment rates			
44	negotiated between participating Medicaid managed care organizations and out-of-			
45	network providers for emergency or otherwise authorized treatment shall be considered			
46	payment in full. In the absence of rates negotiated between the managed care organization			
47	and the out-of-network provider, these services shall be reimbursed at the Virginia			
48	Medicaid fees and/or rates and shall be considered payment in full. The department shall			
49	have the authority to promulgate emergency regulations to implement this amendment			
50	within 280 days or less from the enactment date of this Act.			
51	QQ. The Department of Medical Assistance Services shall have the authority to amend the			
52	State Plan for Medical Assistance to convert the current cost-based reimbursement			
53	methodology for outpatient hospitals to an Enhanced Ambulatory Patient Group (EAPG)			
54	methodology. Reimbursement for laboratory services shall be included in the new			
55	outpatient hospital reimbursement methodology. The new EAPG reimbursement			
56	methodology shall be implemented in a budget-neutral manner. The department shall have			

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1	the authority to promulgate regulations to become effective within 280 days or less from the				
2	enactment of this Act.				
3	RR. The Department of Medical Assistance Services shall seek federal authority to move the				
4	family planning eligibility group from a demonstration waiver to the State Plan for Medical				
5	Assistance. The department shall seek approval of coverage under this new state plan option				
6	for individuals with income up to 200 percent of the federal poverty level. For the purposes of				
7	this section, family planning services shall not cover payment for abortion services and no				
8	funds shall be used to perform, assist, encourage or make direct referrals for abortions. The				
9	department shall have authority to implement necessary changes upon federal approval and				
10	prior to the completion of any regulatory process undertaken in order to effect such change.				
11	SS. The Department of Medical Assistance Services (DMAS) shall have the authority to				
12	amend the State Plan for Medical Assistance to enroll and reimburse freestanding birthing				
13	centers accredited by the Commission for the Accreditation of Birthing Centers.				
14	Reimbursement shall be based on the Enhanced Ambulatory Patient Group methodology				
15	applied in a manner similar to the reimbursement methodology for ambulatory surgery				
16	centers. The department shall have authority to implement necessary changes upon federal				
17	approval and prior to the completion of any regulatory process undertaken in order to effect				
18	such change.				
19	TT.1. In response to the unfavorable outcome to an appeal by the Department of Medical				
20	Assistance Services in federal court regarding reimbursement for services furnished to				
21	Medicaid members in a residential treatment center or freestanding psychiatric hospital, the				
22	department shall revise reimbursement for services furnished Medicaid members in				
23	residential treatment centers and freestanding psychiatric hospitals to include professional,				
24	pharmacy and other services to be reimbursed separately as long as the services are in the plan				
25	of care developed by the residential treatment center or the freestanding psychiatric hospital				
26	and arranged by the residential treatment center or the freestanding psychiatric hospital. The				
27	department shall require residential treatment centers to include all services in the plan of care				
28	needed to meet the member's physical and psychological well-being while in the facility but				
29	may also include services in the community or as part of an emergency.				
30	2. The department shall have the authority to promulgate emergency regulations to implement				
31	this amendment within 280 days from the enactment of this Act.				
32	UU. The Department of Medical Assistance Services shall have the authority to amend the				
33	State Plans under Title XIX and Title XXI of the Social Security Act in order to comply with				
34	the mandated provider screening provisions of the federal Affordable Care Act (P.L. 111-148				
35	and P.L. 111-152). The department shall have authority to promulgate emergency regulations				
36	to implement this amendment within 280 days or less from the enactment of this Act.				
37	VV. The department may seek federal authority through amendments to the State Plans under				
38	Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to develop				
39	and implement programmatic and system changes that allow expedited enrollment of				
40	Medicaid eligible recipients into Medicaid managed care, most importantly for pregnant				
41	women. The department shall have the authority to promulgate emergency regulations to				
42	implement this amendment within 280 days or less from the enactment date of this Act.				
43	WW.1. The Department of Medical Assistance Services, related to appeals administered by				
44	and for the department, shall have authority to amend regulations to:				
45	i. Utilize the method of transmittal of documentation to include email, fax, courier, and				
46	electronic transmission.				
47	ii. Clarify that the day of delivery ends at normal business hours of 5:00 pm.				
48	iii. Eliminate an automatic dismissal against DMAS for alleged deficiencies in the case				
49	summary that do not relate to DMAS's obligation to substantively address all issues specified				
50	in the provider's written notice of informal appeal. A process shall be added, by which the				
51	provider shall file with the informal appeals agent within 12 calendar days of the provider's				
52	receipt of the DMAS case summary, a written notice that specifies any such alleged				
53	deficiencies that the provider knows or reasonably should know exist. DMAS shall have 12				
54	calendar days after receipt of the provider's timely written notification to address or cure any				

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1	of said alleged deficiencies. The current requirement that the case summary address each			
2	adjustment, patient, service date, or other disputed matter identified in the provider's			
3	written notice of informal appeal in the detail set forth in the current regulation shall			
4	remain in force and effect, and failure to file a written case summary with the Appeals			
5	Division in the detail specified within 30 days of the filing of the provider's written notice			
6	of informal appeal shall result in dismissal in favor of the provider on those issues not			
7	addressed by DMAS.			
8	iv. Clarify that appeals remanded to the informal appeal level via Final Agency Decision			
9	or court order shall reset the timetable under DMAS' appeals regulations to start running			
10	from the date of the remand.			
11	v. Clarify the department's authority to administratively dismiss untimely filed appeal			
12	requests.			
13	vi. Clarify the time requirement for commencement of the formal administrative hearing.			
14	I VETO THIS ITEM. /s/ Terence R. McAuliffe (04/28/17) (Vetoed item is enclosed in brackets.)			
15	vii. Clarify that the informal appeals agent shall have the ability to close an informal			
16	appeal based on a settlement between the parties up to \$250,000, notwithstanding §			
17	2.2-514 of the Code of Virginia. For settlements of \$250,000 or greater, such settlement			
18	shall be subject to § 2.2-514 of the Code of Virginia.			
19	2. The Department of Medical Assistance Services shall have authority to promulgate			
20	regulations to implement these changes within 280 days or less from the enactment date of			
21	this Act.			
22	3. The Department of Medical Assistance Services shall convene a workgroup with			
23	representatives from the provider community, and the legal community, and the Office of			
24	Attorney General to develop a plan to avoid or adjust retractions or for non-material			
25	breaches of the Provider Participation Agreement when the provider has substantially			
26	complied with the Provider Participation Agreement. The plan shall include an assessment			
27	of any administrative financial impact that implementation of such plan would have on the			
28	department and an analysis of any implications for the department's efforts to combat			
29	fraud, waste, and abuse. The workgroup shall report on the status of this plan to the			
30	Chairmen of the House Appropriations and Senate Finance Committees no later than			
31	December 1, 2017.			
32	XX. The Department of Medical Assistance Services shall amend its regulations, subject			
33	to the federal Centers for Medicare and Medicaid Services approval, to strengthen the			
34	qualifications and responsibilities of the Consumer Directed Service Facilitator to ensure			
35	the health, safety and welfare of Medicaid home- and community-based waiver enrollees.			
36	The department shall have the authority to promulgate emergency regulations to			
37	implement this change effective July 1, 2012.			
38	YY. It is the intent of the General Assembly that the implementation and administration of			
39	the care coordination contract for behavioral health services be conducted in a manner that			
40	insures system integrity and engages private providers in the independent assessment			
41	process. In addition, it is the intent that in the provision of services that ethical and			
42	professional conflicts are avoided and that sound clinical decisions are made in the best			
43	interests of the individuals receiving behavioral health services. As part of this process, the			
44	department shall monitor the performance of the contract to ensure that these principles			
45	are met and that stakeholders are involved in the assessment, approval, provision, and use			
46	of behavioral health services provided as a result of this contract.			
47	ZZ. 1. Notwithstanding the requirements of Code of Virginia §2.2-4000, et seq., the			
48	Department of Medical Assistance Services shall amend the state plan and appropriate			
49	waivers under Title XIX of the Social Security Act to implement a process for			
50	administrative appeals of Medicaid/Medicare dual eligible recipients in accordance with			
51	terms of the Memorandum of Understanding between the department and the Centers for			
52	Medicare and Medicaid Services for the financial alignment demonstration program for			
53	dual eligible recipients. The department shall implement this change within 280 days or			
54	less from the enactment of this Appropriation Act.			
	2. The department shall include in the fall quarterly report required in paragraph AAAA.			

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1	of this Item an annual update that details the implementation progress of the financial			
2	alignment demonstration. This update shall include, but is not limited to, costs of			
3	implementation, projected cost savings, number of individuals enrolled, and any other			
4	implementation issues that arise.			
5	AAA. Effective July 1, 2013, the Department of Medical Assistance Services shall have the			
6	authority, to establish a 25 percent higher reimbursement rate for congregate residential			
7	services for individuals with complex medical or behavioral needs currently residing in an			
8	institution and unable to transition to integrated settings in the community due to the need for			
9	services that cannot be provided within the maximum allowable rate, or individuals whose			
10	needs present imminent risk of institutionalization and enhanced waiver services are needed			
11	beyond those available within the maximum allowable rate. The department shall have			
12	authority to promulgate regulations to implement this change within 280 days or less from the			
13	enactment of this Act.			
14	BBB. The Department of Medical Assistance Services shall amend the State Plan for Medical			
15	Assistance to allow for delivery of notices of program reimbursement or other items referred			
16	to in the regulations related to provider appeals by electronic means consistent with the			
17	Uniform Electronic Transactions Act. The department shall implement this change effective			
18	July 1, 2013, and prior to completion of any regulatory process undertaken in order to effect			
19	such changes.			
20	CCC. The Department of Medical Assistance Services shall amend the State Plan for Medical			
21	Assistance to convert the current cost-based payment methodology for nursing facility			
22	operating rates in 12 VAC 30-90-41 to a price-based methodology effective July 1, 2014. The			
23	new price-based payment methodology shall be implemented in a budget neutral manner.			
24	1. The department shall calculate prospective operating rates for direct and indirect costs in			
25	the following manner:			
26	a. The department shall calculate the cost per day in the base year for direct and indirect			
27	operating costs for each nursing facility. The department shall use existing definitions of			
28	direct and indirect costs.			
29	b. The initial base year for calculating the cost per day is cost reports ending in calendar year			
30	2011. The department shall rebase prices in fiscal year 2018 and every three years thereafter			
31	using the most recent reliable calendar year cost-settled cost reports for freestanding nursing			
32	facilities that have been completed as of September 1.			
33	c. Each nursing facility's direct cost per day shall be neutralized by dividing the direct cost per			
34	day by the raw Medicaid facility case-mix that corresponds to the base year by facility.			
35	d. Costs per day shall be inflated to the midpoint of the fiscal year rate period using the			
36	moving average Virginia Nursing Home inflation index for the 4th quarter of each year (the			
37	midpoint of the fiscal year). Costs in the 2011 base year shall be inflated from the midpoint of			
38	the cost report year to the midpoint of fiscal year 2012 by pro-rating fiscal year 2012 inflation			
39	and annual inflation after that. Annual inflation adjustments shall be based on the last			
40	available report prior to the beginning of the fiscal year and corrected for any revisions to			
41	prior year inflation.			
42	e. Prices will be established for the following peer groups using a combination of Medicare			
43	wage regions and Medicaid rural and bed size modifications based on similar costs.			
44	1) Direct Peer groups			
45	- Northern Virginia MSA			
46	- Other MSAs			
47	- Northern Rural			
48	- Southern Rural			
49	2) Indirect Peer Groups			
50	- Northern Virginia MSA			

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1	- Rest of State – Greater than 60 Beds				
2	- Other MSAs				
3	- Northern Rural				
4	- Southern Rural				
5	- Rest of State – 60 Beds or Less				
6	f. The price for each peer group shall be based on the following adjustment factors:				
7	1) Direct - 105 percent of the peer group day-weighted median neutralized and inflated				
8	cost per day for freestanding nursing facilities. Effective on and after July 1, 2017, the				
9	Direct Peer Group price percentage shall be increased to 106.8 percent.				
10	2) Indirect - 100.7 percent of the peer group day-weighted median inflated cost per day for				
11	freestanding nursing facilities. Effective on and after July 1, 2017, the Indirect Peer Group				
12	price percentage shall be increased to 101.3 percent.				
13	3) The department shall have the authority to implement these price percentage changes				
14	effective July 1, 2017 and prior to the completion of any regulatory process in order to				
15	effect such changes.				
16	g. Facilities with costs projected to the rate year below 95 percent of the price shall have				
17	an adjusted price equal to the price minus the difference between their cost and 95 percent				
18	of the unadjusted price. Adjusted prices will be established at each rebasing. New facilities				
19	after the base year shall not have an adjusted price until the next rebasing. The “spending				
20	floor” limits the potential gain of low cost facilities, thereby making it possible to				
21	implement higher adjustment factors for other facilities at less cost.				
22	h. Individual claim payment for direct costs shall be based on each resident's Resource				
23	Utilization Group (RUG) during the service period times the facility direct price (similar				
24	to Medicare).				
25	i. Resource Utilization Group (RUG) is a resident classification system that groups				
26	nursing facility residents according to resource utilization and assigns weights related to				
27	the resource utilization for each classification. The department shall use RUGs to				
28	determine facility case mix for cost neutralization in determining the direct costs used in				
29	setting the price and for adjusting the claim payments for residents. The department may				
30	elect to transition from the RUG-III 34 Medicaid grouper to the RUG-IV 48 grouper in the				
31	following manner.				
32	1) The department shall neutralize direct costs per day in the base year using the most				
33	current RUG grouper applicable to the base year.				
34	2) The department shall utilize RUG-III 34 groups and weights in fiscal year 2015 for				
35	claim payments.				
36	3) Beginning in fiscal year 2016, the department may elect to implement RUG-IV 48				
37	Medicaid groups and weights for claim payments.				
38	4) RUG-IV 48 weights used for claim payments will be normalized to RUG-III 34 weights				
39	as long as base year costs are neutralized by the RUG-III 34 group. In that the weights are				
40	not the same under RUG IV as under RUG III, normalization will insure that total				
41	payments in direct using the RUGs IV 48 weights will be the same as total payments in				
42	direct using the RUGs-III 34 grouper.				
43	j. The department shall transition to the price-based methodology over a period of four				
44	years, blending the price-based rate described here with the cost-based rate based on				
45	current law with the following adjustments. The facility cost-based operating rates shall be				
46	the direct and indirect rates for fiscal year 2015 based on facility case-mix neutral rates				
47	modeled after the law that would have been in effect in fiscal year 2015 absent this				
48	amendment and using base year data from calendar year 2011 inflated to the rate year.				
49	Based on a four-year transition, the rate will be based on the following blend:				

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1	1) Fiscal year 2015 - 25 percent of the price-based rate and 75 percent of the cost-based rate.			
2	2) Fiscal year 2016 - 50 percent of the price-based rate and 50 percent of the cost-based rate.			
3	3) Fiscal year 2017 - 75 percent of the price-based rate and 25 percent of the cost-based rate.			
4	4) Fiscal year 2018 - 100 percent of the price-based (fully implemented).			
5	During the first transition year for the period July 1, 2014 through October 31, 2014, DMAS			
6	shall case-mix adjust each direct cost component of the rates using the average facility case-			
7	mix from the two most recent finalized quarters (September and December 2013) instead of			
8	adjusting this component claim by claim.			
9	Cost-based rates to be used in the transition for facilities without cost data in the base year but			
10	placed in service prior to July 1, 2013 shall be determined based on the most recently settled			
11	cost data. If there is no settled cost report at the beginning of a fiscal year, then 100 percent of			
12	the price-based rate shall be used for that fiscal year. Facilities placed in service after June 30,			
13	2013 shall be paid 100 percent of the price-based rate.			
14	2. Prospective capital rates shall be calculated in the following manner.			
15	a. Fair rental value per diem rates for the fiscal year shall be calculated for all freestanding			
16	nursing facilities based on the prior calendar year information aged to the fiscal year and			
17	using RS Means factors and rental rates corresponding to the fiscal year. There will be no			
18	separate calculation for beds subject to and not subject to transition.			
19	b. The department shall develop a procedure for mid-year fair rental value per diem rate			
20	changes for nursing facilities that put into service a major renovation or new beds. A major			
21	renovation shall be defined as an increase in capital of \$3,000 per bed. The nursing facility			
22	shall submit complete pro forma documentation at least 60 days prior to the effective date and			
23	the new rate shall be effective at the beginning of the month following the end of the 60 days.			
24	The provider shall submit final documentation within 60 days of the new rate effective date			
25	and the department shall review final documentation and modify the rate if necessary			
26	effective 90 days after the implementation of the new rate. No mid-year rate changes shall be			
27	made for an effective date after April 30 of the fiscal year.			
28	c. Effective July 1, 2014, the rental rate shall be 8.0 percent.			
29	d. These FRV changes shall also apply to specialized care facilities.			
30	e. The capital per diem rate for hospital-based nursing facilities shall be the last settled capital			
31	per diem.			
32	3. Prospective Nurse Aide Training and Competency Evaluation Programs (NATCEP) rates			
33	shall be the Medicaid per diem rate in the base year inflated to the rate year based on inflation			
34	used in the operating rate calculations.			
35	4. A prospective rate for criminal records checks shall be the per diem rate in the base year.			
36	5. The department shall have the authority to implement these payment changes effective July			
37	1, 2014 and prior to completion of any regulatory process in order to effect such changes.			
38	6. The department shall amend the State Plan for Medical Assistance to reimburse the price-			
39	based operating rate rather than the transition operating rate to any nursing facility whose			
40	licensed bed capacity decreased by at least 30 beds after 2011 and whose occupancy increased			
41	from less than 70 percent in 2011 to more than 80 percent in 2013. The department shall have			
42	the authority to implement this reimbursement change effective July 1, 2015, and prior to			
43	completion of any regulatory process in order to effect such change.			
44	7. Effective July 1, 2017, the department shall amend the State Plan for Medical Assistance to			
45	increase the direct and indirect operating rates under the nursing facility price based			
46	reimbursement methodology by 15 percent for nursing facilities where at least 80 percent of			
47	the resident population have one or more of the following diagnoses: quadriplegia, traumatic			
48	brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In addition, a qualifying facility			
49	must have at least 90 percent Medicaid utilization and a case mix index of 1.15 or higher in			
50	fiscal year 2014. The department shall have the authority to implement this reimbursement			

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1	methodology change for rates on or after July 1, 2017, and prior to completion of any			
2	regulatory process in order to effect such change.			
3	8. Effective July 1, 2017 through June 30, 2020, the Department of Medical Assistance			
4	Services shall amend the State Plan for Medical Assistance to pay nursing facilities			
5	located in the former Danville Metropolitan Statistical Area (MSA) the operating rates			
6	calculated for the Other MSA peer group. For purposes of calculating rates under the			
7	rebasings effective July 1, 2017, the department shall use the peer groups based on the			
8	existing regulations. For future rebasings, the department shall permanently move these			
9	facilities to the Other MSA peer group. The department shall have the authority to			
10	implement this reimbursement change effective July 1, 2017 and prior to completion of			
11	any regulatory process undertaken in order to effect such change.			
12	DDD. The Department of Medical Assistance Services shall amend its State Plan under			
13	Title XIX of the Social Security Act to implement reasonable restrictions on the amount of			
14	incurred dental expenses allowed as a deduction from income for nursing facility			
15	residents. Such limitations shall include: (i) that routine exams and x-rays, and dental			
16	cleaning shall be limited to twice yearly; (ii) full mouth x-rays shall be limited to once			
17	every three years; and (iii) deductions for extractions and fillings shall be permitted only if			
18	medically necessary as determined by the department.			
19	EEE. Notwithstanding §32.1-325, et seq. and §32.1-351, et seq. of the Code of Virginia,			
20	and effective upon the availability of subsidized private health insurance offered through a			
21	Health Benefits Exchange in Virginia as articulated through the federal Patient Protection			
22	and Affordable Care Act (PPACA), the Department of Medical Assistance Services shall			
23	eliminate, to the extent not prohibited under federal law, Medicaid Plan First and FAMIS			
24	Moms program offerings to populations eligible for and enrolled in said subsidized			
25	coverage in order to remove disincentives for subsidized private healthcare coverage			
26	through publicly-offered alternatives. To ensure, to the extent feasible, a smooth transition			
27	from public coverage, DMAS shall endeavor to phase out such coverage for existing			
28	enrollees once subsidized private insurance is available through a Health Benefits			
29	Exchange in Virginia. The department shall implement any necessary changes upon			
30	federal approval and prior to the completion of any regulatory process undertaken in order			
31	to effect such change.			
32	FFF. The Department of Medical Assistance Services shall have authority to amend the			
33	State Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act,			
34	and any waivers thereof, to implement requirements of the federal Patient Protection and			
35	Affordable Care Act (PPACA) as it pertains to implementation of Medicaid and CHIP			
36	eligibility determination and case management standards and practices, including the			
37	Modified Adjusted Gross Income (MAGI) methodology. The department shall have			
38	authority to implement such standards and practices upon federal approval and prior to the			
39	completion of any regulatory process undertaken in order to effect such change.			
40	GGG. Effective July 1, 2013, the Department of Medical Assistance Services shall			
41	establish a Medicaid Physician and Managed Care Liaison Committee including, but not			
42	limited to, representatives from the following organizations: the Virginia Academy of			
43	Family Physicians; the American Academy of Pediatricians – Virginia Chapter; the			
44	Virginia College of Emergency Physicians; the American College of Obstetrics and			
45	Gynecology – Virginia Section; Virginia Chapter, American College of Radiology; the			
46	Psychiatric Society of Virginia; the Virginia Medical Group Management Association;			
47	and the Medical Society of Virginia. The committee shall also include representatives			
48	from each of the department's contracted managed care organizations and a representative			
49	from the Virginia Association of Health Plans. The committee will work with the			
50	department to investigate the implementation of quality, cost-effective health care			
51	initiatives, to identify means to increase provider participation in the Medicaid program, to			
52	remove administrative obstacles to quality, cost-effective patient care, and to address other			
53	matters as raised by the department or members of the committee. The Committee shall			
54	establish an Emergency Department Care Coordination work group comprised of			
55	representatives from the Committee, including the Virginia College of Emergency			
56	Physicians, the Medical Society of Virginia, the Virginia Hospital and Healthcare			
57	Association, the Virginia Academy of Family Physicians and the Virginia Association of			
58	Health Plans to review the following issues: (i) how to improve coordination of care			

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1	across provider types of Medicaid "super utilizers"; (ii) the impact of primary care provider				
2	incentive funding on improved interoperability between hospital and provider systems; and				
3	(iii) methods for formalizing a statewide emergency department collaboration to improve care				
4	and treatment of Medicaid recipients and increase cost efficiency in the Medicaid program,				
5	including recognized best practices for emergency departments. The committee shall meet				
6	semi-annually, or more frequently if requested by the department or members of the				
7	committee. The department, in cooperation with the committee, shall report on the				
8	committee's activities annually to the Board of Medical Assistance Services and to the				
9	Chairmen of the House Appropriations and Senate Finance Committees and the Department				
10	of Planning and Budget no later than October 1 each year.				
11	HHH. The Department of Medical Assistance Services shall establish a work group of				
12	representatives of providers of home- and community-based care services to continue				
13	improvements in the audit process and procedures for home- and community-based utilization				
14	and review audits. The Department of Medical Assistance Services shall report on any				
15	revisions to the methodology for home- and community-based utilization and review audits,				
16	including progress made in addressing provider concerns and solutions to improve the process				
17	for providers while ensuring program integrity. In addition, the report shall include				
18	documentation of the past year's audits, a summary of the number of audits to which				
19	retractions were assessed and the total amount, the number of appeals received and the results				
20	of appeals. The report shall be provided to the Chairmen of the House Appropriations and				
21	Senate Finance Committees by December 1 of each year.				
22	III. The Department of Medical Assistance Services shall realign the billable activities paid				
23	for individual supported employment provided under the Medicaid home- and community-				
24	based waivers to be consistent with job development and job placement services provided				
25	through employment services organizations that are reimbursed by the Department for Aging				
26	and Rehabilitative Services. The department shall have the authority to implement this				
27	reimbursement change effective July 1, 2013, and prior to the completion of any regulatory				
28	process undertaken in order to effect such change.				
29	JJJ.1. The Department of Medical Assistance Services shall seek federal authority through				
30	any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the				
31	Social Security Act to implement a comprehensive value-driven, market-based reform of the				
32	Virginia Medicaid/FAMIS programs.				
33	2. The department is authorized to contract with qualified health plans to offer recipients a				
34	Medicaid benefit package adhering to these principles. Any coordination of non-traditional				
35	behavioral health services covered under contract with qualified health plans or through other				
36	means shall adhere to the principles outlined in paragraph MM. c. This reformed service				
37	delivery model shall be mandatory, to the extent allowed under the relevant authority granted				
38	by the federal government and shall, at a minimum, include (i) limited high-performing				
39	provider networks and medical/health homes; (ii) financial incentives for high quality				
40	outcomes and alternative payment methods; (iii) improvements to encounter data submission,				
41	reporting, and oversight; (iv) standardization of administrative and other processes for				
42	providers; and (v) support of the health information exchange.				
43	3. The Department of Medical Assistance Services shall seek reforms to include all remaining				
44	Medicaid populations and services, including long-term care and home- and community-				
45	based waiver services into cost-effective, managed and coordinated delivery systems. The				
46	department shall begin designing the process and obtaining federal authority to transition all				
47	remaining Medicaid beneficiaries into a coordinated delivery system. DMAS shall promulgate				
48	regulations to implement these provisions to be effective within 280 days of its enactment.				
49	The department may implement any changes necessary to implement these provisions prior to				
50	the promulgation of regulations undertaken in order to effect such changes.				
51	4. As a condition on all appropriations in this act and notwithstanding any other provision of				
52	this act; or any other law; no general or nongeneral funds shall be appropriated or expended				
53	for such costs as may be incurred to implement coverage for newly eligible individuals				
54	pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act,				
55	unless included in an appropriation bill adopted by the General Assembly on or after July 1,				
56	2016.				
57	4. a. Notwithstanding §30-347, Code of Virginia, or any other provision of law, the				

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1	<i>Department of Medical Assistance Services shall amend the State Plan for Medicaid</i>			
2	<i>Assistance under Title XIX of the Social Security Act, and any waivers thereof, to</i>			
3	<i>implement coverage for newly eligible individuals pursuant to 42 U.S.C. §</i>			
4	<i>1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act.</i>			
5	<i>b. The department shall implement the provisions in paragraph JJJ.4.a. of this Item by</i>			
6	<i>October 1, 2018, or as soon as feasible thereafter. The department shall have authority to</i>			
7	<i>implement these coverage provisions prior to completion of any regulatory process in</i>			
8	<i>order to effect such changes.</i>			
9	<i>5. In the event that the increased federal medical assistance percentages for newly eligible</i>			
10	<i>individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA are modified</i>			
11	<i>through federal law or regulation from the methodology in effect on January 1, 2014,</i>			
12	<i>resulting in a reduction in federal medical assistance as determined by the department in</i>			
13	<i>consultation with the Department of Planning and Budget, the Department of Medical</i>			
14	<i>Assistance Services shall disenroll and eliminate coverage for individuals who obtained</i>			
15	<i>coverage through 42 U.S.C. § 1396d(y)(1) [2010] of the PPACA. The disenrollment</i>			
16	<i>process shall include written notification to affected Medicaid beneficiaries, Medicaid</i>			
17	<i>managed care plans, and other providers that coverage will cease as soon as allowable</i>			
18	<i>under federal law following the date the department is notified of a reduction in Federal</i>			
19	<i>Medical Assistance Percentage.</i>			
20	KKK.1. The Director of the Department of Medical Assistance Services shall continue to			
21	make improvements in the provision of health and long-term care services under			
22	Medicaid/FAMIS that are consistent with evidence-based practices and delivered in a cost			
23	effective manner to eligible individuals.			
24	2. In order to effect such improvements and ensure that reform efforts are cost effective			
25	relative to current forecasted Medicaid/FAMIS expenditure levels, the Department of			
26	Medical Assistance Services shall (i) develop a five-year consensus forecast of			
27	expenditures and savings associated with the Virginia Medicaid/FAMIS reform efforts by			
28	November 15 of each year in conjunction with the Department of Planning and Budget,			
29	and with input from the House Appropriations and Senate Finance Committees, and (ii)			
30	engage stakeholder involvement in meeting annual targets for quality and cost-			
31	effectiveness.			
32	LLL. Effective July 1, 2014, the Department of Medical Assistance Services shall replace			
33	the AP-DRG grouper with the APR-DRG grouper for hospital inpatient reimbursement.			
34	The department shall develop budget neutral case rates and Virginia-specific weights for			
35	the APR-DRG grouper based on the FY 2011 base year. The department shall phase in the			
36	APR-DRG weights by blending in 50 percent of the full APR-DRG weights with 50			
37	percent of FY 2014 AP-DRG weights in the first year and 75 percent of the full APR-			
38	DRG weights with 25 percent of the FY 2014 AP-DRG weights in the second year for			
39	each APR-DRG group and severity. FY 2014 AP-DRG weights shall be calculated as a			
40	weighted average FY 2014 AP-DRG weight for all claims in the base year that group to			
41	each APR-DRG group and severity. Full APR-DRG weights shall be used in the third year			
42	and succeeding years for each APR-DRG group and severity. The department shall have			
43	the authority to implement these reimbursement changes effective July 1, 2014, and prior			
44	to completion of any regulatory process in order to effect such changes.			
45	MMM.1. Effective July 1, 2014, the Department of Medical Assistance Services shall			
46	replace the current Disproportionate Share Hospital (DSH) methodology with the			
47	following methodology:			
48	a) DSH eligible hospitals must have a total Medicaid Inpatient Utilization Rate equal to 14			
49	percent or higher in the base year using Medicaid days eligible for Medicare DSH or a			
50	Low Income Utilization Rate in excess of 25 percent and meet other federal requirements.			
51	Eligibility for out of state cost reporting hospitals shall be based on total Medicaid			
52	utilization or on total Medicaid NICU utilization equal to 14 percent or higher.			
53	b) Each hospital's DSH payment shall be equal to the DSH per diem multiplied by each			
54	hospital's eligible DSH days in a base year. Days reported in provider fiscal years in state			
55	FY 2011 will be the base year for FY 2015 prospective DSH payments. DSH will be			
56	recalculated annually with an updated base year. DSH payments are subject to applicable			

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1	federal limits.				
2	c) Eligible DSH days are the sum of all Medicaid inpatient acute, psychiatric and				
3	rehabilitation days above 14 percent for each DSH hospital subject to special rules for out of				
4	state cost reporting hospitals. Eligible DSH days for out of state cost reporting hospitals shall				
5	be the higher of the number of eligible days based on the calculation in the first sentence				
6	times Virginia Medicaid utilization (Virginia Medicaid days as a percent of total Medicaid				
7	days) or the Medicaid NICU days above 14 percent times Virginia NICU Medicaid utilization				
8	(Virginia NICU Medicaid days as a percent of total NICU Medicaid days). Eligible DSH days				
9	for out of state cost reporting hospitals who qualify for DSH but who have less than 12				
10	percent Virginia Medicaid utilization shall be 50 percent of the days that would have				
11	otherwise been eligible DSH days.				
12	d) Additional eligible DSH days are days that exceed 28 percent Medicaid utilization for				
13	Virginia Type Two hospitals (excluding Children's Hospital of the Kings Daughters).				
14	e) The DSH per diem shall be calculated in the following manner:				
15	a. The DSH per diem for Type Two hospitals is calculated by dividing the total Type Two				
16	DSH allocation by the sum of eligible DSH days for all Type Two DSH hospitals. For				
17	purposes of DSH, Type Two hospitals do not include Children's Hospital of the Kings				
18	Daughters (CHKD) or any hospital whose reimbursement exceeds its federal uncompensated				
19	care cost limit. The Type Two Hospital DSH allocation shall equal the amount of DSH paid to				
20	Type Two hospitals in state FY 2014 increased annually by the percent change in the federal				
21	allotment, including any reductions as a result of the Affordable Care Act, adjusted for the				
22	state fiscal year.				
23	b. The DSH per diem for State Inpatient Psychiatric Hospitals is calculated by dividing the				
24	total State Inpatient Psychiatric Hospital DSH allocation by the sum of eligible DSH days.				
25	The State Inpatient Psychiatric Hospital DSH allocation shall equal the amount of DSH paid				
26	in state FY 2013 increased annually by the percent change in the federal allotment, including				
27	any reductions as a result of the Affordable Care Act, adjusted for the state fiscal year.				
28	c. The DSH per diem for CHKD shall be three times the DSH per diem for Type Two				
29	hospitals.				
30	d. The DSH per diem for Type One hospitals shall be 17 times the DSH per diem for Type				
31	Two hospitals.				
32	2. Each year, the department shall determine how much Type Two DSH has been reduced as				
33	a result of the Affordable Care Act and adjust the percent of cost reimbursed for outpatient				
34	hospital reimbursement.				
35	3. The department shall convene the Hospital Payment Policy Advisory Council at least once				
36	a year to consider additional changes to the DSH methodology.				
37	4. The department shall have the authority to implement these reimbursement changes				
38	effective July 1, 2014, and prior to completion of any regulatory process in order to effect				
39	such changes.				
40	NNN. The Department of Medical Assistance Services shall have authority to amend the State				
41	Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any				
42	waivers thereof, to implement requirements of the federal Patient Protection and Affordable				
43	Care Act (PPACA), P.L. 111-148, as it pertains to implementation of Medicaid and CHIP				
44	eligibility determination and case management standards and practices, including the				
45	Modified Adjusted Gross Income (MAGI) methodology and, notwithstanding the				
46	requirements of Code of Virginia §2.2-4000, et seq., the process for administrative appeals of				
47	MAGI-related eligibility determinations. The department shall have authority to implement				
48	such standards and practices upon federal approval and prior to the completion of any				
49	regulatory process undertaken in order to effect such changes.				
50	OOO. The Department of Medical Assistance Services (DMAS) shall not change the unit of				
51	service or rate of reimbursement for Mental Health Skill-Building Services (MHSS) until the				
52	2015 General Assembly has reviewed the impact of the December 1, 2013 emergency				
53	regulations that changed the eligibility and service description for Mental Health Skill-				

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1	Building Services. DMAS and the Department of Behavioral Health and Developmental			
2	Services shall jointly prepare a report to be delivered by November 1, 2014 to the			
3	Chairmen of the House Appropriations and Senate Finance Committees. The report shall			
4	document the impact of the MHSS regulations implemented on December 1, 2013 and			
5	shall include an assessment of the fiscal impact, consumer and family impact, service			
6	delivery impact, and impact upon other agencies and facilities in Virginia.			
7	PPP.1. The Department of Medical Assistance Services shall have the authority to contract			
8	with other public and private entities to conduct the required screening process for the			
9	Individual and Family Developmental Disabilities Support waiver. The department shall			
10	have authority to implement necessary changes upon federal approval and prior to the			
11	completion of any regulatory process undertaken in order to effect such changes.			
12	2. Notwithstanding § 32.1-330 of the Code of Virginia, the Department of Medical			
13	Assistance Services shall improve the preadmission screening process for individuals who			
14	will be eligible for long-term care services, as defined in the state plan for medical			
15	assistance. The community-based screening team shall consist of a licensed health care			
16	professional and a social worker who are employees or contractors of the Department of			
17	Health or the local department of social services, or other assessors contracted by the			
18	department. The department shall not contract with any entity for whom there exists a			
19	conflict of interest. For community-based screening for children, the screening shall be			
20	performed by an individual or entity with whom the department has entered into a contract			
21	for the performance of such screenings.			
22	3. The department shall track and monitor all requests for screenings and report on those			
23	screenings that have not been completed within 30 days of an individual's request for			
24	screening. The screening teams and contracted entities shall use the reimbursement and			
25	tracking mechanisms established by the department.			
26	4. The Department of Medical Assistance Services shall promulgate regulations to			
27	implement these provisions to be effective within 280 days of its enactment. The			
28	department may implement any changes necessary to implement these provisions prior to			
29	the promulgation of regulations undertaken in order to effect such changes.			
30	QQQ. The Department of Medical Assistance Services shall have authority to amend its			
31	regulations, subject to the federal Centers for Medicare and Medicaid Services approval,			
32	to strengthen all program requirements and policies of the consumer-directed services			
33	programs to ensure the health, safety and welfare of Medicaid home- and community-			
34	based waiver enrollees. The department shall submit a detailed report on proposed			
35	regulatory changes to the consumer-directed services programs and the issues and			
36	problems the department is attempting to resolve. The department shall submit the report			
37	to the Director, Department of Planning and Budget and the Chairmen of the House			
38	Appropriations and Senate Finance Committees at least 30 days prior to beginning the			
39	regulatory process.			
40	RRR.1. There is hereby appropriated sum-sufficient nongeneral funds for the Department			
41	of Medical Assistance Services (DMAS) to pay the state share of supplemental payments			
42	for qualifying private hospital partners of Type One hospitals (consisting of state-owned			
43	teaching hospitals) as provided in the State Plan for Medical Assistance Services.			
44	Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia			
45	Medicaid provider and owned or operated by a private entity in which a Type One hospital			
46	has a non-majority interest. The supplemental payments shall be based upon the			
47	reimbursement methodology established for such payments in Attachments 4.19-A and			
48	4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer			
49	agreement with any Type One hospital whose private hospital partner qualifies for such			
50	supplemental payments, under which the Type One hospital shall provide the state share			
51	in order to match federal Medicaid funds for the supplemental payments to the private			
52	hospital partner. The department shall have the authority to implement these			
53	reimbursement changes consistent with the effective date in the State Plan amendment			
54	approved by the Centers for Medicare and Medicaid Services (CMS) and prior to			
55	completion of any regulatory process in order to effect such changes.			
56	2.a. The Department of Medical Assistance Services shall promulgate regulations to make			
57	supplemental payments to Medicaid physician providers with a medical school located in			

ITEM 306.		Item Details(\$)		Appropriations(\$)	
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1	Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the				
2	supplemental payment shall be based on the difference between the average commercial rate				
3	approved by CMS and the payments otherwise made to physicians. The department shall have				
4	the authority to implement these reimbursement changes consistent with the effective date in				
5	the State Plan amendment approved by CMS and prior to completion of any regulatory				
6	process in order to effect such changes.				
7	b. The department shall increase payments to Medicaid managed care organizations for the				
8	purpose of securing access to Medicaid physician services in Eastern Virginia, through higher				
9	rates to physicians affiliated with a medical school located in Eastern Virginia that is a				
10	political subdivision of the Commonwealth subject to applicable limits. The department shall				
11	revise its contracts with managed care organizations to incorporate these supplemental				
12	capitation payments, and provider payment requirements, subject to approval by CMS. No				
13	payment shall be made without approval from CMS.				
14	c. Funding for the state share for these Medicaid payments is authorized in Item 247.				
15	3.a. The Department of Medical Assistance Services (DMAS) shall have the authority to				
16	amend the State Plan for Medical Assistance Services (State Plan) to implement a				
17	supplemental Medicaid payment for local government-owned nursing homes. The total				
18	supplemental Medicaid payment for local government-owned nursing homes shall be based				
19	on the difference between the Upper Payment Limit of 42 CFR §447.272 as approved by				
20	CMS and all other Medicaid payments subject to such limit made to such nursing homes.				
21	There is hereby appropriated sum-sufficient funds for DMAS to pay the state share of the				
22	supplemental Medicaid payment hereunder. However, DMAS shall not submit such State				
23	Plan amendment to CMS until it has entered into an intergovernmental agreement with				
24	eligible local government-owned nursing homes or the local government itself which requires				
25	them to transfer funds to DMAS for use as the state share for the supplemental Medicaid				
26	payment each nursing home is entitled to and to represent that each has the authority to				
27	transfer funds to DMAS and that the funds used will comply with federal law for use as the				
28	state share for the supplemental Medicaid payment. If a local government-owned nursing				
29	home or the local government itself is unable to comply with the intergovernmental				
30	agreement, DMAS shall have the authority to modify the State Plan. The department shall				
31	have the authority to implement the reimbursement change consistent with the effective date				
32	in the State Plan amendment approved by CMS and prior to the completion of any regulatory				
33	process undertaken in order to effect such change.				
34	b. If by June 30, 2017, the Department of Medical Assistance Services has not secured				
35	approval from the Centers for Medicare and Medicaid Services to use a minimum fee				
36	schedule pursuant to 42 C.F.R. § 438.6(c)(1)(iii) for local government-owned nursing homes				
37	participating in Commonwealth Coordinated Care Plus (CCC Plus) at the same level as and in				
38	lieu of the supplemental Medicaid payments authorized in Section RRR.3.a., then DMAS				
39	shall: (i) exclude Medicaid recipients who elect to receive nursing home services in local				
40	government-owned nursing homes from CCC Plus; (ii) pay for such excluded recipient's				
41	nursing home services on a fee-for-service basis, including the related supplemental Medicaid				
42	payments as authorized herein; and (iii) prohibit CCC Plus contracted health plans from in				
43	any way limiting Medicaid recipients from electing to receive nursing home services from				
44	local government-owned nursing homes. The department may include in CCC Plus Medicaid				
45	recipients who elect to receive nursing home services in local government-owned nursing				
46	homes in the future when it has secured federal CMS approval to use a minimum fee schedule				
47	as described above.				
48	4. The Department of Medical Assistance Services shall have the authority to amend the State				
49	Plan for Medical Assistance Services to implement a supplemental payment for clinic services				
50	furnished by the Virginia Department of Health (VDH) effective July 1, 2015. The total				
51	supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the				
52	Centers for Medicare and Medicaid Services and all other Medicaid payments. VDH is				
53	required to transfer funds to the department funds already appropriated to VDH to cover the				
54	non-federal share of the Medicaid payments. The department shall have the authority to				
55	implement the reimbursement change effective July 1, 2015, and prior to the completion of				
56	any regulatory process undertaken in order to effect such changes.				
57	5. The Department of Medical Assistance Services shall amend the State Plan for Medical				

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1	Assistance to increase the supplemental physician payments for physicians employed at a			
2	freestanding children's hospital serving children in Planning District 8 with more than 50			
3	percent Medicaid inpatient utilization in fiscal year 2014 to the maximum allowed by the			
4	Centers for Medicare and Medicaid Services within the limit of the appropriation provided			
5	for this purpose. The total supplemental Medicaid payment shall be based on the Upper			
6	Payment Limit approved by the Centers for Medicare and Medicaid Services and all other			
7	Virginia Medicaid fee-for-service payments. The department shall have the authority to			
8	implement these reimbursement changes effective July 1, 2016, and prior to the			
9	completion of any regulatory process undertaken in order to effect such change."			
10	6.a. The Department of Medical Assistance Services shall promulgate regulations to make			
11	supplemental Medicaid payments to the primary teaching hospitals affiliated with a			
12	Liaison Committee on Medical Education (LCME) accredited medical school located in			
13	Planning District 23 that is a political subdivision of the Commonwealth and an LCME			
14	accredited medical school located in Planning District 5 that has a partnership with a			
15	public university. The amount of the supplemental payment shall be based on the			
16	reimbursement methodology established for such payments in Attachments 4.19-A and			
17	4.19-B of the State Plan for Medical Assistance and/or the department's contracts with			
18	managed care organizations. The department shall have the authority to implement these			
19	reimbursement changes consistent with the effective date in the State Plan amendment or			
20	the managed care contracts approved by the Centers for Medicare and Medicaid Services			
21	(CMS) and prior to completion of any regulatory process in order to effect such changes.			
22	No payment shall be made without approval from CMS.			
23	b. Funding for the state share for these Medicaid payments is authorized in Item 247 and			
24	Item 4-5.03.			
25	SSS. The Department of Medical Assistance Services shall amend the State Plan for			
26	Medical Assistance to provide coverage for cessation services for tobacco users, including			
27	pharmacology, group and individual counseling, and other treatment services including			
28	the most current version of or an official update to the Clinical Health Guideline "Treating			
29	Tobacco Use and Dependence" published by the Public Health Service of the U.S.			
30	Department of Health and Human Services. These services shall be subject to copayment			
31	requirements. The department shall have authority to implement this reimbursement			
32	change effective July 1, 2014 and prior to the completion of any regulatory process			
33	undertaken in order to effect such changes.			
34	TTT. The Department of Medical Assistance Services shall have the authority to amend			
35	the 1915 (c) home- and community-based Elderly or Consumer-Direction (EDCD) waiver,			
36	Individual and Family Developmental Disabilities (DD) Support Waiver, Intellectual			
37	Disabilities (ID) waiver and Technology-Assisted (TECH) waiver, and associated			
38	regulations, to specify that transition services includes the first month's rent for qualified			
39	housing as an allowable cost. The department shall have authority to implement this			
40	reimbursement change effective July 1, 2014 and prior to the completion of any regulatory			
41	process undertaken in order to effect such changes.			
42	UUU. The Department of Medical Assistance Services shall have the authority to			
43	implement Section 1902(a)(10)(A)(i)(IX) of the federal Social Security Act to provide			
44	Medicaid benefits up until the age of 26 to individuals who are or were in foster care at			
45	least until the age of 18 in any state.			
46	VVV. Effective July 1, 2014 the Department of Medical Assistance Services shall amend			
47	the State Plan for Medical Assistance to provide that the reimbursement floor for the			
48	nursing facility FRV "rental rate" shall be 8.0 percent in fiscal year 2015 and fiscal year			
49	2016. The department shall have the authority to implement these reimbursement changes			
50	prior to the completion of any regulatory process undertaken in order to effect such			
51	changes.			
52	WWW. The Department of Medical Assistance Services shall amend the State Plan for			
53	Medical Assistance to eliminate nursing facility inflation for fiscal year 2016. This shall			
54	apply to nursing facility operating rates in the first year, but shall not be substituted for			
55	published inflation factors in any subsequent scheduled rebasing of nursing facility rates.			
56	The department shall have the authority to implement these reimbursement changes prior			
57	to the completion of any regulatory process undertaken in order to effect such changes.			

ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	XXX.1.a				
2	The Department of Medical Assistance Services shall amend the Medicaid				
3	demonstration project (Project Number 11-W-00297/3) to modify eligibility provided through				
4	the project to individuals with serious mental illness to be effective July 1, 2015. Income				
5	eligibility shall be modified to limit services to seriously mentally ill adults with effective				
6	household incomes up to 60 percent of the federal poverty level (FPL). All individuals				
7	enrolled in this Medicaid demonstration project with incomes between 61% and 100% of the				
8	Federal Poverty Level as of May 15, 2015 who continue to meet other program eligibility				
9	rules, shall maintain enrollment in the demonstration until their next eligibility renewal period				
10	or July 1, 2016, whichever comes first. Benefits shall include the following services: (i)				
11	primary care office visits including diagnostic and treatment services performed in the				
12	physician's office, (ii) outpatient specialty care, consultation, and treatment, (iii) outpatient				
13	hospital including observation and ambulatory diagnostic procedures, (iv) outpatient				
14	laboratory, (v) outpatient pharmacy, (vi) outpatient telemedicine, (vii) medical equipment and				
15	supplies for diabetic treatment, (viii) outpatient psychiatric treatment, (ix) mental health case				
16	management, (x) psychosocial rehabilitation assessment and psychosocial rehabilitation				
17	services, (xi) mental health crisis intervention, (xii) mental health crisis stabilization, (xiii)				
18	therapeutic or diagnostic injection, (xiv) behavioral telemedicine, (xv) outpatient substance				
19	abuse treatment services, and (xvi) intensive outpatient substance abuse treatment services.				
20	Care coordination, Recovery Navigation (peer supports), crisis line and prior authorization for				
21	services shall be provided through the agency's Behavioral Health Services Administrator.				
22	b. The Department of Medical Assistance Services shall amend the Medicaid demonstration				
23	project described in paragraph XXX 1 a to increase the income eligibility for adults with				
24	serious mental illness from 60 to 80 percent of the federal poverty level effective July 1, 2016				
25	and from 80 to 100 percent of the federal poverty level effective October 1, 2017. Effective				
26	October 1, 2017, the department shall amend the Medicaid demonstration project to include				
27	the provision of addiction recovery and treatment services, including partial day				
28	hospitalization and residential treatment services. The department shall have authority to				
29	implement necessary changes upon federal approval and prior to the completion of any				
30	regulatory process undertaken in order to effect such changes.				
31	c. The Department of Medical Assistance Services, in cooperation with the Department of				
32	Social Services and the League of Social Service Executives, shall provide information and				
33	conduct outreach activities with the Department of Corrections and local and regional jails to				
34	increase access to the Medicaid demonstration waiver for individuals with serious mental				
35	illness who are preparing to be released from custody, or are under the supervision of state or				
36	local community corrections programs.				
37	d. The Department of Medical Assistance Services, in cooperation with the Department of				
38	Social Services and the League of Social Service Executives, shall provide information and				
39	conduct outreach activities with the Department of Corrections and local and regional jails to				
40	increase access to the Medicaid demonstration waiver for individuals with serious mental				
41	illness who are preparing to be released from custody, or are under the supervision of state or				
42	local community corrections programs.				
43	2. The Department of Medical Assistance Services is authorized to amend the State Plan				
44	under Title XIX of the Social Security Act to add coverage for comprehensive dental services				
45	to pregnant women receiving services under the Medicaid program to include: (i) diagnostic,				
46	(ii) preventive, (iii) restorative, (iv) endodontics, (v) periodontics, (vi) prosthodontics both				
47	removable and fixed, (vii) oral surgery, and (viii) adjunctive general services.				
48	3. The Department of Medical Assistance Services is authorized to amend the FAMIS MOMS				
49	and FAMIS Select demonstration waiver (No. 21-W-00058/3) for FAMIS MOMS enrollees				
50	to add coverage for dental services to align with pregnant women's coverage under Medicaid.				
51	4. The Department of Medical Assistance Services is authorized to amend the State Plan				
52	under Title XXI of the Social Security Act to plan to allow enrollment for dependent children				
53	of state employees who are otherwise eligible for coverage.				
54	5. The department shall have authority to implement necessary changes upon federal approval				
55	and prior to the completion of any regulatory process undertaken in order to effect such				
	changes.				

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1	YYY. The Department of Medical Assistance Services shall amend the State Plan for				
2	Medical Assistance Services to eliminate the requirement for pending, reviewing and				
3	reducing fees for emergency room claims for 99283 codes. The department shall have the				
4	authority to implement this reimbursement change effective July 1, 2015, and prior to the				
5	completion of any regulatory process undertaken in order to effect such change.				
6	ZZZ. The Department of Medical Assistance Services shall amend the State Plan for				
7	Medical Assistance to increase the supplemental physician payments for practice plans				
8	affiliated with a freestanding children's hospital with more than 50 percent Medicaid				
9	inpatient utilization in fiscal year 2009 to the maximum allowed by the Centers for				
10	Medicare and Medicaid Services. The department shall have the authority to implement				
11	these reimbursement changes effective July 1, 2015, and prior to completion of any				
12	regulatory process undertaken in order to effect such change.				
13	AAAA.1. The Department of Medical Assistance Services (DMAS) shall provide				
14	quarterly reports , due within 30 days of a quarter's end, to the Governor, Director,				
15	Department of Planning and Budget and Chairmen of the House Appropriations and				
16	Senate Finance Committees on the implementation of the Commonwealth Coordinated				
17	Care program, including information on program enrollment, the ability of Medicare and				
18	Medicaid Managed Care Plans to ensure a robust provider network, resolution of provider				
19	concerns regarding the cost and technical difficulties in participating in the program,				
20	quality of care, and progress in resolving issues related to federal Medicare requirements				
21	which impede the efficient and effective delivery of care.				
22	2. The Department of Medical Assistance Services (DMAS) shall require providers to use				
23	a National Provider Identifier number, effective July 1, 2015, in order to participate in the				
24	Commonwealth Coordinated Care program.				
25	BBBB. The Department of Medical Assistance Services (DMAS) shall amend its July 1,				
26	2016, managed care contracts in order to conform to the requirement pursuant to House				
27	Bill 1942 / Senate Bill 1262, passed during the 2015 Regular Session, for prior				
28	authorization of drug benefits.				
29	CCCC.1. The Department of Medical Assistance Services shall adjust the rates and add				
30	new services in accordance with the recommendations of the provider rate study and the				
31	published formula for determining the SIS levels and tiers developed as part of the				
32	redesign of the Individual and Family Developmental Disabilities Support (DD), Day				
33	Support (DS), and Intellectual Disability (ID) Waivers. The department shall have the				
34	authority to adjust provider rates and units, effective July 1, 2016, in accordance with				
35	those recommendations with the exception that no rate changes for Sponsored Residential				
36	services shall take effect until January 1, 2017. The rate increase for skilled nursing				
37	services shall be 25 percent.				
38	2. The Department of Medical Assistance Services shall have the authority to amend the				
39	Individual and Family Developmental Disabilities Support (DD), Day Support (DS), and				
40	Intellectual Disability (ID) Waivers, to initiate the following new waiver services effective				
41	July 1, 2016: Shared Living Residential, Supported Living Residential, Independent				
42	Living Residential, Community Engagement, Community Coaching, Workplace				
43	Assistance Services, Private Duty Nursing Services, Crisis Support Services, Community				
44	Based Crisis Supports, Center-based Crisis Supports, and Electronic Based Home				
45	Supports; and the following new waiver services effective July 1, 2017: Community				
46	Guide and Peer Support Services, Benefits Planning, and Non-medical Transportation.				
47	The rates and units for these new services shall be established consistent with				
48	recommendations of the provider rate study and the published formula for determining the				
49	SIS levels and tiers developed as part of the waiver redesign, with the exception that				
50	private duty nursing rates shall be equal to the rates for private duty nursing services in the				
51	Assistive Technology Waiver and the EPSDT program. The implementation of these				
52	changes shall be developed in partnership with the Department of Behavioral Health and				
53	Developmental Services.				
54	3. Out of this appropriation, \$328,452 the first year and \$656,903 the second year from the				
55	general fund and \$328,452 the first year and \$656,903 the second year from nongeneral				
56	funds shall be provided for a Northern Virginia rate differential in the family home				
57	payment for Sponsored Residential services. Effective January 1, 2017, the rates for				

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1	Sponsored Residential services in the Intellectual Disability waiver shall include in the rate methodology a higher differential of 24.5 percent for Northern Virginia providers, in the family home payment as compared to the rest-of-state rate. The Department of Medical Assistance Services and the Department of Behavioral Health and Developmental Services shall, in collaboration with sponsored residential providers, the Virginia Network of Private Providers, the Virginia Association of Community Services Boards, the Virginia Sponsored Residential Provider Group, and family home providers, collect information and feedback related to payments to family homes and the extent to which changes in rates have impacted payments to the family homes statewide, and the increase or decrease in the capacity in each of the five geographic regions. The Department of Medical Assistance Services, in cooperation with the Department of Behavioral Health and Developmental Services, shall report the findings of this analysis to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2017.			
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14	4. For any state plan amendments or waiver changes to effectuate the provisions of paragraphs CCCC 1 and CCCC 2 above, the Department of Medical Assistance Services shall provide, prior to submission to the Centers for Medicare and Medicaid Services, notice to the Chairmen of the House Appropriations and Senate Finance Committees, and post such changes and make them easily accessible on the department's website.			
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19	5. The department shall have the authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes.			
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22	DDDD. The Department of Medical Assistance Services shall amend the 1915 (c) home-and-community based Community Living waiver to add 390 slots effective July 1, 2016 and an additional 180 slots effective July 1, 2017. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the waiver to add the additional slots.			
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26	EEEE.1. The Department of Medical Assistance Services shall amend the Family and Individual Support waiver to add 140 new slots effective July 1, 2016 and an additional 344 slots effective July 1, 2017. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the waiver to add the additional slots.			
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30	2. Effective July 1, 2016, the Department of Medical Assistance Services shall amend the Individual and Family Developmental Disabilities Support (DD) waiver to add 200 slots in fiscal year 2017 for individuals at the top of the chronological waiting list as of June 30, 2016.			
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33	3. Out of this appropriation, \$632,040 the first year and \$632,040 the second year from the general fund and \$632,040 the first year and \$632,040 the second year from nongeneral funds shall be used for up to 40 emergency reserve slots for emergencies, for individuals transferring between waivers and for individuals transitioning from an Intermediate Care Facility (ICF) or state nursing facility (SNF) to the community to ensure the health and safety of individuals in crisis. The Department of Medical Assistance Services shall amend the appropriate waiver to add up to 40 emergency reserve slots across the Intellectual Disability (ID) waiver, Individual and Family Developmental Disabilities Support (DD) waiver and Day Support (DS) waiver within the limits of this appropriation, effective July 1, 2016. The Department of Medical Assistance Services shall seek federal approval for necessary changes to the ID, DD and DS waivers to add the additional emergency reserve slots.			
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44	FFFF.1. Out of this appropriation, \$1,250,000 from the general fund and \$1,250,000 from nongeneral funds the second year shall be used to fund 25 new medical residency slots. The Department of Medical Assistance Services shall submit a State Plan amendment to make supplemental payments for new graduate medical education residency slots effective July 1, 2017. Supplemental payments shall be made for up to 25 new medical residency slots in fiscal year 2018. Of the 25 new residency slots, 13 shall be for primary care and 12 shall be for high need specialties. In addition, preference shall be given for residency slots located in underserved areas. The department shall adopt criteria for primary care, high need specialties and underserved areas developed by the Virginia Health Workforce Development Authority. The department shall make supplemental payments to the following hospitals for the specified number of primary care residencies: Sentara Norfolk General (2 residencies), Carilion Medical Center (6 residencies), Centra Lynchburg General Hospital (1 residency), Riverside Regional Medical Center (2 residencies), Bon Secours St. Francis Medical Center (2 residencies). The department shall make supplemental payments to Carilion Medical Center			
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ITEM 306.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	for two psychiatric residencies. The supplemental payment for each new qualifying			
2	residency slot shall be \$100,000 annually minus any Medicare residency payment for			
3	which the hospital is eligible. Supplemental payments shall be made for up to four years			
4	for each new qualifying resident. The hospital will be eligible for the supplemental			
5	payments as long as the hospital maintains the number of residency slots in total and by			
6	category as a result of the increase in fiscal year 2018. Payments shall be made quarterly			
7	following the same schedule for other medical education payments. Subsequent to the			
8	award of a supplemental payment, the hospital must provide documentation annually by			
9	June 1 that they continue to meet the criteria for the supplemental payments and report any			
10	changes during the year to the number of residents. The department shall require all			
11	hospitals receiving medical education funding to report annually by June 1 on the number			
12	of residents in total and by specialty/subspecialty. The supplemental payments are subject			
13	to federal Centers for Medicare and Medicaid Services approval. The department shall			
14	have the authority to promulgate emergency regulations to implement this amendment			
15	within 280 days or less from the enactment of this act.			
16	2. Any remaining appropriation for this program at the end of the fiscal year shall be			
17	carried forward to the subsequent fiscal year to fund medical residency slots. The			
18	Department of Medical Assistance Services shall adjust the 2018-20 Medicaid forecast to			
19	include annual funding for the 25 residency slots as approved by the 2016 General			
20	Assembly.			
21	3. <i>Effective July 1, 2018, the department shall make supplemental payments to the</i>			
22	<i>following hospitals for the specified number of primary care residencies: Sentara Norfolk</i>			
23	<i>General (1 residency) and Carilion Medical Center (6 residencies). The department shall</i>			
24	<i>make supplemental payments to Carilion Medical Center for 2 psychiatry residencies and</i>			
25	<i>to Sentara Norfolk General for 1 OB/GYN residency.</i>			
26	GGGG. The Department of Medical Assistance Services shall amend the State Plan for			
27	Medical Assistance to limit inflation to 50 percent of the inflation factor for fiscal year			
28	2017 and eliminate inflation in fiscal year 2018. This shall apply to inpatient hospital			
29	operating rates (including long-stay and freestanding psychiatric hospitals), graduate			
30	medical education (GME) payments, disproportionate share hospital (DSH) payments and			
31	outpatient hospital rates. Similar reductions shall be made to the general fund share for			
32	Type One hospitals as reflected in paragraph B. of this Item. <i>The department shall make a</i>			
33	<i>full inflation adjustment payment in both FY 2017 and FY 2018 to Virginia freestanding</i>			
34	<i>children's hospitals with greater than 50 percent Medicaid utilization in 2009.</i> The			
35	department shall have the authority to implement these reimbursement changes effective			
36	July 1, 2016 and prior to the completion of any regulatory process in order to effect such			
37	changes.			
38	HHHH. The Department of Medical Assistance Services shall amend the State Plan for			
39	Medical Assistance to provide the full inflation factor for nursing facility and specialized			
40	care operating and NATCEP rates for FY2018. The department shall have the authority to			
41	implement these reimbursement changes effective July 1, 2017, and prior to the			
42	completion of any regulatory process in order to effect such changes.			
43	IIII. The Department of Medical Assistance Services shall amend the State Plan for			
44	Medical Assistance to limit inflation to 50 percent of the inflation factor for outpatient			
45	rehabilitation agencies and home health agencies for FY2018. The department shall have			
46	the authority to implement these reimbursement changes effective July 1, 2017, and prior			
47	to the completion of any regulatory process in order to effect such changes.			
48	JJJJ. Effective July 1, 2016, the Department of Medical Assistance Services shall increase			
49	the rates for agency and consumer directed personal care, respite and companion services			
50	in the EDCD and ID/DD waivers and EPSDT program by two percent from current levels.			
51	KKKK. Effective July 1, 2016, the Department of Medical Assistance Services shall			
52	increase the rates for private duty nursing in the Tech waiver and Early and Periodic			
53	Screening, Diagnostic and Treatment (EPSDT) program by 11.5 percent from current			
54	levels.			
55	LLLL. Out of this appropriation, \$79,505 from the general fund and \$79,505 from the			
56	nongeneral fund the first year and \$87,581 from the general fund and \$87,581 from			

ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	nongeneral funds the second year shall be used to increase reimbursement rates for adult day				
2	health services provided through Medicaid home- and community-based waiver programs by				
3	2.5 percent effective July 1, 2016.				
4	MMMM.1. The Department of Medical Assistance Services, in consultation with the				
5	appropriate stakeholders, shall amend the state plan for medical assistance and/or seek federal				
6	authority through an 1115 demonstration waiver, as soon as feasible, to provide coverage of				
7	inpatient detoxification, inpatient substance abuse treatment, residential detoxification,				
8	residential substance abuse treatment, and peer support services to Medicaid individuals in the				
9	Fee-for-Service and Managed Care Delivery Systems. The department shall have the				
10	authority to implement this change effective upon passage of this Act, and prior to the				
11	completion of any regulatory process undertaken in order to effect such change.				
12	2. The Department of Medical Assistance Services shall make programmatic changes in the				
13	provision of all Substance Abuse Treatment Outpatient, Community Based and Residential				
14	Treatment services (group homes and facilities) for individuals with substance abuse disorders				
15	in order to ensure parity between the substance abuse treatment services and the medical and				
16	mental health services covered by the department and to ensure comprehensive treatment				
17	planning and care coordination for individuals receiving behavioral health and substance use				
18	disorder services. The department shall take action to ensure appropriate utilization and cost				
19	efficiency, and adjust reimbursement rates within the limits of the funding appropriated for				
20	this purpose based on current industry standards. The department shall consider all available				
21	options including, but not limited to, service definitions, prior authorization, utilization				
22	review, provider qualifications, and reimbursement rates for the following Medicaid services:				
23	substance abuse day treatment for pregnant women, substance abuse residential treatment for				
24	pregnant women, substance abuse case management, opioid treatment, substance abuse day				
25	treatment, and substance abuse intensive outpatient. The department shall have the authority				
26	to implement this change effective upon passage of this Act, and prior to the completion of				
27	any regulatory process undertaken in order to effect such change.				
28	3. The Department of Medical Assistance Services shall amend the State Plan for Medical				
29	Assistance and any waivers thereof to include peer support services to children and adults				
30	with mental health conditions and/or substance use disorders. The department shall work with				
31	its contractors, the Department of Behavioral Health and Developmental Services, and				
32	appropriate stakeholders to develop service definitions, utilization review criteria and provider				
33	qualifications. The department shall have the authority to implement this change effective				
34	upon passage of this Act, and prior to the completion of any regulatory process undertaken in				
35	order to effect such change.				
36	4. The Department of Medical Assistance Services shall, prior to the submission of any state				
37	plan amendment or waivers to implement paragraphs MMMM 1, MMMM 2, and MMMM 3,				
38	submit a plan detailing the changes in provider rates, new services added and any other				
39	programmatic changes to the Chairmen of the House Appropriation and Senate Finance				
40	Committees.				
41	NNNN. The Department of Medical Assistances shall amend the State Plan for Medical				
42	Assistance to convert the specialized care rates to a prospective rate consistent with the				
43	existing cost-based methodology by adding inflation to the per diem costs subject to existing				
44	ceilings for direct, indirect and ancillary costs from the most recent settled cost report prior to				
45	the state fiscal year for which the rates are being established. The same inflation adjustment				
46	shall apply to plant costs for specialized care facilities that do not have prospective capital				
47	rates that are based on fair rental value. The department shall use the state fiscal year rate				
48	methodology recently adopted for regular nursing facilities. Partial year inflation shall be				
49	applied to per diem costs if the provider fiscal year end is different than the state fiscal year.				
50	Ceilings shall also be maintained by state fiscal year. The department shall have the authority				
51	to implement these changes effective July 1, 2016, and prior to completion of any regulatory				
52	process to effect such changes.				
53	O000. The Department of Medical Assistance Services (DMAS), in consultation with the				
54	appropriate stakeholders, shall seek federal authority via a state plan amendment to cover				
55	low-dose computed tomography (LDCT) lung cancer screenings for high-risk adults. The				
56	department shall promulgate emergency regulations to implement this amendment within 280				
57	days or less from the enactment of this Act.				

ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	PPPP. The Department of Medical Assistance Services shall amend the State Plan under				
2	Title XIX of the Social Security Act, and any necessary waivers, to reflect that no				
3	authority is provided for the payment of overtime for Medicaid-reimbursed consumer-				
4	directed personal assistance, respite and companion services. The Department shall				
5	implement the necessary regulatory changes and other necessary measures to be consistent				
6	with federal approval of any appropriate state plan and/or waiver changes, and prior to the				
7	completion of any regulatory process undertaken in order to effect such change."				
8	QQQQ. The Department of Medical Assistance Services shall convene a work group of				
9	stakeholders, which shall include the Department for Aging and Rehabilitative Services,				
10	dementia service providers and dementia advocacy organizations to review the				
11	Alzheimer's Assisted Living (AAL) Waiver to determine if it can be modified to meet the				
12	2014 Centers for Medicare and Medicaid Services Home and Community Based Services				
13	final rule requirements. If the waiver cannot be modified to meet the federal requirements,				
14	then the department shall create a plan that: (i) ensures current waiver recipients continue				
15	to receive services and (ii) addresses the service needs of the persons with dementia who				
16	are currently eligible for the AAL Waiver. The department shall report its plan and				
17	implementation recommendations to the Governor and the Chairmen of the House				
18	Appropriations and Senate Finance Committees by October 1, 2016.				
19	RRRR. The Department of Medical Assistance Services shall not expend any				
20	appropriation for an approved Delivery System Reform Incentive Program (DSRIP)				
21	§1115 waiver unless the General Assembly appropriates the funding in the 2017 Session.				
22	The department shall notify the Chairmen of the House Appropriations and Senate				
23	Finance Committees within 15 days of any final negotiated waiver agreement with the				
24	Centers for Medicare and Medicaid Services.				
25	SSSS. The Department of Medical Assistance Services shall seek federal authority				
26	through a State Plan Amendment under Title XIX of the Social Security Act to permit				
27	individuals to use certified appraisals conducted by appraisers licensed by the Virginia				
28	Real Estate Appraiser Board as an alternative to the use of the tax assessed value to				
29	establish the value of any non-commercial real property for purposes of Medicaid resource				
30	eligibility. The cost of the appraisal shall be borne by the applicant or his designee.				
31	TTTT. Effective July 1, 2017, the Department of Medical Assistance Services shall amend				
32	the Building Independence waiver to add 60 slots in FY 2018.				
33	UUUU. Effective July 1, 2017, the Department of Medical Assistance Services shall				
34	amend the managed care regulations to specify that all contracts with health plans in a				
35	Medicaid managed care delivery model, including long-term services and supports,				
36	require reimbursement to nursing facility and specialized care services at no less than the				
37	Medicaid established per diem rate for Medicaid covered days, using the department's				
38	methodologies, unless the managed care organization and the nursing facility or				
39	specialized care services provider mutually agree to an alternative payment. The				
40	department shall have authority to implement this provision prior to the completion of any				
41	regulatory process in order to effect such change.				
42	VVVV. Omitted.				
43	WWWW.1. The Department of Medical Assistance Services shall monitor the capacity				
44	available under the Upper Payment Limit (UPL) for all hospital supplemental payments				
45	and adjust payments accordingly when the UPL cap is reached. The department shall				
46	make an adjustment to stay under the UPL cap by reducing or eliminating as necessary				
47	supplemental payments to hospitals based on when the first supplemental payments were				
48	actually made so that the newest supplemental payments to hospitals would be impacted				
49	first and so on.				
50	2. The Department of Medical Assistance Services shall have the authority to implement				
51	reimbursement changes deemed necessary to meet the requirements of this paragraph prior				
52	to the completion of any regulatory process in order to effect such changes.				
53	XXXX. Effective upon enactment of this act, the Department of Medical Assistance				
54	Services, in collaboration with the Department of Behavioral Health and Developmental				
55	Services, shall make sponsored residential services eligible for customized rates. The				

ITEM 306.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	department may implement any changes necessary to implement this provision prior to the				
2	promulgation of regulations undertaken in order to effect such changes.				
3	YYYY.1. Effective no later than January 1, 2019, the Department of Medical Assistance				
4	Services is authorized to require consumer-directed aides providing personal care, respite care				
5	and companion services in the Medicaid Elderly and Disabled with Consumer Direction				
6	(EDCD) and Developmental Disability waiver programs and the Early and Periodic Screening				
7	Diagnosis and Treatment (EPSDT) program to utilize an Electronic Visit Verification (EVV)				
8	system. The department is authorized to contract with a vendor to provide access to an EVV				
9	system for use by consumer-directed aides.				
10	2. For personal care, respite care and companion services agencies, the department shall work				
11	with the appropriate stakeholders to develop standards for electronic visit verification systems				
12	and certification requirements to ensure EVV systems used by such agencies meet all federal				
13	requirements and are capable of providing the necessary data the department may require.				
14	3. The department shall ensure that implementation of electronic visit verification complies				
15	with all requirements of the federal Centers of Medicare and Medicaid Services.				
16	ZZZZ. Effective July 1, 2017, the Department of Medical Assistance Services shall amend the				
17	State Plan for Medical Assistance to increase the formula for indirect medical education				
18	(IME) for freestanding children's hospitals with greater than 50 percent Medicaid utilization				
19	in 2009 as a substitute for DSH payments. The formula for these hospitals for indirect medical				
20	education for inpatient hospital services provided to Medicaid patients but reimbursed by				
21	capitated managed care providers shall be identical to the formula for Type One hospitals.				
22	The IME payments shall continue to be limited such that total payments to freestanding				
23	children's hospitals with greater than 50 percent Medicaid utilization do not exceed the federal				
24	uncompensated care cost limit to which disproportionate share hospital payments are				
25	subject,excluding third party reimbursement for Medicaid eligible patients. The department				
26	shall have the authority to implement these changes effective July 1, 2017, and prior to				
27	completion of any regulatory action to effect such changes.				
28	307. Not set out.				
29	308. Medical Assistance Services for Low Income				
30	Children (46600).....			\$135,948,364	\$140,478,700
31					\$145,844,732
32	Reimbursements for Medical Services Provided to				
33	Low-Income Children (46601).....	\$135,948,364	\$140,478,700		
34			\$145,844,732		
35	Fund Sources: General.....	\$16,313,804	\$16,857,444		
36			\$17,501,368		
37	Federal Trust.....	\$119,634,560	\$123,621,256		
38			\$128,343,364		
39	Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended, Titles				
40	XIX and XXI, Social Security Act, Federal Code.				
41	To the extent that appropriations in this Item are insufficient, the Department of Planning and				
42	Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance				
43	Program Delivery (44600) and Medicaid Program Services (45600), if available, into this				
44	Item to be used as state match for federal Title XXI funds.				
45	309. Medical Assistance Management Services				
46	(Forecasted) (49600).....			\$60,861,251	\$63,316,049
47					\$63,899,573
48	Medicaid payments for enrollment and utilization				
49	related contracts (49601).....	\$57,406,098	\$59,969,846		
50			\$60,349,591		
51	CHIP payments for enrollment and utilization related				
52	contracts (49632).....	\$3,455,153	\$3,346,203		
53			\$3,549,982		
54	Fund Sources: General.....	\$21,197,151	\$22,450,685		
55			\$22,666,141		

ITEM 309.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Federal Trust.....	\$39,664,100	\$40,865,364		
2			\$41,233,432		
3	To the extent that appropriations in this Item are insufficient, the Department of Planning				
4	and Budget, is authorized to transfer amounts, as needed, from Medicaid Program				
5	Services (45600), Medical Assistance Services for Low Income Children (46600) and				
6	Children's Health Insurance Program Delivery (44600), if available, into this Item to fund				
7	administrative expenditures associated with contracts between the department and				
8	companies providing dental benefit services, consumer-directed payroll services, claims				
9	processing, behavioral health management services and disease state/chronic care				
10	programs for Medicaid and FAMIS recipients.				
11	310. Administrative and Support Services (49900).....			\$213,492,763	\$229,332,563
12					\$232,756,469
13	General Management and Direction (49901).....	\$195,765,886	\$211,605,686		
14			\$215,029,592		
15	Information Technology Services (49902).....	\$14,895,620	\$14,895,620		
16	Administrative Support for the Family Access to				
17	Medical Insurance Security Plan (49932).....	\$2,831,257	\$2,831,257		
18	Fund Sources: General.....	\$57,862,485	\$61,063,111		
19			\$62,175,064		
20	Special.....	\$1,565,000	\$1,565,000		
21			\$2,265,000		
22	Federal Trust.....	\$154,065,278	\$166,704,452		
23			\$168,316,405		
24	Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles				
25	XIX and XXI, Social Security Act, Federal Code.				
26	A.1. By November 1 of each year, the Department of Planning and Budget, in cooperation				
27	with the Department of Medical Assistance Services, shall prepare and submit a forecast				
28	of Medicaid expenditures, upon which the Governor's budget recommendations will be				
29	based, for the current and subsequent two years to the Chairmen of the House				
30	Appropriations and Senate Finance Committees.				
31	2. The forecast shall be based upon current state and federal laws and regulations.				
32	Rebasing and inflation estimates that are required by existing law or regulation for any				
33	Medicaid provider shall be included in the forecast. The forecast shall also include an				
34	estimate of projected increases or decreases in managed care costs, including estimates				
35	regarding changes in managed care rates for the three-year period. In preparing for each				
36	year's forecast of the managed care portions of the budget, the department shall submit to				
37	its actuarial contractor a letter, with a copy sent to the Department of Planning and Budget				
38	and the Chairmen of the House Appropriations and Senate Finance Committees. This				
39	letter shall document the department's request for a point estimate of the rate of increase in				
40	rates, based on application of actuarial principals and methodologies and information				
41	available at the time of the forecast, that the contractor estimates will occur in the years				
42	being forecast, and shall specify the population groupings for which estimates are				
43	requested. The department shall request that the contractor reply in writing with a copy to				
44	all parties copied on the department's letter.				
45	3. The Department of Planning and Budget and the Department of Medical Assistance				
46	Services shall convene a meeting on or before October 15 of each year with the				
47	appropriate staff from the House Appropriations and Senate Finance Committees to				
48	review current trends and the assumptions used in the Medicaid forecast prior to its				
49	finalization.				
50	B. The Department of Medical Assistance Services shall submit monthly expenditure				
51	reports of the Medicaid program by service. The report for the month at the end of each				
52	quarter shall compare expenditures to the official Medicaid forecast, adjusted to reflect				
53	budget actions from each General Assembly Session. The monthly report shall be				
54	submitted to the Department of Planning and Budget and the Chairmen of the House				
55	Appropriations and Senate Finance Committees within 20 days after the end of each				
56	month and the quarterly report shall be submitted within 30 days after the end of the				
57	quarter.				

ITEM 310.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	C.I. Out of this appropriation, \$50,000 the first year and \$50,000 \$1,000,000 the second year				
2	from the special fund is appropriated to the Department of Medical Assistance Services for				
3	the administration of the disbursement of civil money penalties (CMP) levied against and				
4	collected from Medicaid nursing facilities for violations of rules identified during survey and				
5	certification as required by federal law and regulation. Based on the nature and seriousness of				
6	the deficiency, the Agency or the Centers for Medicare and Medicaid Services may impose a				
7	civil money penalty, consistent with the severity of the violations, for the number of days a				
8	facility is not in substantial compliance with the facility's Medicaid participation agreement.				
9	Civil money penalties collected by the Commonwealth must be applied to the protection of				
10	the health or property of residents of nursing facilities found to be deficient. Penalties				
11	collected are to be used for (1) the payment of costs incurred by the Commonwealth for				
12	relocating residents to other facilities; (2) payment of costs incurred by the Commonwealth				
13	related to operation of the facility pending correction of the deficiency or closure of the				
14	facility; and (3) reimbursement of residents for personal funds or property lost at a facility as				
15	a result of actions by the facility or individuals used by the facility to provide services to				
16	residents. These funds are to be administered in accordance with the revised federal				
17	regulations and law, 42 CFR 488.400 and the Social Security Act § 1919(h), for Enforcement				
18	of Compliance for Long-Term Care Facilities with Deficiencies. Any special fund revenue				
19	received for this purpose, but unexpended at the end of the fiscal year, shall remain in the				
20	fund for use in accordance with this provision.				
21	<i>2. Of the amounts appropriated in C.1. of this Item, up to \$175,000 the second year from</i>				
22	<i>special funds may be used for the costs associated with administering CMP funds.</i>				
23	<i>3. Of the amounts appropriated in C.1. of this Item, up to \$325,000 the second year from the</i>				
24	<i>special funds may be used for special projects that benefit residents and improve the quality</i>				
25	<i>of nursing Facilities.</i>				
26	<i>4. No spending or activity authorized under the provisions of paragraph C. of this Item shall</i>				
27	<i>necessitate general fund spending or require future obligations to the Commonwealth.</i>				
28	<i>5. The department shall maintain CMP special fund balance of at least \$1.0 million to</i>				
29	<i>address emergency situations in Virginia's nursing facilities.</i>				
30	D. The Department of Medical Assistance Services, to the extent permissible under federal				
31	law, shall enter into an agreement with the Department of Behavioral Health and				
32	Developmental Services to share Medicaid claims and expenditure data on all Medicaid-				
33	reimbursed mental health, intellectual disability and substance abuse services, and any new or				
34	expanded mental health, intellectual disability retardation and substance abuse services that				
35	are covered by the State Plan for Medical Assistance. The information shall be used to				
36	increase the effective and efficient delivery of publicly funded mental health, intellectual				
37	disability and substance abuse services.				
38	E. In addition to any regional offices that may be located across the Commonwealth, any				
39	statewide, centralized call center facility that operates in conjunction with a brokerage				
40	transportation program for persons enrolled in Medicaid or the Family Access to Medical				
41	Insurance Security plan shall be located in Norton, Virginia.				
42	F. The Department of Medical Assistance Services shall, to the extent possible, require web-				
43	based electronic submission of provider enrollment applications, revalidations and other				
44	related documents necessary for participation in the fee-for-service program under the State				
45	Plans for Title XIX and XXI of the Social Security Act.				
46	G. The Department of Medical Assistance Services shall report on the operations and costs of				
47	the Medicaid call center (also known as the Cover Virginia Call Center). This report shall				
48	include number of calls received on a monthly basis, the purpose of the call, the number of				
49	applications for Medicaid submitted through the call center, and the costs of the contract. The				
50	department shall submit the report for FY 2015 by August 15, 2015, and for FY 2016 by				
51	August 15, 2016. The report shall be submitted to the Director, Department of Planning and				
52	Budget and the Chairmen of the House Appropriations and Senate Finance Committees.				
53	H. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the				
54	general fund shall be provided to contract with the Virginia Center for Health Innovation for				
55	research, development and tracking of innovative approaches to healthcare delivery.				

ITEM 310.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	I. Out of this appropriation, \$3,283,004 the first year and \$3,283,004 the second year from				
2	the general fund and \$9,839,000 the first year and \$9,839,000 the second year from				
3	nongeneral funds is provided for the enhanced operation of the Cover Virginia Call Center				
4	as a centralized eligibility processing unit (CPU) that shall be limited to processing				
5	Medicaid applications received from the Federally Facilitated Marketplace, telephonic				
6	applications through the call center, or electronically submitted Medicaid-only				
7	applications. The department shall report the number of applications processed on a				
8	monthly basis and payments made to the contractor to the Director, Department of				
9	Planning and Budget and the Chairman of the House Appropriations and Senate Finance				
10	Committees. The report shall be submitted no later than 30 days after the end of each				
11	quarter of the fiscal year.				
12	J.1. The Department of Medical Assistance Services shall require eligibility workers to				
13	verify income, using currently available Virginia Employment Commission data, for				
14	applicants and recipients who report no earned or unearned income. The Department shall,				
15	at the earliest date feasible but no later than October 1, 2017, require all Medicaid				
16	eligibility workers to apply the same protocols when verifying income for all applicants				
17	and recipients, including those who report no earned or unearned income.				
18	2. The Department shall amend the Virginia Medicaid application, upon approval of the				
19	federal Centers for Medicare and Medicaid, to require a Medicaid applicant to opt out if				
20	such applicant does not want to grant permission to the state to use his federal tax returns				
21	for the purposes of renewing eligibility. The Department shall implement the necessary				
22	regulatory changes and other necessary measures to be consistent with federal approval of				
23	any appropriate state plan changes, and prior to the completion of any regulatory process				
24	undertaken in order to effect such change.				
25	K.1. It is the intent of the General Assembly that the Department of Medical Assistance				
26	Services provide more data regarding Medicaid and other programs operated by the				
27	department on their public website. The department shall create a central website that				
28	consolidates data and statistical information to make the information more readily				
29	available to the general public. At a minimum the information included on such website				
30	shall include monthly enrollment data, expenditures by service, and other relevant data.				
31	2. No later than June 30, 2018, the department shall make Medicaid and other agency data				
32	stored in the agency's data warehouse available through the department's website that				
33	includes, at a minimum, interactive tools for the user to select, display, manipulate and				
34	export requested data.				
35	L.1. Out of this appropriation, \$4,635,000 the first year and \$5,835,000 the second year				
36	from the general fund and \$41,715,000 the first year and \$52,515,000 the second year				
37	from nongeneral funds shall be provided to replace the Medicaid Management				
38	Information System.				
39	2. Within 30 days of awarding a contract or contracts related to the replacement project,				
40	the Department of Medical Assistance Services shall provide the Chairmen of the House				
41	Appropriations and Senate Finance Committees, and the Director, Department of Planning				
42	and Budget, with a copy of the contract including costs.				
43	3. Beginning July 1, 2016, the Department of Medical Assistance Services shall provide				
44	annual progress reports that must include a current project summary, implementation				
45	status, accounting of project expenditures and future milestones. All reports shall be				
46	submitted to the Chairmen of House Appropriations and Senate Finance Committees, and				
47	Director, Department of Planning and Budget.				
48	M. The Department of Medical Assistance Services, in collaboration with the departments				
49	of Behavioral Health and Developmental Services, Aging and Rehabilitative Services and				
50	Health, shall convene a work group with community stakeholders to: (i) recommend				
51	methods to improve data capture on the annual incidence of brain injury as defined in the				
52	Code of Virginia, and (ii) review expenditure data on Virginians with brain injury				
53	receiving care outside of the state, and evaluate options for providing for their care in the				
54	Commonwealth. The department shall report on efforts of the workgroup and any				
55	recommendations to the Chairmen of the House Appropriations and Senate Finance				

ITEM 310.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Committees by December 1, 2016.			
2	N. The Department of Medical Assistance Services shall report on the estimated number of			
3	Virginians who are eligible but not enrolled in the Virginia Medicaid program as of			
4	September 1 of each year.			
5	O.1. The Department of Medical Assistance Services, in collaboration with the Department of			
6	Social Services, shall require Medicaid eligibility workers to search for unreported assets at			
7	the time of initial eligibility determination and renewal, using all currently available sources			
8	of electronic data, including local real estate property databases and the Department of Motor			
9	Vehicles for all Medicaid applicants and recipients whose assets are subject to an asset limit			
10	under Medicaid eligibility requirements.			
11	2. The Department of Medical Assistance Services, in collaboration with the Department of			
12	Social Services, shall develop a plan to improve the Medicaid estate recovery program in the			
13	Commonwealth. The department shall evaluate all public and private resources and data			
14	sources available to proactively identify assets, including but not limited to real estate and			
15	financial assets, including those identified during the eligibility determination process and			
16	those that may not have been reported, of Medicaid recipients and all methods available to			
17	initiate recovery from estates for which the value of the assets is likely to exceed the cost of			
18	recovery. The department shall also include the cost of initiating and operating such a			
19	program with options that include developing an in-house program or contracting with a third			
20	party vendor to perform some or all of the identification and recovery. The study shall			
21	examine both the cost benefit and legal implications of the various options and also evaluate			
22	and propose changes, as may be needed, to the Code of Virginia that may assist in			
23	maximizing the recovery of assets of deceased Medicaid beneficiaries.			
24	3. The department shall submit its findings and recommendations for developing an improved			
25	estate recovery program to the Governor and the Chairmen of the House Appropriations and			
26	Senate Finance Committees by December 1, 2016.			
27	P. The Director, Department of Medical Assistance Services shall analyze pharmacy claims			
28	data from the past biennium in order to assess the value of payments made to the Medicaid			
29	program's contracted managed care plans, and the value of payments made by the contracted			
30	managed care plans to their contracted prescription benefit managers (PBMs). Additionally,			
31	the Director shall request and, if made available, analyze the value of payments made by the			
32	Medicaid program's managed care plans' contracted PBMs to network pharmacies for the			
33	same set of pharmacy claims. The Director shall identify and report any difference in value in			
34	payments made to the contracted PBMs, payments made to the contracted managed care			
35	plans, and if available, to network pharmacies and shall make recommendations to the			
36	Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2016.			
37	Q. Out of this appropriation, \$400,000 the second year from the general fund and \$400,000			
38	the second year from nongeneral funds is provided to fund cost increases associated with			
39	contracts for actuarial and audit services. The Department of Planning and Budget shall			
40	unallot these funds on July 1 of each fiscal year, and shall not allot the funds until the			
41	Department of Medical Assistance Services provides documentation on the contract award			
42	amounts.			
43	R. The Department of Medical Assistance Services, in collaboration with the Department of			
44	Behavioral Health and Developmental Services, shall convene a stakeholder workgroup, to			
45	meet at least once annually, with representatives of the Virginia Association of Community			
46	Services Boards, the Virginia Network of Private Providers, the Virginia Association of			
47	Centers for Independent Living, Virginia Association of Community Rehabilitation Programs			
48	(VaACCSES), the disAbility Law Center of Virginia, the ARC of Virginia, and other			
49	stakeholders including representative family members, as deemed appropriate by the			
50	Department of Medical Assistance Services. The workgroup shall: (i) review data from the			
51	previous year on the distribution of the SIS levels and tiers by region and by waiver; (ii)			
52	review the process, information considered, scoring, and calculations used to assign			
53	individuals to their levels and reimbursement tiers; (iii) review the communication which			
54	informs individuals, families, providers, case managers and other appropriate parties about the			
55	SIS tool, the administration, and the opportunities for review to ensure transparency; and (iv)			
56	review other information as deemed necessary by the workgroup. The department shall report			
57	on the results and recommendations of the workgroup to the General Assembly by October 1			

ITEM 310.		Item Details(\$)		Appropriations(\$)	
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1	of each year.				
2	S. The Department of Medical Assistance Services shall notify the Director, Department				
3	of Planning and Budget, and the Chairmen of the House Appropriations and Senate				
4	Finance Committees at least 30 days prior to any change in capitated rates for managed				
5	care companies. The notification shall include the amount of the rate increase or decrease,				
6	and the projected impact on the state budget.				
7	T.1. The Department of Medical Assistance Services (DMAS) shall take actions to				
8	improve the reliability of Medicaid eligibility screenings for long-term services and				
9	supports, including: (i) validation of the children's criteria used with the Uniform				
10	Assessment Instrument to determine eligibility for Medicaid long-term services and				
11	supports, and (ii) design and implementation of an inter-rater reliability test for the pre-				
12	admission screening process.				
13	2. The department shall work with relevant stakeholders to (i) assess whether hospital				
14	screening teams are making appropriate recommendations regarding placement in				
15	institutional care or home and community-based care; (ii) determine whether hospitals				
16	should have a role in the screening process; and (iii) determine what steps must be taken				
17	to ensure the Uniform Assessment Instrument is implemented consistently and does not				
18	lead to unnecessary institutional placements.				
19	3. The department shall report to the General Assembly by December 1 on steps taken to				
20	address the risks associated with hospital screenings, including any statutory or regulatory				
21	changes needed to improve such screenings.				
22	U.1. Effective January 1, 2018, the Department of Medical Assistance Services shall				
23	include in all its contracts with managed care organizations (MCOs) the following:				
24	a. A provision requiring the MCOs to return one-half of the underwriting gain in excess of				
25	three percent of Medicaid premium income up to 10 percent. The MCOs shall return 100				
26	percent of the underwriting gain above 10 percent.				
27	b. A requirement for detailed financial and utilization reporting. The reported data shall				
28	include: (i) income statements that show expenses by service category; (ii) balance sheets;				
29	(iii) information about related-party transactions; and (iv) information on service				
30	utilization metrics.				
31	c. Upon the inclusion of behavioral health care in managed care, behavioral health-				
32	specific metrics to identify undesirable trends in service utilization.				
33	d. Upon the inclusion of behavioral health care in managed care, a report on their policies				
34	and processes for identifying behavioral health providers who provide inappropriate				
35	services and the number of such providers that are disenrolled.				
36	2. For rate periods effective January 1, 2018 and thereafter, the Department of Medical				
37	Assistance Services shall direct its actuary as part of the rate setting process to:				
38	a. Identify potential inefficiencies in the Medallion program and adjust capitation rates for				
39	expected efficiencies. The department is authorized to phase-in this adjustment over time				
40	based on the portion of identified inefficiencies that MCOs can reasonably reduce each				
41	year.				
42	b. Monitor medical spending for related-party arrangements and adjust historical medical				
43	spending when deemed necessary to ensure that capitation rates do not cover excessively				
44	high spending as compared to benchmarks. Related-party arrangements shall mean those				
45	in which there is common ownership or control between the entities, and shall not include				
46	Medicaid payments otherwise authorized in this item.				
47	c. Adjust capitation rates in the Medallion program to account for a portion of expected				
48	savings from required initiatives.				
49	d. Allow negative historical trends in medical spending to be carried forward when setting				
50	capitation rates.				
51	e. Annually rebase administrative expenses per member per month for projected				

ITEM 310.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	enrollment changes.			
2	f. Annually incorporate findings on unallowable administrative expenses from audits of			
3	MCOs into its calculations of underwriting gain and administrative loss ratios for the purposes			
4	of ongoing financial monitoring, including enforcement of the underwriting gain cap.			
5	g. Adjust calculations of underwriting gain and medical loss ratio by classifying as profit			
6	medical spending that is excessively high due to related-party arrangements.			
7	3. The Department of Medical Assistance Services shall report to the General Assembly on			
8	spending and utilization trends within Medicaid managed care, with detailed population and			
9	service information and include an analysis and report on the underlying reasons for these			
10	trends, the agency's and MCOs' initiatives to address undesirable trends, and the impact of			
11	those initiatives. The report shall be submitted each year by September 1.			
12	4. The Department of Medical Assistance Services shall develop a proposal for cost sharing			
13	requirements based on family income for individuals eligible for long-term services and			
14	supports through the optional 300 percent of Supplemental Security Income eligibility			
15	category and submit the proposal to the Centers for Medicare and Medicaid Services to			
16	determine if such a proposal is feasible. No cost sharing requirements shall be implemented			
17	unless approved by the General Assembly.			
18	5. The Department of Medical Assistance Services shall assess and report on additional or			
19	different resources needed to implement recommendations in the Joint Legislative Audit and			
20	Review Committee (JLARC) report Managing Spending in Virginia's Medicaid Program. The			
21	department shall submit its report to the Chairmen of the House Appropriations and Senate			
22	Finance Committees no later than November 1, 2017.			
23	6. The Department of Medical Assistance Services shall ensure that the capitation rates for the			
24	Commonwealth Coordinated Care Plus program for fiscal year 2018 are budget neutral and do			
25	not exceed the cost of care for the enrolled population than that which would have been			
26	incurred in the Medicaid fee-for-service program.			
27	V. The Director, the Department of Medical Assistance Services, shall include language in all			
28	managed care contracts, for all department programming, requiring the plan sponsor to report			
29	quarterly, for all quarters through the one ending June 30, 2019, to the department for all			
30	pharmacy claims; the amount paid to the pharmacy provider per claim, including but not			
31	limited to cost of drug reimbursement; dispensing fees; copayments; and the amount charged			
32	to the plan sponsor for each claim by its pharmacy benefit manager. In the event there is a			
33	difference between these amounts, the plan sponsor shall report an itemization of all			
34	administrative fees, rebates, or processing charges associated with the claim. All data and			
35	information provided by the plan sponsor shall be kept secure; and notwithstanding any other			
36	provision of law, the department shall maintain the confidentiality of the proprietary			
37	information and not share or disclose the proprietary information contained in the report or			
38	data collected with persons outside the department. Only those department employees			
39	involved in collecting, securing and analyzing the data for the purpose of preparing the report			
40	shall have access to the proprietary data. The department shall provide a report using			
41	aggregated data only to the Chairmen of the House Appropriations and Senate Finance			
42	Committees on the implementation of this initiative and its impact on program expenditures			
43	by December 1, 2017. Nothing in the report to the Chairmen of the House Appropriations and			
44	Senate Finance Committees shall contain confidential or proprietary information.			
45	Total for Department of Medical Assistance Services.		\$9,923,368,296	\$10,352,984,821
46				\$10,671,735,824
47	General Fund Positions.....	232.02	240.02	
48	Nongeneral Fund Positions.....	241.98	249.98	
49	Position Level.....	474.00	490.00	
50	Fund Sources: General.....	\$4,450,859,097	\$4,729,698,510	
51			\$4,782,585,524	
52	Special.....	\$1,565,000	\$1,565,000	
53			\$2,265,000	
54	Dedicated Special Revenue.....	\$413,895,813	\$373,280,157	
55			\$413,783,575	

ITEM 310.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Federal Trust.....	\$5,057,048,386	\$5,248,441,154		
2			\$5,473,101,725		
3	§ 1-13. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720)				
4	311.	Not set out.			
5	312.	Not set out.			
6	313.	Administrative and Support Services (49900).....		\$78,005,357	\$78,026,064
7					\$78,226,064
8		General Management and Direction (49901).....	\$12,695,336	\$12,445,389	
9				\$12,645,389	
10		Information Technology Services (49902).....	\$25,933,722	\$26,046,863	
11		Architectural and Engineering Services (49904).....	\$2,660,847	\$2,660,847	
12		Collection and Locator Services (49905).....	\$2,999,764	\$2,999,764	
13		Human Resources Services (49914).....	\$494,989	\$494,989	
14		Program Development and Coordination (49933)....	\$33,220,699	\$33,378,212	
15		Fund Sources: General.....	\$44,941,260	\$44,639,048	
16				\$44,839,048	
17		Special.....	\$14,454,916	\$14,509,445	
18		Federal Trust.....	\$18,609,181	\$18,877,571	
19	Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2,				
20	Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code.				
21	A. The Commissioner, Department of Behavioral Health and Developmental Services				
22	shall, at the beginning of each fiscal year, establish the current capacity for each facility				
23	within the system. When a facility becomes full, the commissioner or his designee shall				
24	give notice of the fact to all sheriffs.				
25	B. The Commissioner, Department of Behavioral Health and Developmental Services				
26	shall work in conjunction with community services boards to develop and implement a				
27	graduated plan for the discharge of eligible facility clients to the greatest extent possible,				
28	utilizing savings generated from statewide gains in system efficiencies.				
29	C. Notwithstanding § 4-5.09 of this act and paragraph C of § 2.2-1156, Code of Virginia,				
30	the Department of Behavioral Health and Developmental Services is hereby authorized to				
31	deposit the entire proceeds of the sales of surplus land at state-owned behavioral health				
32	and intellectual disability facilities into a revolving trust fund. The trust fund may initially				
33	be used for expenses associated with restructuring such facilities. Remaining proceeds				
34	after such expenses shall be dedicated to continuing services for current patients as facility				
35	services are restructured.				
36	D. The Department of Behavioral Health and Developmental Services shall identify and				
37	create opportunities for public-private partnerships and develop the incentives necessary				
38	to establish and maintain an adequate supply of acute-care psychiatric beds for children				
39	and adolescents.				
40	E. The Department of Behavioral Health and Developmental Services, in cooperation with				
41	the Department of Juvenile Justice, where appropriate, shall identify and create				
42	opportunities for public-private partnerships and develop the incentives necessary to				
43	establish and maintain an adequate supply of residential beds for the treatment of juveniles				
44	with behavioral health treatment needs, including those who are mentally retarded,				
45	aggressive, or sex offenders, and those juveniles who need short-term crisis stabilization				
46	but not psychiatric hospitalization.				
47	F. Out of this appropriation, \$656,538 the first year and \$656,538 the second year from the				
48	general fund shall be provided for placement and restoration services for juveniles found				
49	to be incompetent to stand trial pursuant to Title 16.1, Chapter 11, Article 18, Code of				
50	Virginia.				
51	G. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the				

ITEM 313.		Item Details(\$)		Appropriations(\$)	
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1	general fund shall be used to pay for legal and medical examinations needed for individuals				
2	living in the community and in need of guardianship services.				
3	H. Out of this appropriation, \$2,419,930 the first year and \$2,419,930 the second year from				
4	the general fund shall be provided for services for the civil commitment of sexually violent				
5	predators including the following: (i) clinical evaluations and court testimony for sexually				
6	violent predators who are being considered for release from state correctional facilities and				
7	who will be referred to the Clinical Review Committee for psycho-sexual evaluations prior to				
8	the state seeking civil commitment, (ii) conditional release services, including treatment, and				
9	(iii) costs associated with contracting with a Global Positioning System service to closely				
10	monitor the movements of individuals who are civilly committed to the sexually violent				
11	predator program but conditionally released.				
12	I. Out of this appropriation, \$146,871 the first year and \$146,871 the second year from the				
13	general fund shall be used to operate a real-time reporting system for public and private acute				
14	psychiatric beds in the Commonwealth.				
15	J. The Department of Behavioral Health and Developmental Services shall submit a report to				
16	the Governor and the Chairmen of the House Appropriations and Senate Finance Committees				
17	no later than December 1 of each year for the preceding fiscal year that provides information				
18	on the operation of Virginia's publicly-funded behavioral health and developmental services				
19	system. The report shall include a brief narrative and data on the numbers of individuals				
20	receiving state facility services or CSB services, including purchased inpatient psychiatric				
21	services, the types and amounts of services received by these individuals, and CSB and state				
22	facility service capacities, staffing, revenues, and expenditures. The annual report also shall				
23	describe major new initiatives implemented during the past year and shall provide information				
24	on the accomplishment of systemic outcome and performance measures during the year.				
25	K. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
26	general fund shall be used for a comprehensive statewide suicide prevention program. The				
27	Commissioner of the Department of Behavioral Health and Developmental Services				
28	(DBHDS), in collaboration with the Departments of Health, Education, Veterans Services,				
29	Aging and Rehabilitative Services, and other partners shall develop and implement a				
30	statewide program of public education, evidence-based training, health and behavioral health				
31	provider capacity-building, and related suicide prevention activity.				
32	L.1. Beginning October 1, 2013, the Commissioner of the Department of Behavioral Health				
33	and Developmental Services shall provide quarterly reports to the House Appropriations and				
34	Senate Finance Committees on progress in implementing the plan to close state training				
35	centers and transition residents to the community. The reports shall provide the following				
36	information on each state training center: (i) the number of authorized representatives who				
37	have made decisions regarding the long-term type of placement for the resident they represent				
38	and the type of placement they have chosen; (ii) the number of authorized representatives who				
39	have not yet made such decisions; (iii) barriers to discharge; (iv) the general fund and				
40	nongeneral fund cost of the services provided to individuals transitioning from training				
41	centers; and (v) the use of increased Medicaid reimbursement for congregate residential				
42	services to meet exceptional needs of individuals transitioning from state training centers.				
43	2. At least six months prior to the closure of a state intellectual disabilities training center, the				
44	Commissioner of Behavioral Health and Developmental Services shall complete a				
45	comprehensive survey of each individual residing in the facility slated for closure to				
46	determine the services and supports the individual will need to receive appropriate care in the				
47	community. The survey shall also determine the adequacy of the community to provide care				
48	and treatment for the individual, including but not limited to, the appropriateness of current				
49	provider rates, adequacy of waiver services, and availability of housing. The Commissioner				
50	shall report quarterly findings to the Governor and Chairmen of the House Appropriations and				
51	Senate Finance Committees.				
52	3. The department shall convene quarterly meetings with authorized representatives, families,				
53	and service providers in Health Planning Regions I, II, III and IV to provide a mechanism to				
54	(i) promote routine collaboration between families and authorized representatives, the				
55	department, community services boards, and private providers; (ii) ensure the successful				
56	transition of training center residents to the community; and (iii) gather input on Medicaid				
57	waiver redesign to better serve individuals with intellectual and developmental disability.				

ITEM 313.		Item Details(\$)		Appropriations(\$)	
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1	4. In the event that provider capacity cannot meet the needs of individuals transitioning				
2	from training centers to the community, the department shall work with community				
3	services boards and private providers to explore the feasibility of developing (i) a limited				
4	number of small community group homes or intermediate care facilities to meet the needs				
5	of residents transitioning to the community, and/or (ii) a regional support center to provide				
6	specialty services to individuals with intellectual and developmental disabilities whose				
7	medical, dental, rehabilitative or other special needs cannot be met by community				
8	providers. The Commissioner shall report on these efforts to the House Appropriations				
9	and Senate Finance Committees as part of the quarterly report, pursuant to paragraph L.1.				
10	M.1. A joint subcommittee of the House Appropriations and Senate Finance Committees,				
11	in collaboration with the Secretary of Health and Human Resources and the Department of				
12	Behavioral Health and Developmental Services, shall continue to monitor and review the				
13	closure plans for the three remaining training centers scheduled to close by 2020. As part				
14	of this review process the joint subcommittee may evaluate options for those individuals				
15	in training centers with the most intensive medical and behavioral needs to determine the				
16	appropriate types of facility or residential settings necessary to ensure the care and safety				
17	of those residents is appropriately factored into the overall plan to transition to a more				
18	community-based system. In addition, the joint subcommittee may review the plans for				
19	the redesign of the Intellectual Disability, Developmental Disability and Day Support				
20	Waivers.				
21	2. To assist the joint subcommittee, the Department of Behavioral Health and				
22	Developmental Services shall provide a quarterly accounting of the costs to operate and				
23	maintain each of the existing training centers at a level of detail as determined by the joint				
24	subcommittee. The quarterly reports for the first, second and third quarter shall be due to				
25	the joint subcommittee 20 days after the close of the quarter. The fourth quarter report shall				
26	be due on August 15 of each year.				
27	N. The Department of Behavioral Health and Developmental Services in collaboration				
28	with the Department of Medical Assistance Services shall provide a detailed report for				
29	each fiscal year on the budget, expenditures, and number of recipients for each specific				
30	intellectual disability (ID) and developmental disability (DD) service provided through the				
31	Medicaid program or other programs in the Department of Behavioral Health and				
32	Developmental Services. This report shall also include the overall budget and				
33	expenditures for the ID, DD and Day Support waivers separately. The Department of				
34	Medical Assistance Services shall provide the necessary information to the Department of				
35	Behavioral Health and Developmental Services 90 days after the end of each fiscal year.				
36	This information shall be published on the Department of Behavioral Health and				
37	Developmental Services' website within 120 days after the end of each fiscal year.				
38	O. Effective July 1, 2015, the Department of Behavioral Health and Developmental				
39	Services shall not charge any fee to Community Services Boards or private providers for				
40	use of the knowledge center, an on-line training system.				
41	P. The Department of Behavioral Health and Developmental Services in collaboration				
42	with the Community Services Boards shall compile and report all available information				
43	regarding the services and support needs of the individuals on waiting lists for Intellectual				
44	and Developmental Disability (I/DD) waiver services, including an estimate of the number				
45	of graduates with I/DD who are exiting secondary education each fiscal year. The				
46	department shall submit a report to the Chairmen of the House Appropriations and Senate				
47	Finance Committees by December 1, 2015.				
48	Q.1. Out of this appropriation, \$400,000 the first year from the general fund is included to				
49	provide compensation to individuals who were involuntarily sterilized pursuant to the				
50	Virginia Eugenical Sterilization Act and who were living as of February 1, 2015. In				
51	addition, any funds carried over from House Bill 29 passed by the 2016 General Assembly				
52	from Item 307 T, shall also be used for this purpose.				
53	2. A claim may be submitted on behalf of an individual by a person lawfully authorized to				
54	act on the individual's behalf. A claim may be submitted by the estate of or personal				
55	representative of, an individual who dies on or after February 1, 2015.				

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1	3. Reimbursement shall be contingent on the individual or their representative providing				
2	appropriate documentation and information to verify the claim under guidelines established				
3	by the department.				
4	4. Reimbursement per verified claim shall be \$25,000 and shall be contingent on funding				
5	being available, with disbursements being prioritized based on the date at which sufficient				
6	documentation is provided.				
7	5. Should the funding provided for compensation be exhausted prior to the end of fiscal year				
8	2018, the department shall continue to collect applications. The department shall provide a				
9	report to the Governor and the Chairmen of the House Appropriations and Senate Finance				
10	Committees on a quarterly basis on the number of additional individuals who have been				
11	applied.				
12	R. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the				
13	general fund shall be used to provide mental health first aid training and certification to				
14	recognize and respond to mental or emotional distress. Funding shall be used to cover the cost				
15	of personnel dedicated to this activity, training, manuals, and certification for all those				
16	receiving the training.				
17	S. The Department of Behavioral Health and Developmental Services shall review and				
18	evaluate existing mental health dockets used by courts in the Commonwealth to develop a				
19	model that can be replicated in other courts and jurisdictions that determine a need for such a				
20	docket. As part of the review, the department shall evaluate mental health dockets in other				
21	states and incorporate best practices. The department shall include consideration for a				
22	specialty veterans mental health docket and the feasibility for such a docket to handle a				
23	population with unique needs. The evaluation shall also review funding practices of these				
24	dockets by courts or local governments. The department shall prepare a report on a model				
25	program and post it to their website no later than December 1, 2016, and provide notice of the				
26	report's availability to courts and local governments.				
27	T.1. Out of this appropriation, up to \$100,000 the first year from the general fund is provided				
28	to the Department of Behavioral Health and Developmental Services to contract with an				
29	independent contractor to develop options for the General Assembly. Such contract shall				
30	consider the Commonwealth's options of how to operate the Central Virginia Training Center				
31	to provide care in the event that sufficient community capacity is not available or is				
32	insufficient to meet the care needs of individuals. The options developed shall focus on				
33	operating the facility by primarily utilizing the newly renovated buildings and include				
34	estimates on operating and capital costs and other operational changes necessary to operate				
35	such facility. The department, in collaboration with the Department of Planning and Budget				
36	(DPB), shall develop the Request for Proposals (RFP), if the RFP process is utilized. DPB				
37	shall review the proposals, along with the department, and no award shall be approved				
38	without the concurrence of DPB. If the RFP process is not used for any reason then DPB staff				
39	shall be jointly involved with the department in selecting the contractor and shall grant final				
40	approval before awarding the contract. The Department of Behavioral Health and				
41	Developmental Services shall provide all necessary information in a timely manner as				
42	requested by the contractor. The contract shall require the work to be completed and the plan				
43	submitted by December 1, 2016, to the Chairmen of the House Appropriations and Senate				
44	Finance Committees.				
45	2. The Department of Behavioral Health and Developmental Services shall make available				
46	relevant information as requested by private entities considering possible submission of				
47	proposals in accordance with Chapter 22.1 of the Code of Virginia that are related to Central				
48	Virginia Training Center.				
49	U. Out of this appropriation, \$200,000 the second year from the federal State Targeted				
50	Response to the Opioid Crisis Grant is provided for the purchase of opioid overdose reversal				
51	kits and opioid antidotes.				
52	V. The Department of Behavioral Health and Developmental Services shall provide a				
53	progress report on the implementation of the Developmentally Disabled Waiver programs to				
54	include information about the population served by the waivers, the level and reimbursement				
55	tier, and service utilization and expenses for (i) individuals who have used waiver services for				
56	less than one year and (ii) individuals who have used waiver services for 1-5 years. The				

ITEM 313.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	department shall submit this report by October 15, 2017 to the Chairmen of the House				
2	Appropriations and Senate Finance Committees.				
3	W. The Department of Behavioral Health and Developmental Services shall provide a				
4	report on the management and characteristics of individuals on the waiting list for services				
5	through the Developmentally Disabled Waiver programs. The report shall include (i) the				
6	age of individuals on the waiting list, and (ii) the number of individuals designated as				
7	Priority 1, 2 and 3 on the waiting list. The department shall submit this report by October				
8	15, 2017 to the Chairmen of the House Appropriations and Senate Finance Committees.				
9	314. Not set out.				
10	Total for Department of Behavioral Health and				
11	Developmental Services.....			\$88,606,080	\$92,485,514
12					\$92,685,514
13	General Fund Positions.....	393.60	391.75		
14	Nongeneral Fund Positions.....	29.40	29.25		
15	Position Level.....	423.00	421.00		
16	Fund Sources: General.....	\$55,086,308	\$58,642,823		
17			\$58,842,823		
18	Special.....	\$14,550,780	\$14,605,309		
19	Federal Trust.....	\$18,968,992	\$19,237,382		
20					
		Grants to Localities (790)			
21	315. Financial Assistance for Health Services (44500)....			\$397,142,984	\$425,201,175
22					\$426,082,891
23	Community Substance Abuse Services (44501).....	\$97,162,190	\$97,162,190		
24	Community Mental Health Services (44506).....	\$230,617,697	\$249,962,348		
25	Community Developmental Disability Services				
26	(44507).....	\$69,363,097	\$78,076,637		
27			\$78,958,353		
28	Fund Sources: General.....	\$330,827,537	\$349,491,728		
29			\$350,373,444		
30	Dedicated Special Revenue.....	\$4,000,000	\$8,550,000		
31	Federal Trust.....	\$62,315,447	\$67,159,447		
32	Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia.				
33	A. It is the intent of the General Assembly that community mental health, intellectual				
34	disability and substance abuse services are to be improved throughout the state. Funds				
35	provided in this Item shall not be used to supplant the funding effort provided by localities				
36	for services existing as of June 30, 1996.				
37	B. Further, it is the intent of the General Assembly that funds appropriated for this Item				
38	may be used by Community Services Boards to purchase, develop, lease, or otherwise				
39	obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property				
40	necessary to the provision of residential services funded by this Item.				
41	C. Out of the appropriation for this Item, funds are provided to Community Services				
42	Boards in an amount sufficient to reimburse the Virginia Housing Development Authority				
43	for principal and interest payments on residential projects for the mentally disabled				
44	financed by the Housing Authority.				
45	D. The Department of Behavioral Health and Developmental Services shall make				
46	payments to the Community Services Boards from this Item in twenty-four equal				
47	semimonthly installments, except for necessary budget revisions or the operational phase-				
48	in of new programs.				
49	E. Failure of a board to participate in Medicaid covered services and to meet all				

ITEM 315.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	requirements for provider participation shall result in the termination of a like amount of state				
2	grant support.				
3	F. Community Services Boards may establish a line of credit loan for up to three months'				
4	operating expenses to assure adequate cash flow.				
5	G. Out of this appropriation \$190,000 the first year and \$190,000 the second year from the				
6	general fund shall be provided to Virginia Commonwealth University for the continued				
7	operation and expansion of the Virginia Autism Resource Center.				
8	H.1. Out of this appropriation, \$15,525,327 the first year and \$16,320,367 \$17,202,083 the				
9	second year from the general fund shall be provided for Virginia's Part C Early Intervention				
10	System for infants and toddlers with disabilities.				
11	2. By November 15 of each year, the department shall report to the Chairmen of the House				
12	Appropriations and Senate Finance Committees on the (a) total revenues used to support Part				
13	C services, (b) total expenses for all Part C services, (c) total number of infants, toddlers and				
14	families served using all Part C revenues, and (d) services provided to those infants, toddlers,				
15	and families.				
16	I. Out of this appropriation \$6,148,128 the first year and \$6,148,128 the second year from the				
17	general fund shall be provided for mental health services for children and adolescents with				
18	serious emotional disturbances and related disorders, with priority placed on those children				
19	who, absent services, are at-risk for custody relinquishment, as determined by the Family and				
20	Assessment Planning Team of the locality. The Department of Behavioral Health and				
21	Developmental Services shall provide these funds to Community Services Boards through the				
22	annual Performance Contract. These funds shall be used exclusively for children and				
23	adolescents, not mandated for services under the Comprehensive Services Act for At-Risk				
24	Youth, who are identified and assessed through the Family and Assessment Planning Teams				
25	and approved by the Community Policy and Management Teams of the localities. The				
26	department shall provide these funds to the Community Services Boards based on an				
27	individualized plan of care methodology.				
28	J. The Commissioner, Department of Behavioral Health and Developmental Services shall				
29	allocate \$1,000,000 the first year and \$1,000,000 the second year from the federal Community				
30	Mental Health Services Block Grant for two specialized geriatric mental health services				
31	programs. One program shall be located in Health Planning Region II and one shall be located				
32	in Health Planning Region V. The programs shall serve elderly populations with mental				
33	illness who are transitioning from state mental health geriatric units to the community or who				
34	are at risk of admission to state mental health geriatric units. The commissioner is authorized				
35	to reduce the allocation in each year in an amount proportionate to any reduction in the				
36	federal Community Mental Health Services Block Grant funds awarded to the				
37	Commonwealth.				
38	K. The Commissioner, Department of Behavioral Health and Developmental Services shall				
39	allocate \$750,000 the first year and \$750,000 the second year from the federal Community				
40	Mental Health Services Block Grant for consumer-directed programs offering specialized				
41	mental health services that promote wellness, recovery and improved self-management. The				
42	commissioner is authorized to reduce the allocation in each year in an amount proportionate				
43	to any reduction in the federal Community Mental Health Services Block Grant funds				
44	awarded to the Commonwealth.				
45	L. Out of this appropriation, \$2,197,050 the first year and \$2,197,050 the second year from				
46	the general fund shall be used for jail diversion and reentry services. Funds shall be				
47	distributed to community-based contractors based on need and community preparedness as				
48	determined by the commissioner.				
49	M. Out of this appropriation, \$2,400,000 the first year and \$2,400,000 the second year from				
50	the general fund shall be used for treatment and support services for substance use disorders,				
51	including individuals with acquired brain injury and co-occurring substance use disorders.				
52	Funded services shall focus on recovery models and the use of best practices.				
53	N. Out of this appropriation, \$2,780,645 the first year and \$2,780,645 the second year from				
54	the general fund shall be used to provide outpatient clinician services to children with mental				

ITEM 315.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	health needs. Each Community Services Board shall receive funding as determined by the			
2	commissioner to increase the availability of specialized mental health services for			
3	children. The department shall require that each Community Services Board receiving			
4	these funds agree to cooperate with Court Service Units in their catchment areas to			
5	provide services to mandated and nonmandated children, in their communities, who have			
6	been brought before Juvenile and Domestic Relations Courts and for whom treatment			
7	services are needed to reduce the risk these children pose to themselves and their			
8	communities or who have been referred for services through family assessment and			
9	planning teams through the Comprehensive Services Act for At-Risk Youth and Families.			
10	O. Out of this appropriation, \$17,701,997 the first year and \$17,701,997 the second year			
11	from the general fund shall be used to provide emergency services, crisis stabilization			
12	services, case management, and inpatient and outpatient mental health services for			
13	individuals who are in need of emergency mental health services or who meet the criteria			
14	for mental health treatment set forth pursuant to §§ 19.2-169.6 , 19.2-176 , 19.2-177.1 ,			
15	37.2-808 , 37.2-809 , 37.2-813 , 37.2-815 , 37.2-816 , 37.2-817 and 53.1-40.2 of the Code of			
16	Virginia. Funding provided in this item also shall be used to offset the fiscal impact of (i)			
17	establishing and providing mandatory outpatient treatment, pursuant to House Bill 499			
18	and Senate Bill 246, 2008 Session of General Assembly; and (ii) attendance at involuntary			
19	commitment hearings by community services board staff who have completed the			
20	prescreening report, pursuant to §§ 19.2-169.6 , 19.2-176 , 19.2-177.1 , 37.2-808 , 37.2-809 ,			
21	37.2-813 , 37.2-815 , 37.2-816 , 37.2-817 and 53.1-40.2 of the Code of Virginia.			
22	P. Out of this appropriation, \$8,800,000 the first year and \$8,800,000 the second year			
23	from the general fund shall be used to provide community crisis intervention services in			
24	each region for individuals with intellectual or developmental disabilities and co-occurring			
25	mental health or behavioral disorders.			
26	Q. Out of this appropriation, \$1,900,000 the first year and \$1,900,000 the second year			
27	from the general fund shall be used to expand community-based services in Health			
28	Planning Region V. These funds shall be used for services intended to delay or deter			
29	placement, or provide discharge assistance for patients in a state mental health facility.			
30	R. Out of this appropriation, \$2,000,000 the first year and \$2,000,000 the second year			
31	from the general fund shall be used to expand crisis stabilization and related services			
32	statewide intended to delay or deter placement in a state mental health facility.			
33	S. Out of this appropriation, \$8,400,000 the first year and \$8,400,000 the second year			
34	from the general fund shall be used to provide child psychiatry and children's crisis			
35	response services for children with mental health and behavioral disorders. These funds,			
36	divided among the health planning regions based on the current availability of the			
37	services, shall be used to hire or contract with child psychiatrists who can provide direct			
38	clinical services, including crisis response services, as well as training and consultation			
39	with other children's health care providers in the health planning region such as general			
40	practitioners, pediatricians, nurse practitioners, and community service boards staff, to			
41	increase their expertise in the prevention, diagnosis, and treatment of children with mental			
42	health disorders. Funds may also be used to create new or enhance existing community-			
43	based crisis response services in a health planning region, including mobile crisis teams			
44	and crisis stabilization services, with the goal of diverting children from inpatient			
45	psychiatric hospitalization to less restrictive services in or near their communities. The			
46	Department of Behavioral Health and Developmental Services shall report on the use and			
47	impact of this funding to the Chairmen of the House Appropriations and Senate Finance			
48	Committees beginning on October 1, 2014 and each year thereafter.			
49	T. Out of this appropriation, \$10,500,000 the first year and \$10,500,000 the second year			
50	from the general fund shall be used for up to 32 drop-off centers to provide an alternative			
51	to incarceration for people with serious mental illness and individuals with acquired brain			
52	injury and co-occurring serious mental health illness. Priority for new funding shall be			
53	given to programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102			
54	and § 9.1-187 et seq. of the Code of Virginia and have undergone planning to implement			
55	drop-off centers.			
56	U. Out of this appropriation, \$1,250,000 the first year and \$1,250,000 the second year			
57	from the general fund shall be used to develop and implement crisis services for children			

ITEM 315.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	with intellectual or developmental disabilities.				
2	V. Out of this appropriation, \$2,652,500 the first year and \$5,805,000 the second year from				
3	the general fund shall be used to provide community-based services to individuals residing in				
4	state hospitals who have been determined clinically ready for discharge. Of this appropriation,				
5	\$652,500 the first year and \$1,305,000 the second year shall be allocated for individuals				
6	residing at Western State Hospital who are clinically ready for discharge.				
7	W. Out of this appropriation, \$620,000 the first year and \$620,000 the second year from the				
8	general fund shall be used to expand access to telepsychiatry and telemedicine services.				
9	X. Out of this appropriation, \$8,800,000 the first year and \$8,800,000 the second year from				
10	the general fund shall be used to implement nine new Programs of Assertive Community				
11	Treatment (PACT).				
12	Y. Out of this appropriation, \$4,000,000 the first year and \$4,000,000 the second year from				
13	the general fund shall be used to increase availability of community-based mental health				
14	outpatient services for youth and young adults. The Department of Behavioral Health and				
15	Developmental Services shall report on the use and impact of this funding to the Chairmen of				
16	the House Appropriations and Senate Finance Committees on December 1, 2016.				
17	Z. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
18	general fund shall be used to increase mental health inpatient treatment purchased in				
19	community hospitals. Priority shall be given to regions that exhaust available resources before				
20	the end of the year in order to ensure treatment is provided in the community and do not result				
21	in more restrictive placements.				
22	AA. Out of this appropriation, \$4,270,500 the first year and \$9,170,500 the second year from				
23	the general fund is provided for permanent supportive housing to support rental subsidies and				
24	services to be administered by community services boards or private entities to provide stable,				
25	supportive housing for persons with serious mental illness. The Department of Behavioral				
26	Health and Developmental Services shall report by October 1, 2016, the number of				
27	individuals being served through Permanent Supportive Housing, how the funds are allocated				
28	by organization, the average rental subsidy, and any available outcome-based data to				
29	determine effectiveness in preventing hospitalizations, incarceration or homelessness.				
30	BB.1. Out of this appropriation, up to \$4,000,000 the first year shall be provided from the				
31	Behavioral Health and Developmental Services Trust Fund for one-time expenses related to				
32	developing housing options, specialized services and making capital improvements to				
33	enhance and expand services for individuals with intellectual and developmental disabilities.				
34	A minimum of 60 percent of the appropriation shall be used to build additional capacity in				
35	Northern Virginia for Virginia citizens with intensive behavioral and/or medical needs who				
36	currently are not able to access needed services or residential supports. The remaining funding				
37	shall be for projects that address the needs of individuals who are transitioning to the				
38	community from the Southwestern Virginia Training Center. Such projects shall be located in				
39	Virginia within 100 miles of the Southwestern Virginia Training Center. The Department of				
40	Behavioral Health and Developmental Services shall give preference to projects involving				
41	existing Virginia providers to expand service capacity.				
42	2. The Department of Behavioral Health and Developmental Services shall report on the use				
43	of the funds from the Trust Fund by December 1, 2016 to the Chairmen of the House				
44	Appropriations and Senate Finance Committees.				
45	3. Pursuant to language contained in Item 312, paragraph C., any unexpended funds in the				
46	Trust Fund shall remain in the Trust Fund and are subject to an appropriation in an				
47	appropriation bill passed by the General Assembly.				
48	CC. Out of this appropriation, \$400,000 the first year and \$400,000 the second year is				
49	provided for rental subsidies and associated costs for individuals served through the Rental				
50	Choice VA program.				
51	DD. Out of this appropriation, \$1,875,000 the first year and \$3,750,000 the second year from				
52	the general fund shall be used to implement a program of rental subsidies for individuals with				
53	intellectual and developmental disabilities.				

ITEM 315.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	EE. Out of this appropriation, \$636,000 the first year and \$480,000 the second year from				
2	the Behavioral Health and Developmental Services Trust Fund is provided for the				
3	transitional costs of individuals moving from state intellectual disability training centers				
4	into alternate settings.				
5	FF. The Department of Behavioral Health and Developmental Services shall develop a				
6	plan to implement a performance based contracting system for funds provided by the				
7	department to the Community Services Boards. The department shall work with the				
8	boards to define performance and outcome measures; describe data collection, analysis				
9	and reporting requirements and processes; and identify a funding mechanism and the				
10	estimated costs, including any incentives and disincentives, of implementing the system.				
11	The department shall submit the plan for consideration to the Secretary of Health and				
12	Human Resources, the Secretary of Finance, and the chairmen of the House				
13	Appropriations and Senate Finance Committees by November 1, 2016.				
14	GG. Out of this appropriation, \$4,895,651 the second year from the general fund shall be				
15	provided to Community Service Boards and Behavioral Health Authorities to implement				
16	same day access for community behavioral health services. The Department of Behavioral				
17	Health and Developmental Services shall report on the disbursement of the funds to the				
18	Governor and Chairmen of the House Appropriations and Senate Finance Committees no				
19	later than November 1, 2017, and on any results from the boards who implemented same				
20	day access and where other boards stand with respect to assessment, consultation, and				
21	implementation. Annually, thereafter on October 1, the department shall report to the				
22	Governor and Chairmen of the House Appropriations and Senate Finance Committees on				
23	the effectiveness and outcomes of the program funding.				
24	HH. Out of this appropriation, \$5,000,000 the second year from the federal State Targeted				
25	Response to the Opioid Crisis Grant is provided to increase access to medication assisted				
26	treatment for individuals with substance use disorders who are addicted to opioids. In				
27	expending this amount, the department shall ensure that preferred drug classes shall				
28	include non-narcotic, non-addictive, injectable prescription drug treatment regimens.				
29	II. Out of this appropriation, \$1,000,000 the second year from the general fund is provided				
30	for community detoxification and sobriety services for individuals in crisis.				
31	JJ. Out of this appropriation, \$880,000 the second year from the general fund is provided				
32	for one regional, multi-disciplinary team for older adults. This team shall provide clinical,				
33	medical, nursing, and behavioral expertise and psychiatric services to nursing facilities				
34	and assisted living facilities.				
35	KK. Out of this appropriation, \$8,550,000 the second year is provided from the Behavioral				
36	Health and Developmental Services Trust Fund and shall be used for: (i) development of				
37	behavior/medical intense programs; (ii) subsidies for capital costs associated with rental				
38	units; (iii) establishment of a House Call Program in Northern Virginia; (iv) support for				
39	individual crisis events; and (v) development of providers in Virginia for individuals with				
40	intellectual and developmental disabilities with significant behavioral and mental health				
41	support needs.				
42	Total for Grants to Localities.....			\$397,142,984	\$425,201,175
43					\$426,082,891
44	Fund Sources: General.....	\$330,827,537	\$349,491,728		
45			\$350,373,444		
46	Dedicated Special Revenue.....	\$4,000,000	\$8,550,000		
47	Federal Trust.....	\$62,315,447	\$67,159,447		
48	316. Not set out.				
49	317. Not set out.				
50	318. Not set out.				
51	319. Not set out.				

ITEM 320.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	320.	Not set out.			
2	321.	Not set out.			
3	322.	Not set out.			
4	323.	Not set out.			
5	324.	Not set out.			
6	325.	Not set out.			
7	326.	Not set out.			
8		Virginia Center for Behavioral Rehabilitation (794)			
9	327.	Not set out.			
10	328.	Not set out.			
11	329.	Not set out.			
12	330.	State Health Services (43000).....		\$9,633,569	\$9,633,569
13					\$9,847,416
14		\$9,633,569	\$9,633,569		
15			\$9,847,416		
16		\$9,633,569	\$9,633,569		
17			\$9,847,416		
18		Authority: Title 37.2, Chapters 1 and 9, Code of Virginia.			
19	331.	Not set out.			
20		Total for Virginia Center for Behavioral			
21		Rehabilitation.....		\$35,428,802	\$35,738,470
22					\$35,952,317
23		564.50	576.50		
24			596.50		
25		564.50	576.50		
26			596.50		
27		\$35,428,802	\$35,738,470		
28			\$35,952,317		
29		Grand Total for Department of Behavioral Health			
30		and Developmental Services.....		\$1,092,932,248	\$1,119,153,084
31					\$1,120,448,647
32		5,935.10	5,970.25		
33			5,990.25		
34		1,602.40	1,602.25		
35		7,537.50	7,572.50		
36			7,592.50		
37		\$749,145,364	\$772,594,888		
38			\$773,890,451		
39		\$258,102,445	\$251,211,367		
40		\$4,000,000	\$8,550,000		
41		\$81,684,439	\$86,796,829		
42	332.	Not set out.			

ITEM 333.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1 333.	Not set out.			
2 334.	Not set out.			
3 335.	Not set out.			
4 336.	Not set out.			
5 337.	Not set out.			
6 338.	Not set out.			
7 339.	Not set out.			
8 340.	Not set out.			
9	§ 1-14. DEPARTMENT OF SOCIAL SERVICES (765)			
10 341.	Program Management Services (45100).....		\$39,192,893	\$38,872,182
11				\$39,381,664
12		Training and Assistance to Local Staff (45101).....	\$4,389,082	\$4,439,943
13		Central Administration and Quality Assurance for		
14		Benefit Programs (45102).....	\$13,260,449	\$12,959,820
15				\$13,200,652
16		Central Administration and Quality Assurance for		
17		Family Services (45103).....	\$7,740,353	\$7,669,410
18				\$7,723,140
19		Central Administration and Quality Assurance for		
20		Community Programs (45105).....	\$8,947,984	\$8,947,984
21				\$9,162,904
22		Central Administration and Quality Assurance for		
23		Child Care Activities (45107).....	\$4,855,025	\$4,855,025
24		Fund Sources: General.....	\$15,406,927	\$15,331,101
25				\$15,497,782
26		Special.....	\$100,000	\$100,000
27		Federal Trust.....	\$23,685,966	\$23,441,081
28				\$23,783,882
29	Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 2 and 21, Code of Virginia; Title VI,			
30	Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended,			
31	Federal Code.			
32	A. The Department of Social Services, in collaboration with the Office of Children's			
33	Services, shall provide training to local staff serving on Family Assessment and Planning			
34	Teams and Community Policy and Management Teams. Training shall include, but need			
35	not be limited to, the federal and state requirements pertaining to the provision of the			
36	foster care services funded under § 2.2-5211, Code of Virginia. The training shall also			
37	include written guidance concerning which services remain the financial responsibility of			
38	the local departments of social services. Training shall be provided on a regional basis at			
39	least once per year. Written guidance shall be updated and provided to local Office of			
40	Children's Services teams whenever there is a change in allowable expenses under federal			
41	or state guidelines. In addition, the Department of Social Services shall provide ongoing			
42	local oversight of its federal and state requirements related to the provision of services			
43	funded under § 2.2-5211, Code of Virginia.			
44	B. By November 1 of each year, the Department of Planning and Budget, in cooperation			
45	with the Department of Social Services, shall prepare and submit a forecast of			
46	expenditures for cash assistance provided through the Temporary Assistance for Needy			
47	Families (TANF) program, mandatory child day care services under TANF, foster care			
48	maintenance and adoption subsidy payments, upon which the Governor's budget			

ITEM 341.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	recommendations will be based, for the current and subsequent two years to the Chairmen of				
2	the House Appropriations and Senate Finance Committees.				
3	C. The Department of Social Services shall provide administrative support and technical				
4	assistance to the Family and Children's Trust Fund (FACT) Board of Trustees established in				
5	Sections 63.2-2100 through 63.2-2103, Code of Virginia.				
6	D. Out of this appropriation, \$1,829,111 the first year and \$1,829,111 the second year from				
7	the general fund and \$1,829,111 the first year and \$1,829,111 the second year from				
8	nongeneral funds shall be provided to fund the Supplemental Nutrition Assistance Program				
9	(SNAP) Electronic Benefit Transfer (EBT) contract cost.				
10	E.1. Out of this appropriation, ten positions and the associated funding shall be dedicated to				
11	providing on-going financial oversight of foster care services. Each of the ten positions, with				
12	two working out of each regional office, shall assess and review all foster care spending to				
13	ensure that state and federal standards are met. None of these positions shall be used for				
14	quality, information technology, or clerical functions.				
15	2. By September 1 of each year, the department shall report to the Governor, the Chairmen of				
16	the House Appropriations and Senate Finance Committees, and the Director, Department of				
17	Planning and Budget regarding the foster care program's statewide spending, error rates and				
18	compliance with state and federal reviews.				
19	342. Financial Assistance for Self-Sufficiency Programs				
20	and Services (45200).....			\$258,240,060	\$266,631,353
21					\$251,086,459
22	Temporary Assistance for Needy Families (TANF)				
23	Cash Assistance (45201).....	\$75,902,870	\$84,719,119		
24			\$70,234,055		
25	Temporary Assistance for Needy Families (TANF)				
26	Employment Services (45212).....	\$21,657,832	\$21,657,832		
27	Supplemental Nutrition Assistance Program				
28	Employment and Training (SNAPET) Services				
29	(45213).....	\$8,165,759	\$8,107,147		
30			\$11,099,430		
31	Temporary Assistance for Needy Families (TANF)				
32	Child Care Subsidies (45214).....	\$54,098,724	\$54,098,724		
33			\$48,114,636		
34	At-Risk Child Care Subsidies (45215).....	\$91,444,192	\$91,487,848		
35			\$92,622,984		
36	Unemployed Parents Cash Assistance (45216).....	\$6,970,683	\$6,560,683		
37			\$7,357,522		
38	Fund Sources: General.....	\$81,131,902	\$80,721,902		
39			\$81,518,741		
40	Federal Trust.....	\$177,108,158	\$185,909,451		
41			\$169,567,718		
42	Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 1 through 7, Code of Virginia; Title VI,				
43	Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended,				
44	Federal Code.				
45	A. It is hereby acknowledged that as of June 30, 2015 there existed with the federal				
46	government an unexpended balance of \$72,735,005 in federal Temporary Assistance for				
47	Needy Families (TANF) block grant funds which are available to the Commonwealth of				
48	Virginia to reimburse expenditures incurred in accordance with the adopted State Plan for the				
49	TANF program. Based on projected spending levels and appropriations in this act, the				
50	Commonwealth's accumulated balance for authorized federal TANF block grant funds is				
51	estimated at \$99,130,367 on June 30, 2016; \$91,985,120 on June 30, 2017; and \$62,204,000				
52	\$117,664,697 on June 30, 2018.				
53	B. No less than 30 days prior to submitting any amendment to the federal government related				
54	to the State Plan for the Temporary Assistance for Needy Families program, the				
55	Commissioner of the Department of Social Services shall provide the Chairmen of the House				
56	Appropriations and Senate Finance Committees as well as the Director, Department of				
57	Planning and Budget written documentation detailing the proposed policy changes. This				

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1	documentation shall include an estimate of the fiscal impact of the proposed changes and			
2	information summarizing public comment that was received on the proposed changes.			
3	C. Notwithstanding any other provision of state law, the Department of Social Services			
4	shall maintain a separate state program, as that term is defined by federal regulations			
5	governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. §			
6	260.30, for the purpose of providing welfare cash assistance payments to able-bodied two-			
7	parent families. The separate state program shall be funded by state funds and operated			
8	outside of the TANF program. Able-bodied two-parent families shall not be eligible for			
9	TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits			
10	under the separate state program provided for in this paragraph. Although various			
11	conditions and eligibility requirements may be different under the separate state program,			
12	the basic benefit payment for which two-parent families are eligible under the separate			
13	state program shall not be less than what they would have received under TANF. The			
14	Department of Social Services shall establish regulations to govern this separate state			
15	program.			
16	D. As a condition of this appropriation, the Department of Social Services shall disregard			
17	the value of one motor vehicle per assistance unit in determining eligibility for cash			
18	assistance in the Temporary Assistance for Needy Families (TANF) program and in the			
19	separate state program for able-bodied two-parent families.			
20	E. The Department of Social Services, in collaboration with local departments of social			
21	services, shall maintain minimum performance standards for all local departments of			
22	social services participating in the Virginia Initiative for Employment, Not Welfare			
23	(VIEW) program. The department shall allocate VIEW funds to local departments of			
24	social services based on these performance standards and VIEW caseloads. The allocation			
25	formula shall be developed and revised in cooperation with the local social services			
26	departments and the Department of Planning and Budget.			
27	F. A participant whose Temporary Assistance for Needy Families (TANF) financial			
28	assistance is terminated due to the receipt of 24 months of assistance as specified in §			
29	63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion			
30	of 24 months of TANF assistance, excluding cases closed with a sanction for			
31	noncompliance with the Virginia Initiative for Employment Not Welfare program, shall be			
32	eligible to receive employment and training assistance for up to 12 months after			
33	termination, if needed, in addition to other transitional services provided pursuant to §			
34	63.2-611, Code of Virginia.			
35	G. The Department of Social Services, in conjunction with the Department of Correctional			
36	Education, shall identify and apply for federal, private and faith-based grants for pre-			
37	release parenting programs for non-custodial incarcerated parent offenders committed to			
38	the Department of Corrections, including but not limited to the following grant programs:			
39	Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and			
40	Visitation Block Grant, Serious and Violent Offender Reentry Initiative Collaboration,			
41	Special Improvement Projects, § 1115 Social Security Demonstration Grants, and any new			
42	grant programs authorized under the federal Temporary Assistance for Needy Families			
43	(TANF) block grant program.			
44	H.1. Out of this appropriation, \$10,703,748 the first year and \$10,703,748 the second year			
45	from nongeneral funds is included for Head Start wraparound child care services.			
46	2. Included in this Item is funding to carry out the former responsibilities of the Virginia			
47	Council on Child Day Care and Early Childhood Programs. Nongeneral fund			
48	appropriations allocated for uses associated with the Head Start program shall not be			
49	transferred for any other use until eligible Head Start families have been fully served. Any			
50	remaining funds may be used to provide services to enrolled low-income families in			
51	accordance with federal and state requirements. Families, who are working or in education			
52	and training programs, with income at or below the poverty level, whose children are			
53	enrolled in Head Start wraparound programs paid for with the federal block grant funding			
54	in this Item shall not be required to pay fees for these wraparound services.			
55	I. Out of this appropriation, \$2,647,305 the first year and \$2,647,305 the second year from			
56	the general fund and \$72,503,762 the first year and \$72,503,762 the second year from			

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1	federal funds shall be provided to support state child care programs which will be			
2	administered on a sliding scale basis to income eligible families. The sliding fee scale and			
3	eligibility criteria are to be set according to the rules and regulations of the State Board of			
4	Social Services, except that the income eligibility thresholds for child care assistance shall			
5	account for variations in the local cost of living index by metropolitan statistical areas. The			
6	Department of Social Services shall make the necessary amendments to the Child Care and			
7	Development Funds Plan to accomplish this intent. Funds shall be targeted to families who			
8	are most in need of assistance with child care costs. Localities may exceed the standards			
9	established by the state by supplementing state funds with local funds.			
10	J. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from			
11	nongeneral funds shall be used to provide scholarships to students in early childhood			
12	education and related majors who plan to work in the field, or already are working in the field,			
13	whether in public schools, child care or other early childhood programs, and who enroll in a			
14	state community college or a state supported senior institution of higher education.			
15	K. Out of this appropriation, \$505,000 the first year and \$505,000 the second year from			
16	nongeneral funds shall be used to provide training of individuals in the field of early			
17	childhood education.			
18	L. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from			
19	nongeneral funds shall be used to provide child care assistance for children in homeless and			
20	domestic violence shelters.			
21	M. Out of this appropriation, the Department of Social Services shall use \$4,800,000 the			
22	second year from the federal Temporary Assistance to Needy Families (TANF) block grant to			
23	provide to each TANF recipient with two or more children in the assistance unit a monthly			
24	TANF supplement equal to the amount the Division of Child Support Enforcement collects up			
25	to \$200, less the \$100 disregard passed through to such recipient. The TANF child support			
26	supplement shall be paid within two months following collection of the child support payment			
27	or payments used to determine the amount of such supplement. For purposes of determining			
28	eligibility for medical assistance services, the TANF supplement described in this paragraph			
29	shall be disregarded. In the event there are sufficient federal TANF funds to provide all other			
30	assistance required by the TANF State Plan, the Commissioner may use unobligated federal			
31	TANF block grant funds in excess of this appropriation to provide the TANF supplement			
32	described in this paragraph.			
33	N. The Department of Social Services shall increase the Temporary Assistance for Needy			
34	Families (TANF) cash benefits by 2.5 percent on July 1, 2016 and by 2.5 percent on July 1,			
35	2017.			
36	O. The Board of Social Services shall combine Groups I and II for the purposes of Temporary			
37	Assistance to Needy Families cash benefits and use the Group II rates for the new group.			
38	343.	Financial Assistance for Local Social Services Staff		
39		(46000).....		\$431,538,105
40				\$436,189,250
41		Local Staff and Operations (46010).....	\$431,538,105	\$463,928,469
42				\$463,928,469
43		Fund Sources: General.....	\$117,525,003	\$122,107,972
44		Dedicated Special Revenue.....	\$3,000,000	\$3,000,000
45		Federal Trust.....	\$311,013,102	\$311,081,278
46				\$338,820,497
47	Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-193,			
48	Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended.			
49	A. The amounts in this Item shall be expended under regulations of the Board of Social			
50	Services to reimburse county and city welfare/social services boards pursuant to § 63.2-401,			
51	Code of Virginia, and subject to the same percentage limitations for other administrative			
52	services performed by county and city public welfare/social services boards and			
53	superintendents of public welfare/social services pursuant to other provisions of the Code of			
54	Virginia, as amended.			

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1	B. Pursuant to the provisions of §§ 63.2-403, 63.2-406, 63.2-407, 63.2-408, and 63.2-615			
2	Code of Virginia, all moneys deducted from funds otherwise payable out of the state			
3	treasury to the counties and cities pursuant to the provisions of § 63.2-408, Code of			
4	Virginia, shall be credited to the applicable general fund account.			
5	C. Included in this appropriation are funds to reimburse local social service agencies for			
6	eligibility workers who interview applicants to determine qualification for public			
7	assistance benefits which include but are not limited to: Temporary Assistance for Needy			
8	Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid.			
9	D. Included in this appropriation are funds to reimburse local social service agencies for			
10	social workers who deliver program services which include but are not limited to: child			
11	and adult protective services complaint investigations; foster care and adoption services;			
12	and adult services.			
13	E. Out of the federal fund appropriation for local social services staff, amounts estimated			
14	at \$65,000,000 the first year and \$65,000,000 \$72,000,000 the second year shall be set			
15	aside for allowable local costs which exceed available general fund reimbursement and			
16	amounts estimated at \$16,000,000 the first year and \$16,000,000 \$22,000,000 the second			
17	year shall be set aside to reimburse local governments for allowable costs incurred in			
18	administering public assistance programs.			
19	F. Out of this appropriation, \$439,338 the first year and \$439,338 \$562,260 the second			
20	year from the general fund and \$422,109 the first year and \$422,109 \$540,211 the second			
21	year from nongeneral funds is provided to cover the cost of the health insurance credit for			
22	retired local social services employees.			
23	G. The Department of Social Services shall work with local departments of social services			
24	on a pilot project in the western region of the state to evaluate the available data collected			
25	by local departments on facilitated care arrangements. The department shall, based on the			
26	findings from the pilot project, determine the most appropriate mechanism for collecting			
27	and reporting such data on a statewide basis.			
28	H.1. Out of this appropriation, \$4,527,969 the second year from the general fund shall be			
29	available for the reinvestment of adoption general fund savings as authorized in Title IV,			
30	parts B and E of the federal Social Security Act (P.L. 110-351).			
31	2. Of the amount in paragraph H.1. above, \$1,333,031 the second year from the general			
32	fund shall be used to provide Child Protective Services (CPS) assessments and			
33	investigations in response to all reports of children born exposed to controlled substances			
34	regardless of whether the substance had been prescribed to the mother when she has			
35	sought or gained substance abuse counseling or treatment.			
36	344.	Child Support Enforcement Services (46300).....		\$772,660,895
37				\$772,660,895
38		Support Enforcement and Collection Services		
39		(46301).....	\$107,754,586	\$107,754,586
40				\$107,198,586
41		Public Assistance Child Support Payments (46302)		
42			\$11,000,000	\$11,000,000
43		Non-Public Assistance Child Support Payments		
44		(46303).....	\$653,906,309	\$653,906,309
45		Fund Sources: General.....	\$13,288,793	\$13,288,793
46				\$16,242,583
47		Special.....	\$694,897,989	\$694,897,989
48				\$691,388,199
49		Federal Trust.....	\$64,474,113	\$64,474,113
50		Authority: Title 20, Chapters 2 through 3.1 and 4.1 through 9; Title 63.2, Chapter 19,		
51		Code of Virginia; P.L. 104-193, as amended; P.L. 105-200, P.L. 106-113, Federal Code.		
52		A. Any net revenue from child support enforcement collections, after all disbursements		
53		are made in accordance with state and federal statutes and regulations, and after the state's		
54		share of the cost of administering the program is paid, shall be estimated and deposited		

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1	into the general fund by June 30 of the fiscal year in which it is collected. Any additional				
2	moneys determined to be available upon final determination of a fiscal year's costs of				
3	administering the program shall be deposited to the general fund by September 1 of the				
4	subsequent fiscal year in which it is collected.				
5	B. In determining eligibility and amounts for cash assistance, pursuant to the Personal				
6	Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the				
7	department shall continue to disregard up to \$100 per month in child support payments and				
8	return to recipients of cash assistance up to \$100 per month in child support payments				
9	collected on their behalf.				
10	C. The state share of amounts disbursed to recipients of cash assistance pursuant to paragraph				
11	B of this Item shall be considered part of the Commonwealth's required Maintenance of Effort				
12	spending for the federal Temporary Assistance for Needy Families program established by the				
13	Social Security Act.				
14	D. The department shall expand collections of child support payments through contracts with				
15	private vendors. However, the Department of Social Services and the Office of the Attorney				
16	General shall not contract with any private collection agency, private attorney, or other private				
17	entity for any child support enforcement activity until the State Board of Social Services has				
18	made a written determination that the activity shall be performed under a proposed contract at				
19	a lower cost than if performed by employees of the Commonwealth.				
20	E. The Division of Child Support Enforcement, in cooperation with the Department of				
21	Medical Assistance Services, shall identify cases for which there is a medical support order				
22	requiring a noncustodial parent to contribute to the medical cost of caring for a child who is				
23	enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs.				
24	Once identified, the division shall work with the Department of Medical Assistance Services				
25	to take appropriate enforcement actions to obtain medical support or repayments for the				
26	Medicaid program.				
27	345.	Adult Programs and Services (46800).....		\$40,061,169	\$39,561,169
28					\$37,761,169
29		Auxiliary Grants for the Aged, Blind, and Disabled			
30		(46801).....	\$21,898,969	\$21,398,969	
31					\$19,598,969
32		Adult In-Home and Supportive Services (46802).....	\$6,822,995	\$6,822,995	
33		Domestic Violence Prevention and Support			
34		Activities (46803).....	\$11,339,205	\$11,339,205	
35		Fund Sources: General.....	\$23,356,141	\$22,856,141	
36					\$21,056,141
37		Federal Trust.....	\$16,705,028	\$16,705,028	
38	Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia; Title XVI, federal Social				
39	Security Act, as amended.				
40	A.1. Effective January 1, 2017 2018, the Department of Social Services, in collaboration with				
41	the Department for Aging and Rehabilitative Services, is authorized to base approved licensed				
42	assisted living facility rates for individual facilities on an occupancy rate of 85 percent of				
43	licensed capacity, not to exceed a maximum rate of \$1,221 \$1,236 per month, which rate is				
44	also applied to approved adult foster care homes, unless modified as indicated below. The				
45	department may add a 15 percent differential to the maximum amount for licensed assisted				
46	living facilities and adult foster care homes in Planning District Eight.				
47	2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant				
48	recipients who reside in licensed assisted living facilities and approved adult foster care				
49	homes shall be \$82 per month, unless modified as indicated below.				
50	3. The Department of Social Services, in collaboration with the Department for Aging and				
51	Rehabilitative Services, is authorized to increase the assisted living facility and adult foster				
52	care home rates and/or the personal care allowance cited above on January 1 of each year in				
53	which the federal government increases Supplemental Security Income or Social Security				
54	rates or at any other time that the department determines that an increase is necessary to				
55	ensure that the Commonwealth continues to meet federal requirements for continuing				

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1	eligibility for federal financial participation in the Medicaid program. Any such increase is				
2	subject to the prior concurrence of the Department of Planning and Budget. Within thirty				
3	days after its effective date, the Department of Social Services shall report any such				
4	increase to the Governor and the Chairmen of the House Appropriations and Senate				
5	Finance Committees with an explanation of the reasons for the increase.				
6	4. The number of auxiliary grant recipients in a supportive housing setting shall not				
7	exceed 60.				
8	B. Out of this appropriation, \$4,185,189 the first year and \$4,185,189 in the second year				
9	from the federal Social Services Block Grant shall be allocated to provide adult				
10	companion services for low-income elderly and disabled adults.				
11	C. The toll-free telephone hotline operated by the Department of Social Services to				
12	receive child abuse and neglect complaints shall also be publicized and used by the				
13	department to receive complaints of adult abuse and neglect.				
14	D. Out of this appropriation, \$248,750 the first year and \$248,750 the second year from				
15	the general fund and \$1,346,792 the first year and \$1,346,792 the second year from				
16	federal Temporary Assistance for Needy Families (TANF) funds shall be provided as a				
17	grant to local domestic violence programs for purchase of crisis and core services for				
18	victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency				
19	transportation, and other crisis services as a first priority.				
20	E. Out of this appropriation, \$75,000 the first year and \$75,000 the second year from the				
21	general fund and \$400,000 the first year and \$400,000 the second year from nongeneral				
22	funds shall be provided for the purchase of services for victims of domestic violence as				
23	stated in § 63.2-1615, Code of Virginia, in accordance with regulations promulgated by				
24	the Board of Social Services.				
25	F. Out of this appropriation \$1,100,000 the first year and \$1,100,000 the second year from				
26	the general fund and \$2,000,000 the first year and \$2,000,000 the second year from				
27	federal Temporary Assistance to Needy Families (TANF) funds shall be provided as a				
28	grant to local domestic violence programs for services.				
29	346.	Child Welfare Services (46900).....		\$211,602,863	\$219,775,860
30					\$226,252,697
31		Foster Care Payments (46901).....	\$60,158,124	\$62,104,143	
32				\$66,507,369	
33		Supplemental Child Welfare Activities (46902).....	\$28,063,364	\$32,249,287	
34				\$32,349,287	
35		Adoption Subsidy Payments (46903).....	\$123,381,375	\$125,422,430	
36				\$127,396,041	
37		Fund Sources: General.....	\$107,582,982	\$109,715,398	
38				\$111,958,184	
39		Special.....	\$425,030	\$1,425,030	
40		Dedicated Special Revenue.....	\$235,265	\$485,265	
41				\$585,265	
42		Federal Trust.....	\$103,359,586	\$108,150,167	
43				\$112,284,218	
44	Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294,				
45	P.L. 101-126, P.L. 101-226, P.L. 105-89, P.L. 110-351, P.L. 111-320, as amended,				
46	Federal Code.				
47	A. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully				
48	reimbursed except that expenditures otherwise subject to a standard local matching share				
49	under applicable state policy, including local staffing, shall continue to require local				
50	match. The commissioner shall ensure that local social service boards obtain				
51	reimbursement for all children eligible for Title IV-E coverage.				
52	B. The commissioner, in cooperation with the Department of Planning and Budget, shall				
53	establish a reasonable, automatic adjustment for inflation each year to be applied to the				
54	room and board maximum rates paid to foster parents. However, this provision shall apply				
55	only in fiscal years following a fiscal year in which salary increases are provided for state				

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1	employees.				
2	C. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the				
3	general fund shall be provided for the purchase of services for victims child abuse and neglect				
4	prevention activities as stated in § 63.2-1502, Code of Virginia, in accordance with				
5	regulations promulgated by the Board of Social Services.				
6	D. Out of this appropriation, \$180,200 the first year and \$180,200 the second year from the				
7	general fund and \$99,800 the first year and \$99,800 the second year from nongeneral funds				
8	shall be provided to continue respite care for foster parents.				
9	E. Notwithstanding the provisions of §§ 63.2-1300 through 63.2-1303, Code of Virginia,				
10	adoption assistance subsidies and supportive services shall not be available for children				
11	adopted through parental placements. This restriction does not apply to existing adoption				
12	assistance agreements.				
13	F.1. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from				
14	the general fund shall be provided to implement pilot programs that increase the number of				
15	foster care children adopted.				
16	2. Beginning July 1, 2017, the department shall provide an annual report, not later than 45				
17	days after the end of the state fiscal year, on the use and effectiveness of this funding				
18	including, but not limited to, the additional number of special needs children adopted from				
19	foster care as a result of this effort and the types of ongoing supportive services provided, to				
20	the Governor, Chairmen of House Appropriations and Senate Finance Committees, and the				
21	Director, Department of Planning and Budget.				
22	G. Out of this appropriation, \$23,771,657 the first year and \$20,654,627 \$19,169,445 the				
23	second year from the general fund and \$7,000,000 the first year and \$7,000,000 the second				
24	year from nongeneral funds shall be provided for special needs adoptions.				
25	H. Out of this appropriation \$45,644,961 the first year and \$47,978,106 \$50,613,298 the				
26	second year from the general fund and \$45,644,961 the first year and \$47,978,106				
27	\$50,613,298 the second year from nongeneral funds shall be provided for Title IV-E adoption				
28	subsidies.				
29	I. The Commissioner, Department of Social Services, shall ensure that local departments that				
30	provide independent living services to persons between 18 and 21 years of age make certain				
31	information about and counseling regarding the availability of independent living services is				
32	provided to any person who chooses to leave foster care or who chooses to terminate				
33	independent living services before his twenty-first birthday. Information shall include the				
34	option for restoration of independent living services following termination of independent				
35	living services, and the processes whereby independent living services may be restored should				
36	he choose to seek restoration of such services in accordance with § 63.2-905.1 of the Code of				
37	Virginia.				
38	J.1. Notwithstanding the provisions of § 63.2-1302, Code of Virginia, the Department of				
39	Social Services shall negotiate all adoption assistance agreements with both existing and				
40	prospective adoptive parents on behalf of local departments of social services. This provision				
41	shall not alter the legal responsibilities of the local departments of social services set out in				
42	Chapter 13 of Title 63.2, Code of Virginia, nor alter the rights of the adoptive parents to				
43	appeal.				
44	2. Out of this appropriation, \$342,414 the first year and \$342,414 the second year from the				
45	general fund and \$215,900 the first year and \$215,900 the second year from nongeneral funds				
46	shall be provided for five positions to execute these negotiations.				
47	K.1. The Department of Social Services shall partner with Patrick Henry Family Services to				
48	implement a pilot program in the area encompassing Planning District 11 (Amherst,				
49	Appomattox, Bedford, Campbell Counties and the City of Lynchburg) for the temporary				
50	placements of children for children and families in crisis.				
51	The pilot program will allow a parent or legal custodian of a minor, with the assistance of				
52	Patrick Henry Family Services, to delegate to another person by a properly executed power of				
53	attorney any powers regarding care, custody, or property of the minor for a temporary				

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1	placement for a period that is not greater than 90 days. The program will allow for an			
2	option of a one-time 90 day extension.			
3	2. The department shall ensure that this pilot program meets the following specific			
4	programmatic and safety requirements outlined in 22 VAC 40-131 and 22 VAC 40-191:			
5	(i) The pilot program organization shall meet the background check requirements			
6	described in 22 VAC 40-191.			
7	(ii) The pilot program organization shall develop and implement written policies and			
8	procedures for governing active and closed cases, admissions, monitoring the			
9	administration of medications, prohibiting corporal punishment, ensuring that children are			
10	not subjected to abuse or neglect, investigating allegations of misconduct toward children,			
11	implementing the child's back-up emergency care plan, assigning designated casework			
12	staff, management of all records, discharge policies, and the use of seclusion and restraint			
13	(22 VAC 40-131-90).			
14	(iii) The pilot program organization shall provide pre-service and ongoing training for			
15	temporary placement providers and staff (22 VAC 40-131-210 and 22 VAC 40-131-150).			
16	3. The Department of Social Services shall evaluate the pilot program and determine if			
17	this model of prevention is effective. A report of the evaluation findings and			
18	recommendations shall be submitted to the Governor, the Chairmen of the House			
19	Appropriations and Senate Finance Committees, and the Commission on Youth by			
20	December 1, 2017.			
21	L.1. Out of this appropriation, \$1,015,451 the first year and \$2,925,954 the second year			
22	from the general fund and \$999,050 the first year and \$2,886,611 the second year from			
23	nongeneral funds shall be available for the expansion of foster care and adoption			
24	assistance as authorized in the federal Foster Connections to Success and Increasing			
25	Adoptions Act of 2008 (P.L. 110-351; P.L. 11-148).			
26	2. In order to implement the Fostering Futures program, the Department of Social Services			
27	shall set out the requirements for program participation in accordance with 42 U.S.C. 675			
28	(8) (B) (iv) and shall provide the format of an agreement to be signed by the local			
29	department of social services and the youth. The definition of a child for the purpose of			
30	the Fostering Futures program shall be any natural person who has reached the age of 18			
31	years but has not reached the age of 21. The Department of Social Services shall develop			
32	guidance setting out the requirements for local implementation including a requirement for			
33	six-month reviews of each case and reasons for termination of participation by a youth.			
34	The guidance shall also include a definition of a supervised independent living			
35	arrangement which does not include group homes or residential facilities. Implementation			
36	of this program includes the extension of adoption assistance to age 21 for youth who			
37	were adopted at age 16 or older and who meet the program participation requirements set			
38	out in guidance by the Department of Social Services.			
39	3. The Department of Social Services shall issue guidance for the program's eligibility			
40	requirements and shall be available, on a voluntary basis, to an individual upon reaching			
41	the age of 18 who:			
42	(i) was in the custody of a local department of social services either:			
43	(a) prior to reaching 18 years of age, remained in foster care upon turning 18 years of age;			
44	or			
45	(b) immediately prior to commitment to the Department of Juvenile Justice and is			
46	transitioning from such commitment to self-sufficiency.			
47	(ii) and who is:			
48	(a) completing secondary education or an equivalent credential; or			
49	(b) enrolled in an institution that provides post-secondary or vocational education; or			
50	(c) employed for at least 80 hours per month; or			

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1	(d) participating in a program or activity designed to promote employment or remove barriers				
2	to employment; or				
3	(e) incapable of doing any of the activities described in subdivisions (a) through (d) due to a				
4	medical condition, which incapability is supported by regularly updated information in the				
5	program participant's case plan.				
6	4. Implementation of extended foster care services shall be available for those eligible youth				
7	reaching age 18 on or after July 1, 2016.				
8	M. Out of this appropriation, \$1,417,846 the first year and \$3,103,769 the second year from				
9	the general fund and \$2,500,000 the second year from nongeneral funds shall be available for				
10	the reinvestment of adoption general fund savings as authorized in title IV, parts B and E of				
11	the federal Social Security Act (P.L. 110-351).				
12	347. Not set out.				
13	348. Not set out.				
14	349. Regulation of Public Facilities and Services (56100)..			\$26,784,680	\$26,701,817
15					\$27,024,668
16	Regulation of Adult and Child Welfare Facilities				
17	(56101).....	\$23,827,865	\$23,815,498		
18			\$24,138,349		
19	Interdepartmental Licensure and Certification				
20	(56106).....	\$2,956,815	\$2,886,319		
21	Fund Sources: General.....	\$3,697,640	\$3,630,266		
22			\$3,773,345		
23	Special.....	\$2,376,109	\$2,360,620		
24	Federal Trust.....	\$20,710,931	\$20,710,931		
25			\$20,890,703		
26	Authority: Title 63.2, Chapters 17 and 18, Code of Virginia.				
27	A. The state nongeneral fund amounts collected and paid into the state treasury pursuant to				
28	the provisions of § 63.2-1700, Code of Virginia, shall be used for the development and				
29	delivery of training for operators and staff of assisted living facilities, adult day care centers,				
30	and child welfare agencies.				
31	B. As a condition of this appropriation, the Department of Social Services shall (i) promptly				
32	fill all position vacancies that occur in licensing offices so that positions shall not remain				
33	vacant for longer than 120 days and (ii) hire sufficient child care licensing specialists to				
34	ensure that all child care facilities receive, at a minimum, the two visits per year mandated by				
35	§ 63.2-1706, Code of Virginia, and that facilities with compliance problems receive additional				
36	inspection visits as necessary to ensure compliance with state laws and regulations.				
37	C. As a condition of this appropriation, the Department of Social Services shall utilize a risk				
38	assessment instrument for child and adult care enforcement. This instrument shall include				
39	criteria for determining when the following sanctions may be used: (i) the imposition of				
40	intermediate sanctions, (ii) the denial of licensure renewal or revocation of license of a				
41	licensed facility, (iii) injunctive relief against a child care provider, and (iv) additional				
42	inspections and intensive oversight of a facility by the Department of Social Services.				
43	D. Out of this appropriation, the Department of Social Services shall implement training for				
44	new assisted living facility owners and managers to focus on health and safety issues, and				
45	resident rights as they pertain to adult care residences.				
46	E. Out of this appropriation, \$8,853,833 and 79 positions the first year and \$8,853,833 and 79				
47	positions second year from the federal Child Care and Development Fund (CCDF) shall be				
48	provided to address the workload associated with licensing, inspecting and monitoring family				
49	day homes, pursuant to § 63.2-1704, Code of Virginia. On July 1, 2016, the Director of the				
50	Department of Planning and Budget shall unallot \$8,853,833 of this appropriation. At such				
51	time as the department demonstrates a sufficient increase in family day home licensure,				
52	inspection and monitoring activity to necessitate additional staff, the Director of the				

ITEM 349.		Item Details(\$)		Appropriations(\$)	
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1	Department of Planning and Budget may allot additional resources. The Department of				
2	Social Services shall provide a quarterly report on the implementation of this initiative to				
3	the Governor, the Chairmen of the House Appropriations and Senate Finance Committees,				
4	and the Director, Department of Planning and Budget.				
5	F. The Department of Social Services shall work with localities that currently inspect child				
6	day care centers and family day homes to minimize duplication and overlap of inspections				
7	pursuant to § 63.2-1701.1, Code of Virginia.				
8	G. No child day center, family day home, or family day system licensed in accordance				
9	with Chapter 17, Title 63.2; child day center exempt from licensure pursuant to § 63.2-				
10	1716; registered family day home; family day home approved by a family day system; or				
11	any child day center or family day home that enters into a contract with the Department of				
12	Social Services or a local department of social services to provide child care services				
13	funded by the Child Care and Development Block Grant shall employ; continue to				
14	employ; or permit to serve as a volunteer who will be alone with, in control of, or				
15	supervising children any person who has an offense as defined in § 63.2-1719. All				
16	employees and volunteers shall undergo the following background check by July 1, 2017				
17	and every 5 years thereafter, as required by the federal Child Care and Development Block				
18	Grant Act of 2014 (CCDBG).				
19	350. Administrative and Support Services (49900).....			\$129,164,154	\$104,950,417
20					\$113,401,617
21	General Management and Direction (49901).....	\$3,569,258	\$3,527,344		
22	Information Technology Services (49902).....	\$104,117,970	\$80,212,078		
23			\$88,613,278		
24	Accounting and Budgeting Services (49903).....	\$9,185,365	\$9,069,782		
25	Human Resources Services (49914).....	\$3,197,729	\$3,150,366		
26	Planning and Evaluation Services (49916).....	\$3,674,386	\$3,637,223		
27	Procurement and Distribution Services (49918).....	\$2,892,286	\$2,857,397		
28			\$2,907,397		
29	Public Information Services (49919).....	\$2,175,042	\$2,148,015		
30	Financial and Operational Audits (49929).....	\$352,118	\$348,212		
31	Fund Sources: General.....	\$50,058,707	\$42,779,307		
32			\$47,002,066		
33	Special.....	\$175,000	\$175,000		
34	Federal Trust.....	\$78,930,447	\$61,996,110		
35			\$66,224,551		
36	Authority: Title 63.2, Chapter 1; § 2.2-4000 et seq., Code of Virginia; P.L. 98-502, P.L.				
37	104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended, P.L. 105-89, Federal				
38	Code; Titles IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act,				
39	as amended.				
40	A. The Department of Social Services shall require localities to report all expenditures on				
41	designated social services, regardless of reimbursement from state and federal sources.				
42	The Department of Social Services is authorized to include eligible costs in its claim for				
43	Temporary Assistance for Needy Families Maintenance of Effort requirements.				
44	B. It is the intent of the General Assembly that the Commissioner, Department of Social				
45	Services shall work with localities that seek to voluntarily merge and consolidate their				
46	respective local departments of social services. No funds appropriated under this act shall				
47	be used to require a locality to merge or consolidate local departments of social services.				
48	C.1. Out of this appropriation, \$473,844 the first year and \$473,844 the second year from				
49	the general fund and \$781,791 the first year and \$781,791 the second year from				
50	nongeneral funds shall be provided to support the statewide 2-1-1 Information and				
51	Referral System which provides resource and referral information on many of the				
52	specialized health and human resource services available in the Commonwealth, including				
53	child day care availability and providers in localities throughout the state, and publish				
54	consumer-oriented materials for those interested in learning the location of child day care				
55	providers.				

ITEM 350.		Item Details(\$)		Appropriations(\$)	
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1	2. The Department of Social Services shall request that all state and local child-serving				
2	agencies within the Commonwealth be included in the Virginia Statewide Information and				
3	Referral System as well as any agency or entity that receives state general fund dollars and				
4	provides services to families and youth. The Secretary of Health and Human Resources, the				
5	Secretary of Education and Workforce, and the Secretary of Public Safety and Homeland				
6	Security shall assist in this effort by requesting all affected agencies within their secretariats				
7	to submit information to the statewide Information and Referral System and ensure that such				
8	information is accurate and updated annually. Agencies shall also notify the Virginia				
9	Information and Referral System of any changes in services that may occur throughout the				
10	year.				
11	3. The Department of Social Services shall communicate with child-serving agencies within				
12	the Commonwealth about the availability of the statewide Information and Referral System.				
13	This information shall also be communicated via the Department of Social Services' broadcast				
14	system on their agency-wide Intranet so that all local and regional offices can be better				
15	informed about the Statewide Information and Referral System. Information on the Statewide				
16	Information and Referral System shall also be included within the department's electronic				
17	mailings to all local and regional offices at least biannually.				
18	D.1. Out of this appropriation, \$3,452,065 the first year from the general fund and \$961,620				
19	the first year from nongeneral funds shall be provided to complete the base contract to				
20	modernize the eligibility determination systems in the Department of Social Services. If any				
21	additional funding is needed, the department shall complete modernization efforts within				
22	existing resources.				
23	2. Within 30 days of awarding a contract related to the eligibility project, the Department of				
24	Social Services shall provide the Chairmen of House Appropriations and Senate Finance				
25	Committees, and Director, Department of Planning and Budget with a copy of the contract				
26	including costs.				
27	3. Beginning July 1, 2012, the Department of Social Services shall also provide semi-annual				
28	progress reports that must include a current project summary, implementation status,				
29	accounting of project expenditures and future milestones. All reports shall be submitted to the				
30	Chairmen of House Appropriations and Senate Finance Committees, and Director,				
31	Department of Planning and Budget.				
32	E.1. The Department of Social Services shall provide to the Chairmen of the House				
33	Appropriations and Senate Finance Committees a report on the implementation of the Asset				
34	Verification Service that is part of the Eligibility Modernization Project on or before				
35	September 1, 2016. It is the intent of the General Assembly to encourage financial institutions				
36	with branches in Virginia to work collaboratively with the department and its vendor in order				
37	to maximize participation in the Asset Verification Service program.				
38	2. The Department shall also develop a plan and submit it to the Chairmen of the House				
39	Appropriations and Senate Finance Committees to incorporate searchable national real estate				
40	records as part of the Asset Verification Service program as soon as the data are available.				
41	351. Not set out.				
42	352. Not set out.				
43	Total for Department of Social Services.....			\$2,022,978,058	\$2,026,415,182
44					\$2,052,013,877
45	General Fund Positions.....	615.21	618.99		
46			676.99		
47	Nongeneral Fund Positions.....	1,216.29	1,221.51		
48			1,163.51		
49	Position Level.....	1,831.50	1,840.50		
50	Fund Sources: General.....	\$415,809,095	\$411,455,380		
51			\$420,181,314		
52	Special.....	\$697,974,128	\$698,958,639		
53			\$695,448,849		

ITEM 352.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Dedicated Special Revenue.....	\$3,235,265	\$3,485,265		
2			\$3,585,265		
3	Federal Trust.....	\$905,959,570	\$912,515,898		
4			\$932,798,449		
5	353. Not set out.				
6	354. Not set out.				
7	355. Not set out.				
8	356. Not set out.				
9	357. Not set out.				
10	358. Not set out.				
11	359. Not set out.				
12	360. Not set out.				
13	361. Not set out.				
14	362. Not set out.				
15	TOTAL FOR OFFICE OF HEALTH AND				
16	HUMAN RESOURCES.....			\$14,448,234,397	\$14,915,980,126
17					\$15,260,233,333
18	General Fund Positions.....	8,498.79	8,540.72		
19			8,618.72		
20	Nongeneral Fund Positions.....	6,766.23	6,795.30		
21			6,737.30		
22	Position Level.....	15,265.02	15,336.02		
23			15,356.02		
24	Fund Sources: General.....	\$6,132,685,639	\$6,437,296,229		
25			\$6,498,812,686		
26	Special.....	\$1,148,423,255	\$1,142,916,118		
27			\$1,140,106,328		
28	Enterprise.....	\$55,283,360	\$51,783,360		
29	Trust and Agency.....	\$1,095,573	\$1,320,573		
30	Dedicated Special Revenue.....	\$559,455,154	\$524,122,894		
31			\$564,726,312		
32	Federal Trust.....	\$6,551,291,416	\$6,758,540,952		
33			\$7,003,484,074		

ITEM 363.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF NATURAL RESOURCES			
2	363.	Not set out.		
3	364.	Not set out.		
4	365.	Not set out.		
5	366.	Not set out.		
6	367.	Not set out.		
7	368.	Not set out.		
8	369.	Not set out.		
9	370.	Not set out.		
10	371.	Not set out.		
11	§ 1-15. DEPARTMENT OF GAME AND INLAND FISHERIES (403)			
12	372.	Not set out.		
13	373.	Not set out.		
14	374.	Not set out.		
15	375.	A. Pursuant to §§ 29.1-101, 58.1-638, and 58.1-1410, Code of Virginia, deposits to the Game Protection Fund include an estimated \$17,700,000 the first year and \$17,700,000 \$18,650,000 the second year from revenue originating from the general fund.		
16				
17				
18		B. Pursuant to § 29.1-101.01, Code of Virginia, the Department of Planning and Budget shall transfer such funds as designated by the Board of Game and Inland Fisheries from the Game Protection Fund (§ 29.1-101) to the Capital Improvement Fund (§ 29.1-101.01) up to an amount equal to 50 percent or less of the revenue deposited to the Game Protection Fund by § 3-1.01, subparagraph M, of this act.		
19				
20				
21				
22				
23		C. Out of the amounts transferred pursuant to § 3-1.01, subparagraph K, of this act, \$881,753 the first year and \$881,753 the second year from the Game Protection Fund shall be used for the enforcement of boating laws, boating safety education, and for improving boating access.		
24				
25				
26		Total for Department of Game and Inland Fisheries....	\$62,809,733	\$62,833,365
27		Nongeneral Fund Positions.....	496.00	496.00
28		Position Level.....	496.00	496.00
29		Fund Sources: Dedicated Special Revenue.....	\$46,531,590	\$46,555,222
30		Federal Trust.....	\$16,278,143	\$16,278,143
31	376.	Not set out.		
32	377.	Not set out.		
33	§ 1-16. MARINE RESOURCES COMMISSION (402)			
34	378.	Not set out.		

ITEM 379.		Item Details(\$)		Appropriations(\$)		
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	379.	Coastal Lands Surveying and Mapping (51000).....			\$1,989,302	\$2,522,423
2						\$2,346,423
3		Coastal Lands and Bottomlands Management				
4		(51001).....	\$1,421,913	\$2,027,913		
5				\$1,851,913		
6		Marine Resources Surveying and Mapping				
7		(51002).....	\$567,389	\$494,510		
8		Fund Sources: General.....	\$972,954	\$1,506,075		
9				\$1,330,075		
10		Dedicated Special Revenue.....	\$834,348	\$834,348		
11		Federal Trust.....	\$182,000	\$182,000		
12		Authority: Title 28.2, Chapters 12, 13, 14, 15 and 16; Title 62.1, Chapters 16 and 19, Code				
13		of Virginia.				
14		Out of this appropriation, \$22,000 the first year and \$226,000 \$50,000 the second year				
15		from the general fund is designated for Virginia's share of an Army Corps of Engineers				
16		project to construct a seawall to preserve the harbor on Tangier Island.				
17	380.	Not set out.				
18	381.	Not set out.				
19		Total for Marine Resources Commission.....			\$23,843,664	\$24,965,196
20						\$24,789,196
21		General Fund Positions.....	128.50	135.50		
22		Nongeneral Fund Positions.....	35.00	28.00		
23		Position Level.....	163.50	163.50		
24		Fund Sources: General.....	\$12,029,895	\$12,646,957		
25				\$12,470,957		
26		Special.....	\$6,653,839	\$7,158,309		
27		Commonwealth Transportation.....	\$313,768	\$313,768		
28		Dedicated Special Revenue.....	\$1,415,362	\$1,415,362		
29		Federal Trust.....	\$3,430,800	\$3,430,800		
30	382.	Not set out.				
31		TOTAL FOR OFFICE OF NATURAL			\$441,880,424	\$375,356,273
32		RESOURCES.....				\$375,180,273
33						
34		General Fund Positions.....	1,020.50	1,022.50		
35		Nongeneral Fund Positions.....	1,162.50	1,155.50		
36		Position Level.....	2,183.00	2,178.00		
37		Fund Sources: General.....	\$179,419,010	\$109,808,959		
38				\$109,632,959		
39		Special.....	\$40,801,582	\$41,306,052		
40		Commonwealth Transportation.....	\$423,603	\$423,603		
41		Enterprise.....	\$12,938,798	\$12,938,798		
42		Trust and Agency.....	\$37,508,398	\$37,508,398		
43		Debt Service.....	\$75,000	\$75,000		
44		Dedicated Special Revenue.....	\$87,084,262	\$89,665,469		
45		Federal Trust.....	\$83,629,771	\$83,629,994		

ITEM 383.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY			
2	383.	Not set out.		
3	384.	Not set out.		
4	385.	Not set out.		
5	386.	Not set out.		
6	387.	Not set out.		
7	§ 1-17. DEPARTMENT OF CORRECTIONS (799)			
8	388.	Not set out.		
9	389.	Not set out.		
10	390.	Not set out.		
11	391.	Not set out.		
12	392.	Not set out.		
13	393.	Operation of Secure Correctional Facilities (39800)....		\$949,074,960
14				\$961,411,288
15		Supervision and Management of Inmates (39802).....	\$468,061,485	\$470,538,521
16		Rehabilitation and Treatment Services - Prisons		
17		(39803).....	\$40,675,195	\$41,359,252
18		Prison Management (39805).....	\$67,684,260	\$70,457,754
19		Food Services - Prisons (39807).....	\$43,053,274	\$43,182,334
20		Medical and Clinical Services - Prisons (39810).....	\$198,824,815	\$205,097,496
21				\$210,097,496
22		Agribusiness (39811).....	\$10,051,668	\$10,051,668
23		Correctional Enterprises (39812).....	\$49,680,835	\$49,680,835
24		Physical Plant Services - Prisons (39815).....	\$71,043,428	\$71,043,428
25		Fund Sources: General.....	\$895,573,085	\$907,909,413
26				\$912,909,413
27		Special.....	\$52,580,835	\$52,580,835
28		Federal Trust.....	\$921,040	\$921,040
29		Authority: §§ 53.1-1, 53.1-5, 53.1-8, and 53.1-10, Code of Virginia.		
30		A. Included in this appropriation is \$1,195,000 in the first year and \$1,195,000 the second		
31		year from nongeneral funds for the purposes listed below. The source of the funds is		
32		commissions generated by prison commissary operations:		
33		1. \$170,000 the first year and \$170,000 the second year for Assisting Families of Inmates,		
34		Inc., to provide transportation for family members to visit offenders in prison and other		
35		ancillary services to family members;		
36		2. \$950,000 the first year and \$950,000 the second year for distribution to organizations that		
37		work to enhance faith-based services to inmates; and		
38		3. \$75,000 the first year and \$75,000 the second year for the "FETCH" program.		
39		B.1. The Department of Corrections is authorized to contract with other governmental entities		
40		to house male and female prisoners from those jurisdictions in facilities operated by the		
41		department.		

ITEM 393.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	2. The State Comptroller shall continue to maintain the Contract Prisoners Special				
2	Revenue Fund on the books of the Commonwealth to reflect the activities of contracts				
3	between the Commonwealth of Virginia and other governmental entities for the housing				
4	of prisoners in facilities operated by the Virginia Department of Corrections.				
5	3. The Department of Corrections shall determine whether it may be possible to contract				
6	to house additional federal inmates or inmates from other states in space available within				
7	state correctional facilities. The department may, subject to the approval of the Governor,				
8	enter into such contracts, to the extent that sufficient bedspace may become available in				
9	state facilities for this purpose.				
10	C. The Department of Corrections may enter into agreements with local and regional jails				
11	to house state-responsible offenders in such facilities and to effect transfers of convicted				
12	state felons between and among such jails. Such agreements shall be governed by the				
13	provisions of Item 70 of this act.				
14	D. To the extent that the Department of Corrections privatizes food services, the				
15	department shall also seek to maximize agribusiness operations.				
16	E. Notwithstanding the provisions of § 53.1-45, Code of Virginia, the Department of				
17	Corrections is authorized to sell on the open market and through the Virginia Farmers'				
18	Market Network any dairy, animal, or farm products of which the Commonwealth imports				
19	more than it exports.				
20	F. It is the intention of the General Assembly that § 53.1-47, the Code of Virginia,				
21	concerning articles and services produced or manufactured by persons confined in state				
22	correctional facilities, shall be construed such that the term "manufactured" articles shall				
23	include "remanufactured" articles.				
24	G. Out of this appropriation, \$921,040 the first year and \$921,040 the second year from				
25	nongeneral funds is included for inmate medical costs. The sources of the nongeneral				
26	funds are an award from the State Criminal Alien Assistance Program, administered by				
27	the U.S. Department of Justice.				
28	H.1. The Department of Corrections, in coordination with the Virginia Supreme Court,				
29	shall continue to operate a behavioral correction program. Offenders eligible for such a				
30	program shall be those offenders: (i) who have never been convicted of a violent felony as				
31	defined in § 17.1-805 of the Code of Virginia and who have never been convicted of a				
32	felony violation of §§ 18.2-248 and 18.2-248.1 of the Code of Virginia; (ii) for whom the				
33	sentencing guidelines developed by the Virginia Criminal Sentencing Commission would				
34	recommend a sentence of four years or more in facilities operated by the Department of				
35	Corrections; and (iii) whom the court determines require treatment for drug or alcohol				
36	substance abuse. For any such offender, the court may impose the appropriate sentence				
37	with the stipulation that the Department of Corrections place the offender in an intensive				
38	therapeutic community-style substance abuse treatment program as soon as possible after				
39	receiving the offender. Upon certification by the Department of Corrections that the				
40	offender has successfully completed such a program of a duration of 24 months or longer,				
41	the court may suspend the remainder of the sentence imposed by the court and order the				
42	offender released to supervised probation for a period specified by the court.				
43	2. If an offender assigned to the program voluntarily withdraws from the program, is				
44	removed from the program by the Department of Corrections for intractable behavior, fails				
45	to participate in program activities, or fails to comply with the terms and conditions of the				
46	program, the Department of Corrections shall notify the court, outlining specific reasons				
47	for the removal and shall reassign the defendant to another incarceration assignment as				
48	appropriate. Under such terms, the offender shall serve out the balance of the sentence				
49	imposed by the court, as provided by law.				
50	3. The Department of Corrections shall collect the data and develop the framework and				
51	processes that will enable it to conduct an in-depth evaluation of the program three years				
52	after it has been in operation. The department shall submit a report periodically on the				
53	program to the Chief Justice as he may require and shall submit a report on the				
54	implementation of the program and its usage to the Secretary of Public Safety and				
55	Homeland Security and the Chairmen of the House Appropriations and Senate Finance				

ITEM 393.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Committees by June 30 of each year.				
2	I. Included in the appropriation for this Item is \$250,000 the first year and \$250,000 the				
3	second year from nongeneral funds for a culinary arts program in which inmates are trained to				
4	operate food service activities serving agency staff and the general public. The source of the				
5	funds shall be revenues generated by the program. Any revenues so generated by the program				
6	shall not be subject to § 4-2.02 of this act and shall be used by the agency for the costs of				
7	operating the program. The State Comptroller shall continue to maintain the Inmate Culinary				
8	Arts Training Program Fund on the books of the Commonwealth to reflect the revenue and				
9	expenditures of this program.				
10	J.1. The Department of Corrections shall continue to coordinate with the Department of				
11	Medical Assistance Services and the Department of Social Services to enroll eligible inmates				
12	in Medicaid. To the extent possible, the Department of Corrections shall work to identify				
13	potentially eligible inmates on a proactive basis, prior to the time inpatient hospitalization				
14	occurs. Procedures shall also include provisions for medical providers to bill the Department				
15	of Medical Assistance Services, rather than the Department of Corrections, for eligible inmate				
16	inpatient medical expenses. Due to the multiple payor sources associated with inpatient and				
17	outpatient health care services, the Department of Corrections and the Department of Medical				
18	Assistance Services shall consult with the applicable provider community to ensure that				
19	administrative burdens are minimized and payment for health care services is rendered in a				
20	prompt manner.				
21	2. The Department of Corrections, through its contract with the Virginia Commonwealth				
22	University Department of Health Administration, shall review the management of a selected				
23	number of inmates who account for the largest share of total inpatient and outpatient medical				
24	care costs within the department. The review shall include inmates who have been enrolled in				
25	Medicaid for qualifying inpatient hospitalizations; for these individuals, the Department of				
26	Medical Assistance shall provide the requisite enrollee data. The review shall address the				
27	number and characteristics of these inmates (including demographic background, offense				
28	history, and security classification) who account for the highest costs for medical care. The				
29	review shall also consider, to the extent available, their medical history and current medical				
30	issues and address potential case management strategies and other steps to reduce costs for				
31	these inmates in the long term. Copies of the review shall be provided by October 1, 2017, to				
32	the Secretary of Public Safety and Homeland Security, the Secretary of Health and Human				
33	Resources, the Chairman of the Joint Commission on Health Care, and the Chairmen of the				
34	House Appropriations and Senate Finance Committees.				
35	K. Federal funds received by the Department of Corrections from the federal Residential				
36	Substance Abuse Treatment Program shall be exempt from payment of statewide and agency				
37	indirect cost recoveries into the general fund.				
38	L. Included in the appropriation for this item is funding for the first year and the second year				
39	from the general fund for six medical contract monitors. The persons filling these positions				
40	shall have the responsibility of closely monitoring the adequacy and quality of inmate medical				
41	services in those correctional facilities for which the department has contracted with a private				
42	vendor to provide inmate medical services.				
43	M. The Department of Corrections shall continue to operate a separate program for inmates				
44	under 18 years old who have been tried and convicted as adults and committed to the				
45	Department of Corrections. This separation of these offenders from the general prison				
46	population is required by the requirements of the federal Prison Rape Elimination Act.				
47	N. The Department shall provide to the Secretary of Public Safety and Homeland Security,				
48	the Directors of the Departments of Planning and Budget and Human Resources Management,				
49	and the Chairmen of the House Appropriations and Senate Finance Committees by July 1,				
50	2016, a report assessing:				
51	a. The costs, benefits, and administrative actions required to eliminate the Department's				
52	reliance on a private contractor for the delivery of inmate health care at multiple facilities, and				
53	to provide the same services internally using either state employees or individual contract				
54	medical personnel.				
55	b. The costs, benefits, and administrative actions required to transition to a statewide health				

ITEM 393.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	care management model that uses best practices and cost containment methods employed			
2	by prison health care management and Medicaid managed care organizations to deliver			
3	provider-managed and outcome-based comprehensive health care services through a			
4	single statewide contract for all of the Department's adult correctional centers.			
5	c. A review of the Department's actual cost experience comparing the previous			
6	arrangement in which the contractor assumed full financial risk for the payment of off-site			
7	inpatient and outpatient services, and the current and proposed arrangement in which the			
8	Department assumes that risk and also receives any Medicaid reimbursement for such off-			
9	site expenses. For purposes of analyzing the first arrangement, it is assumed that the			
10	benefit of any Medicaid or other third-party reimbursement for hospital or other services			
11	would accrue to the contractor. This review shall also compare cost trends experienced by			
12	other states which have adopted these two arrangements.			
13	d. A comparison of the costs and benefits of the Department's current management of			
14	inmate health care, including the model envisioned in its August 2014 Request for			
15	Proposals, to the alternative models the Department is directed to assess in subsections a,			
16	b, and c above.			
17	e. The Department of Human Resources Management, the Department of Planning and			
18	Budget and other executive branch agencies shall provide technical assistance to the			
19	Department as needed.			
20	394.	Not set out.		
21				
22				
23	General Fund Positions.....	12,352.00	12,098.00	
24	Nongeneral Fund Positions.....	245.50	251.50	
25	Position Level.....	12,597.50	12,349.50	
26	Fund Sources: General.....	\$1,129,443,465	\$1,142,510,435	
27			\$1,147,510,435	
28	Special.....	\$58,784,335	\$58,051,335	
29	Dedicated Special Revenue.....	\$2,480,379	\$2,480,379	
30	Federal Trust.....	\$1,831,318	\$1,831,318	
31	395.	Not set out.		
32	396.	Not set out.		
33	397.	Not set out.		
34	398.	Not set out.		
35	399.	Not set out.		
36	400.	Not set out.		
37	401.	Not set out.		
38	402.	Not set out.		
39	403.	Not set out.		
40	404.	Not set out.		
41	405.	Not set out.		
42	406.	Not set out.		

\$1,192,539,497 **\$1,204,873,467**
\$1,209,873,467

ITEM 406.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1 407.	Not set out.			
2 408.	Not set out.			
3 409.	Not set out.			
4	§ 1-18. DEPARTMENT OF FORENSIC SCIENCE (778)			
5 410.	Law Enforcement Scientific Support Services			
6	(30900).....		\$44,262,469	\$45,600,887
7				\$45,725,887
8	Biological Analysis Services (30901).....	\$12,722,433	\$12,900,492	
9			\$12,950,492	
10	Chemical Analysis Services (30902).....	\$13,204,085	\$8,239,190	
11			\$8,314,190	
12	Toxicology Services (30903).....	\$0	\$7,042,248	
13	Physical Evidence Services (30904).....	\$8,804,422	\$8,755,850	
14	Training Services (30905).....	\$1,770,681	\$673,022	
15	Administrative Services (30906).....	\$7,760,848	\$7,990,085	
16	Fund Sources: General.....	\$42,232,539	\$43,570,743	
17			\$43,695,743	
18	Federal Trust.....	\$2,029,930	\$2,030,144	
19	Authority: §§ 9.1-1100 through 9.1-1113, Code of Virginia.			
20	A. Notwithstanding the provisions of § 58.1-3403, Code of Virginia, the Department of			
21	Forensic Science shall be exempt from the payment of service charges levied in lieu of taxes			
22	by any county, city, or town.			
23	B.1. The Forensic Science Board shall ensure that all individuals who were convicted due to			
24	criminal investigations, for which its case files for the years between 1973 and 1988 were			
25	found to contain evidence possibly suitable for DNA testing, are informed that such evidence			
26	exists and is available for testing. To effectuate this requirement, the Board shall prepare two			
27	form letters, one sent to each person whose evidence was tested, and one sent to each person			
28	whose evidence was not tested. Copies of each such letter shall be sent to the Chairman of the			
29	Forensic Science Board and to the respective Chairmen of the House and Senate Committees			
30	for Courts of Justice. The Department of Corrections shall assist the board in effectuating this			
31	requirement by providing the addresses for all such persons to whom letters shall be sent,			
32	whether currently incarcerated, on probation, or on parole. In cases where the current address			
33	of the person cannot be ascertained, the Department of Corrections shall provide the last			
34	known address. The Chairman of the Forensic Science Board shall report on the progress of			
35	this notification process at each meeting of the Forensic Science Board.			
36	2. Upon a request pursuant to the Virginia Freedom of Information Act for a certificate of			
37	analysis that has been issued in connection with the Post Conviction DNA Testing Program			
38	and that reflects that a convicted person's DNA profile was not indicated on items of evidence			
39	tested, the Department of Forensic Science shall make available for inspection and copying			
40	such requested record after all personal and identifying information about the victims, their			
41	family members, and consensual partners has been redacted, except where disclosure of the			
42	information contained therein is expressly prohibited by law or the Commonwealth's Attorney			
43	to whom the certificate was issued states that the certificate is critical to an ongoing active			
44	investigation and that disclosure jeopardizes the investigation.			
45	C. The Department of Forensic Science, in cooperation with the Office of the Attorney			
46	General, shall pursue funding opportunities including federal grants to ensure that Physical			
47	Evidence Recovery Kits, associated with sexual assault reports or other investigations, which			
48	were collected but not submitted to the Department between July 1, 2014, and June 30, 2016,			
49	are analyzed.			
50	Total for Department of Forensic Science.....		\$44,262,469	\$45,600,887
51				\$45,725,887

ITEM 410.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	General Fund Positions.....	318.00	318.00		
2	Position Level.....	318.00	318.00		
3	Fund Sources: General.....	\$42,232,539	\$43,570,743		
4			\$43,695,743		
5	Federal Trust.....	\$2,029,930	\$2,030,144		
6	411. Not set out.				
7	412. Not set out.				
8	413. Not set out.				
9	414. Not set out.				
10	415. Not set out.				
11	416. Not set out.				
12	417. Not set out.				
13	418. Not set out.				
14	419. Not set out.				
15	420. Not set out.				
16	421. Not set out.				
17	422. Not set out.				
18	423. Not set out.				
19	424. Not set out.				
20	425. Not set out.				
21	426. Not set out.				
22	TOTAL FOR OFFICE OF PUBLIC SAFETY				
23	AND HOMELAND SECURITY.....			\$2,911,040,096	\$2,951,528,489
24					\$2,956,653,489
25	General Fund Positions.....	17,609.32	17,378.32		
26	Nongeneral Fund Positions.....	2,418.18	2,465.18		
27	Position Level.....	20,027.50	19,843.50		
28	Fund Sources: General.....	\$1,888,429,090	\$1,911,776,731		
29			\$1,916,901,731		
30	Special.....	\$150,922,290	\$150,421,495		
31	Commonwealth Transportation.....	\$9,452,754	\$9,452,754		
32	Enterprise.....	\$679,643,186	\$697,649,841		
33	Trust and Agency.....	\$4,818,130	\$4,818,130		
34	Dedicated Special Revenue.....	\$30,407,154	\$30,407,154		
35	Federal Trust.....	\$147,367,492	\$147,002,384		

ITEM 427.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF TECHNOLOGY			
2	427.	Not set out.		
3	428.	Not set out.		
4	§ 1-19. VIRGINIA INFORMATION TECHNOLOGIES AGENCY (136)			
5	429.	Not set out.		
6	430.	Not set out.		
7	431.	Not set out.		
8	432.	Not set out.		
9	433.	Information Technology Planning and Quality		
10		Control (82800).....		\$4,047,041
11				\$3,142,189
12		Information Technology Investment Management		\$5,394,501
13		(ITIM) Oversight Services (82801).....	\$1,653,483	\$1,653,567
14		Enterprise Development Services (82803).....	\$2,393,558	\$1,488,622
15				\$3,740,934
16		Fund Sources: General.....	\$2,033,955	\$0
17				\$2,252,312
18		Internal Service.....	\$0	\$2,034,039
19		Dedicated Special Revenue.....	\$2,013,086	\$1,108,150
20	Authority: Title 2.2, Chapter 20.1, Code of Virginia.			
21	A.1. Notwithstanding the provisions of §§ 2.2-1509, 2.2-2007 and 2.2-2017, Code of			
22	Virginia, the scope of formal reporting on major information technology projects in the			
23	Recommended Technology Investment Projects (RTIP) report is reduced. The efforts			
24	involved in researching, analyzing, reviewing, and preparing the report will be streamlined			
25	and project ranking will be discontinued. Project analysis will be targeted as determined by			
26	the Chief Information Officer (CIO) and the Secretary of Technology. Information on major			
27	information technology investments will continue to be provided General Assembly members			
28	and staff. Specifically, the following tasks will not be required, though the task may be			
29	performed in a more streamlined fashion: (i) The annual report to the Governor, the Secretary,			
30	and the Joint Commission on Technology and Science; (ii) The annual report from the CIO			
31	for submission to the Secretary, the Information Technology Advisory Council, and the Joint			
32	Commission on Technology and Science on a prioritized list of Recommended Technology			
33	Investment Projects (RTIP Report); (iii) The development by the CIO and regular update of a			
34	methodology for prioritizing projects based upon the allocation of points to defined criteria			
35	and the inclusion of this information in the RTIP Report; (iv) The indication by the CIO of the			
36	number of points and how they were awarded for each project recommended for funding in			
37	the RTIP Report; (v) The reporting, for each project listed in the RTIP, of all projected costs			
38	of ongoing operations and maintenance activities of the project for the next three biennia			
39	following project implementation, a justification and description for each project baseline			
40	change, and whether the project fails to incorporate existing standards for the maintenance,			
41	exchange, and security of data; and (vii) The reporting of trends in current projected			
42	information technology spending by state agencies and secretariats, including spending on			
43	projects, operations and maintenance, and payments to Virginia Information Technologies			
44	Agency.			
45	2. Notwithstanding any other provision of law and effective July 1, 2015, the Virginia			
46	Information Technologies Agency (VITA) shall maintain and update quarterly a list of major			
47	information technology projects that are active or are expected to become active in the next			
48	fiscal year and have been approved and recommended for funding by the Secretary of			
49	Technology. Such list shall serve as the official repository for all ongoing information			

ITEM 433.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	technology projects in the Commonwealth and shall include all information required by §				
2	2.2-1509.3 (B)(1)-(8), Code of Virginia. VITA shall make such list publically available on				
3	its website, updated on a quarterly basis, and shall submit electronically such quarterly				
4	update to the Chairmen of the House Appropriations and Senate Finance Committees and				
5	the Director, Department of Planning and Budget, in a format mutually agreeable to them.				
6	To ensure such list can be maintained and updated quarterly, state agencies with major				
7	information technology projects that are active or are expected to become active in the				
8	next fiscal year shall provide in a timely manner all data and other information requested				
9	by VITA.				
10	3. The Health Care Reform program office has been established by the Secretary of Health				
11	and Human Resources to address the American Recovery and Reinvestment Act (ARRA),				
12	the Patient Protection and Patient Affordability Act (PPACA), and the Medicaid				
13	Information Technology Architecture (MITA). This program will be generating				
14	approximately 23 major as well as non-major projects and the total cost of the program				
15	over seven years is expected to be \$93,043,146 with a cost to the Commonwealth of				
16	\$9,773,220. Projects will be established over the next four years. The seven year costs				
17	include six years of operational expenses associated with the provider incentive program				
18	that sunsets in 2021. New recurring Medicaid expenses are also reflected in the seven year				
19	cost estimates. The projects and cost estimates in this paragraph include efforts to				
20	modernize eligibility determination systems within the Department of Social Services.				
21	<i>B. Out of this appropriation, \$2,252,312 the first year from the general fund shall be used</i>				
22	<i>to pay the outstanding balance of the working capital advance previously provided to the</i>				
23	<i>Virginia Enterprise Applications Program for the development of enterprise applications</i>				
24	<i>for the Commonwealth.</i>				
25	434. Not set out.				
26	435. Information Technology Security Oversight				
27	(82900).....			\$6,271,396	\$5,993,126
28					\$6,715,115
29	Technology Security Oversight Services (82901)....	\$4,556,365	\$3,627,206		
30	Information Technology Security Service Center				
31	(82902).....	\$1,715,031	\$1,740,606		
32			\$2,462,595		
33	Cloud Based Services Oversight (82903).....	\$0	\$625,314		
34	Fund Sources: General.....	\$463,587	\$425,164		
35	Special.....	\$129,495	\$285,450		
36	Internal Service.....	\$5,678,314	\$5,282,512		
37			\$6,004,501		
38	Authority: Title 2.2, Chapter 20.1, Code of Virginia.				
39	A. Out of this appropriation, \$4,275,798 the first year and \$3,346,639 the second year for				
40	Technology Security Oversight Services is sum sufficient and amounts shown are				
41	estimates from an internal service fund which shall be paid solely from charges to other				
42	programs within this agency.				
43	B.1. The Virginia Information Technologies Agency shall operate an information				
44	technology security service center to support the information technology security needs of				
45	agencies electing to participate in the information technology security service center.				
46	Support for participating agencies shall include, but not be limited to, vulnerability scans,				
47	information technology security audits, and Information Security Officer services.				
48	Participating agencies shall cooperate with the Virginia Information Technologies Agency				
49	by transferring such records and functions as may be required.				
50	2.a. The Virginia Information Technologies Agency shall perform vulnerability scans of				
51	all public-facing websites and systems operated by state agencies. All state agencies which				
52	operate such websites and systems shall cooperate with the Virginia Information				
53	Technologies Agency in order to complete the vulnerability scans.				
54	b. Out of this appropriation, \$312,515 the first year and \$274,092 the second year from the				

ITEM 435.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	general fund shall be used to support vulnerability scanning of public-facing websites and			
2	systems of the Commonwealth.			
3	3. Agencies electing to participate in the information technology security service center shall			
4	enter into a memorandum of understanding with the Virginia Information Technologies			
5	Agency. Such memorandums shall outline the services to be provided by the Virginia			
6	Information Technologies Agency and the costs to provide those services. If a participating			
7	agency elects to not renew its memorandum of understanding, the agency shall notify the			
8	Virginia Information Technologies Agency twelve months prior to the scheduled renewal date			
9	of its intent to become a non-participating agency.			
10	4. Non-participating agencies shall be required by July 1 each year to notify the Chief			
11	Information Officer of the Commonwealth that the agency has met the requirements of the			
12	Commonwealth's information security standards. If the agency has not met the requirements			
13	of the Commonwealth's information security standards, the agency shall report to the Chief			
14	Information Officer of the Commonwealth the steps and procedures the agency is			
15	implementing in order to satisfy the requirements.			
16	5. Out of this appropriation, \$1,402,516 the first year and \$1,466,514 \$2,188,503 the second			
17	year for Information Technology Security Service Center is sum sufficient and amounts			
18	shown are estimates from an internal service fund which shall be paid solely from internal			
19	service fund revenues.			
20	6. Notwithstanding any other provision of state law, and to the extent and in the manner			
21	permitted by federal law, the Virginia Information Technologies Agency shall have the legal			
22	authority to access, use, and view data and other records transferred to or in the custody of the			
23	information technology security service center pursuant to this Item. The services of the			
24	center are intended to enhance data security, and no state law or regulation imposing data			
25	security or dissemination restrictions on particular records shall prevent or burden the			
26	custodian agency's authority under this Item to transfer such records to the center for the			
27	purpose of receiving the center's services. All such transfers and any access, use, or viewing			
28	of data by center personnel in support of the center's provision of such services to the			
29	transferring agency shall be deemed necessary to assist in valid administrative needs of the			
30	transferring agency's program that received, used, or created the records transferred, and			
31	personnel of the center shall, to the extent necessary, be deemed agents of the transferring			
32	agency's administrative unit that is responsible for the program. Without limiting the			
33	foregoing, no transfer of records under this Item shall trigger any requirement for notice or			
34	consent under the Government Data Collection and Dissemination Practices Act (GDCDPA)			
35	(§ 2.2-3800 et. seq.) or other law or regulation of the Commonwealth. The transferring agency			
36	shall continue to be deemed the custodian of any record transferred to the center for purposes			
37	of the GDCDPA, the Freedom Of Information Act, and other laws or regulations of the			
38	Commonwealth pertaining to agencies that administer the transferred records and associated			
39	programs. Custody of such records for security purposes shall not make the Virginia			
40	Information Technologies Agency a custodian of such records. Any memorandum of			
41	understanding under authority of this Item shall specify the records to be transferred, security			
42	requirements, and permitted use of data provided. VITA and any contractor it uses in the			
43	provision of the center's services shall hold such data in confidence and implement and			
44	maintain all information security safeguards defined in the memorandum of understanding or			
45	required by federal or state laws, regulations, or policies for the protection of sensitive data.			
46	7. The rates required to recover the costs of the information technology security service center			
47	shall be provided by the Virginia Information Technologies Agency to the Department of			
48	Planning and Budget by September 1 each year for review and approval of the subsequent			
49	fiscal year's rate.			
50	Total for Virginia Information Technologies Agency.		\$404,481,857	\$387,991,620
51				\$390,965,921
52	General Fund Positions.....	16.00	2.00	
53	Nongeneral Fund Positions.....	218.00	234.00	
54	Position Level.....	234.00	236.00	
55	Fund Sources: General.....	\$2,841,248	\$425,164	
56			\$2,677,476	

ITEM 435.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Special.....	\$9,864,333	\$11,059,855		
2	Internal Service.....	\$364,363,699	\$349,848,960		
3			\$350,570,949		
4	Dedicated Special Revenue.....	\$27,412,577	\$26,657,641		
5	TOTAL FOR OFFICE OF TECHNOLOGY.....			\$416,148,707	\$399,732,624
6					\$402,706,925
7	General Fund Positions.....	21.00	7.00		
8	Nongeneral Fund Positions.....	218.00	234.00		
9	Position Level.....	239.00	241.00		
10	Fund Sources: General.....	\$14,508,098	\$12,166,168		
11			\$14,418,480		
12	Special.....	\$9,864,333	\$11,059,855		
13	Internal Service.....	\$364,363,699	\$349,848,960		
14			\$350,570,949		
15	Dedicated Special Revenue.....	\$27,412,577	\$26,657,641		

ITEM 436.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF TRANSPORTATION			
2	436.	Not set out.		
3	437.	Not set out.		
4	438.	Not set out.		
5	439.	Not set out.		
6	440.	Not set out.		
7	441.	Not set out.		
8	§ 1-20. DEPARTMENT OF MOTOR VEHICLES (154)			
9	442.	Ground Transportation Regulation (60100).....		\$178,580,056
10				\$178,585,157
11		Customer Service Centers Operations (60101).....	\$122,963,251	\$122,963,251
12				\$124,463,251
13		Ground Transportation Regulation and Enforcement		
14		(60103).....	\$41,894,958	\$41,894,958
15		Motor Carrier Regulation Services (60105).....	\$13,721,847	\$13,726,948
16		Fund Sources: Commonwealth Transportation.....	\$171,133,456	\$171,138,557
17				\$172,638,557
18		Trust and Agency.....	\$5,446,600	\$5,446,600
19		Federal Trust.....	\$2,000,000	\$2,000,000
20		Authority: Title 46.2, Chapters 1, 2, 3, 6, 8, 10, 12, 15, 16, and 17; §§ 18.2-266 through 18.2-		
21		272; Title 58.1, Chapters 21 and 24, Code of Virginia. Title 33, Chapter 4, United States		
22		Code.		
23		A. The Commissioner, Department of Motor Vehicles, is authorized to establish, where		
24		feasible and cost efficient, contracts with private/public partnerships with commercial		
25		operations, to provide for simplification and streamlining of service to citizens through		
26		electronic means. Provided, however, that such commercial operations shall not be entitled to		
27		compensation as established under § 46.2-205, Code of Virginia, but rather at rates limited to		
28		those established by the commissioner.		
29		B. The Department of Motor Vehicles shall work to increase the use of alternative service		
30		delivery methods, which may include offering discounts on certain transactions conducted		
31		online, as determined by the department. As part of its effort to shift customers to internet		
32		usage where applicable, the department shall not charge its customers for the use of credit		
33		cards for internet or other types of transactions; however, this restriction shall not apply with		
34		respect to any credit or debit card transactions the department conducts on behalf of another		
35		agency, provided (i) the other agency is authorized to charge customers for the use of credit or		
36		debit cards and (ii) the merchant's fees and other transaction costs imposed by the card issuer		
37		are charged to the department.		
38		C. In order to provide citizens of the Commonwealth greater access to the Department of		
39		Motor Vehicles, the agency is authorized to enter into an agreement with any local		
40		constitutional officer or combination of officers to act as a license agent for the department,		
41		with the consent of the chief administrative officer of the constitutional officer's county or		
42		city, and to negotiate a separate compensation schedule for such office other than the schedule		
43		set out in § 46.2-205, Code of Virginia. Notwithstanding any other provision of law, any		
44		compensation due to a constitutional officer serving as a license agent shall be remitted by the		
45		department to the officer's county or city on a monthly basis, and not less than 80 percent of		
46		the sums so remitted shall be appropriated by such county or city to the office of the		
47		constitutional officer to compensate such officer for the additional work involved with		
48		processing transactions for the department. Funds appropriated to the constitutional office for		

ITEM 442.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	such work shall not be used to supplant existing local funding for such office, nor to			
2	reduce the local share of the Compensation Board-approved budget for such office below			
3	the level established pursuant to general law.			
4	D. The base compensation for DMV Select Agents shall be set at 4.5 percent of gross			
5	collections for the first \$500,000 and 5.0 percent of all gross collections in excess of			
6	\$500,000 made by the entity during each fiscal year on such state taxes and fees in place			
7	as a matter of law. The commissioner shall supply the agents with all necessary agency			
8	forms to provide services to the public, and shall cause to be paid all freight and postage,			
9	but shall not be responsible for any extra clerk hire or other business-related expenses or			
10	business equipment expenses occasioned by their duties.			
11	E. Out of the amounts identified in this Item, \$299,991 the first year and \$299,991 the			
12	second year from the Commonwealth Transportation Fund shall be paid to the			
13	Washington Metropolitan Area Transit Commission.			
14	F.1. Notwithstanding any other provision of law, the department shall assess a minimum			
15	fee of \$10 for all replacement and supplemental titles. The revenue generated from this fee			
16	shall be set aside to meet the expenses of the department.			
17	2. Notwithstanding any other provision of law, the department shall assess a \$10 late fee			
18	on all registration renewal transactions that occur after the expiration date. The late fee			
19	shall not apply to those exceptions granted under § 46.2-221.4, Code of Virginia. In			
20	assessing the late renewal fee the department shall provide a ten day grace period for			
21	transactions conducted by mail to allow for administrative processing. This grace period			
22	shall not apply to registration renewals for vehicles registered under the International			
23	Registration Plan. The revenue generated from this fee shall be set aside to meet the			
24	expenses of the department.			
25	3. Notwithstanding any other provision of law, the department shall establish a \$20			
26	minimum fee for original driver's licenses and replacements. The revenue generated from			
27	this fee shall be set aside to meet the expenses of the department.			
28	G. The Department of Motor Vehicles is hereby granted approval to renew or extend			
29	existing capital leases due to expire during the current biennium for existing customer			
30	service centers.			
31	H. The Department of Motor Vehicles is hereby appropriated revenues from the additional			
32	sales tax on fuel in certain transportation districts to recover the direct cost of			
33	administration incurred by the department in implementing and collecting this tax as			
34	provided by § 58.1-2295, Code of Virginia.			
35	I. The Commissioner of the Department of Motor Vehicles, in consultation with the			
36	Commissioner of Highways, shall take such steps as may be necessary to expand access to			
37	the E-ZPass program through its customer service channels using such locations and			
38	methods as are practicable.			
39	J. Included in the amounts for this item is \$350,000 in the first year and \$350,000 in the			
40	second year to support the on-going costs associated with the regulation of Transportation			
41	Network Companies in Virginia pursuant to the provisions of Chapter 2, 2015 Session of			
42	the General Assembly.			
43	K. Notwithstanding the provisions of Chapter 21 of Title 46.2, Code of Virginia, the			
44	Commissioner of the Department of Motor Vehicles shall be authorized to grant			
45	temporary authority to a motor carrier to transport property for compensation on an			
46	intrastate basis utilizing a digital platform that connects persons seeking a property			
47	transportation service with persons authorized by the motor carrier to transport property.			
48	Such temporary authority shall be subject to such reasonable conditions as the			
49	Commissioner may impose, and shall be valid only for passenger cars and pickup or panel			
50	trucks, as those terms are defined in § 46.2-100, Code of Virginia, which vehicles shall not			
51	be required to be issued for-hire license plates under the provisions of § 46.2-711, Code of			
52	Virginia. Such temporary authority, unless suspended or revoked, shall be valid for such			
53	time as the Department shall specify, but such authority shall not extend beyond January			
54	1, 2018, and shall create no presumption that corresponding permanent authority will be			

ITEM 442.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	granted thereafter.				
2	L. The Department of Motor Vehicles is hereby granted approval to distribute the				
3	transactional charges of the Cardinal accounting system to state agencies, when the				
4	transactions involve funds passed through the department to the benefiting agency.				
5	M. The Department of Motor Vehicles is hereby granted approval to distribute a portion of its				
6	indirect cost allocation charge to another state agency when the charge is related to revenue				
7	collected and transferred by the department to the state agency. Such transfers shall be based				
8	on the agency's proportionate share of the department's total transactions in the immediately				
9	preceding fiscal year. The Department shall annually submit to the Department of Planning				
10	and Budget a summary of the transfer amounts and the transaction volumes used to allocate				
11	the internal cost amounts.				
12	N. Notwithstanding § 46.2-688, Code of Virginia, the Department of Motor Vehicles shall not				
13	be required to refund a proration of the total cost of a motor vehicle registration when less				
14	than six months remain in the registration period. Any resulting savings shall be retained and				
15	used to meet the expenses of the Department.				
16	O. Notwithstanding § 46.2-342, Code of Virginia, the Department of Motor Vehicles shall not				
17	be required to include organ donation brochures with every driver's license renewal notice or				
18	application mailed to licensed drivers.				
19	P. The Commissioner shall only refuse to issue or renew any vehicle registration pursuant to				
20	subsection L of § 46.2-819.3:1 of an operator or owner of a vehicle who has no prior				
21	convictions for offenses under § 46.2-819.3:1 if, in addition to the conditions set forth in				
22	subsection L of § 46.2-819.3:1 for such refusal, the toll operator has offered the individual a				
23	settlement of no more than \$2,200.				
24	<i>Q.1. Pursuant to § 3-2.03 of this act, a line of credit up to \$20,700,000 is provided to the</i>				
25	<i>Department of Motor Vehicles as a temporary cash flow advance. The Department shall</i>				
26	<i>transfer such related funds to its special fund. Funds received from the line of credit shall be</i>				
27	<i>used to support operational costs related to the implementation and issuance of REAL ID</i>				
28	<i>compliant credentials. The Department is authorized to impose a \$10 surcharge on all first</i>				
29	<i>issuances of REAL ID compliant credentials that are acceptable for federal purposes. The</i>				
30	<i>surcharge shall be used to reimburse the line of credit. The request for the line of credit shall</i>				
31	<i>be prepared in the formats as approved by the Secretary of Finance and the Secretary of</i>				
32	<i>Transportation.</i>				
33	<i>2. The Secretary of Finance and Secretary of Transportation shall approve the draw downs</i>				
34	<i>from this line of credit prior to the expenditure of funds.</i>				
35	443. Not set out.				
36	444. Not set out.				
37	Total for Department of Motor Vehicles.....			\$257,163,185	\$257,257,483
38					\$258,757,483
39	Nongeneral Fund Positions.....	2,038.00	2,038.00		
40			2,063.00		
41	Position Level.....	2,038.00	2,038.00		
42			2,063.00		
43	Fund Sources: Commonwealth Transportation.....	\$245,747,261	\$245,841,559		
44			\$247,341,559		
45	Trust and Agency.....	\$5,446,600	\$5,446,600		
46	Federal Trust.....	\$5,969,324	\$5,969,324		
47	445. Not set out.				
48	446. Not set out.				
49	Grand Total for Department of Motor Vehicles.....			\$369,109,714	\$369,204,012
50					\$370,704,012

ITEM 446.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Nongeneral Fund Positions.....	2,038.00	2,038.00		
2			2,063.00		
3	Position Level.....	2,038.00	2,038.00		
4			2,063.00		
5	Fund Sources: Commonwealth Transportation.....	\$246,138,761	\$246,233,059		
6			\$247,733,059		
7	Trust and Agency.....	\$10,946,600	\$10,946,600		
8	Dedicated Special Revenue.....	\$79,800,000	\$79,800,000		
9	Federal Trust.....	\$32,224,353	\$32,224,353		
10	447. Not set out.				
11	448. Not set out.				
12	449. Not set out.				
13	450. Not set out.				
14	§ 1-21. DEPARTMENT OF TRANSPORTATION (501)				
15	451. Environmental Monitoring and Evaluation (51400).			\$13,534,237	\$14,386,580
16					\$13,688,075
17	Environmental Monitoring and Compliance for				
18	Highway Projects (51408).....	\$10,888,957	\$11,645,641		
19			\$10,700,185		
20	Environmental Monitoring Program Management				
21	and Direction (51409).....	\$2,645,280	\$2,740,939		
22			\$2,987,890		
23	Fund Sources: Commonwealth Transportation.....	\$13,534,237	\$14,386,580		
24			\$13,688,075		
25	452. Ground Transportation Planning and Research			\$72,784,885	\$73,224,297
26	(60200).....				\$73,774,836
27					
28	Ground Transportation System Planning (60201)....	\$58,541,924	\$60,147,213		
29			\$60,671,030		
30	Ground Transportation System Research (60202)....	\$10,440,699	\$9,147,341		
31			\$9,197,341		
32	Ground Transportation Program Management and				
33	Direction (60204).....	\$3,802,262	\$3,929,743		
34			\$3,906,465		
35	Fund Sources: Commonwealth Transportation.....	\$72,784,885	\$73,224,297		
36			\$73,774,836		
37	Authority: Title 33.2, Code of Virginia.				
38	A. Included in the amount for ground transportation system planning and research is no				
39	less than \$6,500,000 the first year and no less than \$6,500,000 the second year from the				
40	highway share of the Transportation Trust Fund for the planning and evaluation of options				
41	to address transportation needs.				
42	B. In addition, the Commonwealth Transportation Board may approve the expenditures of				
43	up to \$500,000 the first year and \$500,000 the second year from the highway share of the				
44	Transportation Trust Fund for the completion of advance activities, prior to the initiation				
45	of an individual project's design along existing highway corridors, to determine short-term				
46	and long-term improvements to the corridor. Such activities shall consider safety, access				
47	management, alternative modes, operations, and infrastructure improvements. Such funds				
48	shall be used for, but are not limited to, the completion of activities prior to the initiation				
49	of an individual project's design or to benefit identification of needs throughout the state				
50	or the prioritization of those needs. For federally eligible activities, the activity or item				
51	shall be included in the Commonwealth Transportation Board's annual update of the Six-				

ITEM 452.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Year Improvement program so that (i) appropriate federal funds may be allocated and				
2	reimbursed for the activities and (ii) all requirements of the federal Statewide Transportation				
3	Improvement Program can be achieved.				
4	C. Notwithstanding the provisions of Chapter 729 and Chapter 733 of the 2012 Acts of				
5	Assembly, the Commonwealth Transportation Board shall not reallocate any funds from				
6	projects on roadways controlled by any county that has withdrawn or elects to withdraw from				
7	the secondary system of state highways, nor from any roadway controlled by a city or town as				
8	part of the state's urban roadway system, based on a determination of nonconformity with the				
9	Commonwealth Transportation Board's Statewide Transportation Plan or the Six-Year				
10	Improvement Program. In jurisdictions that maintain roadways within their boundaries, the				
11	provisions of § 33.2-214, Code of Virginia, shall apply only to highways controlled by the				
12	Department of Transportation.				
13	D. The prioritization process developed under subsection B of Chapter 726 of the 2014				
14	Virginia Acts of Assembly shall not apply to use of funds provided in this item from the				
15	federal apportionments in the State Planning and Research Program.				
16	453. Highway Construction Programs (60300).....			\$2,382,394,166	\$1,855,638,761
17					\$2,211,532,373
18	Highway Construction Program Management				
19	(60315).....	\$27,001,888	\$39,005,784		
20	State of Good Repair Program (60320).....	\$171,957,974	\$87,123,374		
21			\$87,690,068		
22	High Priority Projects Program (60321).....	\$119,895,765	\$35,415,609		
23			\$107,937,754		
24	Construction District Grant Programs (60322).....	\$119,895,763	\$35,415,609		
25			\$89,405,123		
26	Specialized State and Federal Programs (60323).....	\$1,290,988,660	\$1,001,678,305		
27			\$1,384,041,851		
28	Legacy Construction Formula Programs (60324).....	\$652,654,116	\$657,000,080		
29			\$503,451,793		
30	Fund Sources: Commonwealth Transportation.....	\$1,993,401,084	\$1,612,338,761		
31			\$1,975,131,385		
32	Trust and Agency.....	\$388,993,082	\$243,300,000		
33			\$236,400,988		
34	Authority: Title 33.2, Chapter 3; Code of Virginia; Chapters 8, 9, and 12, Acts of Assembly of				
35	1989, Special Session II.				
36	A. From the appropriation for specialized state and federal programs funds shall be distributed				
37	as follows:				
38	1. \$99,958,646 the first year and \$105,299,506 the second year in federal state and matching				
39	funds shall be allocated for regional Surface Transportation Funds and distributed to				
40	applicable metropolitan planning organizations pursuant to 23 USC 133;				
41	2. \$53,871,340 the first year and \$55,272,403 the second year in federal and state matching				
42	funds shall be allocated for the Highway Safety Improvement Program pursuant to 23 USC				
43	148;				
44	3. \$70,981,544 the first year and \$69,805,236 the second year in federal and state matching				
45	funds shall be allocated for the Congestion Mitigation Air Quality program pursuant to 23				
46	USC 149;				
47	4. \$150,000,000 the first year and \$100,000,000 the second year shall be allocated for the				
48	Revenue Sharing Program pursuant to § 33.2-357, Code of Virginia;				
49	5. \$20,481,315 the first year and \$20,104,007 the second year in federal funds shall be				
50	allocated for the Surface Transportation Block Grant Program Set-Aside to 23 USC 133(h).				
51	6. \$2,736,051 the first year and \$4,183,261 the second year in state funds shall be allocated to				
52	the Virginia Transportation Infrastructure Bank pursuant to § 33.2-1500 et seq, Code of				
53	Virginia.				

ITEM 453.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	7. \$1,368,025 the first year and \$2,091,630 the second year in state funds shall be				
2	allocated to the Transportation Partnership Opportunity Fund pursuant to § 33.2-1529.1,				
3	Code of Virginia.				
4	B. Notwithstanding § 33.2-358, Code of Virginia, the proceeds from the lease or sale of				
5	surplus and residue property purchased under this program in excess of related costs shall				
6	be applied to the State of Good Repair Program pursuant to § 33.2-369, Code of Virginia.				
7	Proceeds must be used on Federal Title 23 eligible projects.				
8	C. The Director of the Department of Planning and Budget is authorized to increase the				
9	appropriation as needed to utilize amounts available from prior year balances in the				
10	dedicated funds and adjust items to the most recent Commonwealth Transportation Board				
11	budget.				
12	D. Funds appropriated for legacy formula construction programs shall be used for the				
13	purposes enumerated in subsection C of § 33.2-358, Code of Virginia, or as previously				
14	appropriated.				
15	E. Included in the amounts for specialized state and federal programs is the				
16	reappropriation of \$145,700,000 the first year and \$131,300,000 the second year from				
17	bond proceeds or dedicated special revenues for anticipated expenditure of amounts				
18	collected in prior years. The amounts will be provided from balances in the Capital				
19	Projects Revenue Bond Fund, Federal Transportation Grant Anticipation Revenue Bond				
20	Fund, Northern Virginia Transportation District Fund, State Route 28 Highway				
21	Improvement District Fund, U.S. Route 58 Corridor Development Fund and the Priority				
22	Transportation Fund. These amounts were originally appropriated when received or				
23	forecasted and are not related to FY 2017 and FY 2018 estimated revenues.				
24	F. Revenue collected through innovative revenue efforts authorized by § 33.2-213, Code				
25	of Virginia, shall be dedicated to State of Good Repair efforts as outlined in § 33.2-369,				
26	Code of Virginia, after all related program and collection costs incurred by the				
27	Department are considered.				
28	G. 1. Of the amounts provided in Item 449.10, Chapter 847 of the 2007 Acts of Assembly,				
29	\$31,070,647 was dedicated to enumerated projects funded from the Transportation				
30	Partnership Opportunity Fund. This amount represents available authorization remaining				
31	after the completed advancement of acquisition and construction of the projects in the				
32	Item. Of this amount, \$23,110,000 is now directed to Road Improvements at military				
33	installations in the Commonwealth. As part of the ongoing negotiations of a memorandum				
34	of agreement between the Department of the U.S. Army and the U.S. Department of				
35	Transportation and the Virginia Department of Transportation for the delivery of				
36	transportation projects as in-kind payments for parcel A-2 and A-3 at the former Ft.				
37	Monroe under the economic development conveyance in the Commonwealth of Virginia,				
38	the Virginia Department of Transportation shall request that the Department of the U.S.				
39	Army consider the reservation of funding included in this paragraph for improvements to				
40	the Ft. Eustis Boulevard interchange with I-64 at mile marker 250 which directly benefits				
41	Joint Base Langley-Eustis and the United States Army Training and Doctrine Command.				
42	Of this amount, \$7,960,647 is now directed to Improvements at interstate rest areas				
43	throughout the Commonwealth.				
44	2. Pursuant to the provisions of Item 449.10, 1., Chapter 847 of the 2007 Acts of				
45	Assembly, \$20,000,000 was deposited to the Transportation Partnership Opportunity Fund				
46	(TPOF) for the purpose of purchasing right of way owned by Norfolk Southern				
47	Corporation and located between Newtown Road and the Oceanfront. The subsequent				
48	contract for the TPOF award signed between the Department of Transportation and the				
49	City of Virginia Beach, specified that if such funds were not utilized to extend light rail				
50	along the corridor to Virginia Beach, the funds were to be repaid to the Department of				
51	Transportation and redeposited into the TPOF for allocations for other eligible				
52	transportation projects. Based on the failure of the project to move forward, as evidenced				
53	by the failure of the voter referendum on the Virginia Beach ballot in the November 2016				
54	election, the City of Virginia Beach is required to repay to the Department of				
55	Transportation the full amount in four annual payments of \$5,000,000 by September 1 of				
56	each year for the next four years beginning in fiscal year 2018. To the extent the annual				
57	payment is not made as required by September 1 in each year for the next four years, the				

ITEM 453.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Department of Transportation is directed to withhold the payment amount due from funds			
2	provided to the City of Virginia Beach pursuant to § 33.2-319, Code of Virginia. It is the			
3	intent of the General Assembly that these sums are hereby made available to the department			
4	to reallocate to eligible TPOF projects as they become available.			
5	H. For funds allocated in § 58.1-1741, Code of Virginia, to state of good repair purposes for			
6	fiscal year 2017 and fiscal year 2018, the distribution of funding in subsections (B) and (C) of			
7	§ 33.2-369, Code of Virginia, will not apply. The Commonwealth Transportation Board may			
8	allocate funds to state of good repair purposes for reconstruction and replacement of			
9	structurally deficient state and locally owned bridges and reconstruction and rehabilitation of			
10	pavement on the interstate system and primary state highway system determined to be			
11	deteriorated by the board, including municipality-maintained primary extensions, as well as to			
12	work related to the condition assessment and pavement rehabilitation of secondary highways			
13	and other related work to improve secondary highways. Prior to this allocation, the			
14	Commonwealth Transportation Board will provide \$11,929,353 for Improvements at			
15	Interstate Rest Areas throughout the Commonwealth.			
16	I. The Secretary may establish a pilot program for unpaved roads sections that (i) are more			
17	than 2 miles in length, (ii) is not a dead-end, (iii) intersects with existing paved roads at both			
18	ends and (iv) have a traffic volume of 100 or more vehicles in a context sensitive manner. Up			
19	to \$1,000,000 in the first year and \$1,000,000 in the second year from funds available under			
20	subdivision (C)(v) of § 33.2-358, Code of Virginia, may be used for this pilot program.			
21	J. Notwithstanding the provisions of § 33.2-358, Code of Virginia, the unanticipated amounts			
22	available for construction from the December 2015 revenue forecast and from the increased			
23	federal funding from the passage of the Fixing America's Surface Transportation (FAST) Act			
24	shall be distributed following the new construction formula defined by § 33.2-358, Code of			
25	Virginia, advancing the distribution of funds under this formula and provide 45 percent of the			
26	additional funding to the State of Good Repair Program, 27.5 percent to the High Priority			
27	Projects Program, and 27.5 percent to the District Grant Program.			
28	K.1. Notwithstanding any other provision of the Code of Virginia, as a condition on the			
29	expenditure of all amounts included in this item, the Commonwealth Transportation Board			
30	shall include all amounts needed, not to exceed \$140,000,000, in the fiscal year 2017 through			
31	fiscal year 2022 Six-Year Improvement Program adopted pursuant to § 33.2-214, for			
32	improvements to the Interstate 66 corridor inside the Capitol Beltway, including but not			
33	limited to the addition of a third eastbound travel lane on Interstate 66 from the Dulles			
34	Connector Road to State Route 237, North Fairfax Drive/N. Glebe Road exit of Interstate 66.			
35	2. Environmental work pursuant to the National Environmental Policy Act for the project			
36	outlined in paragraph J.1. shall commence no later than July 15, 2016, and the Department			
37	shall complete a minimum of 30 percent of the design work for such capacity expansion by			
38	November 1, 2017. Amounts dedicated to such project shall not reduce amounts made			
39	available to the High Priority Projects Program or the District Grant Program.			
40	3. It is the intent of the General Assembly that tolling on Interstate 66 inside the Capitol			
41	Beltway shall not extend beyond four hours during the morning rush hour and four hours			
42	during the evening rush hour on Mondays, Tuesdays, Wednesdays, Thursdays and Fridays,			
43	exclusive of national holidays, and tolling shall not apply on weekends.			
44	L. It is the intent of the General Assembly that the Commissioner, Department of			
45	Transportation, with the cooperation of the Secretary of Finance, shall set-aside any federal			
46	funding specifically authorized by Congress for projects on the Coalfields Expressway in a			
47	special sub-account of the Transportation Trust Fund to ensure such funds are used			
48	exclusively to advance the Coalfields Expressway project.			
49	454. Highway System Maintenance and Operations			
50	(60400).....		\$1,674,434,950	\$1,688,854,039
51				\$1,689,365,163
52	Interstate Maintenance (60401).....	\$337,737,740	\$356,080,156	
53			\$314,805,078	
54	Primary Maintenance (60402).....	\$481,225,945	\$485,842,962	
55			\$463,485,268	
56	Secondary Maintenance (60403).....	\$588,025,446	\$583,280,567	
57			\$638,720,317	

ITEM 454.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Transportation Operations Services (60404).....	\$185,082,091	\$182,551,595		
2			\$193,969,234		
3	Highway Maintenance Operations, Program				
4	Management and Direction (60405).....	\$82,363,728	\$81,098,759		
5			\$78,385,266		
6	Fund Sources: Commonwealth Transportation.....	\$1,674,434,950	\$1,688,854,039		
7			\$1,689,365,163		
8	A. The department is authorized to enter into agreements with state and local law				
9	enforcement officials to facilitate the enforcement of high occupancy vehicle (HOV)				
10	restrictions throughout the Commonwealth and metropolitan planning regions.				
11	B. Should federal law be changed to permit privatization of rest area operations, the				
12	department is hereby authorized to accept or solicit proposals for their development and/or				
13	operation.				
14	C. The Director, Department of Planning and Budget, is authorized to increase the				
15	appropriation in this Item as needed to utilize amounts available from prior year balances				
16	in the dedicated funds.				
17	D. The Commissioner's annual report pursuant to § 33.2-232, Code of Virginia, shall				
18	include an assessment of whether the department has met its secondary road pavement				
19	targets, by district and on a statewide basis.				
20	E. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may				
21	provide the Department of Transportation interest-free treasury loans in an amount not to				
22	exceed \$1,700,000 in the first year and \$1,700,000 in the second year which may be				
23	extended for a period longer than twelve months. The loan amounts would be provided to				
24	the City of Portsmouth to offset losses in personal property tax collections generated by				
25	the City due to the transfer of personal property from the Virginia International Gateway				
26	to the Commonwealth. The specific terms and structure of any loan shall be approved by				
27	the Secretary of Finance, after consultation with the Chairmen of the House				
28	Appropriations and Senate Finance Committees, or their designees. A treasury loan for				
29	this purpose shall be considered as bridge financing until the planned expansion of the				
30	Virginia International Gateway Facility commences and additional equipment is				
31	purchased which will generate personal property taxes that the City of Portsmouth shall				
32	use to repay the loan. To the extent the loan is not repaid as required by the specific terms				
33	of the loan, the Department of Transportation is directed to withhold the payment amount				
34	due from funds provided to the City of Portsmouth pursuant to § 33.2-319, Code of				
35	Virginia, to repay the loan.				
36	455. Commonwealth Toll Facilities (60600).....			\$90,948,250	\$47,094,150
37					\$69,214,833
38	Toll Facility Acquisition and Construction (60601).	\$55,000,000	\$10,000,000		
39			\$12,700,000		
40	Toll Facility Debt Service (60602).....	\$3,188,200	\$3,193,400		
41	Toll Facility Maintenance And Operation (60603)...	\$12,912,050	\$13,000,750		
42			\$23,671,433		
43	Toll Facilities Revolving Fund (60604).....	\$19,848,000	\$20,900,000		
44			\$29,650,000		
45	Fund Sources: Commonwealth Transportation.....	\$84,948,250	\$41,050,750		
46			\$63,214,833		
47	Trust and Agency.....	\$6,000,000	\$6,043,400		
48			\$6,000,000		
49	Authority: §§ 33.2-1524 and 33.2-1700 through 33.2-1729, Code of Virginia.				
50	A. Included in this Item are funds for the installation and implementation of a statewide				
51	Electronic Toll Customer Service/Violation Enforcement System.				
52	B. Funds as appropriated are provided for other toll facility initiatives as needed during the				
53	biennium including but not limited to funding activities to advance projects pursuant to the				
54	Public-Private Transportation Act.				

ITEM 455.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	C. Outstanding obligations due to the Toll Facility Revolving Account that were to be repaid				
2	from future Urban Construction allocations are hereby released.				
3	D. The Department of Transportation, in consultation with various stakeholders, shall provide				
4	to the Chairmen of the House Appropriations, Senate Finance, and House and Senate				
5	Transportation Committees by November 15, 2017, its recommendations regarding reporting				
6	to the General Assembly toll transaction data, including total toll road violation charges and				
7	administrative fees, levied and collected, as well as the feasibility of providing such				
8	information on an annual, facility-wide basis for all toll facilities in the Commonwealth.				
9	456. Financial Assistance to Localities for Ground				
10	Transportation (60700).....			\$948,976,395	\$947,678,871
11					\$948,987,982
12	Financial Assistance for City Road Maintenance				
13	(60701).....	\$371,138,361	\$375,355,526		
14			\$374,481,970		
15	Financial Assistance for County Road Maintenance				
16	(60702).....	\$66,000,705	\$66,752,742		
17			\$66,775,844		
18	Financial Assistance for Planning, Access Roads,				
19	and Special Projects (60704).....	\$15,737,329	\$15,370,603		
20			\$15,230,168		
21	<i>Financial Assistance for Local Transportation</i>				
22	<i>Project Management (60705).....</i>	\$0	\$1,500,000		
23	Distribution of Northern Virginia Transportation				
24	Authority Fund Revenues (60706).....	\$327,200,000	\$330,600,000		
25			\$331,400,000		
26	Distribution of Hampton Roads Transportation Fund				
27	Revenues (60707).....	\$168,900,000	\$159,600,000		
28	Fund Sources: Commonwealth Transportation.....	\$452,876,395	\$457,478,871		
29			\$456,487,982		
30	Dedicated Special Revenue.....	\$496,100,000	\$490,200,000		
31			\$492,500,000		
32	Authority: Title 33.2, Chapter 1, Code of Virginia.				
33	A. Out of the amounts for Financial Assistance for Planning, Access Road, and Special				
34	Projects, \$7,000,000 the first year and \$7,000,000 the second year from the Commonwealth				
35	Transportation Fund shall be allocated for purposes set forth in §§ 33.2-1509, 33.2-1600, and				
36	33.2-1510, Code of Virginia. Of this amount, the allocation for Recreational Access Roads				
37	shall be \$1,500,000 the first year and \$1,500,000 the second year, of which an amount up to				
38	\$1,000,000 each year may be provided to repair or upgrade highway signage for Virginia				
39	State Parks, State Boat Landing Sites and Highway Historical Markers throughout the				
40	Commonwealth. The department will work with the Department of Conservation and				
41	Recreation, the Department of Game and Inland Fisheries and the Department of Historic				
42	Resources to identify the related signage needs.				
43	B. The Department of Transportation is encouraged to promote the construction and				
44	improvement of highways and transit facilities by localities, whether or not such				
45	improvements are contained in the Six-Year Improvement Program or Plan. If such				
46	improvements are not contained in the Six-Year Improvement Program or Plan, the localities				
47	may not seek reimbursement from the department for the improvements.				
48	C. Distribution of Northern Virginia Transportation Authority Fund Revenues represents				
49	direct payments, of the revenue collected and deposited into the Fund, to the Northern				
50	Virginia Transportation Authority for uses contained in Chapter 766, 2013 Acts of Assembly.				
51	Notwithstanding any other provision of law, moneys deposited into the Hampton Roads				
52	Transportation Fund shall be transferred to the Hampton Roads Transportation Accountability				
53	Commission for use in accordance with § 33.2-2611, Code of Virginia, which use may				
54	include as a source of funds for administrative expenses of the Hampton Roads Transportation				
55	Accountability Commission.				
56	D. The prioritization process developed under subsection B of Chapter 726 of the 2014				
57	Virginia Acts of Assembly shall not apply to use of funds provided in this item from federal				

ITEM 456.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	apportionments in the Metropolitan Planning Program.				
2	457.	Non-Toll Supported Transportation Debt Service			
3		(61200).....		\$331,019,981	\$375,461,840
4					\$353,956,294
5		Highway Transportation Improvement District			
6			Debt Service (61201).....	\$7,215,019	\$7,212,269
7		Designated Highway Corridor Debt Service			
8			(61202).....	\$66,919,646	\$66,747,178
9					\$65,747,176
10		Commonwealth Transportation Capital Projects			
11			Bond Act Debt Service (61204).....	\$166,313,599	\$190,531,533
12					\$170,025,974
13		Federal Transportation Grant Anticipation			
14			Revenue Notes Debt Service (61205).....	\$90,571,717	\$110,970,860
15					\$110,970,875
16		Fund Sources: General.....		\$40,000,000	\$40,000,000
17			Commonwealth Transportation.....	\$90,592,573	\$110,970,860
18					\$110,970,875
19			Trust and Agency.....	\$192,810,046	\$217,105,229
20					\$195,572,035
21			Federal Trust.....	\$7,617,362	\$7,385,751
22					\$7,413,384
23	Authority: Titles 15.2, 33.2, and 58.1 of the Code of Virginia; Chapters 827 and 914, Acts				
24	of Assembly of 1990; Chapters 233 and 662, Acts of Assembly of 1994; Chapter 8, as				
25	amended by Chapter 538, Acts of Assembly of 1999; Chapters 1019 and 1044, Acts of				
26	Assembly of 2000; Chapter 799, Acts of Assembly of 2002; Chapter 896, Acts of				
27	Assembly of 2007; and Chapters 830 and 868, Acts of Assembly of 2011				
28	A.1. The amount shown for Highway Transportation Improvement District Construction				
29	shall be derived from payments made to the Transportation Trust Fund pursuant to the				
30	Contract between the State Route 28 Highway Transportation Improvement District and				
31	the Commonwealth Transportation Board dated September 1, 1988 as amended by the				
32	Amended and Restated District Contract by and among the Commonwealth				
33	Transportation Board, the Fairfax County Economic Development Authority and the State				
34	Route 28 Highway Transportation Improvement District Commission (the "District				
35	Commission") dated August 30, 2002, and May 1, 2012 (the "District Contract").				
36	2. There is hereby appropriated for payment immediately upon receipt to a third party				
37	approved by the Commonwealth Transportation Board, or a bond trustee selected by such				
38	third party, a sum sufficient equal to the special tax revenues collected by the Counties of				
39	Fairfax and Loudoun within the State Route 28 Highway Transportation Improvement				
40	District and paid to the Commonwealth Transportation Board by or on behalf of the				
41	District Commission (the "contract payments") pursuant to § 15.2-4600 et seq., Code of				
42	Virginia, and the District Contract between the Commonwealth Transportation Board and				
43	the District Commission.				
44	3. The contract payments may be supplemented from the Construction District Grant				
45	Program pursuant to § 33.2-371 allocated to the highway construction district in which the				
46	project financed is located, or any other lawfully available revenues of the Transportation				
47	Trust Fund, as may be necessary to meet debt service obligations. The payment of debt				
48	service shall be for the bonds (the Series 2012 Bonds) issued under the "Commonwealth				
49	of Virginia Transportation Contract Revenue Bond Act of 1988" (Chapters 653 and 676,				
50	Acts of Assembly of 1988 as amended by Chapters 827 and 914 of the Acts of Assembly				
51	of 1990). Funds required to pay the total debt service on the Series 2012 Bonds shall be				
52	made available in the amounts indicated in paragraph E of this Item.				
53	B.1. Out of the amounts for Designated Highway Corridor Construction, \$40,000,000 the				
54	first year and \$40,000,000 the second year from the general fund shall be paid to the U.S.				
55	Route 58 Corridor Development Fund, hereinafter referred to as the "Fund", established				
56	pursuant to § 33.2-2300, Code of Virginia. This payment shall be in lieu of the deposit of				
57	state recordation taxes to the Fund, as specified in the cited Code section. Said recordation				
58	taxes which would otherwise be deposited to the Fund shall be retained by the general				

ITEM 457.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	fund. Additional appropriations required for the U.S. Route 58 Corridor Development Fund,			
2	an amount estimated at \$9,000,000 the first year and \$9,000,000 the second year shall be			
3	transferred from the highway share of the Transportation Trust Fund.			
4	2. Pursuant to the "U.S. Route 58 Commonwealth of Virginia Transportation Revenue Bond			
5	Act of 1989" (as amended by Chapter 538 of the 1999 Acts of Assembly and Chapter 296 of			
6	the 2013 Acts of Assembly), the amounts shown in paragraph E of this Item shall be available			
7	from the Fund for debt service for the bonds previously issued and additional bonds issued			
8	pursuant to said act.			
9	C.1. The Commonwealth Transportation Board shall maintain the Northern Virginia			
10	Transportation District Fund, hereinafter referred to as the "Fund." Pursuant to § 33.2-2400,			
11	Code of Virginia, and for so long as the Fund is required to support the issuance of bonds, the			
12	Fund shall include at least the following elements:			
13	a. Amounts transferred from Item 266 of this act to this Item.			
14	b. Any public right-of-way use fees allocated by the Department of Transportation pursuant to			
15	§ 56-468.1 of the Code of Virginia and attributable to the counties of Fairfax, Loudoun, and			
16	Prince William, the amounts estimated at \$5,209,445 the first year and \$5,209,445 the second			
17	year.			
18	c. Any amounts which may be deposited into the Fund pursuant to a contract between the			
19	Commonwealth Transportation Board and a jurisdiction or jurisdictions participating in the			
20	Northern Virginia Transportation District Program, the amounts estimated to be \$816,000 the			
21	first year and \$816,000 the second year.			
22	2. The Fund shall support the issuance of bonds at a total authorized level of \$500,200,000 for			
23	the purposes provided in the "Northern Virginia Transportation District, Commonwealth of			
24	Virginia Revenue Bond Act of 1993," Chapter 391, Acts of Assembly of 1993 as amended by			
25	Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of			
26	Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts			
27	of Assembly, and Chapter 621 of the 2005 Acts of Assembly.			
28	3. Pursuant to the Northern Virginia Transportation District, Commonwealth of Virginia			
29	Revenue Bond Act of 1993, Chapter 391, Acts of Assembly of 1993, and as amended by			
30	Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of			
31	Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts			
32	of Assembly, and Chapter 621 of the 2005 Acts of Assembly, amounts shown in paragraph E			
33	of this Item shall be available from the Fund for debt service for the bonds previously issued			
34	and additional bonds issued pursuant to said act.			
35	4. Should the actual distribution of recordation taxes to the localities set forth in § 33.2-2400,			
36	Code of Virginia, exceed the amount required for debt service on the bonds issued pursuant to			
37	the above act, such excess amount shall be transferred to the Northern Virginia Transportation			
38	District Fund in furtherance of the program described in § 33.2-2401, Code of Virginia.			
39	5. Should the actual distribution of recordation taxes to said localities be less than the amount			
40	required to pay debt service on the bonds, the Commonwealth Transportation Board is			
41	authorized to meet such deficiency, to the extent required, from funds identified in Enactment			
42	No. 1, Section 11, of Chapter 391, Acts of Assembly of 1993.			
43	D.1. The Commonwealth Transportation Board shall maintain the City of Chesapeake account			
44	of the Set-aside Fund, pursuant to § 58.1-816.1, Code of Virginia, which shall include funds			
45	transferred from Item 261 of this act to this Item, and an amount estimated at \$1,500,000 the			
46	first year and \$1,500,000 the second year received from the City of Chesapeake pursuant to a			
47	contract or other alternative mechanism for the purpose provided in the "Oak Grove			
48	Connector, City of Chesapeake Commonwealth of Virginia Transportation Program Revenue			
49	Bond Act of 1994," Chapters 233 and 662, Acts of Assembly of 1994 (hereafter referred to as			
50	the "Oak Grove Connector Act").			
51	2. The amounts shown in paragraph E of this Item shall be available from the City of			
52	Chesapeake account of the Set-aside Fund for debt service for the bonds issued pursuant to			
53	the Oak Grove Connector Act.			

ITEM 457.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	3. Should the actual distribution of recordation taxes and such local revenues from the				
2	City of Chesapeake as may be received pursuant to a contract or other alternative				
3	mechanism to the City of Chesapeake account of the Set-aside Fund be less than the				
4	amount required to pay debt service on the bonds, the Commonwealth Transportation				
5	Board is authorized to meet such deficiency, pursuant to Enactment No. 1, Section 11 of				
6	the Oak Grove Connector Act.				
7	E. Pursuant to various Payment Agreements between the Treasury Board and the				
8	Commonwealth Transportation Board, funds required to pay the debt service due on the				
9	following Commonwealth Transportation Board bonds shall be transferred to the Treasury				
10	Board as follows:				
11			FY 2017		FY 2018
12	Transportation Contract Revenue Refund Bonds, Series 2012		\$7,215,019		\$7,212,269
13	(Refunding Route 28)				
14	Commonwealth of Virginia Transportation Revenue Bonds: U.S.				
15	Route 58 Corridor Development Program:				
16	Series 2006C		\$3,173,000		\$3,173,000
17	Series 2007B		\$15,031,750		\$15,032,500
18	Series 2012B (Refunding)		\$6,380,700		\$6,380,100
19	Series 2014B (Refunding)		\$24,141,750		\$24,140,250
20	Series 2016C (Refunding)		\$2,592,750		\$2,592,750
21	Northern Virginia Transportation District Program:				
22	Series 2006B		\$816,750		\$2,871,750
23	Series 2007A		\$4,588,150		\$4,600,900
24	Series 2009A-2		\$5,451,178		\$5,416,203
25	Series 2012A (Refunding)		\$11,831,538		\$9,792,038
26	Series 2014A (Refunding)		\$9,647,250		\$9,645,750
27	Series 2016B (Refunding)		\$639,500		\$2,354,500
28	Transportation Program Revenue Bonds:				
29	Series 2016A (Oak Grove Connector, City of Chesapeake)		\$1,990,000		\$1,990,750
30	Capital Projects Revenue Bonds:				
31	Series 2010 A-2		\$36,296,593		\$36,092,710
32	Series 2011		\$42,108,863		\$42,110,113
33	Series 2012		\$40,279,000		\$40,276,000
34	Series 2014		\$18,223,950		\$18,226,200
35	Series 2016		\$16,704,231		\$16,798,750
36	F. Out of the amounts provided for in this Item, an estimated \$75,595,668 the first year				
37	and \$110,970,859 the second year from federal reimbursements shall be provided for debt				
38	service payments on the Federal Transportation Grant Anticipation Revenue Notes.				
39	G. Out of the amounts provided for this Item, an estimated \$153,612,636 the first year and				
40	\$153,503,773 the second year from the Priority Transportation Fund shall be provided for				
41	debt service payments on the Commonwealth Transportation Capital Projects Revenue				

ITEM 457.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Bonds. Any additional amounts needed to offset the debt service payment requirements			
2	attributable to the issuance of the Capital Projects Revenue Bonds shall be provided from the			
3	Transportation Trust Fund.			
4	H. The Commonwealth Transportation Board is hereby authorized, by and with the consent of			
5	the Governor, to issue, pursuant to the applicable provisions of the Transportation			
6	Development and Revenue Bond Act (§ 33.2-1700 et seq., Code of Virginia) as amended			
7	from time to time, revenue obligations of the Commonwealth to be designated			
8	"Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series XXXX"			
9	at one or more times in an aggregate principal amount not to exceed \$180,000,000, after all			
10	costs. The net proceeds of the bonds shall be used exclusively for the purpose of providing			
11	funds for paying the costs incurred or to be incurred for construction or funding of			
12	transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of Assembly of			
13	2007, including but not limited to environmental and engineering studies; rights-of-way			
14	acquisition; improvements to all modes of transportation; acquisition, construction and related			
15	improvements; and any financing costs and other financing expenses. Such costs may include			
16	the payment of interest on the bonds for a period during construction and not exceeding one			
17	year after completion of construction of the projects. Notwithstanding the provisions of Item			
18	449.10 of Chapter 847 of the acts of Assembly 2007, any remaining funding may be used for			
19	the purposes set forth in subsection G of Item 453 of Chapter 665, 2015 Acts of Assembly.			
20	458.	Administrative and Support Services (69900).....		\$266,051,608
21				\$262,124,502
22		General Management and Direction (69901).....	\$142,662,181	
23			\$136,218,719	\$263,439,502
24			\$137,533,719	
25		Information Technology Services (69902).....	\$88,723,194	\$90,923,268
26		Facilities and Grounds Management Services		
27		(69915).....	\$16,235,764	\$16,668,596
28		Employee Training and Development (69924).....	\$18,430,469	\$18,313,919
29		Fund Sources: Commonwealth Transportation.....	\$266,051,608	\$262,124,502
30				\$263,439,502
31	Authority: Title 33.2, Code of Virginia.			
32	A. Notwithstanding any other provision of law, the highway share of the Transportation Trust			
33	Fund shall be used for highway maintenance and operation purposes prior to its availability			
34	for new development, acquisition, and construction.			
35	B. Administrative and Support Services shall include funding for management, direction, and			
36	administration to support the department's activities that cannot be directly attributable to			
37	individual programs and/or projects.			
38	C. Out of the amounts for General Management and Direction, allocations shall be provided			
39	to the Commonwealth Transportation Board to support its operations, the payment of			
40	financial advisory and legal services, and the management of the Transportation Trust Fund.			
41	D. Notwithstanding any other provision of law, the department may assess and collect the			
42	costs of providing services to other entities, public and private. The department shall take all			
43	actions necessary to ensure that all such costs are reasonable and appropriate, recovered, and			
44	understood as a condition to providing such service.			
45	E. Each year, as part of the six-year financial planning process, the commissioner shall			
46	implement a long-term business strategy that considers appropriate staffing levels for the			
47	department. In addition, the commissioner shall identify services, programs, or projects that			
48	will be evaluated for devolution or outsourcing in the upcoming year. In undertaking such			
49	evaluations, the commissioner is authorized to use the appropriate resources, both public and			
50	private, to competitively procure those identified services, programs, or projects and shall			
51	identify total costs for such activities.			
52	F. Notwithstanding § 4-2.03 of this act, the Virginia Department of Transportation shall be			
53	exempt from recovering statewide and agency indirect costs from the Federal Highway			
54	Administration until an indirect cost plan can be evaluated and developed by the agency and			

ITEM 458.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	G. The Director, Department of Planning and Budget, is authorized to adjust				
2	appropriations and allotments for the Virginia Department of Transportation to reflect				
3	changes in the official revenue estimates for commonwealth transportation funds.				
4	H. Out of the amounts for General Management and Direction, allocations shall be				
5	provided to support the capital lease agreement with Fairfax County for the Northern				
6	Virginia District building. An amount estimated at \$7,800,000 the first year and				
7	\$7,800,000 the second year from Commonwealth Transportation Funds shall be provided.				
8	I. Notwithstanding any other provisions of law, the Commonwealth Transportation				
9	Commissioner may enter into a contract with homeowner associations for grounds-				
10	keeping, mowing, and litter removal services.				
11	J. The prioritization process developed under subsection B of Chapter 726 of the 2014				
12	Virginia Acts of Assembly shall not apply to use of funds provided in this item from				
13	federal apportionments out of the Surface Transportation Program utilized for Employee				
14	Training and Development.				
15	K. Notwithstanding the provisions § 2.2-2402 of the Code of Virginia, no construction,				
16	erection, repair, upgrade, removal or demolition of any building, fixture or structure				
17	located or to be located on property of the Commonwealth of Virginia under the control of				
18	the Virginia Department of Transportation (VDOT) and within the secured area of a				
19	residency, area headquarters or district complex shall be subject to review or approval by				
20	the Art and Architectural Review Board as contemplated by that section. However, for				
21	changes to any building or fixture located on property owned or controlled by VDOT that				
22	has been designated or is under consideration for designation as a historic property, then				
23	VDOT shall submit such changes to the Art and Architectural Review Board for review				
24	and approval by the Board.				
25	459. Not set out.				
26	Total for Department of Transportation.....			\$5,780,144,472	\$5,264,463,040
27					\$5,623,959,058
28	Nongeneral Fund Positions.....	7,725.00	7,735.00		
29	Position Level.....	7,725.00	7,735.00		
30	Fund Sources: General.....	\$40,000,000	\$40,000,000		
31	Commonwealth Transportation.....	\$4,648,623,982	\$4,260,428,660		
32			\$4,646,072,651		
33	Trust and Agency.....	\$587,803,128	\$466,448,629		
34			\$437,973,023		
35	Dedicated Special Revenue.....	\$496,100,000	\$490,200,000		
36			\$492,500,000		
37	Federal Trust.....	\$7,617,362	\$7,385,751		
38			\$7,413,384		
39	460. Not set out.				
40	461. Not set out.				
41	462. Not set out.				
42	463. Not set out.				
43	464. Not set out.				
44	465. Not set out.				
45	TOTAL FOR OFFICE OF TRANSPORTATION...			\$6,988,449,208	\$6,487,251,959
46					\$6,848,247,977
47	Nongeneral Fund Positions.....	10,103.00	10,117.00		
48			10,142.00		

ITEM 465.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Position Level.....	10,103.00	10,117.00		
2			10,142.00		
3	Fund Sources: General.....	\$41,030,253	\$41,030,253		
4	Special.....	\$155,249,541	\$162,623,203		
5	Commonwealth Transportation.....	\$5,569,777,971	\$5,188,693,170		
6			\$5,575,837,161		
7	Trust and Agency.....	\$598,749,728	\$477,395,229		
8			\$448,919,623		
9	Dedicated Special Revenue.....	\$575,900,000	\$570,000,000		
10			\$572,300,000		
11	Federal Trust.....	\$47,741,715	\$47,510,104		
12			\$47,537,737		

ITEM 466.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	OFFICE OF VETERANS AND DEFENSE AFFAIRS			
2	466.	Not set out.		
3	467.	Not set out.		
4	468.	Not set out.		
5	469.	Not set out.		
6	470.	Not set out.		
7	471.	Not set out.		
8	472.	Not set out.		
9	472.05	Not set out.		
10	TOTAL FOR OFFICE OF VETERANS AND			
11	DEFENSE AFFAIRS.....		\$79,711,932	\$82,240,624
12	General Fund Positions.....	165.00	206.00	
13	Nongeneral Fund Positions.....	602.00	602.00	
14	Position Level.....	767.00	808.00	
15	Fund Sources: General.....	\$18,669,282	\$21,126,970	
16	Special.....	\$34,151,883	\$34,162,776	
17	Dedicated Special Revenue.....	\$735,000	\$795,000	
18	Federal Trust.....	\$26,155,767	\$26,155,878	

ITEM 472.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	CENTRAL APPROPRIATIONS			
2	§ 1-22. CENTRAL APPROPRIATIONS (995)			
3	472.10	Omitted.		
4	473.	Not set out.		
5	474.	Not set out.		
6	475.	Compensation and Benefit Adjustments (75700).....	\$42,887,042	\$203,767,366
7				\$203,568,592
8		Adjustments to Employee Compensation (75701).....	\$700,000	\$116,171,354
9		Adjustments to Employee Benefits (75702).....	\$42,187,042	\$87,596,012
10				\$87,397,238
11		Fund Sources: General.....	\$42,887,042	\$203,767,366
12				\$203,568,592
13		Authority: Discretionary Inclusion.		
14		A. Transfers to or from this Item may be made to decrease or supplement general fund		
15		appropriations to state agencies for:		
16		1. Adjustments to base rates of pay;		
17		2. Adjustments to rates of pay for budgeted overtime of salaried employees;		
18		3. Salary changes for positions with salaries listed elsewhere in this act;		
19		4. Salary changes for locally elected constitutional officers and their employees;		
20		5. Employer costs of employee benefit programs when required by salary-based pay		
21		adjustments;		
22		6. Salary changes for local employees supported by the Commonwealth, other than those		
23		funded through appropriations to the Department of Education; and		
24		7. Adjustments to the cost of employee benefits to include but not limited to health insurance		
25		premiums and retirement and related contribution rates.		
26		B. Transfers from this Item may be made when appropriations to the state agencies concerned		
27		are insufficient for the purposes stated in paragraph A of this Item, as determined by the		
28		Department of Planning and Budget, and subject to guidelines prescribed by the department.		
29		Further, the Department of Planning and Budget may transfer appropriations within this Item		
30		from the second year of the biennium to the first year, when necessary to accomplish the		
31		purposes stated in paragraph A of this Item.		
32		C. Except as provided for elsewhere in this Item, agencies supported in whole or in part by		
33		nongeneral fund sources, shall pay the proportionate share of changes in salaries and benefits		
34		as required by this Item, subject to the rules and regulations prescribed by the appointing or		
35		governing authority of such agencies. Nongeneral fund revenues and balances required for		
36		this purpose are hereby appropriated.		
37		D. Any supplemental salary payment to a state employee or class of state employees by a		
38		local governing body shall be governed by a written agreement between the agency head of		
39		the employee or class of employees receiving the supplement and the chief executive officer		
40		of the local governing body. Such agreement shall also be reviewed and approved by the		
41		Director of the State Department of Human Resource Management. At a minimum, the		
42		agreement shall specify the percent of state salary or fixed amount of the supplement, the		
43		resultant total salary of the employee or class of employees, the frequency and method of		
44		payment to the agency of the supplement, and whether or not such supplement shall be		
45		included in the employee's state benefit calculations. A copy of the agreement shall be made		
46		available annually to all employees receiving the supplement. The receipt of a local salary		

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1	supplement shall not subject employees to any personnel or payroll rules and practices			
2	other than those promulgated by the State Department of Human Resource Management.			
3	E. The Governor is hereby authorized to transfer funds from agency appropriations to the			
4	accounts of participating state employees in such amounts as may be necessary to match			
5	the contributions of the qualified participating employees, consistent with the			
6	requirements of the Code of Virginia governing the deferred compensation cash match			
7	program. Such transfers shall be made consistent with the following:			
8	1. The maximum cash match provided to eligible employees shall not be less than \$20.00			
9	per pay period, or \$40.00 per month, in each year of the biennium. The Governor may			
10	direct the agencies of the Commonwealth to utilize funds contained within their existing			
11	appropriations to meet these requirements.			
12	2. The Governor may direct agencies supported in whole or in part with nongeneral funds			
13	to utilize existing agency appropriations to meet these requirements. Such nongeneral			
14	revenues and balances are hereby appropriated for this purpose, subject to the provisions			
15	of § 4-2.01 b of this act. The use of such nongeneral funds shall be consistent with any			
16	existing conditions and restrictions otherwise placed upon such nongeneral funds.			
17	3. The procurement of services related to the implementation of this program shall be			
18	governed by standards set forth in § 51.1-124.30 C, Code of Virginia, and shall not be			
19	subject to the provisions of Chapter 7 (§ 11-35 et seq.), Title 11, Code of Virginia.			
20	F. The Secretary of Administration, in conjunction with the Secretary of Finance, may			
21	establish a program that allows for the sharing of cost savings from improved			
22	productivity, efficiency, and performance with agencies and employees. Such gain sharing			
23	programs require a management philosophy of open communication encouraging			
24	employee participation; a system which seeks, evaluates and implements employee input			
25	on increasing productivity; and a formula for measuring productivity gains and sharing			
26	these gains between employees and the agency. The Department of Human Resource			
27	Management, in conjunction with the Department of Planning and Budget, shall develop			
28	specific gain sharing program guidelines for use by agencies. The Department of Human			
29	Resource Management shall provide to the Governor, the Chairmen of the House			
30	Appropriations and Senate Finance Committees an annual report no later than October 1			
31	of each year detailing identified savings and their usage.			
32	G.1. Out of the appropriation for this Item, amounts estimated at \$45,312,041 the first year			
33	and \$91,173,497 the second year from the general fund shall be transferred to state			
34	agencies and institutions of higher education to support the general fund portion of costs			
35	associated with changes in the employer's share of premiums paid for the			
36	Commonwealth's health benefit plans.			
37	2. Notwithstanding any contrary provision of law, the health benefit plans for state			
38	employees resulting from the additional funding in this Item shall allow for a portion of			
39	employee medical premiums to be charged to employees.			
40	3. The Department of Human Resource Management shall explore options within the			
41	health insurance plan for state employees to promote value-based health choices aimed at			
42	creating greater employee satisfaction with lower overall health care costs. It is the			
43	General Assembly's intent that any savings associated with this employee health care			
44	initiative be retained and used towards funding state employee salary or fringe benefit cost			
45	increases.			
46	4. Notwithstanding any other provision of law, it shall be the sole responsibility and			
47	authority of the Department of Human Resource Management to establish and enforce			
48	employer contribution rates for any health insurance plan established pursuant to §2.2-			
49	2818, Code of Virginia.			
50	5. The Department of Human Resource Management is prohibited from establishing a			
51	retail maintenance network for maintenance drugs that includes penalties for non-use of			
52	the retail maintenance network.			
53	6. The Department of Human Resource Management shall not increase the annual out-of-			
54	pocket maximum included in the plans above the limits in effect for the plan year which			

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1	began on July 1, 2014.			
2	7. The Department of Human Resource Management shall develop and implement a pilot			
3	program beginning on July 1, 2017 for a single payment per episode for all services and costs			
4	spanning multiple providers across multiple settings for musculoskeletal injury claims to the			
5	maximum extent possible. The results of this pilot program, to include changes in return-to-			
6	work following injury times and costs of single payment per episode versus traditional			
7	payment per visit claim payments, shall be reported to the Governor, the Chairmen of the			
8	House Appropriations Committee and the Senate Finance Committee by August 1, 2018.			
9	H.1. Contribution rates paid to the Virginia Retirement System for the retirement benefits of			
10	public school teachers, state employees, state police officers, state judges, and state law			
11	enforcement officers eligible for the Virginia Law Officers Retirement System shall be based			
12	on a valuation of retirement assets and liabilities that are consistent with the provisions of			
13	Chapters 701 and 823, Acts of Assembly of 2012.			
14	2. Retirement contribution rates, excluding the five percent employee portion, shall be as set			
15	out below and include both the regular contribution rate and for the public school teacher plan			
16	the rate calculated by the Virginia Retirement System actuary for the 10-year payback of the			
17	retirement contribution payments deferred for the 2010-12 biennium:			
18		FY 2017		FY2018
19	Public school teachers	14.66%		16.32%
20	State employees	13.49%		13.49%
21	State Police Officers' Retirement System	28.54%		28.54%
22	Virginia Law Officers' Retirement System	21.05%		21.05%
23	Judicial Retirement System	41.97%		41.97%
24	3. Payments to the Virginia Retirement System shall be made no later than the tenth day			
25	following the close of each month of the fiscal year.			
26	4. The Director of Department of Planning and Budget shall withhold and transfer to this			
27	item, amounts estimated at \$10,022,276 the first year and \$10,458,009 the second year, from			
28	the general fund appropriations of state agencies and institutions of higher education,			
29	representing the net savings resulting from the changes in employer contributions for state			
30	employee retirement as provided for in this paragraph.			
31	5. The funding necessary to support the cost of reimbursements to Constitutional Officers for			
32	retirement contributions are appropriated elsewhere in this act under the Compensation Board.			
33	6. The funding necessary to support the cost of the employer retirement contribution rate for			
34	public school teachers is appropriated elsewhere in this act under Direct Aid to Public			
35	Education.			
36	I.1. Except as authorized in Paragraph I.2. of this Item, rates paid to the Virginia Retirement			
37	System on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local			
38	public school divisions (only to the extent that the employer contribution rate is not otherwise			
39	specified in this act), and (v) other political subdivisions shall be based on the employer			
40	contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to §			
41	51.1-145(I) , Code of Virginia.			
42	2. Rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii)			
43	towns, (iv) local public school divisions (only to the extent that the employer contribution rate			
44	is not otherwise specified in this act), and (v) other political subdivisions shall be based on the			
45	employer contribution rates certified by the Virginia Retirement System Board of Trustees			
46	pursuant to § 51.1-145(I) , Code of Virginia, unless the participating employer notifies VRS			
47	that it has opted to base the employer contribution rate on the higher of: a) the contribution			
48	rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial			
49	valuation of assets and liabilities as approved by the Virginia Retirement System Board of			
50	Trustees for the 2012-14 biennium, eighty percent of the results of the June 30, 2013 actuarial			
51	valuation of assets and liabilities as approved by the Virginia Retirement System Board of			
52	Trustees for the 2014-16 biennium, ninety percent of the results of the June 30, 2015 actuarial			
53	valuation of assets and liabilities as approved by the Virginia Retirement System Board of			

ITEM 475.	Item Details(\$)		Appropriations(\$)	
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1	Trustees for the 2016-18 biennium, and one-hundred percent of the results of the June 30,			
2	2017 actuarial valuation of assets and liabilities as approved by the Virginia Retirement			
3	System Board of Trustees for the 2018-20 biennium.			
4	3. Every participating employer that opts not to use the employer contribution rates			
5	certified by the Virginia Retirement System Board of Trustees pursuant to § 51.1-145(I),			
6	Code of Virginia, must certify to the board of the Virginia Retirement System by			
7	resolution adopted by its local governing body that it: has reviewed and understands the			
8	information provided by the Virginia Retirement System outlining the potential future			
9	fiscal implications of electing or not electing to utilize the employer contribution rates			
10	certified by the Virginia Retirement System Board of Trustees, as provided for in			
11	paragraph I.1.			
12	4. Local public school divisions must receive the concurrence of the local governing body			
13	if electing to pay the alternate contribution rate set out in paragraph I.2. Such concurrence			
14	must be documented by a resolution of the governing body.			
15	5. The board of the Virginia Retirement System shall provide all employers participating			
16	in the Virginia Retirement System with a summary of the implications inherent in the use			
17	of the employer contribution rates certified by the Virginia Retirement System (VRS)			
18	Board of Trustees set out in paragraph I.1, and the alternate employer contribution rates			
19	set out in paragraph I.2.			
20	J.1. The Virginia Retirement System Board of Trustees shall account for the employer			
21	retirement contribution payments deferred for the 2010-2012 biennium based on limiting			
22	employer retirement contributions to the Virginia Retirement System to the actuarial			
23	normal cost. In setting the employer retirement contribution rates for subsequent biennia,			
24	the board shall calculate a separate, supplemental employer contribution rate that will			
25	amortize such deferred payments over a period of ten years using the board's assumed			
26	long-term rate of return. The Governor shall include funds to support payment of such			
27	board-approved, supplemental employer contribution rates in the budget submitted to the			
28	General Assembly.			
29	2. For purposes of setting rates for the 2014-16 biennium, and future biennia, the board			
30	shall treat any lump-sum deposits into the retirement system as an expedited repayment of			
31	the 2010-2012 deferred contributions for the appropriate system. Should these deposits			
32	exceed the remaining amounts owed for the deferred contributions, the balance shall			
33	remain in these specific systems to address the overall unfunded liability.			
34	K.1. Contribution rates paid to the Virginia Retirement System for other employee			
35	benefits to include the public employee group life insurance program, the Virginia			
36	Sickness and Disability Program, the state employee retiree health insurance credit, and			
37	the public school teacher retiree health insurance credit, shall be based on a valuation of			
38	assets and liabilities that assume an investment return of seven percent and an			
39	amortization period of 30 years.			
40	2. Contribution rates paid on behalf of public employees for other programs administered			
41	by the Virginia Retirement System shall be:			
42		FY 2017		FY 2018
43	State employee retiree health insurance	1.18%		1.18%
44	credit			
45	Public school teacher retiree health	1.11%		1.23%
46	insurance credit			
47	State employee group life insurance	1.31%		1.31%
48	program			
49	Employer share of the public school	0.52%		0.52%
50	teacher group life insurance program			
51	Virginia Sickness and Disability	0.66%		0.66%
52	Program			
53	3. Funding for the Virginia Sickness and Disability Program is calculated on a rate of 0.55			
54	percent of total payroll.			

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1	4. Out of the general fund appropriation for this Item is included \$6,055,177 the first year and				
2	\$6,318,390 the second year to support the general fund portion of the net costs resulting from				
3	changes in employer contributions for state employee benefits as provided for in this				
4	paragraph.				
5	5. The funding necessary to support the cost of reimbursements to Constitutional Officers for				
6	public employee group life insurance contributions is appropriated elsewhere in this act under				
7	the Compensation Board.				
8	6. The funding necessary to support the cost of the employer public school teacher group life				
9	insurance and retiree health insurance credit rates is appropriated elsewhere in this act under				
10	Direct Aid to Public Education.				
11	L.1. The retiree health insurance credit contribution rates for the following groups of state				
12	supported local public employees shall be: 0.36 percent for constitutional officers and				
13	employees of constitutional officers, 0.42 percent for employees of local social services				
14	boards, and 0.41 percent for General Registrars and employees of General Registrars.				
15	2. Out of the general fund appropriation for this Item is included \$661,062 the first year and				
16	\$661,062 the second year to support the general fund portion of the net costs resulting from				
17	changes in the retiree health insurance credit contribution rates for state supported local public				
18	employees through the Compensation Board, the Department of Social Services, and the				
19	Department of Elections pursuant to § 51.1-1403, Code of Virginia.				
20	M.1. Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating				
21	agency shall not be required to pay the Virginia Retirement System the costs of enhanced				
22	retirement benefits provided for in § 2.2-3204(A), Code of Virginia for employees who are				
23	involuntarily separated from employment with the Commonwealth if the Director of the				
24	Department of Planning and Budget certifies that such action results from 1. budget				
25	reductions enacted in the Appropriation Act, 2. budget reductions executed in response to the				
26	withholding of appropriations by the Governor pursuant to §4-1.02 of the Act, 3.				
27	reorganization or reform actions taken by state agencies to increase efficiency of operations or				
28	improve service delivery provided such actions have been previously approved by the				
29	Governor, or 4. downsizing actions taken by state agencies as the result of the loss of federal				
30	or other grants, private donations, or other nongeneral fund revenue, and if the Director of the				
31	Department of Human Resource Management certifies that the action comports with				
32	personnel policy. Under these conditions, the entire cost of such benefits for involuntarily				
33	separated employees shall be factored into the employer contribution rates paid to the Virginia				
34	Retirement System.				
35	2. Notwithstanding the provisions of § 2.2-3205(A), Code of Virginia, the terminating agency				
36	shall not be required to pay the Virginia Retirement System the costs of enhanced retirement				
37	benefits provided for in § 2.2-3204(A), Code of Virginia, for employees who are involuntarily				
38	separated from employment with the Commonwealth if the Speaker of the House of Delegates				
39	and the Chairman of the Senate Committee on Rules have certified on or after July 1, 2016,				
40	that such action results from 1. budget reductions enacted in the Appropriation Act pertaining				
41	to the Legislative Department; 2. reorganization or reform actions taken by agencies in the				
42	legislative branch of state government to increase efficiency of operations or improve service				
43	delivery provided such actions have been approved by the Speaker of the House of Delegates				
44	and the Chairman of the Senate Committee on Rules; or 3. downsizing actions taken by				
45	agencies in the legislative branch of state government as the result of the loss of federal or				
46	other grants, private donations, or other nongeneral fund revenue and if the applicable agency				
47	certifies that the actions comport with the provisions of and related policies associated with				
48	the Workforce Transition Act. Under these conditions, the entire cost of such benefits for				
49	involuntarily separated employees shall be factored into the employer contribution rates paid				
50	to the Virginia Retirement System.				
51	N. The purpose of this paragraph is to provide a transitional severance benefit, under the				
52	conditions specified, to eligible city, county, school division or other political subdivision				
53	employees who are involuntarily separated from employment with their employer.				
54	1.a. "Involuntary separation" includes, but is not limited to, terminations and layoffs from				
55	employment with the employer, or being placed on leave without pay-layoff or equivalent				

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1	status, due to budget reductions, employer reorganizations, workforce downsizings, or			
2	other causes not related to the job performance or misconduct of the employee, but shall			
3	not include voluntary resignations. As used in this paragraph, a "terminated employee"			
4	shall mean an employee who is involuntarily separated from employment with his			
5	employer.			
6	b. The governing authority of a city, county, school division or other political subdivision			
7	electing to cover its employees under the provisions of this paragraph shall adopt a			
8	resolution, as prescribed by the Board of Trustees of the Virginia Retirement System, to			
9	that effect. An election by a school division shall be evidenced by a resolution approved			
10	by the Board of such school division and its local governing authority.			
11	2.a. Any (i) "eligible employee" as defined in § 51.1-132, (ii) "teacher" as defined in §			
12	51.1-124.3, and (iii) any "local officer" as defined in § 51.1.124.3 except for the treasurer,			
13	commissioner of the revenue, attorney for the Commonwealth, clerk of a circuit court, or			
14	sheriff of any county or city, and (a) for whom reemployment with his employer is not			
15	possible because there is no available position for which the employee is qualified or the			
16	position offered to the employee requires relocation or a reduction in salary and (b) whose			
17	involuntary separation was due to causes other than job performance or misconduct, shall			
18	be eligible, under the conditions specified, for the transitional severance benefit conferred			
19	by this paragraph. The date of involuntary separation shall mean the date an employee was			
20	terminated from employment or placed on leave without pay-layoff or equivalent status.			
21	b. Eligibility shall commence on the date of involuntary separation.			
22	3.a. On his date of involuntary separation, an eligible employee with (i) two years' service			
23	or less to the employer shall be entitled to receive a transitional severance benefit			
24	equivalent to four weeks of salary; (ii) three years through and including nine years of			
25	consecutive service to the employer shall be entitled to receive a transitional severance			
26	benefit equivalent to four weeks of salary plus one additional week of salary for every			
27	year of service over two years; (iii) ten years through and including fourteen years of			
28	consecutive service to the employer shall be entitled to receive a transitional severance			
29	benefit equivalent to twelve weeks of salary plus two additional weeks of salary for every			
30	year of service over nine years; or (iv) fifteen years or more of consecutive service to the			
31	employer shall be entitled to receive a transitional severance benefit equivalent to two			
32	weeks of salary for every year of service, not to exceed thirty-six weeks of salary.			
33	b. Transitional severance benefits shall be computed by the terminating employer's payroll			
34	department. Partial years of service shall be rounded up to the next highest year of service.			
35	c. Transitional severance benefits shall be paid by the employer in the same manner as			
36	normal salary. In accordance with § 60.2-229, transitional severance benefits shall be			
37	allocated to the date of involuntary separation. The right of any employee who receives a			
38	transitional severance benefit to also receive unemployment compensation pursuant to §			
39	60.2-100 et seq. shall not be denied, abridged, or modified in any way due to receipt of the			
40	transitional severance benefit; however, any employee who is entitled to unemployment			
41	compensation shall have his transitional severance benefit reduced by the amount of such			
42	unemployment compensation. Any offset to a terminated employee's transitional			
43	severance benefit due to reductions for unemployment compensation shall be paid in one			
44	lump sum at the time the last transitional severance benefit payment is made.			
45	d. For twelve months after the employee's date of involuntary separation, the employee			
46	shall continue to be covered under the (i) health insurance plan administered by the			
47	employer for its employees, if he participated in such plan prior to his date of involuntary			
48	separation, and (ii) group life insurance plan administered by the Virginia Retirement			
49	System pursuant to Chapter 5 (§ 51.1-500 et seq.) of Title 51.1, or such other group life			
50	insurance plan as may be administered by the employer. During such twelve months, the			
51	terminating employer shall continue to pay its share of the terminated employee's			
52	premiums. Upon expiration of such twelve month period, the terminated employee shall			
53	be eligible to purchase continuing health insurance coverage under COBRA.			
54	e. Transitional severance benefit payments shall cease if a terminated employee is			
55	reemployed or hired in an individual capacity as an independent contractor or consultant			
56	by the employer during the time he is receiving such payments.			

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1	f. All transitional severance benefits payable pursuant to this section shall be subject to				
2	applicable federal laws and regulations.				
3	4.a. In lieu of the transitional severance benefit provided in subparagraph 3 of this paragraph,				
4	any otherwise eligible employee who, on the date of involuntary separation, is also (i) a				
5	vested member of a defined benefit plan within the Virginia Retirement System, including the				
6	hybrid retirement program described in § 51.1-169, and including a member eligible for the				
7	benefits described in subsection B of § 51.1-138, and (ii) at least fifty years of age, may elect				
8	to have the employer purchase on his behalf years to be credited to either his age or creditable				
9	service or a combination of age and creditable service, except that any years of credit				
10	purchased on behalf of a member of the Virginia Retirement System, including a member				
11	eligible for the benefits described in subsection B of § 51.1-138, who is eligible for unreduced				
12	retirement shall be added to his creditable service and not his age. The cost of each year of				
13	age or creditable service purchased by the employer shall be equal to fifteen percent of the				
14	employee's present annual compensation. The number of years of age or creditable service to				
15	be purchased by the employer shall be equal to the quotient obtained by dividing (i) the cash				
16	value of the benefits to which the employee would be entitled under subparagraphs 3.a. and				
17	3.d. of this paragraph by (ii) the cost of each year of age or creditable service. Partial years				
18	shall be rounded up to the next highest year. Deferred retirement under the provisions of				
19	subsection C of §§ 51.1-153 and disability retirement under the provisions of § 51.1-156 et				
20	seq., shall not be available under this paragraph.				
21	b. In lieu of the (i) transitional severance benefit provided in subparagraph 3 of this paragraph				
22	and (ii) the retirement program provided in this subsection, any employee who is otherwise				
23	eligible may take immediate retirement pursuant to §§ 51.1-155.1 or 51.1-155.2.				
24	c. The retirement allowance for any employee electing to retire under this paragraph who, by				
25	adding years to his age, is between ages fifty-five and sixty-five, shall be reduced on the				
26	actuarial basis provided in subdivision A. 2. of § 51.1-155.				
27	d. The retirement program provided in this subparagraph shall be otherwise governed by				
28	policies and procedures developed by the Virginia Retirement System.				
29	e. Costs associated with the provisions of this subparagraph shall be factored into the				
30	employer contribution rates paid to the Virginia Retirement System.				
31	f. Notwithstanding the foregoing, the provisions of this paragraph N shall apply to an				
32	otherwise eligible employee who is a person who becomes a member on or after July 1, 2010,				
33	a person who does not have 60 months of creditable service as of January 1, 2013, or a person				
34	who is enrolled in the hybrid retirement program described in § 51.1-169, mutatis mutandis.				
35	O. The final sentence of § 51.1-145 (N), Code of Virginia providing that the employer				
36	contribution rate established for each employer may include the annual rate of contribution				
37	payable by such employer with respect to employees enrolled in optional defined contribution				
38	retirement plans, shall not apply to optional defined retirement plans established under § 51.1-				
39	126 for employees engaged in teaching, administrative or research duties at institutions of				
40	higher education, § 51.1-126.1 for employees of teaching hospitals other than VCU and UVA				
41	Medical Centers, and § 51.1-126.3 for University of Virginia Medical Center employees.				
42	T. 1. Notwithstanding the provisions of § 17.1-327, Code of Virginia, any justice, judge,				
43	member of the State Corporation Commission, or member of the Virginia Workers'				
44	Compensation Commission who is retired under the Judicial Retirement System and who is				
45	temporarily recalled to service shall be reimbursed for actual expenses incurred during such				
46	service and shall be paid a per diem of \$250 for each day the person actually sits, exclusive of				
47	travel time.				
48	2. Out of the general fund appropriation for this Item, \$500,000 in the first year and \$500,000				
49	in the second year is provided to support the costs resulting from the changes in the per diem				
50	amounts provided for in paragraph T.1. The Director, Department of Planning and Budget,				
51	shall disburse funding from this Item to all affected judicial and independent agencies upon				
52	request.				
53	U. The Director, Department of Planning and Budget, shall transfer from this Item, general				
54	fund amounts estimated at \$181,038 the first year and <i>shall withhold and transfer to this Item</i>				

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1				
2	<i>an amount estimated at \$181,038 \$17,736</i> the second year to <i>from</i> state agencies and			
3	institutions of higher education to support the general fund portion of costs of Line of			
4	Duty Act premiums based on the latest enrollment update from the Virginia Retirement			
5	System.			
6	V. The Director, Department of Planning and Budget, shall withhold and transfer to this			
7	Item, an amount estimated at \$279,966 the second year from the general fund			
8	appropriations of state agencies and institutions of higher education, representing savings			
9	from the workers' compensation premiums provided by the Department of Human			
10	Resource Management.			
11	W. Out of the appropriation for this Item, \$200,000 the first year and \$50,000 the second			
12	year from the general fund is provided for the potential state agency cost of legislative or			
13	regulatory changes that impact the personnel practices of state government.			
14	X.1. The base salary of the following employees shall be increased by three percent on			
15	July 10, 2017:			
16	a. Full-time and other classified employees of the Executive Department subject to the			
17	Virginia Personnel Act, excluding faculty and appointed officials at institutions of higher			
18	education;			
19	b. Full-time employees of the Executive Department not subject to the Virginia Personnel			
20	Act, except officials elected by popular vote;			
21	c. Any official whose salary is listed in § 4-6.01 of this act, subject to the ranges specified			
22	in the agency head salary levels in § 4-6.01 c, except appointed officials at institutions of			
23	higher education;			
24	d. Full-time staff of the Governor's Office, the Lieutenant Governor's Office, the Attorney			
25	General's Office, Cabinet Secretaries' Offices, including the Deputy Secretaries, the			
26	Virginia Liaison Office, and the Secretary of the Commonwealth's Office;			
27	e. Heads of agencies in the Legislative Department;			
28	f. Full-time employees in the Legislative Department, other than officials elected by			
29	popular vote;			
30	g. Legislative Assistants as provided for in Item 1 of this act;			
31	h. Judges and Justices in the Judicial Department;			
32	i. Heads of agencies in the Judicial Department;			
33	j. Full-time employees in the Judicial Department;			
34	k. Commissioners of the State Corporation Commission and the Virginia Workers'			
35	Compensation Commission, the Chief Executive Officer of the Virginia College Savings			
36	Plan, and the Directors of the Virginia Lottery, and the Virginia Retirement System; and			
37	l. Full-time employees of the State Corporation Commission, the Virginia College Savings			
38	Plan, the Virginia Lottery, Virginia Workers' Compensation Commission, and the Virginia			
39	Retirement System.			
40	2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall			
41	receive the salary increases authorized in this paragraph only if they attained at least a			
42	rating of "Contributor" on their latest performance evaluation.			
43	b. Salary increases authorized in this paragraph for employees in the Judicial and			
44	Legislative Departments, employees of Independent agencies, and employees of the			
45	Executive Department not subject to the Virginia Personnel Act shall be consistent with			
46	the provisions of this paragraph, as determined by the appointing or governing authority.			
47	The appointing or governing authority shall certify to the Department of Human Resource			
48	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.			

ITEM 475.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	3. The Department of Human Resource Management shall increase the minimum for each			
2	band within the Commonwealth's Classified Compensation Plan by three percent and the			
3	maximum salary for each band by three percent plus \$6,793 on July 10, 2017 . No salary			
4	increase shall be granted to any employee as a result of this action. The department shall			
5	develop policies and procedures to be used in instances when employees fall below the entry			
6	level for a job classification due to poor performance. Movement through the revised pay			
7	band shall be based on employee performance.			
8	4. Out of the amounts for Supplements to Employee Compensation is included \$64,753,370			
9	the second year from the general fund to support the general fund portion of costs associated			
10	with the salary increase provided in this paragraph.			
11	5.The following agency heads, at their discretion, may utilize agency funds or the funds			
12	provided pursuant to this paragraph to implement the provisions of new or existing			
13	performance-based pay plans:			
14	a. The heads of agencies in the Legislative and Judicial Departments;			
15	b. The Commissioners of the State Corporation Commission and the Virginia Workers'			
16	Compensation Commission;			
17	c. The Attorney General;			
18	d. The Director of the Virginia Retirement System;			
19	e. The Director of the Virginia Lottery;			
20	f. The Director of the University of Virginia Medical Center;			
21	g. The Chief Executive Officer of the Virginia College Savings Plan;			
22	h. The Executive Director of the Virginia Port Authority; and			
23	i. The Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority.			
24	6. The base rates of pay, and related employee benefits, for wage employees may be increased			
25	up to three percent no earlier than July 10, 2017. The cost of such increases for wage			
26	employees shall be borne by existing funds appropriated to each agency.			
27	Y.1. The appropriations in this item include funds to increase the base salary of the following			
28	employees by two percent on August 1, 2017, provided that the governing authority of such			
29	employees use such funds to support salary increases for the following listed employees:			
30	a. Locally-elected constitutional officers;			
31	b. General Registrars and members of local electoral boards;			
32	c. Full-time employees of locally-elected constitutional officers and,			
33	d. Full-time employees of Community Services Boards, Centers for Independent Living,			
34	secure detention centers supported by Juvenile Block Grants, juvenile delinquency prevention			
35	and local court service units, local social services boards, local pretrial services act and			
36	comprehensive community corrections act employees, and local health departments where a			
37	memorandum of understanding exists with the Virginia Department of Health.			
38	2. Out of the appropriation for Supplements to Employee Compensation is included			
39	\$15,590,949 the second year from the general fund to support the costs associated with the			
40	salary increase provided in this paragraph.			
41	Z.1. The base salaries of faculty members at institutions of higher education shall be increased			
42	by two percent on July 10, 2017. The general fund share of the two percent salary adjustment			
43	shall be distributed to the following institutions in the amounts indicated below:			
44	Institution			GF Amount
45	George Mason University			\$1,973,365
46	Old Dominion University			\$1,199,470

ITEM 475.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	University of Virginia				\$1,589,837
2	Virginia Commonwealth University				\$2,099,109
3	Virginia Tech				\$1,940,479
4	College of William and Mary				\$710,236
5	Christopher Newport University				\$368,566
6	University of Virginia - Wise				\$112,200
7	James Madison University				\$1,061,224
8	Longwood University				\$327,291
9	University of Mary Washington				\$317,856
10	Norfolk State University				\$328,641
11	Radford University				\$610,932
12	Virginia Military Institute				\$111,859
13	Virginia State University				\$295,548
14	Richard Bland College				\$55,117
15	Virginia Community College System				\$3,186,371
16	Virginia Institute of Marine Science				\$169,332
17	Virginia Tech Extension				\$524,979
18	Virginia State University Extension				\$10,987
19	Total				\$16,993,399
20	2. Nothing in this act shall preclude institutions of higher education from providing base				
21	salary increases or bonuses to faculty or staff.				
22	3. Salary increases authorized in paragraph Z. 1. for employees of the Executive				
23	Department not subject to the Virginia Personnel Act shall be consistent with the				
24	provisions of this paragraph, as determined by the appointing or governing authority.				
25	However, notwithstanding anything herein to the contrary, the governing authorities of				
26	those state institutions of higher education with employees not subject to the Virginia				
27	Personnel Act may implement salary increases for such employees that may vary based on				
28	performance and other employment-related factors. The appointing or governing authority				
29	shall certify to the Department of Human Resource Management that employees receiving				
30	the awards are performing at levels at least comparable to the eligible employees as set out				
31	in paragraph X.1., subparagraph 2.a. of this item.				
32	4. The base salaries of faculty members at select institutions of higher education that did				
33	not provide a supplement to faculty salaries in fiscal year 2017 shall be provided an				
34	additional one percent salary adjustment, in addition to the two percent raise provided to				
35	all faculty members at higher education institutions within this paragraph. The additional				
36	one percent salary adjustment shall be calculated using the base salary of faculty members				
37	at the applicable higher education institutions prior to application of the two percent salary				
38	adjustment. The general fund share of the additional one percent salary adjustment shall				
39	be distributed to the following institutions in the amounts indicated below:				
40	Institution				GF Amount
41	Virginia Military Institute				\$55,930
42	Virginia State University				\$147,774
43	Norfolk State University				\$164,320
44	James Madison University				\$530,612
45	Radford University				\$305,466
46	Cooperative Extension and Agricultural Research Services (VSU)				\$5,494
47	Richard Bland College				\$27,558
48	Christopher Newport University				\$184,283
49	Total				\$1,421,437
50	5. Out of the appropriation for Adjustments to Employee Compensation is included				
51	\$18,414,836 the second year from the general fund to support the costs associated with the				
52	salary increases provided in this paragraph.				

ITEM 475.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	AA. The Director of the Department of Planning and Budget shall transfer \$14,308,309 the			
2	second year from the general fund from this item to the Department of State Police to provide			
3	each sworn officer of the state police an increase in their annual salary equal to \$6,793			
4	effective July 10, 2017. This increase shall be effectuated prior to any percentage salary			
5	increase authorized in this act with the same effective date.			
6	BB.1. Out of the amounts for compensation supplements in this item \$2,553,890 from the			
7	general fund in the second year is provided for an additional two percent adjustment to the			
8	base salary of state employees in the following high turnover job roles effective September			
9	10, 2017 for the purposes of relieving salary compression and maintaining market relevance:			
10	a. Direct Service Associate I			
11	b. Direct Service Associate II			
12	c. Direct Service Associate III			
13	d. Housekeeping and/or Apparel Worker I			
14	e. Registered Nurse I			
15	f. Registered Nurse II/Nurse Practitioner I/Physician's Assistant			
16	g. Licensed Practical Nurse			
17	h. Therapy Assistant/Therapist I			
18	i. Therapist II			
19	2.a. Employees in the Executive Department subject to the Virginia Personnel Act shall			
20	receive the salary increases authorized in this paragraph only if they attained at least a rating			
21	of "Contributor" on their latest performance evaluation.			
22	b. Salary increases authorized in this paragraph for employees in the Judicial and Legislative			
23	Departments, employees of Independent agencies, and employees of the Executive			
24	Department not subject to the Virginia Personnel Act shall be consistent with the provisions			
25	of this paragraph, as determined by the appointing or governing authority. The governing			
26	authorities of those agencies and state institutions of higher education with employees not			
27	subject to the Virginia Personnel Act shall certify to the Department of Human Resource			
28	Management that employees receiving the awards are performing at levels at least comparable			
29	to the eligible employees as set out in subparagraph 2.a. of this paragraph.			
30	3. The salary increase authorized in this paragraph is intended to be in addition to any other			
31	salary increase authorized in this act.			
32	475.10	Not set out.		
33	475.20	Not set out.		
34	476.	Payments for Special or Unanticipated Expenditures		
35			(75800).....	\$15,846,364
36				\$19,090,835
37				\$15,648,265
38			Miscellaneous Contingency Reserve Account	
39			(75801).....	\$2,300,000
40			Undistributed Support for Designated State Agency	
41			Activities (75806).....	\$13,546,364
42				\$16,790,835
43				\$13,348,265
44			Fund Sources: General.....	\$15,846,364
45				\$18,590,835
46				\$15,148,265
47			Dedicated Special Revenue.....	\$0
				\$500,000
			Authority: Discretionary Inclusion.	
			A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to	
			an amount not to exceed \$3,500,000 from the unappropriated balance derived by subtracting	

ITEM 476.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	the general fund appropriations from the projected general fund revenues in this act, to			
2	provide for supplemental funds pursuant to paragraph D hereof. Transfers from this Item			
3	shall be made only when (1) sufficient funds are not available within the agency's			
4	appropriation and (2) additional funds must be provided prior to the end of the next			
5	General Assembly Session.			
6	B.1. The Governor is authorized to allocate from the unappropriated general fund balance			
7	in this act such amounts as are necessary to provide for unbudgeted cost increases to state			
8	agencies incurred as a result of actions to enhance homeland security, combat terrorism,			
9	and to provide for costs associated with the payment of a salary supplement for state			
10	classified employees ordered to active duty as part of a reserve component of the Armed			
11	Forces of the United States or the Virginia National Guard. Any salary supplement			
12	provided to state classified employees ordered to active duty, shall apply only to			
13	employees who would otherwise earn less in salary and other cash allowances while on			
14	active duty as compared to their base salary as a state classified employee. Guidelines for			
15	such payments shall be developed by the Department of Human Resource Management in			
16	conjunction with the Departments of Accounts and Planning and Budget.			
17	2. The Governor shall submit a report within thirty days to the Chairmen of House			
18	Appropriations and Senate Finance Committees which itemizes any disbursements made			
19	from this Item for such costs.			
20	3. The governing authority of the agencies listed in this subparagraph may, at its discretion			
21	and from existing appropriations, provide such payments to their employees ordered to			
22	active duty as part of a reserve component of the Armed Forces of the United States or the			
23	Virginia National Guard, as are necessary to provide comparable pay supplements to its			
24	employees.			
25	a. Agencies in the Legislative and Judicial Departments;			
26	b. The State Corporation Commission, the Virginia Workers' Compensation Commission,			
27	the Virginia Retirement System, the Virginia Lottery , Virginia College Savings Plan, and			
28	the Virginia Office for Protection and Advocacy;			
29	c. The Office of the Attorney General and the Department of Law; and			
30	d. State-supported institutions of higher education.			
31	C. The Governor is authorized to expend from the unappropriated general fund balance in			
32	this act such amounts as are necessary, up to \$1,500,000, to provide for indemnity			
33	payments to growers, producers, and owners for losses sustained as a result of an			
34	infectious disease outbreak or natural disaster in livestock and poultry populations in the			
35	Commonwealth. These indemnity payments will compensate growers, producers, and			
36	owners for a portion of the difference between the appraised value of each animal			
37	destroyed or slaughtered or animal product destroyed in order to control or eradicate an			
38	animal disease outbreak and the total of any salvage value plus any compensation paid by			
39	the federal government.			
40	D. Out of the appropriation for this item is included \$2,000,000 the first year and			
41	\$2,000,000 the second year from the general fund to be used by the Governor as he may			
42	determine to be needed for the following purposes:			
43	1. To address the six conditions listed in § 4-1.03 c 5 of this act.			
44	2. To provide for unbudgeted and unavoidable increases in costs to state agencies for			
45	essential commodities, services, and training which cannot be absorbed within agency			
46	appropriations including unbudgeted benefits associated with Workforce Transition Act			
47	requirements.			
48	3. To secure federal funds in the event that additional matching funds are needed for			
49	Virginia to participate in the federal Superfund program.			
50	4. To provide a payment of up to \$100,000 to the Military Order of the Purple Heart, for			
51	the continued operation of the National Purple Heart Hall of Honor, provided that at least			
52	half of other states have made similar grants.			

ITEM 476.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	5. In addition, if the amounts appropriated in this Item are insufficient to meet the				
2	unanticipated events enumerated, the Governor may utilize up to \$1,000,000 the first year and				
3	\$1,000,000 the second year from the general fund amounts appropriated for the				
4	Commonwealth's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1.				
5	through paragraph D.5. of this Item.				
6	6. In addition, to provide for payment of monetary rewards to persons who have disclosed				
7	information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection				
8	Act.				
9	7. The Department of Planning and Budget shall submit a quarterly report of any				
10	disbursements made from, commitments made against, and requests made for such sums				
11	authorized for allocation pursuant to this paragraph to the Chairmen of the House				
12	Appropriations and Senate Finance Committees. This report shall identify each of the				
13	conditions specified in this paragraph for which the transfer is made.				
14	E. Included in this appropriation is \$300,000 the first year and \$300,000 the second year from				
15	the general fund to pay for private legal services and the general fund share of unbudgeted				
16	costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for				
17	private legal services shall be made by the Director, Department of Planning and Budget upon				
18	prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510,				
19	Code of Virginia or Item 59, Paragraph D of this act. Transfers for enforcement of the Master				
20	Settlement Agreement shall be made by the Director, Department of Planning and Budget at				
21	the request of the Attorney General, pursuant to Item 59, Paragraph B of this act.				
22	F. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality				
23	which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or				
24	portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be				
25	entitled to all sales tax revenues generated by transactions taking place in such public facility.				
26	G. The Director, Department of Planning and Budget, shall transfer from this Item, general				
27	fund amounts estimated at \$5,915,424 the first year and \$6,231,160 \$1,579,381 the second				
28	year to state agencies and institutions of higher education to support the general fund portion				
29	of costs resulting from the estimated usage of technology services provided by the Virginia				
30	Information Technologies Agency.				
31	H.1. <i>Out of this appropriation, \$1,209,209 the second year from the general fund shall be</i>				
32	<i>provided to the City of Richmond for expenses incurred for the development of the Slavery</i>				
33	<i>and Freedom Heritage Site in Richmond, including Lumpkin's Pavilion and Slave Trail</i>				
34	<i>improvements. Any unexpended general fund balances as of June 30, 2017 2018 that were</i>				
35	<i>appropriated for the purpose of supporting the City of Richmond in the development of the</i>				
36	<i>Slavery and Freedom Heritage Site in Richmond shall not revert to the general fund, but</i>				
37	<i>instead be reappropriated for its original purpose. Out of the \$2,000,000 originally</i>				
38	<i>appropriated amounts authorized in paragraph H.1., up to \$1,000,000 shall be used for</i>				
39	<i>improvements to the Slave Trail, and up to \$1,000,000 for costs associated with Lumpkin's</i>				
40	<i>Pavilion. On or before June 30, 2017, the Director, Department of Planning and Budget, shall</i>				
41	<i>revert to the general fund an amount estimated at \$1,500,000 from the appropriation</i>				
42	<i>authorized in Item 468 I.1. of Chapter 2, 2014 Special Session 1. The Governor is authorized</i>				
43	<i>to transfer up to \$500,000 from the unappropriated balance for improvements to the Slave</i>				
44	<i>Trail or for costs associated with Lumpkin's Pavilion if reimbursement requests exceed the</i>				
45	<i>amounts available in the fiscal year 2016-2018 biennium. It is the intent of the General</i>				
46	<i>Assembly to fully meet its commitment to the project as reimbursement requests are made</i>				
47	<i>and funding to meet such requests shall be included by the Governor in any budget</i>				
48	<i>submission made pursuant to the provisions of §§ 2.2-1508 and 2.2-1509, Code of Virginia.</i>				
49	2. Prior to the receipt of state funds for the purpose set out in paragraph H.1., the Richmond				
50	City Council shall pass a resolution outlining its approval of and financial commitment to the				
51	proposed project and local matching funds in an amount totaling at least \$5,000,000 which				
52	shall be appropriated by the City of Richmond for the project prior to receipt of any state				
53	funds. Release of state funding for Lumpkin's Pavilion shall also require evidence that the				
54	City of Richmond has raised at least fifty percent of the remaining funding required for that				
55	portion of the project from private or other sources.				

ITEM 476.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	3. At such time that the City of Richmond has completed construction of the respective				
2	improvements, the City of Richmond shall be eligible for reimbursement from the				
3	Commonwealth of an amount not to exceed \$9,000,000, or up to twenty five percent of				
4	the total costs of each project.				
5	4. State funding appropriated in paragraph H.1. and future appropriations considered in				
6	paragraph H.3., shall be allocated only as follows: no more than \$5,000,000 shall be				
7	allocated for the planning, design, and construction of the Pavilion at Lumpkin's Jail, no				
8	more than \$1,000,000 shall be allocated for improvements to the Richmond Slave Trail,				
9	and no more than \$5,000,000 shall be allocated for the planning, design and construction				
10	of a slavery museum.				
11	5. The City of Richmond shall provide documentation to the Department of General				
12	Services on the progress of this project and actual expenditures incurred for it in a form				
13	acceptable to the Secretaries of Finance and Administration.				
14	6. In addition to the matching requirements set out in paragraph H.2., the City of				
15	Richmond shall provide and dedicate appropriate contiguous real estate prior to the receipt				
16	of any state funding for the purposes outlined in paragraph H.1 above.				
17	7. The Department of General Services shall act as the fiscal agent for these funds. The				
18	director shall oversee the expenditure of state appropriations to ensure that payments to				
19	the City of Richmond are made consistent with the purposes set out in paragraphs H.1. and				
20	H.4. The Director, Department of Planning and Budget, is authorized to transfer these				
21	funds to the Department of General Services to implement this appropriation.				
22	8. This appropriation shall be exempt from the disbursement procedures specified in § 4-				
23	5.05 of the act				
24	I. Out of this appropriation, the Director, Department of Planning and Budget, is				
25	authorized to transfer an amount up to \$5,000,000 the first year, to the Department of				
26	State Police for unanticipated costs associated with mitigating security threats, information				
27	technology (IT) security gaps, and the data stored on IT systems used by the Department.				
28	The costs eligible for reimbursement shall be for information technology and				
29	telecommunications goods and services that have been procured in accordance with the				
30	regulations, policies, procedures, standards, and guidelines of the Virginia Information				
31	Technologies Agency. These funds may not be transferred until the requirements of				
32	Paragraph I.2. of this item have been fulfilled.				
33	2.The Superintendent of State Police shall develop a prioritized list of information				
34	technology projects for the Department of State Police, justify the need for the projects,				
35	and identify costs associated with such projects. The Superintendent shall also identify the				
36	potential or expected projects to be addressed using the appropriation provided in				
37	Paragraph I.1. of this item. The Superintendent shall report the list of projects to the				
38	Chairmen of the House Appropriations and Senate Finance Committees no later than				
39	August 15, 2016.				
40	3.a. Notwithstanding the provisions of § 2.2-2011, Code of Virginia, the Department of				
41	State Police is authorized to procure, develop, operate, and manage the cyber security and				
42	management tools required to protect the information technology used by the Department				
43	that is defined as out-of-scope from the Virginia Information Technologies Agency				
44	pursuant to the Memorandum of Understanding (MOU) between the two agencies dated				
45	August 30, 2013. The Department of State Police shall be solely responsible for securing				
46	all aspects of information technology defined as out-of-scope in the current MOU.				
47	b. Costs expended by the Department of State Police for cyber security and management				
48	tools shall be reimbursed by the Director, Department of Planning and Budget from				
49	unexpended funds provided in paragraph I.1. of this item, after such expenses have been				
50	approved by the Chief Information Office and determined to be in compliance with the				
51	regulations, policies, procedures, standards, and guidelines of the Virginia Information				
52	Technologies Agency.				
53	4.a. The Superintendent of State Police shall develop and report to the Chairmen of the				
54	House Committee on Appropriations and Senate Committee on Finance a detailed				

ITEM 476.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	transition plan addressing the steps required for the Department of State Police to assume				
2	responsibility for the development, operation, and management of all of its information				
3	technology infrastructure and services. The Department of State Police is authorized to				
4	procure consulting services to assist in the development of the detailed transition plan. The				
5	Virginia Information Technologies Agency shall assist in the development and drafting of the				
6	detailed transition plan.				
7	b. The report shall, at a minimum, include a detailed transition plan that: (i) identifies and				
8	evaluates anticipated transition timelines, tasks, activities, and responsible parties; (ii)				
9	identifies any one-time and ongoing costs of transitioning responsibility for information				
10	technology services from the Virginia Information Technologies Agency to the Department of				
11	State Police, including the estimated costs to obtain existing information technology assets or				
12	transition services from Northrop Grumman; (iii) identifies the ongoing costs of staffing,				
13	services, and contracts related to enterprise security and management tools, legacy system				
14	replacements or upgrades, construction or lease of facilities including data centers, labor costs				
15	and workload analyses, and training costs; (iv) identifies any other such factors deemed				
16	necessary for discussion as identified by the Superintendent of State Police or Chief				
17	Information Officer of the Commonwealth; (v) identifies necessary statutory changes required				
18	to effectuate the transition and modernize current statutes related to basic State Police				
19	communication systems consistent with the Criminal Justice Information Services Security				
20	Policy Version 5.5, or its successor; and (vi) provides a jointly developed and agreed upon				
21	MOU between the Department of State Police and the Virginia Information Technologies				
22	Agency that certifies the information.				
23	c. Costs expended by the Department of State Police for the development of the detailed				
24	transition plan shall be reimbursed by the Director, Department of Planning and Budget from				
25	unexpended funds provided in paragraph I.1 of this item, after such expenses have been				
26	approved by the Chief Information Officer and determined to be in compliance with the				
27	regulations, policies, procedures, standards, and guidelines of the Virginia Information				
28	Technologies Agency.				
29	d. The report and accompanying Memorandum shall be provided to the Chairmen of the				
30	House Committee on Appropriations and Senate Committee on Finance no later than				
31	September 15, 2017. The Chief Information Officer of the Commonwealth shall review the				
32	report and provide an analysis of the detailed transition plan no later than 30 days after				
33	submission of the report to the Chairmen of the House Committee on Appropriations and				
34	Senate Committee on Finance.				
35	5. Included within the appropriation for this item, up to \$2,900,000 the second year from the				
36	general fund is provided to reimburse the Department of State Police for costs associated with				
37	mitigating information technology security threats and gaps required to protect and manage				
38	out-of-scope information technology that is not addressed in paragraph 3.b. All such costs				
39	shall be eligible for reimbursement if they have been procured in accordance with the				
40	regulations, policies, procedures, standards, and guidelines of the Virginia Information				
41	Technologies Agency. The Director, Department of Planning and Budget is authorized to				
42	release this funding following certification by the Chief Information Officer that these costs				
43	address cyber security threats and gaps, including upgrades to legacy applications to				
44	remediate audit findings by the Auditor of Public Accounts or Commonwealth Security and				
45	Risk Management.				
46	J. Out of this appropriation, \$3,018,677 the first year and \$3,163,956 the second year from the				
47	general fund shall be provided to state agencies to support the costs of information technology				
48	security audits and information security officer services. With such funding, agencies are				
49	encouraged to work with the Virginia Information Technologies Agency's information				
50	technology shared security center created pursuant to Item 435 of this act.				
51	K. It is the intent of the General Assembly that relief shall be provided to localities for				
52	qualifying damages resulting from the tornadoes of February 24, 2016, in accordance with				
53	state law and the provisions of Item 57 of this act. Such relief is hereby appropriated in				
54	accordance with the provisions of Item 57 of this act from the unexpended balances of the				
55	general fund.				
56	L. The Director, Department of Planning and Budget, shall withhold and transfer to this Item,				
57	amounts estimated at \$387,737 the first year and \$78,479 the second year from the general				

ITEM 476.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	fund appropriations of state agencies and institutions of higher education, representing			
2	savings from agency charges for the Cardinal financial system operated by the Department			
3	of Accounts.			
4	M.1. Out of the general fund appropriation for this Item, \$1,845,800 the second year is			
5	provided to support the transition offices established as a result of the 2017 elections for			
6	Governor, Lieutenant Governor, and Attorney General. Out of this amount, up to			
7	\$530,800 shall be transferred, based on actual expenses, to the Department of General			
8	Services, \$90,000 to the Division of Selected Agency Support Services, and \$1,225,000 to			
9	the Virginia Information Technologies Agency for the provision of facilities, equipment,			
10	services, and supplies required to support the transition activity.			
11	2. The Commonwealth's financial support for the transition is to be allocated as follows:			
12	Office of the Governor: \$1,570,155			
13	Office of the Lieutenant Governor: \$116,440			
14	Office of the Attorney General: \$159,205			
15	N. Included in this Item is \$492,638 the second year from the general fund to be			
16	transferred, based on actual expenditures, to the Department of General Services to			
17	support anticipated costs for the inauguration in January 2018.			
18	O. The Director, Department of Planning and Budget, shall transfer from this Item,			
19	\$935,760 the second year from the general fund to executive branch agencies to support			
20	the costs of the Personnel Management Information System.			
21	P. Out of the general fund appropriation in this Item for the second year, \$800,000 is			
22	provided for a joint internship and management training pilot program to assist in			
23	improving leadership, management, and succession planning capabilities of all branches			
24	of state government. The Secretary of Finance shall convene a work group consisting of			
25	representatives from each branch of state government for the purposes of establishing			
26	program details. The work group shall consider opportunities to collaborate with Virginia			
27	public colleges and universities on an internship, management training and succession			
28	planning program by which students in their final year of undergraduate school work, or			
29	those attending graduate programs may be considered for opportunities for state			
30	employment on a temporary basis, whereby they may earn academic credit for hours			
31	worked while participating in the program. No funds shall be distributed from this Item for			
32	the purposes described in this Paragraph prior to the creation of a plan for program			
33	implementation to be submitted to the Governor, the Chairman of the Commission on			
34	Employee Retirement Security and Pension Reform, and the Chairmen of the House			
35	Appropriations and Senate Finance committees. <i>Any balances remaining from the</i>			
36	<i>appropriation identified in this paragraph shall not revert to the general fund at the end of</i>			
37	<i>the fiscal year, but shall be brought forward and made available to support the Virginia</i>			
38	<i>Management Fellows program in the subsequent fiscal year.</i>			
	I VETO THIS ITEM. /s/ Terence R. McAuliffe (04/28/17) (Vetoed item is enclosed in brackets.)			
39	Q. In addition to the amounts provided in paragraphs C.1.,2. and 3. of Item 109 of this act,			
40	the Virginia Coalfields Economic Development Authority shall provide up to \$500,000 of			
41	its nongeneral fund balances to the Lenowisco and Cumberland Plateau Planning District			
42	Commissions who shall serve as fiscal agents for coordinated economic development			
43	activities in the Lenowisco and Cumberland Plateau Planning Districts. The funding			
44	provided in this paragraph is contingent upon equal matching funds being awarded by the			
45	Tobacco Region Revitalization Commission.			
46	477.	Omitted.		
47	478.	Not set out.		
48	478.10	A.1. For each year of the biennium, there is hereby appropriated from the general fund of		
49		the state treasury an amount as specified in paragraphs A.3. and A.4. below, to fund		
50		certain capital projects that are presently authorized for funding from debt issuances by		
51		either the Virginia College Building Authority or the Virginia Public Building Authority,		
52		to the extent that the existing debt for such capital projects has not been issued. The		

ITEM 478.10.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Governor shall recommend an equivalent reduction in the amount of debt authorization for the			
2	affected projects so that overall, there is no decrease or increase in total funding for such			
3	projects:			
4	2: It is the intent of the General Assembly that any appropriation pursuant to this Item only be			
5	used to reduce the total authorized but unissued debt such that general fund cash becomes the			
6	funding source for certain capital outlay projects rather than debt. In making this substitution,			
7	priority shall be given to maintenance reserve or other small capital outlay projects that are			
8	better suited to be funded from cash or to taxable debt projects which offer the opportunity to			
9	obtain greater debt service cost savings; if funded by cash rather than debt.			
10	3: For the first fiscal year of the biennium, the appropriation specified in paragraph A.1: above			
11	shall be equal to the lesser of \$181,900,000 or the actual total general fund revenue			
12	collections for fiscal year ending June 30, 2016; reduced by any amounts needed to meet the			
13	Constitutional or statutory deposit to the Revenue Stabilization Fund and the statutory deposit			
14	concerning surplus revenue to the Water Quality Improvement Fund; as certified by the State			
15	Comptroller, minus the "official revenue estimate" for general fund revenues for the second			
16	year of the biennium as contained in the second enactment of Senate Bill 29 of the 2016			
17	General Assembly; as enacted.			
18	4: For the second year of the biennium the appropriation specified in paragraph A.1: above			
19	shall be equal to the lesser of \$188,200,000 or the actual total general fund revenue			
20	collections for fiscal year ending June 30, 2017; reduced by any amounts needed to meet the			
21	Constitutional or statutory deposit to the Revenue Stabilization Fund and the statutory deposit			
22	concerning surplus revenue to the Water Quality Improvement Fund; as certified by the State			
23	Comptroller, minus the "official revenue estimate" for general fund revenues for the first year			
24	of the biennium as contained in the first enactment of this Act.			
25	B: The State Comptroller shall make a commitment for any amount appropriated in this Item			
26	pursuant to paragraph A.3: above on the balance sheet of the Commonwealth for June 30,			
27	2016. The State Comptroller shall make a commitment for any amount appropriated in this			
28	Item pursuant to paragraph A.4: above on the balance sheet of the Commonwealth for June			
29	30, 2017.			
30	C.1: The Director of the Department of Planning and Budget shall report quarterly to the State			
31	Treasurer and to the Six Year Capital Outlay Planning Advisory Committee, established by §			
32	2.2-1516 Code of Virginia; identifying the projects for which the debt authorization was			
33	replaced by appropriations pursuant to paragraph A1: above.			
34	2: Upon notification from the Director of the Department of Planning and Budget that			
35	appropriations pursuant to paragraph A1: above have been made, the State Treasurer shall not			
36	issue any debt for the affected projects:			
37	478.20	Not set out.		
38	478.30	Revenue Cash Reserve (23700).....		\$0 \$35,000,000
39				\$156,395,372
40		Appropriated Revenue Reserve (23701).....	\$0 \$35,000,000	
41			\$156,395,372	
42		Fund Sources: General.....	\$0 \$35,000,000	
43			\$156,395,372	
44	Authority: Discretionary Inclusion.			
45	A. There is hereby appropriated in this item \$35,000,000 \$156,395,372 from the general fund			
46	the second year to establish a Revenue Cash Reserve to mitigate any potential revenue			
47	shortfalls that may arise during the remainder of the biennium. This appropriation includes an			
48	amount, estimated at \$31,306,555; anticipated to be generated by the Virginia Tax Amnesty			
49	Program authorized by House Bill 2246 and Senate Bill 1438; 2017 Session of the General			
50	Assembly above the amounts anticipated to be collected by such program in the revenue			
51	forecast contained in the first enactment of House Bill 1500 and Senate Bill 900 as			
52	introduced.			
53	B: Any additional collections generated by the Virginia Tax Amnesty Program exceeding the			

ITEM 478.30.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	revenue estimate of such program included within the official fiscal year 2018 revenue			
2	estimate contained in the first enactment of this act also shall be deposited into the cash			
3	reserve:			
4	C: To determine the amounts that are to be deposited into such reserve; the comptroller			
5	shall first determine the tax amnesty program revenues that were collected in excess of the			
6	revenues forecast from such program in House Bill 1500 and Senate Bill 900 as enacted:			
7	D: The comptroller shall then reflect the excess revenues as a commitment on the			
8	preliminary balance sheet entitled Revenue Cash Reserve to be held solely for the			
9	purposes of mitigating any loss of general fund revenues in fiscal year 2018 from the			
10	official forecast contained in this act:			
11	E. The comptroller may draw against the balances of the Revenue Cash Reserve for an			
12	amount equal to any shortfall in general fund revenue <i>or transfer</i> collections from the			
13	official forecast contained in this act for fiscal year 2018.			
14	F. Any amounts appropriated in this item that are unexpended on June 30, 2018, shall be			
15	reappropriated to this reserve in the next fiscal year to be used for the same purposes			
16	identified in this item.			
17	Total for Central Appropriations.....		\$182,823,208	\$369,774,777
18				\$487,528,805
19	Fund Sources: General.....	\$63,495,303	\$249,946,872	
20			\$367,700,900	
21	Trust and Agency.....	\$119,327,905	\$119,327,905	
22	Dedicated Special Revenue.....	\$0	\$500,000	
23	TOTAL FOR CENTRAL APPROPRIATIONS.....		\$182,823,208	\$369,774,777
24				\$487,528,805
25	Fund Sources: General.....	\$63,495,303	\$249,946,872	
26			\$367,700,900	
27	Trust and Agency.....	\$119,327,905	\$119,327,905	
28	Dedicated Special Revenue.....	\$0	\$500,000	
29	TOTAL FOR EXECUTIVE DEPARTMENT.....		\$51,003,873,417	\$50,720,610,107
30				\$51,382,889,440
31	General Fund Positions.....	48,492.92	48,302.35	
32			48,380.35	
33	Nongeneral Fund Positions.....	64,047.82	64,540.89	
34			64,507.89	
35	Position Level.....	112,540.74	112,843.24	
36			112,888.24	
37	Fund Sources: General.....	\$19,549,120,905	\$19,784,449,728	
38			\$19,885,676,068	
39	Special.....	\$1,667,547,567	\$1,676,086,252	
40			\$1,673,946,462	
41	Higher Education Operating.....	\$8,541,179,807	\$8,249,002,756	
42	Commonwealth Transportation.....	\$5,585,951,483	\$5,204,941,790	
43			\$5,591,800,781	
44	Enterprise.....	\$1,215,067,094	\$1,262,573,839	
45			\$1,307,309,332	
46	Internal Service.....	\$2,077,103,387	\$2,174,937,786	
47			\$1,975,159,775	
48	Trust and Agency.....	\$2,299,781,502	\$2,099,963,234	
49			\$2,143,465,371	
50	Debt Service.....	\$329,454,313	\$337,468,916	
51	Dedicated Special Revenue.....	\$1,816,192,407	\$1,786,783,284	
52			\$1,829,686,702	
53	Federal Trust.....	\$7,922,474,952	\$8,144,402,522	
54			\$8,389,373,277	

ITEM 479.		Item Details(\$)		Appropriations(\$)		
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	INDEPENDENT AGENCIES					
2	§ 1-23. STATE CORPORATION COMMISSION (171)					
3	479.	Regulation of Business Practices (55200).....			\$63,405,897	\$64,509,235
4						\$69,934,563
5		Corporation Commission Clerk's Services (55203).....	\$11,977,276	\$13,077,954		
6				\$15,252,542		
7		Regulation of Investment Companies, Products and				
8		Services (55210).....	\$7,360,191	\$7,360,574		
9				\$7,739,189		
10		Regulation of Financial Institutions (55215).....	\$15,410,623	\$15,411,285		
11				\$16,070,072		
12		Regulation of Insurance Industry (55216).....	\$28,657,807	\$28,659,422		
13				\$30,872,760		
14		Fund Sources: Special.....	\$63,405,897	\$64,509,235		
15				\$69,934,563		
16		Authority: Article IX, Constitution of Virginia; Title 8.9A, Part 4; Title 12.1, Chapter 4; Title				
17		13.1; Title 55, Chapter 6, Article 6; Title 56, Chapter 15, Article 5; Title 58.1, Chapter 28;				
18		Title 59.1, Chapter 6.1, Code of Virginia; Title 13.1, Chapter 3.1; Title 38.2; Title 58.1,				
19		Chapter 25; and Title 65.2, Chapter 8, Code of Virginia.				
20		A. Out of this appropriation, the State Corporation Commission is authorized to expend an				
21		amount not to exceed \$10,000 the first year and \$10,000 the second year for the payment of				
22		annual membership dues to the National Conference of Insurance Legislators.				
23		B. Out of this appropriation, \$3,000,000 the first year and \$3,000,000 \$4,528,836 the second				
24		year is designated for replacement of the Clerk's Information System.				
25		C. Out of the amounts for this item, \$1,100,000 the second year is provided to effectuate the				
26		provisions of House Bill 2111 of the 2017 General Assembly Session which allows the				
27		Commission to absorb the credit card and eCheck convenience fees as opposed to passing				
28		them on to the filers and also grants the Commission the discretion to not charge a fee for				
29		providing copies of certain documents.				
30	480.	Regulation of Public Utilities (56300).....			\$28,927,754	\$29,268,938
31						\$30,370,097
32		Regulation of Utility Companies (56301).....	\$28,927,754	\$29,268,938		
33				\$30,370,097		
34		Fund Sources: Special.....	\$23,716,317	\$24,056,551		
35				\$25,117,467		
36		Dedicated Special Revenue.....	\$1,861,437	\$1,862,387		
37				\$1,902,630		
38		Federal Trust.....	\$3,350,000	\$3,350,000		
39		Authority: Title 56, Chapter 10, Code of Virginia.				
40	481.	Not set out.				
41	482.	Not set out.				
42	483.	Not set out.				
43		Total for State Corporation Commission.....			\$99,391,848	\$100,836,406
44						\$107,362,893
45		Nongeneral Fund Positions.....	665.00	669.00		
46				675.00		
47		Position Level.....	665.00	669.00		
48				675.00		
49		Fund Sources: General.....	\$201,256	\$201,292		

ITEM 483.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Special.....	\$87,122,214	\$88,565,786		
2			\$95,052,030		
3	Trust and Agency.....	\$6,856,941	\$6,856,941		
4	Dedicated Special Revenue.....	\$1,861,437	\$1,862,387		
5			\$1,902,630		
6	Federal Trust.....	\$3,350,000	\$3,350,000		
7	484. Not set out.				
8	485. Not set out.				
9	486. Not set out.				
10	487. Not set out.				
11	488. Not set out.				
12	§ 1-24. VIRGINIA RETIREMENT SYSTEM (158)				
13	489. Not set out.				
14	490. Not set out.				
15	491. Administrative and Support Services (79900).....			\$37,953,411	\$34,907,746
16					\$36,726,132
17	General Management and Direction (79901).....	\$20,280,930	\$18,387,404		
18			\$20,205,790		
19	Information Technology Services (79902).....	\$17,672,481	\$16,520,342		
20	Fund Sources: Trust and Agency.....	\$37,953,411	\$34,907,746		
21			\$36,726,132		
22	Authority: Title 51.1, Chapters 1, 2, 2.1, and 3, Code of Virginia.				
23	A. Out of the amounts appropriated to this Item, the director is authorized to expend an				
24	amount not to exceed \$25,000 the first year and \$25,000 the second year for expenses				
25	commonly borne by business enterprises. Such expenses shall be recorded separately by				
26	the agency.				
27	B. Out of the amounts appropriated to this item, an amount not to exceed \$300,000 the				
28	first year and \$300,000 the second year is designated to provide retirement-related				
29	services in support of the Commission on Employee Retirement Security and Pension				
30	Reform created pursuant to the passage of House Bill 665 of the 2016 General Assembly				
31	Session.				
32	492. Not set out.				
33	Total for Virginia Retirement System.....			\$85,500,544	\$82,879,694
34					\$84,698,080
35	Nongeneral Fund Positions.....	337.00	337.00		
36	Position Level.....	337.00	337.00		
37	Fund Sources: General.....	\$32,585	\$50,000		
38	Trust and Agency.....	\$85,467,959	\$82,829,694		
39			\$84,648,080		
40	493. Not set out.				
41	494. Not set out.				
42	TOTAL FOR INDEPENDENT AGENCIES.....			\$582,976,870	\$608,400,747
43					\$616,745,620

ITEM 494.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Nongeneral Fund Positions.....	1,717.00	1,724.00		
2			1,730.00		
3	Position Level.....	1,717.00	1,724.00		
4			1,730.00		
5	Fund Sources: General.....	\$1,233,841	\$251,292		
6	Special.....	\$87,122,214	\$88,565,786		
7			\$95,052,030		
8	Enterprise.....	\$350,820,944	\$376,874,652		
9	Trust and Agency.....	\$92,324,900	\$89,686,635		
10			\$91,505,021		
11	Dedicated Special Revenue.....	\$46,624,971	\$48,172,382		
12			\$48,212,625		
13	Federal Trust.....	\$4,850,000	\$4,850,000		

ITEM 495.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	STATE GRANTS TO NONSTATE ENTITIES				
2	495.	Not set out.			
3	TOTAL FOR STATE GRANTS TO NONSTATE				
4	ENTITIES.....				\$0 \$0
5	TOTAL FOR PART 1: OPERATING EXPENSES.				\$52,186,885,006 \$51,935,526,343
6					\$52,606,150,549
7	General Fund Positions.....	52,353.13	52,163.56		
8			52,241.56		
9	Nongeneral Fund Positions.....	65,895.32	66,397.39		
10			66,370.39		
11	Position Level.....	118,248.45	118,560.95		
12			118,611.95		
13	Fund Sources: General.....	\$20,113,732,383	\$20,354,616,519		
14			\$20,455,842,859		
15	Special.....	\$1,767,233,155	\$1,777,155,539		
16			\$1,781,501,993		
17	Higher Education Operating.....	\$8,541,179,807	\$8,249,002,756		
18	Commonwealth Transportation.....	\$5,585,951,483	\$5,204,941,790		
19			\$5,591,800,781		
20	Enterprise.....	\$1,565,888,038	\$1,639,448,491		
21			\$1,684,183,984		
22	Internal Service.....	\$2,077,103,387	\$2,174,937,786		
23			\$1,975,159,775		
24	Trust and Agency.....	\$2,392,222,119	\$2,189,765,586		
25			\$2,235,086,109		
26	Debt Service.....	\$329,454,313	\$337,468,916		
27	Dedicated Special Revenue.....	\$1,885,150,986	\$1,857,291,479		
28			\$1,900,235,140		
29	Federal Trust.....	\$7,928,969,335	\$8,150,897,481		
30			\$8,395,868,236		

Item Details(\$)		Appropriations(\$)	
First Year	Second Year	First Year	Second Year
FY2017	FY2018	FY2017	FY2018

PART 2: CAPITAL PROJECT EXPENSES

§ 2-0. GENERAL CONDITIONS

A.1. The General Assembly hereby authorizes the capital projects listed in this act. The amounts hereinafter set forth are appropriated to the state agencies named for the indicated capital projects. Amounts so appropriated and amounts reappropriated pursuant to paragraph G of this section shall be available for expenditure during the current biennium, subject to the conditions controlling the expenditures of capital project funds as provided by law. Reappropriated amounts, unless otherwise stated, are limited to the unexpended appropriation balances at the close of the previous biennium, as shown by the records of the Department of Accounts.

2. The Director, Department of Planning and Budget, may transfer appropriations listed in Part 2 of this act from the second year to the first year in accordance with § 4-1.03 a 5 of this act.

B. The five-digit number following the title of a project is the code identification number assigned for the life of the project.

C. Except as herein otherwise expressly provided, appropriations or reappropriations for structures may be used for the purchase of equipment to be used in the structures for which the funds are provided, subject to guidelines prescribed by the Governor.

D. Notwithstanding any other provisions of law, appropriations for capital projects shall be subject to the following:

1. Appropriations or reappropriations of funds made pursuant to this act for planning of capital projects shall not constitute implied approval of construction funds in a future biennium. Funds, other than the reappropriations referred to above, for the preparation of capital project proposals must come from the affected agency's existing resources.

2. No capital project for which appropriations for planning are contained in this act, nor any project for which appropriations for planning have been previously approved, shall be considered for construction funds until preliminary plans and cost estimates are reviewed by the Department of General Services. The purpose of this review is to avoid unnecessary expenditures for each project, in the interest of assuring the overall cost of the project is reasonable in relation to the purpose intended, regardless of discrete design choices.

E.1. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property, plant, and equipment as defined in § 4-4.01c of this act to the extent that funds included in the appropriation to the agency for this purpose in Part 1 of this act are insufficient.

2. Agencies and institutions of higher education can expend up to \$1,500,000 for a single repair or project through the maintenance reserve appropriation. Such expenditures shall be subject to rules and regulations prescribed by the Governor. To the extent an agency or institution of higher education has identified a potential project that exceeds this threshold, the Director, Department of Planning and Budget, can provide exemptions to the threshold as long as the project still meets the definition of a maintenance reserve project as defined by the Department of Planning and Budget.

3. Only facilities supported wholly or in part by the general fund shall utilize general fund maintenance reserve appropriations. Facilities supported entirely by nongeneral funds shall accomplish maintenance through the use of nongeneral funds.

F. Conditions Applicable to Bond Projects

1. The capital projects listed in §§ 2-53 and 2-54 for the indicated agencies and institutions of higher education are hereby authorized and sums from the sources and in the amount indicated are hereby appropriated and reappropriated. The issuance of bonds in a principal amount plus amounts needed to fund issuance costs, reserve funds, and other financing expenses, including capitalized interest for any project listed in §§ 2-53 and 2-54 is hereby authorized.

2. The issuance of bonds for any project listed in § 2-53 is to be separately authorized pursuant to Article X, Section 9 (c), Constitution of Virginia.

3. The issuance of bonds for any project listed in §§ 2-53 or 2-54 shall be authorized pursuant to § 23.1-1106, Code of Virginia.

4. In the event that the cost of any capital project listed in §§ 2-53 and 2-54 shall exceed the amount appropriated therefore, the Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in appropriation authority of not more than ten percent of the amount designated in §§ 2-53 and 2-54 for such project, from any available nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-53 and 2-54 for such capital project.

		Item Details(\$)		Appropriations(\$)	
		First Year	Second Year	First Year	Second Year
		FY2017	FY2018	FY2017	FY2018

- 1 5. The interest on bonds to be issued for these projects may be subject to inclusion in gross income for federal income tax
2 purposes.
- 3 6. Inclusion of a project in this act does not imply a commitment of state funds for temporary construction financing. In the absence of
4 such commitment, the institution may be responsible for securing short-term financing and covering the costs from other sources of
5 funds.
- 6 7. In the event that the Treasury Board determines not to finance all or any portion of any project listed in § 2-53 of this act with the
7 issuance of bonds pursuant to Article X, Section 9 (c), Constitution of Virginia, and notwithstanding any provision of law to the
8 contrary, this act shall constitute the approval of the General Assembly to finance all or such portion of such project under the
9 authorization of § 2-54 of this act.
- 10 8. The General Assembly further declares and directs that, notwithstanding any other provision of law to the contrary, 50 percent of
11 the proceeds from the sale of surplus real property pursuant to § 2.2-1147 et seq., Code of Virginia, which pertain to the general fund,
12 and which were under the control of an institution of higher education prior to the sale, shall be deposited in a special fund set up on
13 the books of the State Comptroller, which shall be known as the Higher Education Capital Projects Fund. Such sums shall be held in
14 reserve, and may be used, upon appropriation, to pay debt service on bonds for the 21st Century College Program as authorized in
15 Item C-7.10 of Chapter 924 of the Acts of Assembly of 1997.
- 16 G. Upon certification by the Director, Department of Planning and Budget, there is hereby reappropriated the appropriations
17 unexpended at the close of the previous biennium for all authorized capital projects which meet any of the following conditions:
- 18 1. Construction is in progress.
- 19 2. Equipment purchases have been authorized by the Governor but not received.
- 20 3. Plans and specifications have been authorized by the Governor but not completed.
- 21 4. Obligations were outstanding at the end of the previous biennium.
- 22 H. Alternative Financing
- 23 1. Any agency or institution of the Commonwealth that would construct, purchase, lease, or exchange a capital asset by means of an
24 alternative financing mechanism, such as the Public Private Education Infrastructure Act, or similar statutory authority, shall provide a
25 report to the Governor and the Chairmen of the Senate Finance and House Appropriations Committees no less than 30 days prior to
26 entering into such alternative financing agreement. This report shall provide:
- 27 a. a description of the purpose to be achieved by the proposal;
- 28 b. a description of the financing options available, including the alternative financing, which will delineate the revenue streams or
29 client populations pledged or encumbered by the alternative financing;
- 30 c. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the Commonwealth;
- 31 d. an analysis of the alternatives clearly setting out the advantages and disadvantages of each for the clients of the agency or
32 institution; and
- 33 e. a recommendation and planned course of action based on this analysis.
- 34 I. Conditions Applicable to Alternative Financing
- 35 The following authorizations to construct, purchase, lease or exchange a capital asset by means of an alternative financing mechanism,
36 such as the Public Private Education Infrastructure Act, or similar statutory authority, are continued until revoked:
- 37 1. James Madison University
- 38 a. Subject to the provisions of this act, the General Assembly authorizes James Madison University, with the approval of the
39 Governor, to explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational
40 related facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury
41 Board Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia.
- 42 b. The General Assembly authorizes James Madison University to enter into a written agreement with a public or private entity to
43 design, construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities.
44 The facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in
45 accordance with the guidelines cited in paragraph 1 of this item. James Madison University is also authorized to enter into a written
46 agreement with the public or private entity to lease all or a portion of the facilities.

	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018

1 c. The General Assembly further authorizes James Madison University to enter into a written agreement with the public or private entity for
2 the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility
3 inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the facility or
4 facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the
5 facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the
6 University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the University or
7 the Commonwealth of Virginia.

8 d. James Madison University is further authorized to convey fee simple title in and to one or more parcels of land to James Madison
9 University Foundation (JMUF), which will develop and use the land for the purpose of developing and establishing residential housing
10 for students and/or faculty and staff, office, retail, athletics, dining, student services, and other auxiliary activities and commercial land
11 use in accordance with the University's Master Plan.

12 2. Longwood University

13 a. Subject to the provisions of this act, the General Assembly authorizes Longwood University to enter into a written agreement or
14 agreements with the Longwood University Real Estate Foundation (LUREF) for the development, design, construction and financing of
15 student housing projects, a convocation center, parking, and operational and recreational facilities through alternative financing
16 agreements including public-private partnerships. The facility or facilities may be located on property owned by the Commonwealth.

17 b. Longwood is further authorized to enter into a written agreement with the LUREF for the support of such student housing,
18 convocation center, parking, and operational and recreational facilities by including the facilities in the University's facility inventory
19 and managing their operation and maintenance; by assigning parking authorizations, students and/or operations to the facility or
20 facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise supporting the
21 facilities consistent with law, provided that the University shall not be required to take any action that would constitute a breach of the
22 University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness of the
23 University or the Commonwealth of Virginia.

24 c. The General Assembly further authorizes Longwood University to enter into a written agreement with a public or private entity to
25 plan, design, develop, construct, finance, manage and operate a facility or facilities to provide additional student housing and/or
26 operational-related facilities. Longwood University is also authorized to enter into a written agreement with the public or private entity
27 to lease all or a portion of the facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for
28 planning, construction and other costs of any of the projects. Revenue bonds issued by or for the benefit of LUREF will provide
29 construction and/or permanent financing.

30 d. Longwood University is further authorized to convey fee simple title in and to one or more parcels of land to LUREF, which will
31 develop and use the land for the purpose of developing and establishing residential housing for students and/or faculty and staff, office,
32 retail, athletics, dining, student services, and other auxiliary activities and commercial land use in accordance with the University's
33 Master Plan.

34 3. Christopher Newport University

35 a. Subject to the provisions of this act, the General Assembly authorizes Christopher Newport University to enter into, continue, extend
36 or amend written agreements with the Christopher Newport University Educational Foundation (CNUEF) or the Christopher Newport
37 University Real Estate Foundation (CNUREF) in connection with the refinancing of certain housing and office space projects.

38 b. Christopher Newport University is further authorized to enter into, continue, extend or amend written agreements with CNUEF or
39 CNUREF to support such facilities including agreements to (i) lease all or a portion of such facilities from CNUEF or CNUREF, (ii)
40 include such facilities in the University's building inventory, (iii) manage the operation and maintenance of the facilities, including
41 collection of any rental fees from University students in connection with the use of such facilities, and (iv) otherwise support the
42 activities at such facilities consistent with law, provided that the University shall not be required to take any action that would
43 constitute a breach of the University's obligation under any documents or instruments constituting or securing bonds or other
44 indebtedness of the University or the Commonwealth of Virginia.

45 4. Radford University

46 a. Subject to the provisions of this act, the General Assembly authorizes Radford University, with the approval of the Governor, to
47 explore and evaluate an alternative financing scenario to provide additional parking, student housing, and/or operational related
48 facilities. The project shall be consistent with the guidelines of the Department of General Services and comply with Treasury Board
49 Guidelines issued pursuant to § 23.1-1106 C.1.d, Code of Virginia.

50 b. The General Assembly authorizes Radford University to enter into a written agreement with a public or private entity to design,
51 construct, and finance a facility or facilities to provide additional parking, student housing, and/or operational related facilities. The
52 facility or facilities may be located on property owned by the Commonwealth. All project proposals and approvals shall be in

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- 1 accordance with the guidelines cited in paragraph 1 of this item. Radford University is also authorized to enter into a written
2 agreement with the public or private entity to lease all or a portion of the facilities.
- 3 c. The General Assembly further authorizes Radford University to enter into a written agreement with the public or private entity for
4 the support of such parking, student housing, and/or operational related facilities by including the facilities in the University's facility
5 inventory and managing their operation and maintenance; by assigning parking authorizations, students, and/or operations to the
6 facility or facilities in preference to other University facilities; by restricting construction of competing projects; and by otherwise
7 supporting the facilities consistent with law, provided that the University shall not be required to take any action that would constitute
8 a breach of the University's obligations under any documents or other instruments constituting or securing bonds or other indebtedness
9 of the University or the Commonwealth of Virginia.
- 10 5. University of Mary Washington
- 11 a. Subject to the provisions of this act, the General Assembly authorizes the University of Mary Washington to enter into a written
12 agreement or agreements with the University of Mary Washington Foundation (UMWF) to support student housing projects and/or
13 operational-related facilities through alternative financing agreements including public-private partnerships.
- 14 b. The University of Mary Washington is further authorized to enter into written agreements with UMWF to support such student
15 housing facilities; the support may include agreements to (i) include the student housing facilities in the University's students housing
16 inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students occupied
17 University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) seek to obtain
18 police power over the student housing as provided by law; and (v) otherwise support the students housing facilities consistent with
19 law, provided that the University's obligation under any documents or other instruments constituting or securing bonds or other
20 indebtedness of the University or the Commonwealth of Virginia.
- 21 c. The General Assembly further authorizes the University of Mary Washington to enter into a written agreement with a public or
22 private entity to design, construct, and finance a facility or facilities to provide additional student housing and/or operational-related
23 facilities. The facility or facilities may or may not be located on property owned by the Commonwealth. The University of Mary
24 Washington is also authorized to enter into a written agreement with the public or private entity to lease all or a portion of the
25 facilities. The State Treasurer is authorized to make Treasury loans to provide interim financing for planning, construction and other
26 costs of any of the projects. Revenue bonds issued by or for UMWF will provide construction and/or permanent financing.
- 27 6. Norfolk State University
- 28 a. Subject to the provisions of this act, the General Assembly authorizes Norfolk State University to enter into a written agreement or
29 agreements with a Foundation of the University for the development of one or more student housing projects on or adjacent to campus,
30 subject to the conditions outlined in the Public-Private Education Facilities Infrastructure Act of 2002.
- 31 b. Norfolk State University is further authorized to enter into written agreements with a Foundation of the University to support such
32 student housing facilities; the support may include agreements to (i) include the student housing facilities in the University's student
33 housing inventory; (ii) manage the operation and maintenance of the facilities, including collection of rental fees as if those students
34 occupied University-owned housing; (iii) assign students to the facilities in preference to other University-owned facilities; (iv) restrict
35 construction of competing student housing projects; (v) seek to obtain police power over the student housing as provided by law; and
36 (vi) otherwise support the student housing facilities consistent with law, provided that the University shall not be required to take any
37 action that would constitute a breach of the University's obligations under any documents or other instruments constituting or securing
38 bonds or other indebtedness of the University or the Commonwealth of Virginia.
- 39 7. Northern Virginia Community College - Alexandria Campus
- 40 The General Assembly authorizes Northern Virginia Community College, Alexandria Campus to enter into a written agreement either
41 with its affiliated foundation or a private contractor to construct a facility to provide on-campus housing on College land to be leased
42 to said foundation or private contractor for such purposes. Northern Virginia Community College, Alexandria Campus, is also
43 authorized to enter into a written agreement with said foundation or private contractor for the support of such student housing facilities
44 and management of the operation and maintenance of the same.
- 45 8. Virginia State University
- 46 a. Subject to the provisions of this act, the General Assembly authorizes Virginia State University (University) to enter into a written
47 agreement or agreements with the Virginia State University Foundation (VSUF), Virginia State University Real Estate Foundation
48 (VSUREF), and other entities owned or controlled by the university for the development, design, construction, financing, and
49 management of a mixed-use economic development corridor comprising student housing, parking, and dining facilities through
50 alternative financing agreements including public-private partnerships. The facility or facilities may be located on property owned by
51 the Commonwealth.
- 52 b. Virginia State University is further authorized to enter into a written agreement with the VSUREF, VSUF, and other entities owned

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- 1 or controlled by the university for the support of such a mixed-use economic development corridor comprising student housing, parking,
 2 and dining facilities by including these projects in the university's facility inventory and managing their operation and maintenance; by
 3 assigning parking authorizations, students and/or operations to the facility or facilities in preference to other university facilities; by
 4 restricting construction of competing projects; and by otherwise supporting the facilities consistent with law, provided that the university
 5 shall not be required to take any action that would constitute a breach of the university's obligations under any documents or other
 6 instruments constituting or securing bonds or other indebtedness of the university or the Commonwealth of Virginia.
- 7 9. College of William and Mary
- 8 a. Subject to the provisions of this act, the General Assembly authorizes the College of William and Mary, with the approval of the
 9 Governor, to explore and evaluate alternative financing scenarios to provide additional parking, student or faculty/staff housing,
 10 recreational, athletic and/or operational related facilities. The project shall be consistent with the guidelines of the Department of
 11 General Services and comply with Treasury Board guidelines issued pursuant to § 23.1-1106 C.1. (d), Code of Virginia.
- 12 b. The General Assembly authorizes the College of William and Mary to enter into written agreements with public or private entities to
 13 design, construct, and finance a facility or facilities to provide additional parking, student or faculty/staff housing, recreational, athletic,
 14 and/or operational related facilities. The facility or facilities may be on property owned by the Commonwealth. All project proposals
 15 and approvals shall be in accordance with the guidelines cited in paragraph 1 of this item. The College of William and Mary is also
 16 authorized to enter into a written agreement with the public or private entity to lease all or a portion of the facility.
- 17 c. The General Assembly further authorizes the College of William and Mary to enter into written agreements with the public or private
 18 entities for the support and operation of such parking, student or faculty/staff housing, recreational, athletic, and /or operational related
 19 facilities by including the facilities in the College's facility inventory and managing their operation and maintenance including the
 20 assignment of parking authorizations, students, faculty or staff, and operations to the facility in preference to other university facilities,
 21 limiting construction of competing projects, and by otherwise supporting the facilities consistent with law, provided that the Collage
 22 shall not be required to take any action that would constitute a breach of the University's obligations under any documents or other
 23 instruments constituting or securing bonds or other indebtedness of the College or the Commonwealth of Virginia.
- 24 d. The College of William and Mary is further authorized to convey fee simple title in and to one or more parcels of land to the William
 25 and Mary Real Estate Foundation (WMREF) which will develop and use the land for the purpose of developing and establishing
 26 residential housing for students, faculty, or staff, recreational, athletic, and/or operational related facilities including office, retail and
 27 commercial, student services, or other auxiliary activities.
- 28 10. The following individuals, and members of their immediate family, may not engage in an alternative financing arrangement with
 29 any agency or institution of the Commonwealth, where the potential for financial gain, or other factors may cause a conflict of interest:
- 30 a. A member of the agency or institution's governing body;
- 31 b. Any elected or appointed official of the Commonwealth or its agencies and institutions who has, or reasonably can be assumed to
 32 have, a direct influence on the approval of the alternative financing arrangement; or
- 33 c. Any elected or appointed official of a participating political subdivision, or authority who has, or reasonably can be assumed to have,
 34 a direct influence on the approval of the alternative financing arrangement.
- 35 J. Appropriations contained in this act for capital project planning shall be used as specified for each capital project and construction
 36 funding for the project shall be considered by the General Assembly after determining that (1) project cost is reasonable; (2) the project
 37 remains a highly-ranked capital priority for the Commonwealth; and (3) the project is fully justified from a space and programmatic
 38 perspective.
- 39 K. Any capital project that has received a supplemental appropriation due to cost overruns must be completed within the revised budget
 40 provided. If a project requires an additional supplement, the Governor should also consider reduction in project scope or cancelling the
 41 project before requesting additional appropriations. Agencies and institutions with nongeneral funds may bear the costs of additional
 42 overruns from nongeneral funds.
- 43 L. The Governor shall consider the project life cycle cost that provides the best long-term benefit to the Commonwealth when
 44 conducting capital project reviews, design and construction decisions, and project scope changes.
- 45 M. No structure, improvement or renovation shall occur on the state property located at the Carillon in Byrd Park in the City of
 46 Richmond without the approval of the General Assembly.
- 47 N. All agencies of the Commonwealth and institutions of higher education shall provide information and/or use systems and processes
 48 in the method and format as directed by the Director, Department of General Services, on behalf of the Six-Year Capital Outlay Plan
 49 Advisory Committee, to provide necessary information for state-wide reporting. This requirement shall apply to all projects, including
 50 those funded from general and nongeneral fund sources.
- 51 O. The Department of General Services, with the cooperation and support of the Workers' Compensation Commission, is hereby

1 directed to manage acquisition or, construction, or leasing under a capital lease of a new headquarters facility for the commission
 2 out of such funds appropriated for such purposes by Item C-38.10, Chapter 1, 2014 Special Session I. Upon completion of the new
 3 facility, the department shall transfer the existing headquarters facility located at 1000 DMV Drive in Richmond, Virginia to the
 4 Science Museum of Virginia.

5 P. The Director, Department of Planning and Budget, in consultation with the Six-Year Capital Outlay Plan Advisory Committee, is
 6 authorized to transfer bond appropriations and bond proceeds between and among the capital pool projects listed in the table below, in
 7 order to address any shortfall in appropriation in one or more of such projects:

Project No.	Pool Project Title	Authorization	Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
17775	Public Education Institutions Capital Account	Enactment Clause 2, § 4, Chapter 1, 2008 Special Session I Acts of Assembly				
17776	State Agency Capital Account	Enactment Clause 2, § 2, Chapter 1, 2008 Special Session I Acts of Assembly				
17861	Supplements for Previously Authorized Higher Education Capital Projects	Item C-85, Chapter 874, 2010 Acts of Assembly; amended by Item C-85, Chapter 890, 2011 Acts of Assembly				
17862	Energy Conservation	Item C-86, Chapter 890, 2011 Acts of Assembly				
17967	Capital Outlay Project Pool	Item C-38.10, Chapter 3, 2012 Special Session I Acts of Assembly; amended by: Item C-38.10, Chapter 806, 2013 Acts of Assembly; by Item C-38.10, Chapter 1, 2014 Special Session I Acts of Assembly; Item C-43, Chapter 2, 2014 Special Session I Acts of Assembly; and Item C-43, Chapter 665, 2015 Acts of Assembly				
18049	Comprehensive Capital Outlay Program	Item C-39.40, Chapter 806, 2013 Acts of Assembly; amended by: Item C-39.40, Chapter 1, 2014 Special Session I Acts of Assembly; Item C-46.10, Chapter 2, 2014 Special Session I Acts of Assembly, and Item 46.10, Chapter 665, 2015 Acts of Assembly				
18196	Capital Outlay Renovation Pool	Item 46.15, Chapter 665, 2015 Acts of Assembly				
18300	2016 VPBA Capital Construction Pool	§ 1, Chapters 759 and 769, 2016 Acts of Assembly				
18301	2016 VCBA Capital Construction Pool	§ 2, Chapters 759 and 769, 2016 Acts of Assembly				

EXECUTIVE DEPARTMENT

OFFICE OF AGRICULTURE AND FORESTRY

C-1.	Omitted.					
TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY					\$0	\$0

OFFICE OF ADMINISTRATION

C-1.50	Not set out.					
TOTAL FOR OFFICE OF ADMINISTRATION.....					\$0	\$2,500,000
Fund Sources: Bond Proceeds.....			\$0	\$2,500,000		

OFFICE OF COMMERCE AND TRADE

C-2.	Not set out.					
TOTAL FOR OFFICE OF COMMERCE AND TRADE.....					\$683,000	\$175,000
Fund Sources: Special.....			\$683,000	\$175,000		

OFFICE OF EDUCATION

ITEM C-2.50.			Item Details(\$)		Appropriations(\$)	
			First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	C-2.50	Not set out.				
2	C-2.60	Not set out.				
3	C-3.	Not set out.				
4	C-4.	Not set out.				
5	C-5.	Not set out.				
6	C-5.10	Not set out.				
7	C-5.20	Not set out.				
8	C-6.	Not set out.				
9	C-7.	Not set out.				
10	C-8.	Not set out.				
11	C-8.10	Not set out.				
12	C-8.20	Not set out.				
13	C-9.	Not set out.				
14	C-10.	Not set out.				
15	C-10.10	Not set out.				
16	C-10.20	Not set out.				
17						
		§ 2-1. LONGWOOD UNIVERSITY (214)				
18	C-11.	Not set out.				
19	C-12.	Omitted.				
20	C-13.	Omitted.				
21	C-13.10	Not set out.				
22		Total for Longwood University.....			\$3,000,000	\$3,192,000
23		Fund Sources: Higher Education Operating.....	\$3,000,000	\$0		
24		Bond Proceeds.....	\$0	\$3,192,000		
25	C-14.	Not set out.				
26	C-14.50	Not set out.				
27	C-14.80	Not set out.				
28	C-15.	Not set out.				
29	C-16.	Not set out.				

ITEM C-16.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	C-17.	Not set out.		
2	C-18.	Not set out.		
3	C-19.	Not set out.		
4	C-20.	Not set out.		
5	C-21.	Not set out.		
6	C-22.	Not set out.		
7	C-22.10	Not set out.		
8	C-22.20	Not set out.		
9	C-22.30	Not set out.		
10	§ 2-2. VIRGINIA STATE UNIVERSITY (212)			
11	C-22.60	Not set out.		
12	C-22.70	Not set out.		
13	C-22.80	Not set out.		
14	C-23.	Omitted.		
15	C-24.	Omitted.		
16	C-24.10	Not set out.		
17	C-24.20	Not set out.		
18	TOTAL FOR OFFICE OF EDUCATION.....		\$321,899,000	\$137,332,000
19	Fund Sources: General.....		\$500,000	\$0
20	Higher Education Operating.....		\$92,480,000	\$31,050,000
21	Bond Proceeds.....		\$228,919,000	\$106,282,000
22	OFFICE OF HEALTH AND HUMAN RESOURCES			
23	C-24.50	Not set out.		
24	TOTAL FOR OFFICE OF HEALTH AND			
25	HUMAN RESOURCES.....		\$0	\$3,600,000
26	Fund Sources: Bond Proceeds.....		\$0	\$3,600,000
27	OFFICE OF NATURAL RESOURCES			
28	C-25.	Not set out.		
29	C-26.	Not set out.		
30	C-27.	Not set out.		

ITEM C-27.		Item Details(\$)		Appropriations(\$)		
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018	
1	C-28.	Not set out.				
2	C-29.	Not set out.				
3	C-30.	Not set out.				
4	C-31.	Not set out.				
5	TOTAL FOR OFFICE OF NATURAL					
6	RESOURCES.....				\$8,426,000	\$11,054,000
7	Fund Sources: Special.....	\$525,000	\$1,000,000			
8	Dedicated Special Revenue.....	\$3,778,000	\$5,291,000			
9	Federal Trust.....	\$4,123,000	\$4,763,000			
10	OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY					
11	C-31.50	Omitted.				
12	C-32.	Not set out.				
13	C-33.	Not set out.				
14	C-34.	Not set out.				
15	C-34.10	Not set out.				
16	C-34.20	Not set out.				
17	C-34.30	Not set out.				
18	C-34.40	Not set out.				
19	C-34.50	Not set out.				
20	§ 2-3. DEPARTMENT OF STATE POLICE (156)					
21	C-35.	Not set out.				
22	C-35.10	Omitted.				
23	C-35.20	Not set out.				
24	Total for Department of State Police.....			\$10,000	\$0	
25	Fund Sources: Special.....	\$10,000	\$0			
26	TOTAL FOR OFFICE OF PUBLIC SAFETY AND					
27	HOMELAND SECURITY.....				\$3,128,000	\$8,000,000
28	Fund Sources: Special.....	\$40,000	\$0			
29	Dedicated Special Revenue.....	\$25,000	\$0			
30	Federal Trust.....	\$1,000,000	\$0			
31	Bond Proceeds.....	\$2,063,000	\$8,000,000			
32	OFFICE OF TRANSPORTATION					
33	C-36.	Not set out.				

ITEM C-36.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	C-37.	Not set out.		
2	C-38.	Not set out.		
3	C-39.	Not set out.		
4	C-40.	Not set out.		
5	C-41.	Not set out.		
6	C-41.10	Not set out.		
7	§ 2-4. VIRGINIA PORT AUTHORITY (407)			
8	C-42.	Not set out.		
9	C-43.	Omitted.		
10	Total for Virginia Port Authority.....		\$3,000,000	\$3,000,000
11	Fund Sources: Commonwealth Transportation.....		\$3,000,000	\$3,000,000
12	TOTAL FOR OFFICE OF TRANSPORTATION...		\$51,766,700	\$43,671,000
13	Fund Sources: Commonwealth Transportation.....		\$51,766,700	\$43,671,000
14	OFFICE OF VETERANS AND DEFENSE AFFAIRS			
15	C-43.50	Not set out.		
16	TOTAL FOR OFFICE OF VETERANS AND			
17	DEFENSE AFFAIRS.....		\$0	\$10,000,000
18	Fund Sources: Bond Proceeds.....		\$0	\$10,000,000
19	CENTRAL APPROPRIATIONS			
20	§ 2-5. CENTRAL CAPITAL OUTLAY (949)			
21	C-44.	Not set out.		
22	C-45.	Omitted.		
23	C-45.10	Not set out.		
24	C-46.	Omitted.		
25	C-47.	Omitted.		
26	C-48.	Omitted.		
27	C-48.10	Not set out.		
28	C-48.50	Not set out.		
29	C-49.	Omitted.		

ITEM C-49.20.	Item Details(\$)		Appropriations(\$)	
	First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1 C-49.20	Not set out.			
2 C-50.	The provisions of Item C-46.10, Chapter 665, 2015 Acts of Assembly, as it relates to the			
3	Advanced Manufacturing Apprentice Academy Center and Regional Centers of Excellence			
4	are hereby extended without change for the 2016-2018 Biennium except for paragraph D.			
5	D.1. Upon certification from the Virginia Economic Development Partnership and the			
6	Commonwealth Center for Advanced Manufacturing that one or more federal grants have			
7	been awarded or contributions from other non-governmental sources, including but not			
8	limited to in-kind donations of land, equipment, software or services, have been received by			
9	the Commonwealth Center for Advanced Manufacturing, the Director, Department of			
10	Planning and Budget shall release all or a portion of \$25 up to \$12.5 up to \$12.5 million from this item to			
11	the Virginia Economic Development Partnership (VEDP) for the Commonwealth Center for			
12	Advanced Manufacturing to develop an Advanced Manufacturing Apprentice Academy			
13	Center to support existing and future Regional Centers of Excellence. In-kind donations shall			
14	not exceed more than 40 percent of the total match that is required.			
15	2. Upon passage of this act, the bond authorization provided for this project in Item C-46.10,			
16	Chapter 665, 2015 Acts of Assembly, is reduced from \$25 million to \$12.5 million.			
17 C-51.	Not set out.			
18 C-52.	Not set out.			
19 C-52.10	Not set out.			
20 C-52.20	Omitted.			
21 C-52.30	Omitted.			
22 C-52.40	Not set out.			
23 C-52.45	Not set out.			
24 C-52.50	Not set out.			
25 C-52.60	Not set out.			
26 C-52.70	Not set out.			
27	Total for Central Capital Outlay.....		\$154,400,000	\$278,244,132
28	Fund Sources: General.....		\$500,000	\$0
29	Bond Proceeds.....		\$153,900,000	\$278,244,132
30 C-53.	Not set out.			
31 C-54.	Not set out.			
32	TOTAL FOR CENTRAL APPROPRIATIONS.....		\$154,400,000	\$278,244,132
33	Fund Sources: General.....		\$500,000	\$0
34	Bond Proceeds.....		\$153,900,000	\$278,244,132
35	TOTAL FOR PART 2: CAPITAL PROJECT			
36	EXPENSES.....		\$540,302,700	\$494,576,132
37	Fund Sources: General.....		\$1,000,000	\$0
38	Special.....		\$1,248,000	\$1,175,000
39	Higher Education Operating.....		\$92,480,000	\$31,050,000
40	Commonwealth Transportation.....		\$51,766,700	\$43,671,000

ITEM C-54.		Item Details(\$)		Appropriations(\$)	
		First Year FY2017	Second Year FY2018	First Year FY2017	Second Year FY2018
1	Dedicated Special Revenue.....	\$3,803,000	\$5,291,000		
2	Federal Trust.....	\$5,123,000	\$4,763,000		
3	Bond Proceeds.....	\$384,882,000	\$408,626,132		

PART 3: MISCELLANEOUS

§ 3-1.00 TRANSFERS

§ 3-1.01 INTERFUND TRANSFERS

A.1. In order to reimburse the general fund of the state treasury for expenses herein authorized to be paid therefrom on account of the activities listed below, the State Comptroller shall transfer the sums stated below to the general fund from the nongeneral funds specified, except as noted, on January 1 of each year of the current biennium. Transfers from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of the quarter. The payment for the fourth quarter of each fiscal year shall be made in the month of June.

	FY 2017	FY 2018
1. Alcoholic Beverage Control Enterprise Fund (§ 4.1-116, Code of Virginia)		
a) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from Alcoholic Beverage Control gross profits)	\$65,375,769	\$65,375,769
b) For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies (from gross wine liter tax collections as specified in § 4.1-234, Code of Virginia)	\$9,141,363	\$9,141,363
2. Forest Products Tax Fund (§ 58.1-1609, Code of Virginia)	\$20,917	\$20,917
		\$23,613
For collection by Department of Taxation		
3. Peanut Fund (§3.2-1906, Code of Virginia)	\$2,830	\$2,830
		\$2,419
4. For collection by Department of Taxation		
a) Aircraft Sales & Use Tax (§ 58.1-1509, Code of Virginia)	\$59,419	\$59,419
		\$39,169
b) Soft Drink Excise Tax	\$2,157	\$2,157
		\$3,753
c) Virginia Litter Tax	\$9,238	\$9,238
		\$9,472
5. Proceeds of the Tax on Motor Vehicle Fuels		
For inspection of gasoline, diesel fuel and motor oils	\$97,586	\$97,586
6. Virginia Retirement System (Trust and Agency)		
For postage by the Department of the Treasury	\$34,500	\$34,500
7. Department of Alcoholic Beverage Control (Enterprise)		
For services by the:		
a) Auditor of Public Accounts	\$75,521	\$75,521
b) Department of Accounts	\$64,607	\$64,607
c) Department of the Treasury	\$47,628	\$47,628
8. Commission on the Virginia Alcohol Safety Action Program (Special)		
For expenses incurred for care, treatment, study and rehabilitation of alcoholics by the Department of Behavioral Health and Developmental Services and other state agencies.	\$800,000	\$0
TOTAL	\$75,731,535	\$74,931,535
		\$74,915,400

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times a year, and such transfers shall be made within fifty (50) days of the close of each quarter. The transfer of fourth quarter profits shall

1 be estimated and made in the month of June. In the event actual net profits are less than the estimate transferred in June, the
 2 difference shall be deducted from the net profits of the next quarter and the resulting sum transferred to the general fund.
 3 Distributions to localities shall be made within fifty (50) days of the close of each quarter. Net profits are estimated at
 4 \$108,428,070 the first year and ~~\$103,028,070~~ \$104,100,000 the second year.

5 b. Pursuant to § 4.1-116 B, Code of Virginia, the Department of Alcoholic Beverage Control shall notify the State Comptroller
 6 of the amount to be deducted quarterly from the net profits for transfer to the reserve fund established by the cited section.
 7 However, § 4.1-116 B. shall not apply if depreciation is expensed directly in order to reduce net profits.

8 B.1. If any transfer to the general fund required by any subsections of §§ 3-1.01 through 3-6.02 is subsequently determined to
 9 be in violation of any federal statute or regulation, or Virginia constitutional requirement, the State Comptroller is hereby
 10 directed to reverse such transfer and to return such funds to the affected nongeneral fund account.

11 2. There is hereby appropriated from the applicable funds such amounts as are required to be refunded to the federal
 12 government for mutually agreeable resolution of internal service fund over-recoveries as identified by the U. S. Department of
 13 Health and Human Services' review of the annual Statewide Indirect Cost Allocation Plans.

14 C. In order to fund such projects for improvement of the Chesapeake Bay and its tributaries as provided in § 58.1-2289 D, Code
 15 of Virginia, there is hereby transferred to the general fund of the state treasury the amounts listed below. The Department of
 16 Motor Vehicles shall be responsible for effecting the provisions of this paragraph. The amounts listed below shall be transferred
 17 on June 30 of each fiscal year.

18	154	Department of Motor Vehicles	\$7,416,469	\$7,416,469
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19 D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the
 20 general fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to
 21 increased local sales and use tax compliance efforts, the Property Tax Unit, and State Land Evaluation Advisory Committee
 22 (SLEAC) services by the Department of Taxation estimated at \$5,921,168 the first year and ~~\$5,921,168~~ \$5,986,862 the second
 23 year.

24 E. The State Comptroller shall transfer to the general fund from the Transportation Trust Fund a proportionate share of the costs
 25 attributable to increased sales and use tax compliance efforts and revenue forecasting for the Transportation Trust Fund by the
 26 Department of Taxation estimated at \$2,925,835 the first year and ~~\$2,925,835~~ \$2,933,496 the second year.

27 F. On or before June 30 of each year, the State Comptroller shall transfer \$12,629,154 the first year and \$12,629,154 the second
 28 year to the general fund the following amounts from the agencies and fund sources listed below, for expenses incurred by
 29 central service agencies:

30	Agency Name	Fund Group	FY 2017	FY 2018
31	Compensation Board (157)	0900	\$61,074	\$61,074
32	Department of Elections (132)	0200	\$957	\$957
33	Department of Agriculture &	0200	\$17,482	\$17,482
34	Consumer Services (301)			
35	Department of Agriculture &	0900	\$35,474	\$35,474
36	Consumer Services (301)			
37	Department of Forestry (411)	0200	\$42,081	\$42,081
38	Department of Forestry (411)	900	\$334	\$334
39	Department of Housing and	0900	\$269	\$269
40	Community Develop. (165)			
41	Board of Accountancy (226)	0900	\$10,155	\$10,155
42	Board of Bar Examiners (233)	0200	\$7,587	\$7,587
43	Department of Labor and Industry	0200	\$10,226	\$10,226
44	(181)			
45	Department of Professional &	0200	\$7,650	\$7,650
46	Occupational Regulations (222)			
47	Department of Professional &	0900	\$3,248	\$3,248
48	Occupational Regulations (222)			

1	Southwest Virginia Higher Ed. Center	0200	\$22,282	\$22,282
2	(948)			
3	Virginia Museum of Fine Arts (238)	0200	\$25,161	\$25,161
4	Virginia Museum of Fine Arts (238)	0500	\$19,314	\$19,314
5	Department of Health (601)	0900	\$220,055	\$220,055
6	Health Insurance Administration (149)	0500	\$425,602	\$425,602
7	Tobacco Indemnification & Revit.	0900	\$18,714	\$18,714
8	Commission (851)			
9	Virginia for Health Youth Foundation	0900	\$19,464	\$19,464
10	(852)			
11	Department for the Deaf and Hard-Of-	0200	\$26,440	\$26,440
12	Hearing (751)			
13	Department of Behavioral Health and	0200	\$20,612	\$20,612
14	Developmental Services (720)			
15	Department of Health Professions (223)	0900	\$33,161	\$33,161
16	Department for Aging and	0200	\$61,116	\$61,116
17	Rehabilitative Services (262)			
18	Department for Aging and	0900	\$373	\$373
19	Rehabilitative Services (262)			
20	Virginia College Savings Plan (174)	0500	\$645,854	\$645,854
21	Supreme Court (111)	0900	\$273,576	\$273,576
22	Virginia State Bar (117)	0900	\$73,122	\$73,122
23	Department of Conservation and	0200	\$182,537	\$182,537
24	Recreation (199)			
25	Department of Conservation and	0900	\$55,954	\$55,954
26	Recreation (199)			
27	Department of Game and Inland	0900	\$750,436	\$750,436
28	Fisheries (403)			
29	Marine Resources Commission (402)	0200	\$20,208	\$20,208
30	Marine Resources Commission (402)	0900	\$10,075	\$10,075
31	Virginia Museum of Natural History	0200	\$3,930	\$3,930
32	(942)			
33	Alcoholic Beverage Control (999)	0500	\$150	\$150
34	Department of Criminal Justice	0200	\$56,643	\$56,643
35	Services (140)			
36	Department of Criminal Justice	0900	\$71,485	\$71,485
37	Services (140)			
38	Department of Fire Programs (960)	0200	\$14,376	\$14,376
39	Department of State Police (156)	0200	\$103,044	\$103,044
40	Department of Military Affairs (123)	0900	\$8,722	\$8,722
41	State Corporation Commission (171)	0900	\$7,120	\$7,120
42	Innovation & Entrepreneurship	0900	\$1,340	\$1,340

1	Investment Authority (934)			
2	Department of Aviation (841)	0400	\$79,004	\$79,004
3	Department of Rail and Public	0400	\$675,667	\$675,667
4	Transportation (505)			
5	Department of Motor Vehicles (154)	0400	\$3,728,268	\$3,728,268
6	Department of Transportation (501)	0400	\$4,566,723	\$4,566,723
7	Motor Vehicle Dealer Board (506)	0200	\$21,061	\$21,061
8	Virginia Port Authority (407)	0200	\$143,610	\$143,610
9	Virginia Port Authority (407)	0400	\$47,418	\$47,418
10			\$12,629,154	\$12,629,154

11 G.1. The State Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § 58.1-4022.1, Code of Virginia,
12 an amount estimated at \$599,982,144 the first year and ~~\$546,495,789~~ \$598,478,473 the second year, from the Virginia Lottery
13 Fund. The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the State Comptroller shall
14 transfer the balance of the Virginia Lottery Fund for the first five months of the fiscal year and (2) thereafter, the transfer will
15 be made on a monthly basis, or until the amount estimated at \$599,982,144 the first year and ~~\$546,495,789~~ \$598,478,473 the
16 second year has been transferred to the Lottery Proceeds Fund. Prior to June 20 of each year, the Virginia Lottery Director shall
17 estimate the amount of profits in the Virginia Lottery Fund for the month of June and shall notify the State Comptroller so that
18 the estimated profits can be transferred to the Lottery Proceeds Fund prior to June 22.

19 2. No later than 10 days after receipt of the annual audit report required by § 58.1-4022.1, Code of Virginia, the State
20 Comptroller shall transfer to the Lottery Proceeds Fund the remaining audited balances of the Virginia Lottery Fund for the
21 prior fiscal year. If such annual audit discloses that the actual revenue is less than the estimate on which the June transfer was
22 based, the State Comptroller shall adjust the next monthly transfer from the Virginia Lottery Fund to account for the difference
23 between the actual revenue and the estimate transferred to the Lottery Proceeds Fund. The State Comptroller shall take all
24 actions necessary to effect the transfers required by this paragraph, notwithstanding the provisions of § 58.1-4022, Code of
25 Virginia. In preparing the Comprehensive Annual Financial Report, the State Comptroller shall report the Lottery Proceeds
26 Fund as specified in § 58.1-4022.1, Code of Virginia.

27 H.1. The State Treasurer is authorized to charge up to 20 basis points for each nongeneral fund account which he manages and
28 which receives investment income. The assessed fees, which are estimated to generate \$3,000,000 the first year and \$3,000,000
29 the second year, will be based on a sliding fee structure as determined by the State Treasurer. The amounts shall be paid into
30 the general fund of the state treasury.

31 2.a. The State Treasurer is authorized to charge institutions of higher education participating in the pooled bond program of the
32 Virginia College Building Authority an administrative fee of up to 10 basis points of the amount financed for each project in
33 addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected from the public
34 institutions of higher education, which are estimated to generate \$100,000 the first year and \$100,000 the second year, shall be
35 paid into the general fund of the state treasury.

36 3. The State Treasurer is authorized to charge agencies, institutions and all other entities that utilize alternative financing
37 structures and require Treasury Board approval, including capital lease arrangements, up to 10 basis points of the amount
38 financed in addition to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected shall be
39 paid into the general fund of the state treasury.

40 4. The State Treasurer is authorized to charge projects financed under Article X, Section 9(c) of the Constitution of Virginia, an
41 administrative fee of up to 10 basis points of the amount financed for each project in addition to a share of direct costs of
42 issuance as determined by the State Treasurer. Such amounts collected are estimated to generate \$50,000 the first year and
43 \$50,000 the second year, and shall be paid into the general fund of the state treasury.

44 I. The State Comptroller shall transfer to the general fund of the state treasury 50 percent of the annual reimbursement received
45 from the Manville Property Damage Settlement Trust for the cost of asbestos abatement at state-owned facilities. The balance
46 of the reimbursement shall be transferred to the state agencies that incurred the expense of the asbestos abatement.

47 J. The State Comptroller shall transfer to the general fund from the Revenue Stabilization Fund in the state treasury any
48 amounts in excess of the limitation specified in § 2.2-1829, Code of Virginia.

49 K.1. Not later than 30 days after the close of each quarter during the biennium, the State Comptroller shall transfer,
50 notwithstanding the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of

- 1 Virginia, from the general fund to the Game Protection Fund. This transfer shall not exceed \$4,700,000 the first year and ~~\$4,700,000~~
2 ~~\$6,300,000~~ the second year.
- 3 2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the State Comptroller to
4 transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the official
5 revenue forecast for such collections.
- 6 L.1. On or before June 30 each year, the State Comptroller shall transfer from the general fund to the Family Access to Medical
7 Insurance Security Plan Trust Fund the amount required by § 32.1-352, Code of Virginia. This transfer shall not exceed \$14,065,627
8 the first year and \$14,065,627 the second year. The State Comptroller shall transfer 90 percent of the yearly estimated amounts to
9 the Trust Fund on July 15 of each year.
- 10 2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical Insurance
11 Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the biennium.
- 12 M. Not later than thirty days after the close of each quarter during the biennium, the State Comptroller shall transfer to the Game
13 Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-638 E, this
14 transfer shall not exceed \$12,350,000 the first year and \$12,350,000 the second year.
- 15 N.1. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Indemnification and Community
16 Revitalization Fund to the general fund an amount estimated at \$244,268 the first year and \$244,268 the second year. This amount
17 represents the Tobacco Indemnification and Community Revitalization Commission's 50 percent proportional share of the Office of
18 the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement and § 3.2-4201, Code
19 of Virginia.
- 20 2. On or before June 30 each year, the State Comptroller shall transfer from the Tobacco Settlement Fund to the general fund an
21 amount estimated at \$48,854 the first year and \$48,854 the second year. This amount represents the Tobacco Settlement
22 Foundation's ten percent proportional share of the Office of the Attorney General's expenses related to the enforcement of the 1998
23 Tobacco Master Settlement Agreement and § 3.2-4201, Code of Virginia.
- 24 O. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$5,089,914 the first year and ~~\$5,089,914~~
25 ~~\$3,000,000~~ the second year from the Court Debt Collection Program Fund at the Department of Taxation.
- 26 P. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$7,400,000 the first year and \$7,400,000
27 the second year from the Department of Motor Vehicles' Uninsured Motorists Fund. These amounts shall be from the share that
28 would otherwise have been transferred to the State Corporation Commission.
- 29 Q. On or before June 30 each year, the State Comptroller shall transfer an amount estimated at \$6,500,000 the first year and an
30 amount estimated at \$6,500,000 the second year to the general fund from the Intensified Drug Enforcement Jurisdictions Fund at the
31 Department of Criminal Justice Services.
- 32 R. On or before June 30 each year, the State Comptroller shall transfer to the general fund \$3,364,585 the first year and \$3,864,585
33 the second year from operating efficiencies to be implemented by the Department of Alcoholic Beverage Control.
- 34 S. The State Comptroller shall transfer quarterly, one-half of the revenue received pursuant to § 18.2-270.01, of the Code of
35 Virginia, and consistent with the provisions of § 3-6.03 of this act, to the general fund in an amount not to exceed \$7,905,000 the
36 first year, and \$8,055,000 the second year from the Trauma Center Fund contained in the Department of Health's Financial
37 Assistance for Non Profit Emergency Medical Services Organizations and Localities (40203).
- 38 T. On or before June 30 each year, the State Comptroller shall transfer \$600,000 the first year and \$600,000 the second year to the
39 general fund from the Land Preservation Fund (Fund 0216) at the Department of Taxation.
- 40 U. Unless prohibited by federal law or regulation or by the Constitution of Virginia and notwithstanding any contrary provision of
41 state law, on June 30 of each fiscal year, the State Comptroller shall transfer to the general fund of the state treasury the cash balance
42 from any nongeneral fund account that has a cash balance of less than \$100. This provision shall not apply to institutions of higher
43 education, bond proceeds, or trust accounts. The State Comptroller shall consult with the Director of the Department of Planning and
44 Budget in implementing this provision and, for just cause, shall have discretion to exclude certain balances from this transfer or to
45 restore certain balances that have been transferred.
- 46 V.1. The Brunswick Correctional Center operated by the Department of Corrections shall be sold. The Commonwealth may enter
47 into negotiations with (1) the Virginia Tobacco Indemnification and Community Revitalization Commission, (2) regional local
48 governments, and (3) regional industrial development authorities for the purchase of this property as an economic development site.
- 49 2. Notwithstanding the provisions of § 2.2-1156, Code of Virginia or any other provisions of law, the proceeds of the sale of the
50 Brunswick Correctional Center shall be paid into the general fund.
- 51 W. On a monthly basis, in the month subsequent to collection, the State Comptroller shall transfer all amounts collected for the fund

- 1 created pursuant to § 17.1-275.12 of the Code of Virginia, to Items 346, 398, and 423 of this act, for the purposes enumerated
2 in Section 17.1-275.12.
- 3 X. On or before June 30 each year, the State Comptroller shall transfer \$10,368,587 the first year and \$10,518,587 the second
4 year to the general fund from the \$2.00 increase in the annual vehicle registration fee from the special emergency medical
5 services fund contained in the Department of Health's Emergency Medical Services Program (40200).
- 6 Y. The provisions of Chapter 6.2, Title 58.1, Code of Virginia, notwithstanding, on or before June 30 each year the State
7 Comptroller shall transfer to the general fund from the proceeds of the Virginia Communications Sales and Use Tax (fund
8 0926), the Department of Taxation's indirect costs of administering this tax estimated at \$111,101 the first year and ~~\$111,101~~
9 \$106,451 the second year.
- 10 Z. Any amount designated by the State Comptroller from the June 30, 2016, or June 30, 2017, general fund balance for
11 transportation pursuant to § 2.2-1514B., Code of Virginia, is hereby appropriated.
- 12 AA. The Department of General Services, with the cooperation and support of the Department of Behavioral Health and
13 Developmental Services, is authorized to sell to Virginia Electric and Power Company, a Virginia corporation d/b/a Dominion
14 Virginia Power, for such consideration as the Governor may approve, a parcel of land containing approximately 15 acres along
15 the northern property line of Southside Virginia Training Center. After deduction of the expenses incurred by the Department
16 of General Services in the sale of the property, the proceeds of the sale shall be deposited to the Behavioral Health and
17 Developmental Services Trust Fund established pursuant to § 37.2-318, Code of Virginia. Any conveyance shall be approved
18 by the Governor or his designee in the manner set forth in § 2.2-1150, Code of Virginia.
- 19 BB. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the State Health Insurance Fund (Fund
20 ~~0620~~ 06200) the balance from the ~~Special Fund (Fund 0200)~~ Administration of Health Benefits Services Fund (Fund 06220) at
21 the Department of Human Resource Management. ~~The balance in the Department of Human Resource's Special Fund~~
22 ~~represents a portion of the payments deposited into the State Health Insurance Fund used to pay the state health insurance~~
23 ~~program's administrative expenses.~~
- 24 CC. The Department of General Services is authorized to dispose of the following property currently owned by the Department
25 of Corrections in the manner it deems to be in the best interests of the Commonwealth: Pulaski Correctional Center and White
26 Post Detention and Diversion Center. Such disposal may include sale or transfer to other agencies or to local government
27 entities. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the proceeds from the sale of all or any part of the
28 properties shall be deposited into the general fund no later than June 30, 2018 .
- 29 DD. The State Comptroller shall deposit an additional \$280,000 to the general fund on or before June 30, 2017, and an
30 additional \$600,000 to the general fund on or before June 30, 2018, from the fees generated by the Firearms Transaction and
31 Concealed Weapons Permit Programs at the Department of State Police.
- 32 EE. On or before June 30, 2017 and June 30, 2018 the State Comptroller shall transfer to the general fund \$764,459 the first
33 year and \$797,698 the second year from nongeneral fund balances within the Department of Motor Vehicles representing the
34 savings that will be realized by the Department of Motor Vehicles as a result of the reduction in retirement contributions rates
35 due to the expedited repayment of the deferred contributions which occurred during the 2010-12 biennium.
- 36 FF. On or before June 30, 2017, the State Comptroller shall transfer amounts estimated at \$16,345,357 from the agencies and
37 fund sources listed below to the general fund of the state treasury.

38	Fund Detail	FY 2017
39	Department of Criminal	
40	Justice Services (140)	
41	Capture available nongeneral	
42	fund balance	\$146,388
43	Transfer available nongeneral	
44	fund cash balance to general	\$411,000
45	fund	
46	Department of Taxation	
47	(161)	
48	Transfer nongeneral fund	
49	balances to the general fund	\$791,796
50	Department of Conservation	
51	and Recreation (199)	
52	Revert unobligated prior-year	\$528,000

1	cash in the Natural Resources		
2	Commitment Fund		
3	Department of Agriculture		
4	and Consumer Services (301)		
5	Transfer Dangerous Dog	02301	\$45,000
6	Registry cash balance		
7	Discontinue the Beehive Grant	02157	\$175,000
8	Fund program		
9	Department of Forestry (411)		
10	Sell surplus equipment	02870	\$45,046
11	Transfer portion of cash balance	02124	\$140,000
12	in the State Lands Fund		
13	Transfer portion of cash balance	02515	\$425,000
14	in the Nurseries Fund		
15	Department of Environmental		
16	Quality (440)		
17	Transfer cash from Hazardous	02450	\$500,000
18	Waste Management Fund		
19	Transfer cash from the Waste	09060	\$1,038,230
20	Tire Trust Fund		
21	Department of Health (601)		
22	Transfer balance from Surplus	02870	\$514
23	Property Fund		
24	Transfer interest accumulated	09013	\$32,794
25	from local health department		
26	special fund donations		
27	Transfer Community Health	02050	\$100,000
28	Services revenue to the general		
29	fund		
30	Transfer Trauma Center Fund	09020	\$150,000
31	revenue from reinstatement of		
32	driver's licenses		
33	Transfer additional revenue	02130	\$150,000
34	from Emergency Medical		
35	Services		
36	Transfer interest accumulated	02110	\$189,937
37	from local health department		
38	special fund donations		
39	Transfer Maternal and Child	02601	\$1,035,132
40	Health revenue		
41	Department of Behavioral		
42	Health and Developmental		
43	Services (720)		
44	Capture nongeneral fund cash	02003	\$1,100,000
45	no longer required to support		
46	the CCBHC initiative		
47	Department of Forensic		
48	Science (778)		
49	Realize savings from reduced	02870	\$19,771
50	discretionary spending,		
51	vacancies, and operational		
52	efficiencies		

**1 Mental Health Treatment
2 Centers (792)**

3 Capture special fund balances 02003 \$8,910,673

**4 Department of Corrections
5 (799)**

6 Transfer nongeneral fund 02550 \$411,076
7 balances to general fund

8 **\$16,345,357**

9 GG. On or before June 30, 2018, the State Comptroller shall transfer to the general fund \$500,000 the second year from the
10 Hazardous Waste Management Permit Fund (02450) at the Department of Environmental Quality.

11 HH. The transfer of excess amounts in the Regulatory, Consumer Advocacy, Litigation, and Enforcement Revolving Trust
12 Fund to the general fund pursuant to Item 61 of this act is estimated at \$1,400,000 the first year ~~and \$20,431,999 the second~~
13 ~~year~~ resulting from anticipated proceeds from various settlements. *It is hereby acknowledged that \$19,931,999 in transfers*
14 *assumed in the second year in Chapter 836 were made in the first year and are included in the beginning General Fund*
15 *balance for the second year.*

16 II.1. On or before June 30 each year, the State Comptroller shall transfer \$11,951,845 the first year and \$3,758,423 the second
17 year to the general fund from agency nongeneral funds, as detailed below, to fund a portion of the nongeneral share of costs for
18 the expedited repayment of deferred contributions to the Virginia Retirement System authorized in Chapter 732, 2016 Acts of
19 Assembly.

20	Agency Name	Fund Detail	FY 2017	FY 2018
21	Supreme Court (111)	02800	\$6,752	\$6,752
22	Virginia State Bar (117)	09117	\$66,397	\$66,397
23	Department of Military Affairs (123)	02123	\$14,215	
24	Department of Military Affairs (123)	09012	\$11,321	
25	Department of Emergency	02880	\$17,829	
26	Management (127)			
27	Department of Human Resource	02129	\$114,651	
28	Management (129)			
29	Department of Human Resource	02271	\$9,525	
30	Management (129)			
31	Department of Human Resource	02351	\$5,177	
32	Management (129)			
33	Department of Human Resource	02500	\$5,849	
34	Management (129)			
35	Department of Human Resource	07129	\$17,251	
36	Management (129)			
37	Department of Elections (132)	07011	\$26,239	
38	Auditor of Public Accounts (133)	02133	\$26,054	
39	Virginia Information Technologies	02101	\$100,426	
40	Agency (136)			
41	Virginia Information Technologies	06136	\$271,125	\$260,539
42	Agency (136)			
43	Virginia Information Technologies	09051	\$16,623	
44	Agency (136)			
45	Virginia Information Technologies	09281	\$35,028	
46	Agency (136)			
47	Virginia Information Technologies	09104	\$10,302	

1	Agency (136)			
2	Department of Criminal Justice	02140	\$48,406	
3	Services (140)			
4	Department of Criminal Justice	02210	\$6,257	
5	Services (140)			
6	Department of Criminal Justice	02820	\$4,975	
7	Services (140)			
8	Department of Criminal Justice	09035	\$5,017	
9	Services (140)			
10	Department of Criminal Justice	09120	\$4,328	
11	Services (140)			
12	Department of Criminal Justice	09300	\$7,699	
13	Services (140)			
14	Attorney General and Department of	02141	\$110,147	\$110,147
15	Law (141)			
16	Attorney General and Department of	02395	\$16,265	
17	Law (141)			
18	Attorney General and Department of	02800	\$33,039	
19	Law (141)			
20	Division of Debt Collection (143)	02143	\$55,564	
21	The Science Museum of Virginia (146)	02146	\$20,978	\$20,977
22	Department of Accounts (151)	06150	\$3,417	
23	Department of Accounts (151)	06080	\$66,164	
24	Department of Accounts (151)	06090	\$70,156	
25	Department of the Treasury (152)	02152	\$4,329	
26	Department of the Treasury (152)	07030	\$94,445	
27	Department of the Treasury (152)	07152	\$90,222	
28	Department of the Treasury (152)	09090	\$1,420	
29	Department of Motor Vehicles (154)	04540	\$710,947	\$741,859
30	Department of Motor Vehicles (154)	04100	\$53,512	\$55,839
31	Department of State Police (156)	02800	\$66,608	
32	Department of State Police (156)	02156	\$44,582	
33	Department of State Police (156)	02270	\$93,709	
34	Department of State Police (156)	02610	\$93,709	
35	Department of State Police (156)	09142	\$70,560	
36	Department of State Police (156)	09163	\$70,560	
37	Department of Taxation (161)	02005	\$1,207	
38	Department of Taxation (161)	02080	\$12,664	
39	Department of Taxation (161)	02090	\$4,072	
40	Department of Taxation (161)	02164	\$14,696	
41	Department of Taxation (161)	02230	\$4,193	
42	Department of Taxation (161)	02510	\$251	
43	Department of Taxation (161)	09260	\$9,250	
44	Department of Taxation (161)	09281	\$1,263	
45	Department of Housing and Community	02165	\$46,652	
46	Development (165)			

1	State Corporation Commission (171)	02080	\$332,765	
2	State Corporation Commission (171)	02090	\$480,660	
3	State Corporation Commission (171)	02100	\$258,817	
4	State Corporation Commission (171)	02173	\$258,817	
5	State Corporation Commission (171)	02205	\$499,147	
6	State Corporation Commission (171)	09023	\$18,487	
7	Virginia Lottery (172)	05172	\$756,470	
8	Virginia College Savings Plan (174)	05174	\$197,627	
9	Virginia College Savings Plan (174)	05175	\$91,096	
10	Department of Labor and Industry	02181	\$6,158	
11	(181)			
12	Department of Labor and Industry	02800	\$13,670	
13	(181)			
14	Virginia Employment Commission	02182	\$96,684	
15	(182)			
16	Virginia Workers' Compensation	09191	\$701,831	
17	Commission (191)			
18	Virginia Workers' Compensation	09030	\$53,062	
19	Commission (191)			
20	Department of General Services (194)	02060	\$65,299	
21	Department of General Services (194)	02615	\$6,084	
22	Department of General Services (194)	02700	\$7,894	
23	Department of General Services (194)	05010	\$61,964	
24	Department of General Services (194)	05050	\$15,313	
25	Department of General Services (194)	06020	\$2,669	
26	Department of General Services (194)	06040	\$269,326	
27	Department of General Services (194)	06070	\$408,039	
28	Department of General Services (194)	06100	\$30,660	
29	Department of General Services (194)	06030	\$13,433	
30	Department of Conservation and	02164	\$7,207	
31	Recreation (199)			
32	Department of Conservation and	02199	\$12,012	
33	Recreation (199)			
34	Department of Conservation and	02630	\$7,474	
35	Recreation (199)			
36	Department of Conservation and	09080	\$1,064	
37	Recreation (199)			
38	Department of Conservation and	09261	\$5,196	
39	Recreation (199)			
40	Department of Education, Central	02201	\$23,087	\$23,087
41	Office Operations (201)			
42	Department of Education, Central	02800	\$192,733	\$192,733
43	Office Operations (201)			
44	The Library Of Virginia (202)	02202	\$38,283	
45	Wilson Workforce and Rehabilitation	02203	\$92,218	\$92,218
46	Center (203)			
47	Virginia School for the Deaf and the	02218	\$6,727	\$6,727

1	Blind (218)			
2	Department of Professional and Occupational Regulation (222)	02222	\$4,730	
3				
4	Department of Professional and Occupational Regulation (222)	02590	\$16,942	
5				
6	Department of Professional and Occupational Regulation (222)	09222	\$380,256	
7				
8	Department of Health Professions (223)	07253	\$5,314	\$5,314
9	Department of Health Professions (223)	09223	\$260,367	\$260,367
10	Board of Accountancy (226)	09226	\$28,626	
11	Board of Bar Examiners (233)	02233	\$5,948	\$5,948
12	Virginia Museum of Fine Arts (238)	02238	\$3,996	\$3,996
13	Virginia Museum of Fine Arts (238)	05238	\$20,550	\$20,549
14	Frontier Culture Museum of Virginia (239)	02239	\$11,185	
15				
16	State Council of Higher Education for Virginia (245)	02245	\$8,686	\$8,687
17				
18	Department for Aging and Rehabilitative Services (262)	02262	\$4,667	\$4,667
19				
20	Department for Aging and Rehabilitative Services (262)	02800	\$53,670	\$53,670
21				
22	Department of Agriculture and Consumer Services (301)	07290	\$132,559	
23				
24	Department of Agriculture and Consumer Services (301)	09017	\$45,397	
25				
26	Department of Agriculture and Consumer Services (301)	02301	\$76,267	
27				
28	Marine Resources Commission (402)	02455	\$6,240	
29	Marine Resources Commission (402)	02490	\$8,554	
30	Marine Resources Commission (402)	02402	\$314	
31	Department of Game and Inland Fisheries (403)	09403	\$248,158	
32				
33	Virginia Racing Commission (405)	02280	\$8,212	
34	Virginia Port Authority (407)	02407	\$7,686	\$7,686
35	Virginia Port Authority (407)	04740	\$854	\$854
36	Department of Mines, Minerals and Energy (409)	02183	\$33,348	
37				
38	Department of Mines, Minerals and Energy (409)	02409	\$2,604	
39				
40	Department of Mines, Minerals and Energy (409)	02800	\$16,153	
41				
42	Department of Forestry (411)	02411	\$43,386	
43	Department of Forestry (411)	02340	\$13,298	
44	Department of Forestry (411)	02515	\$21,502	

1	Department of Forestry (411)	02640	\$22,304	
2	Department of Historic Resources	02423	\$9,443	
3	(423)			
4	Jamestown-Yorktown Foundation	02425	\$57,244	\$57,243
5	(425)			
6	Department of Environmental Quality	02149	\$2,923	
7	(440)			
8	Department of Environmental Quality	02440	\$19,362	
9	(440)			
10	Department of Environmental Quality	02450	\$20,000	
11	(440)			
12	Department of Environmental Quality	09024	\$74,846	
13	(440)			
14	Department of Environmental Quality	09042	\$240	
15	(440)			
16	Department of Environmental Quality	09060	\$1,576	
17	(440)			
18	Department of Environmental Quality	09070	\$2,156	
19	(440)			
20	Department of Environmental Quality	09190	\$250,000	
21	(440)			
22	Department of Environmental Quality	09143	\$133,448	
23	(440)			
24	Department of Environmental Quality	09250	\$50,000	
25	(440)			
26	Department of Environmental Quality	07480	\$206,120	\$206,120
27	(440)			
28	Department of Rail and Public	04000	\$81,030	\$81,030
29	Transportation (505)			
30	Motor Vehicle Dealer Board (506)	02120	\$50,977	
31	Department of Health (601)	02000	\$44,816	\$44,816
32	Department of Health (601)	02020	\$49,417	\$49,417
33	Department of Health (601)	02030	\$1,063	\$1,063
34	Department of Health (601)	02063	\$2,080	\$2,080
35	Department of Health (601)	02110	\$4,897	\$4,897
36	Department of Health (601)	02130	\$27,478	\$27,478
37	Department of Health (601)	02150	\$1,078	\$1,078
38	Department of Health (601)	02260	\$659	\$659
39	Department of Health (601)	02480	\$30,945	\$30,945
40	Department of Health (601)	02800	\$468,651	\$468,651
41	Department of Health (601)	09013	\$14,206	\$14,206
42	Department of Health (601)	09100	\$1,078	\$1,078
43	Department of Health (601)	09312	\$6,403	\$6,403
44	Department of Health (601)	09450	\$16,167	\$16,167
45	Department for the Blind and Vision	02702	\$646	
46	Impaired (702)			
47	Department for the Blind and Vision	05910	\$31,973	\$31,973
48	Impaired (702)			
49	Department for the Deaf and Hard-Of-	02751	\$7,798	
50	Hearing (751)			

1	Department of Social Services (765)	02022	\$39,870	\$39,870
2	Department of Social Services (765)	02043	\$39,870	\$39,870
3	Department of Juvenile Justice (777)	02777	\$4,694	\$4,694
4	Department of Corrections (799)	02711		\$125,628
5	Department of Corrections (799)	02320	\$20,397	
6	Department of Corrections (799)	09530	\$58,540	
7	Department of Aviation (841)	04610	\$93,101	
8	Virginia Foundation for Healthy Youth	09430	\$11,314	\$11,314
9	(852)			
10	Department of Veterans Services (912)	02912	\$252,836	
11	Southern Virginia Higher Education	02937	\$14,562	\$14,563
12	Center (937)			
13	Southwest Virginia Higher Education	02948	\$4,698	\$4,697
14	Center (948)			
15	Commonwealth's Attorneys' Services	02957	\$281	\$281
16	Council (957)			
17	Department of Fire Programs (960)	02180	\$22,307	\$22,307
18	Department of Alcoholic Beverage	05001	\$500,882	\$500,882
19	Control (999)			
20			\$11,951,845	\$3,758,423

21 2. Out of the amounts listed above, the Comptroller shall transfer into the Federal Repayment Reserve Fund an amount estimated to
22 be sufficient to pay the federal government in anticipation of a federal repayment resulting from transfers from internal service funds
23 identified in this list. The State Comptroller shall notify the Director, Department of Planning and Budget of the final federal
24 repayment transfer amount prior to making the transfer into the Federal Repayment Reserve Fund.

25 3. On or before June 30 each year, the State Comptroller shall transfer \$26,064,305 the first year and \$17,376,204 the second year to
26 the general fund the following amounts from the agencies and funds listed below, to fund a portion of the nongeneral share of costs
27 for the expedited repayment of deferred contributions to the Virginia Retirement System authorized in Chapter 732, 2016 Acts of
28 Assembly. Agencies may determine the appropriate fund detail amount within each fund.

29	Agency Name	Fund	FY 2017	FY 2018
30	Christopher Newport University	03	\$390,307	\$260,205
31	(242)			
32	College of William and Mary	03	\$1,020,946	\$680,630
33	(204)			
34	Richard Bland College (241)	03	\$42,715	\$28,476
35	George Mason University (247)	03	\$1,935,422	\$1,290,281
36	James Madison University (216)	03	\$1,551,829	\$1,034,553
37	Longwood University (214)	03	\$326,500	\$217,667
38	Norfolk State University (213)	03	\$486,295	\$324,197
39	Old Dominion University (221)	03	\$1,002,931	\$668,621
40	Radford University (217)	03	\$517,096	\$344,731
41	University of Mary Washington	03	\$314,079	\$209,386
42	(215)			
43	University of Virginia (207)	03	\$5,048,921	\$3,365,948
44	University of Virginia Medical	03	\$1,072,236	\$714,824

1	Center (209)			
2	University of Virginia's	03	\$117,388	\$78,259
3	College at Wise (246)			
4	Virginia Commonwealth	03	\$3,210,947	\$2,140,631
5	University (236)			
6	VCU Medical College of	03	\$772,167	\$514,778
7	Virginia Hospitals Authority			
8	(206)			
9	Virginia Community College	03	\$3,377,834	\$2,251,889
10	System (260)			
11	Virginia Military Institute	03	\$288,536	\$192,357
12	(211)			
13	Virginia Polytechnic Institute	03	\$4,110,195	\$2,740,130
14	and State University (208)			
15	Virginia State University (212)	03	\$477,961	\$318,641
16	Total		\$26,064,305	\$17,376,204

17 JJ. On or before June 30, 2018, the State Comptroller shall transfer to the general fund \$723,914 the second year from the
18 Biofuels Production Fund (09461) at the Department of Mines Minerals and Energy.

19 KK. On or before June 30, 2018, the State Comptroller shall transfer to the general fund amounts estimated at \$210,000 from
20 the following funds in the second year of the biennium within the Department of Health.

21	Department of Health (601)		Fund Detail	FY 2018
22	Waterworks Technical Assistance Fund		02480	\$23,295
23	Donations - Local Health Departments		09013	\$9,391
24	Trauma Center Fund		09020	\$49,920
25	Virginia Rescue Squads Assistance Fund		09100	\$82,542
26	Water Supply Assistance Grant Fund		09224	\$38,802
27	Radioactive Materials Facility Licensure/Inspection Fund		09312	\$4,521
28	Medical And Physician's Assistant Scholarship And Loan Repayment Fund		09341	\$74
29	Nursing Scholarship And Loan Repayment Fund		09321	\$1,455

30 LL. On or before June 30, 2018, the State Comptroller shall transfer to the general fund \$2,500,000 in nongeneral fund cash
31 balances from the Aerospace Engine Manufacturing Supplier Cluster Grant Fund.

32 MM. On or before June 30, 2018, the State Comptroller shall transfer to the general fund \$1,600,000 in nongeneral fund cash
33 balances from the Department of Small Business and Supplier Diversity, representing excess balances of \$640,000 in the Small
34 Business Investment Grant Fund and \$960,000 in the Small Business Jobs Grant Fund.

35 NN. As required by §4-1.05 b of Chapter 836, 2017 Acts of Assembly, \$49,119 in various inactive nongeneral fund accounts
36 were reverted by the State Comptroller to the General Fund in the second year.

37 OO. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the Health Insurance Fund - Local (Fund
38 05200) at the Administration of Health Insurance the balance from the Administration of Local Benefits Services Fund (Fund
39 05220) at the Department of Human Resource Management.

40 PP. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the Line of Duty Death and Health
41 Benefits Trust Fund (Fund 07420) at the Administration of Health Insurance the balance from the Administration of Health
42 Benefits Payment - LODA Fund (Fund 07422) at the Department of Human Resource Management.

43 § 3-1.02 INTERAGENCY TRANSFERS

44 The Virginia Department of Transportation shall transfer, from motor fuel tax revenues, \$388,254 the first year and \$388,254
45 the second year to the Department of General Services for motor fuels testing.

46 § 3-1.03 SHORT-TERM ADVANCE TO THE GENERAL FUND FROM NONGENERAL FUNDS

47 A. To meet the occasional short-term cash needs of the general fund during the course of the year when cumulative year-to-date
48 disbursements exceed temporarily cumulative year-to-date revenue collections, the State Comptroller is authorized to draw cash
49 temporarily from nongeneral fund cash balances deemed to be available, although special dedicated funds related to commodity
50 boards are exempt from this provision. Such cash drawdowns shall be limited to the amounts immediately required by the

1 general fund to meet disbursements made in pursuance of an authorized appropriation. However, the amount of the cash drawdown
 2 from any particular nongeneral fund shall be limited to the excess of the cash balance of such fund over the amount otherwise
 3 necessary to meet the short-term disbursement requirements of that nongeneral fund. The State Comptroller will ensure that those
 4 funds will be replenished in the normal course of business.

5 B. In the event that nongeneral funds are not sufficient to compensate for the operating cash needs of the general fund, the State
 6 Treasurer is authorized to borrow, temporarily, required funds from cash balances within the Transportation Trust Fund, where such
 7 trust fund balances, based upon assessments provided by the Commonwealth Transportation Commissioner, are not otherwise
 8 needed to meet the short-term disbursement needs of the Transportation Trust Fund, including any debt service and debt coverage
 9 needs, over the life of the borrowing. In addition, the State Treasurer shall ensure that such borrowings are consistent with the terms
 10 and conditions of all bond documents, if any, that are relevant to the Transportation Trust Fund.

11 C. The Secretary of Finance, the State Treasurer and the Commonwealth Transportation Commissioner shall jointly agree on the
 12 amounts of such interfund borrowings. Such borrowed amounts shall be repaid to the Transportation Trust Fund at the earliest
 13 practical time when they are no longer needed to meet short-term cash needs of the general fund, provided, however, that such
 14 borrowed amounts shall be repaid within the biennium in which they are borrowed. Interest shall accrue daily at the rate per annum
 15 equal to the then current one-year United States Treasury Obligation Note rate.

16 D. Any temporary loan shall be evidenced by a loan certificate duly executed by the State Treasurer and the Commonwealth
 17 Transportation Commissioner specifying the maturity date of such loan and the annual rate of interest. Prepayment of temporary
 18 loans shall be without penalty and with interest calculated to such prepayment date. The State Treasurer is authorized to make, at
 19 least monthly, interest payments to the Transportation Trust Fund.

20 § 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT

21 § 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS

22 The State Comptroller shall make available to the Virginia Racing Commission, on July 1 of each year, the amount of \$125,000
 23 from the general fund as a temporary cash flow advance, to be repaid by December 30 of each year.

24 § 3-2.02 CHARGES AGAINST WORKING CAPITAL FUNDS

25 The State Comptroller may periodically charge the appropriation of any state agency for the expenses incurred for services received
 26 from any program financed and accounted for by working capital funds. Such charge may be made upon receipt of such
 27 documentation as in the opinion of the State Comptroller provides satisfactory evidence of a claim, charge or demand against the
 28 appropriations made to any agency. The amounts so charged shall be recorded to the credit of the appropriate working capital fund
 29 accounts. In the event any portion of the charge so made shall be disputed, the amount in dispute may be restored to the agency
 30 appropriation by direction of the Governor.

31 § 3-2.03 LINES OF CREDIT

32 a. The State Comptroller shall provide lines of credit to the following agencies, not to exceed the amounts shown:

33	Administration of Health Insurance	\$150,000,000
34	Administration of Health Insurance, Line of Duty Act	\$10,000,000
35	Administration of Health Insurance, Local Option	\$150,000,000
36	Department of Accounts, for the Payroll Service Bureau	\$400,000
37	Department of Accounts, Transfer Payments	\$5,250,000
38	Department of Alcoholic Beverage Control	\$60,000,000
39	Department of Corrections, for Virginia Correctional Enterprises	\$1,000,000
40	Department of Corrections, for Educational Grant Processing	300,000
41	Department of Emergency Management	\$150,000
42	Department of Environmental Quality	\$5,000,000
43	Department of Human Resource Management, for the Workers' Compensation Self 44 Insurance Trust Fund	\$10,000,000
45	Department of Behavioral Health and Developmental Services	\$30,000,000
46	Department of Medical Assistance Services, for the Virginia Health Care Fund	\$12,000,000
47	Department of Motor Vehicles	\$5,000,000
48	Department of the Treasury, for the Unclaimed Property Trust Fund	\$5,000,000
49	Department of the Treasury, for the State Insurance Reserve Trust Fund	\$25,000,000
50	Virginia Lottery	\$40,000,000
51	Virginia Information Technologies Agency	\$75,000,000

1	Virginia Tobacco Settlement Foundation	\$3,000,000
2	Department of Historic Resources	\$600,000
3	Department of Fire Programs	\$30,000,000
4	Compensation Board	\$8,000,000
5	Department of Conservation and Recreation	\$4,000,000
6	Department of Military Affairs, for State Active Duty	\$5,000,000
7	Department of Military Affairs, for Federal Cooperative Agreements	\$21,000,000
8	Innovation and Entrepreneurship Authority	\$2,500,000
9	<i>Department of Motor Vehicles</i>	<i>\$20,700,000</i>

10 b. The State Comptroller shall execute an agreement with each agency documenting the procedures for the line of credit,
 11 including, but not limited to, applicable interest and the method for the drawdown of funds. The provisions of § 4-3.02 b of this
 12 act shall not apply to these lines of credit.

13 c. The State Comptroller, in conjunction with the Departments of General Services and Planning and Budget, shall establish
 14 guidelines for agencies and institutions to utilize a line of credit to support fixed and one-time costs associated with
 15 implementation of office space consolidation, relocation and/or office space co-location strategies, where such line of credit
 16 shall be repaid by the agency or institution based on the cost savings and efficiencies realized by the agency or institution
 17 resulting from the consolidation and/or relocation. In such cases the terms of office space consolidation or co-location strategies
 18 shall be approved by the Secretary of Administration, in consultation with the Secretary of Finance, as demonstrating cost
 19 benefit to the Commonwealth. In no case shall the advances to an agency or institution exceed \$1,000,000 nor the repayment
 20 begin more than one year following the implementation or extend beyond a repayment period of seven years.

21 d. The State Comptroller is hereby authorized to provide lines of credit of up to \$2,500,000 to the Department of Motor
 22 Vehicles and up to \$2,500,000 to the Department of State Police to be repaid from revenues provided under the federal
 23 government's establishment of Uniform Carrier Registration.

24 e. The Virginia Lottery is hereby authorized to use its line of credit to meet cash flow needs for operations at any time during
 25 the year and to provide cash to the Virginia Lottery Fund to meet the required transfer of estimated lottery profits to the Lottery
 26 Proceeds Fund in the month of June, as specified in provisions of § 3-1.01G. of this act. The Virginia Lottery shall repay the
 27 line of credit as actual cash flows become available. The Secretary of Finance is authorized to increase the line of credit to the
 28 Virginia Lottery if necessary to meet operating needs.

29 f. The State Comptroller is hereby authorized to provide a line of credit of up to \$200,000 to the Department of Health to cover
 30 the actual costs of expanding the availability of vital records through the Department Motor Vehicles to be repaid from
 31 administrative processing fees provided under Code of Virginia, § 32.1-273 until such time as the line of credit is repaid.

32 g. The State Comptroller is hereby authorized to provide a line of credit of up to \$5,000,000 to the Department of Military
 33 Affairs to cover the actual costs of responding to State Active Duty. The line of credit will be repaid as the Department of
 34 Military Affairs is reimbursed from federal or other funds, other than Department of Military Affairs funds.

35 h. The Innovation and Entrepreneurship Investment Authority is hereby authorized to use its line of credit to meet cash flow
 36 needs at any time during the year in support of operational costs in anticipation of reimbursement of said expenditures from
 37 signed contracts and grant awards. The Innovation and Entrepreneurship Investment Authority shall repay the line of credit by
 38 June 30 of each fiscal year.

39 § 3-3.00 GENERAL FUND DEPOSITS

40 § 3-3.01 PAYMENT BY THE STATE TREASURER

41 The state Treasurer shall transfer an amount estimated at \$2,000 on or before June 30, 2017 and an amount estimated at \$2,000
 42 on or before June 30, 2018, to the general fund from excess 9(c) sinking fund balances.

43 § 3-3.02 PAYMENT BY THE VIRGINIA RESOURCES AUTHORITY

44 On or before June 30, 2017, the Virginia Resources Authority shall pay to the general fund \$544,711 from uncommitted balances
 45 in the Dam Safety, Flood Prevention and Protection Assistance Fund.

46 § 3-3.03 INTEREST EARNINGS

47 Notwithstanding any other provision of law, on or before June 30 of each year, the State Comptroller shall transfer to the
 48 general fund an amount estimated at \$500,000 per year to reflect interest earned on tuition and fees from Educational and General
 49 Revenues deposited in the state treasury from the College of William and Mary, University of Virginia, University of Virginia's
 50 College at Wise, Virginia Commonwealth University, Virginia Tech and Virginia Tech Extension.

1 **§ 3-4.00 AUXILIARY ENTERPRISES AND SPONSORED PROGRAMS IN INSTITUTIONS OF HIGHER EDUCATION**

2 § 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

3 A. The educational and general programs in institutions of higher education shall recover the full indirect cost of auxiliary enterprise
4 programs as certified by institutions of higher education to the Comptroller subject to annual audit by the Auditor of Public accounts.
5 The State Comptroller shall credit those institutions meeting this requirement with the interest earned by the investment of the funds
6 of their auxiliary enterprise programs.

7 B. No interest shall be credited for that portion of the fund's cash balance that represents any outstanding loans due from the State
8 Treasurer. The provisions of this section shall not apply to the capital projects authorized under Items C-36.21 and C-36.40 of
9 Chapter 924, 1997 Acts of Assembly.

10 **§ 3-5.00 ADJUSTMENTS AND MODIFICATIONS TO TAX COLLECTIONS**

11 § 3-5.01 RETALIATORY COSTS TO OTHER STATES TAX CREDIT

12 Notwithstanding any other provision of law, the amount deposited to the Priority Transportation Trust Fund pursuant to § 58.1-2531
13 shall not be reduced by more than \$266,667 by any refund of the Tax Credit for Retaliatory Costs to Other States available under §
14 58.1-2510.

15 §3-5.02 PAYMENT OF AUTO RENTAL TAX TO THE GENERAL FUND

16 Notwithstanding the provisions of § 58.1-1741, Code of Virginia, or any other provision of law, all revenues resulting from the fee
17 imposed under subdivision A3 of § 58.1-1736, Code of Virginia, shall be deposited into the general fund after the direct costs of
18 administering the fee are recovered by the Department of Taxation.

19 § 3-5.03 IMPLEMENTATION OF CHAPTER 3, ACTS OF ASSEMBLY OF 2004, SPECIAL SESSION I

20 Revenues deposited into the Public Education Standards of Quality/Local Real Estate Property Tax Relief Fund established under §
21 58.1-638.1 of the Code of Virginia pursuant to enactments of the 2004 Special Session of the General Assembly shall be transferred
22 to the general fund and used to meet the Commonwealth's responsibilities for the Standards of Quality prescribed pursuant to Article
23 VIII, Section 2, of the Constitution of Virginia. The Comptroller shall take all actions necessary to effect such transfers monthly, no
24 later than 10 days following the deposit to the Fund. The amounts transferred shall be distributed to localities as specified in Direct
25 Aid to Public Education's (197), State Education Assistance Programs (17800) of this Act. The estimated amount of such transfers
26 are \$365,409,559 the first year and \$374,290,339 \$379,100,000 the second year.

27 § 3-5.04 RETAIL SALES & USE TAX EXEMPTION FOR INTERNET SERVICE PROVIDERS

28 Notwithstanding any other provision of law, for purchases made on or after July 1, 2006, any exemption from the retail sales and use
29 tax applicable to production, distribution, and other equipment used to provide Internet-access services by providers of Internet
30 service, as defined in § 58.1-602, Code of Virginia, shall occur as a refund request to the Tax Commissioner. The Tax Commissioner
31 shall develop procedures for such refunds.

32 § 3-5.05 DISPOSITION OF EXCESS FEES COLLECTED BY CLERKS OF THE CIRCUIT COURTS

33 Notwithstanding §§ 15.2-540, 15.2-639, 15.2-848, 17.1-285, and any other provision of law general or special, effective July 1,
34 2009, the Commonwealth shall be entitled to two-thirds of the excess fees collected by the clerks of the circuit courts as required to
35 be reported under § 17.1-283.

36 § 3-5.06 ACCELERATED SALES TAX

37 A. Notwithstanding any other provision of law, in addition to the amounts required under the provisions of §§58.1-615 and 58.1-
38 616, any dealer as defined by §58.1-612 or direct payment permit holder pursuant to §58.1-624 with taxable sales and purchases of
39 \$1,000,000 or greater for the 12-month period beginning July 1, and ending June 30 of the immediately preceding calendar year,
40 shall be required to make a payment equal to 90 percent of the sales and use tax liability for the previous June. Such tax payments
41 shall be made on or before the 30th day of June, if payments are made by electronic fund transfer, as defined in § 58.1-202.1. If
42 payment is made by other than electronic funds transfer, such payment shall be made on or before the 25th day of June. Every dealer
43 or direct payment holder shall be entitled to a credit for the payment under this section on the return for June of the current year due
44 July 20.

45 B. The Tax Commissioner may develop guidelines implementing the provisions of this section. Such guidelines shall be exempt
46 from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

47 C. For purposes of this section, taxable sales or purchases shall be computed without regard to the number of certificates of
48 registration held by the dealer. The provisions of this section shall not apply to persons who are required to file only a Form ST-7,
49 Consumer's Use Tax Return.

1 D. In lieu of the penalties provided in § 58.1-635, except with respect to fraudulent returns, failure to make a timely payment or
 2 full payment of the sales and use tax liability as provided in subsection A shall subject the dealer or direct payment permit
 3 holder to a penalty of six percent of the amount of tax underpayment that should have been properly paid to the Tax
 4 Commissioner. Interest shall accrue as provided in § 58.1-15. The payment required by this section shall become delinquent on
 5 the first day following the due date set forth in this section if not paid.

6 E. Payments made pursuant to this section shall be made in accordance with procedures established by the Tax Commissioner
 7 and shall be considered general fund revenue, except with respect to those revenues required to be distributed under the
 8 provisions of §§ 58.1-605, 58.1-606, 58.1-638(A), 58.1-638(G)-(H), 58.1-638.2, and 58.1-638.3 of the Code of Virginia.

9 F. That the State Comptroller shall make no distribution of the taxes collected pursuant to this section in accordance with §§
 10 58.1-605, 58.1-606, 58.1-638, 58.1-638.1, 58.1-638.2 and 58.1-638.3 of the Code of Virginia until the Tax Commissioner
 11 makes a written certification to the Comptroller certifying the sales and use tax revenues generated pursuant to this section. The
 12 Tax Commissioner shall certify the sales and use tax revenues generated as soon as practicable after the sales and use tax
 13 revenues have been paid into the state treasury in any month for the preceding month. If the Governor determines on July 31 of
 14 each year, that funds are available to transfer such collections in accordance with §§ 58.1-638(B)-(F) and 58.1-638.1, Code of
 15 Virginia, he shall direct the State Comptroller to make such allocation. The Secretary of Finance will report the Governor's
 16 determination to the Chairman of the House Appropriations and Senate Finance Committees on August 15 of each year.

17 G.1. Beginning with the tax payment that would be remitted on or before June 25, 2017, if the payment is made by other than
 18 electronic fund transfers, and by June 30, 2017, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of
 19 Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of
 20 \$2,500,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

21 2. Beginning with the tax payment that would be remitted on or before June 25, 2018, if the payment is made by other than
 22 electronic fund transfers, and by June 30, 2018, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of
 23 Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of
 24 \$4,000,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

25 § 3-5.07 DISCOUNTS AND ALLOWANCES

26 A. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the
 27 compensation allowed under § 58.1-622, Code of Virginia, shall be suspended for any dealer required to remit the tax levied
 28 under §§ 58.1-603 and 58.1-604, Code of Virginia, by electronic funds transfer pursuant to § 58.1-202.1, Code of Virginia, and
 29 the compensation available to all other dealers shall be limited to the following percentages of the first three percent of the tax
 30 levied under §§ 58.1-603 and 58.1-604, Code of Virginia:

31 Monthly Taxable Sales	Percentage
32 \$0 to \$62,500	1.6%
33 \$62,501 to \$208,000	1.2%
34 \$208,001 and above	0.8%

35 B. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the
 36 compensation available under §§ 58.1-642, 58.1-656, 58.1-1021.03, and 58.1-1730, Code of Virginia, shall be suspended.

37 C. Beginning with the return for June 2011, due July 2011, the compensation under § 58.1-1021.03 shall be reinstated.

38 § 3-5.08 SALES TAX COMMITMENT TO HIGHWAY MAINTENANCE AND OPERATING FUND

39 The sales and use tax revenue for distribution to the Highway Maintenance and Operating Fund shall be consistent with
 40 Chapter 766, 2013 Acts of Assembly.

41 § 3-5.09 INTANGIBLE HOLDING COMPANY ADDBACK

42 Notwithstanding the provisions of § 58.1-402(B)(8), Code of Virginia, for taxable years beginning on and after January 1,
 43 2004:

44 (i) The exception in § 58.1-402(B)(8)(a)(1) for income that is subject to a tax based on or measured by net income or capital
 45 imposed by Virginia, another state, or a foreign government shall be limited and apply only to the portion of such income
 46 received by the related member, which portion is attributed to a state or foreign government in which the related member has
 47 sufficient nexus to be subject to such taxes; and

48 (ii) The exception in § 58.1-402(B)(8)(a)(2) for a related member deriving at least one-third of its gross revenues from licensing
 49 to unrelated parties shall be limited and apply only to the portion of such income derived from licensing agreements for which
 50 the rates and terms are comparable to the rates and terms of agreements that the related member has actually entered into with
 51 unrelated entities.

1 § 3-5.10 REGIONAL FUELS TAX

2 Funds collected pursuant to § 58.1-2291 et seq., Code of Virginia, from the additional sales tax on fuel in certain transportation
3 districts under § 58.1-2291 et seq., Code of Virginia, shall be returned to the respective commissions in amounts equivalent to the
4 shares collected in the respective member jurisdictions. However, no funds shall be collected pursuant to § 58.1-2291 et seq., Code
5 of Virginia, from levying the additional sales tax on aviation fuel as that term is defined in § 58.1-2201, Code of Virginia.

6 § 3-5.11 DEDUCTION FOR ABLE ACT CONTRIBUTIONS

7 A. Effective for taxable years beginning on or after January 1, 2016, an individual shall be allowed a deduction from Virginia
8 adjusted gross income as defined in § 58.1-321, Code of Virginia, for the amount contributed during the taxable year to an ABLE
9 savings trust account entered into with the Virginia College Savings Plan pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1,
10 Code of Virginia. The amount deducted on any individual income tax return in any taxable year shall be limited to \$2,000 per ABLE
11 savings trust account. No deduction shall be allowed pursuant to this section if such contributions are deducted on the contributor's
12 federal income tax return. If the contribution to an ABLE savings trust account exceeds \$2,000 the remainder may be carried
13 forward and subtracted in future taxable years until the ABLE savings trust contribution has been fully deducted; however, in no
14 event shall the amount deducted in any taxable year exceed \$2,000 per ABLE savings trust account.

15 B. Notwithstanding the statute of limitations on assessments contained in § 58.1-312, Code of Virginia, any deduction taken
16 hereunder shall be subject to recapture in the taxable year or years in which distributions or refunds are made for any reason other
17 than (i) to pay qualified disability expenses, as defined in § 529A of the Internal Revenue Code; or (ii) the beneficiary's death.

18 C. A contributor to an ABLE savings trust account who has attained age 70 shall not be subject to the limitation that the amount of
19 the deduction not exceed \$2,000 per ABLE savings trust account in any taxable year. Such taxpayer shall be allowed a deduction for
20 the full amount contributed to an ABLE savings trust account, less any amounts previously deducted.

21 D. The Tax Commissioner shall develop guidelines implementing the provisions of this section, including but not limited to the
22 computation, carryover, and recapture of the deduction provided under this section. Such guidelines shall be exempt from the
23 provisions of the Administrative Process Act (§ 2.2-4000 et seq., Code of Virginia).

24 § 3-5.12 RETAIL SALES AND USE TAX EXEMPTION FOR RESEARCH AND DEVELOPMENT

25 A. Notwithstanding any other provision of law or regulation, and beginning July 1, 2016, the retail sales and use tax exemption
26 provided for in subdivision 5 of § 58.1-609.3 of the Code of Virginia, applicable to tangible personal property purchased or leased
27 for use or consumption directly and exclusively in basic research or research and development in the experimental or laboratory
28 sense, shall apply to such property used in a federally funded research and development center, regardless of whether such property
29 is used by the purchaser, lessee, or another person or entity.

30 B. Nothing in this section shall be construed to relieve any federally funded research and development center of any liability for
31 retail sales and use tax due for the purchase of tangible personal property pursuant to the law in effect at the time of the purchase.

32 § 3-5.13 ADMISSIONS TAX

33 Notwithstanding the provisions of § 58.1-3818.02, Code of Virginia, or any other provision of law, subject to the execution of a
34 memorandum of understanding between an entertainment venue and the County of Stafford, Stafford County is authorized to impose
35 a tax on admissions to an entertainment venue located in the county that (i) is licensed to do business in the county for the first time
36 on or after July 1, 2015, and (ii) requires at least 75 acres of land for its operations, and (iii) such land is purchased or leased by the
37 entertainment venue owner on or after June 1, 2015. The tax shall not exceed 10 percent of the amount of charge for admission to
38 any such venue. The provisions of this section shall expire on July 1, 2019 if no entertainment venue exists in Stafford County upon
39 which the tax authorized is imposed.

40 § 3-5.14 SUNSET DATES FOR INCOME TAX CREDITS AND SALES AND USE TAX EXEMPTIONS

41 A. Notwithstanding any other provision of law the General Assembly shall not advance the sunset date on any existing sales tax
42 exemption or tax credit beyond June 30, 2022. Any new sales tax exemption or tax credit enacted by the General Assembly prior to
43 the 2021 regular legislative session shall have a sunset date not later than June 30, 2022. However, this requirement shall not apply
44 to tax exemptions administered by the Department of Taxation under § 58.1-609.11, relating to exemptions for nonprofit entities nor
45 shall it apply to exemptions or tax credits with sunset dates after June 30, 2022, enacted or advanced during the 2016 Session of the
46 General Assembly.

47 B. By November 1, 2020, the Department of Taxation shall report to every member of the General Assembly and to the Joint
48 Subcommittee to Evaluate Tax Preferences, on the revenue impact of every sales tax exemption and tax credit scheduled to expire on
49 or before June 30, 2022. The report shall include the prior fiscal year's state and local sales tax impact of each expiring sales tax
50 exemption, and the prior fiscal year's general fund revenue impact of each expiring tax credit. The tax credit revenue impact analysis
51 shall be inclusive of credits claimed against any tax imposed under Title 58.1 of the Code of Virginia.

52 C. The Department shall provide an updated revenue impact report no later than November 1, 2025, and every five years thereafter,

1 for sales tax exemptions and tax credits set to expire within two years following the date of the report. Such reports shall be
2 distributed to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences.

3 § 3-5.15 SALES TAX NEXUS

4 Notwithstanding any other provision of law, if a dealer has inventory in the Commonwealth, such dealer shall have physical
5 presence in the Commonwealth and shall be deemed to have sufficient activity within the Commonwealth to require
6 registration under § 58.1-613 pursuant to § 58.1-612(C).

7 § 3-5.16. Omitted.

8 § 3-5.17 VIRGINIA TAX AMNESTY PROGRAM

9 A. Notwithstanding any other provision of law, there is hereby established the Virginia Tax Amnesty Program. It is the intent
10 of this program to improve voluntary compliance with the tax laws and to increase and to accelerate collections of certain taxes
11 owed to the Commonwealth.

12 B. The Virginia Tax Amnesty Program shall be administered by the Department of Taxation, and any person, individual,
13 corporation, estate, trust or partnership required to file a return or to pay any tax administered or collected by the Department of
14 Taxation shall be eligible to participate, subject to the requirements set forth below and guidelines established by the Tax
15 Commissioner. The Tax Commissioner may require participants in the program to complete an amnesty application and such
16 other forms as he may prescribe and to furnish any additional information he deems necessary to make a determination
17 regarding the validity of such amnesty application.

18 C. The Tax Commissioner shall establish guidelines and rules for the procedures for participation and any other rules that are
19 deemed necessary by the Tax Commissioner. The guidelines and rules issued by the Tax Commissioner regarding the Virginia
20 Tax Amnesty Program shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia).

21 D. The Virginia Tax Amnesty Program shall have the following features:

22 1. The program shall be conducted during the period July 1, 2017 through June 30, 2018 and shall not last less than 60 nor more
23 than 75 days. The exact dates of the program shall be established by the Tax Commissioner.

24 2. All civil or criminal penalties assessed or assessable, as provided in this title, including the addition to tax under §§ 58.1-492
25 and 58.1-504 of the Code of Virginia, and one-half of the interest assessed or assessable, as provided in this title, which are the
26 result of nonpayment, underpayment, nonreporting or underreporting of tax liabilities, shall be waived upon receipt of the
27 payment of the amount of taxes and interest owed, with the following exceptions:

28 a. No person, individual, corporation, estate, trust or partnership currently under investigation or prosecution for filing a
29 fraudulent return or failing to file a return with the intent to evade tax shall qualify to participate.

30 b. No person, individual, corporation, estate, trust or partnership shall be eligible to participate in the program with respect to
31 any assessment outstanding for which the date of assessment is less than 90 days prior to the first day of the program or with
32 respect to any liability arising from the failure to file a return for which the due date of the return is less than 90 days prior to
33 the first day of the program.

34 c. No person, individual, corporation, estate, or trust shall be eligible to participate in the program with respect to any tax
35 liability from the income taxes imposed by §§ 58.1-320, 58.1-360 and 58.1-400 of the Code of Virginia, if the tax liability is
36 attributable to taxable years beginning on and after January 1, 2016.

37 d. No taxpayer shall be eligible to participate in the Program with respect to any tax liability if it is attributable to an issue that is
38 subject to a decision of a Virginia court rendered on or after January 1, 2016.

39 E. For the purpose of computing the outstanding balance due because of the nonpayment, underpayment, nonreporting or
40 underreporting of any tax liability that has not been assessed prior to the first day of the program, the rate of interest specified
41 for omitted taxes and assessments under § 58.1-15 shall not be applicable. The Tax Commissioner shall, instead, establish one
42 interest rate to be used for each taxable year that approximates the average "underpayment rate" specified under § 58.1-15 of
43 the Code of Virginia for the five-year period immediately preceding the program.

44 F. 1. If any taxpayer eligible for amnesty under this section and under the rules and guidelines established by the Tax
45 Commissioner retains any outstanding balance after the close of the Virginia Tax Amnesty Program because of the
46 nonpayment, underpayment, nonreporting or underreporting of any tax liability eligible for relief under the Virginia Tax
47 Amnesty Program, then such balance shall be subject to a 20 percent penalty on the unpaid tax. This penalty is in addition to all
48 other penalties that may apply to the taxpayer.

49 2. Any taxpayer who defaults upon any agreement to pay tax and interest arising out of a grant of amnesty is subject to
50 reinstatement of the penalty and interest forgiven and the imposition of the penalty under this section as though the taxpayer

1 retained the original outstanding balance at the close of the Virginia Tax Amnesty Program.

2 § 3-5.18 LIMITATION ON THE AMOUNT OF HISTORIC REHABILITATION TAX CREDITS CLAIMED

3 Notwithstanding § 58.1-339.2 or any other provision of law, effective for taxable years beginning on and after January 1, 2017, the
4 amount of the Historic Rehabilitation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior
5 taxable years, shall not exceed \$5 million for any taxable year.

6 § 3-5.19 LIMITATION ON THE AMOUNT OF LAND PRESERVATION TAX CREDITS CLAIMED

7 Notwithstanding § 58.1-512 or any other provision of law, effective for the taxable year beginning on and after January 1, 2017, the
8 amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including amounts carried over from prior
9 taxable years, shall not exceed \$20,000.

10 § 3-5.20 PROVIDER ASSESSMENT

11 *A. Private acute care hospitals operating in Virginia shall pay an assessment beginning on October 1, 2018. The definition of*
12 *private acute care hospitals shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals, children's*
13 *hospitals, long stay hospitals, long-term acute care hospitals and critical access hospitals.*

14 *B.1. The Department of Medical Assistance Services (DMAS) shall calculate each hospital's "assessment" annually by multiplying*
15 *the "assessment percentage" times "net patient service revenue" as defined below.*

16 *2. The "assessment percentage" shall be calculated as (i) 1.08 times the non-federal share of the "full cost of expanded Medicaid*
17 *coverage" for newly eligible individuals under the Patient Protection and Affordable Care Act (42 U.S.C. § 1396d(y)(1)[2010])*
18 *divided by (ii) the total "net patient service revenue" for hospitals subject to the assessment. By June 1, 2018, DMAS shall report*
19 *the estimated assessment payments by hospital and all assessment percentage calculations for the upcoming fiscal year to the*
20 *Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees.*

21 *3. The "full cost of expanded Medicaid coverage" shall equal the amount estimated in the official Medicaid forecast due by*
22 *November 1 of each year as required by paragraph A.1. of Item 310 of this Act. This Act estimates the cost of coverage for FY 2019*
23 *as \$80,823,953 and FY 2020 as \$226,123,826.*

24 *4. Each hospital's "net patient service revenue" equals the amount reported in the most recent Virginia Health Information (VHI)*
25 *"Hospital Detail Report" as of December 15 of each year. In the first year, net patient service revenue shall be prorated by the*
26 *portion of the year subject to the tax.*

27 *5. Any estimated excess or shortfall of revenue from the previous year shall be deducted from or added to the "full cost of expanded*
28 *Medicaid coverage" for the next year prior to the calculation of the "assessment percentage."*

29 **§ 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES**

30 § 3-6.01 RECORDATION TAX FEE

31 There is hereby assessed a twenty dollar fee on (i) every deed for which the state recordation tax is collected pursuant to §§ 58.1-801
32 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55-66.6, Code of Virginia. The revenue
33 generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated from the other fifty percent of
34 such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of the Virginia Water Quality
35 Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this subfund shall be disbursed for the
36 agricultural best management practices cost share program, pursuant to § 10.1-2128.1, Code of Virginia.

37 § 3-6.02 ANNUAL VEHICLE REGISTRATION FEE (\$4.25 FOR LIFE)

38 Notwithstanding § 46.2-694 paragraph 13 of the Code of Virginia, the additional fee that shall be charged and collected at the time
39 of registration of each pickup or panel truck and each motor vehicle shall be \$6.25.

40 § 3-6.03 DRIVERS LICENSE REINSTATEMENT FEE

41 Notwithstanding § 46.2-411 of the Code of Virginia, the drivers license reinstatement fee payable to the Trauma Center Fund shall
42 be \$100.

43 § 3-6.04. Omitted.

PART 4: GENERAL PROVISIONS

§ 4-0.00 OPERATING POLICIES

§ 4-0.01 OPERATING POLICIES

a. Each appropriating act of the General Assembly shall be subject to the following provisions and conditions, unless specifically exempt elsewhere in this act.

b. All appropriations contained in this act, or in any other appropriating act of the General Assembly, are declared to be maximum appropriations and conditional on receipt of revenue.

c. The Governor, as chief budget officer of the state, shall ensure that the provisions and conditions as set forth in this section are strictly observed.

d. Public higher education institutions are not subject to the provisions of § 2.2-4800, Code of Virginia, or the provisions of the Department of Accounts' Commonwealth Accounting Policies and Procedures manual (CAPP) topic 20505 with regard to students who are veterans of the United States armed services and National Guard and are in receipt of federal educational benefits under the G.I. Bill. Public higher education shall establish internal procedures for the continued enrollment of such students to include resolution of outstanding accounts receivable.

e. The provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq. of the Code of Virginia) shall not apply to grants made in support of the 2019 Commemoration to non-profit entities organized under § 501 (c)(3) of the Internal Revenue Code.

f. 1. The State Council of Higher Education for Virginia shall establish a policy for granting undergraduate course credit to entering freshman students who have taken one or more Advanced Placement, Cambridge Advanced (A/AS), College-Level Examination Program (CLEP), or International Baccalaureate examinations by August 1, 2017. The policy shall:

a) Outline the conditions necessary for each public institution of higher education to grant course credit, including the minimum required scores on such examinations;

b) Identify the course credit or other academic requirements of each public institution of higher education that the student satisfies by achieving the minimum required scores on such examinations; and

c) Ensure, to the extent possible, that the grant of course credit is consistent across each public institution of higher education and each such examination.

2. The Council and each public institution of higher education shall make the policy available to the public on its website.

§ 4-1.00 APPROPRIATIONS

§ 4-1.01 PREREQUISITES FOR PAYMENT

a. The State Comptroller shall not pay any money out of the state treasury except pursuant to appropriations in this act or in any other act of the General Assembly making an appropriation during the current biennium.

b. Moneys shall be spent solely for the purposes for which they were appropriated by the General Assembly, except as specifically provided otherwise by § 4-1.03 Appropriation Transfers, § 4-4.01 Capital Projects, or § 4-5.01 a. Settlement of Claims with Individuals. Should the Governor find that moneys are not being spent in accordance with provisions of the act appropriating them, he shall restrain the State Comptroller from making further disbursements, in whole or in part, from said appropriations. Further, should the Auditor of Public Accounts determine that a state or other agency is not spending moneys in accordance with provisions of the act appropriating them, he shall so advise the Governor or other governing authority, the State Comptroller, the Chairman of the Joint Legislative Audit and Review Commission, and Chairmen of the Senate Finance and House Appropriations Committees.

c. Exclusive of revenues paid into the general fund of the state treasury, all revenues earned or collected by an agency, and contained in an appropriation item to the agency shall be expended first during the fiscal year, prior to the expenditure of any general fund appropriation within that appropriation item, unless prohibited by statute or by the terms and conditions of any gift, grant or donation.

§ 4-1.02 WITHHOLDING OF SPENDING AUTHORITY

a. For purposes of this subsection, withholding of spending authority is defined as any action pursuant to a budget reduction plan approved by the Governor to address a declared shortfall in budgeted revenue that impedes or limits the ability to spend appropriated moneys, regardless of the mechanism used to effect such withholding.

1 b.1. Changed Expenditure Factors: The Governor is authorized to reduce spending authority, by withholding allotments of
 2 appropriations, when expenditure factors, such as enrollments or population in institutions, are smaller than the estimates upon
 3 which the appropriation was based. Moneys generated from the withholding action shall not be reallocated for any other purpose,
 4 provided the withholding of allotments of appropriations under this provision shall not occur until at least 15 days after the Governor
 5 has transmitted a statement of changed factors and intent to withhold moneys to the Chairmen of the House Appropriations and
 6 Senate Finance Committees.

7 2. Moneys shall not be withheld on the basis of reorganization plans or program evaluations until such plans or evaluations have
 8 been specifically presented in writing to the General Assembly at its next regularly scheduled session.

9 c. Increased Nongeneral Fund Revenue:

10 1. General fund appropriations to any state agency for operating expenses are supplemental to nongeneral fund revenues collected by
 11 the agency. To the extent that nongeneral fund revenues collected in a fiscal year exceed the estimate on which the operating budget
 12 was based, the Governor is authorized to withhold general fund spending authority, by withholding allotments of appropriations, in
 13 an equivalent amount. However, this limitation shall not apply to (a) restricted excess tuition and fees for educational and general
 14 programs in the institutions of higher education, as defined in § 4-2.01 c of this act; (b) appropriations to institutions of higher
 15 education designated for fellowships, scholarships and loans; (c) gifts or grants which are made to any state agency for the direct
 16 costs of a stipulated project; (d) appropriations to institutions for the mentally ill or intellectually disabled payable from the
 17 Behavioral Health and Developmental Services Revenue Fund; and (e) general fund appropriations for highway construction and
 18 mass transit. Moneys unallotted under this provision shall not be reallocated for any other purpose.

19 2. To the degree that new or additional grant funds become available to supplement general fund appropriations for a program,
 20 following enactment of an appropriation act, the Governor is authorized to withhold general fund spending authority, by withholding
 21 allotments of appropriations, in an amount equivalent to that provided from grant funds, unless such action is prohibited by the
 22 original provider of the grant funds. The withholding action shall not include general fund appropriations, which are required to
 23 match grant funds. Moneys unallotted under this provision shall not be reallocated for any other purpose.

24 d. Reduced General Fund Resources:

25 1. The term "general fund resources" as applied in this subsection includes revenues collected and paid into the general fund of the
 26 state treasury during the current biennium, transfers to the general fund of the state treasury during the current biennium, and all
 27 unexpended balances brought forward from the previous biennium.

28 2. In the event that general fund resources are estimated by the Governor to be insufficient to pay in full all general fund
 29 appropriations authorized by the General Assembly, the Governor shall, subject to the qualifications herein contained, withhold
 30 general fund spending authority, by withholding allotments of appropriations, to prevent any expenditure in excess of the estimated
 31 general fund resources available.

32 3. In making this determination, the Governor shall take into account actual general fund revenue collections for the current fiscal
 33 year and the results of a formal written re-estimate of general fund revenues for the current and next biennium, prepared within the
 34 previous 90 days, in accordance with the process specified in § 2.2-1503, Code of Virginia. Said re-estimate of general fund
 35 revenues shall be communicated to the Chairmen of the Senate Finance, House Appropriations and House Finance Committees,
 36 prior to taking action to reduce general fund allotments of appropriations on account of reduced resources.

37 4.a) In addition to monthly reports on the status of revenue collections relative to the current fiscal year's estimate, the Governor
 38 shall provide a written quarterly assessment of the current economic outlook for the remainder of the fiscal year to the Chairmen of
 39 the House Appropriations, House Finance, and Senate Finance Committees.

40 b) Within five business days after the preliminary close of the state accounts at the end of the fiscal year, the State Comptroller shall
 41 provide the Governor with the actual total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes for the just-
 42 completed fiscal year, with a comparison of such actual totals with the total of such taxes in the official budget estimate for that
 43 fiscal year. If that comparison indicates that the total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes,
 44 as shown on the preliminary close, was one percent or more below the amount of such taxes in the official budget estimate for the
 45 just-completed fiscal year, the Governor shall prepare a written re-estimate of general fund revenues for the current biennium and the
 46 next biennium in accordance with § 2.2-1503, Code of Virginia, to be reported to the Chairmen of the Senate Finance, House
 47 Finance and House Appropriations Committees, not later than September 1 following the close of the fiscal year.

48 5.a) The Governor shall take no action to withhold allotments until a written plan detailing specific reduction actions approved by
 49 the Governor, identified by program and appropriation item, has been presented to the Chairmen of the House Appropriations and
 50 Senate Finance Committees. Subsequent modifications to the approved reduction plan also must be submitted to the Chairmen of the
 51 House Appropriations and Senate Finance Committees, prior to withholding allotments of appropriations.

52 b) In addition to the budget reduction plan approved by the Governor, all budget reduction proposals submitted by state agencies to
 53 the Governor or the Governor's staff, including but not limited to the Department of Planning and Budget, the Governor's Cabinet
 54 secretaries, or the Chief of Staff, whether submitted electronically or otherwise, shall be made available via electronic means to the

- 1 Chairmen of the House Appropriations and Senate Finance Committees concurrently with that budget reduction plan.
- 2 6. In effecting the reduction of expenditures, the Governor shall not withhold allotments of appropriations for:
- 3 a) More than 15 percent cumulatively of the annual general fund appropriation contained in this act for operating expenses of
4 any one state or nonstate agency or institution designated in this act by title, and the exact amount withheld, by state or nonstate
5 agency or institution, shall be reported within five calendar days to the Chairmen of the Senate Finance and House
6 Appropriations Committees. State agencies providing funds directly to grantees named in this act shall not apportion a larger
7 cut to the grantee than the proportional cut apportioned to the agency. Without regard to § 4-5.05 b.4. of this act, the remaining
8 appropriation to the grantee which is not subject to the cut, equal to at least 85 percent of the annual appropriation, shall be
9 made by July 31, or in two equal installments, one payable by July 31 and the other payable by December 31, if the remaining
10 appropriation is less than or equal to \$500,000, except in cases where the normal conditions of the grant dictate a different
11 payment schedule.
- 12 b) The payment of principal and interest on the bonded debt or other bonded obligations of the Commonwealth, its agencies
13 and its authorities, or for payment of a legally authorized deficit.
- 14 c) The payments for care of graves of Confederate and historical African American dead.
- 15 d) The employer contributions, and employer-paid member contributions, to the Social Security System, Virginia Retirement
16 System, Judicial Retirement System, State Police Officers Retirement System, Virginia Law Officers Retirement System,
17 Optional Retirement Plan for College and University Faculty, Optional Retirement Plan for Political Appointees, Optional
18 Retirement Plan for Superintendents, the Volunteer Service Award Program, the Virginia Retirement System's group life
19 insurance, sickness and disability, and retiree health care credit programs for state employees, state-supported local employees
20 and teachers. If the Virginia Retirement System Board of Trustees approves a contribution rate for a fiscal year that is lower
21 than the rate on which the appropriation was based, or if the United States government approves a Social Security rate that is
22 lower than that in effect for the current budget, the Governor may withhold excess contributions. However, employer and
23 employee paid rates or contributions for health insurance and matching deferred compensation for state employees, state-
24 supported local employees and teachers may not be increased or decreased beyond the amounts approved by the General
25 Assembly. Payments for the employee benefit programs listed in this paragraph may not be delayed beyond the customary
26 billing cycles that have been established by law or policy by the governing board.
- 27 e) The payments in fulfillment of any contract awarded for the design, construction and furnishing of any state building.
- 28 f) The salary of any state officer for whom the Constitution of Virginia prohibits a change in salary.
- 29 g) The salary of any officer or employee in the Executive Department by more than two percent (irrespective of the fund source
30 for payment of salaries and wages); however, the percentage of reduction shall be uniformly applied to all employees within the
31 Executive Department.
- 32 h) The appropriation supported by the State Bar Fund, as authorized by § 54.1-3913, Code of Virginia, unless the supporting
33 revenues for such appropriation are estimated to be insufficient to pay the appropriation.
- 34 7. The Governor is authorized to withhold specific allotments of appropriations by a uniform percentage, a graduated reduction
35 or on an individual basis, or apply a combination of these actions, in effecting the authorized reduction of expenditures, up to
36 the maximum of 15 percent, as prescribed in subdivision 6a of this subsection.
- 37 8. Each nongeneral fund appropriation shall be payable in full only to the extent the nongeneral fund revenues from which the
38 appropriation is payable are estimated to be sufficient. The Governor is authorized to reduce allotments of nongeneral fund
39 appropriations by the amount necessary to ensure that expenditures do not exceed the supporting revenues for such
40 appropriations; however, the Governor shall take no action to reduce allotments of appropriations for major nongeneral fund
41 sources on account of reduced revenues until such time as a formal written re-estimate of revenues for the current and next
42 biennium, prepared in accordance with the process specified in § 2.2-1503, Code of Virginia, has been reported to the
43 Chairmen of the Senate Finance, House Finance, and House Appropriations Committees. For purposes of this subsection, major
44 nongeneral fund sources are defined as Highway Maintenance and Operating Fund and Transportation Trust Fund.
- 45 9. Notwithstanding any contrary provisions of law, the Governor is authorized to transfer to the general fund on June 30 of each
46 year of the biennium, or within 20 days from that date, any available unexpended balances in other funds in the state treasury,
47 subject to the following:
- 48 a) The Governor shall declare in writing to the Chairmen of the Senate Finance and House Appropriations Committees that a
49 fiscal emergency exists which warrants the transfer of nongeneral funds to the general fund and reports the exact amount of
50 such transfer within five calendar days of the transfer;
- 51 b) No such transfer may be made from retirement or other trust accounts, the State Bar Fund as authorized by § 54.1-3913,
52 Code of Virginia, debt service funds, or federal funds; and

1 c) The Governor shall include for informative purposes, in the first biennial budget he submits subsequent to the transfer, the amount
2 transferred from each account or fund and recommendations for restoring such amounts.

3 10. The Director, Department of Planning and Budget, shall make available via electronic means a report of spending authority
4 withheld under the provisions of this subsection to the Chairmen of the Senate Finance and House Appropriations Committees
5 within five calendar days of the action to withhold. Said report shall include the amount withheld by agency and appropriation item.

6 11. If action to withhold allotments of appropriation under this provision is inadequate to eliminate the imbalance between projected
7 general fund resources and appropriations, the Speaker of the House of Delegates and the President pro tempore of the Senate shall
8 be advised in writing by the Governor, so that they may consider requesting a special session of the General Assembly.

9 § 4-1.03 APPROPRIATION TRANSFERS

10 GENERAL

11 a. During any fiscal year, the Director, Department of Planning and Budget, may transfer appropriation authority from one state or
12 other agency to another, to effect the following:

13 1) distribution of amounts budgeted in the central appropriation to agencies, or withdrawal of budgeted amounts from agencies in
14 accordance with specific language in the central appropriation establishing reversion clearing accounts;

15 2) distribution of pass-through grants or other funds held by an agency as fiscal agent;

16 3) correction of errors within this act, where such errors have been identified in writing by the Chairmen of the House
17 Appropriations and Senate Finance Committees;

18 4) proper accounting between fund sources 0100 and 0300 in higher education institutions;

19 5) transfers specifically authorized elsewhere in this act or as specified in the Code of Virginia;

20 6) to supplement capital projects in order to realize efficiencies or provide for cost overruns unrelated to changes in size or scope; or

21 7) to administer a program for another agency or to effect budgeted program purposes approved by the General Assembly, pursuant
22 to a signed agreement between the respective agencies.

23 b. During any fiscal year, the Director, Department of Planning and Budget, may transfer appropriation authority within an agency to
24 effect proper accounting between fund sources and to effect program purposes approved by the General Assembly, unless
25 specifically provided otherwise in this act or as specified in the Code of Virginia. However, appropriation authority for local aid
26 programs and aid to individuals, with the exception of student financial aid, shall not be transferred elsewhere without advance
27 notice to the Chairmen of the House Appropriations and Senate Finance Committees. Further, any transfers between capital projects
28 shall be made only to realize efficiencies or provide for cost overruns unrelated to changes in size or scope.

29 c.1. In addition to authority granted elsewhere in this act, the Director, Department of Planning and Budget, may transfer operating
30 appropriations authority among sub-agencies within the Judicial System, the Department of Corrections, and the Department of
31 Behavioral Health and Developmental Services to effect changes in operating expense requirements which may occur during the
32 biennium.

33 2. The Director, Department of Planning and Budget, may transfer appropriations from the Department of Behavioral Health and
34 Developmental Services to the Department of Medical Assistance Services, consisting of the general fund amounts required to
35 match federal funds for reimbursement of services provided by its institutions and Community Services Boards.

36 3. The Director, Department of Planning and Budget, may transfer appropriations from the Office of Comprehensive Services to the
37 Department of Medical Assistance Services, consisting of the general fund amounts required to match federal funds for
38 reimbursement of services provided to eligible children.

39 4. The Director, Department of Planning and Budget, may transfer an appropriation or portion thereof within a state or other agency,
40 or from one such agency to another, to support changes in agency organization, program or responsibility enacted by the General
41 Assembly to be effective during the current biennium.

42 5. The Director, Department of Planning and Budget, may transfer appropriations from the second year to the first year, with said
43 transfer to be reported in writing to the Chairmen of the Senate Finance and House Appropriations Committees within five calendar
44 days of the transfer, when the expenditure of such funds is required to:

45 a) address a threat to life, safety, health or property, or

46 b) provide for unbudgeted cost increases for statutorily required services or federally mandated services, in order to continue those
47 services at the present level, or

- 1 c) provide for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred
2 during a situation deemed threatening to life, safety, health, or property, or
- 3 d) provide for payments to the beneficiaries of certain public safety officers killed in the line of duty, as authorized in Title 2.2,
4 Chapter 4, Code of Virginia and for payments to the beneficiaries of certain members of the National Guard and United States
5 military reserves killed in action in any armed conflict on or after October 7, 2001, as authorized in § 44-93.1 B., Code of
6 Virginia, or
- 7 e) continue a program at the present level of service or at an increased level of service when required to address unanticipated
8 increases in workload such as enrollment, caseload or like factors, or unanticipated costs, or
- 9 f) to address unanticipated business or industrial development opportunities which will benefit the state's economy, provided
10 that any such appropriations be used in a manner consistent with the purposes of the program as originally appropriated.
- 11 6. An appropriation transfer shall not occur except through properly executed appropriation transfer documents designed
12 specifically for that purpose, and all transactions effecting appropriation transfers shall be entered in the state's computerized
13 budgeting and accounting systems.
- 14 7. The Director, Department of Planning and Budget, may transfer from any other agency, appropriations to supplement any
15 project of the Virginia Public Building Authority authorized by the General Assembly and approved by the Governor. Such
16 capital project shall be transferred to the state agency designated as the managing agency for the Virginia Public Building
17 Authority.
- 18 8. In the event of the transition of a city to town status pursuant to the provisions of Chapter 41 of Title 15.2 of the Code of
19 Virginia (§ 15.2-4100 et seq.) or the consolidation of a city and a county into a single city pursuant to the provisions of Chapter
20 35 of Title 15.2, Code of Virginia (§ 15.2-3500 et seq.) subsequent to July 1, 1999, the provisions of § 15.2-1302 shall govern
21 distributions from state agencies to the county in which the town is situated or to the consolidated city, and the Director,
22 Department of Planning and Budget, is authorized to transfer appropriations or portions thereof within a state agency, or from
23 one such agency to another, if necessary to fulfill the requirements of § 15.2-1302.

24 § 4-1.04 APPROPRIATION INCREASES

25 a. UNAPPROPRIATED NONGENERAL FUNDS:

26 1. Sale of Surplus Materials:

27 The Director, Department of Planning and Budget, is hereby authorized to increase the appropriations to any state agency by
28 the amount of credit resulting from the sale of surplus materials under the provisions of § 2.2-1125, Code of Virginia.

29 2. Insurance Recovery:

30 The Director, Department of Planning and Budget, shall increase the appropriation authority for any state agency by the amount
31 of the proceeds of an insurance policy or from the State Insurance Reserve Trust Fund, for expenditures as far as may be
32 necessary, to pay for the repair or replacement of lost, damaged or destroyed property, plant or equipment.

33 3. Gifts, Grants and Other Nongeneral Funds:

34 a) Subject to § 4-1.02 c, Increased Nongeneral Fund Revenue, and the conditions stated in this section, the Director,
35 Department of Planning and Budget, is hereby authorized to increase the appropriations to any state agency by the amount of
36 the proceeds of donations, gifts, grants or other nongeneral funds paid into the state treasury in excess of such appropriations
37 during a fiscal year. Such appropriations shall be increased only when the expenditure of moneys is authorized elsewhere in
38 this act or is required to:

39 1) address a threat to life, safety, health or property or

40 2) provide for unbudgeted increases in costs for services required by statute or services mandated by the federal government, in
41 order to continue those services at the present level or implement compensation adjustments approved by the General
42 Assembly, or

43 3) provide for payment of overtime salaries and wages, when the obligations for payment of such overtime were incurred
44 during a situation deemed threatening to life, safety, health, or property, or

45 4) continue a program at the present level of service or at an increased level of service when required to address unanticipated
46 increases in noncredit instruction at institutions of higher education or business and industrial development opportunities which
47 will benefit the state's economy, or

48 5) participate in a federal or sponsored program provided that the provisions of § 4-5.03 shall also apply to increases in
49 appropriations for additional gifts, grants, and other nongeneral fund revenue which require a general fund match as a condition

- 1 of their acceptance; or
- 2 6) realize cost savings in excess of the additional funds provided, or
- 3 7) permit a state agency or institution to use a donation, gift or grant for the purpose intended by the donor, or
- 4 8) provide for cost overruns on capital projects and for capital projects authorized under § 4-4.01 m of this act, or
- 5 9) address caseload or workload changes in programs approved by the General Assembly.
- 6 b) The above conditions shall not apply to donations and gifts to the endowment funds of institutions of higher education.
- 7 c) Each state agency and institution shall ensure that its budget estimates include a reasonable estimate of receipts from donations,
- 8 gifts or other nongeneral fund revenue. The Department of Planning and Budget shall review such estimates and verify their
- 9 accuracy, as part of the budget planning and review process.
- 10 d) No obligation or expenditure shall be made from such funds until a revised operating budget request is approved by the Director,
- 11 Department of Planning and Budget. Expenditures from any gift, grant or donation shall be in accordance with the purpose for which
- 12 it was made; however, expenditures for property, plant or equipment, irrespective of fund source, are subject to the provisions of §§
- 13 4-2.03 Indirect Costs, 4-4.01 Capital Projects General, and 4-5.03 b Services and Clients-New Services, of this act.
- 14 e) Nothing in this section shall exempt agencies from complying with § 4-2.01 a Solicitation and Acceptance of Donations, Gifts,
- 15 Grants, and Contracts of this act.
- 16 4. Any nongeneral fund cash balance recorded on the books of the Department of Accounts as unexpended on the last day of the
- 17 fiscal year may be appropriated for use in the succeeding fiscal year with the prior written approval of the Director, Department of
- 18 Planning and Budget, unless the General Assembly shall have specifically provided otherwise. Revenues deposited to the Virginia
- 19 Health Care Fund shall be used only as the state share of Medicaid, unless the General Assembly specifically authorizes an alternate
- 20 use. With regard to the appropriation of other nongeneral fund cash balances, the Director shall make a listing of such transactions
- 21 available to the public via electronic means no less than ten business days following the approval of the appropriation of any such
- 22 balance.
- 23 5. Reporting:
- 24 The Director, Department of Planning and Budget, shall make available via electronic means a report on increases in unappropriated
- 25 nongeneral funds in accordance with § 4-8.00, Reporting Requirements, or as modified by specific provisions in this subsection.
- 26 b. AGRIBUSINESS EQUIPMENT FOR THE DEPARTMENT OF CORRECTIONS
- 27 The Director of the Department of Planning and Budget may increase the Department of Corrections appropriation for the purchase
- 28 of agribusiness equipment or the repair or construction of agribusiness facilities by an amount equal to fifty percent of any annual
- 29 amounts in excess of fiscal year 1992 deposits to the general fund from agribusiness operations. It is the intent of the General
- 30 Assembly that appropriation increases for the purposes specified shall not be used to reduce the general fund appropriations for the
- 31 Department of Corrections.
- 32 § 4-1.05 REVERSION OF APPROPRIATIONS AND REAPPROPRIATIONS
- 33 a. GENERAL FUND OPERATING EXPENSE:
- 34 1.a) General fund appropriations which remain unexpended on (i) the last day of the previous biennium or (ii) the last day of the first
- 35 year of the current biennium, shall be reappropriated and allotted for expenditure where required by the Code of Virginia, where
- 36 necessary for the payment of preexisting obligations for the purchase of goods or services, or where desirable, in the determination
- 37 of the Governor, to address any of the six conditions listed in § 4-1.03 c.5 of this act or to provide financial incentives to reduce
- 38 spending to effect current or future cost savings. With the exception of the unexpended general fund appropriations of agencies in
- 39 the Legislative Department, the Judicial Department, the Independent Agencies, or institutions of higher education, all other such
- 40 unexpended general fund appropriations unexpended on the last day of the previous biennium or the last day of the first year of the
- 41 current biennium shall revert to the general fund.
- 42 General fund appropriations for agencies in the Legislative Department, the Judicial Department, and the Independent Agencies
- 43 shall be reappropriated, except as may be specifically provided otherwise by the General Assembly. General fund appropriations
- 44 shall also be reappropriated for institutions of higher education, subject to § 2.2-5005, Code of Virginia.
- 45 2. a. The Governor shall report within five calendar days after completing the reappropriation process to the Chairmen of the Senate
- 46 Finance and House Appropriations Committees on the reappropriated amounts for each state agency in the Executive Department.
- 47 He shall provide a preliminary report of reappropriation actions on or before November 1 and a final report on or before December
- 48 20 to the Chairmen of the House Appropriations and Senate Finance Committees.
- 49 b. The Director, Department of Planning and Budget, may transfer reappropriated amounts within an agency to cover nonrecurring

1 costs.

2 3. Pursuant to subsection E of § 2.2-1125, Code of Virginia, the determination of compliance by an agency or institution with
3 management standards prescribed by the Governor shall be made by the Secretary of Finance and the Secretary having
4 jurisdiction over the agency or institution, acting jointly.

5 4. The general fund resources available for appropriation in the first enactment of this act include the reversion of certain
6 unexpended balances in operating appropriations as of June 30 of the prior fiscal year, which were otherwise required to be
7 reappropriated by language in the Appropriation Act.

8 5. Upon request, the Director, Department of Planning and Budget, shall provide a report to the Chairmen of the House
9 Appropriations and Senate Finance Committees showing the amount reverted for each agency and the total amount of such
10 reversions.

11 b. NONGENERAL FUND OPERATING EXPENSE:

12 Based on analysis by the State Comptroller, when any nongeneral fund has had no increases or decreases in fund balances for a
13 period of 24 months, the State Comptroller shall promptly transfer and pay the balance into the fund balance of the general
14 fund. If it is subsequently determined that an appropriate need warrants repayment of all or a portion of the amount transferred,
15 the Director, Department of Planning and Budget shall include repayment in the next budget bill submitted to the General
16 Assembly. This provision does not apply to funds held in trust by the Commonwealth.

17 c. CAPITAL PROJECTS:

18 1. Upon certification by the Director, Department of Planning and Budget, the State Comptroller is hereby authorized to revert
19 to the fund balance of the general fund any portion of the unexpended general fund cash balance and corresponding
20 appropriation or reappropriation for a capital project when the Director determines that such portion is not needed for
21 completion of the project. The State Comptroller may similarly return to the appropriate fund source any part of the
22 unexpended nongeneral fund cash balance and reduce any appropriation or reappropriation which the Director determines is not
23 needed to complete the project.

24 2. The unexpended general fund cash balance and corresponding appropriation or reappropriation for capital projects shall
25 revert to and become part of the fund balance of the general fund during the current biennium as of the date the Director,
26 Department of Planning and Budget, certifies to the State Comptroller that the project has been completed in accordance with
27 the intent of the appropriation or reappropriation and there are no known unpaid obligations related to the project. The State
28 Comptroller shall return the unexpended nongeneral fund cash balance, if there be any, for such completed project to the source
29 from which said nongeneral funds were obtained. Likewise, he shall revert an equivalent portion of the appropriation or
30 reappropriation of said nongeneral funds.

31 3. The Director, Department of Planning and Budget, may direct the restoration of any portion of the reverted amount if he
32 shall subsequently verify an unpaid obligation or requirement for completion of the project. In the case of a capital project for
33 which an unexpended cash balance was returned and appropriation or reappropriation was reverted in the prior biennium, he
34 may likewise restore any portion of such amount under the same conditions.

35 § 4-1.06 LIMITED ADJUSTMENTS OF APPROPRIATIONS

36 a. LIMITED CONTINUATION OF APPROPRIATIONS.

37 Notwithstanding any contrary provision of law, any unexpended balances on the books of the State Comptroller as of the last
38 day of the previous biennium shall be continued in force for such period, not exceeding 10 days from such date, as may be
39 necessary in order to permit payment of any claims, demands or liabilities incurred prior to such date and unpaid at the close of
40 business on such date, and shown by audit in the Department of Accounts to be a just and legal charge, for values received as of
41 the last day of the previous biennium, against such unexpended balances.

42 b. LIMITATIONS ON CASH DISBURSEMENTS.

43 Notwithstanding any contrary provision of law, the State Comptroller may begin preparing the accounts of the Commonwealth
44 for each subsequent fiscal year on or about 10 days before the start of such fiscal year. The books will be open only to enter
45 budgetary transactions and transactions that will not require the receipt or disbursement of funds until after June 30. Should an
46 emergency arise, or in years in which July 1 falls on a weekend requiring the processing of transactions on or before June 30,
47 the State Comptroller may, with notification to the Auditor of Public Accounts, authorize the disbursement of funds drawn
48 against appropriations of the subsequent fiscal year, not to exceed the sum of three million dollars (\$3,000,000) from the
49 general fund. This provision does not apply to debt service payments on bonds of the Commonwealth which shall be made in
50 accordance with bond documents, trust indentures, and/or escrow agreements.

51 § 4-1.07 ALLOTMENTS

1 Except when otherwise directed by the Governor within the limits prescribed in §§ 4-1.02 Withholding of Spending Authority, 4-
 2 1.03 Appropriation Transfers, and 4-1.04 Appropriation Increases of this act, the Director, Department of Planning and Budget, shall
 3 prepare and act upon the allotment of appropriations required by this act, and by § 2.2-1819, Code of Virginia, and the authorizations
 4 for rates of pay required by this act. Such allotments and authorizations shall have the same effect as if the personal signature of the
 5 Governor were subscribed thereto. This section shall not be construed to prohibit an appeal by the head of any state agency to the
 6 Governor for reconsideration of any action taken by the Director, Department of Planning and Budget, under this section.

7 § 4-2.00 REVENUES

8 § 4-2.01 NONGENERAL FUND REVENUES

9 a. SOLICITATION AND ACCEPTANCE OF DONATIONS, GIFTS, GRANTS, AND CONTRACTS:

10 1. No state agency shall solicit or accept any donation, gift, grant, or contract without the written approval of the Governor except
 11 under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds, except that
 12 donations or gifts to the Virginia War Memorial Foundation that are small in size and number and valued at less than \$5,000, such as
 13 library items or small display items, may be approved by the Executive Director of the Virginia War Memorial in consultation with
 14 the Secretary of Veterans Affairs and Homeland Security. All other gifts and donations to the Virginia War Memorial Foundation
 15 must receive written approval from the Secretary of Veterans Affairs and Homeland Security.

16 2. The Governor may issue policies in writing for procedures which allow state agencies to solicit and accept nonmonetary
 17 donations, gifts, grants, or contracts except that donations, gifts and grants of real property shall be subject to § 4-4.00 of this act and
 18 § 2.2-1149, Code of Virginia. This provision shall apply to donations, gifts and grants of real property to endowment funds of
 19 institutions of higher education, when such endowment funds are held by the institution in its own name and not by a separately
 20 incorporated foundation or corporation.

21 3. The preceding subdivisions shall not apply to property and equipment acquired and used by a state agency or institution through a
 22 lease purchase agreement and subsequently donated to the state agency or institution during or at the expiration of the lease purchase
 23 agreement, provided that the lessor is the Virginia College Building Authority.

24 4. The use of endowment funds for property, plant or equipment for state-owned facilities is subject to §§ 4-2.03 Indirect Costs, 4-
 25 4.01 Capital Projects-General and 4-5.03 Services and Clients of this act.

26 b. HIGHER EDUCATION TUITION AND FEES

27 1. Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly,
 28 and Chapters 675 and 685 of the 2009 Acts of Assembly, all nongeneral fund collections by public institutions of higher education,
 29 including collections from the sale of dairy and farm products, shall be deposited in the state treasury in accordance with § 2.2-1802,
 30 Code of Virginia, and expended by the institutions of higher education in accordance with the appropriations and provisions of this
 31 act, provided, however, that this requirement shall not apply to private gifts, endowment funds, or income derived from endowments
 32 and gifts.

33 2. a) The Boards of Visitors or other governing bodies of institutions of higher education may set tuition and fee charges at levels
 34 they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates, provided that the
 35 total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for
 36 educational and general programs provided in this act.

37 b) The Boards of Visitors or other governing bodies of institutions of higher education may set tuition and fee charges at levels they
 38 deem to be appropriate for all nonresident student groups based on, but not limited to, competitive market rates, provided that: i) the
 39 tuition and mandatory educational and general fee rates for nonresident undergraduate and graduate students cover at least 100
 40 percent of the average cost of their education, as calculated through base adequacy guidelines adopted, and periodically amended, by
 41 the Joint Subcommittee Studying Higher Education Funding Policies, and ii) the total revenue generated by the collection of tuition
 42 and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in this act.

43 c) For institutions charging nonresident students less than 100 percent of the cost of education, the State Council of Higher
 44 Education for Virginia may authorize a phased approach to meeting this requirement, when in its judgment, it would result in annual
 45 tuition and fee increases for nonresident students that would discourage their enrollment.

46 d) The Boards of Visitors or other governing bodies of institutions of higher education shall not increase the current proportion of
 47 nonresident undergraduate students if the institution's nonresident undergraduate enrollment exceeds 25 percent. Norfolk State
 48 University, Virginia Military Institute, Virginia State University, and two-year public institutions are exempt from this restriction.

49 3. a) In setting the nongeneral fund appropriation for educational and general programs at the institutions of higher education, the
 50 General Assembly shall take into consideration the appropriate student share of costs associated with providing full funding of the
 51 base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th
 52 percentile of peer institutions, and other priorities set forth in this act.

- 1 b) In determining the appropriate state share of educational costs for resident students, the General Assembly shall seek to
 2 cover at least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines referenced
 3 in subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and
 4 other priorities set forth in this act.
- 5 4. a) Each institution and the State Council of Higher Education for Virginia shall monitor tuition, fees, and other charges, as
 6 well as the mix of resident and nonresident students, to ensure that the primary mission of providing educational opportunities
 7 to citizens of Virginia is served, while recognizing the material contributions provided by the presence of nonresident students.
 8 The State Council of Higher Education for Virginia shall also develop and enforce uniform guidelines for reporting student
 9 enrollments and the domiciliary status of students.
- 10 b) The State Council of Higher Education for Virginia shall report to the Governor and the Chairmen of the House
 11 Appropriations and Senate Finance Committees no later than August 1 of each year the annual change in total charges for
 12 tuition and all required fees approved and allotted by the Board of Visitors. As it deems appropriate, the State Council of
 13 Higher Education for Virginia shall provide comparative national, peer, and market data with respect to charges assessed
 14 students for tuition and required fees at institutions outside of the Commonwealth.
- 15 c) Institutions of higher education are hereby authorized to make the technology service fee authorized in Chapter 1042, 2003
 16 Acts of Assembly, part of ongoing tuition revenue. Such revenues shall continue to be used to supplement technology resources
 17 at the institutions of higher education.
- 18 d) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of
 19 Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, each institution shall work with the State Council of
 20 Higher Education for Virginia and the Virginia College Savings Plan to determine appropriate tuition and fee estimates for
 21 tuition savings plans.
- 22 5. It is the intent of the General Assembly that each institution's combined general and nongeneral fund appropriation within its
 23 educational and general program closely approximate the anticipated annual budget each fiscal year.
- 24 6. Nonresident graduate students employed by an institution as teaching assistants, research assistants, or graduate assistants
 25 and paid at an annual contract rate of \$4,000 or more may be considered resident students for the purposes of charging tuition
 26 and fees.
- 27 7. The fund source "Higher Education Operating" within educational and general programs for institutions of higher education
 28 includes tuition and fee revenues from nonresident students to pay their proportionate share of the amortized cost of the
 29 construction of buildings approved by the Commonwealth of Virginia Educational Institutions Bond Act of 1992 and the
 30 Commonwealth of Virginia Educational Facilities Bond Act of 2002.
- 31 8. a) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of
 32 Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, mandatory fees for purposes other than educational and
 33 general programs shall not be increased for Virginia undergraduates beyond five percent annually, excluding requirements for
 34 wage, salary, and fringe benefit increases, authorized by the General Assembly. Fee increases required to carry out actions that
 35 respond to mandates of federal agencies are also exempt from this provision, provided that a report on the purposes of the
 36 amount of the fee increase is submitted to the Chairmen of the House Appropriations and Senate Finance Committees by the
 37 institution of higher education at least 30 days prior to the effective date of the fee increase.
- 38 b) This restriction shall not apply in the following instances: fee increases directly related to capital projects authorized by the
 39 General Assembly; fee increases to support student health services; and other fee increases specifically authorized by the
 40 General Assembly.
- 41 c) Due to the small mandatory non-educational and general program fees currently assessed students in the Virginia
 42 Community College System, increases in any one year of no more than \$15 shall be allowed on a cost-justified case-by-case
 43 basis, subject to approval by the State Board for Community Colleges.
- 44 9. Any institution of higher education granting new tuition waivers to resident or nonresident students not authorized by the
 45 Code of Virginia must absorb the cost of any discretionary waivers.
- 46 10. Tuition and fee revenues from nonresident students taking courses through Virginia institutions from the Southern Regional
 47 Education Board's Southern Regional Electronic Campus must exceed all direct and indirect costs of providing instruction to
 48 those students. Tuition and fee rates to meet this requirement shall be established by the Board of Visitors of the institution.
- 49 c. HIGHER EDUCATION PLANNED EXCESS REVENUES:
- 50 An institution of higher education, except for those public institutions governed by Chapters 933 and 943 of the 2006 Acts of
 51 Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, may
 52 generate and retain tuition and fee revenues in excess of those provided in § 4-2.01 b Higher Education Tuition and Fees,
 53 subject to the following:

- 1 1. Such revenues are identified by language in the appropriations in this act to any such institution.
- 2 2. The use of such moneys is fully documented by the institution to the Governor prior to each fiscal year and prior to allotment.
- 3 3. The moneys are supplemental to, and not a part of, ongoing expenditure levels for educational and general programs used as the
- 4 basis for funding in subsequent biennia.
- 5 4. The receipt and expenditure of these moneys shall be recorded as restricted funds on the books of the Department of Accounts and
- 6 shall not revert to the surplus of the general fund at the end of the biennium.
- 7 5. Tuition and fee revenues generated by the institution other than as provided herein shall be subject to the provisions of § 4-1.04
- 8 a.3 Gifts, Grants, and Other Nongeneral Funds of this act.

9 § 4-2.02 GENERAL FUND REVENUE

10 a. STATE AGENCY PAYMENTS INTO GENERAL FUND:

11 1. Except as provided in § 4-2.02 a.2., all moneys, fees, taxes, charges and revenues received at any time by the following agencies

12 from the sources indicated shall be paid immediately into the general fund of the state treasury:

13 a) Marine Resources Commission, from all sources, except:

14 1) Revenues payable to the Public Oyster Rocks Replenishment Fund established by § 28.2-542, Code of Virginia.

15 2) Revenue payable to the Virginia Marine Products Fund established by § 3.2-2705, Code of Virginia.

16 3) Revenue payable to the Virginia Saltwater Recreational Fishing Development Fund established by § 28.2-302.3, Code of

17 Virginia.

18 4) Revenue payable to the Marine Fishing Improvement Fund established by § 28.2-208, Code of Virginia.

19 5) Revenue payable to the Marine Habitat and Waterways Improvement Fund established by § 28.2-1206, Code of Virginia.

20 b1) Department of Labor and Industry, or any other agency, for the administration of the state labor and employment laws under

21 Title 40.1, Code of Virginia.

22 2) Department of Labor and Industry, from boiler and pressure vessel inspection certificate fees, pursuant to § 40.1-51.15, Code of

23 Virginia.

24 c) All state institutions for the mentally ill or intellectually disabled, from fees or per diem paid employees for the performance of

25 services for which such payment is made, except for a fee or per diem allowed by statute to a superintendent or staff member of any

26 such institution when summoned as a witness in any court.

27 d) Secretary of the Commonwealth, from all sources.

28 e) The Departments of Corrections and Juvenile Justice, as required by law, including revenues from sales of dairy and other farm

29 products.

30 f) Auditor of Public Accounts, from charges for audits or examinations when the law requires that such costs be borne by the county,

31 city, town, regional government or political subdivision of such governments audited or examined.

32 g) Department of Education, from repayment of student scholarships and loans, except for the cost of such collections.

33 h) Department of the Treasury, from the following source:

34 Fees collected for handling cash and securities deposited with the State Treasurer pursuant to § 46.2-454, Code of Virginia.

35 i) Attorney General, from recoveries of attorneys' fees and costs of litigation.

36 j) Department of Social Services, from net revenues received from child support collections after all disbursements are made in

37 accordance with state and federal statutes and regulations, and the state's share of the cost of administering the programs is paid.

38 k) Department of General Services, from net revenues received from refunds of overpayments of utilities charges in prior fiscal

39 years, after deduction of the cost of collection and any refunds due to the federal government.

40 l) Without regard to paragraph e) above, the following revenues shall be excluded from the requirement for deposit to the general

41 fund and shall be deposited as follows: (1) payments to Virginia Correctional Enterprises shall be deposited into the Virginia

42 Correctional Enterprises Fund; (2) payments to the Departments of Corrections and Juvenile Justice for work performed by inmates,

43 work release prisoners, probationers or wards, which are intended to cover the expenses of these inmates, work release prisoners,

1 probationers, or wards, shall be retained by the respective agencies for their use; and (3) payments to the Departments of
 2 Corrections and Juvenile Justice for work performed by inmates in educational programs shall be retained by the agency to
 3 increase vocational training activities and to purchase work tools and work clothes for inmates, upon release.

4 m) the Department of State Police, from the fees generated by the Firearms Transaction Program Fund, the Concealed Weapons
 5 Program, and the Conservator of the Peace Program pursuant to §§ 18.2-308, 18.2-308.2:2 and 19.2-13, Code of Virginia

6 2. The provisions of § 4-2.02 a.1. State Agency Payments into General Fund shall not apply to proceeds from the sale of
 7 surplus materials pursuant to § 2.2-1125, Code of Virginia. However, the State Comptroller is authorized to transfer to the
 8 general fund of the state treasury, out of the credits under § 4-1.04 a.1 Unappropriated Nongeneral Funds – Sale of Surplus
 9 Materials of this act, sums derived from the sale of materials originally purchased with general fund appropriations. The State
 10 Comptroller may authorize similar transfers of the proceeds from the sale of property not subject to § 2.2-1124, Code of
 11 Virginia, if said property was originally acquired with general fund appropriations, unless the General Assembly provides
 12 otherwise.

13 n) Without regard to § 4-2.02 a.1 above, payments to the Treasurer of Virginia assessed to insurance companies for the
 14 safekeeping and handling of securities or surety bonds deposited as insurance collateral shall be deposited into the Insurance
 15 Collateral Assessment Fund to defray such safekeeping and handling expenses.

16 b. DEFINITION OF GENERAL FUND REVENUE FOR PERSONAL PROPERTY RELIEF ACT

17 Notwithstanding any contrary provision of law, for purposes of subsection C of § 58.1-3524 and subsection B of § 58.1-3536,
 18 Code of Virginia, the term general fund revenues, excluding transfers, is defined as (i) all state taxes, including penalties and
 19 interest, required and/or authorized to be collected and paid into the general fund of the state treasury pursuant to Title 58.1,
 20 Code of Virginia; (ii) permits, fees, licenses, fines, forfeitures, charges for services, and revenue from the use of money and
 21 property required and/or authorized to be paid into the general fund of the treasury; and (iii) amounts required to be deposited
 22 to the general fund of the state treasury pursuant to § 4-2.02 a.1., of this act. However, in no case shall (i) lump-sum payments,
 23 (ii) one-time payments not generated from the normal operation of state government, or (iii) proceeds from the sale of state
 24 property or assets be included in the general fund revenue calculations for purposes of subsection C of § 58.1-3524 and
 25 subsection B of § 58.1-3536, Code of Virginia.

26 c. DATE OF RECEIPT OF REVENUES:

27 All June general fund collections received under Subtitle I of Title 58.1, Code of Virginia, bearing a postmark date or electronic
 28 transactions with a settlement or notification date on or before the first business day in July, when June 30 falls on a Saturday
 29 or Sunday, shall be considered as June revenue and recorded under guidelines established annually by the Department of
 30 Accounts.

31 d. RECOVERIES BY THE OFFICE OF THE ATTORNEY GENERAL

32 1. As a condition of the appropriation for Item 59 of this Act, there is hereby created the Disbursement Review Committee (the
 33 "Committee"), the members of which are the Attorney General, who shall serve as chairman; two members of the House of
 34 Delegates appointed by the Speaker of the House; two members of the Senate appointed by the Chairman of the Senate
 35 Committee on Rules; and two members appointed by the Governor.

36 2. Whenever forfeitures are available for distribution by the Attorney General through programs overseen by either the U.S.
 37 Department of Justice Asset Forfeiture Program or the U.S. Treasury Executive Office for Asset Forfeiture, by virtue of the
 38 Attorney General's participation on behalf of the Commonwealth or on behalf of an agency of the Commonwealth, the Attorney
 39 General shall seek input from the Committee, to the extent permissible under applicable federal law and guidelines, for the
 40 preparation of a proposed Distribution Plan (the "Plan") regarding the distribution and use of money or property, or both. If a
 41 federal entity must approve the Plan for such distribution or use, or both, and does not approve the Plan submitted by the
 42 Attorney General, the Plan may be revised if deemed appropriate and resubmitted to the federal entity for approval following
 43 notification of the Committee. If the federal entity approves the original Plan or a revised Plan, the Attorney General shall
 44 inform the Committee, and ensure that such money or property, or both, is distributed or used, or both, in a manner that is
 45 consistent with the Plan approved by the federal entity. The distribution of any money or property, or both, shall be done in a
 46 manner as prescribed by the State Comptroller and consistent with any federal authorization in order to ensure proper
 47 accounting on the books of the Commonwealth.

48 § 4-2.03 INDIRECT COSTS

49 a. INDIRECT COST RECOVERIES FROM GRANTS AND CONTRACTS:

50 Each state agency, including institutions of higher education, which accepts a grant or contract shall recover full statewide and
 51 agency indirect costs unless prohibited by the grantor agency or exempted by provisions of this act.

52 b. AGENCIES OTHER THAN INSTITUTIONS OF HIGHER EDUCATION:

1 The following conditions shall apply to indirect cost recoveries received by all agencies other than institutions of higher education:

2 1. The Governor shall include in the recommended nongeneral fund appropriation for each agency in this act the amount which the
3 agency includes in its revenue estimate as an indirect cost recovery. The recommended nongeneral fund appropriations shall reflect
4 the indirect costs in the program incurring the costs.

5 2. If actual agency indirect cost recoveries exceed the nongeneral fund amount appropriated in this act, the Director, Department of
6 Planning and Budget, is authorized to increase the nongeneral fund appropriation to the agency by the amount of such excess
7 indirect cost recovery. Such increase shall be made in the program incurring the costs.

8 3. Statewide indirect cost recoveries shall be paid into the general fund of the state treasury, unless the agency is specifically
9 exempted from this requirement by language in this act. Any statewide indirect cost recoveries received by the agency in excess of
10 the exempted sum shall be deposited to the general fund of the state treasury.

11 c. INSTITUTIONS OF HIGHER EDUCATION:

12 The following conditions shall apply to indirect cost recoveries received by institutions of higher education:

13 1. Seventy percent shall be retained by the institution as an appropriation of moneys for the conduct and enhancement of research
14 and research-related requirements. Such moneys may be used for payment of principal of and interest on bonds issued by or for the
15 institution pursuant to § 23.1-1106, Code of Virginia, for any appropriate purpose of the institution, including, but not limited to, the
16 conduct and enhancement of research and research-related requirements.

17 2. Thirty percent of the indirect cost recoveries for the level of sponsored programs authorized in the appropriations in Part 1 of
18 Chapter 1042 of the Acts of Assembly of 2003, shall be included in the educational and general revenues of the institution to meet
19 administrative costs.

20 3. Institutions of higher education may retain 100 percent of the indirect cost recoveries related to research grant and contract levels
21 in excess of the levels authorized in Chapter 1042 of the Acts of Assembly of 2003. This provision is included as an additional
22 incentive for increasing externally funded research activities.

23 d. REPORTS

24 The Director, Department of Planning and Budget, shall make available via electronic means a report to the Chairmen of the Senate
25 Finance and House Appropriations Committees and the public no later than September 1 of each year on the indirect cost recovery
26 moneys administratively appropriated.

27 e. REGULATIONS:

28 The State Comptroller is hereby authorized to issue regulations to carry out the provisions of this subsection, including the
29 establishment of criteria to certify that an agency is in compliance with the provisions of this subsection.

30 **§ 4-3.00 DEFICIT AUTHORIZATION AND TREASURY LOANS**

31 § 4-3.01 DEFICITS

32 a. GENERAL:

33 1. Except as provided in this section no state agency shall incur a deficit. No state agency receiving general fund appropriations
34 under the provisions of this act shall obligate or expend moneys in excess of its general fund appropriations, nor shall it obligate or
35 expend moneys in excess of nongeneral fund revenues that are collected and appropriated.

36 2. The Governor is authorized to approve deficit funding for a state agency under the following conditions:

37 a) an unanticipated federal or judicial mandate has been imposed,

38 b) insufficient moneys are available in the first year of the biennium for start-up of General Assembly-approved action, or

39 c) delay pending action by the General Assembly at its next legislative session will result in the curtailment of services required by
40 statute or those required by federal mandate or will produce a threat to life, safety, health or property.

41 d) Such approval by the Governor shall be in writing under the conditions described in § 4-3.02 a Authorized Deficit Loans of this
42 act and shall be promptly communicated to the Chairmen of the House Appropriations and Senate Finance Committees within five
43 calendar days of deficit approval.

44 3. Deficits shall not be authorized for capital projects.

45 4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a capital
46 nature not covered by § 4-4.00 Capital Projects, of this act provided such projects a) are delineated in the Virginia Transportation

1 Six-Year Improvement Program, as approved by the Commonwealth Transportation Board; and b) have sufficient cash
 2 allocated to each such project to cover projected costs in each year of the Program; and provided that c) sufficient revenues are
 3 projected to meet all cash obligations for such projects as well as all other commitments and appropriations approved by the
 4 General Assembly in the biennial budget.

5 b. UNAUTHORIZED DEFICITS: If any agency contravenes any of the prohibitions stated above, thereby incurring an
 6 unauthorized deficit, the Governor is hereby directed to withhold approval of such excess obligation or expenditure. Further,
 7 there shall be no reimbursement of said excess, nor shall there be any liability or obligation upon the state to make any
 8 appropriation hereafter to meet such unauthorized deficit. Further, those members of the governing board of any such agency
 9 who shall have voted therefor, or its head if there be no governing board, making any such excess obligation or expenditure
 10 shall be personally liable for the full amount of such unauthorized deficit and, at the discretion of the Governor, shall be
 11 deemed guilty of neglect of official duty and be subject to removal therefor. Further, the State Comptroller is hereby directed to
 12 make public any such unauthorized deficit, and the Director, Department of Planning and Budget, is hereby directed to set out
 13 such unauthorized deficits in the next biennium budget. In addition, the Governor is directed to bring this provision of this act
 14 to the attention of the members of the governing board of each state agency, or its head if there be no governing board, within
 15 two weeks of the date that this act becomes effective. The governing board or the agency head shall execute and return to the
 16 Governor a signed acknowledgment of such notification.

17 c. TOTAL AUTHORIZED DEFICITS: The amount which the Governor may authorize, under the provisions of this section
 18 during the current biennium, to be expended from loans repayable out of the general fund of the state treasury, for all state
 19 agencies, or other agencies combined, in excess of general fund appropriations for the current biennium, shall not exceed one
 20 and one-half percent (1 1/2%) of the revenues collected and paid into the general fund of the state treasury as defined in § 4-
 21 2.02 b. of this act during the last year of the previous biennium and the first year of the current biennium.

22 d. The Governor shall report any such authorized and unauthorized deficits to the Chairmen of the House Appropriations and
 23 Senate Finance Committees within five calendar days of deficit approval. By August 15 of each year, the Governor shall
 24 provide a comprehensive report to the Chairmen of the House Appropriations and Senate Finance Committees detailing all such
 25 deficits.

26 § 4-3.02 TREASURY LOANS

27 a. AUTHORIZED DEFICIT LOANS: A state agency requesting authorization for deficit spending shall prepare a plan for the
 28 Governor's review and approval, specifying appropriate financial, administrative and management actions necessary to
 29 eliminate the deficit and to prevent future deficits. If the Governor approves the plan and authorizes a state agency to incur a
 30 deficit under the provisions of this section, the amount authorized shall be obtained by the agency by borrowing the authorized
 31 amount on such terms and from such sources as may be approved by the Governor. At the close of business on the last day of
 32 the current biennium, any unexpended balance of such loan shall be applied toward repayment of the loan, unless such action is
 33 contrary to the conditions of the loan approval. The Director, Department of Planning and Budget, shall set forth in the next
 34 biennial budget all such loans which require an appropriation for repayment. A copy of the approved plan to eliminate the
 35 deficit shall be transmitted to the Chairmen of the House Appropriations and the Senate Finance Committees within five
 36 calendar days of approval.

37 b. ANTICIPATION LOANS: Authorization for anticipation loans are limited to the provisions below.

38 1.a) When the payment of authorized obligations for operating expenses is required prior to the collection of nongeneral fund
 39 revenues, any state agency may borrow from the state treasury the required sums with the prior written approval of the
 40 Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans shall not exceed the amount
 41 of the anticipated collections of such revenues and shall be repaid only from such revenues when collected.

42 b) When the payment of authorized obligations for capital expenses is required prior to the collection of nongeneral fund
 43 revenues or proceeds from authorized debt, any state agency or body corporate and politic, constituting a public corporation
 44 and government instrumentality, may borrow from the state treasury the required sums with the prior written approval of the
 45 Secretary of Finance or his designee as to the amount, terms and sources of such funds; such loans in anticipation of bond
 46 proceeds shall not exceed the amount of the anticipated proceeds from debt authorized by the General Assembly and shall be
 47 repaid only from such proceeds when collected.

48 2. Anticipation loans for operating expenses shall be in amounts not greater than the sum identified by the agency as the
 49 minimum amount required to meet the projected expenditures. The term of any anticipation loans granted for operating
 50 expenses shall not exceed twelve months.

51 3. Before an anticipation loan for a capital project is authorized, the agency shall develop a plan for financing such capital
 52 project; approval of the State Treasurer shall be obtained for all plans to incur authorized debt.

53 4. Anticipation loans for capital projects shall be in amounts not greater than the sum identified by the agency as required to
 54 meet the projected expenditures for the project within the current biennium.

1 5. To ensure that such loans are repaid as soon as practical and economical, the Department of Planning and Budget shall monitor
 2 the construction and expenditure schedules of all approved capital projects that will be paid for with proceeds from authorized debt
 3 and have anticipation loans.

4 6. Unless otherwise prohibited by federal or state law, the State Treasurer shall charge current market interest rates on anticipation
 5 loans made for operating purposes and capital projects subject to the following:

6 a) Anticipation loans for capital projects for which debt service will be paid with general fund appropriations shall be exempt from
 7 interest payments on borrowed balances.

8 b) Interest payments on anticipation loans for nongeneral fund capital projects or nongeneral fund operating expenses shall be made
 9 from appropriated nongeneral fund revenues. Such interest shall not be paid with the funds from the anticipation loan or from the
 10 proceeds of authorized debt without the approval of the State Treasurer.

11 c) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and Senate
 12 Finance Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

13 c. ANTICIPATION LOANS FOR PROJECTS NOT INCLUDED IN THIS ACT OR FOR PROJECTS AUTHORIZED UNDER §
 14 4-4.01M: Authorization for anticipation loans for projects not included in this act or for projects authorized under § 4-4.01 m are
 15 limited to the provisions below:

16 1. Such loans are limited to those projects that shall be repaid from revenues derived from nongeneral fund sources.

17 2.a) When the payment of authorized obligations for operating expenses is required prior to the collection of nongeneral fund
 18 revenues, any state agency may borrow from the state treasury the required sum with the prior written approval of the Secretary of
 19 Finance or his designee as to the amount, terms, and sources of such funds. Such loans shall not exceed the amount of the anticipated
 20 collections of such nongeneral fund revenues and shall be repaid only from such nongeneral fund revenues when collected.

21 b) When the payment of obligations for capital expenses for projects authorized under § 4-4.01 m is required prior to the collection
 22 of nongeneral fund revenues, any state agency or body corporate and politic, constituting a public corporation and government
 23 instrumentality, may borrow from the state treasury the required sums with the prior written approval of the Secretary of Finance or
 24 his designee as to the amount, terms and sources of such funds. Such loans shall be repaid only from nongeneral fund revenues
 25 associated with the project.

26 3. Anticipation loans for operating expenses shall be in amounts not greater than the sum identified by the agency as the minimum
 27 amount required to meet projected expenditures. The term of any anticipation loans granted for operating expenses shall not exceed
 28 12 months.

29 4. Before an anticipation loan is provided for a capital project authorized under § 4-4.01 m, the agency shall develop a plan for
 30 repayment of such loan and approval of the Director of the Department of Planning and Budget shall be obtained for all such plans
 31 and reported to the Chairman of the House Appropriations and Senate Finance Committees.

32 5. Anticipation loans for capital projects authorized under § 4-4.01 m shall be in amounts not greater than the sum identified by the
 33 agency as required to meet the projected expenditures for the project within the current biennium. Such loans shall be repaid only
 34 from nongeneral fund revenues associated with the project.

35 6. The State Treasurer shall charge current market interest rates on anticipation loans made for capital projects authorized under § 4-
 36 4.01 m. Interest payments on anticipation loans for nongeneral fund capital projects authorized under § 4-4.01 m shall be made from
 37 appropriated nongeneral fund revenues. Such interest shall not be paid with the funds from the anticipation loan without the approval
 38 of the Director of the Department of Planning and Budget.

39 a) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and Senate
 40 Finance Committees by August 15 of each year. The report shall include a status of the repayment schedule for each loan.

41 § 4-3.03 CAPITAL LEASES

42 a. GENERAL:

43 1. As part of their capital budget submission, all agencies and institutions of the Commonwealth proposing building projects that
 44 may qualify as capital lease agreements, as defined in Generally Accepted Accounting Principles (GAAP), and that may be
 45 supported in whole, or in part, from appropriations provided for in this act, shall submit copies of such proposals to the Directors of
 46 the Departments of Planning and Budget and General Services, the State Comptroller, and the State Treasurer. The Secretary of
 47 Finance may promulgate guidelines for the review and approval of such requests.

48 2. The proposals shall be submitted in such form as the Secretary of Finance may prescribe. The Comptroller and the Director,
 49 Department of General Services shall be responsible for evaluating the proposals to determine if they qualify as capital lease
 50 agreements. The State Treasurer shall be responsible for incorporating existing and authorized capital lease agreements in the annual

1 Debt Capacity Advisory Committee reports.

2 b. APPROVAL OF FINANCINGS:

3 1. For any project which qualifies as a capital lease, as defined in the preceding subdivisions a 1 and 2, and which is financed
4 through the issuance of securities, the Treasury Board shall approve the terms and structure of such financing pursuant to § 2.2-
5 2416, Code of Virginia.

6 2. For any project for which costs will exceed \$5,000,000 and which is financed through a capital lease transaction, the
7 Treasury Board shall approve the financing terms and structure of such capital lease in addition to such other reviews and
8 approvals as may be required by law. Prior to consideration by the Treasury Board, the Departments of Accounts, General
9 Services, and Planning and Budget shall notify the Treasury Board upon their approval of any transaction which qualifies as a
10 capital lease under the terms of this section. The State Treasurer shall notify the Chairmen of the House Appropriations and
11 Senate Finance Committees of the action of the Treasury Board as it regards this subdivision within five calendar days of its
12 action.

13 c. REPORTS: Not later than December 20 of each year, the Secretary of Finance and the Secretary of Administration shall
14 jointly be responsible for providing the Chairmen of the House Appropriations and Senate Finance Committees with
15 recommendations involving proposed capital lease agreements.

16 d. This section shall not apply to capital leases that are funded entirely with nongeneral fund revenues and are entered into by
17 public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly. Furthermore, the
18 Department of General Services is authorized to enter into capital leases for executive branch agencies provided that the
19 resulting capital lease is funded entirely with nongeneral funds, is approved based on the requirements of § 4-3.03 b.1 and 2
20 above, and would not be considered tax supported debt of the Commonwealth.

21 **§ 4-4.00 CAPITAL PROJECTS**

22 § 4-4.01 GENERAL

23 a. Definition:

24 1. Unless defined otherwise, when used in this section, "capital project" or "project" means acquisition of property and new
25 construction and improvements related to state-owned property, plant or equipment (including plans therefor), as the terms
26 "acquisition", "new construction", and "improvements" are defined in the instructions for the preparation of the Executive
27 Budget. "Capital project" or "project" shall also mean any improvements to property leased for use by a state agency, and not
28 owned by the state, when such improvements are financed by public funds, except as hereinafter provided in subdivisions 3 and
29 4 of this subsection.

30 2. The provisions of this section are applicable equally to acquisition of property and plant by purchase, gift, or any other
31 means, including the acquisition of property through a lease/purchase contract, regardless of the method of financing or the
32 source of funds. Acquisition of property by lease shall be subject to § 4-3.03 of this act.

33 3. The provisions of this section shall not apply to property or equipment acquired by lease or improvements to leased property
34 and equipment when the improvements are provided by the lessor pursuant to the terms of the lease and upon expiration of the
35 lease remain the property of the lessor.

36 4. The provisions of this section shall not apply to property leased by state agencies for the purposes described in §§ 2.2-1151 C
37 and 33.2-1010, Code of Virginia.

38 b. Notwithstanding any other provisions of law, requests for appropriations for capital projects shall be subject to the following:

39 1. The agency shall submit a capital project proposal for all requested capital projects. Such proposals shall be submitted to the
40 Director, Department of Planning and Budget, for review and approval in accordance with guidelines prescribed by the
41 director. Projects shall be developed to meet agency functional and space requirements within a cost range comparable to
42 similar public and private sector projects.

43 2. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594
44 and 616 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, financings for capital projects
45 shall comply, where applicable, with the Treasury Board Guidelines issued pursuant to § 2.2-2416, Code of Virginia, and any
46 subsequent amendments thereto.

47 3. As part of any request for appropriations for an armory, the Department of Military Affairs shall obtain a written
48 commitment from the host locality to share in the operating expense of the armory.

49 c. Each agency head shall provide annually to the Director, Department of Planning and Budget, a report on the use of the
50 maintenance reserve appropriation of the agency in Part 2 of this act. In the use of its maintenance reserve appropriation, an

1 agency shall give first priority to the repair or replacement of roof on buildings under control of the agency. The agency head shall
 2 certify in the agency's annual maintenance reserve report that to the best of his or her knowledge, all necessary roof repairs have
 3 been accomplished or are in the process of being accomplished. Such roof repairs and replacements shall be in accord with the
 4 technical requirements of the Commonwealth's Construction and Professional Services Manual.

5 d. The Department of Planning and Budget shall review its approach to capital outlay planning and budgeting from time to time and
 6 make available via electronic means a report of any proposed change to the Chairmen of the House Appropriations and Senate
 7 Finance Committees and the public prior to its implementation. Such report shall include an analysis of the impact of the suggested
 8 change on affected agencies and institutions.

9 e. Nothing in §§ 2-0 and 4-4.00 of this act shall be deemed to override the provisions of §§ 2.2-1132 and 62.1-132.6, Code of
 10 Virginia, amended by Chapter 488, 1997 Acts of Assembly, relating to Virginia Port Authority capital projects and procurement
 11 activities.

12 f. Legislative Approval: It is the intent of the General Assembly that, with the exceptions noted in this paragraph and paragraph m,
 13 all capital projects to be undertaken by agencies of the Commonwealth, including institutions of higher education, shall be pursuant
 14 to approvals by the General Assembly as provided in the Six-Year Capital Outlay Plan established pursuant to § 2.2-1515, et seq.,
 15 Code of Virginia. Otherwise, the consideration of capital projects shall be limited to:

- 16 1. Supplementing projects which have been bid and determined to have insufficient funding to be placed under contract, and
- 17 2. Projects declared by the Governor or the General Assembly to be of an emergency nature, which may avoid an increase in cost or
 18 otherwise result in a measurable benefit to the state, and/or which are required for the continued use of existing facilities.
- 19 3. This paragraph does not prohibit the initiation of projects authorized by § 4-4.01 m hereof, or projects included under the central
 20 appropriations for capital project expenses in this act.

21 g. Preliminary Requirements: In regard to each capital project for which appropriation or reappropriation is made pursuant to this
 22 act, or which is hereafter considered by the Governor for inclusion in the Executive Budget, or which is offered as a gift or is
 23 considered for purchase, the Governor is hereby required: (1) to determine the urgency of its need, as compared with the need for
 24 other capital projects as herein authorized, or hereafter considered; (2) to determine whether the proposed plans and specifications
 25 for each capital project are suitable and adequate, and whether they involve expenditures which are excessive for the purposes
 26 intended; (3) to determine whether labor, materials, and other requirements, if any, needed for the acquisition or construction of such
 27 project can and will be obtained at reasonable cost; and (4) to determine whether or not the project conforms to a site or master plan
 28 approved by the agency head or board of visitors of an institution of higher education for a program approved by the General
 29 Assembly.

30 h. Initiation Generally:

31 1. No architectural or engineering planning for, or construction of, or purchase of any capital project shall be commenced or revised
 32 without the prior written approval of the Governor or his designee.

33 2. The requirements of § 10.1-1190, Code of Virginia, shall be met prior to the release of funds for a major state project, provided,
 34 however, that the Governor or his designee is authorized to release from any appropriation for a major state project made pursuant to
 35 this act such sum or sums as may be necessary to pay for the preparation of the environmental impact report required by § 10.1-
 36 1188, Code of Virginia.

37 3. The Governor, at his discretion, or his designee may release from any capital project appropriation or reappropriation made
 38 pursuant to this act such sum (or sums) as may be necessary to pay for the preparation of plans and specifications by architects and
 39 engineers, provided that the estimated cost of the construction covered by such drawings and specifications does not exceed the
 40 appropriation therefor; provided, further, however, that the architectural and engineering fees paid on completion of the preliminary
 41 design for any such project may be based on such estimated costs as may be approved by the Governor in writing, where it is shown
 42 to the satisfaction of the Governor that higher costs of labor or material, or both, or other unforeseen conditions, have made the
 43 appropriation inadequate for the completion of the project for which the appropriation was made, and where in the judgment of the
 44 Governor such changed conditions justify the payment of architectural or engineering fees based on costs exceeding the
 45 appropriation.

46 4. Architectural or engineering contracts shall not be awarded in perpetuity for capital projects at any state institution, agency or
 47 activity.

48 i. Capital Projects Financed with Bonds: Capital projects proposed to be financed with (i) 9 (c) general obligation bonds or (ii) 9(d)
 49 obligations where debt service is expected to be paid from project revenues or revenues of the agency or institution, shall be
 50 reviewed as follows:

- 51 1. By August 15 of each year, requests for inclusion in the Executive Budget of capital projects to be financed with 9(c) general
 52 obligation bonds shall be submitted to the State Treasurer for evaluation of financial feasibility. Submission shall be in accordance
 53 with the instructions prescribed by the State Treasurer. The State Treasurer shall distribute copies of financial feasibility studies to

- 1 the Director, Department of Planning and Budget, the Secretary for the submitting agency or institution, the Chairmen of the
 2 House Appropriations and Senate Finance Committees, and the Director, State Council of Higher Education for Virginia, if the
 3 project is requested by an institution of higher education.
- 4 2. By August 15 of each year, institutions shall also prepare and submit copies of financial feasibility studies to the State
 5 Council of Higher Education for Virginia for 9(d) obligations where debt service is expected to be paid from project revenues
 6 or revenues of the institution. The State Council of Higher Education for Virginia shall identify the impact of all projects
 7 requested by the institutions of higher education, and as described in § 4-4.01 j.1. of this act, on the current and projected cost
 8 to students in institutions of higher education and the impact of the project on the institution's need for student financial
 9 assistance. The State Council of Higher Education for Virginia shall report such information to the Secretary of Finance and the
 10 Chairmen of the House Appropriations and Senate Finance Committees no later than October 1 of each year.
- 11 3. Prior to the issuance of debt for 9(c) general obligation projects, when more than one year has elapsed since the review of
 12 financial feasibility specified in § 4-4.01 j 1 above, an updated feasibility study shall be prepared by the agency and reviewed
 13 by the State Treasurer prior to requesting the Governor's Opinion of Financial Feasibility required under Article X, Section 9
 14 (c), of the Constitution of Virginia.
- 15 j. Transfers to supplement capital projects from nongeneral funds may be made under the conditions set forth in §§ 4-1.03 a, 4-
 16 1.04 a.3, and 4-4.01 m of this act.
- 17 k.1. Change in Size and Scope: Unless otherwise provided by law, the scope, which is the function or intended use, of any
 18 capital project may not be substantively changed, nor its size increased or decreased by more than five percent in size beyond
 19 the plans and justification which were the basis for the appropriation or reappropriation in this act or for the Governor's
 20 authorization pursuant to § 4-4.01 m of this act. However, this prohibition is not applicable to changes in size and scope
 21 required because of circumstances determined by the Governor to be an emergency, or requirements imposed by the federal
 22 government when such capital project is for armories or other defense-related installations and is funded in whole or in part by
 23 federal funds. Furthermore, this prohibition shall not apply to minor increases, beyond five percent, in square footage
 24 determined by the Director, Department of General Services, to be reasonable and appropriate based on a written justification
 25 submitted by the agency stating the reason for the increase, with the provision that such increase will not increase the cost of
 26 the project beyond the amount appropriated; nor to decreases in size beyond five percent to offset unbudgeted costs when such
 27 costs are determined by the Director, Department of Planning and Budget, to be reasonable based on a written justification
 28 submitted by the agency specifying the amount and nature of the unbudgeted costs and the types of actions that will be taken to
 29 decrease the size of the project. The written justification shall also include a certification, signed by the agency head, that the
 30 resulting project will be consistent with the original programmatic intent of the appropriations.
- 31 2. If space planning, energy conservation, and environmental standards guides for any type of construction have been approved
 32 by the Governor or the General Assembly, the Governor shall require capital projects to conform to such planning guides.
- 33 l. Projects Not Included In This Act:
- 34 1. Authorization by Governor:
- 35 a) The Governor may authorize initiation of, planning for, construction of or acquisition of a nongeneral fund capital project not
 36 specifically included in this act or provided for a program approved by the General Assembly through appropriations, under
 37 one or more of the following conditions:
- 38 1) The project is required to meet an emergency situation.
- 39 2) The project is to be operated as an auxiliary enterprise or sponsored program in an institution of higher education and will be
 40 fully funded by revenues of auxiliary enterprises or sponsored programs.
- 41 3) The project is to be operated as an educational and general program in an institution of higher education and will be fully
 42 funded by nongeneral fund revenues of educational and general programs or from private gifts and indirect cost recoveries.
- 43 4) The project consists of plant or property which has become available or has been received as a gift.
- 44 5) The project has been recommended for funding by the Tobacco Indemnification and Community Revitalization Commission
 45 or the Virginia Tobacco Settlement Foundation.
- 46 b) The foregoing conditions are subject to the following criteria:
- 47 1) Funds are available within the appropriations made by this act (including those subject to §§ 4-1.03 a, 4-1.04 a.3, and 4-2.03)
 48 without adverse effect on other projects or programs, or from unappropriated nongeneral fund revenues or balances.
- 49 2) In the Governor's opinion such action may avoid an increase in cost or otherwise result in a measurable benefit to the state.
- 50 3) The authorization includes a detailed description of the project, the project need, the total project cost, the estimated

- 1 operating costs, and the fund sources for the project and its operating costs.
- 2 4) The Chairmen of the House Appropriations and Senate Finance Committees shall be notified by the Governor prior to the
3 authorization of any capital project under the provisions of this subsection.
- 4 5) Permanent funding for any project initiated under this section shall only be from nongeneral fund sources.
- 5 2. Authorization by Director, Department of Planning and Budget:
- 6 a) The Director, Department of Planning and Budget, may authorize initiation of a capital project not included in this act, if the
7 General Assembly has enacted legislation to fund the project from bonds of the Virginia Public Building Authority, Virginia College
8 Building Authority, or from reserves created by refunding of bonds issued by those Authorities.
- 9 3. Delegated authorization by Boards of Visitors, Public Institutions of Higher Education:
- 10 a) In accordance with § 4-5.06 of this act, the board of visitors of any public institution of higher education that: i) has met the
11 eligibility criteria set forth in Chapters 933 and 945 of the 2005 Acts of Assembly for additional operational and administrative
12 autonomy, including having entered into a memorandum of understanding with the Secretary of Administration for delegated
13 authority of nongeneral fund capital outlay projects, and ii) has received a sum sufficient nongeneral fund appropriation for
14 emergency projects as set out in Part 2: Capital Project Expenses of this act, may authorize the initiation of any capital project that is
15 not specifically set forth in this act provided that the project meets at least one of the conditions and criteria identified in § 4-4.01 m
16 1 of this act.
- 17 b) At least 30 days prior to the initiation of a project under this provision, the board of visitors must notify the Governor and
18 Chairmen of the House Appropriations and Senate Finance Committees and must provide a life-cycle budget analysis of the project.
19 Such analysis shall be in a form to be prescribed by the Auditor of Public Accounts.
- 20 c) The Commonwealth of Virginia shall have no general fund obligation for the construction, operation, insurance, routine
21 maintenance, or long-term maintenance of any project authorized by the board of visitors of a public institution of higher education
22 in accordance with this provision.
- 23 m. Acquisition, maintenance, and operation of buildings and nonbuilding facilities in colleges and universities shall be subject to the
24 following policies:
- 25 1. The anticipated program use of the building or nonbuilding facility should determine the funding source for expenditures for
26 acquisition, construction, maintenance, operation, and repairs.
- 27 2. Expenditures for land acquisition, site preparation beyond five feet from a building, and the construction of additional outdoor
28 lighting, sidewalks, outdoor athletic and recreational facilities, and parking lots in the Virginia Community College System shall be
29 made only from appropriated federal funds, Trust and Agency funds, including local government allocations or appropriations, or
30 the proceeds of indebtedness authorized by the General Assembly.
- 31 3. The general policy of the Commonwealth shall be that parking services are to be operated as an auxiliary enterprise by all colleges
32 and universities. Institutions should develop sufficient reserves for ongoing maintenance and replacement of parking facilities.
- 33 4. Except as provided in paragraph 2 above, expenditures for maintenance, replacement, and repair of outdoor lighting, sidewalks,
34 and other infrastructure facilities may be made from any appropriated funds.
- 35 5. Expenditures for operations, maintenance, and repair of athletic, recreational, and public service facilities, both indoor and
36 outdoor, should be from nongeneral funds. However, this condition shall not apply to any indoor recreational facility existing on a
37 community college campus as of July 1, 1988.
- 38 6.a.1. At institutions of higher education that have met the eligibility criteria for additional operational and administrative authority
39 as set forth in Chapters 933 and 945 of the 2005 Acts of Assembly or Chapters 824 and 829 of the 2008 Acts of Assembly, any
40 repair, renovation, or new construction project costing up to \$2,000,000 shall be exempt from the capital outlay review and approval
41 process. For purposes of this paragraph, projects shall not include any subset of a series of projects, which in combination would
42 exceed the \$2,000,000 maximum.
- 43 2. All institutions of higher education shall be exempt from the capital review and approval process for repair, renovation, or new
44 construction projects costing up to \$2,000,000.
- 45 b. Blanket authorizations funded entirely by nongeneral funds may be used for 1) renovation and infrastructure projects costing up to
46 \$2,000,000 and 2) the planning of nongeneral fund new construction and renovation projects through bidding, with bid award made
47 after receipt of a construction authorization. The Director, Department of Planning and Budget, may provide exemptions to the
48 threshold.
- 49 7. It is the policy of the Commonwealth that the institutions of higher education shall treat the maintenance of their facilities as a
50 priority for the allocation of resources. No appropriations shall be transferred from the "Operation and Maintenance of Plant"

- 1 subprogram except for closely and definitely related purposes, as approved by the Director, Department of Planning and
 2 Budget, or his designee. A report providing the rationale for each approved transfer shall be made to the Chairmen of the House
 3 Appropriations and Senate Finance Committees.
- 4 n. Legislative Intent and Reporting: Appropriations for capital projects shall be deemed to have been made for purposes which
 5 require their expenditure, or being placed under contract for expenditure, during the current biennium. Agencies to which such
 6 appropriations are made in this act or any other act are required to report progress as specified by the Governor. If, in the
 7 opinion of the Governor, these reports do not indicate satisfactory progress, he is authorized to take such actions as in his
 8 judgment may be necessary to meet legislative intent as herein defined. Reporting on the progress of capital projects shall be in
 9 accordance with § 4-8.00, Reporting Requirements.
- 10 o. No expenditure from a general fund appropriation in this act shall be made to expand or enhance a capital outlay project
 11 beyond that anticipated when the project was initially approved by the General Assembly except to comply with requirements
 12 imposed by the federal government when such capital project is for armories or other defense-related installations and is funded
 13 in whole or in part by federal funds. General fund appropriations in excess of those necessary to complete the project shall not
 14 be reallocated to expand or enhance the project, or be reallocated to a different project. The prohibitions in this subsection shall
 15 not apply to transfers from projects for which reappropriations have been authorized.
- 16 p. Local or private funds to be used for the acquisition, construction or improvement of capital projects for state agency use as
 17 owner or lessee shall be deposited into the state treasury for appropriation prior to their expenditure for such projects.
- 18 q. State-owned Registered Historic Landmarks: To guarantee that the historical and/or architectural integrity of any state-
 19 owned properties listed on the Virginia Landmarks Register and the knowledge to be gained from archaeological sites will not
 20 be adversely affected because of inappropriate changes, the heads of those agencies in charge of such properties are directed to
 21 submit all plans for significant alterations, remodeling, redecoration, restoration or repairs that may basically alter the
 22 appearance of the structure, landscaping, or demolition to the Department of Historic Resources. Such plans shall be reviewed
 23 within thirty days and the comments of that department shall be submitted to the Governor through the Department of General
 24 Services for use in making a final determination.
- 25 r.1. The Governor may authorize the conveyance of any interest in property or improvements thereon held by the
 26 Commonwealth to the educational or real estate foundation of any institution of higher education where he finds that such
 27 property was acquired with local or private funds or by gift or grant to or for the use of the institution, and not with funds
 28 appropriated to the institution by the General Assembly. Any approved conveyance shall be exempt from § 2.2-1156, Code of
 29 Virginia, and any other statute concerning conveyance, transfer or sale of state property. If the foundation conveys any interest
 30 in the property or any improvements thereon, such conveyance shall likewise be exempt from compliance with any statute
 31 concerning disposition of state property. Any income or proceeds from the conveyance of any interest in the property shall be
 32 deemed to be local or private funds and may be used by the foundation for any foundation purpose.
- 33 2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of
 34 Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and
 35 Chapters 675 and 685 of the 2009 Acts of Assembly.
- 36 s.1. Facility Lease Agreements Involving Institutions of Higher Education: In the case of any lease agreement involving state-
 37 owned property controlled by an institution of higher education, where the lease has been entered into consistent with the
 38 provisions of § 2.2-1155, Code of Virginia, the Governor may amend, adjust or waive any project review and reporting
 39 procedures of Executive agencies as may reasonably be required to promote the property improvement goals for which the
 40 lease agreement was developed.
- 41 2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of
 42 Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and
 43 Chapters 675 and 685 of the 2009 Acts of Assembly.
- 44 t. Energy-efficiency Projects: Improvements to state-owned properties for the purpose of energy-efficiency shall be treated as
 45 follows:
- 46 1. Such improvements shall be considered an operating expense, provided that:
- 47 a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of
 48 Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-
 49 1989 and is limited to measures listed in guidelines issued by the Department of General Services;
- 50 b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board
 51 approval and is executed through a nonprofessional services contract with a vendor approved by the Department of General
 52 Services;
- 53 c) the scope of work has been reviewed and recommended by the Department of Mines, Minerals and Energy;

- 1 d) the total cost does not exceed \$3,000,000; and
- 2 e) if the total cost exceeds \$3,000,000, but does not exceed \$7,000,000, the energy savings from the project offset the total cost of
3 the project, including debt service and interest payments.
- 4 2. If (a) the total cost of the improvement exceeds \$7,000,000 or (b) the total cost exceeds \$3,000,000, but does not exceed
5 \$7,000,000, and the energy savings from the project do not fully offset the total cost of the project, including debt services and
6 interest payments, the improvement shall be considered a capital expense regardless of the type of improvement and the following
7 conditions must be met:
- 8 a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating,
9 Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-1989 and is
10 limited to measures listed in guidelines issued by the Department of General Services;
- 11 b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board approval
12 and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services;
- 13 c) the scope of work has been reviewed and recommended by the Department of Mines, Minerals and Energy;
- 14 d) the project has been reviewed by the Department of Planning and Budget; and
- 15 e) the project has been approved by the Governor.
- 16 3. If the total project exceeds \$250,000, the agency director will submit written notification to the Director, Department of Planning
17 and Budget, verifying that the project meets all of the conditions in subparagraph 1 above.
- 18 The provisions of §§ 2.0 and 4-4.01 of this act and the provisions of § 2.2-1132, Code of Virginia, shall not apply to energy
19 conservation projects that qualify as capital expenses.
- 20 4. As used in this paragraph, “improvement” does not include (a) constructing, enlarging, altering, repairing or demolishing a
21 building or structure, (b) changing the use of a building either within the same use group or to a different use group when the new
22 use requires greater degrees of structural strength, fire protection, exit facilities or sanitary provisions, or (c) removing or disturbing
23 any asbestos-containing materials during demolition, alteration, renovation of or additions to building or structures. If the projected
24 scope of an energy-efficiency project includes any of these elements, it shall be subject to the capital outlay process as set out in this
25 section.
- 26 5. The Director, Department of Planning and Budget, shall notify the Chairmen of the House Appropriations and Senate Finance
27 Committees upon the initiation of any energy-efficiency projects under the provisions of this paragraph.
- 28 u. No expenditures shall be authorized for the purchase of fee simple title to any real property to be used for a correctional facility or
29 for the actual construction of a correctional facility provided for in this act, or by reference hereto, that involves acquisition or new
30 construction of youth or adult correctional facilities on real property which was not owned by the Commonwealth on January 1,
31 1995, until the governing body of the county, city or town wherein the project is to be located has adopted a resolution supporting
32 the location of such project within the boundaries of the affected jurisdiction. The foregoing does not prohibit expenditures for site
33 studies, real estate options, correctional facility design and related expenditures.
- 34 v. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and
35 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, any alternative financing agreement
36 entered into between a state agency or institution of higher education and a private entity or affiliated foundation must be reviewed
37 and approved by the Treasury Board.
- 38 w. Prior to requesting authorization for new dormitory capital projects, institutions of higher education shall conduct a cost study to
39 determine whether an alternative financing arrangement or public-private transaction would provide a more effective option for the
40 construction of the proposed facility. This study shall be submitted to the Department of Planning and Budget as part of the budget
41 development process and shall be evaluated by the Governor prior to submitting his proposed budget.
- 42 x. Construction or improvement projects of the Department of Military Affairs are not exempt from the capital outlay review process
43 when the state procurement process is utilized, except for those projects with both an estimated cost of \$3,000,000 or less and are
44 100 percent federally reimbursed. The Department of Military Affairs shall submit by July 30 of each year to the Department of
45 Planning and Budget a list of such projects that were funded pursuant to this exemption in the previous fiscal year and any projects
46 that would be eligible for such funding in future fiscal years.
- 47 y. While the competitive sealed bid process is the preferred method of construction procurement for public bodies, institutions of
48 higher education and state agencies considering the use of Design Build or Construction Management procurement methods for
49 capital projects shall proceed as follows:
- 50 1. Institutions of higher education governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594, 616, 824 and

1 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, operating under a memorandum of
2 understanding pursuant to § 23.1-1003, and those operating under a pilot program under § 4-9.02 shall:

3 a) Develop a process for determining the selected procurement method which, at a minimum, must consider cost, schedule,
4 complexity, and building use;

5 b) Submit the process for determining the procurement method to the Department of General Services for review and
6 recommendations;

7 c) Submit for approval, the process for determining the procurement method with the Department of General Services
8 recommendations, to the Board of Visitors.

9 2. All other institutions of higher education and state agencies shall submit procurement method requests to the Director,
10 Department of General Services for review and approval.

11 3. Processes for considering Construction Management procurement method shall include, among other processes as
12 determined by the owning institution of higher education or state agency, the following requirements:

13 a) Cost and project timeline are critical components of the selection process;

14 b) Construction Management contract will be initiated no later than the Schematic Phase of design unless prohibited by
15 authorization of funding restrictions; and,

16 c) A written justification that sealed bidding is not practicable and/or fiscally advantageous and such written justification shall
17 be stated in the Request for Qualifications used to procure the Construction Management services.

18 4. All state entities, including institutions of higher education governed under Chapters 933 and 943 of the 2006 Acts of
19 Assembly, Chapters 594, 616, 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly,
20 operating under a memorandum of understanding pursuant to § 23.1-1003, and those operating under a pilot program under § 4-
21 9.02 shall report annually, on November 1st of each year, to the Director, Department of General Services on completed capital
22 projects, beginning with those authorized for construction under Chapter 665 of the 2015 Virginia Acts of Assembly, to include
23 at a minimum procurement method, project budget, actual project costs, expected timeline, actual completion time and any
24 post-project issues. The Department of General Services shall consolidate received report data and submit the consolidated data
25 to the Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than December 1st of each
26 year.

27 5. The Auditor of Public Accounts shall, as part of its annual audit plan, determine that institutions of higher education
28 governed under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594, 616, 824 and 829 of the 2008 Acts of
29 Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, operating under a memorandum of understanding pursuant to §
30 23.1-1003 and those operating under a pilot program under §4-9.02 complied with their internal review process in the selection
31 of procurement method.

32 6. All state entities, including institutions of higher education governed under Chapters 933 and 943 of the 2006 Acts of
33 Assembly, Chapters 594, 616, 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly,
34 operating under a memorandum of understanding pursuant to § 23.1-1003 and those operating under a pilot program under § 4-
35 9.02 shall post approved capital projects, beginning with those authorized for construction under Chapter 665 of the 2015
36 Virginia Acts of Assembly, and approved procurement methods and advertise for project delivery services no less than 30 days
37 publicly on the Commonwealth's statewide electronic procurement system and program, eVA.

38 § 4-4.02 PLANNING AND BUDGETING

39 a. It shall be the intent of the General Assembly to make biennial appropriations for a capital improvements program sufficient
40 to address the program needs of the Commonwealth. The capital improvements program shall include maintenance and
41 deferred maintenance of the Commonwealth's existing facilities, and of the facility requirements necessary to deliver the
42 programs of state agencies and institutions.

43 b. In effecting these policies, the Governor shall establish a capital budget plan to address the renewal and replacement of the
44 Commonwealth's physical plant, using such guidelines as recommended by industry or government to maintain the
45 Commonwealth's investment in its property and plant.

46 § 4-5.00 SPECIAL CONDITIONS AND RESTRICTIONS ON EXPENDITURES

47 § 4-5.01 TRANSACTIONS WITH INDIVIDUALS

48 a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the Commonwealth is
49 settled pursuant to § 2.2-514, Code of Virginia, payment may be made out of any appropriations, designated by the Governor,
50 to the state agency(ies) which is (are) party to the settlement.

1 b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:

2 1. General:

3 a) The appropriations made in this act to state institutions of higher education within the Items for student financial assistance may
 4 be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at least one-
 5 half time in a degree, certificate, industry-based certification and related programs that do not qualify for other sources of student
 6 financial assistance or diploma program; grants to full-time graduate students; graduate assistantships; grants to students enrolled
 7 full-time in a dual or concurrent undergraduate and graduate program. The institutions may also use these appropriations for the
 8 purpose of supporting work study programs. The institution is required to transfer to educational and general appropriations all funds
 9 used for work study or to pay graduate assistantships. Institutions may also contribute to federal or private student grant aid
 10 programs requiring matching funds by the institution, except for programs requiring work. The State Council of Higher Education
 11 for Virginia shall annually review each institution's plan for the expenditures of its general fund appropriation for undergraduate
 12 student financial assistance prior to the start of the fall term to determine program compliance. The institution's plan shall include the
 13 institution's assumptions and calculations for determining the cost of attendance, student financial need, and student remaining need
 14 as well as an award schedule or description of how funds are awarded. For the purposes of the proposed plan, each community
 15 college shall be considered independently. No limitations shall be placed on the awarding of nongeneral fund appropriations made in
 16 this act to state institutions of higher education within the Items for student financial assistance other than those found previously in
 17 this paragraph and as follows: (i) funds derived from in-state student tuition will not subsidize out-of-state students, (ii) students
 18 receiving these funds must be making satisfactory academic progress, (iii) awards made to students should be based primarily on
 19 financial need, and (iv) institutions should make larger grant and scholarship awards to students taking the number of credit hours
 20 necessary to complete a degree in a timely manner.

21 b) All awards made to undergraduate students from such Items shall be for Virginia students only and such awards shall offset all, or
 22 portions of, the costs of tuition and required fees, and, in the case of students qualifying under subdivision b 2 c)1) hereof, the cost of
 23 books. All undergraduate financial aid award amounts funded by this appropriation shall be proportionate to the remaining need of
 24 individual students, with students with higher levels of remaining need receiving grants before other students. No criteria other than
 25 the need of the student shall be used to determine the award amount. Because of the low cost of attendance and recognizing that
 26 federal grants provide a much higher portion of cost than at other institutions, a modified approach and minimum award amount for
 27 the neediest VGAP student should be implemented for community college and Richard Bland College students based on remaining
 28 need and the combination of federal and grant state aid. Student financial need shall be determined by a need-analysis system
 29 approved by the Council.

30 c)1) All need-based awards made to graduate students shall be determined by the use of a need-analysis system approved by the
 31 Council.

32 2) As part of the six-year financial plans required in the provisions of Chapters 933 and 945 of the 2005 Acts of Assembly, each
 33 institution of higher education shall report the extent to which tuition and fee revenues are used to support graduate student aid and
 34 graduate compensation and how the use of these funds impacts planned increases in student tuition and fees.

35 d) A student who receives a grant under such Items and who, during a semester, withdraws from the institution which made the
 36 award must surrender the unearned portion. The institution shall calculate the unearned portion of the award based on the percentage
 37 used for federal Return to Title IV program purposes.

38 e) An award made under such Items to assist a student in attending an institution's summer session shall be prorated according to the
 39 size of comparable awards made in that institution's regular session.

40 f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall not apply to (1) the soil
 41 scientist scholarships authorized under § 23.1-615, Code of Virginia and (2) need-based financial aid programs for industry-based
 42 certification and related programs that do not qualify for other sources of student financial assistance, which will be subject to
 43 guidelines developed by the State Council of Higher Education for Virginia.

44 g) Unless noted elsewhere in this act, general fund awards shall be named "Commonwealth" grants.

45 h) Unless otherwise provided by statute, undergraduate awards shall not be made to students seeking a second or additional
 46 baccalaureate degree until the financial aid needs of first-degree seeking students are fully met.

47 2. Grants To Undergraduate Students:

48 a) Each institution which makes undergraduate grants paid from its appropriation for student financial assistance shall expend such
 49 sums as approved for that purpose by the Council.

50 b) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma program at the institution
 51 making the award, and shall be making satisfactory academic progress as defined by the institution for the purposes of eligibility
 52 under Title IV of the federal Higher Education Act, as amended.

53 c)1) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed Assistance Program (VGAP)

1 authorized in Title 23.1, Chapter 4.4:2, Code of Virginia, shall receive grants before all other students at the same institution
 2 with equivalent remaining need from the appropriations for undergraduate student financial assistance found in Part 1 of this
 3 act (service area 1081000 - Scholarships). In each instance, VGAP eligible students shall receive awards greater than other
 4 students with equivalent remaining need.

5 2) The amount of each VGAP grant shall vary according to each student's remaining need and the total of tuition, all required
 6 fees and the cost of books at the institution the student will attend upon acceptance for admission. The actual amount of the
 7 VGAP award will be determined by the proportionate award schedule adopted by each institution; however, those students with
 8 the greatest financial need shall be guaranteed an award at least equal to tuition.

9 3) It is the intent of the General Assembly that the Virginia Guaranteed Assistance Program serve as an incentive to financially
 10 needy students now attending elementary and secondary school in Virginia to raise their expectations and their academic
 11 performance and to consider higher education an achievable objective in their futures.

12 4) Students may not receive a VGAP and a Commonwealth grant in the same semester.

13 3. Grants To Graduate Students:

14 a) An individual award may be based on financial need but may, in addition to or instead of, be based on other criteria
 15 determined by the institution making the award. The amount of an award shall be determined by the institution making the
 16 award; however, the Council shall annually be notified as to the maximum size of a graduate award that is paid from funds in
 17 the appropriation.

18 b) A student receiving a graduate award paid from the appropriation must be duly admitted into a graduate degree program at
 19 the institution making the award.

20 c) Not more than 50 percent of the funds designated by an institution as graduate grants from the appropriation, and approved
 21 as such by the Council, shall be awarded to persons not eligible to be classified as Virginia domiciliary resident students except
 22 in cases where the persons meet the criteria outlined in § 4-2.01b.6.

23 4. Matching Funds: Any institution of higher education may, with the approval of the Council, use funds from its appropriation
 24 for fellowships and scholarships to provide the institutional contribution to any student financial aid program established by the
 25 federal government or private sources which requires the matching of the contribution by institutional funds, except for
 26 programs requiring work.

27 5. Discontinued Loan Program:

28 a) If any federal student loan program for which the institutional contribution was appropriated by the General Assembly is
 29 discontinued, the institutional share of the discontinued loan program shall be repaid to the fund from which the institutional
 30 share was derived unless other arrangements for the use of the funds are recommended by the Council and approved by the
 31 Department of Planning and Budget. Should the institution be permitted to retain the federal contributions to the program, the
 32 funds shall be used according to arrangements authorized by the Council and approved by the Department of Planning and
 33 Budget.

34 b)1) An institution of higher education may discontinue its student loan fund established pursuant to Title 23.1, Chapter 4.01,
 35 Code of Virginia. The full amount of cash in such discontinued loan fund shall be paid into the state treasury into a
 36 nonrevertible nongeneral fund account. Prior to such payment, the State Comptroller shall verify its accuracy, including the fact
 37 that the cash held by the institution in the loan fund will be fully depleted by such payment. The loan fund shall not be
 38 reestablished thereafter for that institution.

39 2) The cash so paid into the state treasury shall be used only for grants to undergraduate and graduate students in the Higher
 40 Education Student Financial Assistance program according to arrangements authorized by the Council and approved by the
 41 Department of Planning and Budget.

42 3) Payments on principal and interest of any promissory notes held by the discontinued loan fund shall continue to be received
 43 by the institution, which shall deposit such payments in the state treasury to the nonrevertible nongeneral fund account
 44 specified in subdivision (1) preceding, to be used for grants as specified in subdivision (2) preceding.

45 6. Reporting: The Council shall collect student-specific information for undergraduate students as is necessary for the operation
 46 of the Student Financial Assistance Program. The Council shall maintain regulations governing the operation of the Student
 47 Financial Assistance Program based on the provisions outlined in this section, the Code of Virginia, and State Council policy.

48 C. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

49 Notwithstanding any other provision of law, executive branch agencies shall not pay compensation to citizen members of
 50 boards, commissions, authorities, councils, or other bodies from any fund for the performance of such members' duties in the
 51 work of the board, commission, authority, council, or other body.

1 d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

2 1. Notwithstanding any other provision of law, the Virginia Birth-Related Neurological Injury Compensation Program is authorized
 3 to require each admitted claimant's parent or legal guardian to purchase private health insurance (the "primary payer") to provide
 4 coverage for the actual medically necessary and reasonable expenses as described in Virginia Code § 38.2-5009(A)(1) that were, or are,
 5 incurred as a result of the admitted claimant's birth-related neurological injury and for the admitted claimant's benefit. Provided,
 6 however, that the Program shall reimburse, upon receipt of proof of payment, solely the portion of the premiums that is attributable to
 7 the admitted claimant's post-admission coverage from the effective date of this provision forward and paid for by the admitted
 8 claimant's parent or legal guardian.

9 2. The State Corporation Commission shall develop a report containing options and recommendations for improving the actuarial
 10 soundness of financing for the Virginia Birth-Related Neurological Injury Compensation Program. The report shall be presented to the
 11 Governor and Chairmen of the House Appropriations and Senate Finance Committees no later than November 1, 2017.

12 § 4-5.02 THIRD PARTY TRANSACTIONS

13 a. EMPLOYMENT OF ATTORNEYS:

14 1.a) All attorneys authorized by this act to be employed by any state agency and all attorneys compensated out of any moneys
 15 appropriated in this session of the General Assembly shall be appointed by the Attorney General and be in all respects subject to the
 16 provisions of Title 2.2, Chapter 5, Code of Virginia, to the extent not to conflict with Title 12.1, Chapter 4, Code of Virginia;
 17 provided, however, that if the Governor certifies the need for independent legal counsel for any Executive Department agency, such
 18 agency shall be free to act independently of the Office of the Attorney General in regard to selection, and provided, further, that
 19 compensation of such independent legal counsel shall be paid from the moneys appropriated to such Executive Department agency
 20 or from the moneys appropriated to the Office of the Attorney General.

21 b) For purposes of this act, "attorney" shall be defined as an employee or contractor who represents an agency before a court, board
 22 or agency of the Commonwealth of Virginia or political subdivision thereof. This term shall not include members of the bar
 23 employed by an agency who perform in a capacity that does not require a license to practice law, including but not limited to,
 24 instructing, managing, supervising or performing normal or customary duties of that agency.

25 2. This section does not apply to attorneys employed by state agencies in the Legislative Department, Judicial Department or
 26 Independent Agencies.

27 3. Reporting on employment of attorneys shall be in accordance with § 4-8.00, Reporting Requirements.

28 4. Notwithstanding § 2.2-510.1 of the Code of Virginia and any other conflicting provision of law, the Virginia Retirement System
 29 may enter into agreements to seek i) recovery of investment losses in foreign jurisdictions, and ii) legal advice related to its
 30 investments. Any such agreements shall be reported to the Office of the Attorney General as soon as practicable.

31 b. STUDIES AND CONSULTATIVE SERVICES REQUIRED BY GENERAL ASSEMBLY: No expenditure for payments on
 32 third party nongovernmental contracts for studies or consultative services shall be made out of any appropriation to the General
 33 Assembly or to any study group created by the General Assembly, nor shall any such expenditure for third party nongovernmental
 34 contracts be made by any Executive Department agency in response to a legislative request for a study, without the prior approval of
 35 two of the following persons: the Chairman of the House Appropriations Committee; the Chairman of the Senate Finance
 36 Committee; the Speaker of the House of Delegates; the President pro tempore of the Senate. All such expenditures shall be made
 37 only in accordance with the terms of a written contract approved as to form by the Attorney General.

38 c. USE OF CONSULTING SERVICES: All state agencies and institutions of higher education shall make a determination of "return
 39 on investment" as part of the criteria for awarding contracts for consulting services.

40 d. DEBT COLLECTION SERVICES:

41 1. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Virginia Commonwealth University Health
 42 System Authority shall have the option to participate in the Office of the Attorney General's debt collection process. Should the
 43 Authority choose not to participate, the Authority shall have the authority to collect its accounts receivable by engaging private
 44 collection agents and attorneys to pursue collection actions, and to independently compromise, settle, and discharge accounts
 45 receivable claims.

46 2. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the University of Virginia Medical Center shall
 47 have the authority to collect its accounts receivable by engaging private collection agents and attorneys to pursue collection actions,
 48 and to independently compromise, settle, and discharge accounts receivable claims, provided that the University of Virginia
 49 demonstrates to the Secretary of Finance that debt collection by an agent other than the Office of the Attorney General is anticipated
 50 to be more cost effective. Nothing in this paragraph is intended to limit the ability of the University of Virginia Medical Center from
 51 voluntarily contracting with the Office of the Attorney General's Division of Debt Collection in cases where the Center would
 52 benefit from the expertise of legal counsel and collection services offered by the Office of the Attorney General.

1 3. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall be
2 exempt from participating in the debt collection process of the Office of the Attorney General.

3 § 4-5.03 SERVICES AND CLIENTS

4 a. CHANGED COST FACTORS:

5 1. No state agency, or its governing body, shall alter factors (e.g., qualification level for receipt of payment or service) which
6 may increase the number of eligible recipients for its authorized services or payments, or alter factors which may increase the
7 unit cost of benefit payments within its authorized services, unless the General Assembly has made an appropriation for the
8 cost of such change.

9 2. Notwithstanding any other provision of law, the Department of Planning and Budget, with assistance from agencies that
10 operate internal service funds as requested, shall establish policies and procedures for annually reviewing and approving
11 internal service fund overhead surcharge rates and working capital reserves.

12 3. By September 1 each year, state agencies that operate an internal service fund, pursuant to §§ 2.2-803, 2.2-1101, and 2.2-
13 2013, Code of Virginia, that have an impact on agency expenditures, shall submit a report to the Department of Planning and
14 Budget and the Joint Legislative Audit and Review Commission to include all information as required by the Department of
15 Planning and Budget to conduct a thorough review of overhead surcharge rates, revenues, expenditures, full-time positions, and
16 working capital reserves for each internal service fund. The report shall include any proposed modifications in rates to be
17 charged by internal service funds for review and approval by the Department of Planning and Budget. In its review, the
18 Department of Planning and Budget shall determine whether the requested rate modifications are consistent with budget
19 assumptions. The format by which agencies submit the operating plan for each internal service fund shall be determined by the
20 Department of Planning and Budget with assistance from agencies that operate internal service funds as requested.

21 4. State agencies that operate internal service funds may not change a billable overhead surcharge rate to another state agency
22 unless the resulting change is provided in the final General Assembly enacted budget.

23 5. State agencies that operate more than one internal service fund shall comply with the review and approval requirements
24 detailed in this Item for each internal service fund.

25 6. As determined by the Director, Department of Planning and Budget, state agencies that operate select programs where an
26 agency provides a service to and bills other agencies shall be subject to the annual review of the agency's internal service funds
27 consistent with the provisions of this Item, unless such payment for services is pursuant to a memorandum of understanding
28 authorized by § 4-1.03 a. 7 of this act.

29 7. The Governor is authorized to change internal service fund overhead surcharge rates, including the creation of new rates,
30 beyond the rates enacted in the budget in the event of an emergency or to implement actions approved by the General
31 Assembly, upon prior notice to the Chairmen of the House Appropriations and Senate Finance Committees. Such prior notice
32 shall be no less than five days prior to enactment of a revised or new rate and shall include the basis of the rate change and the
33 impact on state agencies.

34 8. Notwithstanding any other provision of law, the Commonwealth's statewide electronic procurement system and program
35 known as eVA shall have all rates and working capital reserves reviewed and approved by the Department of Planning and
36 Budget consistent with the provisions of this Item.

37 9. State agencies that are partially or fully funded with nongeneral funds and are billed for services provided by another state
38 agency shall pay the nongeneral fund cost for the service from the agency's applicable nongeneral fund revenue source
39 consistent with an appropriation proration of such expenses.

40 b. NEW SERVICES:

41 1. No state agency shall begin any new service that will call for future additional property, plant or equipment or that will
42 require an increase in subsequent general or nongeneral fund operating expenses without first obtaining the authorization of the
43 General Assembly.

44 2. Pursuant to the policies and procedures of the State Council of Higher Education regarding approval of academic programs
45 and the concomitant enrollment, no state institution of higher education shall operate any academic program with funds in this
46 act unless approved by the Council and included in the Executive Budget, or approved by the General Assembly. The Council
47 may grant exemptions to this policy in exceptional circumstances.

48 3. a) The General Assembly is supportive of the increasing commitment by both Virginia Tech and the Carilion Clinic to the
49 success of the programs at the Virginia Tech/Carilion School of Medicine and the Virginia Tech/Carilion Research Institute,
50 and encourages these two institutions to pursue further developments in their partnership. Therefore, notwithstanding § 4-5.03
51 c. of the Appropriation Act, if through the efforts of these institutions to further strengthen the partnership, Virginia Tech
52 acquires the Virginia Tech Carilion School of Medicine during the current biennium, the General Assembly approves the

1 creation and establishment of the Virginia Tech/Carilion School of Medicine within the institution notwithstanding § 23.1-203 Code
2 of Virginia. No additional funds are required to implement establishment of the Virginia Tech/Carilion School of Medicine within
3 the institution.

4 b) Virginia Tech Carilion School of Medicine is hereby authorized to transfer funds to the Department of Medical Assistance
5 Services to fully fund the state share for Medicaid supplemental payments to the teaching hospital affiliated with the Virginia Tech
6 Carilion School of Medicine. These Medicaid supplemental fee-for-service and/or capitation payments to managed care
7 organizations are for the purpose of securing access to Medicaid hospital services in Western Virginia. The funds to be transferred
8 must comply with 42 CFR 433.51.

9 4. Reporting on all new services shall be in accordance with § 4-8.00, Reporting Requirements.

10 c. OFF-CAMPUS SITES OF INSTITUTIONS OF HIGHER EDUCATION:

11 No moneys appropriated by this act shall be used for off-campus sites unless as provided for in this section.

12 1. A public college or university seeking to create, establish, or operate an off-campus instructional site, funded directly or indirectly
13 from the general fund or with revenue from tuition and mandatory educational and general fees generated from credit course
14 offerings, shall first refer the matter to the State Council of Higher Education for Virginia for its consideration and approval. The
15 State Council of Higher Education for Virginia may provide institutions with conditional approval to operate the site for up to one
16 year, after which time the college or university must receive approval from the Governor and General Assembly, through legislation
17 or appropriation, to continue operating the site.

18 2. For the colleges of the Virginia Community College System, the State Board for Community Colleges shall be responsible for
19 approving off-campus locations. Sites governed by this requirement are those at any locations not contiguous to the main campus of
20 the institution, including locations outside Virginia.

21 3. a) The provisions herein shall not apply to credit offerings on the site of a public or private entity if the offerings are supported
22 entirely with private, local, or federal funds or revenue from tuition and mandatory educational and general fees generated entirely
23 by course offerings at the site.

24 b) Offerings at previously approved off-campus locations shall also not be subject to these provisions.

25 c) Further, the provisions herein do not govern the establishment and operations of campus sites with a primary function of carrying
26 out grant and contract research where direct and indirect costs from such research are covered through external funding sources.
27 Such locations may offer limited graduate education as appropriate to support the research mission of the site.

28 d) Nothing herein shall prohibit an institution from offering non-credit continuing education programs at sites away from the main
29 campus of a college or university.

30 4. The State Council of Higher Education shall establish guidelines to implement this provision.

31 d. PERFORMANCE MEASUREMENT

32 1. In accordance with § 2.2-1501, Code of Virginia, the Department of Planning and Budget shall develop a programmatic budget
33 and accounting structure for all new programs and activities to ensure that it provides the appropriate financial and performance
34 measures to determine if programs achieve desired results and outcomes. The Department of Accounts shall provide assistance as
35 requested by the Department of Planning and Budget. The Department of Planning and Budget shall provide this information each
36 year when the Governor submits the budget in accordance with § 2.2-1509, Code of Virginia, to the Chairmen of the House
37 Appropriations, House Finance, and Senate Finance Committees.

38 2.a) Within thirty days of the enactment of this act, the Director, Department of Planning and Budget, shall make available via
39 electronic means to the Chairmen of the House Appropriations and Senate Finance Committees and the public a list of the new
40 initiatives for which appropriations are provided in this act.

41 b) Not later than ninety days after the end of the first year of the biennium, the Director, Department of Planning and Budget, shall
42 make available via electronic means a report on the performance of each new initiative contained in the list, to be submitted to the
43 Chairmen of the House Appropriations and Senate Finance Committees and the public. The report shall compare the actual results,
44 including expenditures, of the initiative with the anticipated results and the appropriation for the initiative. This information shall be
45 used to determine whether the initiative should be extended beyond the beginning period. In the preparation of this report, all state
46 agencies shall provide assistance as requested by the Department of Planning and Budget.

47 § 4-5.04 GOODS AND SERVICES

48 a. STUDENT ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION:

49 1. Public Information Encouraged: Each public institution of higher education is expected and encouraged to provide prospective
50 students with accurate and objective information about its programs and services. The institution may use public funds under the

- 1 control of the institution's Board of Visitors for the development, preparation and dissemination of factual information about
 2 the following subjects: academic programs; special programs for minorities; dates, times and procedures for registration; dates
 3 and times of course offerings; admission requirements; financial aid; tuition and fee schedules; and other information normally
 4 distributed through the college catalog. This information may be presented in any and all media, such as newspapers,
 5 magazines, television or radio where the information may be in the form of news, public service announcements or
 6 advertisements. Other forms of acceptable presentation would include brochures, pamphlets, posters, notices, bulletins, official
 7 catalogs, flyers available at public places and formal or informal meetings with prospective students.
- 8 2. Excessive Promotion Prohibited: Each public institution of higher education is prohibited from using public funds under the
 9 control of the institution's Board of Visitors for the development, preparation, dissemination or presentation of any material
 10 intended or designed to induce students to attend by exaggerating or extolling the institution's virtues, faculty, students,
 11 facilities or programs through the use of hyperbole. Artwork and photographs which exaggerate or extol rather than supplement
 12 or complement permissible information are prohibited. Mass mailings are generally prohibited; however, either mass mailings
 13 or newspaper inserts, but not both, may be used if other methods of distributing permissible information are not economically
 14 feasible in the institution's local service area.
- 15 3. Remedial Education: Senior institutions of higher education shall make arrangements with community colleges for the
 16 remediation of students accepted for admission by the senior institutions.
- 17 4. Compliance: The president or chancellor of each institution of higher education is responsible for the institution's compliance
 18 with this subsection.
- 19 b. INFORMATION TECHNOLOGY FACILITIES AND SERVICES:
- 20 1.a) The Virginia Information Technologies Agency shall procure information technology and telecommunications goods and
 21 services of every description for its own benefit or on behalf of other state agencies and institutions, or authorize other state
 22 agencies or institutions to undertake such procurements on their own.
- 23 b) Except for research projects, research initiatives, or instructional programs at public institutions of higher education, or any
 24 non-major information technology project request from the Virginia Community College System, Longwood University, or
 25 from an institution of higher education which is a member of the Virginia Association of State Colleges and University
 26 Purchasing Professionals (VASCUPP) as of July 1, 2003, or any procurement of information technology and
 27 telecommunications goods and services by public institutions of higher education governed by some combination of Chapters
 28 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the
 29 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of
 30 Assembly, requests for authorization from state agencies and institutions to procure information technology and
 31 telecommunications goods and services on their own behalf shall be made in writing to the Chief Information Officer or his
 32 designee. Members of VASCUPP as of July 1, 2003, are hereby recognized as: The College of William and Mary, George
 33 Mason University, James Madison University, Old Dominion University, Radford University, Virginia Commonwealth
 34 University, Virginia Military Institute, Virginia Polytechnic Institute and State University, and the University of Virginia.
- 35 c) The Chief Information Officer or his designee may grant the authorization upon a written determination that the request
 36 conforms to the statewide information technology plan and the individual information technology plan of the requesting agency
 37 or institution.
- 38 d) Any procurement authorized by the Chief Information Officer or his designee for information technology and
 39 telecommunications goods and services, including geographic information systems, shall be issued by the requesting state
 40 agency or institution in accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia
 41 Information Technologies Agency.
- 42 e) Nothing in this subsection shall prevent public institutions of higher education or the Virginia Community College System
 43 from using the services of Network Virginia.
- 44 f) To ensure that the Commonwealth's research universities maintain a competitive position with access to the national optical
 45 research network infrastructure including the National LambdaRail and Internet2, the Network Virginia Contract Administrator
 46 is hereby authorized to renegotiate the term of the existing contracts. Additionally, the contract administrator is authorized to
 47 competitively negotiate additional agreements in accordance with the Code of Virginia and all applicable regulations, as
 48 required, to establish and maintain research network infrastructure.
- 49 2. If the billing rates and associated systems for computer, telecommunications and systems development services to state
 50 agencies are altered, the Director, Department of Planning and Budget, may transfer appropriations from the general fund
 51 between programs affected. These transfers are limited to actions needed to adjust for overfunding or underfunding the program
 52 appropriations affected by the altered billing systems.
- 53 3. The provisions of this subsection shall not in any way affect the duties and responsibilities of the State Comptroller under the
 54 provisions of § 2.2-803, Code of Virginia.

4. It is the intent of the General Assembly that information technology (IT) systems, products, data, and service costs, including geographic information systems (GIS), be contained through the shared use of existing or planned equipment, data, or services which may be available or soon made available for use by state agencies, institutions, authorities, and other public bodies. State agencies, institutions, and authorities shall cooperate with the Virginia Information Technologies Agency in identifying the development and operational requirements for proposed IT and GIS systems, products, data, and services, including the proposed use, functionality, capacity and the total cost of acquisition, operation and maintenance.

5. This section shall not apply to public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly or Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, or to the Virginia Alcoholic Beverage Control Authority.

6. Notwithstanding any other provision of law, state agencies that do not receive computer services from the Virginia Information Technologies Agency may develop their own policies and procedures governing the sale of surplus computers and laptops to their employees or officials. Any proceeds from the sale of surplus computers or laptops shall be deposited into the appropriate fund or funds used to purchase the equipment.

c. MOTOR VEHICLES AND AIRCRAFT:

1. No motor vehicles shall be purchased or leased with public funds by the state or any officer or employee on behalf of the state without the prior written approval of the Director, Department of General Services.

2. The institutions of higher education and the Alcoholic Beverage Control Authority shall be exempt from this provision but shall be required to report their entire inventory of purchased and leased vehicles including the cost of such to the Director of the Department of General Services by June 30 of each year. The Director of the Department of General Services shall compare the cost of vehicles acquired by institutions of higher education and the Authority to like vehicles under the state contract. If the comparison demonstrates for a given institution or the Authority that the cost to the Commonwealth is greater for like vehicles than would be the case based on a contract of statewide applicability, the Governor or his designee may suspend the exemption granted to the institution or the Authority pursuant to this subparagraph c.

3. The Director, Department of General Services, is hereby authorized to transfer surplus motor vehicles among the state agencies, and determine the value of such surplus equipment for the purpose of maintaining the financial accounts of the state agencies affected by such transfers.

d. MOTION PICTURE, TELEVISION AND RADIO SERVICES PRODUCTION: Except for public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, no state Executive Department agency or the Virginia Lottery Department shall expend any public funds for the production of motion picture films or of programs for television transmission, or for the operation of television or radio transmission facilities, without the prior written approval of the Governor or as otherwise provided in this act, except for educational television programs produced for elementary-secondary education by authority of the Virginia Information Technologies Agency. The Joint Subcommittee on Rules is authorized to provide the approval of such expenditures for legislative agencies. For judicial agencies and independent agencies, other than the Virginia Lottery Department, prior approval action rests with the supervisory bodies of these entities. With respect to television programs which are so approved and other programs which are otherwise authorized or are not produced for television transmission, state agencies may enter into contracts without competitive sealed bidding, or competitive negotiation, for program production and transmission services which are performed by public telecommunications entities, as defined in § 2.2-2006, Code of Virginia.

e. TRAVEL: Reimbursement for the cost of travel on official business of the state government is authorized to be paid pursuant to law and regulations issued by the State Comptroller to implement such law. Notwithstanding any contrary provisions of law:

1. For the use of personal automobiles in the discharge of official duties outside the continental limits of the United States, the State Comptroller may authorize an allowance not exceeding the actual cost of operation of such automobiles;

2. The first 15,000 miles of use during each fiscal year of personal automobiles in the discharge of official duties within the continental limits of the United States shall be reimbursed at an amount equal to the most recent business standard mileage rate as established by the Internal Revenue Service for employees or self-employed individuals to use in computing their income tax deductible costs for operating passenger vehicles owned or leased by them for business purposes, or in the instance of a state employee, at the lesser of (a) the IRS rate or (b) the lowest combined capital and operational trip pool rate charged by the Department of General Services, Office of Fleet Management Services (OFMS), posted on the OFMS website at time of travel, for the use of a compact state-owned vehicle. If the head of the state agency concerned certifies that a state-owned vehicle was not available, or if, according to regulations issued by the State Comptroller, the use of a personal automobile in lieu of a state-owned automobile is considered to be an advantage to the state, the reimbursement shall be at the rate of the IRS rate. For such use in excess of 15,000 miles in each fiscal year, the reimbursement shall be at a rate of 13.0 cents per mile, unless a state-owned vehicle is not available; then the rate shall be the IRS rate;

3. The State Comptroller may authorize exemptions to restrictions upon use of common carrier accommodations;

- 1 4. The State Comptroller may authorize reimbursement by per diem in lieu of actual costs of meals and any other expense
2 category deemed necessary for the efficient and effective operation of state government;
- 3 5. State employees traveling on official business of state government shall be reimbursed for their travel costs using the same
4 bank account authorized by the employee in which their net pay is direct deposited; and
- 5 6. This section shall not apply to members and employees of public school boards.
- 6 f. SMALL PURCHASE CHARGE CARD, ELECTRONIC DATA INTERCHANGE, DIRECT DEPOSIT, AND PAYLINE
7 OPT OUT: The State Comptroller is hereby authorized to charge state agencies a fee of \$5 per check or earnings notice when,
8 in his judgment, agencies have failed to comply with the Commonwealth's electronic commerce initiatives to reduce
9 unnecessary administrative costs for the printing and mailing of state checks and earning notices. The fee shall be collected by
10 the Department of Accounts through accounting entries.
- 11 g. PURCHASES OF APPLIANCES AND EQUIPMENT: State agencies and institutions shall purchase Energy Star rated
12 appliances and equipment in all cases where such appliances and equipment are available.
- 13 h. ELECTRONIC PAYMENTS: Any recipient of payments from the State Treasury who receives six or more payments per
14 year issued by the State Treasurer shall receive such payments electronically. The State Treasurer shall decide the appropriate
15 method of electronic payment and, through his warrant issuance authority, the State Comptroller shall enforce the provisions of
16 this section. The State Comptroller is authorized to grant administrative relief to this requirement when circumstances justify
17 non-electronic payment.
- 18 i. LOCAL AND NON-STATE SAVINGS AND EFFICIENCIES: It is the intent of the General Assembly that State agencies
19 shall encourage and assist local governments, school divisions, and other non-state governmental entities in their efforts to
20 achieve cost savings and efficiencies in the provision of mandated functions and services including but not limited to finance,
21 procurement, social services programs, and facilities management.
- 22 j. TELECOMMUNICATION SERVICES AND DEVICES:
- 23 1. The Chief Information Officer and the State Comptroller shall develop statewide requirements for the use of cellular
24 telephones and other telecommunication devices by in-scope Executive Department agencies, addressing the assignment,
25 evaluation of need, safeguarding, monitoring, and usage of these telecommunication devices. The requirements shall include an
26 acceptable use agreement template clearly defining an employee's responsibility when they receive and use a
27 telecommunication device. Statewide requirements shall require some form of identification on a device in case it is lost or
28 stolen and procedures to wipe the device clean of all sensitive information when it is no longer in use.
- 29 2. In-scope Executive Department agencies providing employees with telecommunication devices shall develop agency-
30 specific policies, incorporating the guidance provided in § 4-5.04 k. 1. of this act and shall maintain a cost justification for the
31 assignment or a public health, welfare and safety need.
- 32 3. The Chief Information Officer shall determine the optimal number of telecommunication vendors and plans necessary to
33 meet the needs of in-scope Executive Department agency personnel. The Chief Information Officer shall regularly procure
34 these services and provide statewide contracts for use by all such agencies. These contracts shall require the vendors to provide
35 detailed usage information in a useable electronic format to enable the in-scope agencies to properly monitor usage to make
36 informed purchasing decisions and minimize costs.
- 37 4. The Chief Information Officer shall examine the feasibility of providing tools for in-scope Executive Department agencies to
38 analyze usage and cost data to assist in determining the most cost effective plan combinations for the entity as a whole and
39 individual users.
- 40 k. ALTERNATIVE PROCUREMENT: If any payment is declared unconstitutional for any reason or if the Attorney General
41 finds in a formal, written, legal opinion that a payment is unconstitutional, in circumstances where a good or service can
42 constitutionally be the subject of a purchase, the administering agency of such payment is authorized to use the affected
43 appropriation to procure, by means of the Commonwealth's Procurement Act, goods and services, which are similar to those
44 sought by such payment in order to accomplish the original legislative intent.
- 45 l. MEDICAL SERVICES: No expenditures from general or nongeneral fund sources may be made out of any appropriation by
46 the General Assembly for providing abortion services, except otherwise as required by federal law or state statute.
- 47 § 4-5.05 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS
- 48 a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned
49 or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of
50 Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.
- 51 b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in § 2.2-1505, Code of Virginia.

1 2. Allotment of appropriations to nonstate agencies shall be subject to the following criteria:

2 a) Such agency is located in and operates in Virginia.

3 b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually been
4 incurred for its operation.

5 3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance that
6 cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be provided
7 by the General Assembly, unless the organization is specifically exempted from this requirement by language in this act. Such
8 matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.

9 4. Operating appropriations for nonstate agencies equal to or in excess of \$150,000 shall be disbursed to nonstate agencies in twelve
10 or fewer equal monthly installments depending on when the first payment is made within the fiscal year. Operating appropriations
11 for nonstate agencies of less than \$150,000 shall be disbursed in one payment once the nonstate agency has successfully met
12 applicable match and application requirements.

13 5. The provisions of § 2.2-4343 A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate agency.

14 c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency thereof
15 holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its biennial budget
16 request to the state agency under which such commission or organization is listed in this act. The state agency shall include the
17 request of such commission or organization within its own request, but identified separately. Requests by the commission or
18 organization for disbursements from appropriations shall be submitted to the designated state agency.

19 2. Each state agency shall submit by November 1 each year, a report to the Director, Department of Planning and Budget, listing the
20 name and purpose for organizational memberships held by that agency with annual dues of \$5,000 or more. The institutions of
21 higher education shall be exempt from this reporting requirement.

22 § 4-5.06 DELEGATION OF AUTHORITY

23 a. The designation in this act of an officer or agency head to perform a specified duty shall not be deemed to supersede the authority
24 of the Governor to delegate powers under the provisions of § 2.2-104 , Code of Virginia.

25 b. The nongeneral fund capital outlay decentralization programs initiated pursuant to § 4-5.08b of Chapter 912, 1996 Acts of
26 Assembly as continued in subsequent appropriation acts are hereby made permanent. Decentralization programs for which
27 institutions have executed memoranda of understanding with the Secretary of Administration pursuant to the provisions of § 4-5.08b
28 of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until revoked.

29 c. Institutions wishing to participate in a nongeneral fund capital outlay decentralization program for the first time shall submit a
30 letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to participate,
31 the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if appropriate, establish a
32 decentralization program at the institution. The Cabinet Secretary shall report to the Governor and Chairmen of the Senate Finance
33 and House Appropriations Committees by December 1 of each year all institutions that have applied for inclusion in a
34 decentralization program and whether the institutions have been granted authority to participate in the decentralization program.

35 d. The provisions identified in § 4-5.08 f and § 4-5.08 h of Chapter 1042 of the Acts of Assembly of 2003 pertaining to pilot
36 programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby
37 continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability program.

38 e. If during an independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not
39 performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to the
40 Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and House Appropriations Committees.

41 f. Institutions that have executed memoranda of understanding with the Secretary of Administration for nongeneral fund capital
42 outlay decentralization programs are hereby granted a waiver from the provisions of § 2.2-4301, Competitive Negotiation,
43 subdivision 3a, Code of Virginia, regarding the not to exceed amount of \$100,000 for a single project, the not to exceed sum of
44 \$500,000 for all projects performed, and the option to renew for two additional one-year terms.

45 g. Notwithstanding any contrary provision of law or this act, delegations of authority in this act to the Governor shall apply only to
46 agencies and personnel within the Executive Department, unless specifically stated otherwise.

47 h. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of
48 Assembly.

49 § 4-5.07 LEASE, LICENSE OR USE AGREEMENTS

50 a. Agencies shall not acquire or occupy real property through lease, license or use agreement until the agency certifies to the

1 Director, Department of General Services, that (i) funds are available within the agency's appropriations made by this act for
 2 the cost of the lease, license or use agreement and (ii) except for good cause as determined by the Department of General
 3 Services, the volume of such space conforms with the space planning procedures for leased facilities developed by the
 4 Department of General Services and approved by the Governor. The Department of General Services shall acquire and hold
 5 such space for use by state departments, agencies and institutions within the Executive Branch and may utilize brokerage
 6 services, portfolio management strategies, strategic planning, transaction management, project and construction management,
 7 and lease administration strategies consistent with industry best practices as adopted by the Department from time to time.
 8 These provisions may be waived in writing by the Director, Department of General Services. However, these provisions shall
 9 not apply to institutions of higher education that have met the conditions prescribed in subsection B of § 23.1-1006, Code of
 10 Virginia.

11 b. Agencies acquiring personal property in accordance with § 2.2-2417, Code of Virginia, shall certify to the State Treasurer
 12 that funds are available within the agency's appropriations made by this act for the cost of the lease.

13 § 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

14 a. The Comptroller shall not draw any warrants to issue checks for semiconductor manufacturing performance grant programs,
 15 pursuant to Title 59.1, Chapter 22.3, Code of Virginia, without a specific legislative appropriation. The appropriation shall be in
 16 accordance with the terms and conditions set forth in a memorandum of understanding between a qualified manufacturer and
 17 the Commonwealth. These terms and conditions shall supplement the provisions of the Semiconductor Manufacturing
 18 Performance Grant Program, the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program, and the
 19 Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II, as applicable, and shall include but not
 20 be limited to the numbers and types of semiconductor wafers that are produced; the level of investment directly related to the
 21 building and equipment for manufacturing of wafers or activities ancillary to or supportive of such manufacturer within the
 22 eligible locality; and the direct employment related to these programs. To that end, the Secretary of Commerce and Trade shall
 23 certify in writing to the Governor and to the Chairmen of the House Appropriations and Senate Finance Committees the extent
 24 to which a qualified manufacturer met the terms and conditions. The appropriation shall be made in full or in proportion to a
 25 qualified manufacturer's fulfillment of the memorandum of understanding.

26 b. The Governor shall consult with the House Appropriations and Senate Finance Committees before amending any existing
 27 memorandum of understanding. These Committees shall have the opportunity to review any changes prior to their execution by
 28 the Commonwealth.

29 § 4-5.09 DISPOSITION OF SURPLUS REAL PROPERTY

30 a. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, the departments, divisions, institutions, or agencies of the
 31 Commonwealth, or the Governor, shall sell or lease surplus real property only under the following circumstances:

32 1. Any emergency declared in accordance with §§ 44-146.18:2 or § 44-146.28, Code of Virginia, or

33 2. Not less than thirty days after the Governor notifies, in writing, the Chairmen of the House Appropriations and Senate
 34 Finance Committees regarding the planned conveyance, including a statement of the proceeds to be derived from such
 35 conveyance and the individual or entity taking title to such property.

36 3. Surplus property valued at less than \$5,000,000 that is possessed and controlled by a public institution of higher education,
 37 pursuant to §§ 2.2-1149 and 2.2-1153, Code of Virginia.

38 b. In any circumstance provided for in subsection a of this section, the cognizant board or governing body of the agency or
 39 institution holding title or otherwise controlling the state-owned property shall approve, in writing, the proposed conveyance of
 40 the property.

41 c. In accordance with § 15.2-2005, Code of Virginia, the consent of the General Assembly is herein provided for the road
 42 known as Standpipe Road, that was relocated and established on a portion of the Virginia Department of Transportation's
 43 Culpeper District Office property, identified as Tax Map No. 50-28, to improve the operational efficiency of the local road
 44 network in the Town of Culpeper. Further, the Virginia Department of Transportation is hereby authorized to convey to the
 45 Town of Culpeper, upon such terms and conditions as the Department deems proper and for such considerations the
 46 Department may determine, the property on which "Standpipe Road (Relocated)(Variable Width R/W)" on the plat entitled
 47 "plat Showing Property and Various Easements for Standpipe Road Relocated, Tax Map 50-28, Town of Culpeper, Culpeper
 48 County, Virginia" prepared by ATCS P.L.C and sealed March 14, 2012, together with easements to the Town of Culpeper for
 49 electric utility, slopes and drainage as shown on said plat. The conveyance shall be made with the approval of the Governor
 50 and in a form approved by the Attorney General. The appropriate officials of the Commonwealth are hereby authorized to
 51 prepare, execute, and deliver such deed and other documents as may be necessary to accomplish the conveyance.

52 d. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, if tax-exempt bonds were issued by the Commonwealth or
 53 its related authorities, boards or institutions to finance the acquisition, construction, improvement or equipping of real property,
 54 proceeds from the sale or disposition of such property and any improvements may first be applied toward remediation options

1 available under federal law to maintain the tax-exempt status of such bonds.

2 § 4-5.10 SURPLUS PROPERTY TRANSFERS FOR ECONOMIC DEVELOPMENT

3 a. The Commonwealth shall receive the fair market value of surplus state property which is designated by the Governor for
 4 economic development purposes, and for any properties owned by an Industrial Development Authority in any county where the
 5 Commonwealth has a continuing interest based on the deferred portion of the purchase price, which shall be assessed by more than
 6 one independent appraiser certified as a Licensed General Appraiser. Such property shall not be disposed of for less than its fair
 7 market value as determined by the assessments.

8 b. Recognizing the commercial, business and industrial development potential of certain lands declared surplus, and for any
 9 properties owned by an Industrial Development Authority in any county where the Commonwealth has a continuing interest based
 10 on the deferred portion of the purchase price, the Governor shall be authorized to utilize funds available in the Governor's discretion,
 11 to meet the requirements of the preceding subsection a. Sale proceeds, together with the money from the Commonwealth's
 12 Development Opportunity Fund, shall be deposited as provided in § 2.2-1156 D, Code of Virginia.

13 c. Within thirty days of closing on the sale of surplus property designated for economic development, the Governor or his designee
 14 shall report to the Chairmen of the Senate Finance and House Appropriations Committees. The report shall include information on
 15 the number of acres sold, sales price, amount of proceeds deposited to the general fund and Conservation Resources Fund, and the
 16 fair market value of the sold property.

17 d. Except for subaqueous lands that have been filled prior to January 1, 2006, the Governor shall not sell or convey those subaqueous
 18 lands identified by metes and bounds in Chapter 884 of the Acts of the Assembly of 2006.

19 § 4-6.00 POSITIONS AND EMPLOYMENT

20 § 4-6.01 EMPLOYEE COMPENSATION

21 a. The compensation of all kinds and from all sources of each appointee of the Governor and of each officer and employee in the
 22 Executive Department who enters the service of the Commonwealth or who is promoted to a vacant position shall be fixed at such
 23 rate as shall be approved by the Governor in writing or as is in accordance with rules and regulations established by the Governor.
 24 No increase shall be made in such compensation except with the Governor's written approval first obtained or in accordance with the
 25 rules and regulations established by the Governor. In all cases where any appointee, officer or employee is employed or promoted to
 26 fill a vacancy in a position for which a salary is specified by this act, the Governor may fix the salary of such officer or employee at
 27 a lower rate or amount within the respective level than is specified. In those instances where a position is created by an act of the
 28 General Assembly but not specified by this act, the Governor may fix the salary of such position in accordance with the provisions
 29 of this subsection.

30 b. Annual salaries of persons appointed to positions by the General Assembly, pursuant to the provisions of §§ 2.2-200 and 2.2-400,
 31 Code of Virginia, shall be paid in the amounts shown. *However, if an incumbent is reappointed, his or her salary may be as high as*
 32 *his or her prior salary.*

	July 1, 2016	June 25, 2017	November 24, 2017 January 12, 2018
	to	to	to
	June 24, 2017	November 24, 2017 January 12, 2018	June 30, 2018
37 Chief of Staff	\$167,737	\$167,737	\$167,737 \$175,000
39 Secretary of Administration	\$159,762	\$159,762	\$159,762 \$172,000
41 Secretary of Agriculture and Forestry	\$159,817	\$159,817	\$159,817 \$172,000
43 Secretary of Commerce and Trade	\$166,915	\$166,915	\$166,915 \$172,000
45 Secretary of the Commonwealth	\$158,966	\$158,966	\$158,966 \$172,000
47 Secretary of Education	\$159,960	\$159,960	\$159,960 \$172,000

1	Secretary of Finance	\$170,854	\$170,854	\$170,854
2				\$172,000
3	Secretary of Health and Human Resources	\$159,291	\$159,291	\$159,291
4				\$172,000
5	Secretary of Natural Resources	\$158,966	\$158,966	\$158,966
6				\$172,000
7	Secretary of Public Safety and Homeland Security	\$168,838	\$168,838	\$168,838
8				\$172,000
9	Secretary of Technology	\$158,966	\$158,966	\$158,966
10				\$172,000
11	Secretary of Transportation	\$166,915	\$166,915	\$166,915
12				\$172,000
13	Secretary of Veterans and Defense Affairs	\$163,642	\$163,642	\$163,642
14				\$172,000

15 c.1.a) Annual salaries of persons appointed to positions listed in subdivision c 6 hereof shall be paid in the amounts shown for
16 the current biennium, unless changed in accordance with conditions stated in subdivisions c 2 through c 5 hereof.

17 b) The starting salary of a new appointee shall not exceed the midpoint of the range, except where the midpoint salary is less
18 than a ten percent increase from an appointee's preappointment compensation. In such cases, an appointee's starting salary may
19 be set at a rate which is ten percent higher than the preappointment compensation, provided that the maximum of the range is
20 not exceeded. However, in instances where an appointee's preappointment compensation exceeded the maximum of the
21 respective salary range, then the salary for that appointee may be set at the maximum salary for the respective salary range
22 except if the new hire was employed in a state classified position, then the Governor may exceed the maximum salary for the
23 position and set the salary for the employee at a salary level not to exceed the employee's salary at their prior state position.

24 c) Nothing in subdivision c 1 shall be interpreted to supersede the provisions of § 4-6.01 e, f, g, h, i, j, k, l, and m of this act.

25 d) For new appointees to positions listed in § 4-6.01c.6., the Governor is authorized to provide for fringe benefits in addition to
26 those otherwise provided by law, including post retirement health care and other non-salaried benefits provided to similar
27 positions in the public sector.

28 2.a)1) The Governor may increase or decrease the annual salary for incumbents of positions listed in subdivision c 6 below at a
29 rate of up to 10 percent in any single fiscal year between the minimum and the maximum of the respective salary range in
30 accordance with an assessment of performance and service to the Commonwealth.

31 2) The governing boards of the independent agencies may increase or decrease the annual salary for incumbents of positions
32 listed in subdivision c.7. below at a rate of up to 10 percent in any fiscal year between the minimum and maximum of the
33 respective salary range, in accordance with an assessment of performance and service to the Commonwealth.

34 b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are
35 listed in §§ 1-1 through 1-9, and 4-6.01 b, c, and d of this act, based on an annual assessment of performance, in accordance
36 with policies and procedures established by such appointing or governing authority. Such performance bonuses shall be over
37 and above the salaries listed in this act, and shall not become part of the base rate of pay.

38 2) The appointing or governing authority shall report performance bonuses which are granted to executive branch employees to
39 the Department of Human Resource Management for retention in its records.

40 3. From the effective date of the Executive Pay Plan set forth in Chapter 601, Acts of Assembly of 1981, all incumbents
41 holding positions listed in this § 4-6.01 shall be eligible for all fringe benefits provided to full-time classified state employees
42 and, notwithstanding any provision to the contrary, the annual salary paid pursuant to this § 4-6.01 shall be included as
43 creditable compensation for the calculation of such benefits.

44 4. Notwithstanding § 4-6.01.c.2.b)1) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement
45 the salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which
46 provide a reasonable limit on the total additional income of the Executive Director. The criteria should include, without
47 limitation, a consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report

1 approved supplements to the Department of Human Resource Management for retention in its records.

2 5. With the written approval of the Governor, the Board of Trustees of the Virginia Museum of Fine Arts, the Science Museum of
3 Virginia, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, Gunston Hall, and the Library Board may
4 supplement the salary of the Director of each museum, and the Librarian of Virginia from nonstate funds. In approving a
5 supplement, the Governor should be guided by criteria which provide a reasonable limit on the total additional income and the
6 criteria should include, without limitation, a consideration of the salaries paid to similar officials at comparable museums and
7 libraries of other states. The respective Boards shall report approved supplements to the Department of Human Resource
8 Management for retention in its records.

9 6.a) The following salaries shall be paid for the current biennium in the amounts shown, however, all salary changes shall be subject
10 to subdivisions c 2 through c 5 above.

	July 1, 2016	June 25, 2017	November 25, 2017
	to	to	to
	June 24, 2017	November 24, 2017	June 30, 2018
13	Level I Range	\$150,915 - \$206,467	\$150,915 - \$206,467
14	Midpoint	\$178,691	\$178,691
15	Chief Information Officer,	\$175,000	\$175,000
16	Virginia Information		
17	Technologies Agency		
18	Commissioner, Department of	\$160,165	\$160,165
19	Motor Vehicles		
20	Commissioner, Department of	\$150,915	\$150,915
21	Social Services		
22	Commissioner, Department of	\$178,500	\$178,500
23	Behavioral Health and		
24	Developmental Services		
25	Commonwealth Transportation	\$202,419	\$202,419
26	Commissioner		
27	Director, Department of	\$156,060	\$156,060
28	Corrections		
29	Director, Department of	\$184,649	\$184,649
30	Environmental Quality		
31	Director, Department of	\$193,736	\$193,736
32	Medical Assistance Services		
33	Director, Department of	\$167,669	\$167,669
34	Planning and Budget		
35	State Health Commissioner	\$196,139	\$196,139
36	State Tax Commissioner	\$159,855	\$159,855
37	Superintendent of Public	\$206,467	\$206,467
38	Instruction		
39	Superintendent of State Police	\$179,325	\$179,325
40	July 1, 2016	June 25, 2017	November 25, 2017
	to	to	to

		June 24, 2017	November 24, 2017	June 30, 2018
1				
2	Level II Range	\$118,223 - \$167,541	\$118,223 - \$167,541	\$118,223 - \$167,541
3	Midpoint	\$142,882	\$142,882	\$142,882
4	Alcoholic Beverage Control	\$125,935	\$125,935	\$125,935
5	Commissioner			
6	Alcoholic Beverage Control	\$124,440	\$124,440	\$124,440
7	Commissioner			
8	Chairman, Alcoholic	\$133,598	\$133,598	\$133,598
9	Beverage Control Board			
10	Commissioner, Department	\$151,354	\$151,354	\$151,354
11	for Aging and Rehabilitative			
12	Services			
13	Commissioner, Department	\$165,552	\$165,552	\$165,552
14	of Agriculture and Consumer			
15	Services			
16	Commissioner, Department	\$142,800	\$142,800	\$142,800
17	of Veterans Services			
18	Commissioner, Virginia	\$156,970	\$156,970	\$156,970
19	Employment Commission			
20	Executive Director,	\$140,208	\$140,208	\$140,208
21	Department of Game and			
22	Inland Fisheries			
23	Commissioner, Marine	\$118,223	\$118,223	\$118,223
24	Resources Commission			
25	Director, Department of	\$162,685	\$162,685	\$162,685
26	Forensic Science			
27	Director, Department of	\$162,344	\$162,344	\$162,344
28	General Services			
29	Director, Department of	\$145,628	\$145,628	\$145,628
30	Human Resource			
31	Management			
32	Director, Department of	\$123,165	\$123,165	\$123,165
33	Juvenile Justice			
34	Director, Department of	\$142,500	\$142,500	\$142,500
35	Mines, Minerals and Energy			
36	Director, Department of Rail	\$147,900	\$147,900	\$147,900
37	and Public Transportation			
38	Director, Department of	\$135,404	\$135,404	\$135,404
39	Small Business and Supplier			
40	Diversity			
41	Executive Director, Motor	\$111,000	\$111,000	\$111,000
42	Vehicle Dealer Board			

1	Executive Director, Virginia	\$137,186	\$137,186	\$137,186
2	Port Authority			
3	State Comptroller	\$167,541	\$167,541	\$167,541
4	State Treasurer	\$167,408	\$167,408	\$167,408
5		July 1, 2016	June 25, 2017	November 25, 2017
6		to	to	to
		June 24, 2017	November 24, 2017	June 30, 2018
7	Level III Range	\$107,748 - \$149,112	\$107,748 - \$149,112	\$107,748 - \$149,112
8	Midpoint	\$128,430	\$128,430	\$128,430
9	Adjutant General	\$135,548	\$135,548	\$135,548
10	Chairman, Virginia Parole	\$127,485	\$127,485	\$127,485
11	Board			
12	Vice Chairman, Virginia	\$114,704	\$114,704	\$114,704
13	Parole Board			
14	Member, Virginia Parole	\$112,455	\$112,455	\$112,455
15	Board			
16	Commissioner, Department of	\$135,579	\$135,579	\$135,579
17	Labor and Industry			
18	Coordinator, Department of	\$122,791	\$122,791	\$122,791
19	Emergency Management			
20	Director, Department of	\$134,286	\$134,286	\$134,286
21	Aviation			
22	Director, Department of	\$147,162	\$147,162	\$147,162
23	Conservation and Recreation			
24	Director, Department of	\$121,380	\$121,380	\$121,380
25	Criminal Justice Services			
26	Director, Department of	\$131,223	\$131,223	\$131,223
27	Health Professions			
28	Director, Department of	\$107,748	\$107,748	\$107,748
29	Historic Resources			
30	Director, Department of	\$133,297	\$133,297	\$133,297
31	Housing and Community			
32	Development			
33	Director, Department of	\$147,339	\$147,339	\$147,339
34	Professional and Occupational			
35	Regulation			
36	Director, The Science Museum	\$134,755	\$134,755	\$134,755
37	of Virginia			
38	Director, Virginia Museum of	\$140,112	\$140,112	\$140,112
39	Fine Arts			

1	Director, Virginia Museum of	\$115,029	\$115,029	\$115,029
2	Natural History			
3	Executive Director, Board of	\$128,430	\$128,430	\$128,430
4	Accountancy			
5	Executive Director,	\$136,784	\$136,784	\$136,784
6	Jamestown-Yorktown			
7	Foundation			
8	Executive Secretary, Virginia	\$110,000	\$110,000	\$110,000
9	Racing Commission			
10	Librarian of Virginia	\$149,112	\$149,112	\$149,112
11	State Forester, Department of	\$140,760	\$140,760	\$140,760
12	Forestry			
13		July 1, 2016	June 25, 2017	November 25, 2017
		to	to	to
14		June 24, 2017	November 24, 2017	June 30, 2018
15	Level IV Range	\$96,685 - \$114,945	\$96,685 - \$114,945	\$96,685 - \$114,945
16	Midpoint	\$105,815	\$105,815	\$105,815
17	Administrator,	\$104,622	\$104,622	\$104,622
18	Commonwealth's Attorneys'			
19	Services Council			
20	Commissioner, Virginia	\$114,945	\$114,945	\$114,945
21	Department for the Blind and			
22	Vision Impaired			
23	Executive Director, Frontier	\$112,002	\$112,002	\$112,002
24	Culture Museum of Virginia			
25	Commissioner, Department	\$108,202	\$108,202	\$108,202
26	of Elections			
27	Executive Director, Virginia-	\$96,685	\$96,685	\$96,685
28	Israel Advisory Board			
29		July 1, 2016	June 25, 2017	November 25, 2017
		to	to	to
30		June 24, 2017	November 24, 2017	June 30, 2018
31	Level V Range	\$22,831 - \$95,706	\$22,831 - \$95,706	\$22,831 - \$95,706
32	Midpoint	\$59,268	\$59,268	\$59,268
33	Director, Gunston Hall	\$87,900	\$87,900	\$87,900
34	Director, Virginia	\$95,706	\$95,706	\$95,706
35	Department for the Deaf and			
36	Hard-of-Hearing			
37	Executive Director,	\$92,162	\$92,162	\$92,162
38	Department of Fire Programs			

1	Executive Director, Virginia	\$88,009	\$88,009	\$88,009
2	Commission for the Arts			
3	Chairman of Board Chairman,	\$22,831	\$22,831	\$22,831
4	Compensation Board			

5 7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown. All
6 salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

7		July 1, 2016	June 25, 2017	November 25, 2017
8		to	to	to
		June 24, 2017	November 24, 2017	June 30, 2018
9	Independent Range	\$166,946 - \$180,458	\$166,946 - \$180,458	\$166,946 - \$180,458
10	Midpoint	\$173,702	\$173,702	\$173,702
11	Director, Virginia Lottery	\$166,946	\$166,946	\$166,946
12	Director, Virginia Retirement	\$180,458	\$180,458	\$180,458
13	System			
14	Chief Executive Officer,	\$178,021	\$178,021	\$178,021
15	Virginia College Savings Plan			

16 8. Notwithstanding any provision of this Act, the Board of Trustees of the Virginia Retirement System may supplement the salary of
17 its Director. The Board should be guided by criteria, which provide a reasonable limit on the total additional income of the Director.
18 The criteria should include, without limitation, a consideration of the salaries paid to similar officials in comparable public pension
19 plans. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House
20 Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved
21 supplements to the Department of Human Resource Management for retention in its records.

22 9. Notwithstanding any provision of this Act, the Board of the Virginia College Savings Plan may supplement the compensation of
23 its Chief Executive Officer. The Board should be guided by criteria which provide a reasonable limit on the total additional income
24 of the Chief Executive Officer. The criteria should include, without limitation, a consideration of compensation paid to similar
25 officials in comparable qualified tuition programs, independent public agencies or other entities with similar responsibilities and
26 size. The Board shall report such criteria and potential supplement level to the Chairmen of the Senate Finance and House
27 Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The Board shall report approved
28 supplements to the Department of Human Resource Management for retention in its records.

29 d.1. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the
30 Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of the
31 State Council of Higher Education, the Director of the Southern Virginia Higher Education Center, the Director of the Southwest
32 Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be paid in the
33 amounts shown. The annual salaries of the presidents of the community colleges shall be fixed by the State Board for Community
34 Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

35 2.a) The board of visitors of each institution of higher education or the boards of directors for Southern Virginia Higher Education
36 Center, Southwest Virginia Higher Education Center, and the New College Institute may annually supplement the salary of a
37 president or director from private gifts, endowment funds, foundation funds, or income from endowments and gifts. Supplements
38 paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement, the board of
39 visitors or board of directors should be guided by criteria which provide a reasonable limit on the total additional income of a
40 president or director. The criteria should include a consideration of additional income from outside sources including, but not being
41 limited to, service on boards of directors or other such services. The board of visitors or board of directors shall report approved
42 supplements to the Department of Human Resource Management for retention in its records.

43 b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available
44 appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community Colleges
45 should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The criteria should
46 include consideration of additional income from outside sources including, but not being limited to, service on boards of directors or
47 other such services. The Board shall report approved supplements to the Department of Human Resource Management for retention
48 in its records.

1 c) Norfolk State University is authorized to supplement the salary of its president from educational and general funds up to
2 \$17,000.

3 d) Should a vacancy occur for the Director of the State Council of Higher Education on or after the date of enactment of this
4 act, the salary for the new director shall be established by the State Council of Higher Education based on the salary range for
5 Level I agency heads. Furthermore, the state council may provide a bonus of up to five percent of the annual salary for the new
6 director.

	July 1, 2016 to June 24, 2017	June 25, 2017 to November 24, 2017	November 25, 2017 to June 30, 2018
9 NEW COLLEGE INSTITUTE			
10 Executive Director, New College 11 Institute	\$126,844	\$126,844	\$126,844
12 STATE COUNCIL OF 13 HIGHER EDUCATION FOR 14 VIRGINIA			
15 Director, State Council of 16 Higher Education for Virginia	\$193,669	\$193,669	\$193,669
17 SOUTHERN VIRGINIA 18 HIGHER EDUCATION 19 CENTER			
20 Director, Southern Virginia 21 Higher Education Center	\$130,362	\$130,362	\$130,362
22 SOUTHWEST VIRGINIA 23 HIGHER EDUCATION 24 CENTER			
25 Director, Southwest Virginia 26 Higher Education Center	\$130,000	\$130,000	\$130,000
27 VIRGINIA COMMUNITY 28 COLLEGE SYSTEM			
29 Chancellor of Community 30 Colleges	\$175,705	\$175,705	\$175,705
31 SENIOR COLLEGE 32 PRESIDENTS' SALARIES			
33 Chancellor, University of 34 Virginia's College at Wise	\$127,210	\$127,210	\$127,210
35 President, Christopher Newport 36 University	\$138,452	\$138,452	\$138,452
37 President, The College of 38 William and Mary in Virginia	\$163,602	\$163,602	\$163,602
39 President, George Mason 40 University	\$154,298	\$154,298	\$154,298
41 President, James Madison 42 University	\$159,372	\$159,372	\$159,372
43 President, Longwood University	\$153,858	\$153,858	\$153,858
44 President, Norfolk State 45 University	\$146,500	\$146,500	\$146,500

1	President, Old Dominion	\$173,735	\$173,735	\$173,735
2	University			
3	President, Radford University	\$159,391	\$159,391	\$159,391
4	President, Richard Bland College	\$134,420	\$134,420	\$134,420
5	President, University of Mary	\$146,711	\$146,711	\$146,711
6	Washington			
7	President, University of Virginia	\$188,749	\$188,749	\$188,749
8	President, Virginia	\$181,387	\$181,387	\$181,387
9	Commonwealth University			
10	President, Virginia Polytechnic	\$194,378	\$194,378	\$194,378
11	Institute and State University			
12	President, Virginia State	\$149,496	\$149,496	\$149,496
13	University			
14	Superintendent, Virginia Military	\$150,277	\$150,277	\$150,277
15	Institute			

16 e. 1. Salaries for newly employed or promoted employees shall be established consistent with the compensation and classification
17 plans established by the Governor.

18 2. The State Comptroller is hereby authorized to require payment of wages or salaries to state employees by direct deposit or by
19 credit to a prepaid debit card or card account from which the employee is able to withdraw or transfer funds.

20 f. The provisions of this section, requiring prior written approval of the Governor relative to compensation, shall apply also to any
21 system of incentive award payments which may be adopted and implemented by the Governor. The cost of implementing any such
22 system shall be paid from any funds appropriated to the affected agencies.

23 g. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of salary
24 schedules to be fixed under law by the Governor payable from the lump sum appropriation.

25 h. Subject to approval by the Governor of a plan for a statewide employee meritorious service awards program, as provided for in §
26 2.2-1201, Code of Virginia, the costs for such awards shall be paid from any operating funds appropriated to the affected agencies.

27 i. The General Assembly hereby affirms and ratifies the Governor's existing authority and the established practice of this body to
28 provide for pay differentials or to supplement base rates of pay for employees in specific job classifications in particular geographic
29 and/or functional areas where, in the Governor's discretion, they are needed for the purpose of maintaining salaries which enable the
30 Commonwealth to maintain a competitive position in the relevant labor market.

31 j.1. If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-supported
32 institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay one-half of the
33 salary listed in § 4-6.01 c 6 of this act. Further, such institution may provide compensation in addition to that listed in § 4-6.01 c 6;
34 provided, however, that such additional compensation must be approved by the Council.

35 2. If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary listed
36 in § 4-6.01 c 6 shall be paid from the Council's appropriation.

37 k.1.a. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role contained in
38 the compensation and classification plans approved by the Governor shall be effective beginning with the first pay period, defined as
39 the pay period from June 25 through July 9, of the fiscal year if: (1) the agency certifies to the Secretary of Finance that funds are
40 available within the agency's appropriation to cover the cost of the increase for the remainder of the current biennium and presents a
41 plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are appropriated by the General Assembly. If
42 at any time the Secretary of Administration shall certify that such change in the salary band assignment for a job role is of an
43 emergency nature and the Secretary of Finance shall certify that funds are available to cover the cost of the increase for the
44 remainder of the biennium within the agency's appropriation, such change in compensation may be effective on a date agreed upon
45 by these two Secretaries. The Secretary of Administration shall provide a monthly report of all such emergency changes in
46 accordance with § 4-8.00, Reporting Requirements.

47 b. Notwithstanding any other provision of law, state employees will be paid on the first workday of July for the work period June 10

- 1 to June 24 in any calendar year in which July 1 falls on a weekend.
- 2 2. Salary adjustments for any employee through a promotion, role change, exceptional recruitment and retention incentive
3 options, or in-range adjustment shall occur only if: a) the agency has sufficient funds within its appropriation to cover the cost
4 of the salary adjustment for the remainder of the current biennium or b) such funds are appropriated by the General Assembly.
- 5 3. No changes in salary band assignments affecting classified employees of more than one agency shall become effective unless
6 the Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees
7 supported from the general fund.
- 8 l. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are
9 appointed to a state-level board, council, commission or similar collegial body shall not receive any such compensation for
10 their services as members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing
11 provision shall likewise apply to the Compensation Board, pursuant to § 15.2-1636.5, Code of Virginia.
- 12 m.1. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of
13 higher education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early
14 retirement incentive plans for their respective institutions pursuant to § 23.1-1302 B and the cash payment offered under such
15 compensation plans pursuant to § 23.1-1302 D, Code of Virginia. Notwithstanding the limitations in § 23.1-1302 D, the total
16 cost in any fiscal year for any such compensation plan, shall be set forth by the governing body in the compensation plan for
17 approval by the Governor and review for legal sufficiency by the Office of the Attorney General.
- 18 2. Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public
19 institutions of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be
20 considered for medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals
21 appointed to full-time, 12-month classified positions.
- 22 n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five
23 or more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent
24 of their sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed \$5,000 and the
25 remaining seventy-five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by
26 the Virginia Sickness and Disability Program as defined in § 51.1-1100, Code of Virginia. Such employees shall not be paid for
27 their sick leave balances. However, they will be paid, if eligible as described above, for any disability leave credits they have at
28 separation or retirement or may convert disability credits to service credit under the Virginia Retirement System pursuant to §
29 51.1-1103 (F), Code of Virginia.
- 30 o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community
31 College System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the
32 number of faculty at each of the community colleges. In addition, calculation of the salary target shall reflect an eight percent
33 salary differential in a manner consistent with other public four-year institutions and for faculty at Northern Virginia
34 Community College.
- 35 p. Any public institution of higher education that has met the eligibility criteria set out in Chapters 933 and 945 of the 2005
36 Acts of Assembly may supplement annual salaries for classified employees from private gifts, endowment funds, or income
37 from endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general
38 fund obligations for the continuation of such salary supplements.
- 39 q. The Governor, or any other appropriate Board or Public Body, is authorized to adjust the salaries of employees specified in
40 this item, and other items in the Act, to reflect the compensation adjustments authorized in this Act.
- 41 r. Any public institution of higher education shall not provide general fund monies above \$100,000 for any individual athletic
42 coaching salaries after July 1, 2013. Athletic coaching salaries with general fund monies above this amount shall be phased-
43 down over a five-year period at 20 percent per year until reaching the cap of \$100,000.

44 § 4-6.02 EMPLOYEE TRAINING AND STUDY

45 Subject to uniform rules and regulations established by the Governor, the head of any state agency may authorize, from any
46 funds appropriated to such department, institution or other agency in this act or subsequently made available for the purpose,
47 compensation or expenses or both compensation and expenses for employees pursuing approved training courses or academic
48 studies for the purpose of becoming better equipped for their employment in the state service. The rules and regulations shall
49 include reasonable provision for the return of any employee receiving such benefits for a reasonable period of duty, or for
50 reimbursement to the state for expenditures incurred on behalf of the employee should he not return to state service.

51 § 4-6.03 EMPLOYEE BENEFITS

52 a. Any medical/hospitalization benefit program provided for state employees shall include the following provision: any state
53 employee, as defined in § 2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.

- 1 b. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the employer
 2 paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made by the
 3 Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified workforce
 4 of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general rate shall be
 5 borne by the employee or, in the case of a political subdivision, by the employer.
- 6 c. Each agency may, within the funds appropriated by this act, implement a transit and ridesharing incentive program for its
 7 employees. With such programs, agencies may reimburse employees for all or a portion of the costs incurred from using public
 8 transit, car pools, or van pools. The Secretary of Transportation shall develop guidelines for the implementation of such programs
 9 and any agency program must be developed in accordance with such guidelines. The guidelines shall be in accordance with the
 10 federal National Energy Policy Act of 1992 (P.L. 102-486), and no program shall provide an incentive that exceeds the actual costs
 11 incurred by the employee.
- 12 d. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State Employee
 13 Health Insurance Program pursuant to § 2.2-2818, Code of Virginia, provided that (1) such hospital is not a participating provider in
 14 the network, contracted by the Department of Human Resource Management, that serves state employees and (2) such hospital
 15 enters into a written agreement with the Department of Human Resource Management as to the rates of reimbursement. The
 16 department shall accept the lowest rates offered by the hospital from among the rates charged by the hospital to (1) its largest
 17 purchaser of care, (2) any state or federal public program, or (3) any special rate developed by the hospital for the state employee
 18 health benefits program which is lower than either of the rates above. If the department and the hospital cannot come to an
 19 agreement, the department shall reimburse the hospital at the rates contained in its final offer to the hospital until the dispute is
 20 resolved. Any dispute shall be resolved through arbitration or through the procedures established by the Administrative Process Act,
 21 as the hospital may decide, without impairment of any residual right to judicial review.
- 22 e. Any classified employee of the Commonwealth and any person similarly employed in the legislative, judicial and independent
 23 agencies who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be considered a full-time
 24 employee for the purposes of participation in the Virginia Retirement System's group life insurance and retirement programs. Any
 25 part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs under this provision.
- 26 f.1. Any member of the Virginia Retirement System who is retired under the provisions of § 51.1-155.1, Code of Virginia who: 1)
 27 returns to work in a position that is covered by the provisions of § 51.1-155.1, Code of Virginia after a break of not less than four
 28 years, 2) receives no other compensation for service to a public employer than that provided for the position covered by § 51.1-
 29 155.1, Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of
 30 reemployment, and 4) retires directly from service at the end of such period of reemployment may either:
- 31 a) Revert to the previous retirement benefit received under the provisions of § 51.1-155.1, Code of Virginia, including any annual
 32 cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional months of
 33 service and compensation received during the period of reemployment, or
- 34 b) Retire under the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any purchase
 35 of service that may be eligible for purchase under the provisions of § 51.1-142.2, Code of Virginia.
- 36 2. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits provided
 37 for in this paragraph.
- 38 g. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this act may be a member of
 39 the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this
 40 paragraph are effective on July 1, 2002, and shall not apply to the Chief of the Capitol Police.
- 41 h. Full-time employees appointed by the Governor who, except for meeting the minimum service requirements, would be eligible for
 42 the provisions of § 51.1-155.1, Code of Virginia, may, upon termination of service, use any severance allowance payment to
 43 purchase service to meet, but not exceed, the minimum service requirements of § 51.1-155.1, Code of Virginia. Such service
 44 purchase shall be at the rate of 15 percent of the employee's final creditable compensation or average final compensation, whichever
 45 is greater, and shall be completed within 90 days of separation of service.
- 46 i. When calculating the retirement benefits payable under the Virginia Retirement System (VRS), the State Police Officers'
 47 Retirement System (SPORS), the Virginia Law-enforcement Officers' Retirement System (VaLORS), or the Judicial Retirement
 48 System (JRS) to any employee of the Commonwealth or its political subdivisions who is called to active duty with the armed forces
 49 of the United States, including the United States Coast Guard, the Virginia Retirement System shall:
- 50 1) utilize the pre-deployment salary, or the actual salary paid by the Commonwealth or the political subdivision, whichever is higher,
 51 when calculating average compensation, and
- 52 2) include those months after September 1, 2001 during which the employee was serving on active duty with the armed forces of the
 53 United States in the calculation of creditable service.

1 j. The provisions in § 51.1-144, Code of Virginia, that require a member to contribute five percent of his creditable
 2 compensation for each pay period for which he receives compensation on a salary reduction basis, shall not apply to any (i)
 3 "state employee," as defined in § 51.1-124.3, Code of Virginia, who is an elected official, or (ii) member of the Judicial
 4 Retirement System under Chapter 3 of Title 51.1 (§ 51.1-300 et seq.), who is not a "person who becomes a member on or after
 5 July 1, 2010," as defined in § 51.1-124.3, Code of Virginia.

6 k. Notwithstanding the provisions of subsection G of § 51.1-156, any employee of a school division who completed a period of
 7 24 months of leave of absence without pay during October 2013 and who had previously submitted an application for disability
 8 retirement to VRS in 2011 may submit an application for disability retirement under the provisions of § 51.1-156. Such
 9 application shall be received by the Virginia Retirement System no later than October 1, 2014. This provision shall not be
 10 construed to grant relief in any case for which a court of competent jurisdiction has already rendered a decision, as
 11 contemplated by Article II, Section 14 of the Constitution of Virginia.

12 § 4-6.04 CHARGES

13 a. FOOD SERVICES: Except as exempted by the prior written approval of the Director, Department of Human Resource
 14 Management, and the provisions of § 2.2-3605, Code of Virginia, state employees shall be charged for meals served in state
 15 facilities. Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the
 16 cost of direct labor and utilities incidental to preparation and service. Each agency shall maintain records as to the calculation of
 17 meal charges and revenues collected. Except where appropriations for operation of the food service are from nongeneral funds,
 18 all revenues received from such charges shall be paid directly and promptly into the general fund. The provisions of this
 19 paragraph shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections
 20 and Juvenile Justice.

21 b. HOUSING SERVICES:

22 1. Each agency will collect a fee from state employees who occupy state-owned or leased housing, subject to guidelines
 23 provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-
 24 owned or leased housing and for documenting in writing why the rate established was selected. In exceptional circumstances,
 25 which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the
 26 Director, Department of General Services may waive the requirement for collection of fees.

27 2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating
 28 expenses or rent are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund.
 29 For housing for which operating expenses or rent are financed by nongeneral fund appropriations, such revenues shall be
 30 deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses or rent are
 31 financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state
 32 treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion
 33 of a housing fee attributable to depreciation for housing which was constructed with general fund appropriations shall be paid
 34 into the general fund.

35 c. PARKING SERVICES:

36 1. State-owned parking facilities

37 Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of
 38 General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such
 39 charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor,
 40 for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. -

41 2. Leased parking facilities in metropolitan Richmond area

42 Agencies occupying private sector leased or rental space in the metropolitan Richmond area, not including institutions of higher
 43 education, shall be required to charge a fee to employees for vehicle parking spaces that are assigned to them or are otherwise
 44 available either incidental to the lease or rental agreement or pursuant to a separate lease agreement for private parking space.
 45 In such cases, the individual employee parking fee shall not be less than that paid by employees parking in Department of
 46 General Services parking facilities at the Seat of Government. The Director, Department of General Services may amend or
 47 waive the fee requirement for good cause. Revenues derived from employees paying for parking spaces in leased facilities will
 48 be retained by the leasing agency to be used to offset the cost of the lease to which it pertains. Any lease for private parking
 49 space must be approved by the Director, Department of General Services.

50 3. The assignment of Lot P1A of the Department of General Services, Capitol Area Site Plan, to include parking spaces 1
 51 through 37, but excluding spaces 34 and 36, which shall be reserved for the Department of General Services, and the
 52 surrounding surfaces around those spaces shall be under the control of the Committee on Joint Rules and administered by the
 53 Clerk of the House and the Clerk of the Senate. Any employee permanently assigned to any of these spaces shall be subject to
 54 the provisions of paragraph 1 of this item.

1 § 4-6.05 SELECTION OF APPLICANTS FOR CLASSIFIED POSITIONS

2 It is the responsibility of state agency heads to ensure that all provisions outlined in Title 2.2, Chapter 29, Code of Virginia (the
3 Virginia Personnel Act), and executive orders that govern the practice of selecting applicants for classified positions are strictly
4 observed. The Governor's Secretaries shall ensure this provision is faithfully enforced.

5 § 4-6.06 POSITIONS GOVERNED BY CHAPTERS 933 AND 943 OF THE 2006 ACTS OF ASSEMBLY

6 Except as provided in subsection A of § 23.1-1020 of the Code of Virginia, § 4-6.00 shall not apply to public institutions of higher
7 education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly
8 and Chapters 675 and 685 of the 2009 Acts of Assembly, with regard to their participating covered employees, as that term is
9 defined in those two chapters, except to the extent a specific appropriation or language in this act addresses such an employee.

10 **§ 4-7.00 STATEWIDE PLANS**

11 § 4-7.01 MANPOWER CONTROL PROGRAM

12 a.1. The term Position Level is defined as the number of full-time equivalent (FTE) salaried employees assigned to an agency in this
13 act. Except as provided in § 4-7.01 b, the Position Level number stipulated in an agency's appropriation is the upper limit for agency
14 employment which cannot be exceeded during the fiscal year without approval from the Director, Department of Planning and
15 Budget for Executive Department agencies, approval from the Joint Committee on Rules for Legislative Department agencies or
16 approval from the appropriate governing authority for the independent agencies.

17 2. Any approval granted under this subsection shall be reported in writing to the Chairmen of the House Appropriations Committee
18 and the Senate Finance Committee, the Governor and the Directors of the Department of Planning and Budget and Department of
19 Human Resource Management within ten days of such approval. Approvals for executive department agencies shall be based on
20 threats to life, safety, health, or property, or compliance with judicial orders or federal mandates, to support federal grants or private
21 donations, to administer a program for another agency or to address an immediate increase in workload or responsibility or when to
22 delay approval of increased positions would result in a curtailment of services prior to the next legislative session. Any such
23 position level increases pursuant to this provision may not be approved for more than one year.

24 b. The Position Levels stipulated for the individual agencies within the Department of Behavioral Health and Developmental
25 Services and the Department of Corrections are for reference only and are subject to changes by the applicable Department, provided
26 that such changes do not result in exceeding the Position Level for that department.

27 c.1. The Governor shall implement such policies and procedures as are necessary to ensure that the number of employees in the
28 Executive Department, excluding institutions of higher education and the State Council of Higher Education, may be further
29 restricted to the number required for efficient operation of those programs approved by the General Assembly. Such policies and
30 procedures shall include periodic review and analysis of the staffing requirements of all Executive Department agencies by the
31 Department of Planning and Budget with the object of eliminating through attrition positions not necessary for the efficient
32 operation of programs.

33 2. The institutions of higher education and the State Council of Higher Education are hereby authorized to fill all positions
34 authorized in this act. This provision shall be waived only upon the Governor's official declaration that a fiscal emergency exists
35 requiring a change in the official estimate of general fund revenues available for appropriation.

36 d.1. Position Levels are for reference only and are not binding on agencies in the legislative department, independent agencies, the
37 Executive Offices other than the offices of the Governor's Secretaries, and the judicial department.

38 2. Positions assigned to programs supported by internal service funds are for reference only and may fluctuate depending upon
39 workload and funding availability.

40 3. Positions assigned to sponsored programs, auxiliary enterprises, continuing education, and teaching hospitals in the institutions of
41 higher education are for reference only and may fluctuate depending upon workload and funding availability. Positions assigned to
42 Item Detail 43012, State Health Services Technical Support and Administration, at Virginia Commonwealth University are for
43 reference only and may fluctuate depending upon workload and funding availability.

44 4. Positions assigned to educational and general programs in the institutions of higher education are for reference only and may
45 fluctuate depending upon workload and funding availability. However, total general fund positions filled by an institution of higher
46 education may not exceed 105 percent of the general fund positions appropriated without prior approval from the Director,
47 Department of Planning and Budget.

48 5. Positions assigned to Item Details 47001, Job Placement Services; 47002, Unemployment Insurance Services; 47003, Workforce
49 Development Services; and 53402, Economic Information Services, at the Virginia Employment Commission are for reference only
50 and may fluctuate depending upon workload and funding availability. Unless otherwise required by the funding source, after
51 enactment of this act, any new positions hired using this provision shall not be subject to transitional severance benefit provisions of
52 the Workforce Transition Act of 1995, Title 2.2, Chapter 32, Code of Virginia.

1 e. Prior to implementing any Executive Department hiring freeze, the Governor shall consider the needs of the Commonwealth
 2 in regards to the safe and efficient operation of state facilities and performance of essential services to include the exemption of
 3 certain positions assigned to agencies and institutions that provide services pertaining to public safety and public health from
 4 such hiring freezes.

5 f.1. Full-time, part-time, wage or contractual state employees assigned to the Governor's Cabinet Secretaries from agencies and
 6 institutions under their control for the purpose of carrying out temporary assignments or projects may not be so assigned for a
 7 period exceeding 180 days in any calendar year. The permanent transfer of positions from an agency or institution to the
 8 Offices of the Secretaries, or the temporary assignment of agency or institutional employees to the Offices of the Secretaries for
 9 periods exceeding 180 days in any calendar year regardless of the separate or discrete nature of the projects, is prohibited
 10 without the prior approval of the General Assembly.

11 2. Not more than three positions in total, as described in subsection 1 hereof, may be assigned at any time to the Office of any
 12 Cabinet Secretary, unless specifically approved in writing by the Governor. The Governor shall notify the Chairmen of the
 13 House Appropriations and Senate Finance Committees in the case of any such approvals.

14 g. All state employees, including those in the legislative, judicial, and executive branches and the independent agencies of the
 15 Commonwealth, who are not eligible for benefits under a health care plan established and administered by the Department of
 16 Human Resource Management (DHRM) pursuant to Va. Code § 2.2-2818, or by an agency administering its own health care
 17 plan, may not work more than 29 hours per week on average over a twelve month period. Adjunct faculty at institutions of
 18 higher education may not work more than 29 hours per week on average over a twelve month period, including classroom or
 19 other instructional time plus additional hours determined by the institution as necessary to perform the adjunct faculty's duties.
 20 DHRM shall provide relevant program requirements to agencies and employees, including, but not limited to, information on
 21 wage, variable and seasonal employees. All state agencies/employers in all branches of government shall provide information
 22 requested by DHRM concerning hours worked by employees as needed to comply with the Affordable Care Act (the "Act")
 23 and this provision. State agencies/employers are accountable for compliance with this provision, and are responsible for any
 24 costs associated with maintaining compliance with it and for any costs or penalties associated with any violations of the Act or
 25 regulations thereunder and any such costs shall be borne by the agency from existing appropriations. The provisions of this
 26 paragraph shall not apply to employees of state teaching hospitals that have their own health insurance plan; however, the state
 27 teaching hospitals are accountable for compliance with, and are responsible for any costs associated with maintaining
 28 compliance with the Act and for any costs or penalties associated with any violations of the Act or regulations thereunder and
 29 any such costs shall be borne by the agency from existing appropriations. Subject to approval of the Governor, DHRM shall
 30 modify this provision consistent with any updates or changes to federal law and regulations.

31 **§ 4-8.00 REPORTING REQUIREMENTS**

32 § 4-8.01 GOVERNOR

33 a. General:

34 1. The Governor shall submit the information specified in this section to the Chairmen of the House Appropriations and Senate
 35 Finance Committees on a monthly basis, or at such intervals as may be directed by said Chairmen, or as specified elsewhere in
 36 this act. The information on agency operating plans and expenditures as well as agency budget requests shall be submitted in
 37 such form, and by such method, including electronically, as may be mutually agreed upon. Such information shall be preserved
 38 for public inspection in the Department of Planning and Budget.

39 2. The Governor shall make available annually to the Chairmen of the Senate Finance, House Finance, and House
 40 Appropriations Committees a report concerning the receipt of any nongeneral funds above the amount(s) specifically
 41 appropriated, their sources, and the amounts for each agency affected.

42 3. a) It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be
 43 reduced or consolidated where appropriate. State institutions of higher education, working with the Secretary of Education and
 44 Workforce, Secretary of Finance, and the Director, Department of Planning and Budget, shall continue to identify specific
 45 reporting requirements that the Governor may consider suspending.

46 b) Reporting generally should be limited to instances where (1) there is a compelling state interest for state agencies to collect,
 47 use, and maintain the information collected; (2) substantial risk to the public welfare or safety would result from failing to
 48 collect the information; or (3) the information collected is central to an essential state process mandated by the Code of
 49 Virginia.

50 c) Upon the effective date of this act, and until its expiration date, the following reporting requirements are hereby suspended or
 51 modified as specified below:

52	Agency	Report Title of Descriptor	Authority	Action
53	Department of Accounts	Intercollegiate Athletics	Code of Virginia § 23.1-102.	Suspend reporting.

1		Receipts & Disbursements		
2	Department of Accounts	Prompt Pay Summary Report	Agency Directive	Change reporting from
3				monthly to quarterly.
4	Department of General Services	Usage of State-Assigned and	Agency Directive -- Executive	Suspend reporting.
5		State-Owned Vehicles Report	Order 89 (2005)	
6	Department of General Services	Gas Report/Repair Charge	Agency Directive--Executive	Suspend reporting.
7			Order 89 (2005)	
8	Department of Human Resource	Report of Personnel	Agency Directive	Suspend reporting.
9	Management	Development Service		
10	Department of Human Resource	Human Capital Report (Full-	Code of Virginia § 2.2-1201. A.	Change reporting from
11	Management	Time, Part-Time, Temporary,	14.	annually to monthly.
12		Contractual employees funded		
13		by the Commonwealth)		
14	Department of Human Resource	Work-related injuries and	Agency Directive -- Executive	Suspend reporting.
15	Management State Employee	illnesses report -- goals,	Order 94 (2005)	
16	Workers' Compensation	strategies, and results		
17	Program			
18	Governor's Office	Small, Women-and Minority-	Executive Directive	Change reporting from
19		owned Businesses (SWaM)		weekly to monthly.
20	Secretary of Commerce and	Recruitment of National and	Agency Directive -- Executive	Suspend reporting.
21	Trade	Regional Conferences Report	Order 14 (2006)	

22 d) The Department of Planning and Budget (DPB) and the State Council of Higher Education for Virginia (SCHEV) shall work
 23 jointly to attempt to consolidate various reporting requirements pertaining to the estimates and projections of nongeneral fund
 24 revenues in institutions of higher education. The purpose of this effort shall be aimed at developing a common form for use in
 25 collecting nongeneral fund data for DPB's six-year nongeneral fund revenue estimate submission and SCHEV's annual survey of
 26 nongeneral fund revenue from institutions of higher education.

27 b. Operating Appropriations Reports:

28 1. Status of Adjustments to Appropriations. Such information must include increases and decreases of appropriations or allotments,
 29 transfers and additional revenues. A report of appropriation transfers from one agency to another made pursuant to § 4-1.03 of this
 30 act shall be made available via electronic means to the Chairmen of the House Appropriations and Senate Finance Committees, and
 31 the public by the tenth day of the month following that in which such transfer occurs, unless otherwise specified in § 4-1.03.

32 2. Status of each sum sufficient appropriation. The information must include the amount of expenditures for the period just
 33 completed and the revised estimates of expenditures for the remaining period of the current biennium, as well as an explanation of
 34 differences between the amount of the actual appropriation and actual and/or projected appropriations for each year of the current
 35 biennium.

36 3. Status of Economic Contingency Appropriation. The information must include actions taken related to the appropriation for
 37 economic contingency.

38 4. Status of Withholding Appropriations. The information must include amounts withheld and the agencies affected.

39 5. Status of reductions occurring in general and nongeneral fund revenues in relation to appropriations.

40 6. Status of approvals of deficits.

41 c. Employment Reports:

42 1. Status of changes in positions and employment of state agencies affected. The information must include the number of positions
 43 and the agencies affected.

44 2. Status of the employment by the Attorney General of special counsel in certain highway proceedings brought pursuant to Chapter
 45 10 of Title 33.2, Code of Virginia, on behalf of the Commissioner of Highways, as authorized by § 2.2-510, Code of Virginia. This

1 report shall include fees for special counsel for the respective county or city for which the expenditure is made and shall be
2 submitted within 60 days of the close of the fiscal year (see § 4-5.02 a.3).

3 3. Changes in the level of compensation authorized pursuant to § 4-6.01 k, Employee Compensation. Such report shall include
4 a list of the positions changed, the number of employees affected, the source and amount of funds, and the nature of the
5 emergency.

6 4. Pursuant to requirements of § 2.2-203.1, Code of Virginia, the Secretary of Administration, in cooperation with the Secretary
7 of Technology, shall provide a report describing the Commonwealth's telecommuting policies, which state agencies and
8 localities have adopted telecommuting policies, the number of state employees who telecommute, the frequency with which
9 state employees telecommute by locality, and the efficacy of telecommuting policies in accomplishing the provision of state
10 services and completing state functions. This report shall be provided to the Chairmen of the House Committee on
11 Appropriations, the House Committee on Science and Technology, the Senate Committee on Finance, and the Senate
12 Committee on General Laws and Technology each year by October 1.

13 d. Capital Appropriations Reports:

14 1. Status of progress of capital projects on an annual basis (see § 4-4.01 o).

15 2. Notice of all capital projects authorized under § 4-4.01 m (see § 4-4.01 m. 1. b) 4)).

16 e. Utilization of State Owned and Leased Real Property:

17 1. By November 15 of each year, the Department of General Services (DGS) shall consolidate the reporting requirements of §
18 2.2-1131.1 and § 2.2-1153 of the Code of Virginia into a single report eliminating the individual reports required by § 2.2-
19 1131.1 and § 2.2-1153 of the Code of Virginia. This report shall be submitted to the Governor and the General Assembly and
20 include (i) information on the implementation and effectiveness of the program established pursuant to subsection A of § 2.2-
21 1131.1, (ii) a listing of real property leases that are in effect for the current year, the agency executing the lease, the amount of
22 space leased, the population of each leased facility, and the annual cost of the lease; and, (iii) a report on DGS's findings and
23 recommendations under the provisions of § 2.2-1153, and recommendations for any actions that may be required by the
24 Governor and the General Assembly to identify and dispose of property not being efficiently and effectively utilized.

25 2. By October 1 of each year, each agency that controls leased property, where such leased property is not under the DGS lease
26 administration program, shall provide a report on each leased facility or portion thereof to DGS in a manner and form
27 prescribed by DGS. Specific data included in the report shall identify at a minimum, the number of square feet occupied, the
28 number of employees and contractors working in the leased space, if applicable, and the cost of the lease.

29 f. Services Reports:

30 Status of any exemptions by the State Council of Higher Education to policy which prohibits use of funds in this act for the
31 operation of any academic program by any state institution of higher education, unless approved by the Council and included in
32 the Governor's recommended budget, or approved by the General Assembly (see § 4-5.05 b 2).

33 g. Standard State Agency Abbreviations:

34 The Department of Planning and Budget shall be responsible for maintaining a list of standard abbreviations of the names of
35 state agencies. The Department shall make a listing of agency standard abbreviations available via electronic means on a
36 continuous basis to the Chairmen of the House Appropriations and Senate Finance Committees, the State Comptroller, the
37 Director, Department of Human Resource Management and the Chief Information Officer, Virginia Information Technologies
38 Agency, and the public.

39 h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning
40 and Budget:

41 The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget,
42 shall report in December and June of each year to the Chairmen of the House Appropriations and Senate Finance Committees
43 on adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each
44 public college and university contained in this budget. The report shall include actual or projected adjustments which increase
45 nongeneral funds or actual or projected adjustments that transfer nongeneral funds to other items within the institution. The
46 report shall provide the justification for the increase or transfer and the relative impact on student groups.

47 § 4-8.02 STATE AGENCIES

48 a. As received, all state agencies shall forward copies of each federal audit performed on agency or institution programs or
49 activities to the Auditor of Public Accounts and to the State Comptroller. Upon request, all state agencies shall provide copies
50 of all internal audit reports and access to all working papers prepared by such auditors to the Auditor of Public Accounts and to
51 the State Comptroller.

1 b. Annually: Within five calendar days after state agencies submit their budget requests, amendment briefs, or requests for
 2 amendments to the Department of Planning and Budget, the Director, Department of Planning and Budget shall submit,
 3 electronically if available, copies to the Chairmen of the Senate Finance and House Appropriations Committees.

4 c. By September 1 of each year, state agencies receiving any asset as the result of a law-enforcement seizure and subsequent
 5 forfeiture by either a state or federal court, shall submit a report identifying all such assets received during the prior fiscal year and
 6 their estimated net worth, to the Chairmen of the House Appropriations and Senate Finance Committees.

7 d. Any state agency that is required to return federal grant funding as a result of not fulfilling the specifications of a grant, shall, as
 8 soon as practicable but no later than November 1st, report to the Chairmen of the Senate Finance and House Appropriations
 9 Committees of such forfeiting of federal grant funding.

10 § 4-8.03 LOCAL GOVERNMENTS

11 a.1. The Auditor of Public Accounts shall establish a workgroup to develop criteria for a preliminary determination that a local
 12 government may be in fiscal distress. Such criteria shall be based upon information regularly collected by the Commonwealth or
 13 otherwise regularly made public by the local government. This information includes expenditure reports submitted to the Auditor,
 14 budget information posted on local government websites, and reports prepared by the Commission on Local Government on revenue
 15 fiscal stress. Information provided by the Virginia Retirement System, the Virginia Resources Authority, the Virginia Public
 16 Building Authority, and other state and regional authorities concerning late or missed debt service payments shall be shared with the
 17 Auditor. Fiscal distress as used in this context shall mean a situation whereby the provision and sustainability of public services is
 18 threatened by various administrative and financial shortcomings including but not limited to cash flow issues; inability to pay
 19 expenses; revenue shortfalls; deficit spending; structurally imbalanced budgets; billing and revenue collection inadequacies and
 20 discrepancies; debt overload; failure to meet obligations to authorities, school divisions, or political subdivisions of the
 21 Commonwealth; and/or lack of trained and qualified staff to process administrative and financial transactions. Fiscal distress may be
 22 caused by factors internal to the unit of government or external to the unit of government and in various degrees such conditions
 23 may or may not be controllable by management, or the local governing body, or its constitutional officers.

24 2. Based upon the criteria established by the workgroup and using information identified above, the Auditor of Public Accounts shall
 25 establish a prioritized early warning system. Under the prioritized early warning system, the Auditor of Public Accounts shall
 26 establish a regular process whereby it reviews data on at least an annual basis to make a preliminary determination that a local
 27 government is in fiscal distress.

28 3. For local governments where the Auditor of Public Accounts has made a preliminary determination of fiscal distress based upon
 29 the early warning system criteria, the Auditor of Public Accounts shall notify the local governing body of its preliminary
 30 determination that it may meet the criteria for fiscal distress. Based upon the request of the local governing body or chief executive
 31 officer, the Auditor of Public Accounts may conduct a review and request documents and data from the local government. Such
 32 review shall consider factors including, but not limited to, budget processes, debt, borrowing, expenses and payables, revenues and
 33 receivables, and other areas including staffing, and the identification of external variables contributing to a locality's financial
 34 position, and if so, the scope of the issues involved. Any local governing body that receives requests for information from the
 35 Auditor of Public Accounts pursuant to such preliminary determination based on the above described threshold levels shall
 36 acknowledge receipt of such a request and shall ensure that a response is provided within the time frames specified by the Auditor of
 37 Public Accounts. After such review, if the Auditor of Public Accounts is of the opinion that state assistance, oversight, or targeted
 38 intervention is needed, either to further assess, help stabilize, or remediate the situation, the Auditor shall notify the Governor and
 39 the Chairmen of the House Appropriations and Senate Finance Committees, and the governing body of the local government in
 40 writing outlining specific issues or actions that need to be addressed by state intervention.

41 4. The notification issued by the Auditor of Public Accounts pursuant to paragraph 3 above shall satisfy the notification requirement
 42 necessary to effectuate the provisions of this act in paragraph b.3 below.

43 b.1. The Director of the Department of Planning and Budget shall identify any amounts remaining unexpended from general fund
 44 appropriations in this Act as of June 30, 2017, which constitute state aid to local governments. The Director shall provide a listing of
 45 such amounts designated by item number and by program on or before August 15, 2017, to the Governor and the Chairmen of the
 46 House Appropriations Committee and the Senate Finance Committee.

47 2. From such unexpended balances identified by the Director of the Department of Planning and Budget, the Governor may
 48 reappropriate up to \$500,000 *from the first year to the second year and up to \$750,000 from the second year to the subsequent year*
 49 from amounts which would otherwise revert to the balance of the general fund and transfer such amounts as necessary to establish a
 50 component of fund balance which may be used for the purpose of providing technical assistance and intervention actions for local
 51 governments deemed to be fiscally distressed and in need of intervention to address such distress. Any such reappropriation
 52 approved by the Governor, shall be separately identified in the commitments specified on the balance sheet and financial statements
 53 of the State Comptroller for the close of fiscal year 2017 and thereafter, to the extent that such reserve is not used or added to by
 54 future appropriation actions.

55 3. Prior to any expenditure of the reappropriated reserve, the Governor and the Chairmen of the House Appropriations Committee
 56 and the Senate Finance Committee must receive a notification from the Auditor of Public Accounts that a specific locality is in need

1 of intervention because of a worsening financial situation. The Auditor of Public Accounts may issue such a notification upon
 2 receipt of audited financial statement or other information that indicates the existence of fiscal distress. But, no such
 3 notification shall be made until appropriate follow up and correspondence ascertains that, in the opinion of the Auditor of
 4 Public Accounts, such fiscal distress indeed exists. Such notification may also be issued by the Auditor of Public Accounts if
 5 written concerns raised about fiscal distress are not adequately addressed by the locality in question.

6 4. Once the Governor has received a notification from the Auditor of Public Accounts indicating fiscal distress in a specific
 7 local government, the Governor shall consult with the Chairmen of the House Appropriations Committee and the Senate
 8 Finance Committee about a plan for state intervention prior to any expenditure of funds from the cash reserve. Any plan
 9 approved by the Governor for intervention should, at a minimum, specify the purpose of such intervention, the estimated
 10 duration of the intervention, and the anticipated resources (dollars and personnel) directed toward such effort. The staffing
 11 necessary to carry out the intervention plan may be assembled from either public agencies or private entities or both and,
 12 notwithstanding any other provisions of law, the Governor may use an expedited method of procurement to secure such staffing
 13 when, in his judgment, the need for intervention is of an emergency nature such that action must be taken in a timely manner to
 14 avoid or address unacceptable financial risks to the Commonwealth.

15 5. The governing body and the elected constitutional officers of a locality subject to an intervention plan approved by the
 16 Governor shall assist all state appointed staff conducting the intervention regardless of whether such staff are from public
 17 agencies or private entities. Intervention staff shall provide periodic reports in writing to the Governor and the Chairmen of the
 18 House Appropriations Committee and the Senate Finance Committee outlining the scope of issues discovered and any
 19 recommendations made to remediate such issues, and the progress that is made on such recommendations or other remediation
 20 efforts. These periodic reports shall specifically address the degree of cooperation the intervention team is receiving from
 21 locally elected officials, including constitutional officers, city, county, or town managers and other local personnel in regards to
 22 their intervention work.

23 6. The Department of General Services is hereby encouraged to develop a master contract of qualified private sector turnaround
 24 specialists with expertise in local government intervention that the Governor can use to procure intervention services in an
 25 expeditious manner when he determines that state intervention is warranted in situations of local fiscal distress.

26 § 4-9.00 HIGHER EDUCATION RESTRUCTURING

27 § 4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE

28 Consistent with § 23.1-206, Code of Virginia, the following education-related and financial and administrative management
 29 measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional
 30 performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no
 31 later than October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section
 32 shall be evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and
 33 communicated to the State Council of Higher Education before October 1 of each even-numbered year. Financial benefits
 34 provided to each institution in accordance with § 2.2-5005 will be evaluated in light of that institution's performance.

35 In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is
 36 understood that there can be circumstances beyond an institution's control that may prevent achieving one or more performance
 37 measures. The Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting
 38 all performance measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions
 39 that do not meet all performance measures will be evaluated by the Council and the Council may take one or more of the
 40 following actions: (a) request the institution provide a remediation plan and recommend that the Governor withhold release of
 41 financial benefits until Council review of the remediation plan or (b) recommend that the Governor withhold all or part of
 42 financial benefits.

43 Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related
 44 measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related
 45 measures that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of
 46 performance.

47 The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the
 48 certification process.

49 a. BIENNIAL ASSESSMENTS

50 1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount
 51 enrollment.

52 2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate
 53 and bachelor degree awards.

- 1 3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H
2 (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.
- 3 4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level -
4 sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time equivalent
5 students.
- 6 5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented
7 populations.
- 8 6. Maintain or increase the number of in-state two-year transfers to four-year institutions.
- 9 b. Elementary and Secondary Education
- 10 1. The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council of
11 Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production and
12 retention of teachers, and the exiting of teachers from the teaching profession.
- 13 2. a) The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally
14 identifiable information from education records in order to evaluate and study student preparation for and enrollment and
15 performance at state institutions of higher education in order to improve educational policy and instruction in the Commonwealth.
16 However, such study shall be conducted in such a manner as to not permit the personal identification of students by persons other
17 than representatives of the Department of Education or the State Council for Higher Education for Virginia, and such shared
18 information shall be destroyed when no longer needed for purposes of the study.
- 19 b) Notwithstanding § 2.2-3800 of the Code of Virginia, the Virginia Department of Education, State Council of Higher Education
20 for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use, share, and maintain
21 de-identified student data to improve student and program performance including those for career readiness.
- 22 3. Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public
23 Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards of
24 Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record to the
25 Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent or his
26 designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be redisclosed,
27 except as provided under federal law. All information shall be destroyed when no longer needed for the purposes of studying the
28 content and rigor of the Standards of Learning.
- 29 c. SIX-YEAR PLAN
- 30 Institution prepares six-year financial plan consistent with § 23.1-907.
- 31 d. FINANCIAL AND ADMINISTRATIVE STANDARDS
- 32 The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the 2006
33 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.
- 34 1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and
35 administrative standards:
- 36 a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- 37 b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
- 38 c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- 39 d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any
40 standards for outstanding receivables and bad debts; and
- 41 e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any
42 standards for accounts payable past due.
- 43 2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of
44 institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be prudently
45 issued within a specified period.
- 46 3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent
47 from the established goal will be acceptable.

1 4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted
 2 to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal,
 3 as stated in the plan, will be acceptable.

4 The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet
 5 procurement system (eVA) from vendor locations registered in eVA.

6 5. The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally
 7 approved by the institution's governing board for projects initiated under delegated authority, or the budget set out in the
 8 Appropriation Act or other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of
 9 Administration and Finance shall review the circumstances causing the cost overrun and the manner in which the institution
 10 responded and determine whether the institution shall be considered in compliance with the measure despite the cost overrun.

11 6. The institution will complete major information technology projects (with an individual cost of over \$1,000,000) within the
 12 budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time
 13 schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or
 14 delay and the manner in which the institution responded and determine whether the institution appropriately adhered to Project
 15 Management Institute's best management practices and, therefore, shall be considered in compliance with the measure despite
 16 the cost overrun and/or delay.

17 e. FINANCIAL AND ADMINISTRATIVE STANDARDS

18 The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of
 19 Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly. They
 20 shall be measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act.
 21 However, the Governor may supplement or replace those administrative performance measures with the administrative
 22 performance measures listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall
 23 be used for the assessment of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts
 24 of Assembly and those governed under Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the
 25 2009 Acts of Assembly.

26 1. Financial

27 a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

28 b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

29 c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

30 d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any
 31 standards for outstanding receivables and bad debts; and

32 e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any
 33 standards for accounts payable past due.

34 2. Debt Management

35 a) The institution shall maintain a bond rating of AA- or better;

36 b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and

37 c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt
 38 management policy.

39 3. Human Resources

40 a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate
 41 for state classified employees within a variance of 15 percent; and

42 b) The institution achieves a rate of internal progression within a range of 40 to 60 percent of the total salaried staff hires for the
 43 fiscal year.

44 4. Procurement

45 a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan
 46 as submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM
 47 purchase goal, as stated in the plan, will be acceptable; and

1 b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide internet
2 procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

3 5. Capital Outlay

4 a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved
5 by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or the budget set
6 out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at the preliminary design
7 state. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance shall review the
8 circumstances causing the cost overrun and the manner in which the institution responded and determine whether the institution shall
9 be considered in compliance with the measure despite the cost overrun;

10 b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2 percent of
11 the guaranteed maximum price (GMP) or construction price; and

12 c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by the
13 institution is within 5 percent of the average commercial business district lease rate for similar quality space within reasonable
14 proximity to the institution's campus.

15 6. Information Technology

16 a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and on
17 budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such project, the
18 Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in which the
19 institution responded and determine whether the institution appropriately adhered to Project Management Institute's best
20 management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or delay; and

21 b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The
22 institution will have no significant audit deficiencies unresolved beyond one year.

23 f. REPORTING

24 The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education
25 governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and expenditure
26 data.

27 g. EXEMPTION

28 The requirements of this section shall not be in effect if they conflict with § 23.1-206.D. of Chapters 828 and 869 of the Acts of
29 Assembly of 2011.

30 § 4-9.02 LEVEL II AUTHORITY

31 a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education that
32 have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of the 2008
33 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third and separate
34 functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

35 1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted by
36 an original memorandum of understanding;

37 2. successfully renewed an additional memoranda of understanding for a five year term for each of the original two areas.

38 The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with the
39 Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay) of
40 Chapter 824 and 829 of the 2008 Acts of Assembly.

41 b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related
42 measure for the new area of operational authority. Each education-related measure and its respective target shall be developed in
43 consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council of
44 Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State Council of
45 Higher Education for Virginia and shall become part of the certification required by § 23.1-206.

46 c. 1. As part of a five-year pilot program, George Mason University and James Madison University are authorized, for a period of
47 five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information
48 technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the second
49 enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter 824 and
50 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item, and (ii) the institution is not required to have a

1 signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund
 2 decentralization program as provided in subsection C of § 2.2-1132 in order to be eligible for the additional capital project
 3 authority.

4 2. In addition, each institution shall exercise additional financial and administrative authority over financial operations as
 5 follows:

6 a). BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

7 The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the
 8 duties and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and
 9 ultimate accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either
 10 herein or by separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the
 11 University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the
 12 implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

13 b) FINANCIAL MANAGEMENT AND REPORTING SYSTEM.

14 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue
 15 to be authorized by the Board to maintain existing and implement new policies governing the management of University
 16 financial resources. These policies shall continue to (i) ensure compliance with Generally Accepted Accounting Principles, (ii)
 17 ensure consistency with the current accounting principles employed by the Commonwealth, including the use of fund
 18 accounting principles, with regard to the establishment of the underlying accounting records of the University and the
 19 allocation and utilization of resources within the accounting system, including the relevant guidance provided by the State
 20 Council of Higher Education for Virginia chart of accounts with regard to the allocation and proper use of funds from specific
 21 types of fund sources, (iii) provide adequate risk management and internal controls to protect and safeguard all financial
 22 resources, including moneys transferred to the University pursuant to a general fund appropriation, and ensure compliance with
 23 the requirements of the Appropriation Act.

24 The financial management system shall continue to include a financial reporting system to satisfy both the requirements for
 25 inclusion into the Commonwealth's Comprehensive Annual Financial Report, as specified in the related State Comptroller's
 26 Directives, and the University's separately audited financial statements. To ensure observance of limitations and restrictions
 27 placed on the use of the resources available to the University, the accounting and bookkeeping system of the University shall
 28 continue to be maintained in accordance with the principles prescribed for governmental organizations by the Governmental
 29 Accounting Standards Board.

30 In addition, the financial management system shall continue to provide financial reporting for the President, acting through the
 31 Executive Vice President, Chief Operating Officer, or Chief Financial Officer, and the Board of Visitors to enable them to
 32 provide adequate oversight of the financial operations of the University.

33 c) FINANCIAL MANAGEMENT POLICIES.

34 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall create
 35 and implement any and all financial management policies necessary to establish a financial management system with adequate
 36 risk management and internal control processes and procedures for the effective protection and management of all University
 37 financial resources. Such policies will not address the underlying accounting principles and policies employed by the
 38 Commonwealth and the University, but rather will focus on the internal operations of the University's financial management.
 39 These policies shall include, but need not be limited to, the development of a tailored set of finance and accounting practices
 40 that seek to support the University's specific business and administrative operating environment in order to improve the
 41 efficiency and effectiveness of its business and administrative functions. In general, the system of independent financial
 42 management policies shall be guided by the general principles contained in the Commonwealth's Accounting Policies and
 43 Procedures such as establishing strong risk management and internal accounting controls to ensure University financial
 44 resources are properly safeguarded and that appropriate stewardship of public funds is obtained through management's
 45 oversight of the effective and efficient use of such funds in the performance of University programs.

46 The University shall continue to follow the Commonwealth's accounting policies until such time as specific alternate policies
 47 can be developed, approved and implemented. Such alternate policies shall include applicable accountability measures and
 48 shall be submitted to the State Comptroller for review and comment before they are implemented by the University.

49 d) FINANCIAL RESOURCE RETENTION AND MANAGEMENT.

50 The Board of Visitors shall retain the authority to establish tuition, fee, room, board, and other charges, with appropriate
 51 commitment provided to need-based grant aid for middle- and lower-income undergraduate Virginians. Except as provided
 52 otherwise in the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be exempt
 53 from the revenue restrictions in the general provisions of the Appropriation Act related to non-general funds. In addition, unless
 54 prohibited by the Appropriation Act, it is the intent of the Commonwealth and the University that the University shall be

1 entitled to retain non-general fund savings generated from changes in Commonwealth rates and charges, including but not limited to
 2 health, life, and disability insurance rates, retirement contribution rates, telecommunications charges, and utility rates, rather than
 3 reverting such savings back to the Commonwealth. This financial resource policy assists the University by providing the framework
 4 for retaining and managing non-general funds, for the receipt of general funds, and for the use and stewardship of all these funds.

5 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to
 6 provide oversight of the University's cash management system which is the framework for the retention of non-general funds. The
 7 Internal Audit Department of the University shall periodically audit the University's cash management system in accordance with
 8 appropriate risk assessment models and make reports to the Audit and Compliance Committee of the Board of Visitors. Additional
 9 oversight shall continue to be provided through the annual audit and assessment of internal controls performed by the Auditor of
 10 Public Accounts. For the receipt of general and non-general funds, the University shall conform to the Security for Public Deposits
 11 Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia as it currently exists and from time to time may be amended.

12 e) ACCOUNTS RECEIVABLE MANAGEMENT AND COLLECTION.

13 The President, through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be
 14 authorized to create and implement any and all Accounts Receivable Management and Collection policies as part of a system for the
 15 management of University financial resources. The policies shall be guided by the requirements of the Virginia Debt Collection Act,
 16 Chapter 48 (§ 2.2-4800 et seq.) of the Code of Virginia, such that the University shall take all appropriate and cost effective actions
 17 to aggressively collect accounts receivable in a timely manner.

18 These shall include, but not be limited to, establishing the criteria for granting credit to University customers; establishing the nature
 19 and timing of collection procedures within the above general principles; and the independent authority to select and contract with
 20 collection agencies and, after consultation with the Office of the Attorney General, private attorneys as needed to perform any and
 21 all collection activities for all University accounts receivable such as reporting delinquent accounts to credit bureaus, obtaining
 22 judgments, garnishments, and liens against such debtors, and other actions. In accordance with sound collection activities, the
 23 University shall continue to utilize the Commonwealth's Debt Set-Off Collection Programs, shall develop procedures acceptable to
 24 the Tax Commissioner and the State Comptroller to implement such Programs, and shall provide a quarterly summary report of
 25 receivables to the Department of Accounts in accordance with the reporting procedures established pursuant to the Virginia Debt
 26 Collection Act.

27 f) DISBURSEMENT MANAGEMENT.

28 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be
 29 authorized to create and implement any and all disbursement policies as part of a system for the management of University financial
 30 resources. The disbursement management policies shall continue to define the appropriate and reasonable uses of all funds, from
 31 whatever source derived, in the execution of the University's operations. These policies also shall continue to address the timing of
 32 appropriate and reasonable disbursements consistent with the Prompt Payment Act, and the appropriateness of certain goods or
 33 services relative to the University's mission, including travel-related disbursements. Further, the University's disbursement policy
 34 shall continue to provide for the mechanisms by which payments are made including the use of charge cards, warrants, and
 35 electronic payments.

36 These disbursement policies shall authorize the President, acting through the Executive Vice President, Chief Operating Officer, or
 37 Chief Financial Officer, to independently select, engage, and contract for such consultants, accountants, and financial experts, and
 38 other such providers of expert advice and consultation, and, after consultation with the Office of the Attorney General, private
 39 attorneys, as may be necessary or desirable in his or her discretion. The policies also shall continue to include the ability to locally
 40 manage and administer the Commonwealth's credit card and cost recovery programs related to disbursements, subject to any
 41 restrictions contained in the Commonwealth's contracts governing those programs, provided that the University shall submit the
 42 credit card and cost recovery aspects of its financial and operations policies to the State Comptroller for review and comment prior
 43 to implementing those aspects of those policies. The disbursement policies shall ensure that adequate risk management and internal
 44 control procedures shall be maintained over previously decentralized processes for public records, payroll, and non-payroll
 45 disbursements. The University shall continue to provide summary quarterly prompt payment reports to the Department of Accounts
 46 in accordance with the reporting procedures established pursuant to the Prompt Payment Act.

47 The University's disbursement policies shall be guided by the principles of the Commonwealth's policies as included in the
 48 Commonwealth's Accounting Policy and Procedures Manual. The University shall continue to follow the Commonwealth's
 49 disbursement policies until such time as specific alternative policies can be developed, approved and implemented. Such alternate
 50 policies shall be submitted to the State Comptroller for review and comment prior to their implementation by the University.

51 3. The Auditor of Public Accounts or his legally authorized representatives shall audit annually the accounts of each institution and
 52 shall distribute copies of each annual audit to the Governor and to the Chairmen of the House Committee on Appropriations and the
 53 Senate Committee on Finance. Pursuant to § 30-133, the Auditor of Public Accounts and his legally authorized representatives shall
 54 examine annually the accounts and books of each such institution, but the institution shall not be deemed to be a state or
 55 governmental agency, advisory agency, public body, or agency or instrumentality for purposes of Chapter 14 (§ 30-130 et seq.) of
 56 Title 30 except for those provisions in such chapter that relate to requirements for financial recordkeeping and bookkeeping. Each
 57 such institution shall be subject to periodic external review by the Joint Legislative and Audit Review Commission and such other

1 reviews and audits as shall be required by law.

2 d. Subject to review of its Shared Services Center by the Department of General Services, and approval to proceed with
 3 decentralized procurement of authority by the Department of General Services, the Virginia Community College System
 4 (VCCS) is authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each
 5 of the three functional areas of information technology, procurement and capital projects as set forth and subject to all the
 6 conditions in §§ 2.0, 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that
 7 (i) any effective dates contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of
 8 this item. The State Board for Community Colleges may request any subsequent delegation of procurement authority after
 9 consultation with and positive recommendation by the Department of General Services.

10 § 4-9.03 LEVEL III AUTHORITY

11 The Management Agreements negotiated by the institutions contained in Chapters 675 and 685 of the 2009 Acts of Assembly
 12 shall continue in effect unless the Governor, the General Assembly, or the institutions determine that the Management
 13 Agreements need to be renegotiated or revised.

14 § 4-9.04 IMPLEMENT JLARC RECOMMENDATIONS

15 a. The Boards of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall:

16 1. require their institutions to clearly list the amount of the athletic fee on their website's tuition and fees information page. The
 17 page should include a link to the State Council of Higher Education for Virginia's tuition and fee information. The boards
 18 should consider requiring institutions to list the major components of all mandatory fees, including the portion attributable to
 19 athletics, on a separate page attached to student invoices;

20 2. assess the feasibility and impact of raising additional revenue through campus recreation and fitness enterprises to reduce
 21 reliance on mandatory student fees. The assessments should address the feasibility and impact of raising additional revenue
 22 through charging for specialized programs and services, expanding membership, and/or charging all users of recreation
 23 facilities;

24 3. direct staff to perform a comprehensive review of the institution's organizational structure, including an analysis of spans of
 25 control and a review of staff activities and workload, and identify opportunities to streamline the organizational structure.
 26 Boards should further direct staff to implement the recommendations of the review to streamline their organizational structures
 27 where possible;

28 4. require periodic reports on average and median spans of control and the number of supervisors with six or fewer direct
 29 reports;

30 5. direct staff to revise human resource policies to eliminate unnecessary supervisory positions by developing standards that
 31 establish and promote broader spans of control. The new policies and standards should (i) set an overall target span of control
 32 for the institution, (ii) set a minimum number of direct reports per supervisor, with guidelines for exceptions, (iii) define the
 33 circumstances that necessitate the use of a supervisory position, (iv) prohibit the establishment of supervisory positions for the
 34 purpose of recruiting or retaining employees, and (v) establish a periodic review of departments where spans of control are
 35 unusually narrow; and,

36 6. direct institution staff to set and enforce policies to maximize standardization of purchases of commonly procured goods,
 37 including use of institution-wide contracts;

38 7. consider directing institution staff to provide an annual report on all institutional purchases, including small purchases, that
 39 are exceptions to the institutional policies for standardizing purchases;

40 8. participate in national faculty teaching load assessments by discipline and faculty type.

41 b. The State Council on Higher Education for Virginia, to the extent practicable, shall:

42 1. convene a working group of institution financial officers, with input from the Department of Accounts, the Department of
 43 Planning and Budget, and the Auditor of Public Accounts, to create a standard way of calculating and publishing mandatory
 44 non-E&G fees, including for intercollegiate athletics;

45 2. update the state's Chart of Accounts for higher education in order to improve comparability and transparency of mandatory
 46 non-E&G fees, with input from the Department of Accounts, the Department of Planning and Budget, the Auditor of Public
 47 Accounts, and institutional staff. This process should be coordinated with the standardization of tuition and fee reporting;

48 3. convene a working group of institutional staff to develop instructional and research space guidelines that adequately measure
 49 current use of space and plans for future use of space at Virginia's public higher education institutions;

50 4. coordinate a committee of institutional representatives, such as the previously authorized Learning Technology Advisory

1 Committee. In addition to the objectives set out in the Appropriation Act for the Learning Technology Advisory Committee, the
 2 committee should identify instructional technology initiatives and best practices for directly or indirectly lowering institutions'
 3 instructional expenditures per student while maintaining or enhancing student learning;

4 5. include factors such as discipline, faculty rank, cost of living, and regional comparisons in developing faculty salary goals;

5 6. identify instructional technology best practices that directly or indirectly lower student cost while maintaining or enhancing
 6 learning.

7 c. Notwithstanding the provisions of § 23.1-1304, the State Council of Higher Education for Virginia shall annually train boards of
 8 visitors members on the types of information members should request from institutions to inform decision making, such as
 9 performance measures, benchmarking data, the impact of financial decisions on student costs, and past and projected cost trends.
 10 Boards of Visitors members serving on finance and facilities subcommittees should, at a minimum, participate in the training within
 11 their first year of membership on the subcommittee. SCHEV should obtain assistance in developing or delivering the training from
 12 relevant agencies such as the Department of General Services and past or present finance officers at Virginia's public four-year
 13 institutions, as appropriate.

14 d. The Department of Planning and Budget shall revise the formula used to make allocation recommendations for the state's
 15 maintenance reserve funding to account for higher maintenance needs resulting from poor facility condition, aging of facilities, and
 16 differences in facility use. Beginning with fiscal year 2016, the Department of Planning and Budget shall submit these
 17 recommendations to the Governor and General Assembly no later than November 1 of each year.

18 e. The Six-Year Capital Outlay Plan Advisory Committee, the Department of Planning and Budget, and others as appropriate shall
 19 use the results of the prioritization process established by the State Council of Higher Education for Virginia in determining which
 20 capital projects should receive funding.

21 f. Beginning with fiscal year 2016, the Auditor of Public Accounts shall include in its audit plan for each public institution of higher
 22 education a review of progress in implementing the JLARC recommendations contained in paragraph § 4-9.04 a.

23 § 4-11.00 STATEMENT OF FINANCIAL CONDITION

24 Each agency head handling any state funds shall, at least once each year, upon request of the Auditor of Public Accounts, make a
 25 detailed statement, under oath, of the financial condition of his office as of the date of such call, to the Auditor of Public Accounts,
 26 and upon such forms as shall be prescribed by the Auditor of Public Accounts.

27 § 4-12.00 SEVERABILITY

28 If any part, section, subsection, paragraph, sentence, clause, phrase, or item of this act or the application thereof to any person or
 29 circumstance is for any reason declared unconstitutional, such decisions shall not affect the validity of the remaining portions of this
 30 act which shall remain in force as if such act had been passed with the unconstitutional part, section, subsection, paragraph, sentence,
 31 clause, phrase, item or such application thereof eliminated; and the General Assembly hereby declares that it would have passed this
 32 act if such unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, or item had not been included herein, or if
 33 such application had not been made.

34 § 4-13.00 CONFLICT WITH OTHER LAWS

35 Notwithstanding any other provision of law, and until June 30, 2018, the provisions of this act shall prevail over any conflicting
 36 provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting
 37 provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has
 38 clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if such
 39 other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is intended to
 40 prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict between the provision(s)
 41 of this act and the provision of such other law.

42 § 4-14.00 EFFECTIVE DATE

43 This act is effective on its passage as provided in § 1-214, Code of Virginia.

44 ADDITIONAL ENACTMENTS

45 3. That § 33.2-309 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in
 46 Chapter 1 of Title 33.2 a section numbered 33.2-118, as follows:

47 § 33.2-118. Limitation on tolling.

48 A. For purposes of this section, "auxiliary lane" means the portion of the roadway adjoining the traveled way as a shoulder or for speed
 49 change, turning, weaving, or the maneuvering of entering and leaving traffic.

1 B. Notwithstanding any other provision of this title, no toll may be imposed or collected on un-tolled lanes or components of a
 2 highway, bridge, or tunnel without approval from the General Assembly. However, such prohibition shall not apply to (i)
 3 reconstruction with additional lanes of a highway, bridge, or tunnel provided that the number of un-tolled non-high-occupancy
 4 vehicle lanes, excluding auxiliary lanes, after the reconstruction is not less than the number of un-tolled, non-high-occupancy
 5 vehicle lanes, excluding auxiliary lanes, prior to such reconstruction; (ii) new construction that is opened to the public as a tolled
 6 facility; (iii) new construction that is opened to the public as high-occupancy vehicle lanes; (iv) existing high-occupancy vehicle
 7 lanes; or (v) an existing lane on a segment of a highway whose length does not exceed 10 miles and is between an interchange and
 8 an interchange or an interchange and a bridge, provided that the number of un-tolled non-high-occupancy vehicle lanes on such
 9 segment is equal to the number of un-tolled non-high-occupancy vehicle lanes on the portion of the highway preceding such
 10 segment.

11 C. Notwithstanding the provisions of subsection B, prior approval of the General Assembly shall be required prior to the
 12 imposition and collection of any toll for use of all or any portion of (i) a non-limited access highway except for a bridge, tunnel, or
 13 the approaches to a bridge or tunnel or (ii) Interstate 81.

14 **§ 33.2-309. Tolls for use of Interstate System components.**

15 A. Subject to the limitations provided in § 33.2-118 and in accordance with all applicable federal and state statutes and
 16 requirements, the Board may impose and collect tolls from all classes of vehicles in amounts established by the Board for the use
 17 of any component of the Interstate System within the Commonwealth.

18 B. The toll facilities authorized by this section shall be subject to the provisions of federal law for the purpose of tolling motor
 19 vehicles to finance interstate construction and reconstruction, promote efficiency in the use of highways, reduce traffic congestion,
 20 and improve air quality and for such other purposes as may be permitted by federal law.

21 C. In order to mitigate traffic congestion in the vicinity of the toll facilities, no toll facility shall be operated without high-speed
 22 automated toll collection technology designed to allow motorists to travel through the toll facilities without stopping to make
 23 payments. Nothing in this subsection shall be construed to prohibit a toll facility from retaining means of nonautomated toll
 24 collection in some lanes of the facility. The Board shall also consider traffic congestion and mitigation thereof and the impact on
 25 local traffic movement as factors in determining the location of the toll facilities authorized pursuant to this section.

26 D. The revenues collected from each toll facility established pursuant to this section shall be deposited into segregated
 27 subaccounts in the Transportation Trust Fund and may be allocated by the Board as the Board deems appropriate to:

28 1. Pay or finance all or part of the costs of programs or projects, including the costs of planning, operation, maintenance, and
 29 improvements incurred in connection with the toll facility, provided that such allocations shall be limited to programs and projects
 30 that are reasonably related to or benefit the users of the toll facility. The priorities of metropolitan planning organizations,
 31 planning district commissions, local governments, and transportation corridors shall be considered by the Board in making project
 32 allocations from such revenues deposited into the Transportation Trust Fund.

33 2. Repay funds from the Toll Facilities Revolving Account or the Transportation Partnership Opportunity Fund.

34 3. Pay the Board's reasonable costs and expenses incurred in the administration and management of the toll facility.

35 **4. That the provisions of this act adding § 33.2-118 to the Code of Virginia, as created by this act, and § 33.2-309 of the**
 36 **Code of Virginia, as amended by this act, shall become effective upon the return of the Commonwealth's spot in the**
 37 **Interstate System Reconstruction and Rehabilitation Pilot Program.**

38 **5. Enactments 4 and 5 of Chapters 778 and 779 of the 2016 Acts of Assembly are hereby repealed. The General Assembly**
 39 **finds that the creation of the Virginia Growth and Opportunity Foundation to support the Board satisfies the intent of**
 40 **Enactment 4 of Chapters 778 and 779 of the 2016 Acts of Assembly.**

41 **6. Enactment 2 of Chapters 776 and 777 of the 2016 Acts of Assembly are hereby repealed.**

42 **7. A.I. Notwithstanding the provisions of § 2.2-1514, Code of Virginia, or any other provision of law, any general fund**
 43 **revenues collected and deposited for fiscal year 2017 that are in excess of the official forecast contained in this act, shall be**
 44 **reflected by the Comptroller as committed on the June 30, 2017, preliminary balance sheet pursuant to the provisions of**
 45 **this enactment for the purposes of establishing a cash reserve to mitigate any potential revenue shortfalls that may arise**
 46 **during the remainder of the biennium.**

47 **2. Notwithstanding the provisions of § 2.2-1514, Code of Virginia, or any other provision of law, any general fund revenues**
 48 **collected and deposited for fiscal year 2018 that are in excess of the official forecast contained in this act, shall be reflected by**
 49 **the Comptroller as committed on the June 30, 2018, preliminary balance sheet pursuant to the provisions of this section for the**
 50 **purposes of establishing a cash reserve to mitigate any potential revenue or transfer shortfalls that may arise during the**
 51 **remainder of the biennium.**

52 B. To determine the amounts that are to be committed, the Comptroller shall first determine the revenues that were

- 1 collected in excess of the revenues forecast in this act. He shall then reduce those revenues for the following adjustments:
- 2 1. Any amounts that must be restricted such as mandatory deposits to the Revenue Stabilization Fund.
- 3 2. Any amounts that normally would be committed or assigned pursuant to GASB standards.
- 4 3. Any amounts that must be committed for deposit to the Water Quality Improvement Fund from excess general fund revenue
5 collections pursuant to § 10.1-2128 A., Code of Virginia.
- 6 4. Any other amounts that are required to be committed or assigned pursuant to any other items or provisions of this act, which
7 would include mandatory carryforwards, unexpended balances in capital projects, and balances required to be carried forward
8 for fiscal year 2018 *or fiscal year 2019*.
- 9 C. The amount that remains after deduction of the amounts listed above from the surplus revenues on June 30, 2017, *or June*
10 *30, 2018*, shall be further reduced by fifty percent.
- 11 D. The Comptroller shall then reflect the remaining fifty percent as a commitment on the preliminary balance sheet entitled
12 Revenue Cash Reserve to be held solely for the purposes of mitigating any loss of general fund revenues *or transfers* in fiscal
13 year 2018 from the official forecast contained in this act.
- 14 E. The Comptroller may draw against the balances of the Revenue Cash Reserve for an amount equal to any shortfall in
15 general fund revenue *or transfer* collections from the official forecast contained in this act for fiscal year 2018.
- 16 8. That the provisions of the first enactment, second enactment, and seventh enactment of this act shall expire at midnight on
17 June 30, 2018. The provisions of the third, fourth, fifth, and sixth enactments of this act shall have no expiration date.

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