

2018 SPECIAL SESSION I

SENATE SUBSTITUTE

18200255D

HOUSE BILL NO. 5001

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

Proposed by Senator Hanger

on May 29, 2018

(Patron Prior to Substitute - Delegate Jones, S.C.)

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.

Be it enacted by the General Assembly of Virginia:

1. That Items 6, 53, 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-14.50, C-19, C-24.15, C-50, C-52.45, C-52.60, C-52.75, C-54, 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 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 (\$346,679,260) | \$241,148,502 (\$233,750,155) |
| 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 |
| Transfers | \$650,847,811 | \$640,823,562 \$625,284,929 | -\$1,291,671,373 \$1,276,132,740 |
| Total General Fund Resources Available for Appropriation | \$20,242,836,595 \$20,897,490,232 | \$20,234,892,849 \$19,879,331,103 | -\$40,477,729,444 \$40,776,821,335 |

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 \$28,121,292,152 | \$56,072,380,145 \$55,892,726,023 |

| | | | | |
|----|------------------------|------------------|------------------|-------------------|
| 1 | Lottery Proceeds Fund | \$599,982,144 | \$546,495,789 | \$1,146,477,933 |
| 2 | | | \$596,659,574 | \$1,196,641,718 |
| 3 | Internal Service Fund | \$2,077,103,387 | \$2,174,937,786 | \$4,252,041,173 |
| 4 | | | \$1,975,159,775 | \$4,052,263,162 |
| 5 | Bond Proceeds | \$384,882,000 | \$408,626,132 | \$793,508,132 |
| 6 | | | \$412,884,132 | \$797,766,132 |
| 7 | Total Nongeneral Fund | | | |
| 8 | Revenues Available for | | | |
| 9 | Appropriation | \$35,629,377,645 | \$31,431,005,981 | \$67,060,383,626 |
| 10 | | | \$31,105,995,633 | \$66,735,373,278 |
| 11 | TOTAL PROJECTED | | | |
| 12 | REVENUES | \$55,872,214,240 | \$51,665,898,830 | \$107,538,113,070 |
| 13 | | \$56,526,867,877 | \$50,985,326,736 | \$107,512,194,613 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| 41 | BIENNIUM 2016-18 | | | |
|----|-------------------------|------------------------|------------------|-------------------|
| 42 | General Fund | Nongeneral Fund | Total | |
| 43 | OPERATING EXPENSES | \$40,468,348,902 | \$63,654,062,447 | \$104,122,411,349 |
| 44 | | \$40,563,660,539 | \$64,236,800,263 | \$104,800,460,802 |
| 45 | LEGISLATIVE | | | |
| 46 | DEPARTMENT | \$164,767,347 | \$6,776,127 | \$171,543,474 |
| 47 | | | 7,086,127 | \$171,853,474 |

| | | | | |
|----|----------------------|-----------------------------|-----------------------------|------------------------------|
| 1 | JUDICIAL DEPARTMENT | \$968,525,789 | \$66,480,945 | \$1,035,006,734 |
| 2 | EXECUTIVE | \$39,333,570,633 | \$62,390,912,891 | \$101,724,483,524 |
| 3 | DEPARTMENT | \$39,428,882,270 | \$62,964,995,834 | \$102,393,878,104 |
| 4 | INDEPENDENT AGENCIES | \$1,485,133 | \$1,189,892,484 | \$1,191,377,617 |
| 5 | | | \$1,198,237,357 | \$1,199,722,490 |
| 6 | STATE GRANTS TO | | | |
| 7 | NONSTATE AGENCIES | \$0 | \$0 | \$0 |
| 8 | CAPITAL OUTLAY | | | |
| 9 | EXPENSES | \$1,000,000 | \$1,033,878,832 | \$1,034,878,832 |
| 10 | | | \$1,048,136,832 | \$1,049,136,832 |
| 11 | TOTAL | \$40,469,348,902 | \$64,687,941,279 | \$105,157,290,181 |
| 12 | | \$40,564,660,539 | \$65,284,937,095 | \$105,849,597,634 |

13 § 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. | Legislative Research and Analysis (78400)..... | | \$7,109,913 | \$6,612,233 |
| 10 | | | | | \$6,922,233 |
| 11 | | Bill Drafting and Preparation (78401)..... | \$7,109,913 | \$6,612,233 | |
| 12 | | | | \$6,922,233 | |
| 13 | | Fund Sources: General..... | \$6,842,039 | \$6,592,199 | |
| 14 | | Special..... | \$267,874 | \$20,034 | |
| 15 | | | | \$330,034 | |
| 16 | | Authority: Title 30, Chapter 2.2, Code of Virginia. | | | |
| 17 | | A. Out of this appropriation shall be paid the annual salary of the Director, Division of | | | |
| 18 | | Legislative Services, \$157,374 from July 1, 2016, to June 24, 2017 and \$157,374 from June | | | |
| 19 | | 25, 2017, to June 30, 2018. | | | |
| 20 | | B. Notwithstanding the salary set out in paragraph A. of this item, the Committee on Joint | | | |
| 21 | | Rules may establish a salary range for the Director, Division of Legislative Services. | | | |
| 22 | | C. The Division of Legislative Services shall continue to provide administrative support to | | | |
| 23 | | include payroll processing, accounting, and travel expense processing at no charge to the | | | |
| 24 | | Chesapeake Bay Commission, the Joint Commission on Health Care, the Virginia | | | |
| 25 | | Commission on Youth, and the Virginia State Crime Commission. | | | |
| 26 | | D. Out of this appropriation, \$250,000 the first year from the general fund is provided to | | | |
| 27 | | support the work of the Senate Joint Resolution 47 (2014) Joint Subcommittee to Study | | | |
| 28 | | Mental Health Services in the Commonwealth in the 21st Century. The funding may be used | | | |
| 29 | | to contract for expertise and assistance in its work to evaluate the community-based system of | | | |
| 30 | | service delivery or other related topics as required by the work of the Joint Subcommittee. | | | |
| 31 | | Any contractor hired shall evaluate the current system along with alternative delivery systems | | | |
| 32 | | to provide the necessary information and assistance to the subcommittee in determining the | | | |
| 33 | | most appropriate delivery system, or modifications to the current delivery system, that ensures | | | |
| 34 | | access, quality, consistency, and accountability. Any remaining balance at year-end shall be | | | |
| 35 | | carried forward to the subsequent fiscal year. | | | |
| 36 | | E. Included in this item is \$247,840 in the first year <i>and</i> \$310,000 in the second year from | | | |
| 37 | | dedicated special revenue to implement the recommendations of the Chesapeake Bay | | | |
| 38 | | Restoration Fund Advisory Committee. | | | |
| 39 | | Total for Division of Legislative Services..... | | \$7,109,913 | \$6,612,233 |
| 40 | | | | | \$6,922,233 |
| 41 | | General Fund Positions..... | 56.00 | 56.00 | |
| 42 | | Position Level..... | 56.00 | 56.00 | |
| 43 | | Fund Sources: General..... | \$6,842,039 | \$6,592,199 | |

| ITEM 6. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|------------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Special..... | \$267,874 | | |
| 2 | | | | \$20,034 |
| | | | | \$330,034 |
| 3 | 7. Not set out. | | | |
| 4 | 8. Not set out. | | | |
| 5 | 9. Not set out. | | | |
| 6 | 10. Not set out. | | | |
| 7 | 11. Not set out. | | | |
| 8 | 12. Not set out. | | | |
| 9 | 13. Not set out. | | | |
| 10 | 14. Not set out. | | | |
| 11 | 15. Not set out. | | | |
| 12 | 16. Not set out. | | | |
| 13 | 17. Not set out. | | | |
| 14 | 18. Not set out. | | | |
| 15 | 19. Not set out. | | | |
| 16 | 20. Not set out. | | | |
| 17 | 21. Not set out. | | | |
| 18 | 22. Not set out. | | | |
| 19 | 23. Not set out. | | | |
| 20 | 24. Omitted. | | | |
| 21 | 25. Not set out. | | | |
| 22 | 26. Not set out. | | | |
| 23 | 27. Omitted. | | | |
| 24 | 28. Not set out. | | | |
| 25 | 28.10 Not set out. | | | |
| 26 | Grand Total for Division of Legislative Services..... | | | |
| 27 | | | | \$8,867,608 |
| 28 | General Fund Positions..... | 67.50 | 67.50 | |
| 29 | Position Level..... | 67.50 | 67.50 | |
| 30 | Fund Sources: General..... | \$8,475,060 | \$8,242,982 | |
| 31 | Special..... | \$392,548 | \$44,131 | |
| 32 | | | \$354,131 | |
| | | | | \$8,287,113 |
| | | | | \$8,597,113 |

| ITEM 29. | Item Details(\$) | | Appropriations(\$) | |
|----------|---------------------------------------|-----------------------|------------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 29. | Not set out. | | | |
| 2 30. | Not set out. | | | |
| 3 31. | Not set out. | | | |
| 4 32. | Not set out. | | | |
| 5 33. | Not set out. | | | |
| 6 34. | Not set out. | | | |
| 7 35. | Not set out. | | | |
| 8 36. | Not set out. | | | |
| 9 | TOTAL FOR LEGISLATIVE DEPARTMENT..... | | \$83,896,856 | \$87,646,618 |
| 10 | | | | \$87,956,618 |
| 11 | General Fund Positions..... | 592.50 | 593.50 | |
| 12 | Nongeneral Fund Positions..... | 26.50 | 28.50 | |
| 13 | Position Level..... | 619.00 | 622.00 | |
| 14 | Fund Sources: General..... | \$80,459,665 | \$84,307,682 | |
| 15 | Special..... | \$3,183,825 | \$3,085,563 | |
| 16 | | | \$3,395,563 | |
| 17 | Trust and Agency..... | \$115,717 | \$115,717 | |
| 18 | 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 | | |
| 27 | | the 15th and 25th Circuits, for a total of seven Circuit Court judgeships to be filled as of | | |
| 28 | | July 1, 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 | | |
| 31 | | to be filled as of July 1, 2016. | | |
| 32 | | 3. Juvenile and Domestic Relations District Court judgeships: one each in the 5th, 17th, | | |
| 33 | | and 29th Districts, for a total of three Juvenile and Domestic Relations District Court | | |
| 34 | | judgeships to be filled as of July 1, 2016, and one in the 13th District to be filled as of | | |
| 35 | | 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 two | | | | |
| 5 | 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, and | | | | |
| 7 | 20th Districts, for a total of three Juvenile and Domestic Relations District Court judgeships | | | | |
| 8 | 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 shall | | | | |
| 10 | 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 of | | | | |
| 12 | 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 the | | | | |
| 17 | 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 | <i>G. On or before June 30, 2018, the Director, Department of Planning and Budget, shall</i> | | | | |
| 22 | <i>transfer to the general fund \$1,500,000 the second year from the fiscal year 2017 balances of</i> | | | | |
| 23 | <i>the Criminal Fund.</i> | | | | |
| 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 | | Regulatory and Consumer Advocacy (55201)..... | \$3,540,386 | \$3,040,386 |
| 13 | | Fund Sources: General..... | \$1,620,729 | \$1,620,729 |
| 14 | | Special..... | \$1,919,657 | \$1,419,657 |
| 15 | Authority: Title 2.2, Chapter 5, Code of Virginia. | | | |
| 16 | Included in this Item is \$1,250,000 the first year and \$1,250,000 the second year from | | | |
| 17 | special funds for the Regulatory, Consumer Advocacy, Litigation, and Enforcement | | | |
| 18 | Revolving Trust Fund as established in Item 48 of Chapter 966 of the Acts of Assembly | | | |
| 19 | 1994 and amended herein. The Department of Law is authorized to deposit to the fund any | | | |
| 20 | fees, civil penalties, costs, recoveries, or other moneys which from time to time may | | | |
| 21 | become available as a result of regulatory and consumer advocacy litigation, litigation in | | | |
| 22 | which the Office of the Attorney General participates, or civil enforcement efforts | | | |
| 23 | including, but not limited to, those brought pursuant to Article 1 (§ 3.2-4200 et seq.) and | | | |
| 24 | Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2 of the Code of Virginia. The | | | |
| 25 | Department of Law is also authorized to deposit to the fund any attorneys' fees which from | | | |
| 26 | time to time may be obtained. Any deposit to, and interest earnings on, the fund shall be | | | |
| 27 | retained in the fund, provided, however, that any amounts contained in the fund that | | | |
| 28 | exceed \$750,000 on the final day of the fiscal year shall be deposited to the credit of the | | | |
| 29 | general fund. In addition to the uses of the fund permitted by Item 48 of Chapter 966 of | | | |
| 30 | the Acts of Assembly of 1994, the fund may be used to pay costs associated with | | | |
| 31 | enforcement efforts pursuant to Article 1 (§ 3.2-4200 et seq.) and Article 3 (§ 3.2-4204 et | | | |
| 32 | seq.) of Chapter 42 of Title 3.2 of the Code of Virginia, costs associated with litigation | | | |
| 33 | initiated by the Office of the Attorney General, and costs associated with civil | | | |
| 34 | commitment procedures pursuant to Chapter 9 of Title 37.2 of the Code of Virginia. | | | |
| 35 | 62. | Not set out. | | |
| 36 | 63. | Not set out. | | |
| 37 | Total for Attorney General and Department of Law | | | \$48,328,403 |
| 38 | General Fund Positions..... | | 218.00 | 218.00 |
| 39 | Nongeneral Fund Positions..... | | 194.00 | 194.00 |
| 40 | Position Level..... | | 412.00 | 412.00 |
| 41 | Fund Sources: General..... | | \$22,827,749 | \$22,828,509 |
| 42 | Special..... | | \$14,903,358 | \$14,404,471 |

| ITEM 63. | | Item Details(\$) | | Appropriations(\$) | |
|----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Federal Trust..... | \$10,597,296 | \$10,597,296 | | |
| 2 | 64. Not set out. | | | | |
| 3 | Grand Total for Attorney General and Department of | | | | |
| 4 | Law..... | | | \$50,840,965 | \$50,342,838 |
| 5 | General Fund Positions..... | 218.00 | 218.00 | | |
| 6 | Nongeneral Fund Positions..... | 220.00 | 220.00 | | |
| 7 | Position Level..... | 438.00 | 438.00 | | |
| 8 | Fund Sources: General..... | \$22,827,749 | \$22,828,509 | | |
| 9 | Special..... | \$17,415,920 | \$16,917,033 | | |
| 10 | Federal Trust..... | \$10,597,296 | \$10,597,296 | | |
| 11 | 65. Not set out. | | | | |
| 12 | 66. Not set out. | | | | |
| 13 | 67. Not set out. | | | | |
| 14 | TOTAL FOR EXECUTIVE OFFICES..... | | | \$65,594,202 | \$65,010,576 |
| 15 | General Fund Positions..... | 304.67 | 304.67 | | |
| 16 | Nongeneral Fund Positions..... | 237.33 | 237.33 | | |
| 17 | Position Level..... | 542.00 | 542.00 | | |
| 18 | Fund Sources: General..... | \$35,206,202 | \$35,121,463 | | |
| 19 | Special..... | \$17,698,310 | \$17,199,423 | | |
| 20 | Commonwealth Transportation..... | \$2,003,511 | \$2,003,511 | | |
| 21 | Dedicated Special Revenue..... | \$88,883 | \$88,883 | | |
| 22 | 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 | | |
| 5 | | Regional Jails (30700)..... | | \$454,667,560 |
| 6 | | | | \$461,578,851 |
| 7 | | Financial Assistance for Regional Jail Operations | | |
| 8 | | (30710)..... | | \$147,429,386 |
| 9 | | | | \$147,486,762 |
| | | | | \$146,301,937 |
| 10 | | Financial Assistance for Local Law Enforcement | | |
| 11 | | (30712)..... | | \$91,529,820 |
| 12 | | | | \$92,907,980 |
| | | | | \$92,950,277 |
| 13 | | Financial Assistance for Local Court Services | | |
| 14 | | (30713)..... | | \$54,132,394 |
| 15 | | | | \$56,024,027 |
| | | | | \$56,079,085 |
| 16 | | Financial Assistance to Sheriffs (30716)..... | | \$12,267,597 |
| 17 | | Financial Assistance for Local Jail Operations | | |
| 18 | | (30718)..... | | \$149,308,363 |
| 19 | | | | \$152,095,726 |
| | | | | \$152,036,329 |
| 20 | | Fund Sources: General..... | | \$446,667,560 |
| 21 | | | | \$453,578,851 |
| 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 | | | |
| 24 | of Virginia. | | | |
| 25 | A.1. The annual salaries of the sheriffs of the counties and cities of the Commonwealth | | | |
| 26 | shall be as hereinafter prescribed, according to the population of the city or county served | | | |
| 27 | and whether the sheriff is charged with civil processing and courtroom security | | | |
| 28 | responsibilities only, or the added responsibilities of law enforcement or operation of a | | | |
| 29 | jail, or both. Execution of arrest warrants shall not, in and of itself, constitute law | | | |
| 30 | enforcement responsibilities for the purpose of determining the salary for which a sheriff | | | |
| 31 | is eligible. | | | |
| 32 | 2. Whenever a sheriff is such for a county and city together, or for two or more cities, the | | | |
| 33 | aggregate population of such political subdivisions shall be the population for the purpose | | | |
| 34 | of arriving at the salary of such sheriff under the provisions of this item and such sheriff | | | |
| 35 | shall receive as additional compensation the sum of one thousand dollars. | | | |
| 36 | | July 1, 2016 | July 1, 2017 | December 1, 2017 |
| | | to | to | to |
| 37 | | June 30, 2017 | November 30, 2017 | June 30, 2018 |
| 38 | Law Enforcement and Jail Responsibility | | | |
| 39 | Less than 10,000 | \$68,077 | \$68,077 | \$68,077 |
| 40 | 10,000 to 19,999 | \$78,248 | \$78,248 | \$78,248 |
| 41 | 20,000 to 39,999 | \$85,988 | \$85,988 | \$85,988 |
| 42 | 40,000 to 69,999 | \$93,466 | \$93,466 | \$93,466 |
| 43 | 70,000 to 99,999 | \$103,850 | \$103,850 | \$103,850 |
| 44 | 100,000 to 174,999 | \$115,391 | \$115,391 | \$115,391 |
| 45 | 175,000 to 249,999 | \$121,463 | \$121,463 | \$121,463 |
| 46 | 250,000 and above | \$134,958 | \$134,958 | \$134,958 |
| 47 | Law Enforcement or Jail | | | |
| 48 | Less than 10,000 | \$66,714 | \$66,714 | \$66,714 |

| ITEM 69. | | Item Details(\$) | | Appropriations(\$) | |
|----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 10,000 to 19,999 | \$76,683 | \$76,683 | \$76,683 | \$76,683 |
| 2 | 20,000 to 39,999 | \$84,267 | \$84,267 | \$84,267 | \$84,267 |
| 3 | 40,000 to 69,999 | \$91,596 | \$91,596 | \$91,596 | \$91,596 |
| 4 | 70,000 to 99,999 | \$101,774 | \$101,774 | \$101,774 | \$101,774 |
| 5 | 100,000 to 174,999 | \$113,081 | \$113,081 | \$113,081 | \$113,081 |
| 6 | 175,000 to 249,999 | \$119,034 | \$119,034 | \$119,034 | \$119,034 |
| 7 | 250,000 and above | \$132,934 | \$132,934 | \$132,934 | \$132,934 |
| 8 | No Law Enforcement or Jail Responsibility | | | | |
| 9 | Less than 10,000 | \$62,686 | \$62,686 | \$62,686 | \$62,686 |
| 10 | 10,000 to 19,999 | \$69,651 | \$69,651 | \$69,651 | \$69,651 |
| 11 | 20,000 to 39,999 | \$77,388 | \$77,388 | \$77,388 | \$77,388 |
| 12 | 40,000 to 69,999 | \$85,988 | \$85,988 | \$85,988 | \$85,988 |
| 13 | 70,000 to 99,999 | \$95,543 | \$95,543 | \$95,543 | \$95,543 |
| 14 | 100,000 to 174,999 | \$106,158 | \$106,158 | \$106,158 | \$106,158 |
| 15 | 175,000 to 249,999 | \$111,743 | \$111,743 | \$111,743 | \$111,743 |
| 16 | 250,000 and above | \$125,511 | \$125,511 | \$125,511 | \$125,511 |
| 17 | B. Out of the amounts provided for in this Item, no expenditures shall be made to provide | | | | |
| 18 | security devices such as magnetometers in standard use in major metropolitan airports. | | | | |
| 19 | Personnel expenditures for operation of such equipment incidental to the duties of courtroom | | | | |
| 20 | and courthouse security deputies may be authorized, provided that no additional expenditures | | | | |
| 21 | for personnel shall be approved for the principal purpose of operating these devices. | | | | |
| 22 | C. Notwithstanding the provisions of § 53.1-120, or any other section of the Code of Virginia, | | | | |
| 23 | unless a judge provides the sheriff with a written order stating that a substantial security risk | | | | |
| 24 | exists in a particular case, no courtroom security deputies may be ordered for civil cases, not | | | | |
| 25 | more than one deputy may be ordered for criminal cases in a district court, and not more than | | | | |
| 26 | two deputies may be ordered for criminal cases in a circuit court. In complying with such | | | | |
| 27 | orders for additional security, the sheriff may consider other deputies present in the courtroom | | | | |
| 28 | as part of his security force. | | | | |
| 29 | D. Should the scheduled opening date of any facility be delayed for which funds are available | | | | |
| 30 | in this Item, the Director, Department of Planning and Budget, may allot such funds as the | | | | |
| 31 | Compensation Board may request to allow the employment of staff for training purposes not | | | | |
| 32 | more than 45 days prior to the rescheduled opening date for the facility. | | | | |
| 33 | E. Consistent with the provisions of paragraph B of Item 76, the board shall allocate the | | | | |
| 34 | additional jail deputies provided in this appropriation using a ratio of one jail deputy for every | | | | |
| 35 | 3.0 beds of operational capacity. Operational capacity shall be determined by the Department | | | | |
| 36 | of Corrections. No additional deputy sheriffs shall be provided from this appropriation to a | | | | |
| 37 | local jail in which the present staffing exceeds this ratio unless the jail is overcrowded. | | | | |
| 38 | Overcrowding for these purposes shall be defined as when the average annual daily | | | | |
| 39 | population exceeds the operational capacity. In those jails experiencing overcrowding, the | | | | |
| 40 | board may allocate one additional jail deputy for every five average annual daily prisoners | | | | |
| 41 | above operational capacity. Should overcrowding be reduced or eliminated in any jail, the | | | | |
| 42 | Compensation Board shall reallocate positions previously assigned due to overcrowding to | | | | |
| 43 | other jails in the Commonwealth that are experiencing overcrowding. | | | | |
| 44 | F. Two-thirds of the salaries set by the Compensation Board of medical, treatment, and inmate | | | | |
| 45 | classification positions approved by the Compensation Board for local correctional facilities | | | | |
| 46 | shall be paid out of this appropriation. | | | | |
| 47 | G.1. Subject to appropriations by the General Assembly for this purpose, the Compensation | | | | |
| 48 | Board shall provide for a master deputy pay grade to those sheriffs' offices which had | | | | |
| 49 | certified, on or before January 1, 1997, having a career development plan for deputy sheriffs | | | | |
| 50 | that meet the minimum criteria set forth by the Compensation Board for such plans. The | | | | |
| 51 | Compensation Board shall allow for additional grade 9 positions, at a level not to exceed one | | | | |
| 52 | grade 9 master deputy per every five Compensation Board grade 7 and 8 deputy positions in | | | | |
| 53 | each sheriff's office. | | | | |

| ITEM 69. | Item Details(\$) | | Appropriations(\$) | |
|----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 2. Each sheriff who desires to participate in the Master Deputy Program who had not | | | |
| 2 | certified a career development plan on or before January 1, 1997, may elect to participate | | | |
| 3 | by certifying to the Compensation Board that the career development plan in effect in his | | | |
| 4 | office meets the minimum criteria for such plans as set by the Compensation Board. Such | | | |
| 5 | election shall be made by July 1 for an effective date of participation the following July 1. | | | |
| 6 | 3. Subject to appropriations by the General Assembly for this purpose, funding shall be | | | |
| 7 | provided by the Compensation Board for participation in the Master Deputy Program to | | | |
| 8 | sheriffs' offices electing participation after January 1, 1997, according to the date of | | | |
| 9 | receipt by the Compensation Board of the election by the sheriff. | | | |
| 10 | H. The Compensation Board shall estimate biannually the number of additional law | | | |
| 11 | enforcement deputies which will be needed in accordance with § 15.2-1609.1, Code of | | | |
| 12 | Virginia. Such estimate of the number of positions and related costs shall be included in | | | |
| 13 | the board's biennial budget request submission to the Governor and General Assembly. | | | |
| 14 | The allocation of such positions, established by the Governor and General Assembly in | | | |
| 15 | Item 76 of this act, shall be determined by the Compensation Board on an annual basis. | | | |
| 16 | The annual allocation of these positions to local sheriffs' offices shall be based upon the | | | |
| 17 | most recent final population estimate for the locality that is available to the Compensation | | | |
| 18 | Board at the time when the agency's annual budget request is completed. The source of | | | |
| 19 | such population estimates shall be the Weldon Cooper Center for Public Service of the | | | |
| 20 | University of Virginia or the United States Bureau of the Census. For the first year of the | | | |
| 21 | biennium, the Compensation Board shall allocate positions based upon the most recent | | | |
| 22 | provisional population estimates available at the time the agency's annual budget is | | | |
| 23 | completed. | | | |
| 24 | I. Any amount in the program Financial Assistance for Sheriffs' Offices and Regional Jails | | | |
| 25 | may be transferred between Items 69 and 70, as needed, to cover any deficits incurred in | | | |
| 26 | the programs Financial Assistance for Confinement of Inmates in Local and Regional | | | |
| 27 | Facilities, and Financial Assistance for Sheriffs' Offices and Regional Jails. | | | |
| 28 | J.1. Subject to appropriations by the General Assembly for this purpose, the Compensation | | | |
| 29 | Board shall provide for a Sheriffs' Career Development Program. | | | |
| 30 | 2. Following receipt of a sheriff's certification that the minimum requirements of the | | | |
| 31 | Sheriffs' Career Development Program have been met, and provided that such certification | | | |
| 32 | is submitted by sheriffs as part of their annual budget request to the Compensation Board | | | |
| 33 | on or before February 1 of each year, the Compensation Board shall increase the annual | | | |
| 34 | salary shown in paragraph A of this Item by the percentage shown herein for a twelve- | | | |
| 35 | month period effective the following July 1. | | | |
| 36 | a. 9.3 percent increase for all sheriffs who certify their compliance with the established | | | |
| 37 | minimum criteria for the Sheriffs' Career Development Program where such criteria | | | |
| 38 | includes that a sheriff has achieved certification in a program agreed upon by the | | | |
| 39 | Compensation Board and the Virginia Sheriffs' Institute by Virginia Commonwealth | | | |
| 40 | University , or, where such criteria include that a sheriff's office seeking accreditation has | | | |
| 41 | been assessed and will be considered for accreditation by the accrediting body no later | | | |
| 42 | than March 1, and have achieved accreditation by March 1 from the Virginia Law | | | |
| 43 | Enforcement Professional Standards Commission, or the Commission on Accreditation of | | | |
| 44 | Law Enforcement agencies, or the American Correctional Association. | | | |
| 45 | b. For sheriffs that have not achieved one of the above accreditations: | | | |
| 46 | 1. 3.1 percent for all sheriffs who certify their compliance with the established minimum | | | |
| 47 | criteria for the Sheriffs' Career Development Program; and | | | |
| 48 | 2. 3.1 percent additional increase for sheriffs who certify their compliance with the | | | |
| 49 | established minimum criteria for the Sheriffs' Career Development Program and operate a | | | |
| 50 | 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 to | | | | |
| 2 | sheriffs certifying their compliance with the established minimum criteria for the Sheriffs' | | | | |
| 3 | Career Development Program prior to July 1, 2016, and shall expire on June 30, 2018. | | | | |
| 4 | 5. Other constitutional officers' associations may request the General Assembly to include | | | | |
| 5 | certification in a program agreed upon by the Compensation Board and the officers' | | | | |
| 6 | associations by the Weldon Cooper Center for Public Service to the requirements for | | | | |
| 7 | participation in their respective career development programs. | | | | |
| 8 | K. Notwithstanding the provisions of Article 7, Chapter 15, Title 56, Code of Virginia, | | | | |
| 9 | \$8,000,000 the first year and \$8,000,000 the second year from the Wireless E-911 Fund is | | | | |
| 10 | included in this appropriation for local law enforcement dispatchers to offset dispatch center | | | | |
| 11 | operations and related costs. | | | | |
| 12 | L. Notwithstanding the provisions of §§ 53.1-131 through 53.1-131.3, Code of Virginia, local | | | | |
| 13 | and regional jails may charge inmates participating in inmate work programs a reasonable | | | | |
| 14 | daily amount, not to exceed the actual daily cost, to operate the program. | | | | |
| 15 | M. Included in this appropriation is \$1,064,770 the first year and \$1,064,770 the second year | | | | |
| 16 | from the general fund for the Compensation Board to contract for services to be provided by | | | | |
| 17 | the Virginia Center for Policing Innovation to implement and maintain the interface between | | | | |
| 18 | all local and regional jails in the Commonwealth and the Statewide Automated Victim | | | | |
| 19 | Notification (SAVIN) system, to provide for SAVIN program coordination, and to maintain | | | | |
| 20 | the interface between SAVIN and the Virginia Sex Offender Registry. All law enforcement | | | | |
| 21 | agencies receiving general funds pursuant to this item shall provide the data requirements | | | | |
| 22 | necessary to participate in the SAVIN system. | | | | |
| 23 | N. Included in this appropriation is \$23,793 in the second year from the general fund to | | | | |
| 24 | provide for increased participation ,effective August 1, 2017, in the Sheriffs' Career | | | | |
| 25 | Development Program. | | | | |
| 26 | O. Included in this appropriation is \$1,862,058 in the second year from the general fund to | | | | |
| 27 | provide for increased participation ,effective August 1, 2017, in the Sheriff's Master Deputy | | | | |
| 28 | Career Development Program. | | | | |
| 29 | P. Included in this appropriation is \$1,824,731 in the first year and \$1,992,042 in the second | | | | |
| 30 | year from the general fund to support staffing costs associated with the expansion project at | | | | |
| 31 | Central Virginia Regional Jail. | | | | |
| 32 | Q. Included in this appropriation is \$171,693 in the first year and \$179,474 in the second year | | | | |
| 33 | from the general fund to support staffing costs associated with the expansion project at | | | | |
| 34 | Pamunkey Regional Jail. | | | | |
| 35 | R. Included in this appropriation is \$7,266,074 in the second year from the general fund to | | | | |
| 36 | implement a salary compression plan for sheriffs' offices and regional jails ,effective August | | | | |
| 37 | 1, 2017. The base salary of each sworn officer with three or more years of continuous service | | | | |
| 38 | shall be increased by an amount equal to \$80 for each full year of service, up to a maximum | | | | |
| 39 | of thirty years. The base salary of each non-sworn officer with three or more years of | | | | |
| 40 | continuous service shall be increased by an amount equal to \$65 for each full year of service, | | | | |
| 41 | up to a maximum of thirty years. | | | | |
| 42 | 70. Not set out. | | | | |
| 43 | 71. Not set out. | | | | |
| 44 | 72. Not set out. | | | | |
| 45 | 73. Not set out. | | | | |
| 46 | 74. Not set out. | | | | |
| 47 | 75. Not set out. | | | | |

| ITEM 76. | | Item Details(\$) | | Appropriations(\$) | |
|----------|-----|--|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 76. | Not set out. | | | |
| 2 | | Total for Compensation Board..... | | \$683,910,435 | \$692,931,824 |
| 3 | | | | | \$691,784,957 |
| 4 | | General Fund Positions..... | 20.00 | 20.00 | |
| 5 | | Nongeneral Fund Positions..... | 1.00 | 1.00 | |
| 6 | | Position Level..... | 21.00 | 21.00 | |
| 7 | | Fund Sources: General..... | \$667,509,723 | \$676,531,112 | |
| 8 | | | | \$675,384,245 | |
| 9 | | Trust and Agency..... | \$8,000,712 | \$8,000,712 | |
| 10 | | Dedicated Special Revenue..... | \$8,400,000 | \$8,400,000 | |
| 11 | 77. | Not set out. | | | |
| 12 | 78. | Not set out. | | | |
| 13 | 79. | Not set out. | | | |
| 14 | 80. | Not set out. | | | |
| 15 | 81. | Not set out. | | | |
| 16 | 82. | Not set out. | | | |
| 17 | 83. | Not set out. | | | |
| 18 | | § 1-5. DEPARTMENT OF HUMAN RESOURCE MANAGEMENT (129) | | | |
| 19 | 84. | Personnel Management Services (70400)..... | | \$17,929,317 | \$18,097,180 |
| 20 | | | | | \$17,267,180 |
| 21 | | Agency Human Resource Services (70401)..... | \$2,998,734 | \$1,013,879 | |
| 22 | | Human Resource Service Center (70402)..... | \$1,254,584 | \$1,254,584 | |
| 23 | | Equal Employment Services (70403)..... | \$819,418 | \$819,418 | |
| 24 | | Health Benefits Services (70406)..... | \$6,803,269 | \$7,405,908 | |
| 25 | | | | \$6,405,908 | |
| 26 | | Personnel Development Services (70409)..... | \$1,036,577 | \$659,577 | |
| 27 | | Personnel Management Information System | | | |
| 28 | | (70410)..... | \$0 | \$1,827,972 | |
| 29 | | Employee Dispute Resolution Services (70416)..... | \$949,598 | \$949,598 | |
| 30 | | State Employee Program Services (70417)..... | \$1,815,577 | \$2,009,346 | |
| 31 | | | | \$2,179,346 | |
| 32 | | State Employee Workers' Compensation Services | | | |
| 33 | | (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 | | Special..... | \$9,700,873 | \$1,235,048 | |
| 37 | | | | \$1,405,048 | |
| 38 | | Enterprise..... | \$0 | \$2,901,717 | |
| 39 | | | | \$2,401,717 | |
| 40 | | Internal Service..... | \$0 | \$7,609,204 | |
| 41 | | | | \$7,109,204 | |
| 42 | | Trust and Agency..... | \$1,367,467 | \$1,560,372 | |
| 43 | | Authority: Title 2.2, Chapters 12 and 28 through 32, Code of Virginia. | | | |
| 44 | | A. The Department of Human Resource Management shall report any proposed changes in | | | |
| 45 | | premiums, benefits, carriers, or provider networks to the Governor and the Chairmen of | | | |
| 46 | | the House Appropriations and Senate Finance Committees at least sixty days prior to | | | |
| 47 | | implementation. | | | |

| ITEM 84. | | Item Details(\$) | | Appropriations(\$) | |
|----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | B.1. The Department of Human Resource Management shall operate a human resource | | | | |
| 2 | service center to support the human resource needs of those agencies identified by the | | | | |
| 3 | Secretary of Administration in consultation with the Department of Planning and Budget. The | | | | |
| 4 | agencies identified shall cooperate with the Department of Human Resource Management by | | | | |
| 5 | transferring such records and functions as may be required. | | | | |
| 6 | 2. Out of this appropriation, \$590,353 the first year and \$590,353 the second year from the | | | | |
| 7 | general fund shall be used to support the human resource service center. | | | | |
| 8 | 3. Nothing in this paragraph shall prohibit additional agencies from using the services of the | | | | |
| 9 | center; however, these additional agencies' use of the human resource service center shall be | | | | |
| 10 | subject to approval by the affected cabinet secretary and the Secretary of Administration. | | | | |
| 11 | 4. a. Agencies that are partially or fully funded with nongeneral funds that receive approval by | | | | |
| 12 | the affected cabinet secretary and the Secretary of Administration to join the human resource | | | | |
| 13 | service center, on or after July 1, 2014, shall pay the Department of Human Resource | | | | |
| 14 | Management the costs to support the human resource service center. The agency's share of the | | | | |
| 15 | costs to support the human resource service center shall be based on the agency's applicable | | | | |
| 16 | nongeneral fund expenditures as set out in § 4-5.03 of this act. | | | | |
| 17 | b. The rates required to recover the costs of the human resource service center shall be | | | | |
| 18 | provided by the Department of Human Resource Management to the Department of Planning | | | | |
| 19 | and Budget by September 1 each year for review and approval of the subsequent fiscal year's | | | | |
| 20 | rate in accordance with § 4-5.03 of this act. | | | | |
| 21 | c. The rates for the human resource service center shall be \$995.00 per full-time equivalent | | | | |
| 22 | and \$398.00 per wage employee the first year and \$995.00 per full-time equivalent and | | | | |
| 23 | \$398.00 per wage employee the second year. | | | | |
| 24 | C. The institutions of higher education shall be exempt from the centralized advertising | | | | |
| 25 | requirements identified in Executive Order 73 (01). | | | | |
| 26 | D.1. To ensure fair and equitable performance reviews, the Department of Human Resource | | | | |
| 27 | Management, within available resources, is directed to provide performance management | | | | |
| 28 | training to agencies and institutions of higher education with classified employees. | | | | |
| 29 | 2. Agency heads in the Executive Department are directed to require appropriate performance | | | | |
| 30 | management training for all agency supervisors and managers. | | | | |
| 31 | E. The Department of Human Resource Management shall take into account the claims | | | | |
| 32 | experience of each agency and institution when setting premiums for the workers' | | | | |
| 33 | compensation program. | | | | |
| 34 | F.1. The Department of Human Resource Management shall report to the Governor and | | | | |
| 35 | Chairmen of the House Appropriations and Senate Finance Committees by October 1 of each | | | | |
| 36 | year, on its recommended workers' compensation premiums for state agencies for the | | | | |
| 37 | following biennium. This report shall also include the basis for the department's | | | | |
| 38 | recommendations, the number and amount of workers' compensation settlements concluded in | | | | |
| 39 | the previous fiscal year, and the impact of those settlements on the workers' compensation | | | | |
| 40 | program's reserves. | | | | |
| 41 | 2. Beginning July 1, 2015, the Department of Human Resource Management shall conduct an | | | | |
| 42 | annual review of each state agency's loss control history, to include the severity of workers' | | | | |
| 43 | compensation claims, experience modification factor, and frequency normalized by payroll. | | | | |
| 44 | Based on the annual review, state agencies deemed by the Department of Human Resource | | | | |
| 45 | Management as having higher than normal loss history shall be required to participate in a | | | | |
| 46 | loss control program. All executive, judicial, legislative, and independent agencies required to | | | | |
| 47 | participate in the loss control program shall fully cooperate with the Department of Human | | | | |
| 48 | Resource Management's review. The Department of Human Resource Management shall | | | | |
| 49 | provide a report to the Governor, Director, Department of Planning and Budget, and | | | | |
| 50 | Chairmen of the House Appropriations and Senate Finance Committees on the status and | | | | |
| 51 | recommendations of the loss control program no later than October 30 of each year. | | | | |
| 52 | 3. a. A working capital advance of up to \$20,000,000 shall be provided to the Department of | | | | |
| 53 | Human Resource Management to identify and potentially settle certain workers' compensation | | | | |

| ITEM 84. | Item Details(\$) | | Appropriations(\$) | |
|----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | claims open for more than one year but less than 10 years. The Department of Human | | | |
| 2 | Resource Management shall pay back the working capital advance from annual premiums | | | |
| 3 | over a seven year period. The Department of Human Resource Management shall provide | | | |
| 4 | a report to the Governor, Director, Department of Planning and Budget, and Chairmen of | | | |
| 5 | the House Appropriations and Senate Finance Committees on the status of the settlement | | | |
| 6 | program, the number of claims settled, and the estimated state costs avoided from the | | | |
| 7 | settlements no later than October 30 of each year. | | | |
| 8 | b. The Secretary of Finance and Secretary of Administration shall approve the drawdowns | | | |
| 9 | from this working capital advance prior to the expenditure of funds. The State Comptroller | | | |
| 10 | shall notify the Governor and the Chairmen of the House Appropriations and Senate | | | |
| 11 | Finance Committees of any approved drawdowns. | | | |
| 12 | G. The Department of Human Resource Management shall report to the Governor and | | | |
| 13 | Chairmen of the House Appropriations and Senate Finance Committees, by October 15 of | | | |
| 14 | each year, on the renewal cost of the state employee health insurance program premiums | | | |
| 15 | that will go into effect on July 1 of the following year. This report shall include the impact | | | |
| 16 | of the renewal cost on employee and employer premiums and a valuation of liabilities as | | | |
| 17 | required by Other Post Employment Benefits reporting standards. | | | |
| 18 | H. Out of this appropriation, \$606,439 the first year and \$606,439 the second year from | | | |
| 19 | the general fund is provided for the time, attendance and leave system. | | | |
| 20 | I. The Department of Human Resource Management shall develop and distribute | | | |
| 21 | instructions and guidelines to all executive department agencies for the provision of an | | | |
| 22 | annual statement of total compensation for each classified employee. The statement | | | |
| 23 | should account for the full cost to the Commonwealth and the employee of cash | | | |
| 24 | compensation as well as Social Security, Medicare, retirement, deferred compensation, | | | |
| 25 | health insurance, life insurance, and any other benefits. The Director, Department of | | | |
| 26 | Human Resource Management, shall ensure that all executive department agencies | | | |
| 27 | provide this notice to each employee. The Department of Accounts and the Virginia | | | |
| 28 | Retirement System shall provide assistance upon request. Further, the Director of the | | | |
| 29 | Department of Human Resource Management shall provide instructions and guidelines for | | | |
| 30 | the development notices of total compensation to all independent, legislative, and judicial | | | |
| 31 | agencies, and institutions of higher education for preparation of annual statements to their | | | |
| 32 | employees. | | | |
| 33 | J. 1. The appropriation for the Personnel Management Information System (PMIS) is a | | | |
| 34 | sum sufficient and amounts shown are estimates from an internal service fund which shall | | | |
| 35 | be paid solely from revenues derived from charges to executive branch agencies, | | | |
| 36 | identified by the Department of Human Resource Management and approved by the | | | |
| 37 | Department of Planning and Budget, to support the operation of PMIS and its subsystems | | | |
| 38 | authorized in this Item. | | | |
| 39 | 2.a. The rate for agencies to support PMIS and its subsystems, operated and maintained by | | | |
| 40 | the Department of Human Resource Management, shall be \$16.85 per position the second | | | |
| 41 | year. The rate is based upon the higher of the agency's maximum employment level as of | | | |
| 42 | July 1, 2016, and filled wage positions as of June 30, 2016, or the total number of filled | | | |
| 43 | classified and wage positions as of June 30, 2016. | | | |
| 44 | b. The rates authorized to support the operation of PMIS and its subsystems shall be | | | |
| 45 | provided by the Department of Human Resource Management and approved by the | | | |
| 46 | Department of Planning and Budget by September 1 each year for review and approval of | | | |
| 47 | the subsequent fiscal year's rate in accordance with § 4-5.03 of this act. | | | |
| 48 | 3. The State Comptroller shall recover the cost of services provided for the administration | | | |
| 49 | of the internal service fund through interagency transactions as determined by the State | | | |
| 50 | Comptroller. | | | |
| 51 | K. Out of the amounts appropriated for this item to support the Commission on Employee | | | |
| 52 | Retirement Security and Pension Reform, the Department of Human Resource | | | |
| 53 | Management is authorized to spend an amount estimated at \$75,000 each year on the | | | |
| 54 | development and maintenance of an employee exit survey and an amount estimated at | | | |
| 55 | \$20,000 per year to subscribe to Occupationally Based Data Services focused on total | | | |

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

| ITEM 85. | Item Details(\$) | | Appropriations(\$) | |
|----------|--|-----------------------|----------------------------|----------------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | diabetes. The department shall continue to consult with all provider stakeholders in order | | | |
| 2 | to establish program parameters. | | | |
| 3 | F. Concurrent with the date the Governor introduces the budget bill, the Directors of the | | | |
| 4 | Departments of Planning and Budget and Human Resource Management shall provide to | | | |
| 5 | the Chairmen of the House Appropriations and Senate Finance Committees a report | | | |
| 6 | detailing the assumptions included in the Governor's introduced budget for the state | | | |
| 7 | employee health insurance plan. The report shall include the proposed premium schedule | | | |
| 8 | that would be effective for the upcoming fiscal year and any proposed changes to the | | | |
| 9 | benefit structure. | | | |
| 10 | G. Of money appropriated for the state employee health insurance fund, \$500,000 the first | | | |
| 11 | year and \$650,000 the second year shall be held separate and apart from the fund to pay | | | |
| 12 | for any required fees due to the Patient-Centered Outcomes Research Institute. | | | |
| 13 | H. The Director of the Department of Human Resource Management shall analyze | | | |
| 14 | pharmacy claims data from the past biennium in order to assess the value of payments | | | |
| 15 | made to the state employee health program's contracted third party administrators, and the | | | |
| 16 | value of payments made by the contracted third party administrators to their contracted | | | |
| 17 | prescription benefit managers (PBMs). The Director shall identify and report any | | | |
| 18 | difference in value in payments made to the contracted PBMs and payments made to the | | | |
| 19 | state employee health program's contracted third party administrators and shall make | | | |
| 20 | recommendations to the Chairmen of the House Appropriations Committee and Senate | | | |
| 21 | 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, | | | |
| 30 | public sector or retired enrollees who elect to shop and receive health care services at a | | | |
| 31 | lower cost than the average price paid by their carrier for a comparable health care service. | | | |
| 32 | Under such a program, the Department shall develop a plan to reimburse the insured for | | | |
| 33 | using a lower cost site of service. The cash payment incentive could be calculated as a | | | |
| 34 | percentage or as a flat dollar amount, or by some reasonable methodology determined by | | | |
| 35 | the Department. The Department shall determine whether to administer the program itself | | | |
| 36 | or through a third-party, or to require carriers to offer access to such a program for health | | | |
| 37 | care services eligible for shared incentives and estimate the projected fiscal impact of the | | | |
| 38 | program. No later than November 1, 2017 the Department shall report to the Chairmen of | | | |
| 39 | the House Appropriations 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 | | | |
| 49 | Management..... | | \$1,962,393,647 | \$2,105,316,721 |
| 50 | | | | \$1,969,717,003 |
| 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 | |
| 55 | Special..... | \$9,700,873 | \$1,235,048 | |
| 56 | | | \$1,405,048 | |

| ITEM 85. | | Item Details(\$) | | Appropriations(\$) | |
|----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Enterprise..... | \$429,268,507 | \$462,170,224 | | |
| 2 | | | \$506,905,717 | | |
| 3 | Internal Service..... | \$1,515,195,823 | \$1,626,805,027 | | |
| 4 | | | \$1,426,305,027 | | |
| 5 | Trust and Agency..... | \$1,367,467 | \$10,315,583 | | |
| 6 | | | \$30,310,372 | | |
| 7 | 86. Not set out. | | | | |
| 8 | 87. Not set out. | | | | |
| 9 | TOTAL FOR OFFICE OF ADMINISTRATION..... | | | \$2,901,762,108 | \$3,057,044,003 |
| 10 | | | | | \$2,920,297,418 |
| 11 | General Fund Positions..... | 373.46 | 354.96 | | |
| 12 | Nongeneral Fund Positions..... | 471.04 | 492.04 | | |
| 13 | Position Level..... | 844.50 | 847.00 | | |
| 14 | Fund Sources: General..... | \$704,704,005 | \$715,442,707 | | |
| 15 | | | \$714,295,840 | | |
| 16 | Special..... | \$17,781,223 | \$9,375,504 | | |
| 17 | | | \$9,545,504 | | |
| 18 | Enterprise..... | \$461,721,840 | \$494,721,930 | | |
| 19 | | | \$539,457,423 | | |
| 20 | Internal Service..... | \$1,686,058,753 | \$1,797,274,701 | | |
| 21 | | | \$1,596,774,701 | | |
| 22 | Trust and Agency..... | \$16,612,329 | \$25,432,809 | | |
| 23 | | | \$45,427,598 | | |
| 24 | Dedicated Special Revenue..... | \$8,400,000 | \$8,400,000 | | |
| 25 | 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 | \$20,505,272 |
| 8 | | | | | \$20,761,470 |
| 9 | | Grading and Certification of Virginia Products | | | |
| 10 | | (53201)..... | | \$7,214,196 | \$7,214,196 |
| 11 | | Milk Marketing Regulation (53204)..... | | \$802,494 | \$802,494 |
| 12 | | Marketing Research (53205)..... | | \$272,806 | \$272,806 |
| 13 | | Market Virginia Agricultural and Forestry | | | |
| 14 | | Products Nationally and Internationally (53206)..... | | \$4,826,995 | \$4,701,995 |
| 15 | | Agricultural Commodity Boards (53208)..... | | \$5,969,906 | \$6,544,906 |
| 16 | | | | | \$6,801,104 |
| 17 | | Agribusiness Development Services and Farmland | | | |
| 18 | | Preservation (53209)..... | | \$1,718,875 | \$968,875 |
| 19 | | Fund Sources: General..... | | \$8,180,975 | \$7,830,975 |
| 20 | | | | | \$8,087,173 |
| 21 | | Special..... | | \$108,125 | \$158,125 |
| 22 | | Trust and Agency..... | | \$6,704,556 | \$6,704,556 |
| 23 | | Dedicated Special Revenue..... | | \$5,090,718 | \$5,090,718 |
| 24 | | Federal Trust..... | | \$720,898 | \$720,898 |
| 25 | Authority: Title 3.2, Chapters 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, | | | | |
| 26 | 30, 32, 34, 36.2; Title 28.2, Chapter 2; and Title 61.1, Chapter 4, Code of Virginia. | | | | |
| 27 | A. Agricultural Commodity Boards shall be paid from the special fund taxes levied in the | | | | |
| 28 | following estimated amounts: | | | | |
| 29 | 1. To the Tobacco Board, \$143,000 the first year and \$143,000 the second year. | | | | |
| 30 | 2. To the Corn Board, \$390,000 the first year and \$390,000 the second year. | | | | |
| 31 | 3. To the Egg Board, \$210,000 the first year and \$210,000 the second year. | | | | |
| 32 | 4. To the Soybean Board, \$980,000 the first year and \$980,000 the second year. | | | | |
| 33 | 5. To the Peanut Board, \$320,000 the first year and \$320,000 the second year. | | | | |
| 34 | 6. To the Cattle Industry Board, \$425,000 the first year and \$425,000 the second year. | | | | |
| 35 | 7. To the Virginia Small Grains Board, \$750,000 the first year and \$750,000 the second | | | | |
| 36 | year. | | | | |
| 37 | 8. To the Virginia Horse Industry Board, \$320,000 the first year and \$320,000 the second | | | | |
| 38 | year. | | | | |
| 39 | 9. To the Virginia Sheep Industry Board, \$35,000 the first year and \$35,000 the second | | | | |
| 40 | year. | | | | |
| 41 | 10. To the Virginia Potato Board, \$25,000 the first year and \$25,000 the second year. | | | | |
| 42 | 11. To the Virginia Cotton Board, \$180,000 the first year and \$180,000 the second year. | | | | |
| 43 | 12. To the State Apple Board, \$257,650 the first year and \$257,650 the second year. | | | | |

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

| ITEM 91. | Item Details(\$) | | Appropriations(\$) | |
|----------|---|-----------------------|----------------------|-------------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | including in-depth research, website design, social media strategy, food innovation, | | | |
| 2 | packaging design, modernization of facilities and business certification. The authorized | | | |
| 3 | position shall be used for management of the grant program and to conduct regional | | | |
| 4 | workshops on marketing and business development. Not later than November 15, 2016, | | | |
| 5 | the Department shall report to the Chairmen of the House Committee on Appropriations | | | |
| 6 | and the Senate Committee on Finance on the efforts undertaken by the Department to | | | |
| 7 | establish the program, the grant guidelines, and the number of grants awarded. | | | |
| 8 | M. Out of the amounts in this item, \$50,000 the first year from the general fund shall be | | | |
| 9 | provided for the renovation of the Appomattox 4-H Center. | | | |
| 10 | N. The department is directed to survey local farmer's markets across the Commonwealth | | | |
| 11 | to determine if any local regulations governing the operations of such markets discourage | | | |
| 12 | the sale of Virginia products by the use of a locally-grown perimeter rule that gives | | | |
| 13 | preference to out-of-state products over products grown in Virginia. If the department | | | |
| 14 | finds any such impediments exist, it shall encourage local farmer's markets to revise their | | | |
| 15 | guidelines to ensure that Virginia products are given first preference, regardless of the | | | |
| 16 | distance from the particular market. In instances where a local Virginia grown product | | | |
| 17 | already is selling at a particular market, competitors from across the state should be | | | |
| 18 | allowed to sell their Virginia grown products provided there are no objections submitted | | | |
| 19 | by competing Virginia sellers. | | | |
| 20 | 92. | Not set out. | | |
| 21 | 93. | Not set out. | | |
| 22 | 94. | Not set out. | | |
| 23 | 95. | Not set out. | | |
| 24 | 96. | Not set out. | | |
| 25 | 97. | Not set out. | | |
| 26 | 98. | Not set out. | | |
| 27 | 99. | Not set out. | | |
| 28 | 100. | Not set out. | | |
| 29 | Total for Department of Agriculture and Consumer | | | |
| 30 | Services..... | | \$69,793,118 | \$69,682,200 |
| 31 | | | | \$69,938,398 |
| 32 | General Fund Positions..... | | 331.00 | 328.00 |
| 33 | Nongeneral Fund Positions..... | | 206.00 | 214.00 |
| 34 | Position Level..... | | 537.00 | 542.00 |
| 35 | Fund Sources: General..... | | \$36,498,563 | \$35,109,950 |
| 36 | | | | \$35,366,148 |
| 37 | Special..... | | \$5,776,982 | \$6,030,277 |
| 38 | Trust and Agency..... | | \$6,863,290 | \$6,863,290 |
| 39 | Dedicated Special Revenue..... | | \$9,619,377 | \$9,619,377 |
| 40 | Federal Trust..... | | \$11,034,906 | \$12,059,306 |
| 41 | 101. | Not set out. | | |
| 42 | 102. | Not set out. | | |
| 43 | 103. | Not set out. | | |

| ITEM 104. | | | Item Details(\$) | | Appropriations(\$) | |
|-----------|------|-------------------------------------|----------------------|-------------------------|----------------------|-----------------------|
| | | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 104. | Not set out. | | | | |
| 2 | | TOTAL FOR OFFICE OF AGRICULTURE AND | | | | |
| 3 | | FORESTRY | | | \$105,441,728 | \$107,220,192 |
| 4 | | | | | | \$107,476,390 |
| 5 | | General Fund Positions..... | 504.59 | 496.59 | | |
| 6 | | Nongeneral Fund Positions..... | 329.41 | 337.41 | | |
| 7 | | Position Level..... | 834.00 | 834.00 | | |
| 8 | | Fund Sources: General..... | \$54,740,051 | \$53,875,454 | | |
| 9 | | | | \$54,131,652 | | |
| 10 | | Special..... | \$17,721,998 | \$19,326,205 | | |
| 11 | | Trust and Agency..... | \$6,969,828 | \$6,969,828 | | |
| 12 | | Dedicated Special Revenue..... | \$10,199,246 | \$10,199,246 | | |
| 13 | | 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 |
| 6 | | | | \$64,681,679 \$62,536,679 |
| 7 | | Financial Assistance for Economic Development | | |
| 8 | | (53410)..... | \$52,541,610 | \$64,681,679 \$62,536,679 |
| 9 | | | | |
| 10 | | Fund Sources: General..... | \$52,391,610 | \$46,505,799 \$44,360,799 |
| 11 | | | | |
| 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 | | |
| 16 | | second year from the general fund shall be deposited to the Commonwealth's | | |
| 17 | | Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. Such funds | | |
| 18 | | shall be used at the discretion of the Governor, subject to prior consultation with the | | |
| 19 | | Chairmen of the House Appropriations and Senate Finance Committees, to attract | | |
| 20 | | economic development prospects to locate or expand in Virginia. If the Governor, | | |
| 21 | | pursuant to the provisions of § 2.2-115, E.1., Code of Virginia, determines that a project is | | |
| 22 | | of regional or statewide interest and elects to waive the requirement for a local matching | | |
| 23 | | contribution, such action shall be included in the report on expenditures from the | | |
| 24 | | Commonwealth's Development Opportunity Fund required by § 2.2-115, F., Code of | | |
| 25 | | Virginia. Such report shall include an explanation on the jobs anticipated to be created, the | | |
| 26 | | capital investment made for the project, and why the waiver was provided. | | |
| 27 | | 2. The Governor may allocate these funds as grants or loans to political subdivisions. | | |
| 28 | | Loans shall be approved by the Governor and made in accordance with procedures | | |
| 29 | | established by the Virginia Economic Development Partnership and approved by the State | | |
| 30 | | Comptroller. Loans shall be interest-free unless otherwise determined by the Governor | | |
| 31 | | and shall be repaid to the general fund of the state treasury. The Governor may establish | | |
| 32 | | the interest rate to be charged, otherwise, any interest charged shall be at market rates as | | |
| 33 | | determined by the State Treasurer and shall be indicative of the duration of the loan. The | | |
| 34 | | Virginia Economic Development Partnership shall be responsible for monitoring | | |
| 35 | | repayment of such loans and reporting the receivables to the State Comptroller as | | |
| 36 | | required. | | |
| 37 | | 3. Funds may be used for public and private utility extension or capacity development on | | |
| 38 | | and off site; road, rail, or other transportation access costs beyond the funding capability | | |
| 39 | | of existing programs; site acquisition; grading, drainage, paving, and other activity | | |
| 40 | | required to prepare a site for construction; construction or build-out of publicly-owned | | |
| 41 | | buildings; grants or loans to an industrial development authority, housing and | | |
| 42 | | redevelopment authority, or other political subdivision pursuant to their duties or powers; | | |
| 43 | | training; or anything else permitted by law. | | |
| 44 | | 4. Consideration should be given to economic development projects that 1) are in areas of | | |
| 45 | | high unemployment; 2) link commercial development along existing transportation/transit | | |
| 46 | | corridors within regions; and 3) are located near existing public infrastructure. | | |
| 47 | | 5. It is the intent of the General Assembly that the Virginia Economic Development | | |
| 48 | | Partnership shall work with localities awarded grants from the Commonwealth's | | |
| 49 | | Development Opportunity Fund to recover such moneys when the economic development | | |
| 50 | | projects fail to meet minimal agreed-upon capital investment and job creation targets. All | | |
| 51 | | such recoveries shall be deposited and credited to the Commonwealth's Development | | |

| ITEM 106. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Opportunity Fund. | | | | |
| 2 | 6. Up to \$5,000,000 of previously awarded funds and funds repaid by political subdivisions or | | | | |
| 3 | business beneficiaries and deposited to the Commonwealth's Development Opportunity Fund | | | | |
| 4 | may be used to assist Prince George County with site improvements related to the location of | | | | |
| 5 | a major aerospace engine manufacturer to the Commonwealth. | | | | |
| 6 | B.1. Out of the appropriation for this Item, \$2,722,310 the first year and \$2,220,330 | | | | |
| 7 | \$2,075,330 the second year from the general fund shall be deposited to the Investment | | | | |
| 8 | Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to | | | | |
| 9 | pay investment performance grants in accordance with § 2.2-5101, Code of Virginia. In the | | | | |
| 10 | second year, \$1,763,880 from the Investment Performance Grant subfund of the Virginia | | | | |
| 11 | Investment Partnership Grant Fund is hereby appropriated and shall be used to pay investment | | | | |
| 12 | performance grants in accordance with § 2.2-5101, Code of Virginia. | | | | |
| 13 | 2. Consideration should be given to economic development projects that 1) are in areas of | | | | |
| 14 | high unemployment; 2) link commercial development along existing transportation/transit | | | | |
| 15 | corridors within regions; and 3) are located near existing public infrastructure. | | | | |
| 16 | C.1. Out of the appropriation for this Item, \$1,800,000 the first year and \$1,800,000 the | | | | |
| 17 | second year from the general fund shall be deposited to the Major Eligible Employer Grant | | | | |
| 18 | subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment | | | | |
| 19 | performance grants in accordance with § 2.2-5102, Code of Virginia. | | | | |
| 20 | 2. Consideration should be given to economic development projects that 1) are in areas of | | | | |
| 21 | high unemployment; 2) link commercial development along existing transportation/transit | | | | |
| 22 | corridors within regions; and 3) are located near existing public infrastructure. | | | | |
| 23 | D. Out of the appropriation for this Item, \$6,000,000 the first year and \$3,000,000 the second | | | | |
| 24 | year from the general fund and an amount estimated at \$150,000 the first year and \$150,000 | | | | |
| 25 | the second year from nongeneral funds shall be deposited to the Governor's Motion Picture | | | | |
| 26 | Opportunity Fund, as established in § 2.2-2320, Code of Virginia. These nongeneral fund | | | | |
| 27 | revenues shall be deposited to the fund from revenues generated by the digital media fee | | | | |
| 28 | established pursuant to § 58.1-1731, et seq., Code of Virginia. Such funds shall be used at the | | | | |
| 29 | discretion of the Governor to attract film industry production activity to the Commonwealth. | | | | |
| 30 | E. Out of the appropriation for this Item, \$378,000 the first year from the general fund shall | | | | |
| 31 | be deposited to the Aerospace Engine Manufacturer Workforce Training Grant Fund in | | | | |
| 32 | support of the location of an aerospace engine facility in Prince George County. In the second | | | | |
| 33 | year, \$11,000,000 from the Aerospace Manufacturing Performance Grant Fund and | | | | |
| 34 | \$1,662,000 from the Aerospace Manufacturer Workforce Training Grant Fund is hereby | | | | |
| 35 | appropriated. These funds shall be used for grants in accordance with §§ 59.1-284.20 and | | | | |
| 36 | 59.1-284.22, Code of Virginia. The Director, Department of Planning and Budget shall | | | | |
| 37 | transfer these funds to the impacted state agencies upon request to the Director, Department of | | | | |
| 38 | 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 Development | | | | |
| 41 | Incentive Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay | | | | |
| 42 | investment performance grants in accordance with § 2.2-5102.1, Code of Virginia. In the | | | | |
| 43 | second year, \$3,600,000 from the Virginia Economic Development Incentive Grant subfund | | | | |
| 44 | of the Virginia Investment Partnership Grant Fund is hereby appropriated and shall be used to | | | | |
| 45 | pay investment performance grants in accordance with § 2.2-5102.1, Code of Virginia. | | | | |
| 46 | 2. Consideration should be given to economic development projects that 1) are in areas of | | | | |
| 47 | high unemployment; 2) link commercial development along existing transportation/transit | | | | |
| 48 | corridors within regions; and 3) are located near existing public infrastructure. | | | | |
| 49 | 3. Notwithstanding § 2.2-5102.1.E. or any other provision of law, and subject to appropriation | | | | |
| 50 | by the General Assembly, up to \$4,000,000 in economic development incentive grants is | | | | |
| 51 | authorized for eligible projects to be awarded on or after July 1, 2017, but before June 30, | | | | |
| 52 | 2018. Any eligible project awarded such grants shall be subject to the conditions set forth in § | | | | |
| 53 | 2.2-5102.1. | | | | |
| 54 | G. Out of the appropriation for this Item, \$7,155,840 the first year from the general fund shall | | | | |

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

| ITEM 106. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | support Virginia's core bioscience strengths, improve human health, and demonstrate | | | | |
| 2 | commercial 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 the | | | | |
| 4 | 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 from | | | | |
| 11 | the general fund shall be available for eligible businesses under the Virginia Jobs Investment | | | | |
| 12 | Program. Pursuant to § 2.2-1611, Code of Virginia, the appropriation provided for the | | | | |
| 13 | Virginia Jobs Investment Program for eligible businesses shall be deposited to the Virginia | | | | |
| 14 | Jobs Investment Program Fund. | | | | |
| 15 | L. Out of this appropriation \$500,000 the first year from the general fund is provided for the | | | | |
| 16 | purpose of attracting new tourism and hospitality projects and expanding existing tourism and | | | | |
| 17 | hospitality projects in the Commonwealth. Funds shall be disbursed through the Virginia | | | | |
| 18 | Tourism Authority as grants or loans to political subdivisions or business entities authorized | | | | |
| 19 | to transact business in the Commonwealth based on criteria as approved by the Governor. The | | | | |
| 20 | Governor shall transmit his specific criteria for awarding and distributing these funds to the | | | | |
| 21 | Chairmen of the House Committee on Appropriations and the Senate Finance Committee | | | | |
| 22 | 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 the | | | | |
| 24 | general fund may be provided to the Virginia Economic Development Partnership to facilitate | | | | |
| 25 | additional domestic and international marketing and trade missions approved by the | | | | |
| 26 | Governor. The Director, Department of Planning and Budget, is authorized to provide these | | | | |
| 27 | funds to the Virginia Economic Development Partnership upon written approval of the | | | | |
| 28 | 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 grant to | | | | |
| 31 | 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 | | | | \$964,876,343 |
| 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)..... | | \$26,895,095 |
| 14 | | | | \$28,253,945 |
| 15 | | | | \$27,716,445 |
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| ITEM 138. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|--------------------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Positive Behavioral Interventions & | | \$1,098,000 | | \$1,098,000 |
| 2 | Support (PBIS) | | | | |
| 3 | Project Discovery | | \$425,000 | | \$662,500 |
| 4 | Small School Division Assistance | | \$145,896 | | \$145,896 |
| 5 | Southside Virginia Regional | | \$108,905 | | \$108,905 |
| 6 | Technology Consortium | | | | |
| 7 | Southwest Virginia Public Education | | \$124,011 | | \$124,011 |
| 8 | Consortium | | | | |
| 9 | STEM Program / Research Study (VA | | \$870,625 | | \$681,975 |
| 10 | Air & Space Center) | | | | |
| 11 | STEM Competition Team Grants | | \$100,000 | | \$200,000 |
| 12 | | | | | \$170,000 |
| 13 | Targeted Extended School Year Grants | | \$7,763,312 | | \$7,763,312 |
| 14 | | | | | \$7,716,312 |
| 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 | | | | | \$27,716,445 |
| 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 | | | | |
| 32 | Graduates 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 | | | | |
| 35 | Public Education Consortium at the University of Virginia's College at Wise. An | | | | |
| 36 | additional \$71,849 the first year and \$71,849 the second year from the general fund is | | | | |
| 37 | provided to the Consortium to continue the Van Gogh Outreach program with Lee and | | | | |
| 38 | Wise County Public Schools and expand the program to the twelve school divisions in | | | | |
| 39 | Southwest Virginia. | | | | |
| 40 | C. This appropriation includes \$108,905 the first year and \$108,905 the second year from | | | | |
| 41 | the general fund for the Southside Virginia Regional Technology Consortium to expand | | | | |
| 42 | the research and development phase of a technology linkage. | | | | |
| 43 | D. An additional state payment of \$145,896 the first year and \$145,896 the second year | | | | |
| 44 | from the general fund is provided as a Small School Division Assistance grant for the City | | | | |
| 45 | of Norton. To receive these funds, the local school board shall certify to the | | | | |
| 46 | Superintendent of Public Instruction that its division has entered into one or more | | | | |
| 47 | educational, administrative or support service cost-sharing arrangements with another | | | | |
| 48 | local school division. | | | | |
| 49 | E. Out of this appropriation, \$298,021 the first year and \$298,021 the second year from | | | | |
| 50 | the general fund shall be allocated for the Career and Technical Education Resource | | | | |
| 51 | Center to provide vocational curriculum and resource instructional materials free of charge | | | | |
| 52 | to all school divisions. | | | | |
| 53 | F. It is the intent of the General Assembly that the Department of Education provide | | | | |

| ITEM 138. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | bonuses from state funds to classroom teachers in Virginia's public schools who hold | | | |
| 2 | certification from the National Board of Professional Teaching Standards. Such bonuses shall | | | |
| 3 | be \$5,000 the first year of the certificate and \$2,500 annually thereafter for the life of the | | | |
| 4 | certificate. This appropriation includes an amount estimated at \$5,015,000 the first year and | | | |
| 5 | \$5,100,000 \$4,642,500 the second year from the general fund for the purpose of paying these | | | |
| 6 | bonuses. By October 15 of each year, school divisions shall notify the Department of | | | |
| 7 | Education of the number of classroom teachers under contract for that school year that hold | | | |
| 8 | such certification. | | | |
| 9 | G. This appropriation includes \$1,931,000 the first year and \$1,931,000 the second year from | | | |
| 10 | the general fund for grants, scholarships, and incentive payments to attract, recruit, and retain | | | |
| 11 | high-quality teachers and fill critical teacher shortage disciplines in Virginia's public schools. | | | |
| 12 | 1. Out of this appropriation, \$708,000 the first year and \$708,000 the second year from the | | | |
| 13 | general fund is provided for teaching scholarship loans. These scholarships shall be for | | | |
| 14 | undergraduate students in college with a cumulative high school grade point average of at | | | |
| 15 | least 2.7, who were in the top 10 percent of their high school class or alternative measure of | | | |
| 16 | achievement as selected by the institution, who are nominated by their college and students at | | | |
| 17 | the graduate level, and who meet the criteria and qualifications, pursuant to § 22.1-290.01, | | | |
| 18 | Code of Virginia. Awards shall be made to students who are enrolled full-time or part-time in | | | |
| 19 | approved undergraduate or graduate teacher education programs for (i) critical teacher | | | |
| 20 | shortage disciplines, such as special education, chemistry, physics, earth and space science, | | | |
| 21 | foreign languages, or technology education or (ii) as students meeting the qualifications in § | | | |
| 22 | 22.1-290.01, Code of Virginia, who have been identified by a local school board to teach in | | | |
| 23 | any discipline or at any grade level in which the school board has determined that a shortage | | | |
| 24 | of teachers exists; however, such persons shall meet the qualifications for awards granted | | | |
| 25 | pursuant to this Item; or (iii) those students seeking degrees in Career and Technical | | | |
| 26 | education. Minority students may be enrolled in any content area for teacher preparation and | | | |
| 27 | male students may be enrolled in any approved elementary or middle school teacher | | | |
| 28 | preparation program; therefore, this provision shall satisfy the requirements for the Diversity | | | |
| 29 | in Teaching Initiative and Fund, pursuant to Chapters 570, 597, 623, 645, and 719 of the Acts | | | |
| 30 | of Assembly of 2000. Scholarship recipients may fulfill the teaching obligation by accepting a | | | |
| 31 | teaching position (i) in one of the critical teacher shortage disciplines; or (ii) regardless of | | | |
| 32 | teaching discipline, in a school with a high concentration of students eligible for free or | | | |
| 33 | reduced price lunch; or (iii) in any discipline or at grade levels with a shortage of teachers; or | | | |
| 34 | (iv) in a rural or urban region of the state with a teacher shortage. For the purposes of this | | | |
| 35 | Item, "critical teacher shortage area and discipline" means subject areas and grade levels | | | |
| 36 | identified by the Board of Education in which the demand for classroom teachers exceeds the | | | |
| 37 | supply of teachers, as defined in the Board of Education's Regulations Governing the | | | |
| 38 | Determination of Critical Teacher Shortage Areas. Scholarship amounts are based on \$10,000 | | | |
| 39 | per year for full-time students, and shall be prorated for part-time students based on the | | | |
| 40 | number of credit hours. The Department of Education shall report annually on the critical | | | |
| 41 | shortage teaching areas in Virginia. | | | |
| 42 | a. The Department of Education shall make payments on behalf of the scholarship recipients | | | |
| 43 | directly to the Virginia institution of higher education where the scholarship recipient is | | | |
| 44 | enrolled full-time or part-time in an approved undergraduate or graduate teacher education | | | |
| 45 | program. | | | |
| 46 | b. The Department of Education is authorized to recover total funds awarded as scholarships, | | | |
| 47 | or the appropriate portion thereof, in the event that scholarship recipients fail to honor the | | | |
| 48 | stipulated teaching obligation. | | | |
| 49 | c. Within the fiscal year, any funds not awarded from this program may be applied toward the | | | |
| 50 | 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 teach | | | |
| 53 | science, technology, engineering, or mathematics (STEM) subjects in Virginia's middle and | | | |
| 54 | high schools. A teacher with up to three years of teaching experience employed full-time in a | | | |
| 55 | Virginia school division who has been issued a five-year Virginia teaching license with an | | | |
| 56 | endorsement in Middle Education 6-8: Mathematic, Mathematics-Algebra-I, mathematics, | | | |
| 57 | Middle Education 6-8: Science, Biology, Chemistry, Earth and Space Science, physics, or | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | technology education and assigned to a teaching position in a corresponding STEM | | | |
| 2 | subject area is eligible to receive a \$5,000 initial incentive award after the completion of | | | |
| 3 | the first, second, or third year of teaching with a satisfactory performance evaluation and a | | | |
| 4 | signed contract in the same school division for the following school year. A teacher, | | | |
| 5 | 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 | | | |
| 7 | is 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 | | | |
| 11 | award may be granted for each year the eligible teacher receives a satisfactory evaluation | | | |
| 12 | and teaches a qualifying STEM subject in which the teacher has an endorsement for up to | | | |
| 13 | three years in a Virginia school division following the year in which the teacher receives | | | |
| 14 | the initial incentive award. The maximum incentive award for each eligible teacher is | | | |
| 15 | \$8,000. Funding will be awarded on a first-come, first-served basis with preference to | | | |
| 16 | teachers assigned to teach in hard-to-staff schools or low-performing schools not fully | | | |
| 17 | accredited. Within the fiscal year, any funds not awarded from this program may be | | | |
| 18 | applied toward the other teacher preparation, recruitment, and retention programs under | | | |
| 19 | paragraph G. | | | |
| 20 | 4. Out of this appropriation, \$415,000 the first year and \$415,000 the second year from the | | | |
| 21 | general fund is provided to help school divisions recruit and retain qualified middle-school | | | |
| 22 | mathematics teachers. Within the fiscal year, any funds not awarded from this program | | | |
| 23 | may be applied toward the other teacher preparation, recruitment, and retention programs | | | |
| 24 | under paragraph G. | | | |
| 25 | H. Out of this appropriation, \$400,000 the first year and \$400,000 the second year from | | | |
| 26 | the general fund shall be distributed to the Great Aspirations Scholarship Program | | | |
| 27 | (GRASP) to provide students and families in need access to financial aid, scholarships, | | | |
| 28 | and counseling to maximize educational opportunities for students. | | | |
| 29 | I. Out of this appropriation, the Department of Education shall provide \$1,244,400 the first | | | |
| 30 | year and \$1,244,400 the second year from the general fund to Communities in Schools. | | | |
| 31 | These funds will be used to continue existing Communities in Schools programming in | | | |
| 32 | Petersburg and Richmond City, expand programming to all Petersburg schools, and | | | |
| 33 | expand the Pathways to Parents as Partners program to two additional Richmond City | | | |
| 34 | elementary schools. | | | |
| 35 | J. This appropriation includes \$100,000 the first year and \$100,000 the second year from | | | |
| 36 | the general fund for the Superintendent of Public Education to award supplemental grants | | | |
| 37 | to charter schools. | | | |
| 38 | K. 1. Out of this appropriation, the Department of Education shall provide \$425,000 the | | | |
| 39 | first year and \$662,500 the second year from the general fund for Project Discovery. | | | |
| 40 | These funds are towards the cost of the program in Abingdon, Accomack/Northampton, | | | |
| 41 | Alexandria, Amherst, Appomattox, Arlington, Bedford, Bland, Campbell, Charlottesville, | | | |
| 42 | Cumberland, Danville/Pittsylvania, Fairfax, Franklin/Patrick, Goochland/Powhatan, | | | |
| 43 | Lynchburg, Newport News, Norfolk, Richmond City, Roanoke City, Smyth, | | | |
| 44 | Surry/Sussex, Tazewell, Williamsburg/James City, and Wythe and the salary of a fiscal | | | |
| 45 | officer for Project Discovery. The Department of Education shall administer the Project | | | |
| 46 | Discovery funding distributions to each community action agency. Distributions to each | | | |
| 47 | community action agency shall be based on performance measures established by the | | | |
| 48 | Board of Directors of Project Discovery. The contract with Project Discovery should | | | |
| 49 | specify the allocations to each local program and require the submission of a financial and | | | |
| 50 | budget report and program evaluation performance measures. | | | |
| 51 | 2. Each participating community action agency shall submit annual performance metrics | | | |
| 52 | for services provided through the Project Discovery program that provide measurable | | | |
| 53 | evaluations and outcomes of participating students. Such performance metrics shall | | | |
| 54 | include evidenced-based data that effectively measure academic improvement outcomes. | | | |
| 55 | In addition, the performance metrics shall also include evidenced-based data to evaluate | | | |
| 56 | the specific effectiveness of the program for participating students on a longitudinal basis. | | | |
| 57 | Further, the performance metrics shall include the coordination and collaboration efforts | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | the program staff regularly have with the school-based personnel, such as teachers and | | | | |
| 2 | guidance counselors, that support and maximize opportunities of participating students to | | | | |
| 3 | successfully graduate from high school and then to enroll and graduate from an institution of | | | | |
| 4 | higher learning. Project Discovery shall submit a comprehensive and cumulative program | | | | |
| 5 | performance metrics evaluation to the Department of Education and the Chairmen of the | | | | |
| 6 | House Appropriations and Senate Finance Committees no later than October 1, 2016. | | | | |
| 7 | L. Out of this appropriation, the Department of Education shall provide \$300,000 the first | | | | |
| 8 | year and \$300,000 the second year from the general fund for the Virginia Student Training | | | | |
| 9 | and Refurbishment Program. | | | | |
| 10 | M. Out of this appropriation, \$1,098,000 the first year and \$1,098,000 the second year from | | | | |
| 11 | the general fund is provided to expand the number of schools implementing a system of | | | | |
| 12 | positive behavioral interventions and supports with the goal of improving school climate and | | | | |
| 13 | reducing disruptive behavior in the classroom. Such a system may be implemented as part of | | | | |
| 14 | a tiered system of supports that utilizes evidence-based, system-wide practices to provide a | | | | |
| 15 | response to academic and behavioral needs. Any school division which desires to apply for | | | | |
| 16 | this competitive grant must submit a proposal to the Department of Education by June 1 | | | | |
| 17 | preceding the school-year in which the program is to be implemented. The proposal must | | | | |
| 18 | define student outcome objectives including, but not limited to, reductions in disciplinary | | | | |
| 19 | referrals and out-of-school suspension rates. In making the competitive grant awards, the | | | | |
| 20 | Department of Education shall give priority to school divisions proposing to serve schools | | | | |
| 21 | identified by the Department as having high suspension rates. No funds awarded to a school | | | | |
| 22 | division under this grant may be used to supplant funding for schools already implementing | | | | |
| 23 | the program. | | | | |
| 24 | N. Targeted Extended School Year Payments | | | | |
| 25 | 1. Out of this appropriation, \$7,150,000 the first year and \$7,150,000 the second year from the | | | | |
| 26 | general fund is provided for a targeted extended school year incentive in order to improve | | | | |
| 27 | student achievement. Annual start-up grants of up to \$300,000 per school may be awarded for | | | | |
| 28 | a period of up to two years after the initial implementation year. The per school amount may | | | | |
| 29 | be up to \$400,000 in the case of schools that have a Denied Accreditation status or had a | | | | |
| 30 | Denied Accreditation status when the initial application was made. After the third consecutive | | | | |
| 31 | year of successful participation, an eligible school's grant amount shall be based on a shared | | | | |
| 32 | split of the grant between the state and participating school division's local composite index. | | | | |
| 33 | Such continuing schools shall remain eligible to receive a grant based on the 2012 JLARC | | | | |
| 34 | Review of Year Round Schools' researched base findings. | | | | |
| 35 | 2. Except for school divisions with schools that are in Denied Accreditation status, any other | | | | |
| 36 | school division applying for such a grant shall be required to provide a twenty percent local | | | | |
| 37 | match to the grant amount received from either an extended year start-up or planning grant. | | | | |
| 38 | 3. In the case of any school division with schools that are in Denied Accreditation status that | | | | |
| 39 | apply for funds, the school division shall also consult with the Superintendent of Public | | | | |
| 40 | 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 \$563,312 the second year | | | | |
| 43 | from the general fund is provided for planning grants of no more than \$50,000 each for local | | | | |
| 44 | school 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 Round | | | | |
| 46 | Schools. School divisions must submit applications to the Department of Education by August | | | | |
| 47 | 1 of each year. Priority shall be given to schools based on need, relative to the state | | | | |
| 48 | accreditation ratings or similar federal designations. Applications shall include evidence of | | | | |
| 49 | commitment to pursue implementation in the upcoming school year. If balances exist, existing | | | | |
| 50 | extended school year programs may be eligible to apply for remaining funds. | | | | |
| 51 | 5. A school division that has been awarded an extended school year start-up grant, a year- | | | | |
| 52 | round program start-up grant, or an extended year planning grant for the development of an | | | | |
| 53 | extended year or a new year-round program may spend the awarded grant over two | | | | |
| 54 | consecutive fiscal years. | | | | |
| 55 | 6. a) Any such school division receiving funding from a Targeted Extended School Year grant | | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | shall provide an annual progress report to the Department of Education that evaluates end | | | |
| 2 | of year success of the extended year or year-round model implemented as compared to the | | | |
| 3 | prior school year performance as measured by an appropriate evaluation matrix no later | | | |
| 4 | than August 1 each year. | | | |
| 5 | b) The Department of Education shall develop such evaluation matrix that would be | | | |
| 6 | appropriate for a comprehensive evaluation for such models implemented. Further, the | | | |
| 7 | Department of Education is directed to submit the annual progress reports from the | | | |
| 8 | participating school divisions and an executive summary of the program's overall status | | | |
| 9 | and levels of measured success to the Chairmen of House Appropriations and Senate | | | |
| 10 | Finance Committees no later than October 1 each year. | | | |
| 11 | 7. Any funds remaining in this paragraph following grant awards may be disbursed by the | | | |
| 12 | Department of Education as grants to school divisions to support innovative approaches to | | | |
| 13 | instructional delivery or school governance models. | | | |
| 14 | O. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from | | | |
| 15 | the general fund is provided through grants or contracts for the cost of fees and financial | | | |
| 16 | incentives associated with hiring teachers in challenged schools. These funds may be used | | | |
| 17 | for grants or contracts awarded and expenses associated with supporting the Teach for | | | |
| 18 | America program. School divisions or their partners may apply for those funds through | | | |
| 19 | applications submitted to the Department of Education. Applications must be submitted to | | | |
| 20 | the Department of Education by September 1 each year. Within the fiscal year, any | | | |
| 21 | unobligated balance may be used for the Teacher Residency program. | | | |
| 22 | P. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the | | | |
| 23 | general fund is provided for the Accomack, Arlington, Chesterfield, Fairfax, Loudoun, | | | |
| 24 | Norfolk, Petersburg, Richmond City, and Wythe Public Schools to support expansion of a | | | |
| 25 | STEM model program for kindergarten and preschool students. Each developed model | | | |
| 26 | will focus on enhancing children's learning experiences through the arts. | | | |
| 27 | Q. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from | | | |
| 28 | the general fund is provided for the Achievable Dream partnership with Newport News | | | |
| 29 | School Division. This funding is in lieu of a like amount from the Neighborhood | | | |
| 30 | Assistance Program Tax Credits for An Achievable Dream Middle and High School, Inc. | | | |
| 31 | R. Out of this appropriation, \$500,000 the first year and \$1,000,000 the second year from | | | |
| 32 | the general fund is provided for grants for teacher residency partnerships between | | | |
| 33 | university teacher preparation programs and the Petersburg, Norfolk, and Richmond City | | | |
| 34 | school divisions to help improve new teacher training and retention for hard-to-staff | | | |
| 35 | schools. The grants will support a site-specific residency model program for preparation, | | | |
| 36 | planning, development and implementation, including possible stipends in the program to | | | |
| 37 | attract qualified candidates and mentors. Applications must be submitted to the | | | |
| 38 | Department of Education by August 1 each year. | | | |
| 39 | S. Out of this appropriation, \$60,300 the first year and \$60,300 the second year from the | | | |
| 40 | general fund is provided to the Northern Neck Regional Technical Center to expand the | | | |
| 41 | workforce readiness education and industry based skills and certification development | | | |
| 42 | efforts supporting that region in the state. These funds support the Center's programs that | | | |
| 43 | serve high school students from the surrounding counties of Essex, Lancaster, | | | |
| 44 | Northumberland, Rappahannock, Westmoreland and Colonial Beach. | | | |
| 45 | T. Out of this appropriation, \$2,350,000 the first year and \$2,750,000 the second year | | | |
| 46 | from the general fund is provided to the Virginia Early Childhood Foundation. | | | |
| 47 | 1. Of this amount, \$250,000 the first year and \$250,000 the second year is provided for | | | |
| 48 | general operations of the Foundation's grant program to strengthen the capacity of local | | | |
| 49 | communities to promote school readiness for young children through innovative regional | | | |
| 50 | partnerships. | | | |
| 51 | 2. Of this amount, \$600,000 the first year and \$1,000,000 the second year is provided to | | | |
| 52 | operate a scholarship program to increase the skills of Virginia's early education | | | |
| 53 | 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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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | pilot an initiative to promote public-private delivery of pre-kindergarten services to high-risk | | | |
| 2 | children and communities. | | | |
| 3 | 4. Notwithstanding any provisions of § 22.1-199.6 or § 22.1-299, and in order to achieve the | | | |
| 4 | 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 respective | | | |
| 7 | pilot initiative in order to fully implement the associated goals and objectives of the pilot. | | | |
| 8 | Recipients of a Mixed-Delivery Preschool grant and divisions participating in such grant pilot | | | |
| 9 | activities shall be exempted from all regulatory and statutory provisions related to teacher | | | |
| 10 | licensure requirements and qualifications when paid by public funds within the confines of the | | | |
| 11 | 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 the | | | |
| 16 | general fund to support ten competitive grants, not to exceed \$50,000 each, for planning the | | | |
| 17 | implementation of systemic High School Program Innovation by either individual school | | | |
| 18 | divisions or consortia of school divisions or implementing a plan for High School Program | | | |
| 19 | Innovation previously approved by the Department of Education. The local applicant(s) | | | |
| 20 | selected to conduct this systemic approach to high school reform, in consultation with the | | | |
| 21 | Department of Education, will develop and plan or implement innovative approaches to | | | |
| 22 | engage and to motivate students through personalized learning and instruction leading to | | | |
| 23 | demonstrated mastery of content, as well as skills development of career readiness. Essential | | | |
| 24 | elements of high school innovation include: (1) student centered learning, with progress based | | | |
| 25 | on student demonstrated proficiency; (2) 'real-world' connections that promote alignment with | | | |
| 26 | community work-force needs and emphasize transition to college and/or career; and (3) | | | |
| 27 | varying models for educator supports and staffing. Individual school divisions or consortia | | | |
| 28 | will be invited to apply on a competitive basis by submitting a grant application that includes | | | |
| 29 | descriptions of key elements of innovations, a detailed budget, expectations for outcomes and | | | |
| 30 | student achievement benefits, evaluation methods, and plans for sustainability. The | | | |
| 31 | Department of Education will make the final determination of which individual school | | | |
| 32 | divisions or consortia of divisions will receive the year-long planning grant for High School | | | |
| 33 | Innovation or a grant to implement a High School Program Innovation plan previously | | | |
| 34 | approved by the Department of Education. Any school division or consortium of divisions | | | |
| 35 | which desires to apply for this competitive grant must submit a proposal to the Department of | | | |
| 36 | Education by June 1 preceding the school year in which the planning or implementation for | | | |
| 37 | systemic high school innovation is to take place. | | | |
| 38 | V.1. Out of this appropriation, \$550,000 the first year and \$550,000 the second year from the | | | |
| 39 | general fund is provided to train new teachers in computer science and develop an in-state | | | |
| 40 | infrastructure for training existing teachers to teach computer science curricula. | | | |
| 41 | 2. Northern Virginia Community College, in consultation with the Department of Education, | | | |
| 42 | shall contract in accordance with House Bill 1663 to develop, market, and implement high- | | | |
| 43 | quality and effective computer science training and professional development activities for | | | |
| 44 | public school teachers throughout the Commonwealth for the purpose of improving the | | | |
| 45 | computer science literacy of all public school students in the Commonwealth. Further, | | | |
| 46 | Northern Virginia Community College shall establish an advisory committee for the purpose | | | |
| 47 | of advising the college and its partner organization on the development, marketing, and | | | |
| 48 | implementation of training and professional development activities pursuant to House Bill | | | |
| 49 | 1663, subsection A. The Secretary of Commerce and Trade, the Secretary of Education, and | | | |
| 50 | the Secretary of Technology shall each submit to the college a list of names of qualified | | | |
| 51 | individuals, and the college shall appoint members to such advisory committee from such | | | |
| 52 | lists. | | | |
| 53 | W. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the | | | |
| 54 | general fund is provided to support the Newport News Aviation Academy's four-year high | | | |
| 55 | school STEM program, which focuses on piloting, aircraft maintenance, engineering, | | | |
| 56 | computers, and electronics. | | | |
| 57 | X.1. Out of this appropriation, \$15,000 the first year and \$15,000 the second year is provided | | | |

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|-----------|--|----------------------|----------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | for grants to school divisions of up to \$5,000 each to explore alternative teacher | | | | |
| 2 | compensation approaches that move away from tenure-based step increases toward | | | | |
| 3 | compensation systems based on teacher performance and student progress. Priority will be | | | | |
| 4 | given to school divisions that have not previously explored alternative compensation | | | | |
| 5 | approaches and have schools not achieving full accreditation, or that have high numbers of | | | | |
| 6 | at-risk students needing qualified teachers in hard-to-staff subjects. | | | | |
| 7 | Y. Out of this appropriation, \$100,000 the first year and \$200,000 \$170,000 the second | | | | |
| 8 | year from the general fund is provided for STEM Competition Team Grants. | | | | |
| 9 | Notwithstanding § 22.1-362, Code of Virginia, Paragraph B, grants may not exceed | | | | |
| 10 | \$5,000 each. | | | | |
| 11 | Z. Out of this appropriation, \$870,625 the first year and \$681,975 the second year from | | | | |
| 12 | the general fund is provided to support a multi-platform STEM education engagement | | | | |
| 13 | program 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 | | | | |
| 15 | the general fund is provided for executive leadership incentives in the Petersburg City | | | | |
| 16 | Public Schools to strengthen the impact of division and school level executive leadership | | | | |
| 17 | on student achievement in the school division. Such incentives may include, but not be | | | | |
| 18 | limited to, supplements to locally funded salaries, deferred salary compensation, bonuses, | | | | |
| 19 | housing and commuting supplements, and professional development supplements. The | | | | |
| 20 | Department of Education shall provide such executive management incentive payments | | | | |
| 21 | directly to the Petersburg City Public Schools accounts pursuant to a Memorandum of | | | | |
| 22 | Understanding entered into between the Board of Education and the Petersburg City | | | | |
| 23 | School Board. Such Agreement shall be approved by both parties by July 1, 2016, shall | | | | |
| 24 | cover no less than both years of the biennium, and may be amended with the consent of | | | | |
| 25 | both parties. Such Agreement shall include operational and student achievement metrics | | | | |
| 26 | and include provisions for the achievement of such metrics as a condition of payment of | | | | |
| 27 | the incentive funds by the Department of Education. The Department of Education shall | | | | |
| 28 | provide updates on implementation of the Agreement to the Chairmen of the Senate | | | | |
| 29 | Finance and House 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 | | | | |
| 32 | Corps program. The Virginia Reading Corps shall report annually to the school divisions | | | | |
| 33 | and 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 | | | | |
| 35 | provided for Chesterfield County Public Schools to partner and plan with Virginia State | | | | |
| 36 | University for the continued development of a College Partnership Laboratory School in | | | | |
| 37 | support of Ettrick Elementary School. | | | | |
| 38 | DD. Out of this appropriation, \$175,000 is provided the second year from the general fund | | | | |
| 39 | to establish a Career and Technical Education Vocational Laboratory pilot that will be | | | | |
| 40 | located within the Virginia Aviation Academy located in the Newport News school | | | | |
| 41 | division. This vocational-based lab will be developed and focused on advanced, | | | | |
| 42 | augmented and virtual reality related education. | | | | |
| 43 | 139. State Education Assistance Programs (17800)..... | | | \$6,459,942,658 | \$6,733,290,559 |
| 44 | | | | | \$6,728,466,142 |
| 45 | Standards of Quality for Public Education (SOQ) | | | | |
| 46 | (17801)..... | \$5,761,863,096 | \$5,962,735,008 | | |
| 47 | | | \$5,960,310,629 | | |
| 48 | Financial Incentive Programs for Public Education | | | | |
| 49 | (17802)..... | \$31,306,863 | \$164,957,065 | | |
| 50 | | | \$111,666,720 | | |
| 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 | | | \$5,935,242,829 | | |

| 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 | | | \$790,228,313 | | |
| 6 | Authority: Standards of Quality for Public Education (SOQ) (17801): Article VIII, Section 2, | | | | |
| 7 | Constitution of Virginia; Chapter 667, Acts of Assembly, 1980; §§ 22.1-176 through 22.1- | | | | |
| 8 | 198, 22.1-199.1, 22.1-199.2, 22.1-213 through 22.1-221, 22.1-227 through 22.1-237, 22.1- | | | | |
| 9 | 253.13:1 through 22.1-253.13:8, 22.1-254.01, Code of Virginia; Title 51.1, Chapters 1, 5, 6.2, | | | | |
| 10 | 7, and 14, Code of Virginia; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, | | | | |
| 11 | 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 through | | | | |
| 13 | 22.1-318, Code of Virginia; P.L. 79-396, as amended; P.L. 89-10, as amended; P.L. 89-642, | | | | |
| 14 | as amended; P.L. 108-265, as amended; Title II P.L. 99-159, as amended, Federal Code. | | | | |
| 15 | Financial Assistance for Categorical Programs (17803): Discretionary Inclusion; Treaty of | | | | |
| 16 | 1677 between Virginia and the Indians; §§ 22.1-3.4, 22.1-108, 22.1-199 through 22.1-212.2:2, | | | | |
| 17 | 22.1-213 through 22.1-221, 22.1-223 through 22.1-237, 22.1-254, Code of Virginia; P.L. 89- | | | | |
| 18 | 10, as amended; P.L. 91-230, as amended; P.L. 93-380, as amended; P.L. 94-142, as | | | | |
| 19 | amended; P.L. 94-588; P.L. 95-561, as amended; P.L. 98-211, as amended; P.L. 98-524, as | | | | |
| 20 | amended; P.L. 99-570; P.L. 100-297, as amended; P.L. 102-73, as amended; P.L. 105-220, as | | | | |
| 21 | amended, Federal Code. | | | | |
| 22 | Distribution of Lottery Funds (17805): §§ 58.1-4022 and 58.1-4022.1, Code of Virginia | | | | |
| 23 | Appropriation Detail of Education | | | | |
| 24 | Assistance Programs (17800) | | | | |
| 25 | Standards of Quality (17801) | | FY 2017 | | FY 2018 |
| 26 | Basic Aid | | \$3,186,089,992 | | \$3,187,633,305 |
| 27 | | | | | \$3,183,987,395 |
| 28 | Sales Tax | | \$1,347,400,000 | | \$1,377,942,000 |
| 29 | | | | | \$1,379,600,000 |
| 30 | Textbooks (spilt funded) | | \$12,159,059 | | \$76,599,186 |
| 31 | | | | | \$76,553,532 |
| 32 | Vocational Education | | \$52,314,746 | | \$52,236,389 |
| 33 | | | | | \$52,171,294 |
| 34 | Gifted Education | | \$34,319,375 | | \$34,425,282 |
| 35 | | | | | \$34,402,263 |
| 36 | Special Education | | \$382,103,771 | | \$382,857,839 |
| 37 | | | | | \$382,617,870 |
| 38 | Prevention, Intervention, and Remediation | | \$113,782,747 | | \$113,821,446 |
| 39 | | | | | \$113,569,762 |
| 40 | English as a Second Language (split | | \$0 | | \$55,594,856 |
| 41 | funded) | | | | \$57,167,836 |
| 42 | VRS Retirement (includes RHCC) | | \$401,170,449 | | \$447,555,445 |
| 43 | | | | | \$447,217,922 |
| 44 | Social Security | | \$194,571,030 | | \$195,042,985 |
| 45 | | | | | \$194,895,531 |
| 46 | Group Life | | \$13,264,538 | | \$13,240,433 |
| 47 | | | | | \$13,230,308 |
| 48 | Remedial Summer School | | \$24,687,389 | | \$25,785,842 |
| 49 | | | | | \$23,836,129 |
| 50 | Total | | \$5,761,863,096 | | \$5,962,735,008 |
| 51 | | | | | \$5,959,249,842 |
| 52 | Incentive Programs (17802) | | | | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Compensation Supplement | | \$0 | | \$31,846,184 |
| 2 | | | | | \$31,728,026 |
| 3 | Governor's School | \$17,906,049 | | \$18,420,000 | |
| 4 | | | | \$18,308,731 | |
| 5 | Governor's School Planning Grant - | \$100,000 | | | \$0 |
| 6 | Career and Technical Education | | | | |
| 7 | At-Risk Add-On (split funded) | | \$0 | \$76,080,851 | |
| 8 | | | | \$45,699,972 | |
| 9 | Clinical Faculty | \$318,750 | | \$318,750 | |
| 10 | Career Switcher Mentoring Grants | \$279,983 | | \$279,983 | |
| 11 | Special Education Endorsement Program | \$550,000 | | \$437,186 | |
| 12 | Special Education – Vocational | \$200,089 | | \$200,089 | |
| 13 | Education | | | | |
| 14 | Special Education - Regional Tuition | | \$0 | \$32,680,039 | |
| 15 | (split 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 | | | | \$101,666,720 | |
| 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 | | | | \$10,129,022 | |
| 43 | At-Risk Add-On (split funded) | \$98,013,725 | | \$22,010,800 | |
| 44 | | | | \$52,046,893 | |
| 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 | | | | \$121,711,474 | |

| 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 | \$5,722,214 |
| 2 | | | | |
| 3 | SOL Algebra Readiness | \$12,968,589 | \$12,775,341 | \$12,828,757 |
| 4 | | | | |
| 5 | Supplemental Lottery Per Pupil Allocation | \$36,581,531 | \$191,267,718 | \$191,272,274 |
| 6 | | | | |
| 7 | Regional Alternative Education | \$8,528,727 | \$8,639,782 | \$8,838,911 |
| 8 | | | | |
| 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 | \$92,162,325 |
| 12 | (split funded) | | | |
| 13 | Career and Technical Education – | \$12,400,829 | | \$12,400,829 |
| 14 | Categorical | | | |
| 15 | Project Graduation | \$2,774,478 | \$1,387,240 | \$1,387,387 |
| 16 | | | | |
| 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 | \$756,242 |
| 21 | | | | |
| 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 | \$608,478,743 |
| 26 | | | | |
| 27 | Technology – VPSA | \$67,138,400 | \$69,169,200 | \$58,735,300 |
| 28 | | | | |
| 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 ages | | | |
| 34 | 5-21 and (2) students for whom English is a second language who entered school for the first | | | |
| 35 | time after reaching their twelfth birthday, and who have not reached twenty-two years of age | | | |
| 36 | on or before August 1 of the school year, for the first seven (7) months (or equivalent period) | | | |
| 37 | of the school year through March 31 in which state funds are distributed from this | | | |
| 38 | appropriation. Preschool and postgraduate students shall not be included in March 31 ADM. | | | |
| 39 | a. School divisions shall take a count of September 30 fall membership and report this | | | |
| 40 | information to the Department of Education no later than October 15 of each year. | | | |
| 41 | b. Except as otherwise provided herein, by statute, or by precedent, all appropriations to the | | | |
| 42 | Department of Education shall be calculated using March 31 ADM unadjusted for half-day | | | |
| 43 | kindergarten programs, estimated at 1,243,100.49 the first year and 1,248,935.53 | | | |
| 44 | 1,247,836.85 the second year. March 31 ADM for half-day kindergarten shall be adjusted at | | | |
| 45 | 85 percent. | | | |
| 46 | c. Students who are either (i) enrolled in a nonpublic school or (ii) receiving home instruction | | | |
| 47 | pursuant to § 22.1-254.1 and who are enrolled in a public school on less than a full-time basis | | | |
| 48 | in any mathematics, science, English, history, social science, vocational education, health | | | |
| 49 | education or physical education, fine arts or foreign language course, or receiving special | | | |
| 50 | education services required by a student's individualized education plan, shall be counted in | | | |
| 51 | the funded fall membership and March 31 ADM of the responsible school division. Each | | | |
| 52 | course shall be counted as 0.25, up to a cap of 0.5 of a student. | | | |

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

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | to July 1, 2004, of any individual localities involved in such consolidation, and this index | | | |
| 2 | shall remain in effect for a period of fifteen years, unless a lower composite index is | | | |
| 3 | calculated for the combined division through the process for computing an index as set forth | | | |
| 4 | above. | | | |
| 5 | 3) If the composite index of a consolidated school division is reduced during the course of the | | | |
| 6 | fifteen year period to a level that would entitle the school division to a lower interest rate for a | | | |
| 7 | Literary Fund loan than it received when the loan was originally released, the Board of | | | |
| 8 | Education shall reduce the interest rate of such loan for the remainder of the period of the | | | |
| 9 | loan. Such reduction shall be based on the interest rate that would apply at the time of such | | | |
| 10 | adjustment. This rate shall remain in effect for the duration of the loan and shall apply only to | | | |
| 11 | those years remaining to be paid. | | | |
| 12 | 4) In the case of the consolidation of Bedford County and Bedford City school divisions, the | | | |
| 13 | fifteen year period for the application of a new composite shall apply beginning with the fiscal | | | |
| 14 | year that starts on July 1, 2013. The composite index established by the Board of Education | | | |
| 15 | shall equal the lowest composite index that was in effect prior to July 1, 2013, of any | | | |
| 16 | individual localities involved in such consolidation, and this index shall remain in effect for a | | | |
| 17 | period of fifteen years, unless a lower composite index is calculated for the combined division | | | |
| 18 | through the process for computing an index as set forth above. | | | |
| 19 | d. When it is determined that a substantial error exists in a constituent index element, the | | | |
| 20 | Department of Education will make adjustments in funding for the current school year only in | | | |
| 21 | the division where the error occurred, <i>except in the case of Roanoke County for the 2017-2018</i> | | | |
| 22 | <i>school year.</i> The composite index of any other locality shall not be changed as a result of the | | | |
| 23 | adjustment. No adjustment during the biennium will be made as a result of updating of data | | | |
| 24 | used in a constituent index element. | | | |
| 25 | e. In the event that any school division consolidates two or more small schools, the division | | | |
| 26 | shall continue to receive Standards of Quality funding and provide for the required local | | | |
| 27 | expenditure for a period of five years as if the schools had not been consolidated. Small | | | |
| 28 | schools are defined as any elementary, middle, or high school with enrollment below 200, 300 | | | |
| 29 | and 400 students, respectively. | | | |
| 30 | 5. "Required Local Expenditure for the Standards of Quality" - The locality's share based on | | | |
| 31 | the composite index of local ability-to-pay of the cost required by all the Standards of Quality | | | |
| 32 | minus its estimated revenues from the state sales and use tax dedicated to public education | | | |
| 33 | and those sales tax revenues transferred to the general fund from the Public Education | | | |
| 34 | Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated in this | | | |
| 35 | Item, both of which are returned on the basis of the latest yearly estimate of school age | | | |
| 36 | population provided by the Weldon Cooper Center for Public Service, as specified in this | | | |
| 37 | Item, collected by the Department of Education and distributed to school divisions in the | | | |
| 38 | fiscal year in which the school year begins. | | | |
| 39 | 6. "Required Local Match" - The locality's required share of program cost based on the | | | |
| 40 | composite index of local ability-to-pay for all Lottery and Incentive programs, where | | | |
| 41 | required, in which the school division has elected to participate in a fiscal year. | | | |
| 42 | 7. "Planning District Eight" - The nine localities which comprise Planning District Eight are | | | |
| 43 | Arlington County, Fairfax County, Loudoun County, Prince William County, Alexandria | | | |
| 44 | City, Fairfax City, Falls Church City, Manassas City, and Manassas Park City. | | | |
| 45 | 8. "State Share of the Standards of Quality" - The state share of the Standards of Quality | | | |
| 46 | (SOQ) shall be equal to the total funded SOQ cost for a school division less the school | | | |
| 47 | division's estimated revenues from the state sales and use tax dedicated to public education | | | |
| 48 | based on the latest yearly estimate of school age population provided by the Weldon Cooper | | | |
| 49 | Center for Public Service, adjusted for the state's share of the composite index of local ability | | | |
| 50 | to pay. | | | |
| 51 | 9. Entitlements under this Item that use school-level or division-level Free Lunch eligibility | | | |
| 52 | percentages to determine the entitlement amounts are based on the most recent data available | | | |
| 53 | as of the biennial rebenchmarking calculations made for the current biennium. However, | | | |
| 54 | October 2013 Free Lunch eligibility data is used in the case of schools that participate in the | | | |
| 55 | Community Eligibility Provision program. | | | |

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

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|--------------------------|---------------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 1. The Standards of Quality cost in this Item related to fringe benefits shall be limited for | | | |
| 2 | instructional staff members to the employer's cost for a number not exceeding the number of | | | |
| 3 | instructional positions required by the Standards of Quality for each school division and for | | | |
| 4 | their salaries at the statewide prevailing salary levels as printed below. | | | |
| 5 | Instructional Position | First Year Salary | Second Year Salary | |
| 6 | Elementary Teachers | \$47,185 | \$47,185 | |
| 7 | Elementary Assistant Principals | \$67,119 | \$67,119 | |
| 8 | Elementary Principals | \$82,846 | \$82,846 | |
| 9 | Secondary Teachers | \$49,744 | \$49,744 | |
| 10 | Secondary Assistant Principals | \$72,057 | \$72,057 | |
| 11 | Secondary Principals | \$92,041 | \$92,041 | |
| 12 | Instructional Aides | \$17,108 | \$17,108 | |
| 13 | a.1) Payment by the state to a local school division shall be based on the state share of fringe | | | |
| 14 | benefit costs of 55 percent of the employer's cost distributed on the basis of the composite | | | |
| 15 | index. | | | |
| 16 | 2) A locality whose composite index exceeds 0.8000 shall be considered as having an index | | | |
| 17 | of 0.8000 for purposes of distributing fringe benefit funds under this provision. | | | |
| 18 | 3) The state payment to each school division for retirement, social security, and group life | | | |
| 19 | insurance costs for non-instructional personnel is included in and distributed through Basic | | | |
| 20 | Aid. | | | |
| 21 | b. Payments to school divisions from this Item shall be calculated using March 31 Average | | | |
| 22 | Daily Membership adjusted for half-day kindergarten programs. | | | |
| 23 | c. Payments for health insurance fringe benefits are included in and distributed through Basic | | | |
| 24 | Aid. | | | |
| 25 | 2. Each locality shall offer a school program for all its eligible pupils which is acceptable to | | | |
| 26 | the Department of Education as conforming to the Standards of Quality program | | | |
| 27 | requirements. | | | |
| 28 | 3. In the event the statewide number of pupils in March 31 ADM results in a state share of | | | |
| 29 | cost exceeding the general fund appropriation in this Item, the locality's state share of Basic | | | |
| 30 | Aid shall be reduced proportionately so that this general fund appropriation will not be | | | |
| 31 | exceeded. In addition, the required local share of Basic Aid shall also be reduced | | | |
| 32 | proportionately to the reduction in the state's share. | | | |
| 33 | 4. The Department of Education shall make equitable adjustments in the computation of | | | |
| 34 | indices of wealth and in other state-funded accounts for localities affected by annexation, | | | |
| 35 | unless a court of competent jurisdiction makes such adjustments. However, only the indices of | | | |
| 36 | wealth and other state-funded accounts of localities party to the annexation will be adjusted. | | | |
| 37 | 5. In the event that the actual revenues from the state sales and use tax dedicated to public | | | |
| 38 | education and those sales tax revenues transferred to the general fund from the Public | | | |
| 39 | Education Standards of Quality/Local Real Estate Property Tax Relief Fund and appropriated | | | |
| 40 | in this Item (both of which are returned on the basis of the latest yearly estimate of school age | | | |
| 41 | population provided by the Weldon Cooper Center for Public Service) for sales in the fiscal | | | |
| 42 | year in which the school year begins are different from the number estimated as the basis for | | | |
| 43 | this appropriation, the estimated state sales and use tax revenues shall not be adjusted. | | | |
| 44 | 6. This appropriation shall be apportioned to the public schools with guidelines established by | | | |
| 45 | the Department of Education consistent with legislative intent as expressed in this act. | | | |
| 46 | 7.a. Appropriations of state funds in this Item include the number of positions required by the | | | |
| 47 | Standards of Quality. This Item includes a minimum of 51 professional instructional positions | | | |
| 48 | and aide positions (C 5); Education of the Gifted, 1.0 professional instructional position (C 6); | | | |
| 49 | Occupational-Vocational Education Payments and Special Education Payments; a minimum | | | |
| 50 | of 6.0 professional instructional positions and aide positions (C 7 and C 8) for each 1,000 | | | |
| 51 | pupils in March 31 ADM each year in support of the current Standards of Quality. Funding in | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | support of one hour of additional instruction per day based on the percent of students | | | |
| 2 | eligible for the federal free lunch program with a pupil-teacher ratio range of 18:1 to 10:1, | | | |
| 3 | depending upon a school division's combined failure rate on the English and Math | | | |
| 4 | Standards of Learning, is included in Remedial Education Payments (C 9). | | | |
| 5 | b. No actions provided in this section signify any intent of the General Assembly to | | | |
| 6 | mandate an increase in the number of instructional personnel per 1,000 students above the | | | |
| 7 | numbers explicitly stated in the preceding paragraph. | | | |
| 8 | c. Appropriations in this Item include programs supported in part by transfers to the | | | |
| 9 | general fund from the Public Education Standards of Quality/Local Real Estate Property | | | |
| 10 | Tax Relief Fund pursuant to Part 3 of this Act. These transfers combined together with | | | |
| 11 | other appropriations from the general fund in this Item funds the state's share of the | | | |
| 12 | following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the | | | |
| 13 | Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one | | | |
| 14 | support technology position per 1,000 students; one instructional technology position per | | | |
| 15 | 1,000 students; and a full daily planning period for teachers at the middle and high school | | | |
| 16 | levels in order to relieve the financial pressure these education programs place on local | | | |
| 17 | real estate taxes. | | | |
| 18 | d. To provide flexibility, school divisions may use the state and local funds for | | | |
| 19 | instructional technology resource teachers required by the Standards of Quality to employ | | | |
| 20 | a data coordinator position, an instructional technology resource teacher position, or a data | | | |
| 21 | coordinator/instructional resource teacher blended position. The data coordinator position | | | |
| 22 | is intended to serve as a resource to principals and classroom teachers in the area of data | | | |
| 23 | analysis and interpretation for instructional and school improvement purposes, as well as | | | |
| 24 | for overall data management and administration of state assessments. School divisions | | | |
| 25 | using these SOQ funds in this manner shall only employ instructional personnel licensed | | | |
| 26 | by the Board of Education. | | | |
| 27 | e. To provide flexibility in the provision of reading intervention services, school divisions | | | |
| 28 | may use the state Early Reading Intervention initiative funding provided from the Lottery | | | |
| 29 | Proceeds Fund and the required local matching funds to employ reading specialists to | | | |
| 30 | provide the required reading intervention services. School divisions using the Early | | | |
| 31 | Reading Intervention Initiative funds in this manner shall only employ instructional | | | |
| 32 | personnel licensed by the Board of Education. | | | |
| 33 | f. To provide flexibility in the provision of mathematics intervention services, school | | | |
| 34 | divisions may use the state Standards of Learning Algebra Readiness initiative funding | | | |
| 35 | provided from the Lottery Proceeds Fund and the required local matching funds to employ | | | |
| 36 | mathematics teacher specialists to provide the required mathematics intervention services. | | | |
| 37 | School divisions using the Standards of Learning Algebra Readiness initiative funding in | | | |
| 38 | this manner shall only employ instructional personnel licensed by the Board of Education. | | | |
| 39 | 8.a.1) Pursuant to § 22.1-97, Code of Virginia, the Department of Education is required to | | | |
| 40 | make calculations at the start of the school year to ensure that school divisions have | | | |
| 41 | appropriated adequate funds to support their estimated required local expenditure for the | | | |
| 42 | corresponding state fiscal year. In an effort to reduce the administrative burden on school | | | |
| 43 | divisions resulting from state data collections, such as the one needed to make the | | | |
| 44 | aforementioned calculations, the requirements of § 22.1-97, Code of Virginia, pertaining | | | |
| 45 | to the adequacy of estimated required local expenditures, shall be satisfied by signed | | | |
| 46 | certification by each division superintendent at the beginning of each school year that | | | |
| 47 | sufficient local funds have been budgeted to meet all state required local effort and | | | |
| 48 | required local match amounts. This provision shall only apply to calculations required of | | | |
| 49 | the Department of Education related to estimated required local expenditures and shall not | | | |
| 50 | pertain to the calculations associated with actual required local expenditures after the close | | | |
| 51 | of the school year. | | | |
| 52 | 2) The Department of Education shall also make calculations after the close of the school | | | |
| 53 | year to verify that the required local effort level, based on actual March 31 Average Daily | | | |
| 54 | Membership, was met. Pursuant to § 22.1-97, Code of Virginia, the Department of | | | |
| 55 | Education shall report annually, no later than the first day of the General Assembly | | | |
| 56 | session, to the House Committees on Education and Appropriations and the Senate | | | |
| 57 | Committees on Finance and Education and Health, the results of such calculations made | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | after the close of the school year and the degree to which each school division has met, failed | | | |
| 2 | to meet, or surpassed its required local expenditure. The Department of Education shall | | | |
| 3 | specify the calculations to determine if a school division has expended its required local | | | |
| 4 | expenditure for the Standards of Quality. This calculation may include but is not limited to the | | | |
| 5 | following calculations: | | | |
| 6 | b. The total expenditures for operation, defined as total expenditures less all capital outlays, | | | |
| 7 | expenditures for debt service, facilities, non-regular day school programs (such as adult | | | |
| 8 | education, preschool, and non-local education programs), and any transfers to regional | | | |
| 9 | programs will be calculated. | | | |
| 10 | c. The following state funds will be deducted from the amount calculated in paragraph a. | | | |
| 11 | above: revenues from the state sales and use tax (returned on the basis of the latest yearly | | | |
| 12 | estimate of school age population provided by the Weldon Cooper Center for Public Service, | | | |
| 13 | as specified in this Item) for sales in the fiscal year in which the school year begins; total | | | |
| 14 | receipts from state funds (except state funds for non-regular day school programs and state | | | |
| 15 | funds used for capital or debt service purposes); and the state share of any balances carried | | | |
| 16 | forward from the previous fiscal year. Any qualifying state funds that remain unspent at the | | | |
| 17 | end of the fiscal year will be added to the amount calculated in paragraph a. above. | | | |
| 18 | d. Federal funds, and any federal funds carried forward from the previous fiscal year, will also | | | |
| 19 | be deducted from the amount calculated in paragraph a. above. Any federal funds that remain | | | |
| 20 | unspent at the end of the fiscal year and any capital expenditures paid from federal funds will | | | |
| 21 | be added to the amount calculated in paragraph a. above. | | | |
| 22 | e. Tuition receipts, receipts from payments from other cities or counties, and fund transfers | | | |
| 23 | 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 required | | | |
| 25 | local expenditure defined in paragraph A. 5. | | | |
| 26 | g. The Department of Education shall collect the data necessary to perform the calculations of | | | |
| 27 | required local expenditure as required by this section. | | | |
| 28 | h. A locality whose expenditure in fact exceeds the required amount from local funds may not | | | |
| 29 | 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 locality | | | |
| 32 | into the general fund of the state treasury. Such payments shall be made not later than the end | | | |
| 33 | 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 that | | | |
| 36 | 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 appropriation | | | |
| 40 | to the approved budget for the second year following that in which the under expenditure | | | |
| 41 | occurs, in an appropriate category as requested by the local school board, for the direct benefit | | | |
| 42 | of the students; | | | |
| 43 | 3) The local school board agrees to expend these funds, over and above the funds required to | | | |
| 44 | meet the required local expenditure for the second year following that in which the under | | | |
| 45 | expenditure occurs, for a special project, the details of which must be furnished to the | | | |
| 46 | Department of Education for review and approval; | | | |
| 47 | 4) The local school board agrees to submit quarterly reports to the Department of Education | | | |
| 48 | 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 be | | | |
| 50 | cancelled and the funds withdrawn if the above conditions have not been met as of June 30 of | | | |
| 51 | the second year following that in which the under expenditure occurs. | | | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | c. There is hereby appropriated, for the purposes of the foregoing repayment, a sum | | | | |
| 2 | sufficient, not to exceed 75 percent of the funds deposited in the general fund pursuant to | | | | |
| 3 | the preceding 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 | | | | |
| 6 | funds required to support the actual local match based on all Lottery and Incentive | | | | |
| 7 | programs in which the school division has elected to participate. Unless specifically stated | | | | |
| 8 | otherwise in this Item, school divisions electing to participate in any Lottery or Incentive | | | | |
| 9 | program that requires a local funding match in order to receive state funding, shall certify | | | | |
| 10 | to the Department of Education its intent to participate in each program by July 1 each | | | | |
| 11 | fiscal year in a manner prescribed by the Department of Education. As part of this | | | | |
| 12 | certification process, each division superintendent must also certify that adequate local | | | | |
| 13 | funds have been appropriated, above the required local effort for the Standards of Quality, | | | | |
| 14 | to support the projected required local match based on the Lottery and Incentive programs | | | | |
| 15 | in which the school division has elected to participate. State funding for such program(s) | | | | |
| 16 | shall not be made until such time that the school division can certify that sufficient local | | | | |
| 17 | funding has been appropriated to meet required local match. The Department of Education | | | | |
| 18 | shall make calculations after the close of the fiscal year to verify that the required local | | | | |
| 19 | match was met based on the state funds that were received. | | | | |
| 20 | 11. Any sum of local matching funds for Lottery and Incentive program which a locality | | | | |
| 21 | has not expended as of the end of a fiscal year in support of the required local match | | | | |
| 22 | pursuant to this Item shall be paid by the locality into the general fund of the state treasury | | | | |
| 23 | unless the carryover of those unspent funds is specifically permitted by other provisions of | | | | |
| 24 | this act. Such payments shall be made no later than the end of the school year following | | | | |
| 25 | that in which the under expenditure occurred. | | | | |
| 26 | 12. The Superintendent of Public Instruction shall provide a report annually, no later than | | | | |
| 27 | the first day of the General Assembly session, on the status of teacher salaries, by local | | | | |
| 28 | school division, to the Governor and the Chairmen of the Senate Finance and House | | | | |
| 29 | Appropriations Committees. In addition to information on average salaries by school | | | | |
| 30 | division and statewide comparisons with other states, the report shall also include | | | | |
| 31 | information on starting salaries by 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 | | | | |
| 39 | even-numbered years, the forecast for the current and subsequent fiscal year shall be | | | | |
| 40 | provided. The forecast shall detail the projected March 31 Average Daily Membership and | | | | |
| 41 | the resulting 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 | | | | |
| 45 | a 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 | | | | |
| 51 | deducted from state Basic Aid payments for individual local school divisions. | | | | |
| 52 | 18. For distributions not otherwise specified, the Department of Education, at its option, | | | | |
| 53 | may 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 | | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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 those | | | |
| 6 | sales tax revenues transferred to the general fund from the Public Education Standards of | | | |
| 7 | Quality/ Local Real Estate Property Tax Relief Fund in the first year based on the July 1, | | | |
| 8 | 2014, estimate of school age population provided by the Weldon Cooper Center for Public | | | |
| 9 | Service and, in the second year, based on the July 1, 2015, estimate of school age population | | | |
| 10 | 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 State | | | |
| 12 | Comptroller shall distribute the state sales and use tax revenues dedicated to public education | | | |
| 13 | and those sales tax revenues transferred to the general fund from the Public Education | | | |
| 14 | Standards of Quality/ Local Real Estate Property Tax Relief Fund in the first year based on | | | |
| 15 | the July 1, 2014, estimate of school age population provided by the Weldon Cooper Center for | | | |
| 16 | Public Service and, in the second year, based on the July 1, 2015, estimate of school age | | | |
| 17 | population provided by the Weldon Cooper Center for Public Service. | | | |
| 18 | 21. The school divisions within the Tobacco Region, as defined by the Tobacco | | | |
| 19 | Indemnification and Community Revitalization Commission, shall jointly explore ways to | | | |
| 20 | maximize their collective expenditure reimbursement totals for all eligible E-Rate funding. | | | |
| 21 | 22. This Item includes appropriations totaling an estimated \$608,581,144 the first year and | | | |
| 22 | \$546,495,789 \$608,478,743 the second year from the revenues deposited to the Lottery | | | |
| 23 | Proceeds Fund. These amounts are appropriated for distribution to counties, cities, and towns | | | |
| 24 | to support public education programs pursuant to Article X, Section 7-A Constitution of | | | |
| 25 | Virginia. Any county, city, or town which accepts a distribution from this fund shall provide | | | |
| 26 | its portion of the cost of maintaining an educational program meeting the Standards of Quality | | | |
| 27 | pursuant to Section 2 of Article VIII of the Constitution without the use of distributions from | | | |
| 28 | the fund. | | | |
| 29 | 23. For reporting purposes, the Department of Education shall include Lottery Proceeds Funds | | | |
| 30 | as state funds. | | | |
| 31 | 24.a. Any locality that has met its required local effort for the Standards of Quality accounts | | | |
| 32 | for FY 2017 and that has met its required local match for incentive or Lottery-funded | | | |
| 33 | programs in which the locality elected to participate in FY 2017 may carry over into FY 2018 | | | |
| 34 | any remaining state Direct Aid to Public Education fund balances available to help minimize | | | |
| 35 | any FY 2018 revenue adjustments that may occur in state funding to that locality. Localities | | | |
| 36 | electing to carry forward such unspent state funds must appropriate the funds to the school | | | |
| 37 | division for expenditure in FY 2018. | | | |
| 38 | b. Any locality that has met its required local effort for the Standards of Quality accounts for | | | |
| 39 | FY 2018 and that has met its required local match for incentive or Lottery-funded programs in | | | |
| 40 | which the locality elected to participate in FY 2018 may carry over into FY 2019 any | | | |
| 41 | remaining state Direct Aid to Public Education fund balances available to help minimize any | | | |
| 42 | FY 2019 revenue adjustments that may occur in state funding to that locality. Localities | | | |
| 43 | electing to carry forward such unspent state funds must appropriate the funds to the school | | | |
| 44 | division for expenditure in FY 2019. | | | |
| 45 | 25. Localities are encouraged to allow school boards to carry over any unspent local | | | |
| 46 | allocations into the next fiscal year. Localities are also encouraged to provide increased | | | |
| 47 | flexibility to school boards by appropriating state and local funds for public education in a | | | |
| 48 | lump sum. | | | |
| 49 | 26. The Department of Education shall include in the annual School Performance Report Card | | | |
| 50 | for school divisions the percentage of each division's annual operating budget allocated to | | | |
| 51 | instructional costs. For this report, the Department of Education shall establish a methodology | | | |
| 52 | for allocating each school division's expenditures to instructional and non-instructional costs | | | |
| 53 | in a manner that is consistent with the funding of the Standards of Quality as approved by the | | | |
| 54 | General Assembly. | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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 | | | |
| 6 | held at a community college, are consistently applied to public school students and home- | | | |
| 7 | schooled students alike. These policies will clearly address the school division | | | |
| 8 | contributions and any student charges for dual enrollment courses, and will ensure that | | | |
| 9 | public school students and 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 | | | |
| 13 | and payments in addition to that cost. The apportionment herein directed shall be inclusive | | | |
| 14 | of, and without further payment by reason of, state funds for library and other teaching | | | |
| 15 | materials. | | | |
| 16 | 2. School Employee Retirement Contributions | | | |
| 17 | a. This Item provides funds to each local school board for the state share of the employer's | | | |
| 18 | retirement cost incurred by it, on behalf of instructional personnel, for subsequent transfer | | | |
| 19 | to the retirement allowance account as provided by Title 51.1, Chapter 1, Code of | | | |
| 20 | Virginia. | | | |
| 21 | b. Notwithstanding § 51.1-1401, Code of Virginia, the Commonwealth shall provide | | | |
| 22 | payments for only the state share of the Standards of Quality fringe benefit cost of the | | | |
| 23 | retiree health care credit. This Item includes payments in both years based on the state | | | |
| 24 | share of fringe benefit costs of 55 percent of the employer's cost on funded Standards of | | | |
| 25 | Quality instructional positions, distributed based on the composite index of the local | | | |
| 26 | ability-to-pay. | | | |
| 27 | 3. School Employee Social Security Contributions | | | |
| 28 | a. This Item provides funds to each local school board for the state share of the employer's | | | |
| 29 | Social Security cost incurred by it, on behalf of the instructional personnel for subsequent | | | |
| 30 | transfer to the Contribution Fund pursuant to Title 51.1, Chapter 7, Code of Virginia. | | | |
| 31 | b. Appropriations for contributions in paragraphs 2 and 3 above include payments from | | | |
| 32 | funds derived from the principal of the Literary Fund in accordance with Article VIII, | | | |
| 33 | Section 8, of the Constitution of Virginia. The amounts set aside from the Literary Fund | | | |
| 34 | for these purposes shall not exceed \$199,347,523 the first year and \$181,349,570 the | | | |
| 35 | second year. | | | |
| 36 | 4. School Employee Insurance Contributions | | | |
| 37 | This Item provides funds to each local school board for the state share of the employer's | | | |
| 38 | Group Life Insurance cost incurred by it on behalf of instructional personnel who | | | |
| 39 | participate in group insurance under the provisions of Title 51.1, Chapter 5, Code of | | | |
| 40 | Virginia. | | | |
| 41 | 5. Basic Aid Payments | | | |
| 42 | a.1) A state share of the Basic Operation Cost, which cost per pupil in March 31 ADM is | | | |
| 43 | established individually for each local school division based on the number of | | | |
| 44 | instructional personnel required by the Standards of Quality and the statewide prevailing | | | |
| 45 | salary levels (adjusted in Planning District Eight for the cost of competing) as well as | | | |
| 46 | recognized support costs calculated on a prevailing basis for an estimated March 31 ADM. | | | |
| 47 | 2) This appropriation includes funding to recognize the common labor market in the | | | |
| 48 | Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area. | | | |
| 49 | Standards of Quality salary payments for instructional and support positions in school | | | |
| 50 | divisions of the localities set out below have been adjusted for the equivalent portion of | | | |
| 51 | the Cost of Competing Adjustment (COCA) rates that are paid to local school divisions in | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Planning District Eight. For the counties of Stafford, Fauquier, Spotsylvania, Clarke, Warren, | | | |
| 2 | Frederick, and Culpeper and the Cities of Fredericksburg and Winchester, the SOQ payments | | | |
| 3 | for instructional and support positions have been increased by 25 percent each year of the | | | |
| 4 | COCA rates paid to school divisions in Planning District Eight. | | | |
| 5 | The support COCA rate is 10.6 percent. | | | |
| 6 | b. The state share for a locality shall be equal to the Basic Operation Cost for that locality less | | | |
| 7 | the locality's estimated revenues from the state sales and use tax (returned on the basis of the | | | |
| 8 | latest yearly estimate of school age population provided by the Weldon Cooper Center for | | | |
| 9 | Public Service, as specified in this Item), in the fiscal year in which the school year begins | | | |
| 10 | and less the required local expenditure. | | | |
| 11 | c. For the purpose of this paragraph, the Department of Taxation's fiscal year sales and use tax | | | |
| 12 | estimates are as cited in this Item. | | | |
| 13 | d. 1) In accordance with the provisions of § 37.2-713, Code of Virginia, the Department of | | | |
| 14 | Education shall deduct the locality's share for the education of handicapped pupils residing in | | | |
| 15 | institutions within the Department of Behavioral Health and Developmental Services from the | | | |
| 16 | locality's Basic Aid payments. | | | |
| 17 | 2) The amounts deducted from Basic Aid for the education of intellectually disabled persons | | | |
| 18 | shall be transferred to the Department of Behavioral Health and Developmental Services in | | | |
| 19 | support of the cost of educating such persons; the amount deducted from Basic Aid for the | | | |
| 20 | education of emotionally disturbed persons shall be used to cover extraordinary expenses | | | |
| 21 | incurred in the education of such persons. The Department of Education shall establish | | | |
| 22 | guidelines to implement these provisions and shall provide for the periodic transfer of sums | | | |
| 23 | due from each local school division to the Department of Behavioral Health and | | | |
| 24 | Developmental Services and for Special Education categorical payments. The amount of the | | | |
| 25 | actual transfers will be based on data accumulated during the prior school year. | | | |
| 26 | e. 1) The apportionment to localities of all driver education revenues received during the | | | |
| 27 | school year shall be made as an undesignated component of the state share of Basic Aid in | | | |
| 28 | accordance with the provisions of this Item. Only school divisions complying with the | | | |
| 29 | standardized program established by the Board of Education shall be entitled to participate in | | | |
| 30 | the distribution of state funds appropriated for driver education. The Department of Education | | | |
| 31 | will deduct a designated amount per pupil from a school division's Basic Aid payment when | | | |
| 32 | the school division is not in compliance with § 22.1-205 C, Code of Virginia. Such amount | | | |
| 33 | will be computed by dividing the current appropriation for the Driver Education Fund by | | | |
| 34 | actual March 31 ADM. | | | |
| 35 | 2) Local school boards may charge a per pupil fee for behind-the-wheel driver education | | | |
| 36 | provided, however, that the fee charged plus the per pupil basic aid reimbursement for driver | | | |
| 37 | education shall not exceed the actual average per pupil cost. Such fees shall not be cause for a | | | |
| 38 | pro rata reduction in Basic Aid payments to school divisions. | | | |
| 39 | f. Textbooks | | | |
| 40 | 1) The appropriation in this Item includes \$12,159,059 the first year and \$76,599,186 | | | |
| 41 | \$76,553,532 the second year from the general fund and \$64,250,653 the first year from the | | | |
| 42 | Lottery Proceeds Fund as the state's share of the cost of textbooks based on a per pupil | | | |
| 43 | amount of \$109.78 the first year and \$109.78 the second year. A school division shall | | | |
| 44 | appropriate these funds for textbooks or any other public education instructional expenditure | | | |
| 45 | by the school division. The state's distributions for textbooks shall be based on adjusted | | | |
| 46 | March 31 ADM. These funds shall be matched by the local government, based on the | | | |
| 47 | composite index of local ability-to-pay. | | | |
| 48 | 2) School divisions shall provide free textbooks to all students. | | | |
| 49 | 3) School divisions may use a portion of this funding to purchase Standards of Learning | | | |
| 50 | instructional materials. School divisions may also use these funds to purchase electronic | | | |
| 51 | textbooks or other electronic media resources integral to the curriculum and classroom | | | |
| 52 | instruction and the technical equipment required to read and access the electronic textbooks | | | |
| 53 | and electronic curriculum materials. | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 4) Any funds provided to school divisions for textbook costs that are unexpended as of | | | |
| 2 | June 30, 2017, or June 30, 2018, shall be carried on the books of the locality to be | | | |
| 3 | appropriated to the school division the following year to be used for same purpose. School | | | |
| 4 | divisions are permitted to carry forward any remaining balance of textbook funds until the | | | |
| 5 | funds are expensed for a qualifying purpose. | | | |
| 6 | g. The one-cent state sales and use tax earmarked for education and the sales tax revenues | | | |
| 7 | transferred to the general fund from the Public Education Standards of Quality/Local Real | | | |
| 8 | Estate Property Tax Relief Fund and appropriated in this Item which are distributed to | | | |
| 9 | localities on the basis of the latest yearly estimate of school age population provided by | | | |
| 10 | the Weldon Cooper Center for Public Service as specified in this Item shall be reflected in | | | |
| 11 | each locality's annual budget for educational purposes as a separate revenue source for the | | | |
| 12 | current fiscal year. | | | |
| 13 | h. The appropriation for the Standards of Quality for Public Education (SOQ) includes | | | |
| 14 | amounts estimated at \$365,400,000 the first year and \$374,280,780 \$379,100,000 the | | | |
| 15 | second year from the amounts transferred to the general fund from the Public Education | | | |
| 16 | Standards of Quality/Local Real Estate Property Tax Relief Fund pursuant to Part 3 of this | | | |
| 17 | act which are derived from the 0.375 cent increase in the state sales and use tax levied | | | |
| 18 | pursuant to § 58.1-638, Code of Virginia. These additional funds are provided to local | | | |
| 19 | school divisions and local governments in order to relieve the financial pressure education | | | |
| 20 | programs place on local real estate taxes. | | | |
| 21 | i. From the total amounts in paragraph h. above, an amount estimated at \$243,600,000 the | | | |
| 22 | first year and \$249,487,190 \$252,700,000 the second year (approximately 1/4 cent of sales | | | |
| 23 | and use tax) is appropriated to support a portion of the cost of the state's share of the | | | |
| 24 | following revisions to the Standards of Quality pursuant to Chapters 939 & 955 of the | | | |
| 25 | Acts of Assembly of 2004: five elementary resource teachers per 1,000 students; one | | | |
| 26 | support and one instructional technology position per 1,000 students; a full daily planning | | | |
| 27 | period for teachers at the middle and high school levels in order to relieve the pressure on | | | |
| 28 | local real estate taxes and shall be taken into account by the governing body of the county, | | | |
| 29 | city, or town in setting real estate tax rates. | | | |
| 30 | j. From the total amounts in paragraph h. above, an amount estimated at \$121,800,000 the | | | |
| 31 | first year and \$124,793,590 \$126,400,000 the second year (approximately 1/8 cent of sales | | | |
| 32 | and use tax) is appropriated in this Item to distribute the remainder of the revenues | | | |
| 33 | collected and deposited into the Public Education Standards of Quality/Local Real Estate | | | |
| 34 | Property Tax Relief Fund on the basis of the latest yearly estimate of school age | | | |
| 35 | population provided by the Weldon Cooper Center for Public Service as specified in this | | | |
| 36 | Item. | | | |
| 37 | k. For the purposes of funding certain support positions in Basic Aid, a funding ratio | | | |
| 38 | methodology is used based upon the prevailing ratio of actual support positions, consistent | | | |
| 39 | with those recognized for SOQ funding, to actual instructional positions, consistent with | | | |
| 40 | those recognized for SOQ funding, as established in Chapter 781, 2009 Acts of Assembly. | | | |
| 41 | For the purposes of making the required spending adjustments, the appropriation and | | | |
| 42 | distribution of Basic Aid shall reflect this methodology. Local school divisions shall have | | | |
| 43 | the discretion as to where the adjustment may be made, consistent with the Standards of | | | |
| 44 | Quality funded in this Act. | | | |
| 45 | 6. Education of the Gifted Payments | | | |
| 46 | a. An additional payment shall be disbursed by the Department of Education to local | | | |
| 47 | school divisions to support the state share of one full-time equivalent instructional position | | | |
| 48 | per 1,000 students in adjusted March 31 ADM. | | | |
| 49 | b. Local school divisions are required to spend, as part of the required local expenditure | | | |
| 50 | for the Standards of Quality the established per pupil cost for gifted education (state and | | | |
| 51 | local share) on approved programs for the gifted. | | | |
| 52 | 7. Occupational-Vocational Education Payments | | | |
| 53 | a. An additional payment shall be disbursed by the Department of Education to the local | | | |
| 54 | school divisions to support the state share of the number of Vocational Education | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | instructors required by the Standards of Quality. These funds shall be disbursed on the same | | | |
| 2 | basis as the payment is calculated. | | | |
| 3 | b. An amount estimated at \$110,555,414 the first year and \$110,801,754 \$110,798,639 the | | | |
| 4 | second year from the general fund included in Basic Aid Payments relates to vocational | | | |
| 5 | education programs in support of the Standards of Quality. | | | |
| 6 | 8. Special Education Payments | | | |
| 7 | a. An additional payment shall be disbursed by the Department of Education to the local | | | |
| 8 | school divisions to support the state share of the number of Special Education instructors | | | |
| 9 | required by the Standards of Quality. These funds shall be disbursed on the same basis as the | | | |
| 10 | payment is calculated. | | | |
| 11 | b. Out of the amounts for special education payments, general fund support is provided to | | | |
| 12 | fund the caseload standards for speech pathologists at 68 students for each year of the | | | |
| 13 | biennium. | | | |
| 14 | 9. Remedial Education Payments | | | |
| 15 | a. An additional payment estimated at \$113,782,747 the first year and \$113,821,446 | | | |
| 16 | \$113,569,762 the second year from the general fund shall be disbursed by the Department of | | | |
| 17 | Education to support the Board of Education's Standards of Quality Prevention, Intervention, | | | |
| 18 | and Remediation program adopted in June 2003. | | | |
| 19 | b. The payment shall be calculated based on one hour of additional instruction per day for | | | |
| 20 | identified students, using the three year average percent of students eligible for the federal | | | |
| 21 | Free Lunch program as a proxy for students needing such services. Fall membership shall be | | | |
| 22 | multiplied by the three year average division-level Free Lunch eligibility percentage to | | | |
| 23 | determine the estimated number of students eligible for services. Pupil-teacher ratios shall be | | | |
| 24 | applied to the estimated number of eligible students to determine the number of instructional | | | |
| 25 | positions needed for each school division. The pupil-teacher ratio applied for each school | | | |
| 26 | division shall range from 10:1 for those divisions with the most severe combined three year | | | |
| 27 | average failure rates for English and math Standards of Learning test scores to 18:1 for those | | | |
| 28 | divisions with the lowest combined three year average failure rates for English and math | | | |
| 29 | Standards of Learning test scores. | | | |
| 30 | c. Funding shall be matched by the local government based on the composite index of local | | | |
| 31 | ability-to-pay. | | | |
| 32 | d. To provide flexibility in the instruction of English Language Learners who have limited | | | |
| 33 | English proficiency and who are at risk of not meeting state accountability standards, school | | | |
| 34 | divisions may use state and local funds from the SOQ Prevention, Intervention, and | | | |
| 35 | Remediation account to employ additional English Language Learner teachers to provide | | | |
| 36 | instruction to identified limited English proficiency students. Using these funds in this manner | | | |
| 37 | is intended to supplement the instructional services provided through the SOQ staffing | | | |
| 38 | standard of 17 instructional positions per 1,000 limited English proficiency students. School | | | |
| 39 | divisions using the SOQ Prevention, Intervention, and Remediation funds in this manner shall | | | |
| 40 | only employ instructional personnel licensed by the Board of Education. | | | |
| 41 | e. An additional state payment estimated at \$76,080,851 \$45,699,972 the second year from | | | |
| 42 | the general fund and \$98,013,725 the first year and \$22,010,800 \$52,046,893 the second year | | | |
| 43 | from the Lottery Proceeds Fund shall be disbursed based on the estimated number of federal | | | |
| 44 | Free Lunch participants, in support of programs for students who are educationally at risk. | | | |
| 45 | The additional payment shall be based on the state share of: | | | |
| 46 | 1) A minimum 1.0 percent add-on, as a percent of the per pupil basic aid cost, for each child | | | |
| 47 | who qualifies for the federal Free Lunch Program; and | | | |
| 48 | 2) An addition to the add-on, based on the concentration of children qualifying for the federal | | | |
| 49 | Free Lunch Program. Based on its percentage of Free Lunch participants, each school division | | | |
| 50 | will receive between 1.0 and 13.0 percent in additional basic aid per Free Lunch participant. | | | |
| 51 | These funds shall be matched by the local government, based on the composite index of local | | | |
| 52 | ability-to-pay. | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 3a) Local school divisions are required to spend the established at-risk payment (state and | | | |
| 2 | local share) on approved programs for students who are educationally at risk. | | | |
| 3 | b) To receive these funds, each school division shall certify to the Department of | | | |
| 4 | Education that the state and local share of the at-risk payment will be used to support | | | |
| 5 | approved programs for students who are educationally at risk. These programs may | | | |
| 6 | include: Dropout Prevention, community and school-based truancy officer programs, | | | |
| 7 | Advancement Via Individual Determination (AVID), Project Discovery, Reading | | | |
| 8 | Recovery, programs for students who speak English as a second language, or programs | | | |
| 9 | related to increasing the success of disadvantaged students in completing a high school | | | |
| 10 | degree and providing opportunities to encourage further education and training. Further, | | | |
| 11 | each school division shall report to the Department, in the manner prescribed and date set | | | |
| 12 | by the Department, the uses of (i) increased funds in fiscal year 2017 above the levels in | | | |
| 13 | fiscal year 2016, as well as (ii) the uses of the base level of these funds. The Department | | | |
| 14 | shall compile the responses and provide them to the Chairmen of Senate Finance and | | | |
| 15 | House Appropriations Committees no later than the first day of the 2017 Session. | | | |
| 16 | 4) If the Board of Education has required a local school board to submit a corrective | | | |
| 17 | action plan pursuant to § 22.1-253.13:3, Code of Virginia, either for the school division | | | |
| 18 | pursuant to a division level review, or for any schools within its division that have been | | | |
| 19 | designated as not meeting the standards as approved by the Board of Education, the | | | |
| 20 | Superintendent of Public Instruction shall determine and report to the Board of Education | | | |
| 21 | whether each such local school board has met its obligation to develop and submit such | | | |
| 22 | corrective action plan(s) and is making adequate and timely progress in implementing the | | | |
| 23 | plan(s). Additionally, if an academic review process undertaken pursuant to § 22.1- | | | |
| 24 | 253.13:3, Code of Virginia, has identified actions for a local school board to implement, | | | |
| 25 | the Superintendent of Public Instruction shall determine and report to the Board of | | | |
| 26 | Education whether the local school board has implemented required actions. If the | | | |
| 27 | Superintendent certifies that a local school board has failed or refused to meet any of those | | | |
| 28 | obligations, the Board of Education shall withhold payment of some or all At-Risk Add- | | | |
| 29 | On funds otherwise allocated to the affected division pursuant to this allocation for the | | | |
| 30 | pending fiscal year. In determining the amount of At-Risk Add-On funds to be withheld, | | | |
| 31 | the Board of Education shall take into consideration the extent to which such funds have | | | |
| 32 | already been expended or contractually obligated. The local school board shall be given an | | | |
| 33 | opportunity to correct its failure and, if successful in a timely manner, may have some or | | | |
| 34 | all of its At-Risk Add-On funds restored at the Board of Education's discretion. | | | |
| 35 | f. Regional Alternative Education Programs | | | |
| 36 | 1) An additional state payment of \$8,528,727 the first year and \$8,639,782 \$8,838,911 the | | | |
| 37 | second year from the Lottery Proceeds Fund shall be disbursed for Regional Alternative | | | |
| 38 | Education programs. Such programs shall be for the purpose of educating certain expelled | | | |
| 39 | students and, as appropriate, students who have received suspensions from public schools | | | |
| 40 | and students returned to the community from the Department of Juvenile Justice. | | | |
| 41 | 2) Each regional program shall have a small student/staff ratio. Such staff shall include, | | | |
| 42 | but not be limited to education, mental health, health, and law enforcement professionals, | | | |
| 43 | who will collaborate to provide for the academic, psychological, and social needs of the | | | |
| 44 | students. Each program shall be designed to ensure that students make the transition back | | | |
| 45 | into the "mainstream" within their local school division. | | | |
| 46 | 3) a) Regional alternative education programs are funded through this Item based on the | | | |
| 47 | state's share of the incremental per pupil cost for providing such programs. This | | | |
| 48 | incremental per pupil payment shall be adjusted for the composite index of local ability- | | | |
| 49 | to-pay of the school division that counts such students attending such program in its | | | |
| 50 | March 31 Average Daily Membership. It is the intent of the General Assembly that this | | | |
| 51 | incremental per pupil amount be in addition to the basic aid per pupil funding provided to | | | |
| 52 | the affected school division for such students. Therefore, local school divisions are | | | |
| 53 | encouraged to provide the appropriate portion of the basic aid per pupil funding to the | | | |
| 54 | regional programs for students attending these programs, adjusted for costs incurred by the | | | |
| 55 | school division for transportation, administration, and any portion of the school day or | | | |
| 56 | school year that the student does not attend such program. | | | |
| 57 | b) In the event a school division does not use all of the student slots it is allocated under | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|---------------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | this program, the unused slots may be reallocated or transferred to another school division. | | | |
| 2 | 1. A school division must request from the Department of Education the availability and | | | |
| 3 | possible use of any unused student slots. If any unused slots are available and if the requesting | | | |
| 4 | school division chooses to utilize any of the unused slots, the requesting school division shall | | | |
| 5 | only receive the state's share of tuition for the unused slot that was allocated in this Item for | | | |
| 6 | the originally designated school division. | | | |
| 7 | 2. However, no requesting school division shall receive more tuition funding from the state | | | |
| 8 | for any requested unused slot than what would have been the calculated amount for the | | | |
| 9 | requesting school division had the unused slot been allocated to the requesting school division | | | |
| 10 | in the original budget. Furthermore, the requesting school division shall pay for any remaining | | | |
| 11 | tuition payment necessary for using a previously unused slot. | | | |
| 12 | 3. The Department of Education shall provide assistance for the state share of the incremental | | | |
| 13 | cost of Regional Alternative Education program operations based on the composite index of | | | |
| 14 | local ability-to-pay. | | | |
| 15 | g. Remedial Summer School | | | |
| 16 | 1) This appropriation includes \$24,687,389 the first year and \$25,785,842 \$23,836,129 the | | | |
| 17 | second year from the general fund for the state's share of Remedial Summer School Programs. | | | |
| 18 | These funds are available to school divisions for the operation of programs designed to | | | |
| 19 | remediate students who are required to attend such programs during a summer school session | | | |
| 20 | or during an intersession in the case of year-round schools. These funds may be used in | | | |
| 21 | conjunction with other sources of state funding for remediation or intervention. School | | | |
| 22 | divisions shall have maximum flexibility with respect to the use of these funds and the types | | | |
| 23 | of remediation programs offered; however, in exercising this flexibility, students attending | | | |
| 24 | these programs shall not be charged tuition and no high school credit may be awarded to | | | |
| 25 | students who participate in this program. | | | |
| 26 | 2) For school divisions charging students tuition for summer high school credit courses, | | | |
| 27 | consideration shall be given to students from households with extenuating financial | | | |
| 28 | circumstances who are repeating a class in order to graduate. | | | |
| 29 | 3) From the amounts provided for Remedial Summer School, there is hereby appropriated | | | |
| 30 | \$300,000 the second year from the general fund to support pilot public-private partnerships | | | |
| 31 | between local school divisions and the Greater Richmond and Central Virginia affiliates of | | | |
| 32 | the Virginia Alliance of YMCAs to expand student participation opportunities in existing | | | |
| 33 | summer Power Scholars Academies in such partnered school divisions. The Virginia Alliance | | | |
| 34 | of YMCAs shall prepare and submit an evaluation report for such pilot partnerships between | | | |
| 35 | the school divisions and the Greater Richmond and Central Virginia YMCA affiliates to the | | | |
| 36 | Chairmen of House Appropriations and Senate Finance Committees no later than October 31, | | | |
| 37 | 2018. | | | |
| 38 | 10. K-3 Primary Class Size Reduction Payments | | | |
| 39 | a. An additional payment estimated at \$123,321,155 the first year and \$128,583,847 | | | |
| 40 | \$121,711,474 the second year from the Lottery Proceeds Fund shall be disbursed by the | | | |
| 41 | Department of Education as an incentive for reducing class sizes in the primary grades. | | | |
| 42 | b. The Department of Education shall calculate the payment based on the incremental cost of | | | |
| 43 | providing the lower class sizes based on the lower of the division average per pupil cost of all | | | |
| 44 | divisions or the actual division per pupil cost. | | | |
| 45 | c. Localities are required to provide a match for these funds based on the composite index of | | | |
| 46 | local ability-to-pay. | | | |
| 47 | d. By October 15 of each year school divisions must provide data to the Department of | | | |
| 48 | Education that each participating school has a September 30 pupil/teacher ratio in grades K | | | |
| 49 | through 3 that meet the following criteria: | | | |
| 50 | Qualifying School Percentage of Students Approved | Grades K-3 | Maximum Individual | |
| 51 | Eligible for Free Lunch, Three-Year Average | School Ratio | K-3 Class Size | |
| 52 | 30% but less than 45% | 19 to 1 | 24 | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 45% but less than 55% | 18 to 1 | | 23 | |
| 2 | 55% but less than 65% | 17 to 1 | | 22 | |
| 3 | 65% but less than 70% | 16 to 1 | | 21 | |
| 4 | 70% but less than 75% | 15 to 1 | | 20 | |
| 5 | 75% or more | 14 to 1 | | 19 | |
| 6 | e. School divisions may elect to have eligible schools participate at a higher ratio, or only | | | | |
| 7 | in a portion of grades kindergarten through three, with a commensurate reduction of state | | | | |
| 8 | and required local funds, if local conditions do not permit participation at the established | | | | |
| 9 | ratio and/or maximum individual class size. In the event that a school division requires | | | | |
| 10 | additional actions to ensure participation at the established ratio and/or maximum | | | | |
| 11 | individual class size, such actions must be completed by December 1 of the impacted | | | | |
| 12 | school year. Special education teachers and instructional aides shall not be counted | | | | |
| 13 | towards meeting these required pupil/teacher ratios in grades kindergarten through three. | | | | |
| 14 | f. The Superintendent of Public Instruction may grant waivers to school divisions for the | | | | |
| 15 | class size requirement in eligible schools that have only one class in an affected grade | | | | |
| 16 | level in the school. | | | | |
| 17 | 11. Literary Fund Subsidy Program Payments | | | | |
| 18 | a. The Department of Education and the Virginia Public School Authority (VPSA) shall | | | | |
| 19 | provide a program of funding for school construction and renovation through the Literary | | | | |
| 20 | Fund and through VPSA bond sales. The program shall be used to provide funds, through | | | | |
| 21 | Literary Fund loans and subsidies, and through VPSA bond sales, to fund a portion of the | | | | |
| 22 | projects on the First or Second Literary Fund Waiting List, or other critical projects which | | | | |
| 23 | may receive priority placement on the First or Second Literary Fund Waiting List by the | | | | |
| 24 | Department of Education. Interest rate subsidies will provide school divisions with the | | | | |
| 25 | present value difference in debt service between a Literary Fund loan and a borrowing | | | | |
| 26 | through the VPSA. To qualify for an interest rate subsidy, the school division's project | | | | |
| 27 | must be eligible for a Literary Fund loan and shall be subject to the same restrictions. The | | | | |
| 28 | VPSA shall work with the Department of Education in selecting those projects to be | | | | |
| 29 | funded through the interest rate subsidy/bond financing program, so as to ensure the | | | | |
| 30 | maximum leverage of Literary Fund moneys and a minimum impact on the VPSA Bond | | | | |
| 31 | Pool. | | | | |
| 32 | b. The Department of Education may offer Literary Fund loans from the uncommitted | | | | |
| 33 | balances of the Literary Fund after meeting the obligations of the interest rate subsidy | | | | |
| 34 | sales and the amounts set aside from the Literary Fund for Debt Service Payments for | | | | |
| 35 | Education Technology in this Item. | | | | |
| 36 | c. 1) In the event that on any scheduled payment date of bonds of the Virginia Public | | | | |
| 37 | School Authority (VPSA) authorized under the provisions of a bond resolution adopted | | | | |
| 38 | subsequent to June 30, 1997, issued subsequent to June 30, 1997, and not benefiting from | | | | |
| 39 | the provisions of either § 22.1-168 (iii), (iv), and (v), Code of Virginia, or § 22.1-168.1, | | | | |
| 40 | Code of Virginia, the sum of (i) the payments on general obligation school bonds of cities, | | | | |
| 41 | counties, and towns (localities) paid to the VPSA and (ii) the proceeds derived from the | | | | |
| 42 | application of the provisions of § 15.2-2659, Code of Virginia, to such bonds of localities, | | | | |
| 43 | is less than the debt service due on such bonds of the VPSA on such date, there is hereby | | | | |
| 44 | appropriated to the VPSA, first, from available moneys of the Literary Fund and, second, | | | | |
| 45 | from the general fund a sum equal to such deficiency. | | | | |
| 46 | 2) The Commonwealth shall be subrogated to the VPSA to the extent of any such | | | | |
| 47 | appropriation paid to the VPSA and shall be entitled to enforce the VPSA's remedies with | | | | |
| 48 | respect to the defaulting locality and to full recovery of the amount of such deficiency, | | | | |
| 49 | together with interest at the rate of the defaulting locality's bonds. | | | | |
| 50 | d. The chairman of the Board of Commissioners of the VPSA shall, on or before | | | | |
| 51 | November 1 of each year, make and deliver to the Governor and the Secretary of Finance | | | | |
| 52 | a certificate setting forth his estimate of total debt service during each fiscal year of the | | | | |
| 53 | biennium on bonds of the VPSA issued and projected to be issued during such biennium | | | | |
| 54 | pursuant to the bond resolution referred to in paragraph a above. The Governor's budget | | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | submission each year shall include provisions for the payment of debt service pursuant to | | | |
| 2 | paragraph 1) above. | | | |
| 3 | 12. Educational Technology Payments | | | |
| 4 | a. Any unobligated amounts transferred to the educational technology fund shall be disbursed | | | |
| 5 | on a pro rata basis to localities. The additional funds shall be used for technology needs | | | |
| 6 | identified in the division's technology plan approved by the Department of Education. | | | |
| 7 | b. The Department of Education shall authorize amounts estimated at \$11,618,250 the first | | | |
| 8 | year from the Literary Fund to provide debt service payments for the education technology | | | |
| 9 | grant program conducted through the Virginia Public School Authority in 2012. | | | |
| 10 | c. The Department of Education shall authorize amounts estimated at \$12,127,750 the first | | | |
| 11 | year and \$12,132,750 the second year from the Literary Fund to provide debt service | | | |
| 12 | payments for the education technology grant program conducted through the Virginia Public | | | |
| 13 | School Authority in 2013. | | | |
| 14 | d. 1) The Department of Education shall authorize amounts estimated at \$13,248,500 the first | | | |
| 15 | year and \$13,246,250 the second year from the Literary Fund to provide debt service | | | |
| 16 | payments for the education technology grant program conducted through the Virginia Public | | | |
| 17 | School Authority in 2014. | | | |
| 18 | 2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to | | | |
| 19 | pay debt service on the Virginia Public School Authority bonds or notes authorized for this | | | |
| 20 | program. In developing the proposed 2018-2020 biennial budget for public education, the | | | |
| 21 | Department of Education shall include a recommendation to the Governor to authorize | | | |
| 22 | sufficient Literary Fund revenues to make debt service payments for this program in fiscal | | | |
| 23 | year 2019. | | | |
| 24 | e. 1) The Department of Education shall authorize amounts estimated at \$13,808,000 the first | | | |
| 25 | year and \$13,805,000 the second year from the Literary Fund to provide debt service | | | |
| 26 | payments for the education technology grant program conducted through the Virginia Public | | | |
| 27 | School Authority in 2015. | | | |
| 28 | 2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to | | | |
| 29 | pay debt service on the Virginia Public School Authority bonds or notes authorized for this | | | |
| 30 | program. In developing the proposed 2018-2020 biennial budget for public education, the | | | |
| 31 | Department of Education shall include a recommendation to the Governor to authorize | | | |
| 32 | sufficient Literary Fund revenues to make debt service payments for this program in fiscal | | | |
| 33 | years 2019 and 2020. | | | |
| 34 | f. 1) The Department of Education shall authorize amounts estimated at \$13,753,517 the first | | | |
| 35 | year and \$13,753,750 the second year from the Literary Fund to provide debt service | | | |
| 36 | payments for the education technology grant program conducted through the Virginia Public | | | |
| 37 | School Authority in 2016. | | | |
| 38 | 2) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues to | | | |
| 39 | pay debt service on the Virginia Public School Authority bonds or notes authorized for this | | | |
| 40 | program. In developing the proposed 2018-2020 and 2020-2022 biennial budget for public | | | |
| 41 | education, the Department of Education shall include a recommendation to the Governor to | | | |
| 42 | authorize sufficient Literary Fund revenues to make debt service payments for this program in | | | |
| 43 | fiscal years 2019, 2020, and 2021. | | | |
| 44 | g. 1) An education technology grant program shall be conducted through the Virginia Public | | | |
| 45 | School Authority, through the issuance of equipment notes in an amount estimated at | | | |
| 46 | \$67,138,400 in fiscal year 2017 and \$69,169,200 \$58,735,300 in fiscal year 2018. Proceeds of | | | |
| 47 | the notes will be used to establish a computer-based instructional and testing system for the | | | |
| 48 | Standards of Learning (SOL) and to develop the capability for high speed Internet | | | |
| 49 | connectivity at high schools followed by middle schools followed by elementary schools. | | | |
| 50 | School divisions shall use these funds first to develop and maintain the capability to support | | | |
| 51 | the administration of online SOL testing for all students with the exception of students with a | | | |
| 52 | documented need for a paper SOL test. | | | |
| 53 | 2) The Department of Education shall authorize amounts estimated at \$14,351,594 | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | | | | |
| 2 | \$13,950,086 the second year from the Literary Fund to provide debt service payments for | | | |
| 3 | the education technology grant program conducted through the Virginia Public School Authority in 2017. | | | |
| 4 | 3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues | | | |
| 5 | to pay debt service on the Virginia Public School Authority bonds or notes authorized for | | | |
| 6 | education technology grant programs in fiscal year 2017 and in fiscal year 2018. In | | | |
| 7 | developing the proposed 2018-2020, 2020-2022, and 2022-2024 biennial budgets for | | | |
| 8 | public education, the Department of Education shall include a recommendation to the | | | |
| 9 | Governor to authorize sufficient Literary Fund revenues to make debt service payments | | | |
| 10 | for these programs in fiscal years 2019, 2020, 2021, 2022, and 2023. | | | |
| 11 | 4) Grant funds from the issuance of \$67,138,400 in fiscal year 2017 and \$69,169,200 | | | |
| 12 | \$58,735,300 in fiscal year 2018 in equipment notes are based on a grant of \$26,000 per | | | |
| 13 | school and \$50,000 per school division. For purposes of this grant program, eligible | | | |
| 14 | schools shall include schools that are subject to state accreditation and reporting | | | |
| 15 | membership in grades K through 12 as of September 30, 2016, for the fiscal year 2017 | | | |
| 16 | issuance, and September 30, 2017, for the fiscal year 2018 issuance, as well as regional | | | |
| 17 | vocational centers, special education centers, alternative education centers, regular school | | | |
| 18 | year Governor's Schools, and the School for the Deaf and the Blind. Schools that serve | | | |
| 19 | only pre-kindergarten students shall not be eligible for this grant. | | | |
| 20 | 5. a.) Supplemental grants shall be allocated to eligible divisions to support schools that | | | |
| 21 | are not fully accredited in accordance with this paragraph. Schools that include a ninth | | | |
| 22 | grade that administer SOL tests in Spring 2016 and that are not fully accredited for the | | | |
| 23 | second consecutive year, based on school accreditation ratings in effect for fiscal year | | | |
| 24 | 2016 and fiscal year 2017 will qualify to participate in the Virginia e-Learning Backpack | | | |
| 25 | Initiative in fiscal year 2017 and receive: (1) a supplemental grant of \$400 per student | | | |
| 26 | reported in ninth grade fall membership in a qualifying school for the purchase of a laptop | | | |
| 27 | or tablet for that student and (2) a supplemental grant of \$2,400 per qualifying school to | | | |
| 28 | purchase two content creation packages for teachers. Schools eligible to receive this | | | |
| 29 | supplemental grant in fiscal year 2017 shall continue to receive the grant for the number of | | | |
| 30 | subsequent years equaling the number of grades 9 through 12 in the qualifying school up | | | |
| 31 | to a maximum of four years. Schools that administer SOL tests in Spring 2017 and that are | | | |
| 32 | not fully accredited for the second consecutive year based on school accreditation ratings | | | |
| 33 | in effect for fiscal year 2017 and fiscal year 2018 will qualify to participate in the | | | |
| 34 | initiative in fiscal year 2018. Schools eligible for the supplemental grants in previous | | | |
| 35 | fiscal years shall continue to be eligible for the remaining years of their grant award. | | | |
| 36 | Schools eligible to receive this supplemental grant in fiscal year 2018 shall continue to | | | |
| 37 | receive the grant for the number of subsequent years equaling the number of grades 9 | | | |
| 38 | through 12 in the qualifying school up to a maximum of four years. Grants awarded to | | | |
| 39 | qualifying schools that do not have grades 10, 11, or 12 may transition with the students to | | | |
| 40 | the primary receiving school for all years subsequent to grade 9. Schools are eligible to | | | |
| 41 | receive these grants for a period of up to four years beginning in fiscal year 2014 and shall | | | |
| 42 | not be eligible to receive a separate award in the future once the original award period has | | | |
| 43 | concluded. Schools that are fully accredited or that are new schools with conditional | | | |
| 44 | accreditation in their first year shall not be eligible to receive this supplemental grant. | | | |
| 45 | b.) Supplemental grants allocated to school divisions for participation in the Virginia e- | | | |
| 46 | Learning Backpack Initiative prior to fiscal year 2017 shall be used in eligible schools for | | | |
| 47 | (1) the purchase of a laptop or tablet for a student reported in ninth grade fall membership, | | | |
| 48 | and (2) the purchase of two content creation packages for teachers per grant. The amounts | | | |
| 49 | for such grants shall remain unchanged. | | | |
| 50 | 6) Required local match: | | | |
| 51 | a) Localities are required to provide a match for these funds equal to 20 percent of the | | | |
| 52 | grant amount, including the supplemental grants provided pursuant to paragraph g. 5). At | | | |
| 53 | least 25 percent of the local match, including the match for supplemental grants, shall be | | | |
| 54 | used for teacher training in the use of instructional technology, with the remainder spent | | | |
| 55 | on other required uses. The Superintendent of Public Instruction is authorized to reduce | | | |
| 56 | the required local match for school divisions with a composite index of local ability-to-pay | | | |
| 57 | below 0.2000. The Virginia School for the Deaf and the Blind is exempt from the match | | | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | requirement. | | | | |
| 2 | b) School divisions that administer 100 percent of SOL tests online in all elementary, middle, | | | | |
| 3 | and high schools may use up to 75 percent of their required local match to purchase targeted | | | | |
| 4 | technology-based interventions. Such interventions may include the necessary technology and | | | | |
| 5 | software to support online learning, technology-based content systems, content management | | | | |
| 6 | systems, technology equipment systems, information and data management systems, and | | | | |
| 7 | other appropriate technologies that support the individual needs of learners. School divisions | | | | |
| 8 | that receive supplemental grants pursuant to paragraph g.5) above shall use the funds in | | | | |
| 9 | qualifying schools to purchase laptops and tablets for ninth grade students reported in fall | | | | |
| 10 | membership and content creation packages for teachers. | | | | |
| 11 | 7) The goal of the education technology grant program is to improve the instructional, | | | | |
| 12 | remedial, and testing capabilities of the Standards of Learning for local school divisions and | | | | |
| 13 | to increase the number of schools achieving full accreditation. | | | | |
| 14 | 8) Funds shall be used in the following manner: | | | | |
| 15 | a) Each division shall use funds to reach a goal, in each high school, of: (1) a 5-to-1 student to | | | | |
| 16 | computer ratio; (2) an Internet-ready local area network (LAN) capability; and (3) high speed | | | | |
| 17 | access to the Internet. School connectivity (computers, LANs and network access) shall | | | | |
| 18 | include sufficient download/upload capability to ensure that each student will have adequate | | | | |
| 19 | access to Internet-based instructional, remedial and assessment programs. | | | | |
| 20 | b) When each high school in a division meets the goals established in paragraph a) above, the | | | | |
| 21 | remaining funds shall be used to develop similar capability in first the middle schools and | | | | |
| 22 | then the elementary schools. | | | | |
| 23 | c) For purposes of establishing or enhancing a computer-based instructional program | | | | |
| 24 | supporting the Standards of Learning pursuant to paragraph g. 1) above, these grant funds | | | | |
| 25 | may be used to purchase handheld multifunctional computing devices that support a broad | | | | |
| 26 | range of applications and that are controlled by operating systems providing full multimedia | | | | |
| 27 | support and mobile Internet connectivity. School divisions that elect to use these grant funds | | | | |
| 28 | to purchase such qualifying handheld devices must continue to meet the on-line testing | | | | |
| 29 | requirements stated in paragraph g. 1) above. | | | | |
| 30 | d) School divisions shall be eligible to receive supplemental grants pursuant to paragraph g.5) | | | | |
| 31 | above. These supplemental grants shall be used in qualifying schools for the purchase of | | | | |
| 32 | laptops and tablets for ninth grade students reported in fall membership and content creation | | | | |
| 33 | packages for teachers. Participating school divisions will be required to select a core set of | | | | |
| 34 | electronic textbooks, applications and online services for productivity, learning management, | | | | |
| 35 | collaboration, practice, and assessment to be included on all devices. In addition, participating | | | | |
| 36 | school divisions will assume recurring costs for electronic textbook purchases and | | | | |
| 37 | maintenance. | | | | |
| 38 | e) Pursuant to § 15.2-1302, Code of Virginia, and in the event that two or more school | | | | |
| 39 | divisions became one school division, whether by consolidation of only the school divisions | | | | |
| 40 | or by consolidation of the local governments, such resulting division shall be provided | | | | |
| 41 | funding through this program on the basis of having the same number of school divisions as | | | | |
| 42 | existed prior to September 30, 2000. | | | | |
| 43 | 9) Local school divisions shall maximize the use of available federal funds, including E-Rate | | | | |
| 44 | Funds, and to the extent possible, use such funds to supplement the program and meet the | | | | |
| 45 | goals of this program. | | | | |
| 46 | h. The Department of Education shall maintain criteria to determine if high schools, middle | | | | |
| 47 | schools, or elementary schools have the capacity to meet the goals of this initiative. The | | | | |
| 48 | Department of Education shall be responsible for the project management of this program. | | | | |
| 49 | i. 1) In the event that, on any scheduled payment date of bonds or notes of the Virginia Public | | | | |
| 50 | School Authority (VPSA) issued for the purpose described in § 22.1-166.2, Code of Virginia, | | | | |
| 51 | and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), Code of | | | | |
| 52 | Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary Fund are less | | | | |
| 53 | than the amounts authorized for debt service due on such bonds or notes of the VPSA on such | | | | |
| 54 | date, there is hereby appropriated to the VPSA from the general fund a sum equal to such | | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | deficiency. | | | | |
| 2 | 2) The Chairman of the Board of Commissioners of the VPSA shall, on or before | | | | |
| 3 | November 1 of each year, make and deliver to the Governor and the Secretary of Finance | | | | |
| 4 | a certificate setting forth his estimate of total debt service during each fiscal year of the | | | | |
| 5 | biennium on bonds and notes of the VPSA issued and projected to be issued during such | | | | |
| 6 | biennium pursuant to the resolution referred to in paragraph 1) above. The Governor's | | | | |
| 7 | budget submission each year shall include provisions for the payment of debt service | | | | |
| 8 | pursuant to paragraph 1) above. | | | | |
| 9 | j. Unobligated proceeds of the notes, including investment income derived from the | | | | |
| 10 | proceeds of the notes may be used to pay interest on, or to decrease principal of the notes | | | | |
| 11 | or to fund a portion of such other educational technology grants as authorized by the | | | | |
| 12 | General Assembly. | | | | |
| 13 | k. 1) For the purposes of § 56-232, Code of Virginia, "Contracts of Telephone Companies | | | | |
| 14 | with State Government" and for the purposes of § 56-234 "Contracts for Service Rendered | | | | |
| 15 | by a Telephone Company for the State Government" shall be deemed to include | | | | |
| 16 | communications lines into public schools which are used for educational technology. The | | | | |
| 17 | rate structure for such lines shall be negotiated by the Superintendent of Public Instruction | | | | |
| 18 | and the Chief Information Officer of the Virginia Information Technologies Agency. | | | | |
| 19 | Further, the Superintendent and Director are authorized to encourage the development of | | | | |
| 20 | "by-pass" infrastructure in localities where it fails to obtain competitive prices or prices | | | | |
| 21 | consistent with the best rates obtained in other parts of the state. | | | | |
| 22 | 2) The State Corporation Commission, in its consideration of the discount for services | | | | |
| 23 | provided to elementary schools, secondary schools, and libraries and the universal service | | | | |
| 24 | funding mechanisms as provided under § 254 of the Telecommunications Act of 1996, is | | | | |
| 25 | hereby encouraged to make the discounts for intrastate services provided to elementary | | | | |
| 26 | schools, secondary schools, and libraries for educational purposes as large as is prudently | | | | |
| 27 | possible and to fund such discounts through the universal fund as provided in § 254 of the | | | | |
| 28 | Telecommunications Act of 1996. The commission shall proceed as expeditiously as | | | | |
| 29 | possible in implementing these discounts and the funding mechanism for intrastate | | | | |
| 30 | services, consistent with the rules of the Federal Communications Commission aimed at | | | | |
| 31 | the preservation and advancement of universal service. | | | | |
| 32 | 13. Security Equipment Payments | | | | |
| 33 | 1) A security equipment grant program shall be conducted through the Virginia Public | | | | |
| 34 | School Authority, through the issuance of equipment notes in an amount estimated at up to | | | | |
| 35 | \$6,000,000 in fiscal year 2017 and \$6,000,000 in fiscal year 2018 in conjunction with the | | | | |
| 36 | Virginia Public School Authority technology notes program authorized in C.12. of this | | | | |
| 37 | Item. Proceeds of the notes will be used to help offset the related costs associated with the | | | | |
| 38 | purchase of appropriate security equipment that will improve and help ensure the safety of | | | | |
| 39 | students attending public schools in Virginia. | | | | |
| 40 | 2) The Department of Education shall authorize amounts estimated at \$4,924,392 the first | | | | |
| 41 | year and \$6,203,522 \$6,163,368 the second year from the Literary Fund to provide debt | | | | |
| 42 | service payments for the security equipment grant programs conducted through the | | | | |
| 43 | Virginia Public School Authority in fiscal years 2013, 2014, 2015, 2016, and 2017. | | | | |
| 44 | 3) It is the intent of the General Assembly to authorize sufficient Literary Fund revenues | | | | |
| 45 | to pay debt service on the Virginia Public School Authority bonds or notes authorized for | | | | |
| 46 | this program. In developing the proposed 2018-2020, and 2020-2022, and 2022-2024 | | | | |
| 47 | biennial budgets for public education, the Department of Education shall include a | | | | |
| 48 | recommendation to the Governor to authorize sufficient Literary Fund revenues to make | | | | |
| 49 | debt service payments for these programs in fiscal years 2019, 2020, 2021, 2022, and | | | | |
| 50 | 2023. | | | | |
| 51 | 4) In the event that, on any scheduled payment date of bonds or notes of the Virginia | | | | |
| 52 | Public School Authority issued for the purpose described in § 22.1-166.2, Code of | | | | |
| 53 | Virginia, and not benefiting from the provisions of either § 22.1-168 (iii), (iv) and (v), | | | | |
| 54 | Code of Virginia, or § 22.1-168.1, Code of Virginia, the available moneys in the Literary | | | | |
| 55 | Fund are less than the amounts authorized for debt service due on such bonds or notes on | | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | such date, there is hereby appropriated to the Virginia Public School Authority from the | | | |
| 2 | general fund a sum equal to such deficiency. | | | |
| 3 | 5) The Chairman of the Board of Commissioners of the Virginia Public School Authority | | | |
| 4 | shall, on or before November 1 of each year, deliver to the Governor and the Secretary of | | | |
| 5 | Finance a certificate setting forth his estimate of total debt service during each fiscal year of | | | |
| 6 | the biennium on bonds and notes issued and projected to be issued during such biennium. The | | | |
| 7 | Governor's budget submission each year shall include provisions for the payment of debt | | | |
| 8 | service pursuant to paragraph 1) above. | | | |
| 9 | 6) Grant award funds from the issuance of up to \$6,000,000 in fiscal year 2017 and | | | |
| 10 | \$6,000,000 in fiscal year 2018 in equipment notes shall be distributed to eligible school | | | |
| 11 | divisions. The grant awards will be based on a competitive grant basis of up to \$100,000 per | | | |
| 12 | school division. School divisions will be permitted to apply annually for grant funding. For | | | |
| 13 | purposes of this program, eligible schools shall include schools that are subject to state | | | |
| 14 | accreditation and reporting membership in grades K through 12 as of September 30, 2016, for | | | |
| 15 | the fiscal year 2017 issuance, and September 30, 2017, for the fiscal year 2018 issuance, as | | | |
| 16 | well as regional vocational centers, special education centers, alternative education centers, | | | |
| 17 | regular school year Governor's Schools, and the Virginia School for the Deaf and the Blind. | | | |
| 18 | 7) School divisions would submit their application to Department of Education by August 1 | | | |
| 19 | of each year based on the criteria developed by the Department of Education in collaboration | | | |
| 20 | with the Department of Criminal Justice Services who will provide requested technical | | | |
| 21 | support. Furthermore, the Department of Education will have the authority to make such grant | | | |
| 22 | awards to such school divisions. | | | |
| 23 | 8) It is also the intent of the General Assembly that the total amount of the grant awards shall | | | |
| 24 | not exceed \$30,000,000 over any ongoing revolving five year period. | | | |
| 25 | 9) Required local match: | | | |
| 26 | a) Localities are required to provide a match for these funds equal to 25 percent of the grant | | | |
| 27 | amount. The Superintendent of Public Instruction is authorized to reduce the required local | | | |
| 28 | match for school divisions with a composite index of local ability-to-pay below 0.2000. The | | | |
| 29 | Virginia School for the Deaf and the Blind is exempt from the match requirement. | | | |
| 30 | b) 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 divisions | | | |
| 32 | or by consolidation of the local governments, such resulting division shall be provided | | | |
| 33 | funding through this program on the basis of having the same number of school divisions as | | | |
| 34 | existed prior to September 30, 2000. | | | |
| 35 | c) Local school divisions shall maximize the use of available federal funds, including E-Rate | | | |
| 36 | Funds, and to the extent possible, use such funds to supplement the program and meet the | | | |
| 37 | goals of this program. | | | |
| 38 | 14. Virginia Preschool Initiative Payments | | | |
| 39 | a.1) It is the intent of the General Assembly that a payment estimated at \$69,351,713 the first | | | |
| 40 | year and \$70,950,500 \$69,097,338 the second year from the Lottery Proceeds Fund shall be | | | |
| 41 | disbursed by the Department of Education to schools and community-based organizations to | | | |
| 42 | provide quality preschool programs for at-risk four-year-olds who are residents of Virginia | | | |
| 43 | and unserved by Head Start program funding. In no event shall distributions from the Lottery | | | |
| 44 | Proceeds Fund be made directly to community-based or private providers. | | | |
| 45 | 2) These state funds and required local matching funds shall be used to provide programs for | | | |
| 46 | at-risk four-year-old children, which include quality preschool education, health services, | | | |
| 47 | social services, parental involvement and transportation. It shall be the policy of the | | | |
| 48 | Commonwealth that state funds and required local matching funds for the Virginia Preschool | | | |
| 49 | Initiative not be used for capital outlay. Programs must provide full-day or half-day and, at | | | |
| 50 | least, school-year services. | | | |
| 51 | 3) The Department of Education, in cooperation with the Council on Child Day Care and | | | |
| 52 | Early Childhood Programs, shall establish academic standards that are in accordance with | | | |
| 53 | appropriate preparation for students to be ready to successfully enter kindergarten. These | | | |

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| 1 | standards shall be established in such a manner as to be measurable for student | | | |
| 2 | achievement and success. Students shall be required to be evaluated in the fall and in the | | | |
| 3 | spring by each participating school division and the school divisions must certify that the | | | |
| 4 | Virginia Preschool Initiative program follows the established standards in order to receive | | | |
| 5 | the funding for quality preschool education and criteria for the service components. Such | | | |
| 6 | guidelines shall be consistent with the findings of the November 1993 study by the Board | | | |
| 7 | of Education, the Department of Education, and the Council on Child Day Care and Early | | | |
| 8 | Childhood Programs. | | | |
| 9 | 4) a) Grants shall be distributed based on an allocation formula providing the state share of | | | |
| 10 | a \$6,125 grant for 100 percent of the unserved at-risk four-year-olds in each locality for a | | | |
| 11 | full-day program. The number of unserved at-risk four-year-olds in each locality shall be | | | |
| 12 | based on the projected number of kindergarten students, updated once each biennium for | | | |
| 13 | the Governor's introduced biennial budget. Half-day programs shall operate for a | | | |
| 14 | minimum of three hours of classroom instructional time per day, excluding breaks for | | | |
| 15 | lunch or recess, and grants to half-day programs shall be funded based on the state share | | | |
| 16 | of \$3,062 per unserved at-risk four-year-old in each locality. Full-day programs shall | | | |
| 17 | operate for a minimum of five and one-half instructional hours, excluding breaks for | | | |
| 18 | meals and recess. No additional state funding is provided for programs operating greater | | | |
| 19 | than three hours per day but less than five and one-half hours per day. In determining the | | | |
| 20 | state and local shares of funding, the composite index of local ability-to-pay is capped at | | | |
| 21 | 0.5000. | | | |
| 22 | b) For new programs in the first year of implementation only, programs operating less | | | |
| 23 | than a full school year shall receive state funds on a fractional basis determined by the | | | |
| 24 | pro-rata portion of a school year program provided. In determining the prorated state | | | |
| 25 | funds to be received, a school year shall be 180 days. | | | |
| 26 | b.1) Any locality which desires to participate in this grant program must submit a proposal | | | |
| 27 | through its chief administrator (county administrator or city manager) by May 15 of each | | | |
| 28 | year. The chief administrator, in conjunction with the school superintendent, shall identify | | | |
| 29 | a lead agency for this program within the locality. The lead agency shall be responsible for | | | |
| 30 | developing a local plan for the delivery of quality preschool services to at-risk children | | | |
| 31 | which demonstrates the coordination of resources and the combination of funding streams | | | |
| 32 | in an effort to serve the greatest number of at-risk four-year-old children. | | | |
| 33 | 2) The proposal must demonstrate coordination with all parties necessary for the | | | |
| 34 | successful delivery of comprehensive services, including the schools, child care providers, | | | |
| 35 | local social services agency, Head Start, local health department, and other groups | | | |
| 36 | identified by the lead agency. | | | |
| 37 | 3) A local match, based on the composite index of local ability-to-pay, shall be required. | | | |
| 38 | For purposes of meeting the local match, localities may use local expenditures for existing | | | |
| 39 | qualifying programs, however, at least seventy-five percent of the local match will be cash | | | |
| 40 | and no more than twenty-five percent will be in-kind. In-kind contributions are defined as | | | |
| 41 | cash outlays that are made by the locality that benefit the program but are not directly | | | |
| 42 | charged to the program. The value of fixed assets cannot be considered as an in-kind | | | |
| 43 | contribution. Localities shall also continue to pursue and coordinate other funding sources, | | | |
| 44 | including child care subsidies. Funds received through this program must be used to | | | |
| 45 | supplement, not supplant, any funds currently provided for programs within the locality. | | | |
| 46 | However, in the event a locality is prohibited from continuing the previous level of | | | |
| 47 | support to programs for at-risk four-year-olds from Title I of the federal Elementary and | | | |
| 48 | Secondary Education Act (ESEA), the state and local funds provided in this grants | | | |
| 49 | program may be used to continue services to these Title I students. Such prohibition may | | | |
| 50 | occur due to amendments to the allocation formula in the reauthorization of ESEA as the | | | |
| 51 | No Child Left Behind Act of 2001 or due to a percentage reduction in a locality's Title I | | | |
| 52 | allocation in 2016-2017 or 2017-2018. Any locality so affected shall provide written | | | |
| 53 | evidence to the Superintendent of Public Instruction and request his approval to continue | | | |
| 54 | the services to Title I students. | | | |
| 55 | c. Local plans must provide clear methods of service coordination for the purpose of | | | |
| 56 | reducing the per child cost for the service, increasing the number of at-risk children served | | | |
| 57 | and/or extending services for the entire year. Examples of these include: | | | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 1) "Wraparound Services" -- methods for combining funds such as child care subsidy dollars | | | | |
| 2 | administered by local social service agencies with dollars for quality preschool education | | | | |
| 3 | programs. | | | | |
| 4 | 2) "Wrap-out Services" - methods for using grant funds to purchase quality preschool services | | | | |
| 5 | to at-risk four-year-old children through an existing child care setting by purchasing | | | | |
| 6 | comprehensive services within a setting which currently provides quality preschool education. | | | | |
| 7 | 3) "Expansion of Service" - methods for using grant funds to purchase slots within existing | | | | |
| 8 | programs, such as Head Start, which provide comprehensive services to at-risk four-year-old | | | | |
| 9 | children. | | | | |
| 10 | d.1) Local plans must indicate the number of at-risk four-year-old children to be served, and | | | | |
| 11 | the eligibility criteria for participation in this program shall be consistent with the economic | | | | |
| 12 | and educational risk factors stated in the 2015-2016 programs guidelines that are specific to: | | | | |
| 13 | (i) family income at or below 200 percent of poverty, (ii) homelessness, (iii) student's parents | | | | |
| 14 | or guardians are school dropouts, or (iv) family income is less than 350 percent of federal | | | | |
| 15 | poverty guidelines in the case of students with special needs or disabilities. Up to 15 percent | | | | |
| 16 | of a division's slots may be filled based on locally established eligibility criteria so as to meet | | | | |
| 17 | the unique needs of at-risk children in the community. | | | | |
| 18 | 2) The Department of Education is directed to compile from each school division the | | | | |
| 19 | aggregated information as to the number of enrolled students whose families are (i) at or | | | | |
| 20 | below 130 percent of poverty, and (ii) above 130 percent but below 200 percent of poverty. | | | | |
| 21 | The Department shall report this information annually, after the application and fall | | | | |
| 22 | participation reports are submitted to the Department from the school divisions, to the | | | | |
| 23 | Chairmen of House Appropriations and Senate Finance Committees. In addition, the | | | | |
| 24 | Department will post and maintain the summary information by division on the Department's | | | | |
| 25 | website in keeping with current student privacy policies. | | | | |
| 26 | e.1) The Department of Education and the Council on Child Day Care and Early Childhood | | | | |
| 27 | Programs shall provide technical assistance for the administration of this grant program to | | | | |
| 28 | provide assistance to localities in developing a comprehensive, coordinated, quality preschool | | | | |
| 29 | program for serving at-risk four-year-old children. | | | | |
| 30 | 2) A pre-application session shall be provided by the Department and the Council on Child | | | | |
| 31 | Day Care and Early Childhood Programs prior to the proposal deadline. The Department shall | | | | |
| 32 | provide interested localities with information on models for service delivery, methods of | | | | |
| 33 | coordinating funding streams, such as funds to match federal IV-A child care dollars, to | | | | |
| 34 | maximize funding without supplanting existing sources of funding for the provision of | | | | |
| 35 | services to at-risk four-year-old children. A priority for technical assistance in the design of | | | | |
| 36 | programs shall be given to localities where the majority of the at-risk four-year-old population | | | | |
| 37 | is currently unserved. | | | | |
| 38 | f. The Department of Education shall include in the program's application package specific | | | | |
| 39 | information regarding the potential availability of funding for supplemental grants that may | | | | |
| 40 | be used for one-time expenses, other than capital, related to start-up or expansion of | | | | |
| 41 | programs, with priority given to proposals for expanding the use of partnerships with either | | | | |
| 42 | nonprofit or for-profit providers. Furthermore, the Department is mandated to communicate to | | | | |
| 43 | all eligible school divisions the remaining available balances in the program's adopted budget, | | | | |
| 44 | after the fall participation reports have been submitted and finalized for such grants. | | | | |
| 45 | 15. Early Reading Intervention Payments | | | | |
| 46 | a. An additional payment of \$20,057,840 the first year and \$20,098,089 \$22,635,044 the | | | | |
| 47 | second year from the Lottery Proceeds Fund shall be disbursed by the Department of | | | | |
| 48 | Education to local school divisions for the purposes of providing early reading intervention | | | | |
| 49 | services to students in grades kindergarten through 3 who demonstrate deficiencies based on | | | | |
| 50 | their individual performance on diagnostic tests which have been approved by the Department | | | | |
| 51 | of Education. The Department of Education shall review the tests of any local school board | | | | |
| 52 | which requests authority to use a test other than the state-provided test to ensure that such | | | | |
| 53 | local test uses criteria for the early diagnosis of reading deficiencies which are similar to those | | | | |
| 54 | criteria used in the state-provided test. The Department of Education shall make the state- | | | | |
| 55 | provided diagnostic test used in this program available to local school divisions. School | | | | |

| | | | |
|------------------|-------------------------|---------------------------|--------------------|
| | Item Details(\$) | Appropriations(\$) | |
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| | FY2017 | FY2018 | FY2017 |
| | | | Second Year |
| | | | FY2018 |

1 divisions shall report the results of the diagnostic tests to the Department of Education on
 2 an annual basis at a time to be determined by the Superintendent of Public Instruction.

3 b. These payments shall be based on the state's share of the cost of providing two and one-
 4 half hours of additional instruction each week for an estimated number of students in each
 5 school division at a student to teacher ratio of five to one. The estimated number of
 6 students in each school division in each year shall be determined by multiplying the
 7 projected number of students reported in each school division's fall membership in grades
 8 kindergarten, 1, 2, and 3 by the percent of students who are determined to need services
 9 based on diagnostic tests administered in the previous year in that school division and
 10 adjusted in the following manner:

| | | Year 1 | Year 2 |
|----|--------------|---------------|---------------|
| 11 | | | |
| 12 | Kindergarten | 100% | 100% |
| 13 | Grade 1 | 100% | 100% |
| 14 | Grade 2 | 100% | 100% |
| 15 | Grade 3 | 100% | 100% |

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

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

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

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

38 16. Standards of Learning Algebra Readiness Payments

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

52 b. These payments shall be based on the state's share of the cost of providing two and one-
 53 half hours of additional instruction each week for an estimated number of students in each
 54 school division at a student to teacher ratio of ten to one. The estimate number of students

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | in each school division shall be determined by multiplying the projected number of students | | | |
| 2 | reported in each school division's fall membership by the percent of students that qualify for | | | |
| 3 | the federal Free Lunch Program. | | | |
| 4 | c. These payments are available to any school division that certifies to the Department of | | | |
| 5 | Education that an intervention program will be offered to such students and that each student | | | |
| 6 | who receives an intervention will be assessed again at the end of that school year. Localities | | | |
| 7 | receiving these payments are required to match these funds based on the composite index of | | | |
| 8 | local ability-to-pay. | | | |
| 9 | 17. School Construction Grants Program Escrow | | | |
| 10 | Notwithstanding the requirements of § 22.1-175.5, Code of Virginia, school divisions are | | | |
| 11 | permitted to withdraw funds from local escrow accounts established pursuant to § 22.1-175.5 | | | |
| 12 | to pay for recurring operational expenses incurred by the school division. Localities are not | | | |
| 13 | required to provide a local match of the withdrawn funds. | | | |
| 14 | 18. English as a Second Language Payments | | | |
| 15 | A payment of \$53,267,521 the first year from the Lottery Proceeds Fund and \$55,594,856 | | | |
| 16 | \$57,167,836 the second year from the general fund shall be disbursed by the Department of | | | |
| 17 | Education to local school divisions to support the state share of 17 professional instructional | | | |
| 18 | positions per 1,000 students for whom English is a second language. Local school divisions | | | |
| 19 | shall provide a local match based on the composite index of local ability-to-pay. | | | |
| 20 | 19. Special Education Instruction Payments | | | |
| 21 | a. The Department of Education shall establish rates for all elements of Special Education | | | |
| 22 | Instruction Payments. | | | |
| 23 | b. Out of the appropriations in this Item, the Department of Education shall make available, | | | |
| 24 | subject to implementation by the Superintendent of Public Instruction, an amount estimated at | | | |
| 25 | \$84,678,643 the first year and \$32,680,039 from the general fund and \$54,898,940 | | | |
| 26 | \$92,162,325 from the Lottery Proceeds Fund the second year for the purpose of the state's | | | |
| 27 | share of the tuition rates for approved public school regional programs. Notwithstanding any | | | |
| 28 | contrary provision of law, the state's share of the tuition rates shall be based on the composite | | | |
| 29 | index of local ability-to-pay. | | | |
| 30 | c. Out of the amounts for Financial Assistance for Categorical Programs, \$34,904,851 the first | | | |
| 31 | year and \$35,588,024 \$34,706,297 the second year from the general fund is appropriated to | | | |
| 32 | permit the Department of Education to enter into agreements with selected local school boards | | | |
| 33 | for the provision of educational services to children residing in certain hospitals, clinics, and | | | |
| 34 | detention homes by employees of the local school boards. The portion of these funds provided | | | |
| 35 | for educational services to children residing in local or regional detention homes shall only be | | | |
| 36 | determined on the basis of children detained in such facilities through a court order issued by | | | |
| 37 | a court of the Commonwealth. The selection and employment of instructional and | | | |
| 38 | administrative personnel under such agreements will be the responsibility of the local school | | | |
| 39 | board in accordance with procedures as prescribed by the local school board. State payments | | | |
| 40 | for the first year to the local school boards operating these programs will be based on certified | | | |
| 41 | expenditures from the fourth quarter of FY 2016 and the first three quarters of FY 2017. State | | | |
| 42 | payments for the second year to the local school boards operating these programs will be | | | |
| 43 | based on certified expenditures from the fourth quarter of FY 2017 and the first three quarters | | | |
| 44 | of FY 2018. | | | |
| 45 | 20. Vocational Education Instruction Payments | | | |
| 46 | a. It is the intention of the General Assembly that the Department of Education explore | | | |
| 47 | initiatives that will encourage greater cooperation between jurisdictions and the Virginia | | | |
| 48 | Community College System in meeting the needs of public school systems. | | | |
| 49 | b. This appropriation includes \$1,800,000 the first year from the Lottery Proceeds Fund and | | | |
| 50 | \$1,800,000 the second year from the Lottery Proceeds Fund for secondary vocational- | | | |
| 51 | technical equipment. A base allocation of \$2,000 each year shall be available for all divisions, | | | |
| 52 | with the remainder of the funding distributed on the basis of student enrollment in secondary | | | |
| 53 | vocational-technical courses. State funds received for secondary vocational-technical | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | equipment must be used to supplement, not supplant, any funds currently provided for | | | |
| 2 | secondary vocational-technical equipment within the locality. Local school divisions are | | | |
| 3 | not required to provide a local match in order to receive these state funds. | | | |
| 4 | c.1) This appropriation includes an additional \$2,000,000 the first year and \$2,000,000 the | | | |
| 5 | second year from the Lottery Proceeds Fund to update vocational-technical equipment to | | | |
| 6 | industry standards providing students with classroom experience that translates to the | | | |
| 7 | workforce. | | | |
| 8 | 2) Of this amount, \$1,400,000 the first year and \$1,400,000 the second year is provided | | | |
| 9 | for vocational-technical equipment in high-demand, high-skill, and fast-growth industry | | | |
| 10 | sectors as identified by the Virginia Board of Workforce Development and based on data | | | |
| 11 | from the Bureau of Labor Statistics and the Virginia Employment Commission. | | | |
| 12 | 3) Of this amount, \$600,000 the first year and \$600,000 the second year will be awarded | | | |
| 13 | based on competitive innovative program grants for high-demand and fast-growth industry | | | |
| 14 | sectors with priority given to state-identified challenged schools, the Governor's Science | | | |
| 15 | Technology, Engineering, and Mathematics (STEM) academies, and the Governor's | | | |
| 16 | Health Science Academies. | | | |
| 17 | d. This appropriation includes \$500,000 the first year and \$500,000 the second year from | | | |
| 18 | the Lottery Proceeds Fund to support credentialing testing materials for students and | | | |
| 19 | professional development for instructors in science, technology, engineering, and | | | |
| 20 | mathematics-health sciences (STEM-H) career and technical education programs. | | | |
| 21 | 21. Adult Education Payments | | | |
| 22 | State funds shall be used to reimburse general adult education programs on a fixed cost | | | |
| 23 | per pupil or cost per class basis. No state funds shall be used to support vocational | | | |
| 24 | noncredit courses. | | | |
| 25 | 22. General Education Payments | | | |
| 26 | a. This appropriation includes \$2,410,988 the first year and \$2,410,988 the second year | | | |
| 27 | from the Lottery Proceeds Fund to support Race to GED. Out of this appropriation, | | | |
| 28 | \$465,375 the first year and \$465,375 the second year shall be used for PluggedIn VA. | | | |
| 29 | b. This appropriation includes \$2,774,478 the first year and \$1,387,240 \$1,387,387 the | | | |
| 30 | second year from the Lottery Proceeds Fund to support Project Graduation and any | | | |
| 31 | associated administrative and contractual service expenditures related to this initiative. | | | |
| 32 | 23. Virtual Virginia Payments | | | |
| 33 | a. From appropriations in this Item, the Department of Education shall provide assistance | | | |
| 34 | for the Virtual Virginia program. | | | |
| 35 | b. This appropriation includes \$498,000 the first year and \$498,000 the second year from | | | |
| 36 | the general fund to expand the Virtual Virginia full-time pilot program to 200 students in | | | |
| 37 | grades nine through 12. | | | |
| 38 | c. This appropriation includes \$260,000 the first year and \$330,000 the second year from | | | |
| 39 | the general fund to expand the virtual mathematics outreach pilot program to offer | | | |
| 40 | additional mathematics courses. | | | |
| 41 | d. The local share of costs associated with the operation of the Virtual Virginia program | | | |
| 42 | shall be computed using the composite index of local ability-to-pay. | | | |
| 43 | 24. Individual Student Alternative Education Program (ISAEP) Payments | | | |
| 44 | Out of this appropriation, \$2,247,581 the first year from the Lottery Proceeds Fund and | | | |
| 45 | \$2,247,581 in the second year from the Lottery Proceeds Fund shall be provided for the | | | |
| 46 | secondary schools' Individual Student Alternative Education Program (ISAEP), pursuant | | | |
| 47 | to Chapter 488 and Chapter 552 of the 1999 Session of the General Assembly. | | | |
| 48 | 25. Foster Children Education Payments | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | a. An additional state payment is provided from the Lottery Proceeds Fund for the prior year's | | | |
| 2 | local operations costs, as determined by the Department of Education, for each pupil of school | | | |
| 3 | age as defined in § 22.1-1, Code of Virginia, not a resident of the school division providing | | | |
| 4 | his education (a) who has been placed in foster care or other custodial care within the | | | |
| 5 | geographical boundaries of such school division by a Virginia agency, whether state or local, | | | |
| 6 | which is authorized under the laws of this Commonwealth to place children; (b) who has been | | | |
| 7 | placed in an orphanage or children's home which exercises legal guardianship rights; or (c) | | | |
| 8 | who is a resident of Virginia and has been placed, not solely for school purposes, in a child- | | | |
| 9 | caring institution or group home. | | | |
| 10 | b. This appropriation provides \$9,198,359 the first year and \$9,595,565 \$10,129,022 the | | | |
| 11 | second year from the Lottery Proceeds Fund to support children attending public school who | | | |
| 12 | have been placed in foster care or other such custodial care across jurisdictional lines, as | | | |
| 13 | provided by subsections A and B of § 22.1-101.1, Code of Virginia. To the extent these funds | | | |
| 14 | are not adequate to cover the full costs specified therein, the Department is authorized to | | | |
| 15 | expend unobligated balances in this Item for this support. | | | |
| 16 | 26. Sales Tax Payments | | | |
| 17 | a. This is a sum-sufficient appropriation for distribution to counties, cities and towns a portion | | | |
| 18 | of net revenue from the state sales and use tax, in support of the Standards of Quality (Title | | | |
| 19 | 22.1, Chapter 13.2, Code of Virginia) (See the Attorney General's opinion of August 3, 1982). | | | |
| 20 | b. Certification of payments and distribution of this appropriation shall be made by the State | | | |
| 21 | Comptroller. | | | |
| 22 | c. The distribution of state sales tax funds shall be made in equal bimonthly payments at the | | | |
| 23 | middle and end of each month. | | | |
| 24 | 27. Adult Literacy Payments | | | |
| 25 | a. Appropriations in this Item include \$125,000 the first year and \$125,000 the second year | | | |
| 26 | from the general fund for the ongoing literacy programs conducted by Mountain Empire | | | |
| 27 | Community College. | | | |
| 28 | b. Out of this appropriation, the Department of Education shall provide \$100,000 the first year | | | |
| 29 | and \$100,000 the second year from the general fund for the Virginia Literacy Foundation | | | |
| 30 | grants to support programs for adult literacy including those delivered by community-based | | | |
| 31 | organizations and school divisions providing services for adults with 0-9th grade reading | | | |
| 32 | skills. | | | |
| 33 | 28. Governor's School Payments | | | |
| 34 | a. Out of the amounts for Governor's School Payments, the Department of Education shall | | | |
| 35 | provide assistance for the state share of the incremental cost of regular school year Governor's | | | |
| 36 | Schools based on each participating locality's composite index of local ability-to-pay. | | | |
| 37 | Participating school divisions must certify that no tuition is assessed to students for | | | |
| 38 | participation in this program. | | | |
| 39 | b.1) Out of the amounts for Governor's School Payments, the Department of Education shall | | | |
| 40 | provide assistance for the state share of the incremental cost of summer residential Governor's | | | |
| 41 | Schools and Foreign Language Academies to be based on the greater of the state's share of the | | | |
| 42 | composite index of local ability-to-pay or 50 percent. Participating school divisions must | | | |
| 43 | certify that no tuition is assessed to students for participation in this program if they are | | | |
| 44 | enrolled in a public school. | | | |
| 45 | 2) Out of the amounts for Governor's School Payments, \$93,000 the first year and \$41,000 the | | | |
| 46 | second year is provided to support the Hanover Regional Summer Governor's School for | | | |
| 47 | Career and Technical Advancement, which was established pursuant to Chapter 425, 2014 | | | |
| 48 | Acts of Assembly, and Chapter 665, 2015 Acts of Assembly. | | | |
| 49 | c. For the Summer Governor's Schools and Foreign Language Academies programs, the | | | |
| 50 | Superintendent of Public Instruction is authorized to adjust the tuition rates, types of programs | | | |
| 51 | offered, length of programs, and the number of students enrolled in order to maintain costs | | | |
| 52 | within the available state and local funds for these programs. | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | d. It shall be the policy of the Commonwealth that state general fund appropriations not be | | | |
| 2 | used for capital outlay, structural improvements, renovations, or fixed equipment costs | | | |
| 3 | associated with initiation of existing or proposed Governor's schools. State general fund | | | |
| 4 | appropriations may be used for the purchase of instructional equipment for such schools, | | | |
| 5 | subject to certification by the Superintendent of Public Instruction that at least an equal | | | |
| 6 | amount of funds has been committed by participating school divisions to such purchases. | | | |
| 7 | e. The Board of Education shall not take any action that would increase the state's share of | | | |
| 8 | costs associated with the Governor's Schools as set forth in this Item. This provision shall | | | |
| 9 | not prohibit the Department of Education from submitting requests for the increased costs | | | |
| 10 | of existing programs resulting from updates to student enrollment for school divisions | | | |
| 11 | currently participating in existing programs or for school divisions that begin participation | | | |
| 12 | in existing programs. | | | |
| 13 | f.1) Regular school year Governor's Schools are funded through this Item based on the | | | |
| 14 | state's share of the incremental per pupil cost for providing such programs for each student | | | |
| 15 | attending a Governor's School up to a cap of 1,800 students per Governor's School in the | | | |
| 16 | first year and a cap of 1,800 students per Governor's School in the second year. This | | | |
| 17 | incremental per pupil payment shall be adjusted for the composite index of the school | | | |
| 18 | division that counts such students attending an academic year Governor's School in their | | | |
| 19 | March 31 Average Daily Membership. It is the intent of the General Assembly that this | | | |
| 20 | incremental per pupil amount be in addition to the basic aid per pupil funding provided to | | | |
| 21 | the affected school division for such students. Therefore, local school divisions are | | | |
| 22 | encouraged to provide the appropriate portion of the basic aid per pupil funding to the | | | |
| 23 | Governor's Schools for students attending these programs, adjusted for costs incurred by | | | |
| 24 | the school division for transportation, administration, and any portion of the day that the | | | |
| 25 | student does not attend a Governor's School. | | | |
| 26 | 2) Students attending a revolving Academic Year Governor's School program for only one | | | |
| 27 | semester shall be counted as 0.50 of a full-time equivalent student and will be funded for | | | |
| 28 | only fifty percent of the full-year funded per pupil amount. Funding for students attending | | | |
| 29 | a revolving Academic Year program will be adjusted based upon actual September 30th | | | |
| 30 | and January 30th enrollment each fiscal year. For purposes of this Item, revolving | | | |
| 31 | programs shall mean Academic Year Governor's School programs that admit students on a | | | |
| 32 | semester basis. | | | |
| 33 | 3) Students attending a continuous, non-revolving Academic Year Governor's School | | | |
| 34 | program shall be counted as a full-time equivalent student and will be funded for the full- | | | |
| 35 | year funded per pupil amount. Funding for students attending a continuous, non-revolving | | | |
| 36 | Academic Year Governor's School program will be adjusted based upon actual September | | | |
| 37 | 30th student enrollment each fiscal year. For purposes of this Item, continuous, non- | | | |
| 38 | revolving programs shall mean Academic Year Governor's School programs that only | | | |
| 39 | admit students at the beginning of the school year. Fairfax County Public Schools shall not | | | |
| 40 | reduce local per pupil funding for the Thomas Jefferson Governor's School below the | | | |
| 41 | amounts appropriated for the 2003-2004 school year. | | | |
| 42 | 4) This appropriation includes an additional \$1,223,796 the first year and \$1,250,538 | | | |
| 43 | \$1,192,575 the second year from the general fund to provide the state's share of a 2.5 | | | |
| 44 | percent increase in the tuition amount, and the state's share of \$50.00 per course per | | | |
| 45 | student adjustment added after the 2.5 percent increase. The 2.5 percent increase and the | | | |
| 46 | \$50.00 per course adjustment shall only be effective for fiscal year 2017 and fiscal year | | | |
| 47 | 2018. The local funding contribution of each school division participating in an Academic | | | |
| 48 | Year Governor's Schools program in either year of the biennium shall not be reduced on a | | | |
| 49 | per pupil basis below the amount in fiscal year 2016. | | | |
| 50 | 5) The Department of Education shall review the distribution methodology used to | | | |
| 51 | determine the Governor's School tuition payments by November 4, 2016, and submit the | | | |
| 52 | findings of the review to the Chairmen of House Appropriations and Senate Finance | | | |
| 53 | Committees. The review shall include, but not be limited to, consideration of the length of | | | |
| 54 | the academic program day with the intent to determine and provide an equitable | | | |
| 55 | distribution of tuition payments based on the actual length of academic program day, the | | | |
| 56 | appropriate state and local shares, and the academic model used by Governor's Schools in | | | |
| 57 | the configuration of the funding formula. | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | g. All regional Governor's Schools are encouraged to provide full-day grades 9 through 12 | | | | |
| 2 | programs. | | | | |
| 3 | i. Out of this appropriation, \$100,000 the first year from the general fund is available for the | | | | |
| 4 | Department of Education to develop, in collaboration with the school divisions and | | | | |
| 5 | community colleges in the Roanoke Valley region, a model proposal that establishes a | | | | |
| 6 | Regional Career and Technical Governor's School Center. | | | | |
| 7 | j. Out of the appropriation included in paragraph 40 of this item, \$135,366 \$134,841 the | | | | |
| 8 | second year from the general fund is included in the Academic Year Governor's School | | | | |
| 9 | funding allocation to increase the per pupil amount the second year as an add-on for a | | | | |
| 10 | compensation supplement payment equal to 2.0 percent of base pay on February 15, 2018, for | | | | |
| 11 | Academic Year Governor's School instructional and support positions. | | | | |
| 12 | 29. School Nutrition Payments | | | | |
| 13 | It is provided that, subject to implementation by the Superintendent of Public Instruction, no | | | | |
| 14 | disbursement shall be made out of the appropriation for school nutrition to any locality in | | | | |
| 15 | which the schools permit the sale of competitive foods in food service facilities or areas | | | | |
| 16 | during the time of service of food funded pursuant to this Item. | | | | |
| 17 | 30. School Breakfast Payments | | | | |
| 18 | a. Out of this appropriation, \$4,887,179 the first year and \$5,492,229 \$5,722,214 the second | | | | |
| 19 | year from the Lottery Proceeds Fund is included to continue a state funded incentive program | | | | |
| 20 | to maximize federal school nutrition revenues and increase student participation in the school | | | | |
| 21 | breakfast program. These funds are available to any school division as a reimbursement for | | | | |
| 22 | breakfast meals served that are in excess of the baseline established by the Department of | | | | |
| 23 | Education. The per meal reimbursement shall be \$0.22; however, the department is | | | | |
| 24 | authorized, but not required to reduce this amount proportionately in the event that the actual | | | | |
| 25 | number of meals to be reimbursed exceeds the number on which this appropriation is based so | | | | |
| 26 | that this appropriation is not exceeded. | | | | |
| 27 | b. In order to receive these funds, school divisions must certify that these funds will be used to | | | | |
| 28 | supplement existing funds provided by the local governing body and that local funds derived | | | | |
| 29 | from sources that are not generated by the school nutrition programs have not been reduced or | | | | |
| 30 | eliminated. The funds shall be used to improve student participation in the school breakfast | | | | |
| 31 | program. These efforts may include, but are not limited to, reducing the per meal price paid | | | | |
| 32 | by students, reducing competitive food sales in order to improve the quality of nutritional | | | | |
| 33 | offerings in schools, increasing access to the school breakfast program, or providing programs | | | | |
| 34 | to increase parent and student knowledge of good nutritional practices. In no event shall these | | | | |
| 35 | funds be used to reduce local tax revenues below the level appropriated to school nutrition | | | | |
| 36 | programs in the prior year. Further, these funds must be provided to the school nutrition | | | | |
| 37 | programs and may not be used for any other school purpose. | | | | |
| 38 | c.1) Out of this appropriation, \$1,074,000 the first year and \$1,074,000 the second year from | | | | |
| 39 | the general fund is provided to fund an elementary school After-the-Bell Model breakfast | | | | |
| 40 | pilot program available on a voluntary basis only to elementary schools where student | | | | |
| 41 | eligibility for free or reduced lunch exceeds 45.0 percent for the participating eligible | | | | |
| 42 | elementary school, and to provide additional reimbursement for eligible meals served in the | | | | |
| 43 | current traditional school breakfast program at all grade levels in any participating school. | | | | |
| 44 | The Department of Education is directed to ensure that only eligible elementary schools | | | | |
| 45 | receive reimbursement funding for participating in the After-the-Bell school breakfast model. | | | | |
| 46 | The elementary schools participating in the pilot program shall evaluate the educational | | | | |
| 47 | impact of the models implemented that provide school breakfasts to students after the first | | | | |
| 48 | bell of the school day, based on the guidelines developed by the Department of Education and | | | | |
| 49 | submit the required report to the Department of Education no later June 30, 2017 for the | | | | |
| 50 | 2016-2017 school year and no later than June 30, 2018 for the 2017-2018 school year. | | | | |
| 51 | 2) The Department of Education shall communicate, through Superintendent's Memo, to | | | | |
| 52 | school divisions the types of breakfast serving models and the criteria that will meet the | | | | |
| 53 | requirements for this State reimbursement, which may include, but are not limited to, | | | | |
| 54 | breakfast in the classroom, grab and go breakfast, or a breakfast after first period. School | | | | |
| 55 | divisions may determine the breakfast serving model that best applies to its students, so long | | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | as it occurs after the instructional day has begun. For the 2016-2017 and 2017-2018 school | | | |
| 2 | years, the Department of Education shall monthly transfer to each school division a | | | |
| 3 | reimbursement rate of \$0.05 per breakfast meal that meets either of the established | | | |
| 4 | criteria. | | | |
| 5 | 3) No later than July 1, 2016 for the 2016-2017 school year and no later than July 1, 2017 | | | |
| 6 | for the 2017-2018 school year, the Department of Education shall provide for a pilot | | | |
| 7 | breakfast program application process for school divisions with eligible elementary | | | |
| 8 | schools, including guidelines regarding specified required data to be compiled from the | | | |
| 9 | prior school year or years and during the one-year pilot. The number of approved | | | |
| 10 | applications shall be based on the estimated number of pilot sites that can be | | | |
| 11 | accommodated within the approved funding level. The reporting requirements must | | | |
| 12 | include: student attendance and tardy arrivals, office discipline referrals, student | | | |
| 13 | achievement measures, teachers' responses to the impact of the pilot program before and | | | |
| 14 | after implementation, and the financial impact on the division's school food program. The | | | |
| 15 | Department of Education shall collect and compile the results of the pilot breakfast | | | |
| 16 | program and shall submit the report to the Governor and the Chairmen of the House | | | |
| 17 | Appropriations and Senate Finance Committees no later than August 1 following each | | | |
| 18 | school year. | | | |
| 19 | 31. Clinical Faculty and Mentor Teacher Program Payments | | | |
| 20 | This appropriation includes \$1,000,000 the first year and \$1,000,000 the second year from | | | |
| 21 | the Lottery Proceeds Fund to be paid to local school divisions for statewide Mentor | | | |
| 22 | Teacher Programs to assist pre-service teachers and beginning teachers to make a | | | |
| 23 | successful transition into full-time teaching. This appropriation also includes \$318,750 the | | | |
| 24 | first year and \$318,750 the second year from the general fund for Clinical Faculty | | | |
| 25 | programs to assist pre-service teachers and beginning teachers to make a successful | | | |
| 26 | transition into full-time teaching. Such programs shall include elements which are | | | |
| 27 | consistent with the following: | | | |
| 28 | a. An application process for localities and school/higher education partnerships that wish | | | |
| 29 | to participate in the programs; | | | |
| 30 | b. For Clinical Faculty programs only, provisions for a local funding or institutional | | | |
| 31 | commitment of 50 percent, to match state grants of 50 percent; | | | |
| 32 | c. Program plans which include a description of the criteria for selection of clinical faculty | | | |
| 33 | and mentor teachers, training, support, and compensation for clinical faculty and mentor | | | |
| 34 | teachers, collaboration between the school division and institutions of higher education, | | | |
| 35 | the clinical faculty and mentor teacher assignment process, and a process for evaluation of | | | |
| 36 | the programs; | | | |
| 37 | d. The Department of Education shall allow flexibility to local school divisions and higher | | | |
| 38 | education institutions regarding compensation for clinical faculty and mentor teachers | | | |
| 39 | consistent with these elements of the programs; and | | | |
| 40 | e. It is the intent of the General Assembly that no preference between pre-service or | | | |
| 41 | beginning teacher programs be construed by the language in this Item. School divisions | | | |
| 42 | operating beginning teacher mentor programs shall receive equal consideration for | | | |
| 43 | funding. | | | |
| 44 | 32. Career Switcher/Alternative Licensure Payments | | | |
| 45 | Appropriations in this Item include \$279,983 the first year and \$279,983 the second year | | | |
| 46 | from the general fund to provide grants to school divisions that employ mentor teachers | | | |
| 47 | for new teachers entering the profession through the alternative route to licensure as | | | |
| 48 | prescribed by the Board of Education. | | | |
| 49 | 33. Virginia Workplace Readiness Skills Assessment | | | |
| 50 | Appropriations in this Item include \$308,655 the first year and \$308,655 the second year | | | |
| 51 | from the general fund to provide support grants to school divisions for standard diploma | | | |
| 52 | graduates. To provide flexibility, school divisions may use the state grants for the actual | | | |
| 53 | assessment or for other industry certification preparation and testing. | | | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 34. Reading Specialists Initiative | | | | |
| 2 | a. An additional payment of \$1,476,790 the first year and \$1,476,790 the second year from | | | | |
| 3 | the general fund shall be disbursed by the Department of Education to qualifying local school | | | | |
| 4 | divisions for the purpose of providing a reading specialist for any school with a third grade | | | | |
| 5 | that has a school-wide pass rate of less than 75 percent on the reading Standards of Learning | | | | |
| 6 | (SOL) assessments. | | | | |
| 7 | b. These payments shall be based on the state's share of the cost of providing one reading | | | | |
| 8 | specialist per qualifying school. School divisions with schools participating in this program in | | | | |
| 9 | fiscal year 2016 shall be eligible to receive funding at 100 percent of the state share the first | | | | |
| 10 | year and 50 percent of the state share the second year for the same schools and such schools | | | | |
| 11 | are granted a one-year extension of the two-year waiver referenced in subsection c. for a third | | | | |
| 12 | year in fiscal year 2018. The Department of Education is authorized to disburse additional | | | | |
| 13 | payments to divisions from any remaining funds each year to support additional qualifying | | | | |
| 14 | schools and shall give priority to such schools with the lowest SOL pass rates for reading or | | | | |
| 15 | the greatest number of years accredited with warning in English. Payments to school divisions | | | | |
| 16 | in support of such additional qualifying schools each year shall be based on 100 percent of the | | | | |
| 17 | state share of cost. | | | | |
| 18 | c. These payments are available to any school division with a qualifying school that (1) | | | | |
| 19 | certifies to the Department of Education that the division has hired a reading specialist to | | | | |
| 20 | provide direct services to children reading below grade level in the school to improve reading | | | | |
| 21 | achievement and (2) applies and receives a waiver for up to two years from the Board of | | | | |
| 22 | Education for the administration of third grade SOL assessments in science or history and | | | | |
| 23 | social science or both for the purpose of creating additional instructional time for reading | | | | |
| 24 | specialists to work with students reading below grade level to improve reading achievement. | | | | |
| 25 | d. These payments also are available to any school division with a qualifying school that | | | | |
| 26 | certifies to the Department of Education that the division is supporting tuition for collegiate | | | | |
| 27 | programs and instruction for currently employed instructional school personnel to earn the | | | | |
| 28 | credentials necessary to meet licensure requirements to be endorsed as a reading specialist. | | | | |
| 29 | e. School divisions receiving these payments are required to match these funds based on the | | | | |
| 30 | composite index of local ability-to-pay. | | | | |
| 31 | 35. Math/Reading Instructional Specialist Initiative | | | | |
| 32 | a. Included in this appropriation is \$1,834,538 the first year and \$1,834,538 the second year | | | | |
| 33 | from the general fund in additional payments for reading or math instructional specialists at | | | | |
| 34 | underperforming schools. From this amount, the state share of one reading or math specialist | | | | |
| 35 | shall be provided to local school divisions with schools which have been denied accreditation | | | | |
| 36 | or were accredited with warning for the third consecutive year based on school accreditation | | | | |
| 37 | ratings for the 2015-2016 school year. Such schools shall be eligible to receive the state share | | | | |
| 38 | of funding for both years of the biennium. In addition, following the academic review | | | | |
| 39 | required by § 22.1-253.13:3, Code of Virginia, the Department of Education shall identify up | | | | |
| 40 | to 20 additional schools to also receive the state share of a reading or math instructional | | | | |
| 41 | specialist. The schools eligible for such personnel are those which were accredited with | | | | |
| 42 | warning for the second consecutive year based on school accreditation ratings for the 2014- | | | | |
| 43 | 2015 and 2015-2016 school years and that have shown no or limited improvement in student | | | | |
| 44 | achievement in the past year. Such schools shall also be eligible to receive the state share of | | | | |
| 45 | funding for both years of the biennium. If, following certification from a school division that | | | | |
| 46 | it will not participate in the program, the Department is authorized to identify additional | | | | |
| 47 | eligible schools. | | | | |
| 48 | b. These payments are available to any school division with a qualifying school that certifies | | | | |
| 49 | to the Department of Education that the division has (1) hired a math or reading instructional | | | | |
| 50 | specialist, or (2) is supporting tuition for collegiate programs and instruction for currently | | | | |
| 51 | employed instructional school personnel to earn the credentials necessary to meet licensure | | | | |
| 52 | requirements to be endorsed as a math specialist or a reading specialist. Localities receiving | | | | |
| 53 | these payments are required to match these funds based on the composite index of local | | | | |
| 54 | ability-to-pay. | | | | |
| 55 | c. The Department of Education is authorized to utilize available funding appropriated to the | | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Early Reading Specialist Initiative contained in this Item to pay for instructional | | | |
| 2 | specialists at additional eligible schools, or to support tuition for collegiate programs and | | | |
| 3 | instruction for currently employed instructional school personnel at additional eligible | | | |
| 4 | schools to earn the credentials necessary to meet licensure requirements to be endorsed as | | | |
| 5 | an instructional specialist. | | | |
| 6 | 37. Broadband Connectivity Capabilities | | | |
| 7 | By November 1 each year, school divisions shall report to the Department of Education | | | |
| 8 | the status of broadband connectivity capability of schools in the division on a form to be | | | |
| 9 | provided by the Department. Such report shall include school-level information on the | | | |
| 10 | method of Internet service delivery, the level of bandwidth capacity and the degree such | | | |
| 11 | capacity is sufficient for delivery of school-wide digital resources and instruction, degree | | | |
| 12 | of internet connectivity via Wi-Fi, cost information related to Internet connectivity, data | | | |
| 13 | security, and such other pertinent information as determined by the Department of | | | |
| 14 | Education. The Department shall provide a summary of the division responses in a report | | | |
| 15 | to be made available on its agency Web site. | | | |
| 16 | 38. Supplemental Lottery Per Pupil Allocation Payments | | | |
| 17 | a. Out of this appropriation, an amount estimated at \$36,581,531 the first year and | | | |
| 18 | \$191,267,718 \$191,272,274 the second year from the Lottery Proceeds Fund shall be | | | |
| 19 | disbursed by the Department of Education to local school divisions to support the state | | | |
| 20 | share of an estimated \$52.56 per pupil the first year and \$274.12 \$274.29 per pupil the | | | |
| 21 | second year in adjusted March 31 average daily membership. These per pupil amounts are | | | |
| 22 | subject to change for the purpose of payment to school divisions based on the actual | | | |
| 23 | March 31 ADM collected each year. No locality shall be required to maintain a per pupil | | | |
| 24 | expenditure each year from local funds which is greater than the per pupil amount | | | |
| 25 | expended by the locality for such purposes in the year upon which the 2016-18 biennial | | | |
| 26 | Standards of Quality expenditure data were based. | | | |
| 27 | b. Of the amounts listed above, school divisions are permitted to spend such funds on both | | | |
| 28 | recurring and nonrecurring expenses in a manner that best supports the needs of the | | | |
| 29 | schools divisions. No local match is required. | | | |
| 30 | c. Any lottery funds provided to school divisions from this item that are unexpended as of | | | |
| 31 | June 30, 2017, and June 30, 2018, shall be carried on the books of the locality to be | | | |
| 32 | appropriated to the school division in the following year. | | | |
| 33 | 39. Special Education Endorsement Program | | | |
| 34 | a. Notwithstanding § 22.1-290.02, Code of Virginia, out of this appropriation, \$550,000 | | | |
| 35 | the first year and \$437,186 the second year from the general fund is provided for | | | |
| 36 | traineeships and program operation grants that shall be awarded to public Virginia | | | |
| 37 | institutions of higher education to prepare persons who are employed in the public schools | | | |
| 38 | of Virginia, state operated programs, or regional special education centers as special | | | |
| 39 | educators with a provisional license and enrolled either part-time or full-time in programs | | | |
| 40 | for the education of children with disabilities. Applicants shall be graduates of a regionally | | | |
| 41 | accredited college or university. | | | |
| 42 | b. The award of such grants shall be made by the Department of Education, and the | | | |
| 43 | number of awards during any one year shall depend upon the amounts appropriated by the | | | |
| 44 | General Assembly for this purpose. The amount awarded for each traineeship shall be | | | |
| 45 | \$600 for a minimum of three semester hours of course work in areas required for the | | | |
| 46 | special education endorsement to be taken by the applicant during a single semester or | | | |
| 47 | summer session. Only one traineeship shall be awarded to a single applicant in a single | | | |
| 48 | semester or summer session. | | | |
| 49 | 40. Compensation Supplement | | | |
| 50 | a.1) The appropriation in this item includes \$31,981,550 \$31,728,026 the second year | | | |
| 51 | from the general fund for the state share of a payment equivalent to a 2.0 percent salary | | | |
| 52 | incentive increase, effective February 15, 2018, for funded SOQ instructional and support | | | |
| 53 | positions. Funded SOQ instructional positions shall include the teacher, guidance | | | |
| 54 | counselor, librarian, instructional aide, principal, and assistant principal positions funded | | | |

| ITEM 139. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | through the SOQ staffing standards for each school division in the biennium. This amount | | | |
| 2 | includes \$135,366 the second year referenced in paragraph 28. h., for the Academic Year | | | |
| 3 | Governor's Schools for a 2.0 percent salary incentive increase, effective February 15, 2018, | | | |
| 4 | for instructional and support positions. | | | |
| 5 | 2) It is the intent that the instructional and support position salaries be increased in school | | | |
| 6 | divisions throughout the state by at least an average of 2.0 percent during the 2016-18 | | | |
| 7 | biennium. Sufficient funds are appropriated in this act to finance, on a statewide basis, the | | | |
| 8 | state share of a 2.0 percent salary increase for funded SOQ instructional and support | | | |
| 9 | positions, effective February 15, 2018, to school divisions which certify to the Department of | | | |
| 10 | Education, by June 1, 2017, that salary increases of a minimum average of 2.0 percent have | | | |
| 11 | been or will have been provided during the 2016-18 biennium, either in the first year or in the | | | |
| 12 | second year or through a combination of the two years, to instructional and support personnel. | | | |
| 13 | In certifying that the salary increases have been provided, school divisions may not include | | | |
| 14 | any salary increases that were provided in the first year solely to offset the cost of required | | | |
| 15 | member contributions to the Virginia Retirement System under § 51.1-144, Code of Virginia. | | | |
| 16 | b. This funding is not intended as a mandate to increase salaries. | | | |
| 17 | 41. Small School Division Enrollment Loss Fund | | | |
| 18 | Out of this appropriation, \$7,258,009 the first year from the general fund is allocated to | | | |
| 19 | eligible school divisions that have realized and reported to the Department of Education a | | | |
| 20 | total of a five percent or more decline in average daily membership from March 31, 2011, to | | | |
| 21 | March 31, 2016, with a minimum dollar amount for such eligible school divisions of \$75,000. | | | |
| 22 | Such eligible school divisions shall receive an apportioned allocation as specified below: | | | |
| 23 | DIVISION NAME | | FY 2017 | |
| 24 | ALLEGHANY | | \$388,339 | |
| 25 | AMHERST | | \$207,863 | |
| 26 | BATH | | \$75,000 | |
| 27 | BEDFORD | | \$411,294 | |
| 28 | BLAND | | \$75,000 | |
| 29 | BOTETOURT | | \$153,580 | |
| 30 | BRUNSWICK | | \$251,930 | |
| 31 | BUCHANAN | | \$187,525 | |
| 32 | BUENA VISTA | | \$99,574 | |
| 33 | CAMPBELL | | \$356,831 | |
| 34 | CARROLL | | \$341,486 | |
| 35 | CHARLES CITY | | \$75,000 | |
| 36 | CHARLOTTE | | \$139,455 | |
| 37 | CRAIG | | \$75,000 | |
| 38 | CUMBERLAND | | \$75,000 | |
| 39 | DICKENSON | | \$147,963 | |
| 40 | ESSEX | | \$92,159 | |
| 41 | FLUVANNA | | \$127,920 | |
| 42 | FRANKLIN CITY | | \$77,994 | |
| 43 | GLOUCESTER | | \$263,849 | |
| 44 | GRAYSON | | \$184,921 | |
| 45 | HALIFAX | | \$356,415 | |
| 46 | HIGHLAND | | \$75,000 | |
| 47 | LANCASTER | | \$75,000 | |
| 48 | LEE | | \$231,524 | |
| 49 | MARTINSVILLE | | \$134,728 | |
| 50 | MATHEWS | | \$75,000 | |
| 51 | MECKLENBURG | | \$182,522 | |
| 52 | NORTHAMPTON | | \$75,000 | |

| ITEM 139. | | Item Details(\$) | | Appropriations(\$) | |
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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | NORTHUMBERLAND | | | | \$75,000 |
| 2 | PAGE | | | | \$137,643 |
| 3 | PETERSBURG | | | | \$180,650 |
| 4 | POQUOSON | | | | \$123,514 |
| 5 | PRINCE EDWARD | | | | \$247,748 |
| 6 | PULASKI | | | | \$200,103 |
| 7 | RAPPAHANNOCK | | | | \$75,000 |
| 8 | SMYTH | | | | \$191,886 |
| 9 | SURRY | | | | \$75,000 |
| 10 | SUSSEX | | | | \$110,255 |
| 11 | TAZEWELL | | | | \$322,616 |
| 12 | WESTMORELAND | | | | \$89,180 |
| 13 | WISE | | | | \$416,542 |
| 14 | TOTAL | | | | \$7,258,009 |
| 15 | 140. | Not set out. | | | |
| 16 | | Total for Direct Aid to Public Education..... | | | \$7,373,904,650 |
| 17 | | | | | \$7,648,611,401 |
| 18 | | Fund Sources: General..... | \$5,675,304,086 | \$6,030,019,145 | |
| 19 | | | | \$5,962,959,274 | |
| 20 | | Special..... | \$895,000 | \$895,000 | |
| 21 | | Commonwealth Transportation..... | \$2,310,000 | \$2,385,000 | |
| 22 | | | | \$2,100,000 | |
| 23 | | Trust and Agency..... | \$808,328,667 | \$728,245,359 | |
| 24 | | | | \$790,228,313 | |
| 25 | | Federal Trust..... | \$887,066,897 | \$887,066,897 | |
| 26 | | Grand Total for Department of Education, Central | | | |
| 27 | | Office Operations..... | | | \$7,478,537,345 |
| 28 | | | | | \$7,751,425,397 |
| 29 | | General Fund Positions..... | 150.00 | 144.00 | |
| 30 | | Nongeneral Fund Positions..... | 178.50 | 180.50 | |
| 31 | | Position Level..... | 328.50 | 324.50 | |
| 32 | | Fund Sources: General..... | \$5,735,624,112 | \$6,088,518,538 | |
| 33 | | | | \$6,021,458,667 | |
| 34 | | Special..... | \$5,540,648 | \$5,542,274 | |
| 35 | | Commonwealth Transportation..... | \$2,573,327 | \$2,648,327 | |
| 36 | | | | \$2,363,327 | |
| 37 | | Trust and Agency..... | \$808,608,226 | \$728,524,922 | |
| 38 | | | | \$790,507,876 | |
| 39 | | Federal Trust..... | \$926,191,032 | \$926,191,336 | |
| 40 | 141. | Not set out. | | | |
| 41 | 142. | Not set out. | | | |
| 42 | 143. | Not set out. | | | |
| 43 | 144. | Not set out. | | | |
| 44 | 145. | Not set out. | | | |
| 45 | 146. | Not set out. | | | |
| 46 | 147. | Not set out. | | | |

| ITEM 148. | | | Item Details(\$) | | Appropriations(\$) | |
|-----------|------|--------------|----------------------|-----------------------|----------------------|-----------------------|
| | | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 148. | Not set out. | | | | |
| 2 | 149. | Not set out. | | | | |
| 3 | 150. | Not set out. | | | | |
| 4 | 151. | Not set out. | | | | |
| 5 | 152. | Not set out. | | | | |
| 6 | 153. | Not set out. | | | | |
| 7 | 154. | Not set out. | | | | |
| 8 | 155. | Not set out. | | | | |
| 9 | 156. | Not set out. | | | | |
| 10 | 157. | Not set out. | | | | |
| 11 | 158. | Not set out. | | | | |
| 12 | 159. | Not set out. | | | | |
| 13 | 160. | Not set out. | | | | |
| 14 | 161. | Not set out. | | | | |
| 15 | 162. | Not set out. | | | | |
| 16 | 163. | Not set out. | | | | |
| 17 | 164. | Not set out. | | | | |
| 18 | 165. | Not set out. | | | | |
| 19 | 166. | Not set out. | | | | |
| 20 | 167. | Not set out. | | | | |
| 21 | 168. | Not set out. | | | | |
| 22 | 169. | Not set out. | | | | |
| 23 | 170. | Not set out. | | | | |
| 24 | 171. | Not set out. | | | | |
| 25 | 172. | Not set out. | | | | |
| 26 | 173. | Not set out. | | | | |
| 27 | 174. | Not set out. | | | | |
| 28 | 175. | Not set out. | | | | |

| ITEM 176. | | | Item Details(\$) | | Appropriations(\$) | |
|-----------|------|--------------|----------------------|-----------------------|----------------------|-----------------------|
| | | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 176. | Not set out. | | | | |
| 2 | 177. | Not set out. | | | | |
| 3 | 178. | Not set out. | | | | |
| 4 | 179. | Not set out. | | | | |
| 5 | 180. | Not set out. | | | | |
| 6 | 181. | Not set out. | | | | |
| 7 | 182. | Not set out. | | | | |
| 8 | 183. | Not set out. | | | | |
| 9 | 184. | Not set out. | | | | |
| 10 | 185. | Not set out. | | | | |
| 11 | 186. | Not set out. | | | | |
| 12 | 187. | Not set out. | | | | |
| 13 | 188. | Not set out. | | | | |
| 14 | 189. | Not set out. | | | | |
| 15 | 190. | Not set out. | | | | |
| 16 | 191. | Not set out. | | | | |
| 17 | 192. | Not set out. | | | | |
| 18 | 193. | Not set out. | | | | |
| 19 | 194. | Not set out. | | | | |
| 20 | 195. | Not set out. | | | | |
| 21 | 196. | Not set out. | | | | |
| 22 | 197. | Not set out. | | | | |
| 23 | 198. | Not set out. | | | | |
| 24 | 199. | Not set out. | | | | |
| 25 | 200. | Not set out. | | | | |
| 26 | 201. | Not set out. | | | | |
| 27 | 202. | Not set out. | | | | |
| 28 | 203. | Not set out. | | | | |

| ITEM 203. | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 204. | Not set out. | | |
| 2 | 205. | Not set out. | | |
| 3 | 206. | Not set out. | | |
| 4 | 207. | Not set out. | | |
| 5 | 208. | Not set out. | | |
| 6 | 209. | Not set out. | | |
| 7 | 210. | Not set out. | | |
| 8 | 211. | Not set out. | | |
| 9 | 212. | Not set out. | | |
| 10 | 213. | Not set out. | | |
| 11 | 214. | Not set out. | | |
| 12 | 215. | Not set out. | | |
| 13 | 216. | Not set out. | | |
| 14 | 217. | Not set out. | | |
| 15 | 218. | Not set out. | | |
| 16 | 219. | Not set out. | | |
| 17 | 220. | Not set out. | | |
| 18 | 221. | Not set out. | | |
| 19 | 222. | Not set out. | | |
| 20 | 223. | Not set out. | | |
| 21 | 224. | Not set out. | | |
| 22 | 225. | Not set out. | | |
| 23 | 226. | Not set out. | | |
| 24 | 227. | Not set out. | | |
| 25 | 228. | Not set out. | | |
| 26 | 229. | Not set out. | | |
| 27 | 230. | Not set out. | | |

| ITEM 231. | | | Item Details(\$) | | Appropriations(\$) | |
|-----------|------------------------------------|--------------|----------------------|-----------------------|----------------------|-----------------------|
| | | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 231. | Not set out. | | | | |
| 2 | 232. | Not set out. | | | | |
| 3 | 233. | Not set out. | | | | |
| 4 | 234. | Not set out. | | | | |
| 5 | 235. | Not set out. | | | | |
| 6 | 236. | Not set out. | | | | |
| 7 | 237. | Not set out. | | | | |
| 8 | 238. | Not set out. | | | | |
| 9 | 239. | Not set out. | | | | |
| 10 | 240. | Not set out. | | | | |
| 11 | 241. | Not set out. | | | | |
| 12 | 242. | Not set out. | | | | |
| 13 | 243. | Not set out. | | | | |
| 14 | 244. | Not set out. | | | | |
| 15 | 245. | Not set out. | | | | |
| 16 | 246. | Not set out. | | | | |
| 17 | 247. | Not set out. | | | | |
| 18 | 248. | Not set out. | | | | |
| 19 | 249. | Not set out. | | | | |
| 20 | 250. | Not set out. | | | | |
| 21 | 251. | Not set out. | | | | |
| 22 | 252. | Not set out. | | | | |
| 23 | 253. | Not set out. | | | | |
| 24 | 254. | Not set out. | | | | |
| 25 | 255. | Not set out. | | | | |
| 26 | 255.10 | Not set out. | | | | |
| 27 | 256. | Not set out. | | | | |
| 28 | TOTAL FOR OFFICE OF EDUCATION..... | | | | \$18,426,112,099 | \$18,392,678,739 |
| 29 | | | | | | \$18,387,316,822 |

| ITEM 256. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|----------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | General Fund Positions..... | 18,527.65 | 18,528.65 | | |
| 2 | Nongeneral Fund Positions..... | 40,228.07 | 40,593.07 | | |
| 3 | Position Level..... | 58,755.72 | 59,121.72 | | |
| 4 | Fund Sources: General..... | \$7,775,650,331 | \$8,103,714,179 | | |
| 5 | | | \$8,036,654,308 | | |
| 6 | Special..... | \$41,228,245 | \$40,848,744 | | |
| 7 | Higher Education Operating..... | \$8,511,168,633 | \$8,217,476,180 | | |
| 8 | Commonwealth Transportation..... | \$2,573,327 | \$2,648,327 | | |
| 9 | | | \$2,363,327 | | |
| 10 | Enterprise..... | \$5,479,910 | \$5,479,910 | | |
| 11 | Trust and Agency..... | \$808,798,226 | \$728,714,922 | | |
| 12 | | | \$790,697,876 | | |
| 13 | Debt Service..... | \$329,379,313 | \$337,393,916 | | |
| 14 | Dedicated Special Revenue..... | \$11,914,428 | \$16,482,503 | | |
| 15 | 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 | | |
| 14 | | (72800) | | |
| 15 | | a sum sufficient, estimated at..... | \$570,565,000 | \$572,065,000 |
| 16 | | | | \$571,395,000 |
| 17 | | Distribution of Rolling Stock Taxes (72806)..... | \$7,100,000 | \$7,100,000 |
| 18 | | | | \$6,530,000 |
| 19 | | Distribution of Recordation Taxes (72808)..... | \$40,000,000 | \$40,000,000 |
| 20 | | Financial Assistance to Localities - Rental Vehicle | | |
| 21 | | Tax (72810)..... | \$45,000,000 | \$46,500,000 |
| 22 | | Distribution of Sales Tax Revenues from Certain | | |
| 23 | | Public Facilities (72811)..... | \$1,040,000 | \$1,040,000 |
| 24 | | Distribution of Tennessee Valley Authority | | |
| 25 | | Payments in Lieu of Taxes (72812)..... | \$1,300,000 | \$1,300,000 |
| 26 | | | | \$1,200,000 |
| 27 | | Distribution of the Virginia Communications Sales | | |
| 28 | | and Use Tax (72816)..... | \$440,000,000 | \$440,000,000 |
| 29 | | Distribution of Payments to Localities for | | |
| 30 | | Enhanced Emergency Communications Services | | |
| 31 | | (72817)..... | \$36,000,000 | \$36,000,000 |
| 32 | | Distribution of Sales Tax Revenues from Certain | | |
| 33 | | Tourism Projects (72819)..... | \$125,000 | \$125,000 |
| 34 | | Fund Sources: General..... | \$49,565,000 | \$49,565,000 |
| 35 | | | | \$48,895,000 |
| 36 | | Trust and Agency..... | \$45,000,000 | \$46,500,000 |
| 37 | | Dedicated Special Revenue..... | \$476,000,000 | \$476,000,000 |
| 38 | | Authority: §§ 15.2-5814, 15.2-5914, 33.2-2400, 58.1-608.3, 58.1-662, 58.1-815.1, 58.1- | | |
| 39 | | 816, 58.1-1736, 58.1-1741, 58.1-2658.1, and 58.1-3406, Code of Virginia. | | |
| 40 | | A. Out of this appropriation, amounts estimated at \$20,000,000 the first year and | | |
| 41 | | \$20,000,000 the second year from the general fund shall be deposited into the Northern | | |
| 42 | | Virginia Transportation District Fund, as provided in § 33.2-2400, Code of Virginia. Said | | |
| 43 | | amount shall consist of recordation taxes attributable to and transferable to the cities of | | |
| 44 | | Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park and the counties of | | |

| ITEM 266. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Arlington, Fairfax, Loudoun, and Prince William, pursuant to § 58.1-816, Code of Virginia. | | | | |
| 2 | This amount shall be transferred to Item 457 of this act and shall be used to support the | | | | |
| 3 | Northern Virginia Transportation District Program as defined in § 33.2-2401, Code of | | | | |
| 4 | Virginia. The Commonwealth Transportation Board shall make such allocations and | | | | |
| 5 | expenditures from the fund as are provided in the Northern Virginia Transportation District, | | | | |
| 6 | Commonwealth of Virginia Revenue Bond Act of 1993 (Chapter 391, 1993 Acts of | | | | |
| 7 | Assembly). The Commonwealth Transportation Board also shall make such allocations and | | | | |
| 8 | expenditures from the fund as are provided in Chapters 470 and 597 of the 1994 Acts of | | | | |
| 9 | Assembly (amendments to Chapter 391, 1993 Acts of Assembly). | | | | |
| 10 | B. Pursuant to Chapters 233 and 662, 1994 Acts of Assembly, out of this appropriation, an | | | | |
| 11 | amount estimated at \$1,000,000 the first year and \$1,000,000 the second year from the | | | | |
| 12 | general fund shall be deposited into the set-aside fund as requested in an ordinance adopted | | | | |
| 13 | March 28, 1995, and in compliance with the requirements provided for in § 58.1-816.1, Code | | | | |
| 14 | of Virginia, for an account for the City of Chesapeake. These amounts shall be transferred to | | | | |
| 15 | Item 457 of this act and shall be allocated by the Commonwealth Transportation Board to | | | | |
| 16 | provide for the debt service pursuant to the Oak Grove Connector, City of Chesapeake, | | | | |
| 17 | Commonwealth of Virginia Transportation Program Revenue Bond Act of 1994 (Chapters | | | | |
| 18 | 233 and 662, 1994 Acts of Assembly). | | | | |
| 19 | C. Out of this appropriation, the Virginia Baseball Stadium Authority shall be paid a sum | | | | |
| 20 | sufficient equal to the state personal, corporate, and pass-through entity income and sales and | | | | |
| 21 | use tax revenues to which the authority is entitled. | | | | |
| 22 | D.1. In order to carry out the provisions of § 58.1-645 et seq., Code of Virginia, there is | | | | |
| 23 | hereby appropriated a sum sufficient amount of nongeneral fund revenues estimated at | | | | |
| 24 | \$440,000,000 in the first year and \$440,000,000 in the second year equal to the revenues | | | | |
| 25 | collected pursuant to § 58.1-645 et seq., Code of Virginia, from the Virginia Communications | | | | |
| 26 | Sales and Use Tax. All revenue received by the Commonwealth pursuant to the provisions of | | | | |
| 27 | § 58.1-645 et seq., Code of Virginia, shall be paid into the state treasury and deposited to the | | | | |
| 28 | Virginia Communications Sales and Use Tax Fund and shall be distributed pursuant to § 58.1- | | | | |
| 29 | 662, Code of Virginia and Item 287 of this act. For the purposes of the State Comptroller's | | | | |
| 30 | preliminary and final annual reports required by § 2.2-813, Code of Virginia, however, all | | | | |
| 31 | deposits to and disbursements from the fund shall be accounted for as part of the general fund | | | | |
| 32 | of the state treasury. | | | | |
| 33 | 2. It is the intent of the General Assembly that all such revenues be distributed to counties, | | | | |
| 34 | cities, and towns, the Department for the Deaf and Hard-of-Hearing, and to the Department of | | | | |
| 35 | Taxation for the costs of administering the Virginia Communications Sales and Use Tax | | | | |
| 36 | Fund. | | | | |
| 37 | E. In order to carry out the provisions of § 58.1-1734 et seq., Code of Virginia, there is hereby | | | | |
| 38 | appropriated a sum sufficient amount of nongeneral fund revenues estimated at \$45,000,000 | | | | |
| 39 | in the first year and \$46,500,000 in the second year equal to the revenues collected pursuant | | | | |
| 40 | to A. 2 of § 58.1-1736 Code of Virginia, from the Virginia Motor Vehicle Rental Tax. | | | | |
| 41 | F. In order to carry out the provisions of § 56-484.17 et seq., Code of Virginia, there is hereby | | | | |
| 42 | appropriated a sum sufficient amount of nongeneral fund revenues estimated at \$36,000,000 | | | | |
| 43 | in the first year and \$36,000,000 in the second year equal to the revenues collected pursuant | | | | |
| 44 | to § 56-484.17.1 Code of Virginia, from the Virginia Wireless Tax. | | | | |
| 45 | 267. Not set out. | | | | |
| 46 | 268. Not set out. | | | | |
| 47 | 269. Not set out. | | | | |
| 48 | 270. Not set out. | | | | |
| 49 | 271. Not set out. | | | | |
| 50 | 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 | | | | |
| 2 | Payments..... | | | \$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 | | | |
| 31 | | (74300)..... | | \$771,334,565 | \$813,838,773 |
| 32 | | | | | \$789,570,265 |
| 33 | | Debt Service Payments on General Obligation | | | |
| 34 | | Bonds (74301)..... | \$72,574,911 | \$70,178,689 | |
| 35 | | | | \$70,187,695 | |
| 36 | | Capital Lease Payments (74302)..... | \$5,492,400 | \$5,493,288 | |
| 37 | | Debt Service Payments on Public Building | | | |
| 38 | | Authority Bonds (74303)..... | \$281,328,073 | \$287,263,593 | |
| 39 | | | | \$279,938,447 | |
| 40 | | Debt Service Payments on College Building | | | |
| 41 | | Authority Bonds (74304)..... | \$411,939,181 | \$450,903,203 | |
| 42 | | | | \$433,950,835 | |
| 43 | | Fund Sources: General..... | \$722,112,126 | \$763,747,452 | |
| 44 | | | | \$739,478,944 | |
| 45 | | Higher Education Operating..... | \$30,011,174 | \$31,526,576 | |
| 46 | | Dedicated Special Revenue..... | \$645,000 | \$645,000 | |

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

1 Federal Trust..... \$18,566,265 \$17,919,745

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

3 Virginia.

4 A. The Director, Department of Planning and Budget is authorized to transfer appropriations

5 between Items in the Treasury Board to address legislation affecting the Treasury Board

6 passed by the General Assembly.

7 B.1. Out of the amounts for Debt Service Payments on General Obligation Bonds, the

8 following amounts are hereby appropriated from the general fund for debt service on general

9 obligation bonds issued pursuant to Article X, Section 9 (b), of the Constitution of Virginia:

| | Series | FY 2017 | | FY 2018 | |
|----|---------------------------|---------------------|----------------------|---------------------|----------------------|
| | | General Fund | Federal Funds | General Fund | Federal Funds |
| 11 | | | | | |
| 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 needed

29 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:

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

36 D.1. Out of the amounts for Debt Service Payments on Virginia Public Building Authority

37 Bonds shall be paid to the Virginia Public Building Authority the following amounts for use

38 by the authority for its various bond issues:

| | Series | General Fund | Nongeneral Fund | General Fund | Nongeneral Fund |
|----|---------------|---------------------|------------------------|---------------------|------------------------|
| 39 | | | | | |
| 40 | 2005D | \$1,250,000 | \$0 | \$1,250,000 | \$0 |
| 41 | 2006A | \$3,854,000 | \$0 | \$0 | \$0 |
| 42 | STARS 2006A | \$7,144,250 | \$0 | \$0 | \$0 |
| 43 | 2006B | \$8,620,250 | \$0 | \$0 | \$0 |
| 44 | STARS 2006B | \$4,469,000 | \$0 | \$0 | \$0 |
| 45 | 2007A | \$8,992,375 | \$0 | \$8,994,375 | \$0 |
| 46 | STARS 2007A | \$7,515,875 | \$0 | \$7,513,250 | \$0 |
| 47 | 2008B | \$7,120,275 | \$0 | \$7,121,212 | \$0 |
| 48 | 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
28 of the approved capital costs as determined by the Board of Corrections and other interest
29 costs as provided in §§ 53.1-80 through 53.1-82.2 of the Code of Virginia, for the
30 following:

| 31 | | Commonwealth Share of |
|----|--|------------------------|
| 32 | Project | Approved Capital Costs |
| 33 | Prince William – Manassas Regional Jail | \$21,032,421 |
| 34 | Central Virginia Regional Jail | \$8,464,891 |
| 35 | Chesapeake City Jail | \$6,860,886 |
| 36 | Pamunkey Regional Jail Authority | \$288,575 |
| 37 | Hampton Roads Regional Jail | \$1,759,780 |
| 38 | Piedmont Regional Jail | \$2,139,464 |
| 39 | Rappahannock Regional Jail | \$1,095,862 |
| 40 | Rockbridge Regional Jail | \$103,693 |
| 41 | Prince William - Manassas Adult Detention Center | \$49,643 |
| 42 | Total Approved Capital Costs | \$41,795,215 |

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

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

| ITEM 281. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|---------------------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | E.1. Out of the amounts for Debt Service Payments on Virginia College Building Authority | | | | |
| 2 | Bonds shall be paid to the Virginia College Building Authority the following amounts for use | | | | |
| 3 | by the Authority for payments on obligations issued for financing authorized projects under | | | | |
| 4 | the 21st Century College Program: | | | | |
| 5 | Series | | FY 2017 | | FY2018 |
| 6 | 2006 | | \$8,389,625 | | \$8,488,250 |
| 7 | | | | | \$0 |
| 8 | 2007A Refunding | | \$13,608,250 | | \$13,614,000 |
| 9 | | | | | \$0 |
| 10 | 2007B | | \$2,420,250 | | \$0 |
| 11 | 2008A | | \$4,970,250 | | \$4,968,500 |
| 12 | 2009A&B | | \$25,021,515 | | \$25,021,650 |
| 13 | | | | | \$25,021,660 |
| 14 | 2009E Refunding | | \$24,552,650 | | \$26,974,900 |
| 15 | 2009F | | \$38,279,049 | | \$38,005,836 |
| 16 | 2010B | | \$28,025,164 | | \$27,863,320 |
| 17 | 2011 A | | \$17,776,300 | | \$17,775,300 |
| 18 | | | | | \$7,742,050 |
| 19 | 2012A | | \$21,495,900 | | \$21,499,400 |
| 20 | 2012B | | \$23,813,200 | | \$23,835,200 |
| 21 | 2012 C | | \$1,709,412 | | \$1,689,706 |
| 22 | 2013 A | | \$21,958,513 | | \$21,959,513 |
| 23 | 2014A | | \$19,547,900 | | \$19,545,150 |
| 24 | 2014B | | \$5,746,400 | | \$1,379,650 |
| 25 | 2015A | | \$30,852,650 | | \$30,850,550 |
| 26 | 2015B Refunding | | \$7,281,262 | | \$7,284,361 |
| 27 | | | | | \$7,284,367 |
| 28 | 2015C | | \$1,480,181 | | \$1,478,575 |
| 29 | 2015D | | \$14,129,800 | | \$14,134,300 |
| 30 | | | | | \$14,134,285 |
| 31 | 2016A | | \$19,470,900 | | \$19,474,600 |
| 32 | 2016B Refunding | | \$1,314,667 | | \$1,972,000 |
| 33 | 2016C | | \$4,430,559 | | \$4,431,339 |
| 34 | 2017B | | \$0 | | \$20,200,125 |
| 35 | 2017C | | \$0 | | \$31,464,203 |
| 36 | 2017D | | \$0 | | \$11,318,863 |
| 37 | Projected 21st Century debt service & expenses | | \$825,200 | | \$48,576,603 |
| 38 | | | | | \$785,743 |
| 39 | Subtotal 21st Century | | \$337,099,597 | | \$380,822,703 |
| 40 | | | | | \$363,879,535 |
| 41 | 2. Out of the amounts for Debt Service Payments on Virginia College Building Authority | | | | |
| 42 | Bonds shall be paid to the Virginia College Building Authority the following amounts for the | | | | |
| 43 | payment of debt service on authorized bond issues to finance equipment: | | | | |
| 44 | Series | | FY 2017 | | FY 2018 |
| 45 | 2009D | | \$9,051,000 | | \$0 |
| 46 | 2010A | | \$8,242,500 | | \$0 |
| 47 | 2011A | | \$8,537,250 | | \$8,533,500 |
| 48 | 2012A | | \$8,358,500 | | \$8,362,500 |
| 49 | 2013A | | \$9,450,750 | | \$9,450,500 |
| 50 | 2014A | | \$9,655,750 | | \$9,657,500 |
| 51 | 2015A | | \$10,480,000 | | \$10,484,000 |
| 52 | 2016A | | \$11,063,834 | | \$11,068,500 |

| ITEM 281. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|-----------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 2017A | | | | \$12,514,800 |
| 2 | Projected debt service & expenses | | \$0 | | \$12,524,000 |
| 3 | | | | | \$0 |
| 4 | Subtotal Equipment | | \$74,839,584 | | \$70,080,500 |
| 5 | | | | | \$70,071,300 |
| 6 | Total Service Area | | \$411,939,181 | | \$450,903,203 |
| 7 | | | | | \$433,950,835 |

8 3. Beginning with the FY 2008 allocation of the higher education equipment trust fund,
9 the Treasury Board shall amortize equipment purchases at seven years, which is consistent
10 with the useful life of the equipment.

11 4. Out of the amounts for Debt Service Payments on Virginia College Building Authority
12 Bonds, the following nongeneral fund amounts from a capital fee charged to out-of-state
13 students at institutions of higher education shall be paid to the Virginia College Building
14 Authority in each year for debt service on bonds issued under the 21st Century Program:

| | 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 |

34 5. Out of the amounts for Debt Service Payments of College Building Authority Bonds,
35 the following is the estimated general and nongeneral fund breakdown of each institution's
36 share of the debt service on the Virginia College Building Authority bond issues to
37 finance equipment. The nongeneral fund amounts shall be paid to the Virginia College
38 Building Authority in each year for debt service on bonds issued under the equipment
39 program:

| | | FY 2017 | | FY 2018 | |
|----|---|--------------|-----------------|--------------|-----------------|
| | Institution | General Fund | Nongeneral Fund | General Fund | Nongeneral Fund |
| 40 | | | | | |
| 41 | College of William & Mary | \$2,428,047 | \$259,307 | \$2,288,559 | \$259,307 |
| 42 | | | | \$2,304,879 | |
| 43 | University of Virginia | \$12,878,320 | \$1,088,024 | \$12,398,010 | \$1,088,024 |
| 44 | | | | \$12,500,059 | |
| 45 | Virginia Polytechnic Institute and State University | \$12,686,106 | \$992,321 | \$12,511,190 | \$992,321 |
| 46 | | | | \$12,532,289 | |
| 47 | Virginia Military Institute | \$782,515 | \$88,844 | \$710,673 | \$88,844 |
| 48 | | | | \$714,382 | |
| 49 | Virginia State | \$1,251,928 | \$108,886 | \$1,102,177 | \$108,886 |
| 50 | | | | | |
| 51 | | | | | |

| ITEM 281. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | University | | | \$1,107,794 | |
| 2 | Norfolk State | \$1,134,866 | \$108,554 | \$974,308 | \$108,554 |
| 3 | University | | | \$979,331 | |
| 4 | Longwood University | \$695,519 | \$54,746 | \$616,057 | \$54,746 |
| 5 | | | | \$619,168 | |
| 6 | University of Mary | \$579,022 | \$97,063 | \$494,620 | \$97,063 |
| 7 | Washington | | | \$497,364 | |
| 8 | James Madison | \$2,104,753 | \$254,504 | \$1,829,499 | \$254,504 |
| 9 | University | | | \$1,839,166 | |
| 10 | Radford University | \$1,610,466 | \$135,235 | \$1,439,279 | \$135,235 |
| 11 | | | | \$1,446,582 | |
| 12 | Old Dominion | \$4,765,064 | \$374,473 | \$4,411,475 | \$374,473 |
| 13 | University | | | \$4,436,165 | |
| 14 | Virginia | \$9,079,794 | \$401,647 | \$8,135,604 | \$401,647 |
| 15 | Commonwealth | | | \$8,197,929 | |
| 16 | University | | | | |
| 17 | Richard Bland College | \$157,143 | \$2,027 | \$142,476 | \$2,027 |
| 18 | | | | \$143,146 | |
| 19 | Christopher Newport | \$732,687 | \$17,899 | \$662,856 | \$17,899 |
| 20 | University | | | \$666,014 | |
| 21 | University of Virginia's | \$239,458 | \$19,750 | \$206,441 | \$19,750 |
| 22 | College at Wise | | | \$207,490 | |
| 23 | George Mason | \$4,075,025 | \$205,665 | \$3,715,367 | \$205,665 |
| 24 | University | | | \$3,818,213 | |
| 25 | Virginia Community | \$12,777,922 | \$633,657 | \$11,630,735 | \$633,657 |
| 26 | College System | | | \$12,140,426 | |
| 27 | Virginia Institute of | \$576,822 | \$0 | \$486,789 | \$0 |
| 28 | Marine Science | | | \$490,274 | |
| 29 | Roanoke Higher | \$76,416 | \$0 | \$70,040 | \$0 |
| 30 | Education Authority | | | \$70,364 | |
| 31 | Southwest Virginia | \$78,865 | \$0 | \$72,284 | \$0 |
| 32 | Higher Education | | | \$72,619 | |
| 33 | Center | | | | |
| 34 | Institute for Advanced | \$269,909 | \$0 | \$247,386 | \$0 |
| 35 | Learning and Research | | | \$248,534 | |
| 36 | Southern Virginia | \$66,104 | \$0 | \$72,216 | \$0 |
| 37 | Higher Education | | | \$72,617 | |
| 38 | Center | | | | |
| 39 | New College Institute | \$62,148 | \$0 | \$45,333 | \$0 |
| 40 | | | | \$45,477 | |
| 41 | Eastern Virginia | \$0 | \$0 | \$82,099 | \$0 |
| 42 | Medical School | | | \$78,420 | |
| 43 | TOTAL | \$69,108,899 | \$4,842,602 | \$64,345,473 | \$4,842,602 |
| 44 | | | | \$65,228,703 | |

45 F. Pursuant to various Payment Agreements between the Treasury Board and the
46 Commonwealth Transportation Board, funds required to pay the debt service due on
47 Commonwealth Transportation Board bonds shall be paid to the Trustee for the bondholders
48 by the Treasury Board after transfer of these funds to the Treasury Board from the
49 Commonwealth Transportation Board pursuant to Item 457, paragraph E of this act and §§
50 [33.2-2300](#), [33.2-2400](#), and [58.1-816.1](#), Code of Virginia.

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

| ITEM 281. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | rental, or debt service payments described herein. | | | | |
| 2 | H. Notwithstanding the provisions of 2.2-11.56, Code of Virginia, if tax-exempt bonds | | | | |
| 3 | were used by the Commonwealth or its authorities, boards, or institutions to finance the | | | | |
| 4 | acquisition, construction, improvement or equipping of real property, proceeds from the | | | | |
| 5 | subsequent sale or disposition of such property and any improvements may first be applied | | | | |
| 6 | toward remediation options available under federal law in order to maintain the tax- | | | | |
| 7 | exempt status of such bonds. | | | | |
| 8 | 282. Not set out. | | | | |
| 9 | Total for Treasury Board..... | | | \$771,334,565 | \$813,838,773 |
| 10 | | | | | \$789,570,265 |
| 11 | Fund Sources: General..... | \$722,112,126 | \$763,747,452 | | |
| 12 | | | \$739,478,944 | | |
| 13 | Higher Education Operating..... | \$30,011,174 | \$31,526,576 | | |
| 14 | Dedicated Special Revenue..... | \$645,000 | \$645,000 | | |
| 15 | Federal Trust..... | \$18,566,265 | \$17,919,745 | | |
| 16 | 283. Omitted. | | | | |
| 17 | TOTAL FOR OFFICE OF FINANCE..... | | | \$3,120,039,367 | \$2,549,770,382 |
| 18 | | | | | \$2,524,831,874 |
| 19 | General Fund Positions..... | 1,098.60 | 1,094.60 | | |
| 20 | Nongeneral Fund Positions..... | 204.40 | 204.40 | | |
| 21 | Position Level..... | 1,303.00 | 1,299.00 | | |
| 22 | Fund Sources: General..... | \$2,452,336,631 | \$1,887,513,277 | | |
| 23 | | | \$1,862,574,769 | | |
| 24 | Special..... | \$13,019,820 | \$12,998,062 | | |
| 25 | Higher Education Operating..... | \$30,011,174 | \$31,526,576 | | |
| 26 | Commonwealth Transportation..... | \$185,187 | \$185,187 | | |
| 27 | Internal Service..... | \$26,680,935 | \$27,814,125 | | |
| 28 | Trust and Agency..... | \$99,900,769 | \$92,474,824 | | |
| 29 | Dedicated Special Revenue..... | \$479,338,586 | \$479,338,586 | | |
| 30 | 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 \$330,707,447 |
| 7 | | Financial Assistance for Child and Youth Services | | |
| 8 | | (45303)..... | \$329,749,289 | \$332,099,501 \$330,707,447 |
| 9 | | | | |
| 10 | | Fund Sources: General..... | \$277,141,543 | \$279,491,755 \$278,099,701 |
| 11 | | | | |
| 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 year | | |
| 17 | | from the general fund and \$51,609,746 the first year and \$51,607,746 the second year from | | |
| 18 | | nongeneral funds shall be used for the state pool of funds pursuant to § 2.2-5211, Code of | | |
| 19 | | Virginia. This appropriation shall consist of a Medicaid pool allocation, and a non-Medicaid | | |
| 20 | | 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 will | | |
| 24 | | transfer these funds to the Department of Medical Assistance Services as they are needed to | | |
| 25 | | 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 transferred | | |
| 29 | | from the Department of Social Services. | | |
| 30 | | d. The Office of Children's Services, with the concurrence of the Department of Planning and | | |
| 31 | | Budget, shall have the authority to transfer the general fund allocation between the Medicaid | | |
| 32 | | and non-Medicaid state pools in the event that a shortage should exist in either of the funding | | |
| 33 | | pools. | | |
| 34 | | e. The Office of Children's Services, per the policy of the State Executive Council, shall deny | | |
| 35 | | state pool funding to any locality not in compliance with federal and state requirements | | |
| 36 | | pertaining to the provision of special education and foster care services funded in accordance | | |
| 37 | | with § 2.2-5211, Code of Virginia. | | |
| 38 | | 2.a. Out of this appropriation, \$96,893,303 the first year and \$55,666,865 \$54,274,811 the | | |
| 39 | | second year from the general fund and \$1,000,000 the first year and \$1,000,000 the second | | |
| 40 | | year from nongeneral funds shall be set aside to pay for the state share of supplemental | | |
| 41 | | requests from localities that have exceeded their state allocation for mandated services. The | | |
| 42 | | nongeneral funds shall be transferred from the Department of Social Services. | | |
| 43 | | b. In each year, the director of the Office of Children's Services may approve and obligate | | |
| 44 | | supplemental funding requests in excess of the amount in 2a above, for mandated pool fund | | |
| 45 | | expenditures up to 10 percent of the total general fund appropriation authority in B1a in this | | |
| 46 | | Item. | | |
| 47 | | c. The State Executive Council shall maintain local government performance measures to | | |
| 48 | | include, but not be limited to, use of federal funds for state and local support of the Children's | | |

| ITEM 285. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Services Act. | | | | |
| 2 | d. Pursuant to § 2.2-5200, Code of Virginia, Community Policy and Management Teams | | | | |
| 3 | shall seek to ensure that services and funding are consistent with the Commonwealth's | | | | |
| 4 | policies of preserving families and providing appropriate services in the least restrictive | | | | |
| 5 | environment, while protecting the welfare of children and maintaining the safety of the | | | | |
| 6 | public. Each locality shall submit to the Office of Children's Services information on | | | | |
| 7 | utilization of residential facilities for treatment of children and length of stay in such | | | | |
| 8 | facilities. By December 15 of each year, the Office of Children's Services shall report to | | | | |
| 9 | the Governor and Chairmen of the House Appropriations and Senate Finance Committees | | | | |
| 10 | on utilization rates and average lengths of stays statewide and for each locality. | | | | |
| 11 | 3. Each locality receiving funds for activities under the Children's Services Act (CSA) | | | | |
| 12 | shall have a utilization management process, including a uniform assessment, approved by | | | | |
| 13 | the State Executive Council, covering all CSA services. Utilizing a secure electronic site, | | | | |
| 14 | each locality shall also provide information as required by the Office of Children's | | | | |
| 15 | Services to include, but not be limited to case specific information, expenditures, number | | | | |
| 16 | of youth served in specific CSA activities, length of stay for residents in core licensed | | | | |
| 17 | residential facilities, and proportion of youth placed in treatment settings suggested by the | | | | |
| 18 | uniform assessment instrument. The State Executive Council, utilizing this information, | | | | |
| 19 | shall track and report on child specific outcomes for youth whose services are funded | | | | |
| 20 | under the Children's Services Act. Only non-identifying demographic, service, cost and | | | | |
| 21 | outcome information shall be released publicly. Localities requesting funding from the set | | | | |
| 22 | aside in paragraph 2.a. and 2.b. must demonstrate compliance with all CSA provisions to | | | | |
| 23 | 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 | | | | |
| 26 | actions for the Departments of Social Services, Education, and Juvenile Justice, Medical | | | | |
| 27 | Assistance Services, Health, and Behavioral Health and Developmental Services, to | | | | |
| 28 | implement, as part of ongoing information systems development and refinement, changes | | | | |
| 29 | necessary for state and local agencies to fulfill CSA reporting needs. | | | | |
| 30 | 5. The State Executive Council shall provide localities with technical assistance on ways | | | | |
| 31 | to control costs and on opportunities for alternative funding sources beyond funds | | | | |
| 32 | available 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 | | | | |
| 35 | technical assistance to local community policy and management teams, family assessment | | | | |
| 36 | and planning teams, and local fiscal agents. Training shall include, but not be limited to, | | | | |
| 37 | cost containment measures, building community-based services, including creation of | | | | |
| 38 | partnerships with private providers and non-profit groups, utilization management, use of | | | | |
| 39 | alternate revenue sources, and administrative and fiscal issues. A state-supported | | | | |
| 40 | institution of higher education, in cooperation with the Virginia Association of Counties, | | | | |
| 41 | the Virginia Municipal League, and the State Executive Council, may assist in the | | | | |
| 42 | provisions of this paragraph. A training plan shall be presented to and approved by the | | | | |
| 43 | State Executive Council before the beginning of each fiscal year. A training calendar and | | | | |
| 44 | timely notice of programs shall be provided to Community Policy and Management | | | | |
| 45 | Teams and family assessment and planning team members statewide as well as to local | | | | |
| 46 | fiscal agents and chief administrative officers of cities and counties. A report on all | | | | |
| 47 | regional and statewide training sessions conducted during the fiscal year, including (i) a | | | | |
| 48 | description of each program and trainers, (ii) the dates of the training and the number of | | | | |
| 49 | attendees for each program, (iii) a summary of evaluations of these programs by attendees, | | | | |
| 50 | and (iv) the funds expended, shall be made to the Chairmen of the House Appropriations | | | | |
| 51 | and Senate Finance Committees and to the members of the State Executive Council by | | | | |
| 52 | December 1 of each year. Any funds unexpended for this purpose in the first year shall be | | | | |
| 53 | reappropriated for the same use in the second year. | | | | |
| 54 | 7. Out of this appropriation, \$70,000 the first year and \$70,000 the second year from the | | | | |
| 55 | general fund is provided for the Office of Children's Services to contract for the support of | | | | |
| 56 | uniform CSA reporting requirements. | | | | |
| 57 | 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 Services, | | | | |
| 2 | shall determine a mechanism for reporting Temporary Assistance for Needy Families | | | | |
| 3 | Maintenance of Effort eligible costs incurred by the Commonwealth and local governments | | | | |
| 4 | 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 amounts | | | | |
| 11 | specified in paragraphs B.1.b. and B.1.c. in this Item. These funds shall be distributed to each | | | | |
| 12 | locality in each year of the biennium based on the greater of that locality's percentage of | | | | |
| 13 | actual 1997 Children's Services Act pool fund program expenditures to total 1997 pool fund | | | | |
| 14 | program expenditures or the latest available three-year average of actual pool fund program | | | | |
| 15 | 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 program | | | | |
| 18 | expenditures for the Children's Services Act. This local match rate shall also apply to all | | | | |
| 19 | reimbursements from the state pool of funds in this Item and carryforward expenditures | | | | |
| 20 | submitted prior to September 30 each year for the preceding fiscal year, including | | | | |
| 21 | 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 for | | | | |
| 26 | services. Beginning July 1, 2009, the local match rate for non-Medicaid residential services | | | | |
| 27 | for each locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011, | | | | |
| 28 | the local match rate for Medicaid residential services for each locality shall be 25 percent | | | | |
| 29 | above the fiscal year 2007 base. | | | | |
| 30 | c. By October 1 of each year, The State Executive Council (SEC) shall provide an update to | | | | |
| 31 | the Governor and the Chairmen of the House Appropriations and Senate Finance Committees | | | | |
| 32 | on the outcomes of this initiative. | | | | |
| 33 | d. At the direction of the State Executive Council, local Community Policy and Management | | | | |
| 34 | Teams (CPMTs) and Community Services Boards (CSBs) shall work collaboratively in their | | | | |
| 35 | service areas to develop a local plan for intensive care coordination (ICC) services that best | | | | |
| 36 | meets the needs of the children and families. If there is more than one CPMT in the CSB's | | | | |
| 37 | service area, the CPMTs and the CSB may work together as a region to develop a plan for | | | | |
| 38 | ICC services. Local CPMTs and CSBs shall also work together to determine the most | | | | |
| 39 | appropriate and cost-effective provider of ICC services for children in their community who | | | | |
| 40 | are placed in, or at-risk of being placed in, residential care through the Children's Services | | | | |
| 41 | Act, in accordance with guidelines developed by the State Executive Council. The State | | | | |
| 42 | Executive Council and Office of Children's Services shall establish guidelines for reasonable | | | | |
| 43 | rates for ICC services and provide training and technical assistance to CPMTs and fiscal | | | | |
| 44 | agents regarding these services. | | | | |
| 45 | e. The local match rate for all non-Medicaid services provided in the public schools after June | | | | |
| 46 | 30, 2011 shall equal the fiscal year 2007 base. | | | | |
| 47 | 4. Local Administrative Costs. Out of this appropriation, an amount equal to two percent of | | | | |
| 48 | 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 for | | | | |
| 50 | administrative costs. Every locality shall be required to appropriate a local match based on the | | | | |
| 51 | local match contribution in paragraph C.2. of this Item. Inclusive of the state allocation and | | | | |
| 52 | local matching funds, every locality shall receive the larger of \$12,500 or an amount equal to | | | | |
| 53 | two percent of the total pool allocation. No locality shall receive more than \$50,000, inclusive | | | | |
| 54 | of the state allocation and local matching funds. Localities are encouraged to use | | | | |

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

| ITEM 285. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|--------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | to the Chairmen of the House Appropriations and Senate Finance Committees beginning | | | | |
| 2 | September 1, 2011 and each year thereafter. | | | | |
| 3 | L. Out of this appropriation, the Director, Office of Children's Services, shall allocate | | | | |
| 4 | \$2,200,000 the first year and \$2,200,000 the second year from the general fund to localities | | | | |
| 5 | for wrap-around services for students with disabilities as defined in the Children's Services | | | | |
| 6 | Act policy manual. | | | | |
| 7 | M. The State Executive Council (SEC) for Children's Services shall continue to review and | | | | |
| 8 | develop a robust set of options for (i) increasing the integration of children receiving special | | | | |
| 9 | education private day treatment services into their home school districts, including | | | | |
| 10 | mechanisms to involve local school districts in tracking, monitoring and obtaining outcome | | | | |
| 11 | data to assist in making decisions on the appropriate utilization of these services, and (ii) | | | | |
| 12 | funding the educational costs with local school districts for students whose placement in or | | | | |
| 13 | admittance to state or privately operated psychiatric or residential treatment facilities for non- | | | | |
| 14 | educational reasons has been authorized by Medicaid. The SEC shall continue its review with | | | | |
| 15 | the assistance of relevant stakeholders, including representatives of the Department of | | | | |
| 16 | Education, the Department of Medical Assistance Services, the Office of Comprehensive | | | | |
| 17 | Services, the Department of Behavioral Health and Developmental Services, local school | | | | |
| 18 | districts, local governments, and public and private service providers. The SEC shall present a | | | | |
| 19 | robust set of options and recommendations that include possible changes to policies, | | | | |
| 20 | procedures, regulations and statutes, including any fiscal impact for consideration by the | | | | |
| 21 | Governor and the Chairmen of the House Appropriations and Senate Finance Committees by | | | | |
| 22 | November 1, 2016. | | | | |
| 23 | 286. Not set out. | | | | |
| 24 | Total for Children's Services Act..... | | | \$331,510,913 | \$333,946,507 |
| 25 | | | | | \$332,554,453 |
| 26 | General Fund Positions..... | 14.00 | 14.00 | | |
| 27 | Position Level..... | 14.00 | 14.00 | | |
| 28 | Fund Sources: General..... | \$278,903,167 | \$281,338,761 | | |
| 29 | | | \$279,946,707 | | |
| 30 | Federal Trust..... | \$52,607,746 | \$52,607,746 | | |
| 31 | Grand Total for Secretary of Health and Human | | | \$332,489,393 | \$334,675,023 |
| 32 | Resources..... | | | | \$333,282,969 |
| 33 | | | | | |
| 34 | General Fund Positions..... | 19.00 | 19.00 | | |
| 35 | Position Level..... | 19.00 | 19.00 | | |
| 36 | Fund Sources: General..... | \$279,881,647 | \$282,067,277 | | |
| 37 | | | \$280,675,223 | | |
| 38 | Federal Trust..... | \$52,607,746 | \$52,607,746 | | |
| 39 | 287. Not set out. | | | | |
| 40 | 288. Not set out. | | | | |
| 41 | 289. Not set out. | | | | |
| 42 | 290. Not set out. | | | | |
| 43 | 291. Not set out. | | | | |
| 44 | 292. Not set out. | | | | |
| 45 | 293. Not set out. | | | | |
| 46 | 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 |
| 11 | | | | \$19,001,621 |
| 12 | | Reimbursements for Medical Services Related to | | |
| 13 | | Involuntary Mental Commitments (32107)..... | \$16,740,733 | \$16,841,427 |
| 14 | | | | \$19,001,621 |
| 15 | | Fund Sources: General..... | \$16,740,733 | \$16,841,427 |
| 16 | | | | \$19,001,621 |
| 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, | | | |
| 20 | and 303 as needed, to address any deficits incurred for Involuntary Mental Commitments | | | |
| 21 | by the 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 | | | |
| 24 | in 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 | | | |
| 26 | Planning and Budget shall transfer general fund appropriation, as needed, from Children's | | | |
| 27 | Health Insurance Program Delivery (44600), Medicaid Program Services (45600), and | | | |
| 28 | Medical Assistance Services for Low Income Children (46600), if available, into this | | | |
| 29 | Item. | | | |
| 30 304. | Not set out. | | | |
| 31 305. | Children's Health Insurance Program Delivery | | | |
| 32 | (44600)..... | | \$160,086,710 | \$167,457,281 |
| 33 | | | | \$189,984,660 |
| 34 | Reimbursements for Medical Services Provided | | | |
| 35 | Under the Family Access to Medical Insurance | | | |
| 36 | Security Plan (44602)..... | | \$160,086,710 | \$167,457,281 |
| 37 | | | | \$189,984,660 |
| 38 | Fund Sources: General..... | | \$5,144,778 | \$6,029,247 |
| 39 | | | | \$8,732,532 |
| 40 | Dedicated Special Revenue..... | | \$14,065,627 | \$14,065,627 |
| 41 | Federal Trust..... | | \$140,876,305 | \$147,362,407 |
| 42 | | | | \$167,186,501 |
| 43 | Authority: Title 32.1, Chapter 13, Code of Virginia; Title XXI, Social Security Act, | | | |
| 44 | Federal Code. | | | |

| ITEM 305. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|----------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | A. Pursuant to Chapter 679, Acts of Assembly of 1997, the State Corporation Commission | | | | |
| 2 | shall annually, on or before June 30, 1998, and each year thereafter, calculate the premium | | | | |
| 3 | differential between: (i) 0.75 percent of the direct gross subscriber fee income derived from | | | | |
| 4 | eligible contracts and (ii) the amount of license tax revenue generated pursuant to subdivision | | | | |
| 5 | A 4 of § 58.1-2501 for the immediately preceding taxable year and notify the Comptroller of | | | | |
| 6 | the Commonwealth to transfer such amounts to the Family Access to Medical Insurance | | | | |
| 7 | Security Plan Trust Fund as established on the books of the State 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 Planning | | | | |
| 14 | and Budget shall transfer general fund appropriation, as needed, from Medicaid Program | | | | |
| 15 | Services (45600) and Medical Assistance Services for Low Income Children (46600), if | | | | |
| 16 | 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 application | | | | |
| 21 | thereof is declared by the United States Department of Health and Human Services or the | | | | |
| 22 | Centers for Medicare and Medicaid Services to be in conflict with a federal law or regulation, | | | | |
| 23 | such decisions shall not affect the validity of the remaining portions of this Item, which shall | | | | |
| 24 | remain in force as if this Item had passed without the conflicting part, section, subsection, | | | | |
| 25 | paragraph, clause, or phrase. Further, if the United States Department of Health and Human | | | | |
| 26 | Services or the Centers for Medicare and Medicaid Services determines that the process for | | | | |
| 27 | accomplishing the intent of a part, section, subsection, paragraph, clause, or phrase of this | | | | |
| 28 | Item is out of compliance or in conflict with federal law and regulation and recommends | | | | |
| 29 | another method of accomplishing the same intent, the Director, Department of Medical | | | | |
| 30 | Assistance Services, after consultation with the Attorney General, is authorized to pursue the | | | | |
| 31 | 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 order | | | | |
| 36 | to effect such change. | | | | |
| 37 | 306. Medicaid Program Services (45600)..... | | | \$9,306,605,828 | \$9,705,926,154 |
| 38 | | | | | \$9,990,343,272 |
| 39 | Reimbursements to State-Owned Mental Health and | | | | |
| 40 | 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 | | | \$7,413,741,830 | | |
| 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 | | | \$4,651,424,296 | | |
| 51 | Dedicated Special Revenue..... | \$399,790,186 | \$359,174,530 | | |
| 52 | | | \$399,844,323 | | |
| 53 | Federal Trust..... | \$4,573,997,198 | \$4,741,076,730 | | |
| 54 | | | \$4,939,074,653 | | |
| 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 | | | |
| 2 | from the general fund and \$71,345,074 the first year and \$70,270,201 the second year | | | |
| 3 | from the federal trust fund is provided for reimbursement to the institutions within the | | | |
| 4 | Department of Behavioral Health and Developmental Services. | | | |
| 5 | B.1. Included in this appropriation is \$64,271,600 the first year and \$66,307,880 | | | |
| 6 | \$67,031,489 the second year from the general fund and \$81,753,552 the first year and | | | |
| 7 | \$85,496,639 \$86,220,247 the second year from nongeneral funds to reimburse the | | | |
| 8 | Virginia Commonwealth University Health System for indigent health care costs. This | | | |
| 9 | funding is composed of disproportionate share hospital (DSH) payments, indirect medical | | | |
| 10 | education (IME) payments, and any Medicaid profits realized by the Health System. | | | |
| 11 | Payments made from the federal DSH fund shall be made in accordance with 42 USC | | | |
| 12 | 1396r-4. | | | |
| 13 | 2. Included in this appropriation is \$39,565,488 the first year and \$40,676,066 | | | |
| 14 | \$42,165,481 the second year from the general fund and \$52,701,218 the first year and | | | |
| 15 | \$55,390,844 \$56,880,258 the second year from nongeneral funds to reimburse the | | | |
| 16 | University of Virginia Health System for indigent health care costs. This funding is | | | |
| 17 | comprised of disproportionate share hospital (DSH) payments, indirect medical education | | | |
| 18 | (IME) payments, and any Medicaid profits realized by the Health System. Payments made | | | |
| 19 | from the federal DSH fund shall be made in accordance with 42 USC 1396r-4. | | | |
| 20 | 3. The general fund amounts for the state teaching hospitals have been reduced to mirror | | | |
| 21 | the general fund impact of reduced and no inflation for inpatient services in FY 2017 and | | | |
| 22 | FY 2018 for private hospitals reflected in paragraph GGGG. of this Item. It also includes | | | |
| 23 | reductions for prior year inflation reductions and indigent care reductions. However, the | | | |
| 24 | nongeneral funds are appropriated. In order to receive the nongeneral funds in excess of | | | |
| 25 | the amount of the general fund appropriated, the health systems shall certify the public | | | |
| 26 | expenditures. | | | |
| 27 | 4. The Department of Medical Assistance Service shall have the authority to increase | | | |
| 28 | Medicaid payments for Type One hospitals and physicians consistent with the | | | |
| 29 | appropriations to compensate for limits on disproportionate share hospital (DSH) | | | |
| 30 | payments to Type One hospitals that the department would otherwise make. In particular, | | | |
| 31 | the department shall have the authority to amend the State Plan for Medical Assistance to | | | |
| 32 | increase physician supplemental payments for physician practice plans affiliated with | | | |
| 33 | Type One hospitals up to the average commercial rate as demonstrated by University of | | | |
| 34 | Virginia Health System and Virginia Commonwealth University Health System, to change | | | |
| 35 | reimbursement for Graduate Medical Education to cover costs for Type One hospitals, to | | | |
| 36 | case mix adjust the formula for indirect medical education reimbursement for HMO | | | |
| 37 | discharges for Type One hospitals and to increase the adjustment factor for Type One | | | |
| 38 | hospitals to 1.0. The department shall have the authority to implement these changes prior | | | |
| 39 | to completion of any regulatory process undertaken in order to effect such change. | | | |
| 40 | C.1. The estimated revenue for the Virginia Health Care Fund is \$399,790,186 the first | | | |
| 41 | year and \$359,174,530 \$399,677,948 the second year, to be used pursuant to the uses | | | |
| 42 | stated in § 32.1-367, Code of Virginia. | | | |
| 43 | 2. Notwithstanding § 32.1-366, Code of Virginia, the State Comptroller shall deposit 41.5 | | | |
| 44 | percent of the Commonwealth's allocation of the Master Settlement Agreement with | | | |
| 45 | tobacco product manufacturers, as defined in § 3.2-3100, Code of Virginia, to the Virginia | | | |
| 46 | Health Care Fund. | | | |
| 47 | 3. Notwithstanding any other provision of law, the State Comptroller shall deposit 50 | | | |
| 48 | percent of the Commonwealth's allocation of the Strategic Contribution Fund payment | | | |
| 49 | pursuant to the Master Settlement Agreement with tobacco product manufacturers into the | | | |
| 50 | Virginia Health Care Fund. | | | |
| 51 | 4. Notwithstanding any other provision of law, revenues deposited to the Virginia Health | | | |
| 52 | Care Fund shall only be used as the state share of Medicaid unless specifically authorized | | | |
| 53 | by this Act. | | | |
| 54 | D. If any part, section, subsection, paragraph, clause, or phrase of this Item or the | | | |
| 55 | application thereof is declared by the United States Department of Health and Human | | | |

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

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

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

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | become effective within 280 days or less from the enactment of this Act. With respect to | | | |
| 2 | such state plan amendments and regulations, the provisions of § 32.1-331.12 et seq., Code | | | |
| 3 | of Virginia, shall not apply. In addition, the department shall work with the Department of | | | |
| 4 | Behavioral Health and Development Services to consider utilizing a Preferred Drug List | | | |
| 5 | program for its non-Medicaid clients. | | | |
| 6 | 7. The Department of Medical Assistance Services shall (i) continually review utilization | | | |
| 7 | of behavioral health medications under the State Medicaid Program for Medicaid | | | |
| 8 | recipients; and (ii) ensure appropriate use of these medications according to federal Food | | | |
| 9 | and Drug Administration (FDA) approved indications and dosage levels. The department | | | |
| 10 | may also require retrospective clinical justification according to FDA approved | | | |
| 11 | indications and dosage levels for the use of multiple behavioral health drugs for a | | | |
| 12 | Medicaid patient. For individuals 18 years of age and younger who are prescribed three or | | | |
| 13 | more behavioral health drugs, the department may implement clinical edits that target | | | |
| 14 | inefficient, ineffective, or potentially harmful prescribing patterns in accordance with | | | |
| 15 | FDA-approved indications and dosage levels. | | | |
| 16 | 8. The Department of Medical Assistance Services shall ensure that in the process of | | | |
| 17 | developing the Preferred Drug List, the Pharmacy and Therapeutics Committee considers | | | |
| 18 | the value of including those prescription medications which improve drug regimen | | | |
| 19 | compliance, reduce medication errors, or decrease medication abuse through the use of | | | |
| 20 | medication delivery systems that include, but are not limited to, transdermal and injectable | | | |
| 21 | delivery systems. | | | |
| 22 | S.1. The Department of Medical Assistance Services may amend the State Plan for | | | |
| 23 | Medical Assistance Services to modify the delivery system of pharmaceutical products to | | | |
| 24 | include a specialty drug program. In developing the modifications, the department shall | | | |
| 25 | consider input from physicians, pharmacists, pharmaceutical manufacturers, patient | | | |
| 26 | advocates, the Pharmacy Liaison Committee, and others as appropriate. | | | |
| 27 | 2. In developing the specialty drug program to implement appropriate care management | | | |
| 28 | and control drug expenditures, the department shall contract with a vendor who will | | | |
| 29 | develop a methodology for the reimbursement and utilization through appropriate case | | | |
| 30 | management of specialty drugs and distribute the list of specialty drug rates, authorized | | | |
| 31 | drugs and utilization guidelines to medical and pharmacy providers in a timely manner | | | |
| 32 | prior to the implementation of the specialty drug program and publish the same on the | | | |
| 33 | department's website. | | | |
| 34 | 3. In the event that the Department of Medical Assistance Services contracts with a | | | |
| 35 | vendor, the department shall establish the fee paid to any such contractor based on the | | | |
| 36 | reasonable cost of services provided. The department may not offer or pay directly or | | | |
| 37 | indirectly any material inducement, bonus, or other financial incentive to a program | | | |
| 38 | contractor based on the denial or administrative delay of medically appropriate | | | |
| 39 | prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or | | | |
| 40 | a reduction in the proportion of beneficiaries who receive prescription drug therapy under | | | |
| 41 | the Medicaid program. Bonuses cannot be based on the percentage of cost savings | | | |
| 42 | generated under the benefit management of services. | | | |
| 43 | 4. The department shall: (i) review, update and publish the list of authorized specialty | | | |
| 44 | drugs, utilization guidelines, and rates at least quarterly; (ii) implement and maintain a | | | |
| 45 | procedure to revise the list or modify specialty drug program utilization guidelines and | | | |
| 46 | rates, consistent with changes in the marketplace; and (iii) provide an administrative | | | |
| 47 | appeals procedure to allow dispensing or prescribing provider to contest the listed | | | |
| 48 | specialty drugs and rates. | | | |
| 49 | 5. The department shall report on savings and quality improvements achieved through the | | | |
| 50 | implementation measures for the specialty drug program to the Chairmen of the House | | | |
| 51 | Appropriations and Senate Finance Committees, the Joint Commission on Health Care, | | | |
| 52 | and the Department of Planning and Budget by November 1 of each year. | | | |
| 53 | 6. The department shall have authority to enact emergency regulations under § 2.2-4011 of | | | |
| 54 | the Administrative Process Act to effect these provisions. | | | |
| 55 | T.1. The Department of Medical Assistance Services shall reimburse school divisions who | | | |

| ITEM 306. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | sign an agreement to provide administrative support to the Medicaid program and who | | | |
| 2 | provide documentation of administrative expenses related to the Medicaid program 50 percent | | | |
| 3 | 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 transportation | | | |
| 6 | 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 implement | | | |
| 9 | Medicaid pharmacy benefits, the department shall establish the fee paid to any such contractor | | | |
| 10 | based on the reasonable cost of services provided. The department may not offer or pay | | | |
| 11 | directly or indirectly any material inducement, bonus, or other financial incentive to a | | | |
| 12 | program contractor based on the denial or administrative delay of medically appropriate | | | |
| 13 | prescription drug therapy, or on the decreased use of a particular drug or class of drugs, or a | | | |
| 14 | reduction in the proportion of beneficiaries who receive prescription drug therapy under the | | | |
| 15 | Medicaid program. Bonuses cannot be based on the percentage of cost savings generated | | | |
| 16 | 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 noncustodial | | | |
| 20 | parent to enroll a child in a health insurance plan. The Department of Medical Assistance | | | |
| 21 | Services shall also report to the DCSE third party information that has been identified through | | | |
| 22 | their third party identification processes for children handled by DCSE. | | | |
| 23 | W.1. Within the limits of this appropriation, the Department of Medical Assistance Services | | | |
| 24 | shall work with its contracted managed care organizations and fee-for-service health care | | | |
| 25 | providers to: (i) raise awareness among the providers who serve the Medicaid population | | | |
| 26 | about the health risks of chronic kidney disease; (ii) establish effective means of identifying | | | |
| 27 | patients with this condition; and (iii) develop strategies for improving the health status of | | | |
| 28 | these patients. The department shall work with the National Kidney Foundation to prepare | | | |
| 29 | and disseminate information for physicians and other health care providers regarding | | | |
| 30 | generally accepted standards of clinical care and the benefits of early identification of | | | |
| 31 | individuals at highest risk of chronic kidney disease. | | | |
| 32 | 2. The department shall request any clinical laboratory performing a serum creatinine test on a | | | |
| 33 | Medicaid recipient over the age of 18 years to calculate and report to the physician the | | | |
| 34 | estimated glomerular filtration rate (eGFR) of the patient and shall report it as a percent of | | | |
| 35 | kidney function remaining. | | | |
| 36 | X.1. Notwithstanding the provisions of § 32.1-325.1:1, Code of Virginia, upon identifying | | | |
| 37 | that an overpayment for medical assistance services has been made to a provider, the Director, | | | |
| 38 | Department of Medical Assistance Services shall notify the provider of the amount of the | | | |
| 39 | overpayment. Such notification of overpayment shall be issued within the earlier of (i) four | | | |
| 40 | years after payment of the claim or other payment request, or (ii) four years after filing by the | | | |
| 41 | provider of the complete cost report as defined in the Department of Medical Assistance | | | |
| 42 | Services' regulations, or (iii) 15 months after filing by the provider of the final complete cost | | | |
| 43 | report as defined in the Department of Medical Assistance Services' regulations subsequent to | | | |
| 44 | sale of the facility or termination of the provider. | | | |
| 45 | 2. Notwithstanding the provisions of § 32.1-325.1, Code of Virginia, the director shall issue | | | |
| 46 | an informal fact-finding conference decision concerning provider reimbursement in | | | |
| 47 | accordance with the State Plan for Medical Assistance, the provisions of § 2.2-4019, Code of | | | |
| 48 | Virginia, and applicable federal law. The informal fact-finding conference decision shall be | | | |
| 49 | issued within 180 days of the receipt of the appeal request. If the agency does not render an | | | |
| 50 | informal fact-finding conference decision within 180 days of the receipt of the appeal request, | | | |
| 51 | the decision is deemed to be in favor of the provider. An appeal of the director's informal fact- | | | |
| 52 | finding conference decision concerning provider reimbursement shall be heard in accordance | | | |
| 53 | with § 2.2-4020 of the Administrative Process Act (§ 2.2-4020 et seq.) and the State Plan for | | | |
| 54 | Medical Assistance provided for in § 32.1-325, Code of Virginia. Once a final agency case | | | |
| 55 | decision has been made, the director shall undertake full recovery of such overpayment | | | |
| 56 | whether or not the provider disputes, in whole or in part, the informal fact-finding conference | | | |
| 57 | decision or the final agency case decision. Interest charges on the unpaid balance of any | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | overpayment shall accrue pursuant to § 32.1-313, Code of Virginia, from the date the | | | |
| 2 | Director's agency case decision becomes final. | | | |
| 3 | Y. Any hospital that was designated a Medicare-dependent small rural hospital, as defined | | | |
| 4 | in 42 U.S.C. §1395ww (d) (5) (G) (iv) prior to October 1, 2004, shall be designated a rural | | | |
| 5 | hospital pursuant to 42 U.S.C. §1395ww (d) (8) (ii) (II) on or after September 30, 2004. | | | |
| 6 | Z. The Department of Medical Assistance Services shall amend its State Plan for Medical | | | |
| 7 | Assistance Services to develop and implement a regional model for the integration of | | | |
| 8 | acute and long-term care services. This model would be offered to elderly and disabled | | | |
| 9 | clients on a mandatory basis. The department shall promulgate emergency regulations to | | | |
| 10 | implement this amendment within 280 days or less from the enactment of this Act. | | | |
| 11 | AA.1. Contingent upon approval by the Centers for Medicare and Medicaid Services as | | | |
| 12 | part of the Money Follows the Person demonstration grant, the Department of Medical | | | |
| 13 | Assistance Services shall seek federal approval for necessary changes to home and | | | |
| 14 | community-based 1915(c) waivers to allow individuals transitioning from institutions to | | | |
| 15 | receive care in the community. The Department of Medical Assistance Services shall | | | |
| 16 | promulgate any necessary emergency regulations within 280 days or less from the | | | |
| 17 | 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 | | | |
| 21 | 110 each fiscal year) which will be reserved for individuals transitioning out of | | | |
| 22 | institutional settings through the Money Follows the Person Demonstration. The | | | |
| 23 | Department of Medical Assistance Services shall seek federal approval for necessary | | | |
| 24 | changes to the DD and ID 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 | | | |
| 29 | this Act. | | | |
| 30 | CC. The Department of Medical Assistance Services shall delay the last quarterly payment | | | |
| 31 | of certain quarterly amounts paid to hospitals, from the end of each state fiscal year to the | | | |
| 32 | first quarter of the following year. Quarterly payments that shall be delayed from each | | | |
| 33 | June to each July shall be Disproportionate Share Hospital payments, Indirect Medical | | | |
| 34 | Education payments, and Direct Medical Education payments. The department shall have | | | |
| 35 | the authority to implement this reimbursement change effective upon passage of this Act, | | | |
| 36 | and prior to the completion of any regulatory process undertaken in order to effect such | | | |
| 37 | change. | | | |
| 38 | DD. The Department of Medical Assistance Services shall make the monthly capitation | | | |
| 39 | payment to managed care organizations for the member months of each month in the first | | | |
| 40 | week of the subsequent month. The department shall have the authority to implement this | | | |
| 41 | reimbursement schedule change effective upon passage of this Act, and prior to the | | | |
| 42 | completion of any regulatory process undertaken in order to effect such change. | | | |
| 43 | EE. In every June the remittance that would normally be paid to providers on the last | | | |
| 44 | remittance date of the state fiscal year shall be delayed one week longer than is normally | | | |
| 45 | the practice. This change shall apply to the remittances of Medicaid and FAMIS providers. | | | |
| 46 | This change does not apply to providers who are paid a per-month capitation payment. | | | |
| 47 | The department shall have the authority to implement this reimbursement change effective | | | |
| 48 | upon passage of this Act, and prior to the completion of any regulatory process undertaken | | | |
| 49 | in order to effect such change. | | | |
| 50 | FF. Upon approval by the Centers for Medicare and Medicaid Services of the application | | | |
| 51 | for renewal of the Intellectual Disabilities Waiver, expeditious implementation of any | | | |
| 52 | revisions shall be deemed an emergency situation pursuant to § 2.2-4002 of the | | | |
| 53 | Administrative Process Act. Therefore, to meet this emergency situation, the Department | | | |
| 54 | of Medical Assistance Services shall promulgate emergency regulations to implement the | | | |
| 55 | provisions of this Act. | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | GG. The Department of Medical Assistance Services shall provide information to personal | | | | |
| 2 | care agency providers regarding the options available to meet staffing requirements for | | | | |
| 3 | personal care aides including the completion of provider-offered training or DMAS Personal | | | | |
| 4 | Care Aide Training Curriculum. | | | | |
| 5 | HH. The Department of Medical Assistance Services shall impose an assessment equal to 6.0 | | | | |
| 6 | percent of revenue on all ICF-ID providers. The department shall determine procedures for | | | | |
| 7 | collecting the assessment, including penalties for non-compliance. The department shall have | | | | |
| 8 | the authority to adjust interim rates to cover new Medicaid costs as a result of this assessment. | | | | |
| 9 | II. The Department of Medical Assistance Services shall make programmatic changes in the | | | | |
| 10 | provision of Intensive In-Home services and Community Mental Health services in order to | | | | |
| 11 | ensure appropriate utilization and cost efficiency. The department shall consider all available | | | | |
| 12 | options including, but not limited to, prior authorization, utilization review and provider | | | | |
| 13 | qualifications. The Department of Medical Assistance Services shall promulgate regulations | | | | |
| 14 | to implement these changes within 280 days or less from the enactment date of this Act. | | | | |
| 15 | JJ. Notwithstanding Chapters 228 and 303 of the 2009 Virginia Acts of Assembly and §32.1- | | | | |
| 16 | 323.2 of the Code of Virginia, the Department of Medical Assistance Services shall not add | | | | |
| 17 | any slots to the Intellectual Disabilities Medicaid Waiver or the Individual and Family | | | | |
| 18 | Developmental Disabilities and Support Medicaid Waiver other than those slots authorized | | | | |
| 19 | specifically to support the Money Follows the Person Demonstration, individuals who are | | | | |
| 20 | exiting state institutions, any slots authorized under Chapters 724 and 729 of the 2011 | | | | |
| 21 | Virginia Acts of Assembly or §37.2-319, Code of Virginia, or authorized elsewhere in this | | | | |
| 22 | Act. | | | | |
| 23 | KK. The Department of Medical Assistance Services shall not adjust rates or the rate ceiling | | | | |
| 24 | of residential psychiatric facilities for inflation. | | | | |
| 25 | LL. The Department of Medical Assistance Services shall work with the Department of | | | | |
| 26 | Behavioral Health and Developmental Services in consultation with the Virginia Association | | | | |
| 27 | of Community Services Boards, the Virginia Network of Private Providers, the Virginia | | | | |
| 28 | Coalition of Private Provider Associations, and the Association of Community Based | | | | |
| 29 | Providers, to establish rates for the Intensive In-Home Service based on quality indicators and | | | | |
| 30 | standards, such as the use of evidence-based practices. | | | | |
| 31 | MM. The Department of Medical Assistance Services shall seek federal authority through the | | | | |
| 32 | necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the Social | | | | |
| 33 | Security Act to expand principles of care coordination to all geographic areas, populations, | | | | |
| 34 | and services under programs administered by the department. The expansion of care | | | | |
| 35 | coordination shall be based on the principles of shared financial risk such as shared savings, | | | | |
| 36 | performance benchmarks or risk and improving the value of care delivered by measuring | | | | |
| 37 | outcomes, enhancing quality, and monitoring expenditures. The department shall engage | | | | |
| 38 | stakeholders, including beneficiaries, advocates, providers, and health plans, during the | | | | |
| 39 | development and implementation of the care coordination projects. Implementation shall | | | | |
| 40 | include specific requirements for data collection to ensure the ability to monitor utilization, | | | | |
| 41 | quality of care, outcomes, costs, and cost savings. The department shall report by November 1 | | | | |
| 42 | of each year to the Governor and the Chairmen of the House Appropriations and Senate | | | | |
| 43 | Finance Committees detailing implementation progress including, but not limited to, the | | | | |
| 44 | number of individuals enrolled in care coordination, the geographic areas, populations and | | | | |
| 45 | services affected and cost savings achieved. Unless otherwise delineated, the department shall | | | | |
| 46 | have authority to implement necessary changes upon federal approval and prior to the | | | | |
| 47 | completion of any regulatory process undertaken in order to effect such change. The intent of | | | | |
| 48 | this Item may be achieved through several steps, including, but not limited to, the following: | | | | |
| 49 | a. In fulfillment of this Item, the department may seek federal authority to implement a care | | | | |
| 50 | coordination program for Elderly or Disabled with Consumer Direction (EDCD) waiver | | | | |
| 51 | participants effective October 1, 2011. This service would be provided to adult EDCC waiver | | | | |
| 52 | participants on a mandatory basis. The department shall have authority to promulgate | | | | |
| 53 | emergency regulations to implement this amendment within 280 days or less from the | | | | |
| 54 | enactment of this Act. | | | | |
| 55 | b. In fulfillment of this Item, the department may seek federal authority through amendments | | | | |
| 56 | to the State Plan under Title XIX of the Social Security Act, and any necessary waivers, to | | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | allow individuals enrolled in Home and Community Based Care (HCBC) waivers to also | | | | |
| 2 | be enrolled in contracted Medallion 3.0 managed care organizations for the purposes of | | | | |
| 3 | receiving acute and medical care services. The department shall have authority to | | | | |
| 4 | promulgate emergency regulations to implement this amendment within 280 days or less | | | | |
| 5 | from the enactment of this Act. | | | | |
| 6 | c. In fulfillment of this Item, the department and the Department of Behavioral Health and | | | | |
| 7 | Developmental Services, in collaboration with the Community Services Boards and in | | | | |
| 8 | consultation with appropriate stakeholders, shall develop a blueprint for the development | | | | |
| 9 | and implementation of a care coordination model for individuals in need of behavioral | | | | |
| 10 | health services not currently provided through a managed care organization. The overall | | | | |
| 11 | goal of the project is to improve the value of behavioral health services purchased by the | | | | |
| 12 | Commonwealth of Virginia without compromising access to behavioral health services for | | | | |
| 13 | vulnerable populations. Targeted case management services will continue to be the | | | | |
| 14 | responsibility of the Community Services Boards. The blueprint shall: (i) describe the | | | | |
| 15 | steps for development and implementation of the program model(s) including funding, | | | | |
| 16 | populations served, services provided, timeframe for program implementation, and | | | | |
| 17 | education of clients and providers; (ii) set the criteria for medical necessity for community | | | | |
| 18 | mental health rehabilitation services; and (iii) include the following principles: | | | | |
| 19 | 1. Improves value so that there is better access to care while improving equity. | | | | |
| 20 | 2. Engages consumers as informed and responsible partners from enrollment to care | | | | |
| 21 | delivery. | | | | |
| 22 | 3. Provides consumer protections with respect to choice of providers and plans of care. | | | | |
| 23 | 4. Improves satisfaction among providers and provides technical assistance and incentives | | | | |
| 24 | for quality improvement. | | | | |
| 25 | 5. Improves satisfaction among consumers by including consumer representatives on | | | | |
| 26 | provider panels for the development of policy and planning decisions. | | | | |
| 27 | 6. Improves quality, individual safety, health outcomes, and efficiency. | | | | |
| 28 | 7. Develops direct linkages between medical and behavioral services in order to make it | | | | |
| 29 | easier for consumers to obtain timely access to care and services, which could include up | | | | |
| 30 | to full integration. | | | | |
| 31 | 8. Builds upon current best practices in the delivery of behavioral health services. | | | | |
| 32 | 9. Accounts for local circumstances and reflects familiarity with the community where | | | | |
| 33 | services are provided. | | | | |
| 34 | 10. Develops service capacity and a payment system that reduces the need for involuntary | | | | |
| 35 | commitments and prevents default (or diversion) to state hospitals. | | | | |
| 36 | 11. Reduces and improves the interface of vulnerable populations with local law | | | | |
| 37 | enforcement, courts, jails, and detention centers. | | | | |
| 38 | 12. Supports the responsibilities defined in the Code of Virginia relating to Community | | | | |
| 39 | Services Boards and Behavioral Health Authorities. | | | | |
| 40 | 13. Promotes availability of access to vital supports such as housing and supported | | | | |
| 41 | employment. | | | | |
| 42 | 14. Achieves cost savings through decreasing avoidable episodes of care and | | | | |
| 43 | hospitalizations, strengthening the discharge planning process, improving adherence to | | | | |
| 44 | medication regimens, and utilizing community alternatives to hospitalizations and | | | | |
| 45 | institutionalization. | | | | |
| 46 | 15. Simplifies the administration of acute psychiatric, community mental health | | | | |
| 47 | rehabilitation, and medical health services for the coordinating entity, providers, and | | | | |
| 48 | consumers. | | | | |
| 49 | 16. Requires standardized data collection, outcome measures, customer satisfaction | | | | |

| ITEM 306. | Item Details(\$) | | Appropriations(\$) | |
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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | surveys, and reports to track costs, utilization of services, and outcomes. Performance data | | | |
| 2 | should be explicit, benchmarked, standardized, publicly available, and validated. | | | |
| 3 | 17. Provides actionable data and feedback to providers. | | | |
| 4 | 18. In accordance with federal and state regulations, includes provisions for effective and | | | |
| 5 | timely grievances and appeals for consumers. | | | |
| 6 | d. The department may seek the necessary waiver(s) and/or State Plan authorization under | | | |
| 7 | Titles XIX and XXI of the Social Security Act to develop and implement a care coordination | | | |
| 8 | model, that is consistent with the principles in Paragraph e, for individuals in need of | | | |
| 9 | behavioral health services not currently provided through managed care to be effective July 1, | | | |
| 10 | 2012. This model may be applied to individuals on a mandatory basis. The department shall | | | |
| 11 | have authority to promulgate emergency regulations to implement this amendment within 280 | | | |
| 12 | days or less from the enactment date of this Act. | | | |
| 13 | e. The department may seek the necessary waiver(s) and/or State Plan authorization under | | | |
| 14 | Title XIX of the Social Security Act to develop and implement a care coordination model for | | | |
| 15 | individuals dually eligible for services under both Medicare and Medicaid. The Director of | | | |
| 16 | the Department of Medical Assistance Services, in consultation with the Secretary of Health | | | |
| 17 | and Human Resources, shall establish a stakeholder advisory committee to support | | | |
| 18 | implementation of dual-eligible care coordination systems. The advisory committee shall | | | |
| 19 | support the dual-eligible initiatives by identifying care coordination and quality improvement | | | |
| 20 | priorities, assisting in securing analytic and care management support resources from federal, | | | |
| 21 | private and other sources and helping design and communicate performance reports. The | | | |
| 22 | advisory committee shall include representation from health systems, health plans, long-term | | | |
| 23 | care providers, health policy researchers, physicians, and others with expertise in serving the | | | |
| 24 | aged, blind, and disabled, and dual-eligible populations. The department shall have authority | | | |
| 25 | to implement necessary changes upon federal approval and prior to the completion of any | | | |
| 26 | regulatory process undertaken in order to effect such change. | | | |
| 27 | NN. The Department of Medical Assistance Services shall make programmatic changes in the | | | |
| 28 | provision of Residential Treatment Facility (Level C) and Levels A and B residential services | | | |
| 29 | (group homes) for children with serious emotional disturbances in order ensure appropriate | | | |
| 30 | utilization and cost efficiency. The department shall consider all available options including, | | | |
| 31 | but not limited to, prior authorization, utilization review and provider qualifications. The | | | |
| 32 | department shall have authority to promulgate regulations to implement these changes within | | | |
| 33 | 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 or | | | |
| 36 | replace the current pricing methodology for pharmaceutical products as defined in 13 VAC | | | |
| 37 | 30- 80-40, including the dispensing fee, with an alternative methodology that is budget neutral | | | |
| 38 | or that creates a cost savings. The department shall have the authority to promulgate | | | |
| 39 | emergency regulations to implement this amendment within 280 days or less from the | | | |
| 40 | enactment of this Act. The department shall have the authority to implement these changes | | | |
| 41 | prior to completion of any regulatory process undertaken in order to effect such change. | | | |
| 42 | PP. The Department of Medical Assistance Services shall mandate that payment rates | | | |
| 43 | negotiated between participating Medicaid managed care organizations and out-of-network | | | |
| 44 | providers for emergency or otherwise authorized treatment shall be considered payment in | | | |
| 45 | full. In the absence of rates negotiated between the managed care organization and the out-of- | | | |
| 46 | network provider, these services shall be reimbursed at the Virginia Medicaid fees and/or | | | |
| 47 | rates and shall be considered payment in full. The department shall have the authority to | | | |
| 48 | promulgate emergency regulations to implement this amendment within 280 days or less from | | | |
| 49 | the enactment date of this Act. | | | |
| 50 | QQ. The Department of Medical Assistance Services shall have the authority to amend the | | | |
| 51 | State Plan for Medical Assistance to convert the current cost-based reimbursement | | | |
| 52 | methodology for outpatient hospitals to an Enhanced Ambulatory Patient Group (EAPG) | | | |
| 53 | methodology. Reimbursement for laboratory services shall be included in the new outpatient | | | |
| 54 | hospital reimbursement methodology. The new EAPG reimbursement methodology shall be | | | |
| 55 | implemented in a budget-neutral manner. The department shall have the authority to | | | |
| 56 | promulgate regulations to become effective within 280 days or less from the enactment of this | | | |

| ITEM 306. | | Item Details(\$) | | Appropriations(\$) | |
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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Act. | | | | |
| 2 | RR. The Department of Medical Assistance Services shall seek federal authority to move | | | | |
| 3 | the family planning eligibility group from a demonstration waiver to the State Plan for | | | | |
| 4 | Medical Assistance. The department shall seek approval of coverage under this new state | | | | |
| 5 | plan option for individuals with income up to 200 percent of the federal poverty level. For | | | | |
| 6 | the purposes of this section, family planning services shall not cover payment for abortion | | | | |
| 7 | services and no funds shall be used to perform, assist, encourage or make direct referrals | | | | |
| 8 | for abortions. The department shall have authority to implement necessary changes upon | | | | |
| 9 | federal approval and prior to the completion of any regulatory process undertaken in order | | | | |
| 10 | 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 | | | | |
| 18 | effect 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, | | | | |
| 22 | the 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 | | | | |
| 25 | plan of care developed by the residential treatment center or the freestanding psychiatric | | | | |
| 26 | hospital and arranged by the residential treatment center or the freestanding psychiatric | | | | |
| 27 | hospital. The department shall require residential treatment centers to include all services | | | | |
| 28 | in the plan of care needed to meet the member's physical and psychological well-being | | | | |
| 29 | while in the facility but may also include services in the community or as part of an | | | | |
| 30 | emergency. | | | | |
| 31 | 2. The department shall have the authority to promulgate emergency regulations to | | | | |
| 32 | implement this amendment within 280 days from the enactment of this Act. | | | | |
| 33 | UU. The Department of Medical Assistance Services shall have the authority to amend the | | | | |
| 34 | State Plans under Title XIX and Title XXI of the Social Security Act in order to comply | | | | |
| 35 | with the mandated provider screening provisions of the federal Affordable Care Act (P.L. | | | | |
| 36 | 111-148 and P.L. 111-152). The department shall have authority to promulgate emergency | | | | |
| 37 | regulations to implement this amendment within 280 days or less from the enactment of | | | | |
| 38 | this Act. | | | | |
| 39 | VV. The department may seek federal authority through amendments to the State Plans | | | | |
| 40 | under Title XIX and XXI of the Social Security Act, and appropriate waivers to such, to | | | | |
| 41 | develop and implement programmatic and system changes that allow expedited | | | | |
| 42 | enrollment of Medicaid eligible recipients into Medicaid managed care, most importantly | | | | |
| 43 | for pregnant women. The department shall have the authority to promulgate emergency | | | | |
| 44 | regulations to implement this amendment within 280 days or less from the enactment date | | | | |
| 45 | of this Act. | | | | |
| 46 | WW.1. The Department of Medical Assistance Services, related to appeals administered | | | | |
| 47 | by and for the department, shall have authority to amend regulations to: | | | | |
| 48 | i. Utilize the method of transmittal of documentation to include email, fax, courier, and | | | | |
| 49 | electronic transmission. | | | | |
| 50 | ii. Clarify that the day of delivery ends at normal business hours of 5:00 pm. | | | | |
| 51 | iii. Eliminate an automatic dismissal against DMAS for alleged deficiencies in the case | | | | |
| 52 | summary that do not relate to DMAS's obligation to substantively address all issues | | | | |
| 53 | specified in the provider's written notice of informal appeal. A process shall be added, by | | | | |
| 54 | which the provider shall file with the informal appeals agent within 12 calendar days of | | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | the provider's receipt of the DMAS case summary, a written notice that specifies any such | | | |
| 2 | alleged deficiencies that the provider knows or reasonably should know exist. DMAS shall | | | |
| 3 | have 12 calendar days after receipt of the provider's timely written notification to address or | | | |
| 4 | cure any of said alleged deficiencies. The current requirement that the case summary address | | | |
| 5 | each adjustment, patient, service date, or other disputed matter identified in the provider's | | | |
| 6 | written notice of informal appeal in the detail set forth in the current regulation shall remain in | | | |
| 7 | force and effect, and failure to file a written case summary with the Appeals Division in the | | | |
| 8 | detail specified within 30 days of the filing of the provider's written notice of informal appeal | | | |
| 9 | shall result in dismissal in favor of the provider on those issues not addressed by DMAS. | | | |
| 10 | iv. Clarify that appeals remanded to the informal appeal level via Final Agency Decision or | | | |
| 11 | court order shall reset the timetable under DMAS' appeals regulations to start running from | | | |
| 12 | the date of the remand. | | | |
| 13 | v. Clarify the department's authority to administratively dismiss untimely filed appeal | | | |
| 14 | requests. | | | |
| 15 | vi. Clarify the time requirement for commencement of the formal administrative hearing. | | | |
| | VETO THIS ITEM. /s/ Terence R. McAuliffe (04/28/17) (Vetoed item is enclosed in brackets.) | | | |
| 16 | vii. Clarify that the informal appeals agent shall have the ability to close an informal appeal | | | |
| 17 | based on a settlement between the parties up to \$250,000, notwithstanding § 2.2-514 of the | | | |
| 18 | Code of Virginia. For settlements of \$250,000 or greater, such settlement shall be subject to § | | | |
| 19 | 2.2-514 of the Code of Virginia. | | | |
| 20 | 2. The Department of Medical Assistance Services shall have authority to promulgate | | | |
| 21 | regulations to implement these changes within 280 days or less from the enactment date of | | | |
| 22 | this Act. | | | |
| 23 | 3. The Department of Medical Assistance Services shall convene a workgroup with | | | |
| 24 | representatives from the provider community, and the legal community, and the Office of | | | |
| 25 | Attorney General to develop a plan to avoid or adjust retractions or for non-material breaches | | | |
| 26 | of the Provider Participation Agreement when the provider has substantially complied with | | | |
| 27 | the Provider Participation Agreement. The plan shall include an assessment of any | | | |
| 28 | administrative financial impact that implementation of such plan would have on the | | | |
| 29 | department and an analysis of any implications for the department's efforts to combat fraud, | | | |
| 30 | waste, and abuse. The workgroup shall report on the status of this plan to the Chairmen of the | | | |
| 31 | House Appropriations and Senate Finance Committees no later than December 1, 2017. | | | |
| 32 | XX. The Department of Medical Assistance Services shall amend its regulations, subject to | | | |
| 33 | the federal Centers for Medicare and Medicaid Services approval, to strengthen the | | | |
| 34 | qualifications and responsibilities of the Consumer Directed Service Facilitator to ensure the | | | |
| 35 | health, safety and welfare of Medicaid home- and community-based waiver enrollees. The | | | |
| 36 | department shall have the authority to promulgate emergency regulations to implement this | | | |
| 37 | change effective July 1, 2012. | | | |
| 38 | YY. It is the intent of the General Assembly that the implementation and administration of the | | | |
| 39 | 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 process. | | | |
| 41 | In addition, it is the intent that in the provision of services that ethical and professional | | | |
| 42 | conflicts are avoided and that sound clinical decisions are made in the best interests of the | | | |
| 43 | individuals receiving behavioral health services. As part of this process, the department shall | | | |
| 44 | monitor the performance of the contract to ensure that these principles are met and that | | | |
| 45 | stakeholders are involved in the assessment, approval, provision, and use of behavioral health | | | |
| 46 | 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 administrative | | | |
| 50 | appeals of Medicaid/Medicare dual eligible recipients in accordance with terms of the | | | |
| 51 | Memorandum of Understanding between the department and the Centers for Medicare and | | | |
| 52 | Medicaid Services for the financial alignment demonstration program for dual eligible | | | |
| 53 | recipients. The department shall implement this change within 280 days or less from the | | | |
| 54 | enactment of this Appropriation Act. | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 2. The department shall include in the fall quarterly report required in paragraph AAAA. | | | |
| 2 | of this Item an annual update that details the implementation progress of the financial | | | |
| 3 | alignment demonstration. This update shall include, but is not limited to, costs of | | | |
| 4 | implementation, projected cost savings, number of individuals enrolled, and any other | | | |
| 5 | implementation issues that arise. | | | |
| 6 | AAA. Effective July 1, 2013, the Department of Medical Assistance Services shall have | | | |
| 7 | the authority, to establish a 25 percent higher reimbursement rate for congregate | | | |
| 8 | residential services for individuals with complex medical or behavioral needs currently | | | |
| 9 | residing in an institution and unable to transition to integrated settings in the community | | | |
| 10 | due to the need for services that cannot be provided within the maximum allowable rate, | | | |
| 11 | or individuals whose needs present imminent risk of institutionalization and enhanced | | | |
| 12 | waiver services are needed beyond those available within the maximum allowable rate. | | | |
| 13 | The department shall have authority to promulgate regulations to implement this change | | | |
| 14 | within 280 days or less from the enactment of this Act. | | | |
| 15 | BBB. The Department of Medical Assistance Services shall amend the State Plan for | | | |
| 16 | Medical Assistance to allow for delivery of notices of program reimbursement or other | | | |
| 17 | items referred to in the regulations related to provider appeals by electronic means | | | |
| 18 | consistent with the Uniform Electronic Transactions Act. The department shall implement | | | |
| 19 | this change effective July 1, 2013, and prior to completion of any regulatory process | | | |
| 20 | undertaken in order to effect such changes. | | | |
| 21 | CCC. The Department of Medical Assistance Services shall amend the State Plan for | | | |
| 22 | Medical Assistance to convert the current cost-based payment methodology for nursing | | | |
| 23 | facility operating rates in 12 VAC 30-90-41 to a price-based methodology effective July 1, | | | |
| 24 | 2014. The new price-based payment methodology shall be implemented in a budget | | | |
| 25 | neutral manner. | | | |
| 26 | 1. The department shall calculate prospective operating rates for direct and indirect costs | | | |
| 27 | in the following manner: | | | |
| 28 | a. The department shall calculate the cost per day in the base year for direct and indirect | | | |
| 29 | operating costs for each nursing facility. The department shall use existing definitions of | | | |
| 30 | direct and indirect costs. | | | |
| 31 | b. The initial base year for calculating the cost per day is cost reports ending in calendar | | | |
| 32 | year 2011. The department shall rebase prices in fiscal year 2018 and every three years | | | |
| 33 | thereafter using the most recent reliable calendar year cost-settled cost reports for | | | |
| 34 | freestanding nursing facilities that have been completed as of September 1. | | | |
| 35 | c. Each nursing facility's direct cost per day shall be neutralized by dividing the direct cost | | | |
| 36 | per day by the raw Medicaid facility case-mix that corresponds to the base year by facility. | | | |
| 37 | d. Costs per day shall be inflated to the midpoint of the fiscal year rate period using the | | | |
| 38 | moving average Virginia Nursing Home inflation index for the 4th quarter of each year | | | |
| 39 | (the midpoint of the fiscal year). Costs in the 2011 base year shall be inflated from the | | | |
| 40 | midpoint of the cost report year to the midpoint of fiscal year 2012 by pro-rating fiscal | | | |
| 41 | year 2012 inflation and annual inflation after that. Annual inflation adjustments shall be | | | |
| 42 | based on the last available report prior to the beginning of the fiscal year and corrected for | | | |
| 43 | any revisions to prior year inflation. | | | |
| 44 | e. Prices will be established for the following peer groups using a combination of | | | |
| 45 | Medicare wage regions and Medicaid rural and bed size modifications based on similar | | | |
| 46 | costs. | | | |
| 47 | 1) Direct Peer groups | | | |
| 48 | - Northern Virginia MSA | | | |
| 49 | - Other MSAs | | | |
| 50 | - Northern Rural | | | |
| 51 | - Southern Rural | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 2) Indirect Peer Groups | | | |
| 2 | - Northern Virginia MSA | | | |
| 3 | - Rest of State – Greater than 60 Beds | | | |
| 4 | - Other MSAs | | | |
| 5 | - Northern Rural | | | |
| 6 | - Southern Rural | | | |
| 7 | - Rest of State – 60 Beds or Less | | | |
| 8 | f. The price for each peer group shall be based on the following adjustment factors: | | | |
| 9 | 1) Direct - 105 percent of the peer group day-weighted median neutralized and inflated cost | | | |
| 10 | per day for freestanding nursing facilities. Effective on and after July 1, 2017, the Direct Peer | | | |
| 11 | Group price percentage shall be increased to 106.8 percent. | | | |
| 12 | 2) Indirect - 100.7 percent of the peer group day-weighted median inflated cost per day for | | | |
| 13 | freestanding nursing facilities. Effective on and after July 1, 2017, the Indirect Peer Group | | | |
| 14 | price percentage shall be increased to 101.3 percent. | | | |
| 15 | 3) The department shall have the authority to implement these price percentage changes | | | |
| 16 | effective July 1, 2017 and prior to the completion of any regulatory process in order to effect | | | |
| 17 | such changes. | | | |
| 18 | g. Facilities with costs projected to the rate year below 95 percent of the price shall have an | | | |
| 19 | adjusted price equal to the price minus the difference between their cost and 95 percent of the | | | |
| 20 | unadjusted price. Adjusted prices will be established at each rebasing. New facilities after the | | | |
| 21 | base year shall not have an adjusted price until the next rebasing. The “spending floor” limits | | | |
| 22 | the potential gain of low cost facilities, thereby making it possible to implement higher | | | |
| 23 | adjustment factors for other facilities at less cost. | | | |
| 24 | h. Individual claim payment for direct costs shall be based on each resident's Resource | | | |
| 25 | Utilization Group (RUG) during the service period times the facility direct price (similar to | | | |
| 26 | Medicare). | | | |
| 27 | i. Resource Utilization Group (RUG) is a resident classification system that groups nursing | | | |
| 28 | facility residents according to resource utilization and assigns weights related to the resource | | | |
| 29 | utilization for each classification. The department shall use RUGs to determine facility case | | | |
| 30 | mix for cost neutralization in determining the direct costs used in setting the price and for | | | |
| 31 | adjusting the claim payments for residents. The department may elect to transition from the | | | |
| 32 | RUG-III 34 Medicaid grouper to the RUG-IV 48 grouper in the following manner. | | | |
| 33 | 1) The department shall neutralize direct costs per day in the base year using the most current | | | |
| 34 | RUG grouper applicable to the base year. | | | |
| 35 | 2) The department shall utilize RUG-III 34 groups and weights in fiscal year 2015 for claim | | | |
| 36 | payments. | | | |
| 37 | 3) Beginning in fiscal year 2016, the department may elect to implement RUG-IV 48 | | | |
| 38 | Medicaid groups and weights for claim payments. | | | |
| 39 | 4) RUG-IV 48 weights used for claim payments will be normalized to RUG-III 34 weights as | | | |
| 40 | long as base year costs are neutralized by the RUG-III 34 group. In that the weights are not | | | |
| 41 | the same under RUG IV as under RUG III, normalization will insure that total payments in | | | |
| 42 | direct using the RUGs IV 48 weights will be the same as total payments in direct using the | | | |
| 43 | RUGs-III 34 grouper. | | | |
| 44 | j. The department shall transition to the price-based methodology over a period of four years, | | | |
| 45 | blending the price-based rate described here with the cost-based rate based on current law | | | |
| 46 | with the following adjustments. The facility cost-based operating rates shall be the direct and | | | |
| 47 | indirect rates for fiscal year 2015 based on facility case-mix neutral rates modeled after the | | | |
| 48 | law that would have been in effect in fiscal year 2015 absent this amendment and using base | | | |

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

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | change. | | | | |
| 2 | 7. Effective July 1, 2017, the department shall amend the State Plan for Medical Assistance to | | | | |
| 3 | increase the direct and indirect operating rates under the nursing facility price based | | | | |
| 4 | reimbursement methodology by 15 percent for nursing facilities where at least 80 percent of | | | | |
| 5 | the resident population have one or more of the following diagnoses: quadriplegia, traumatic | | | | |
| 6 | brain injury, multiple sclerosis, paraplegia, or cerebral palsy. In addition, a qualifying facility | | | | |
| 7 | must have at least 90 percent Medicaid utilization and a case mix index of 1.15 or higher in | | | | |
| 8 | fiscal year 2014. The department shall have the authority to implement this reimbursement | | | | |
| 9 | methodology change for rates on or after July 1, 2017, and prior to completion of any | | | | |
| 10 | regulatory process in order to effect such change. | | | | |
| 11 | 8. Effective July 1, 2017 through June 30, 2020, the Department of Medical Assistance | | | | |
| 12 | Services shall amend the State Plan for Medical Assistance to pay nursing facilities located in | | | | |
| 13 | the former Danville Metropolitan Statistical Area (MSA) the operating rates calculated for the | | | | |
| 14 | Other MSA peer group. For purposes of calculating rates under the rebasing effective July 1, | | | | |
| 15 | 2017, the department shall use the peer groups based on the existing regulations. For future | | | | |
| 16 | rebasings, the department shall permanently move these facilities to the Other MSA peer | | | | |
| 17 | group. The department shall have the authority to implement this reimbursement change | | | | |
| 18 | effective July 1, 2017 and prior to completion of any regulatory process undertaken in order | | | | |
| 19 | to effect such change. | | | | |
| 20 | DDD. The Department of Medical Assistance Services shall amend its State Plan under Title | | | | |
| 21 | XIX of the Social Security Act to implement reasonable restrictions on the amount of incurred | | | | |
| 22 | dental expenses allowed as a deduction from income for nursing facility residents. Such | | | | |
| 23 | limitations shall include: (i) that routine exams and x-rays, and dental cleaning shall be | | | | |
| 24 | limited to twice yearly; (ii) full mouth x-rays shall be limited to once every three years; and | | | | |
| 25 | (iii) deductions for extractions and fillings shall be permitted only if medically necessary as | | | | |
| 26 | determined by the department. | | | | |
| 27 | EEE. Notwithstanding §32.1-325, et seq. and §32.1-351, et seq. of the Code of Virginia, and | | | | |
| 28 | effective upon the availability of subsidized private health insurance offered through a Health | | | | |
| 29 | Benefits Exchange in Virginia as articulated through the federal Patient Protection and | | | | |
| 30 | Affordable Care Act (PPACA), the Department of Medical Assistance Services shall | | | | |
| 31 | eliminate, to the extent not prohibited under federal law, Medicaid Plan First and FAMIS | | | | |
| 32 | Moms program offerings to populations eligible for and enrolled in said subsidized coverage | | | | |
| 33 | in order to remove disincentives for subsidized private healthcare coverage through publicly- | | | | |
| 34 | offered alternatives. To ensure, to the extent feasible, a smooth transition from public | | | | |
| 35 | coverage, DMAS shall endeavor to phase out such coverage for existing enrollees once | | | | |
| 36 | subsidized private insurance is available through a Health Benefits Exchange in Virginia. The | | | | |
| 37 | department shall implement any necessary changes upon federal approval and prior to the | | | | |
| 38 | completion of any regulatory process undertaken in order to effect such change. | | | | |
| 39 | FFF. The Department of Medical Assistance Services shall have authority to amend the State | | | | |
| 40 | Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any | | | | |
| 41 | waivers thereof, to implement requirements of the federal Patient Protection and Affordable | | | | |
| 42 | Care Act (PPACA) as it pertains to implementation of Medicaid and CHIP eligibility | | | | |
| 43 | determination and case management standards and practices, including the Modified Adjusted | | | | |
| 44 | Gross Income (MAGI) methodology. The department shall have authority to implement such | | | | |
| 45 | standards and practices upon federal approval and prior to the completion of any regulatory | | | | |
| 46 | process undertaken in order to effect such change. | | | | |
| 47 | GGG. Effective July 1, 2013, the Department of Medical Assistance Services shall establish a | | | | |
| 48 | Medicaid Physician and Managed Care Liaison Committee including, but not limited to, | | | | |
| 49 | representatives from the following organizations: the Virginia Academy of Family | | | | |
| 50 | Physicians; the American Academy of Pediatricians – Virginia Chapter; the Virginia College | | | | |
| 51 | of Emergency Physicians; the American College of Obstetrics and Gynecology – Virginia | | | | |
| 52 | Section; Virginia Chapter, American College of Radiology; the Psychiatric Society of | | | | |
| 53 | Virginia; the Virginia Medical Group Management Association; and the Medical Society of | | | | |
| 54 | Virginia. The committee shall also include representatives from each of the department's | | | | |
| 55 | contracted managed care organizations and a representative from the Virginia Association of | | | | |
| 56 | Health Plans. The committee will work with the department to investigate the implementation | | | | |
| 57 | of quality, cost-effective health care initiatives, to identify means to increase provider | | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | participation in the Medicaid program, to remove administrative obstacles to quality, cost- | | | | |
| 2 | effective patient care, and to address other matters as raised by the department or members | | | | |
| 3 | of the committee. The Committee shall establish an Emergency Department Care | | | | |
| 4 | Coordination work group comprised of representatives from the Committee, including the | | | | |
| 5 | Virginia College of Emergency Physicians, the Medical Society of Virginia, the Virginia | | | | |
| 6 | Hospital and Healthcare Association, the Virginia Academy of Family Physicians and the | | | | |
| 7 | Virginia Association of Health Plans to review the following issues: (i) how to improve | | | | |
| 8 | coordination of care across provider types of Medicaid "super utilizers"; (ii) the impact of | | | | |
| 9 | primary care provider incentive funding on improved interoperability between hospital | | | | |
| 10 | and provider systems; and (iii) methods for formalizing a statewide emergency department | | | | |
| 11 | collaboration to improve care and treatment of Medicaid recipients and increase cost | | | | |
| 12 | efficiency in the Medicaid program, including recognized best practices for emergency | | | | |
| 13 | departments. The committee shall meet semi-annually, or more frequently if requested by | | | | |
| 14 | the department or members of the committee. The department, in cooperation with the | | | | |
| 15 | committee, shall report on the committee's activities annually to the Board of Medical | | | | |
| 16 | Assistance Services and to the Chairmen of the House Appropriations and Senate Finance | | | | |
| 17 | Committees and the Department of Planning and Budget no later than October 1 each | | | | |
| 18 | year. | | | | |
| 19 | HHH. The Department of Medical Assistance Services shall establish a work group of | | | | |
| 20 | representatives of providers of home- and community-based care services to continue | | | | |
| 21 | improvements in the audit process and procedures for home- and community-based | | | | |
| 22 | utilization and review audits. The Department of Medical Assistance Services shall report | | | | |
| 23 | on any revisions to the methodology for home- and community-based utilization and | | | | |
| 24 | review audits, including progress made in addressing provider concerns and solutions to | | | | |
| 25 | improve the process for providers while ensuring program integrity. In addition, the report | | | | |
| 26 | shall include documentation of the past year's audits, a summary of the number of audits | | | | |
| 27 | to which retractions were assessed and the total amount, the number of appeals received | | | | |
| 28 | and the results of appeals. The report shall be provided to the Chairmen of the House | | | | |
| 29 | Appropriations and Senate Finance Committees by December 1 of each year. | | | | |
| 30 | III. The Department of Medical Assistance Services shall realign the billable activities | | | | |
| 31 | paid for individual supported employment provided under the Medicaid home- and | | | | |
| 32 | community-based waivers to be consistent with job development and job placement | | | | |
| 33 | services provided through employment services organizations that are reimbursed by the | | | | |
| 34 | Department for Aging and Rehabilitative Services. The department shall have the | | | | |
| 35 | authority to implement this reimbursement change effective July 1, 2013, and prior to the | | | | |
| 36 | completion of any regulatory process undertaken in order to effect such change. | | | | |
| 37 | JJJ.1. The Department of Medical Assistance Services shall seek federal authority through | | | | |
| 38 | any necessary waiver(s) and/or State Plan authorization under Titles XIX and XXI of the | | | | |
| 39 | Social Security Act to implement a comprehensive value-driven, market-based reform of | | | | |
| 40 | the Virginia Medicaid/FAMIS programs. | | | | |
| 41 | 2. The department is authorized to contract with qualified health plans to offer recipients a | | | | |
| 42 | Medicaid benefit package adhering to these principles. Any coordination of non- | | | | |
| 43 | traditional behavioral health services covered under contract with qualified health plans or | | | | |
| 44 | through other means shall adhere to the principles outlined in paragraph MM. c. This | | | | |
| 45 | reformed service delivery model shall be mandatory, to the extent allowed under the | | | | |
| 46 | relevant authority granted by the federal government and shall, at a minimum, include (i) | | | | |
| 47 | limited high-performing provider networks and medical/health homes; (ii) financial | | | | |
| 48 | incentives for high quality outcomes and alternative payment methods; (iii) improvements | | | | |
| 49 | to encounter data submission, reporting, and oversight; (iv) standardization of | | | | |
| 50 | administrative and other processes for providers; and (v) support of the health information | | | | |
| 51 | exchange. | | | | |
| 52 | 3. The Department of Medical Assistance Services shall seek reforms to include all | | | | |
| 53 | remaining Medicaid populations and services, including long-term care and home- and | | | | |
| 54 | community-based waiver services into cost-effective, managed and coordinated delivery | | | | |
| 55 | systems. The department shall begin designing the process and obtaining federal authority | | | | |
| 56 | to transition all remaining Medicaid beneficiaries into a coordinated delivery system. | | | | |
| 57 | DMAS shall promulgate regulations to implement these provisions to be effective within | | | | |
| 58 | 280 days of its enactment. The department may implement any changes necessary to | | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | implement these provisions prior to the promulgation of regulations undertaken in order to | | | |
| 2 | effect such changes. | | | |
| 3 | 4. As a condition on all appropriations in this act and notwithstanding any other provision of | | | |
| 4 | this act, or any other law, no general or nongeneral funds shall be appropriated or expended | | | |
| 5 | for such costs as may be incurred to implement coverage for newly eligible individuals | | | |
| 6 | pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and Affordable Care Act, | | | |
| 7 | unless included in an appropriation bill adopted by the General Assembly on or after July 1, | | | |
| 8 | 2016. | | | |
| 9 | <i>4.a. Notwithstanding § 30-347, Code of Virginia, or any other provision of law, no later than</i> | | | |
| 10 | <i>45 days upon the passage of House Bill 5001, the Department of Medical Assistance Services</i> | | | |
| 11 | <i>shall have the authority to (1) amend the State Plan for Medical Assistance under Title XIX of</i> | | | |
| 12 | <i>the Social Security Act, and any waivers thereof, to implement coverage for newly eligible</i> | | | |
| 13 | <i>individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and</i> | | | |
| 14 | <i>Affordable Care Act and (2) begin the process of implementing a § 1115 demonstration</i> | | | |
| 15 | <i>project to transform the Medicaid program for newly eligible individuals pursuant to the</i> | | | |
| 16 | <i>provisions of 4.a.(1) and eligible individuals enrolled in the existing Medicaid program. No</i> | | | |
| 17 | <i>later than 150 days from the passage of House Bill 5001, DMAS shall submit the § 1115</i> | | | |
| 18 | <i>demonstration waiver application to CMS for approval. If the State Plan amendments are</i> | | | |
| 19 | <i>affirmatively approved by CMS prior to the submission of the waiver, Medicaid coverage for</i> | | | |
| 20 | <i>newly eligible individuals may be implemented. If the State Plan amendment becomes</i> | | | |
| 21 | <i>effective without affirmative action by CMS, coverage may begin upon submission of the</i> | | | |
| 22 | <i>completed § 1115 demonstration waiver application, per CMS notification, but no later than</i> | | | |
| 23 | <i>January 1, 2019. If the demonstration waiver cannot be completed by 150 days, despite a</i> | | | |
| 24 | <i>good faith effort to complete the application, the department may request an extension from</i> | | | |
| 25 | <i>the Chairmen of the House Appropriations and Senate Finance Committees. The department</i> | | | |
| 26 | <i>shall provide updates on the progress of the State Plan amendments and demonstration</i> | | | |
| 27 | <i>waiver applications to the Chairmen of the House Appropriations and Senate Finance</i> | | | |
| 28 | <i>Committees, or their designees, upon request, and provide for participation in discussions</i> | | | |
| 29 | <i>with CMS staff. The department shall respond to all requests for information from CMS on</i> | | | |
| 30 | <i>the State Plan amendments and demonstration waiver applications in a timely manner.</i> | | | |
| 31 | <i>b. At least 10 days prior to the submission of the application for the waiver of Title XIX of the</i> | | | |
| 32 | <i>Social Security Act, the department shall notify the Chairmen of the House Appropriations</i> | | | |
| 33 | <i>and Senate Finance Committees of such pending application and provide a copy of the</i> | | | |
| 34 | <i>application. If the department receives an official letter from either Chairman raising an</i> | | | |
| 35 | <i>objection about the waiver during the 10-day period, the department shall make all</i> | | | |
| 36 | <i>reasonable attempts to address the objection and modify the waiver(s). If the department</i> | | | |
| 37 | <i>receives no objection, then the application may be submitted. Any waiver specifically</i> | | | |
| 38 | <i>authorized elsewhere in this item is not subject to this provision. Waiver renewals are not</i> | | | |
| 39 | <i>subject to the provisions of this paragraph.</i> | | | |
| 40 | <i>c. The Department of Medical Assistance Services shall include provisions to make referrals</i> | | | |
| 41 | <i>to job training, education and job placement assistance for all unemployed, able-bodied adult</i> | | | |
| 42 | <i>enrollees as allowed under current federal law or regulations through the State Plan</i> | | | |
| 43 | <i>amendments, contracts, or other policy changes. DMAS shall also include provisions to foster</i> | | | |
| 44 | <i>personal responsibility and prepare newly eligible enrollees for participation in commercial</i> | | | |
| 45 | <i>health insurance plans to include use of private health plans, premium support for employer-</i> | | | |
| 46 | <i>sponsored insurance, health and wellness accounts, appropriate utilization of hospital</i> | | | |
| 47 | <i>emergency room services, healthy behavior incentives, and enhanced fraud prevention efforts,</i> | | | |
| 48 | <i>among others through the State Plan amendments, contracts, or other policy changes.</i> | | | |
| 49 | <i>d. The demonstration project shall be designed to empower individuals to improve their</i> | | | |
| 50 | <i>health and well-being and gain employer sponsored coverage or other commercial health</i> | | | |
| 51 | <i>insurance coverage, while simultaneously ensuring the program's long-term fiscal</i> | | | |
| 52 | <i>sustainability. The demonstration project shall include the following elements in the design:</i> | | | |
| 53 | <i>(i) two pathways for eligible individuals with incomes between 100 percent and 138 percent</i> | | | |
| 54 | <i>of the federal poverty level, including income disregards, to obtain health care coverage:</i> | | | |
| 55 | <i>enrollment in an existing Medicaid managed care plan, or premium assistance for the</i> | | | |
| 56 | <i>purchase of employer-sponsored health insurance coverage if cost effective. The plans will</i> | | | |
| 57 | <i>provide a comprehensive benefit package consistent with private market plans, compliant</i> | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | <i>with all mandated essential health benefits, and inclusive of current Medicaid covered</i> | | | |
| 2 | <i>mental health and addiction recovery and treatment services. The demonstration shall</i> | | | |
| 3 | <i>include (1) the development of a health and wellness account for eligible individuals,</i> | | | |
| 4 | <i>comprised of participant contributions and state funds to be used to fund the health</i> | | | |
| 5 | <i>insurance premiums and to ensure funds are available for the enrollee to cover out-of-</i> | | | |
| 6 | <i>pocket expenses for the deductible, with the ability to roll over the funds from the account</i> | | | |
| 7 | <i>into succeeding years if not fully used. The monthly premium amount for the enrollee shall</i> | | | |
| 8 | <i>be set on a sliding scale based on monthly income, not to exceed two percent of monthly</i> | | | |
| 9 | <i>income, nor be less than \$1 per month; (2) provisions for demonstration coverage to begin</i> | | | |
| 10 | <i>on the first day of the month following receipt of the premium payment or enrollment due</i> | | | |
| 11 | <i>to treatment of an acute illness; (3) provisions for institution of a grace period for</i> | | | |
| 12 | <i>premium payment, followed by a waiting period before re-enrollment if the premium is not</i> | | | |
| 13 | <i>paid by the participant or if the participant does not maintain continuous coverage; and</i> | | | |
| 14 | <i>(4) provisions to recover premium payments owed to the Commonwealth through debt set-</i> | | | |
| 15 | <i>off collections;</i> | | | |
| 16 | <i>(ii) provisions to enroll newly eligible individuals with incomes between 0 and 100 percent</i> | | | |
| 17 | <i>of the federal poverty level, including income disregards, in existing Medicaid managed</i> | | | |
| 18 | <i>care plans with existing Medicaid benefits or in employer-sponsored health insurance</i> | | | |
| 19 | <i>plans, if cost effective. Such newly eligible enrollees shall be subject to existing Medicaid</i> | | | |
| 20 | <i>cost sharing provisions;</i> | | | |
| 21 | <i>(iii) cost-sharing for eligible enrollees with incomes between 100 percent and 138 percent</i> | | | |
| 22 | <i>of the federal poverty level, including income disregards, designed to promote healthy</i> | | | |
| 23 | <i>behaviors such as the avoidance of tobacco use, and to encourage personal responsibility</i> | | | |
| 24 | <i>and accountability related to the utilization of health care services such as the appropriate</i> | | | |
| 25 | <i>use of emergency room services. However, such individuals who also meet the exemptions</i> | | | |
| 26 | <i>listed in (iv) shall not be subject to premium and copayment requirements more stringent</i> | | | |
| 27 | <i>than existing Medicaid law or regulations. Enrollees who comply with provisions of the</i> | | | |
| 28 | <i>demonstration program, including healthy behavior provisions, may receive a decrease in</i> | | | |
| 29 | <i>their monthly premiums and copayments, not to exceed 50 percent.</i> | | | |
| 30 | <i>(iv) the establishment of the Training, Education, Employment and Opportunity Program</i> | | | |
| 31 | <i>(TEEOP) for every able-bodied, working-age adult enrolled in the Medicaid program to</i> | | | |
| 32 | <i>enable enrollees to increase their health and well-being through community engagement</i> | | | |
| 33 | <i>leading to self-sufficiency. The TEEOP program shall not apply to: (1) children under the</i> | | | |
| 34 | <i>age of 18 or individuals under the age of 19 who are participating in secondary</i> | | | |
| 35 | <i>education; (2) individuals age 65 years and older; (3) individuals who qualify for medical</i> | | | |
| 36 | <i>assistance services due to blindness or disability, including individuals who receive</i> | | | |
| 37 | <i>services pursuant to a § 1915 waiver; (4) individuals residing in institutions; (5)</i> | | | |
| 38 | <i>individuals determined to be medically frail; (6) individuals diagnosed with serious</i> | | | |
| 39 | <i>mental illness; (7) pregnant and postpartum women; (8) former foster children under the</i> | | | |
| 40 | <i>age of 26; (9) individuals who are the primary caregiver for a dependent, including a</i> | | | |
| 41 | <i>dependent child or adult dependent with a disability; and (10) individuals who already</i> | | | |
| 42 | <i>meet the work requirements of the TANF or SNAP programs. The TEEOP shall comply</i> | | | |
| 43 | <i>with guidance from CMS regarding such programs and may include other exemptions that</i> | | | |
| 44 | <i>may be necessary to achieve the TEEOP's goals of community engagement and improved</i> | | | |
| 45 | <i>health outcomes that are approved by CMS.</i> | | | |
| 46 | <i>The TEEOP shall include provisions for gradually escalating participation in training,</i> | | | |
| 47 | <i>education, employment and community engagement opportunities through the program as</i> | | | |
| 48 | <i>follows:</i> | | | |
| 49 | <i>a. beginning three months after enrollment, at least 20 hours per month;</i> | | | |
| 50 | <i>b. beginning six months after enrollment, at least 40 hours per month;</i> | | | |
| 51 | <i>c. beginning nine months after enrollment, at least 60 hours per month; and</i> | | | |
| 52 | <i>d. beginning 12 months after enrollment, at least 80 hours per month;</i> | | | |
| 53 | <i>The TEEOP shall also include provisions for satisfaction of the requirement for</i> | | | |
| 54 | <i>participation in training, education, employment and community engagement</i> | | | |
| 55 | <i>opportunities through participation in job skills training; job search activities in</i> | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | <i>conformity with Virginia Employment and Commission guidelines; education related to</i> | | | |
| 2 | <i>employment; general education, including participation in a program of preparation for the</i> | | | |
| 3 | <i>General Education Development (GED) certification examination or community college</i> | | | |
| 4 | <i>courses leading to industry certifications or a STEM-H related degree or credential;</i> | | | |
| 5 | <i>vocational education and training; subsidized or unsubsidized employment; community work</i> | | | |
| 6 | <i>experience programs, community service or public service, excluding political activities, that</i> | | | |
| 7 | <i>can reasonably improve work readiness; or caregiving services for a non-dependent relative</i> | | | |
| 8 | <i>or other person with a chronic, disabling health condition. The department may waive the</i> | | | |
| 9 | <i>requirement for participation in employment in areas of the Commonwealth with</i> | | | |
| 10 | <i>unemployment rates equal to or greater than 150 percent of the statewide average; however,</i> | | | |
| 11 | <i>requirements related to training, education and other community engagement opportunities</i> | | | |
| 12 | <i>shall not be waived in any area of the Commonwealth.</i> | | | |
| 13 | <i>The TEEOP shall work with Virginia Workforce Centers or One-Stops to provide services to</i> | | | |
| 14 | <i>Medicaid enrollees. Such services shall include career services for program enrollees,</i> | | | |
| 15 | <i>services to link enrollees with industry certification and credentialing programs, including the</i> | | | |
| 16 | <i>New Economy Workforce Credential Grant Program, and individualized case management</i> | | | |
| 17 | <i>services.</i> | | | |
| 18 | <i>The TEEOP shall, to the extent allowed under federal law, utilize federal and state funding</i> | | | |
| 19 | <i>available through the Centers for Medicare and Medicaid Services, Temporary Assistance for</i> | | | |
| 20 | <i>Needy Families program, the Supplemental Nutrition Assistance Program, the Workforce</i> | | | |
| 21 | <i>Innovation and Opportunity Act, and other state and federal workforce development</i> | | | |
| 22 | <i>programs to support program enrollees.</i> | | | |
| 23 | <i>Unless exempt, enrollees shall be ineligible to receive Medicaid benefits if, during any three</i> | | | |
| 24 | <i>months of the 12-month period beginning on the first day of enrollment, they fail to meet the</i> | | | |
| 25 | <i>TEEOP requirements and they will not be permitted to re-enroll until the end of such 12-</i> | | | |
| 26 | <i>month period, unless the failure to comply or report compliance was the result of a</i> | | | |
| 27 | <i>catastrophic event or circumstances beyond the beneficiary's control. However, enrollees</i> | | | |
| 28 | <i>shall be eligible to re-enroll in the program within such 12-month period upon demonstration</i> | | | |
| 29 | <i>of compliance with the TEEOP requirements.</i> | | | |
| 30 | <i>(v) monitoring and oversight of the use of health care services to ensure appropriate</i> | | | |
| 31 | <i>utilization;</i> | | | |
| 32 | <i>(vi) The Department of Medical Assistance Services shall develop a supportive employment</i> | | | |
| 33 | <i>and housing benefit targeted to high risk Medicaid beneficiaries with mental illness,</i> | | | |
| 34 | <i>substance use disorder, or other complex, chronic conditions who need intensive, ongoing</i> | | | |
| 35 | <i>support to obtain and maintain employment and stable housing.</i> | | | |
| 36 | <i>e. The State Plan amendment and the demonstration waiver program shall include (i) systems</i> | | | |
| 37 | <i>for determining eligibility for participation in the program, (ii) provisions for disenrollment if</i> | | | |
| 38 | <i>federal funding is reduced or terminated, and (iii) provisions for monitoring, evaluating, and</i> | | | |
| 39 | <i>assessing the effectiveness of the waiver program in improving the health and wellness of</i> | | | |
| 40 | <i>program participants and furthering the objectives of the Medicaid program.</i> | | | |
| 41 | <i>f. The department shall have the authority to promulgate emergency regulations to implement</i> | | | |
| 42 | <i>these changes within 280 days or less from the enactment date of House Bill 5001. The</i> | | | |
| 43 | <i>department shall have the authority to implement these changes prior to the completion of any</i> | | | |
| 44 | <i>regulatory process undertake in order to effect such changes.</i> | | | |
| 45 | <i>5. In the event that the increased federal medical assistance percentages for newly eligible</i> | | | |
| 46 | <i>individuals included in 42 U.S.C. § 1396d(y)(1)[2010] of the PPACA are modified through</i> | | | |
| 47 | <i>federal law or regulation from the methodology in effect on January 1, 2014, resulting in a</i> | | | |
| 48 | <i>reduction in federal medical assistance as determined by the department in consultation with</i> | | | |
| 49 | <i>the Department of Planning and Budget, the Department of Medical Assistance Services shall</i> | | | |
| 50 | <i>disenroll and eliminate coverage for individuals who obtained coverage through 42 U.S.C. §</i> | | | |
| 51 | <i>1396d(y)(1) [2010] of the PPACA. The disenrollment process shall include written</i> | | | |
| 52 | <i>notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other</i> | | | |
| 53 | <i>providers that coverage will cease as soon as allowable under federal law following the date</i> | | | |
| 54 | <i>the department is notified of a reduction in Federal Medical Assistance Percentage.</i> | | | |
| 55 | KKK.1. The Director of the Department of Medical Assistance Services shall continue to | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | make improvements in the provision of health and long-term care services under | | | |
| 2 | Medicaid/FAMIS that are consistent with evidence-based practices and delivered in a cost | | | |
| 3 | effective manner to eligible individuals. | | | |
| 4 | 2. In order to effect such improvements and ensure that reform efforts are cost effective | | | |
| 5 | relative to current forecasted Medicaid/FAMIS expenditure levels, the Department of | | | |
| 6 | Medical Assistance Services shall (i) develop a five-year consensus forecast of | | | |
| 7 | expenditures and savings associated with the Virginia Medicaid/FAMIS reform efforts by | | | |
| 8 | November 15 of each year in conjunction with the Department of Planning and Budget, | | | |
| 9 | and with input from the House Appropriations and Senate Finance Committees, and (ii) | | | |
| 10 | engage stakeholder involvement in meeting annual targets for quality and cost- | | | |
| 11 | effectiveness. | | | |
| 12 | LLL. Effective July 1, 2014, the Department of Medical Assistance Services shall replace | | | |
| 13 | the AP-DRG grouper with the APR-DRG grouper for hospital inpatient reimbursement. | | | |
| 14 | The department shall develop budget neutral case rates and Virginia-specific weights for | | | |
| 15 | the APR-DRG grouper based on the FY 2011 base year. The department shall phase in the | | | |
| 16 | APR-DRG weights by blending in 50 percent of the full APR-DRG weights with 50 | | | |
| 17 | percent of FY 2014 AP-DRG weights in the first year and 75 percent of the full APR- | | | |
| 18 | DRG weights with 25 percent of the FY 2014 AP-DRG weights in the second year for | | | |
| 19 | each APR-DRG group and severity. FY 2014 AP-DRG weights shall be calculated as a | | | |
| 20 | weighted average FY 2014 AP-DRG weight for all claims in the base year that group to | | | |
| 21 | each APR-DRG group and severity. Full APR-DRG weights shall be used in the third year | | | |
| 22 | and succeeding years for each APR-DRG group and severity. The department shall have | | | |
| 23 | the authority to implement these reimbursement changes effective July 1, 2014, and prior | | | |
| 24 | to completion of any regulatory process in order to effect such changes. | | | |
| 25 | MMM.1. Effective July 1, 2014, the Department of Medical Assistance Services shall | | | |
| 26 | replace the current Disproportionate Share Hospital (DSH) methodology with the | | | |
| 27 | following methodology: | | | |
| 28 | a) DSH eligible hospitals must have a total Medicaid Inpatient Utilization Rate equal to 14 | | | |
| 29 | percent or higher in the base year using Medicaid days eligible for Medicare DSH or a | | | |
| 30 | Low Income Utilization Rate in excess of 25 percent and meet other federal requirements. | | | |
| 31 | Eligibility for out of state cost reporting hospitals shall be based on total Medicaid | | | |
| 32 | utilization or on total Medicaid NICU utilization equal to 14 percent or higher. | | | |
| 33 | b) Each hospital's DSH payment shall be equal to the DSH per diem multiplied by each | | | |
| 34 | hospital's eligible DSH days in a base year. Days reported in provider fiscal years in state | | | |
| 35 | FY 2011 will be the base year for FY 2015 prospective DSH payments. DSH will be | | | |
| 36 | recalculated annually with an updated base year. DSH payments are subject to applicable | | | |
| 37 | federal limits. | | | |
| 38 | c) Eligible DSH days are the sum of all Medicaid inpatient acute, psychiatric and | | | |
| 39 | rehabilitation days above 14 percent for each DSH hospital subject to special rules for out | | | |
| 40 | of state cost reporting hospitals. Eligible DSH days for out of state cost reporting hospitals | | | |
| 41 | shall be the higher of the number of eligible days based on the calculation in the first | | | |
| 42 | sentence times Virginia Medicaid utilization (Virginia Medicaid days as a percent of total | | | |
| 43 | Medicaid days) or the Medicaid NICU days above 14 percent times Virginia NICU | | | |
| 44 | Medicaid utilization (Virginia NICU Medicaid days as a percent of total NICU Medicaid | | | |
| 45 | days). Eligible DSH days for out of state cost reporting hospitals who qualify for DSH but | | | |
| 46 | who have less than 12 percent Virginia Medicaid utilization shall be 50 percent of the days | | | |
| 47 | that would have otherwise been eligible DSH days. | | | |
| 48 | d) Additional eligible DSH days are days that exceed 28 percent Medicaid utilization for | | | |
| 49 | Virginia Type Two hospitals (excluding Children's Hospital of the Kings Daughters). | | | |
| 50 | e) The DSH per diem shall be calculated in the following manner: | | | |
| 51 | a. The DSH per diem for Type Two hospitals is calculated by dividing the total Type Two | | | |
| 52 | DSH allocation by the sum of eligible DSH days for all Type Two DSH hospitals. For | | | |
| 53 | purposes of DSH, Type Two hospitals do not include Children's Hospital of the Kings | | | |
| 54 | Daughters (CHKD) or any hospital whose reimbursement exceeds its federal | | | |
| 55 | uncompensated care cost limit. The Type Two Hospital DSH allocation shall equal the | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | amount of DSH paid to Type Two hospitals in state FY 2014 increased annually by the | | | |
| 2 | percent change in the federal allotment, including any reductions as a result of the Affordable | | | |
| 3 | Care Act, adjusted for the state fiscal year. | | | |
| 4 | b. The DSH per diem for State Inpatient Psychiatric Hospitals is calculated by dividing the | | | |
| 5 | total State Inpatient Psychiatric Hospital DSH allocation by the sum of eligible DSH days. | | | |
| 6 | The State Inpatient Psychiatric Hospital DSH allocation shall equal the amount of DSH paid | | | |
| 7 | in state FY 2013 increased annually by the percent change in the federal allotment, including | | | |
| 8 | any reductions as a result of the Affordable Care Act, adjusted for the state fiscal year. | | | |
| 9 | c. The DSH per diem for CHKD shall be three times the DSH per diem for Type Two | | | |
| 10 | hospitals. | | | |
| 11 | d. The DSH per diem for Type One hospitals shall be 17 times the DSH per diem for Type | | | |
| 12 | Two hospitals. | | | |
| 13 | 2. Each year, the department shall determine how much Type Two DSH has been reduced as | | | |
| 14 | a result of the Affordable Care Act and adjust the percent of cost reimbursed for outpatient | | | |
| 15 | hospital reimbursement. | | | |
| 16 | 3. The department shall convene the Hospital Payment Policy Advisory Council at least once | | | |
| 17 | a year to consider additional changes to the DSH methodology. | | | |
| 18 | 4. The department shall have the authority to implement these reimbursement changes | | | |
| 19 | effective July 1, 2014, and prior to completion of any regulatory process in order to effect | | | |
| 20 | such changes. | | | |
| 21 | NNN. The Department of Medical Assistance Services shall have authority to amend the State | | | |
| 22 | Plans for Medical Assistance under Titles XIX and XXI of the Social Security Act, and any | | | |
| 23 | waivers thereof, to implement requirements of the federal Patient Protection and Affordable | | | |
| 24 | Care Act (PPACA), P.L. 111-148, as it pertains to implementation of Medicaid and CHIP | | | |
| 25 | eligibility determination and case management standards and practices, including the | | | |
| 26 | Modified Adjusted Gross Income (MAGI) methodology and, notwithstanding the | | | |
| 27 | requirements of Code of Virginia §2.2-4000, et seq., the process for administrative appeals of | | | |
| 28 | MAGI-related eligibility determinations. The department shall have authority to implement | | | |
| 29 | such standards and practices upon federal approval and prior to the completion of any | | | |
| 30 | regulatory process undertaken in order to effect such changes. | | | |
| 31 | OOO. The Department of Medical Assistance Services (DMAS) shall not change the unit of | | | |
| 32 | service or rate of reimbursement for Mental Health Skill-Building Services (MHSS) until the | | | |
| 33 | 2015 General Assembly has reviewed the impact of the December 1, 2013 emergency | | | |
| 34 | regulations that changed the eligibility and service description for Mental Health Skill- | | | |
| 35 | Building Services. DMAS and the Department of Behavioral Health and Developmental | | | |
| 36 | Services shall jointly prepare a report to be delivered by November 1, 2014 to the Chairmen | | | |
| 37 | of the House Appropriations and Senate Finance Committees. The report shall document the | | | |
| 38 | impact of the MHSS regulations implemented on December 1, 2013 and shall include an | | | |
| 39 | assessment of the fiscal impact, consumer and family impact, service delivery impact, and | | | |
| 40 | impact upon other agencies and facilities in Virginia. | | | |
| 41 | PPP.1. The Department of Medical Assistance Services shall have the authority to contract | | | |
| 42 | with other public and private entities to conduct the required screening process for the | | | |
| 43 | Individual and Family Developmental Disabilities Support waiver. The department shall have | | | |
| 44 | authority to implement necessary changes upon federal approval and prior to the completion | | | |
| 45 | of any regulatory process undertaken in order to effect such changes. | | | |
| 46 | 2. Notwithstanding § 32.1-330 of the Code of Virginia, the Department of Medical Assistance | | | |
| 47 | Services shall improve the preadmission screening process for individuals who will be | | | |
| 48 | eligible for long-term care services, as defined in the state plan for medical assistance. The | | | |
| 49 | community-based screening team shall consist of a licensed health care professional and a | | | |
| 50 | social worker who are employees or contractors of the Department of Health or the local | | | |
| 51 | department of social services, or other assessors contracted by the department. The | | | |
| 52 | department shall not contract with any entity for whom there exists a conflict of interest. For | | | |
| 53 | community-based screening for children, the screening shall be performed by an individual or | | | |
| 54 | entity with whom the department has entered into a contract for the performance of such | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | screenings. | | | | |
| 2 | 3. The department shall track and monitor all requests for screenings and report on those | | | | |
| 3 | screenings that have not been completed within 30 days of an individual's request for | | | | |
| 4 | screening. The screening teams and contracted entities shall use the reimbursement and | | | | |
| 5 | tracking mechanisms established by the department. | | | | |
| 6 | 4. The Department of Medical Assistance Services shall promulgate regulations to | | | | |
| 7 | implement these provisions to be effective within 280 days of its enactment. The | | | | |
| 8 | department may implement any changes necessary to implement these provisions prior to | | | | |
| 9 | the promulgation of regulations undertaken in order to effect such changes. | | | | |
| 10 | QQQ. The Department of Medical Assistance Services shall have authority to amend its | | | | |
| 11 | regulations, subject to the federal Centers for Medicare and Medicaid Services approval, | | | | |
| 12 | to strengthen all program requirements and policies of the consumer-directed services | | | | |
| 13 | programs to ensure the health, safety and welfare of Medicaid home- and community- | | | | |
| 14 | based waiver enrollees. The department shall submit a detailed report on proposed | | | | |
| 15 | regulatory changes to the consumer-directed services programs and the issues and | | | | |
| 16 | problems the department is attempting to resolve. The department shall submit the report | | | | |
| 17 | to the Director, Department of Planning and Budget and the Chairmen of the House | | | | |
| 18 | Appropriations and Senate Finance Committees at least 30 days prior to beginning the | | | | |
| 19 | regulatory process. | | | | |
| 20 | RRR.1. There is hereby appropriated sum-sufficient nongeneral funds for the Department | | | | |
| 21 | of Medical Assistance Services (DMAS) to pay the state share of supplemental payments | | | | |
| 22 | for qualifying private hospital partners of Type One hospitals (consisting of state-owned | | | | |
| 23 | teaching hospitals) as provided in the State Plan for Medical Assistance Services. | | | | |
| 24 | Qualifying private hospitals shall consist of any hospital currently enrolled as a Virginia | | | | |
| 25 | Medicaid provider and owned or operated by a private entity in which a Type One hospital | | | | |
| 26 | has a non-majority interest. The supplemental payments shall be based upon the | | | | |
| 27 | reimbursement methodology established for such payments in Attachments 4.19-A and | | | | |
| 28 | 4.19-B of the State Plan for Medical Assistance Services. DMAS shall enter into a transfer | | | | |
| 29 | agreement with any Type One hospital whose private hospital partner qualifies for such | | | | |
| 30 | supplemental payments, under which the Type One hospital shall provide the state share | | | | |
| 31 | in order to match federal Medicaid funds for the supplemental payments to the private | | | | |
| 32 | hospital partner. The department shall have the authority to implement these | | | | |
| 33 | reimbursement changes consistent with the effective date in the State Plan amendment | | | | |
| 34 | approved by the Centers for Medicare and Medicaid Services (CMS) and prior to | | | | |
| 35 | completion of any regulatory process in order to effect such changes. | | | | |
| 36 | 2.a. The Department of Medical Assistance Services shall promulgate regulations to make | | | | |
| 37 | supplemental payments to Medicaid physician providers with a medical school located in | | | | |
| 38 | Eastern Virginia that is a political subdivision of the Commonwealth. The amount of the | | | | |
| 39 | supplemental payment shall be based on the difference between the average commercial | | | | |
| 40 | rate approved by CMS and the payments otherwise made to physicians. The department | | | | |
| 41 | shall have the authority to implement these reimbursement changes consistent with the | | | | |
| 42 | effective date in the State Plan amendment approved by CMS and prior to completion of | | | | |
| 43 | any regulatory process in order to effect such changes. | | | | |
| 44 | b. The department shall increase payments to Medicaid managed care organizations for | | | | |
| 45 | the purpose of securing access to Medicaid physician services in Eastern Virginia, through | | | | |
| 46 | higher rates to physicians affiliated with a medical school located in Eastern Virginia that | | | | |
| 47 | is a political subdivision of the Commonwealth subject to applicable limits. The | | | | |
| 48 | department shall revise its contracts with managed care organizations to incorporate these | | | | |
| 49 | supplemental capitation payments, and provider payment requirements, subject to | | | | |
| 50 | approval by CMS. No payment shall be made without approval from CMS. | | | | |
| 51 | c. Funding for the state share for these Medicaid payments is authorized in Item 247. | | | | |
| 52 | 3.a. The Department of Medical Assistance Services (DMAS) shall have the authority to | | | | |
| 53 | amend the State Plan for Medical Assistance Services (State Plan) to implement a | | | | |
| 54 | supplemental Medicaid payment for local government-owned nursing homes. The total | | | | |
| 55 | supplemental Medicaid payment for local government-owned nursing homes shall be | | | | |
| 56 | based on the difference between the Upper Payment Limit of 42 CFR §447.272 as | | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | approved by CMS and all other Medicaid payments subject to such limit made to such nursing | | | |
| 2 | homes. There is hereby appropriated sum-sufficient funds for DMAS to pay the state share of | | | |
| 3 | the supplemental Medicaid payment hereunder. However, DMAS shall not submit such State | | | |
| 4 | Plan amendment to CMS until it has entered into an intergovernmental agreement with | | | |
| 5 | eligible local government-owned nursing homes or the local government itself which requires | | | |
| 6 | them to transfer funds to DMAS for use as the state share for the supplemental Medicaid | | | |
| 7 | payment each nursing home is entitled to and to represent that each has the authority to | | | |
| 8 | transfer funds to DMAS and that the funds used will comply with federal law for use as the | | | |
| 9 | state share for the supplemental Medicaid payment. If a local government-owned nursing | | | |
| 10 | home or the local government itself is unable to comply with the intergovernmental | | | |
| 11 | agreement, DMAS shall have the authority to modify the State Plan. The department shall | | | |
| 12 | have the authority to implement the reimbursement change consistent with the effective date | | | |
| 13 | in the State Plan amendment approved by CMS and prior to the completion of any regulatory | | | |
| 14 | process undertaken in order to effect such change. | | | |
| 15 | b. If by June 30, 2017, the Department of Medical Assistance Services has not secured | | | |
| 16 | approval from the Centers for Medicare and Medicaid Services to use a minimum fee | | | |
| 17 | schedule pursuant to 42 C.F.R. § 438.6(c)(1)(iii) for local government-owned nursing homes | | | |
| 18 | participating in Commonwealth Coordinated Care Plus (CCC Plus) at the same level as and in | | | |
| 19 | lieu of the supplemental Medicaid payments authorized in Section RRR.3.a., then DMAS | | | |
| 20 | shall: (i) exclude Medicaid recipients who elect to receive nursing home services in local | | | |
| 21 | government-owned nursing homes from CCC Plus; (ii) pay for such excluded recipient's | | | |
| 22 | nursing home services on a fee-for-service basis, including the related supplemental Medicaid | | | |
| 23 | payments as authorized herein; and (iii) prohibit CCC Plus contracted health plans from in | | | |
| 24 | any way limiting Medicaid recipients from electing to receive nursing home services from | | | |
| 25 | local government-owned nursing homes. The department may include in CCC Plus Medicaid | | | |
| 26 | recipients who elect to receive nursing home services in local government-owned nursing | | | |
| 27 | homes in the future when it has secured federal CMS approval to use a minimum fee schedule | | | |
| 28 | as described above. | | | |
| 29 | 4. The Department of Medical Assistance Services shall have the authority to amend the State | | | |
| 30 | Plan for Medical Assistance Services to implement a supplemental payment for clinic services | | | |
| 31 | furnished by the Virginia Department of Health (VDH) effective July 1, 2015. The total | | | |
| 32 | supplemental Medicaid payment shall be based on the Upper Payment Limit approved by the | | | |
| 33 | Centers for Medicare and Medicaid Services and all other Medicaid payments. VDH is | | | |
| 34 | required to transfer funds to the department funds already appropriated to VDH to cover the | | | |
| 35 | non-federal share of the Medicaid payments. The department shall have the authority to | | | |
| 36 | implement the reimbursement change effective July 1, 2015, and prior to the completion of | | | |
| 37 | any regulatory process undertaken in order to effect such changes. | | | |
| 38 | 5. The Department of Medical Assistance Services shall amend the State Plan for Medical | | | |
| 39 | Assistance to increase the supplemental physician payments for physicians employed at a | | | |
| 40 | freestanding children's hospital serving children in Planning District 8 with more than 50 | | | |
| 41 | percent Medicaid inpatient utilization in fiscal year 2014 to the maximum allowed by the | | | |
| 42 | Centers for Medicare and Medicaid Services within the limit of the appropriation provided for | | | |
| 43 | this purpose. The total supplemental Medicaid payment shall be based on the Upper Payment | | | |
| 44 | Limit approved by the Centers for Medicare and Medicaid Services and all other Virginia | | | |
| 45 | Medicaid fee-for-service payments. The department shall have the authority to implement | | | |
| 46 | these reimbursement changes effective July 1, 2016, and prior to the completion of any | | | |
| 47 | regulatory process undertaken in order to effect such change." | | | |
| 48 | 6.a. The Department of Medical Assistance Services shall promulgate regulations to make | | | |
| 49 | supplemental Medicaid payments to the primary teaching hospitals affiliated with a Liaison | | | |
| 50 | Committee on Medical Education (LCME) accredited medical school located in Planning | | | |
| 51 | District 23 that is a political subdivision of the Commonwealth and an LCME accredited | | | |
| 52 | medical school located in Planning District 5 that has a partnership with a public university. | | | |
| 53 | The amount of the supplemental payment shall be based on the reimbursement methodology | | | |
| 54 | established for such payments in Attachments 4.19-A and 4.19-B of the State Plan for | | | |
| 55 | Medical Assistance and/or the department's contracts with managed care organizations. The | | | |
| 56 | department shall have the authority to implement these reimbursement changes consistent | | | |
| 57 | with the effective date in the State Plan amendment or the managed care contracts approved | | | |
| 58 | by the Centers for Medicare and Medicaid Services (CMS) and prior to completion of any | | | |
| 59 | regulatory process in order to effect such changes. No payment shall be made without | | | |

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|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | approval from CMS. | | | |
| 2 | b. Funding for the state share for these Medicaid payments is authorized in Item 247 and | | | |
| 3 | Item 4-5.03. | | | |
| 4 | SSS. The Department of Medical Assistance Services shall amend the State Plan for | | | |
| 5 | Medical Assistance to provide coverage for cessation services for tobacco users, including | | | |
| 6 | pharmacology, group and individual counseling, and other treatment services including | | | |
| 7 | the most current version of or an official update to the Clinical Health Guideline "Treating | | | |
| 8 | Tobacco Use and Dependence" published by the Public Health Service of the U.S. | | | |
| 9 | Department of Health and Human Services. These services shall be subject to copayment | | | |
| 10 | requirements. The department shall have authority to implement this reimbursement | | | |
| 11 | change effective July 1, 2014 and prior to the completion of any regulatory process | | | |
| 12 | undertaken in order to effect such changes. | | | |
| 13 | TTT. The Department of Medical Assistance Services shall have the authority to amend | | | |
| 14 | the 1915 (c) home- and community-based Elderly or Consumer-Direction (EDCD) waiver, | | | |
| 15 | Individual and Family Developmental Disabilities (DD) Support Waiver, Intellectual | | | |
| 16 | Disabilities (ID) waiver and Technology-Assisted (TECH) waiver, and associated | | | |
| 17 | regulations, to specify that transition services includes the first month's rent for qualified | | | |
| 18 | housing as an allowable cost. The department shall have authority to implement this | | | |
| 19 | reimbursement change effective July 1, 2014 and prior to the completion of any regulatory | | | |
| 20 | process undertaken in order to effect such changes. | | | |
| 21 | UUU. The Department of Medical Assistance Services shall have the authority to | | | |
| 22 | implement Section 1902(a)(10)(A)(i)(IX) of the federal Social Security Act to provide | | | |
| 23 | Medicaid benefits up until the age of 26 to individuals who are or were in foster care at | | | |
| 24 | least until the age of 18 in any state. | | | |
| 25 | VVV. Effective July 1, 2014 the Department of Medical Assistance Services shall amend | | | |
| 26 | the State Plan for Medical Assistance to provide that the reimbursement floor for the | | | |
| 27 | nursing facility FRV "rental rate" shall be 8.0 percent in fiscal year 2015 and fiscal year | | | |
| 28 | 2016. The department shall have the authority to implement these reimbursement changes | | | |
| 29 | prior to the completion of any regulatory process undertaken in order to effect such | | | |
| 30 | changes. | | | |
| 31 | WWW. The Department of Medical Assistance Services shall amend the State Plan for | | | |
| 32 | Medical Assistance to eliminate nursing facility inflation for fiscal year 2016. This shall | | | |
| 33 | apply to nursing facility operating rates in the first year, but shall not be substituted for | | | |
| 34 | published inflation factors in any subsequent scheduled rebasing of nursing facility rates. | | | |
| 35 | The department shall have the authority to implement these reimbursement changes prior | | | |
| 36 | to the completion of any regulatory process undertaken in order to effect such changes. | | | |
| 37 | XXX.1.a The Department of Medical Assistance Services shall amend the Medicaid | | | |
| 38 | demonstration project (Project Number 11-W-00297/3) to modify eligibility provided | | | |
| 39 | through the project to individuals with serious mental illness to be effective July 1, 2015. | | | |
| 40 | Income eligibility shall be modified to limit services to seriously mentally ill adults with | | | |
| 41 | effective household incomes up to 60 percent of the federal poverty level (FPL). All | | | |
| 42 | individuals enrolled in this Medicaid demonstration project with incomes between 61% | | | |
| 43 | and 100% of the Federal Poverty Level as of May 15, 2015 who continue to meet other | | | |
| 44 | program eligibility rules, shall maintain enrollment in the demonstration until their next | | | |
| 45 | eligibility renewal period or July 1, 2016, whichever comes first. Benefits shall include the | | | |
| 46 | following services: (i) primary care office visits including diagnostic and treatment | | | |
| 47 | services performed in the physician's office, (ii) outpatient specialty care, consultation, | | | |
| 48 | and treatment, (iii) outpatient hospital including observation and ambulatory diagnostic | | | |
| 49 | procedures, (iv) outpatient laboratory, (v) outpatient pharmacy, (vi) outpatient | | | |
| 50 | telemedicine, (vii) medical equipment and supplies for diabetic treatment, (viii) outpatient | | | |
| 51 | psychiatric treatment, (ix) mental health case management, (x) psychosocial rehabilitation | | | |
| 52 | assessment and psychosocial rehabilitation services, (xi) mental health crisis intervention, | | | |
| 53 | (xii) mental health crisis stabilization, (xiii) therapeutic or diagnostic injection, (xiv) | | | |
| 54 | behavioral telemedicine, (xv) outpatient substance abuse treatment services, and (xvi) | | | |
| 55 | intensive outpatient substance abuse treatment services. Care coordination, Recovery | | | |
| 56 | Navigation (peer supports), crisis line and prior authorization for services shall be | | | |
| 57 | provided through the agency's Behavioral Health Services Administrator. | | | |

| ITEM 306. | | Item Details(\$) | | Appropriations(\$) | |
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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | b. The Department of Medical Assistance Services shall amend the Medicaid demonstration project described in paragraph XXX 1 a to increase the income eligibility for adults with serious mental illness from 60 to 80 percent of the federal poverty level effective July 1, 2016 and from 80 to 100 percent of the federal poverty level effective October 1, 2017. Effective October 1, 2017, the department shall amend the Medicaid demonstration project to include the provision of addiction recovery and treatment services, including partial day hospitalization and residential treatment services. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes. | | | | |
| 10 | c. The Department of Medical Assistance Services, in cooperation with the Department of Social Services and the League of Social Service Executives, shall provide information and conduct outreach activities with the Department of Corrections and local and regional jails to increase access to the Medicaid demonstration waiver for individuals with serious mental illness who are preparing to be released from custody, or are under the supervision of state or local community corrections programs. | | | | |
| 16 | d. The Department of Medical Assistance Services, in cooperation with the Department of Social Services and the League of Social Service Executives, shall provide information and conduct outreach activities with the Department of Corrections and local and regional jails to increase access to the Medicaid demonstration waiver for individuals with serious mental illness who are preparing to be released from custody, or are under the supervision of state or local community corrections programs. | | | | |
| 22 | 2. The Department of Medical Assistance Services is authorized to amend the State Plan under Title XIX of the Social Security Act to add coverage for comprehensive dental services to pregnant women receiving services under the Medicaid program to include: (i) diagnostic, (ii) preventive, (iii) restorative, (iv) endodontics, (v) periodontics, (vi) prosthodontics both removable and fixed, (vii) oral surgery, and (viii) adjunctive general services. | | | | |
| 27 | 3. The Department of Medical Assistance Services is authorized to amend the FAMIS MOMS and FAMIS Select demonstration waiver (No. 21-W-00058/3) for FAMIS MOMS enrollees to add coverage for dental services to align with pregnant women's coverage under Medicaid. | | | | |
| 30 | 4. The Department of Medical Assistance Services is authorized to amend the State Plan under Title XXI of the Social Security Act to plan to allow enrollment for dependent children of state employees who are otherwise eligible for coverage. | | | | |
| 33 | 5. The department shall have authority to implement necessary changes upon federal approval and prior to the completion of any regulatory process undertaken in order to effect such changes. | | | | |
| 36 | YYY. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance Services to eliminate the requirement for pending, reviewing and reducing fees for emergency room claims for 99283 codes. The department shall have the authority to implement this reimbursement change effective July 1, 2015, and prior to the completion of any regulatory process undertaken in order to effect such change. | | | | |
| 41 | ZZZ. The Department of Medical Assistance Services shall amend the State Plan for Medical Assistance to increase the supplemental physician payments for practice plans affiliated with a freestanding children's hospital with more than 50 percent Medicaid inpatient utilization in fiscal year 2009 to the maximum allowed by the Centers for Medicare and Medicaid Services. The department shall have the authority to implement these reimbursement changes effective July 1, 2015, and prior to completion of any regulatory process undertaken in order to effect such change. | | | | |
| 48 | AAAA.1. The Department of Medical Assistance Services (DMAS) shall provide quarterly reports , due within 30 days of a quarter's end, to the Governor, Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees on the implementation of the Commonwealth Coordinated Care program, including information on program enrollment, the ability of Medicare and Medicaid Managed Care Plans to ensure a robust provider network, resolution of provider concerns regarding the cost and technical difficulties in participating in the program, quality of care, and progress in resolving issues related to federal Medicare requirements which impede the efficient and | | | | |

| ITEM 306. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | effective delivery of care. | | | |
| 2 | 2. The Department of Medical Assistance Services (DMAS) shall require providers to use | | | |
| 3 | a National Provider Identifier number, effective July 1, 2015, in order to participate in the | | | |
| 4 | Commonwealth Coordinated Care program. | | | |
| 5 | BBBB. The Department of Medical Assistance Services (DMAS) shall amend its July 1, | | | |
| 6 | 2016, managed care contracts in order to conform to the requirement pursuant to House | | | |
| 7 | Bill 1942 / Senate Bill 1262, passed during the 2015 Regular Session, for prior | | | |
| 8 | authorization of drug benefits. | | | |
| 9 | CCCC.1. The Department of Medical Assistance Services shall adjust the rates and add | | | |
| 10 | new services in accordance with the recommendations of the provider rate study and the | | | |
| 11 | published formula for determining the SIS levels and tiers developed as part of the | | | |
| 12 | redesign of the Individual and Family Developmental Disabilities Support (DD), Day | | | |
| 13 | Support (DS), and Intellectual Disability (ID) Waivers. The department shall have the | | | |
| 14 | authority to adjust provider rates and units, effective July 1, 2016, in accordance with | | | |
| 15 | those recommendations with the exception that no rate changes for Sponsored Residential | | | |
| 16 | services shall take effect until January 1, 2017. The rate increase for skilled nursing | | | |
| 17 | services shall be 25 percent. | | | |
| 18 | 2. The Department of Medical Assistance Services shall have the authority to amend the | | | |
| 19 | Individual and Family Developmental Disabilities Support (DD), Day Support (DS), and | | | |
| 20 | Intellectual Disability (ID) Waivers, to initiate the following new waiver services effective | | | |
| 21 | July 1, 2016: Shared Living Residential, Supported Living Residential, Independent | | | |
| 22 | Living Residential, Community Engagement, Community Coaching, Workplace | | | |
| 23 | Assistance Services, Private Duty Nursing Services, Crisis Support Services, Community | | | |
| 24 | Based Crisis Supports, Center-based Crisis Supports, and Electronic Based Home | | | |
| 25 | Supports; and the following new waiver services effective July 1, 2017: Community | | | |
| 26 | Guide and Peer Support Services, Benefits Planning, and Non-medical Transportation. | | | |
| 27 | The rates and units for these new services shall be established consistent with | | | |
| 28 | recommendations of the provider rate study and the published formula for determining the | | | |
| 29 | SIS levels and tiers developed as part of the waiver redesign, with the exception that | | | |
| 30 | private duty nursing rates shall be equal to the rates for private duty nursing services in the | | | |
| 31 | Assistive Technology Waiver and the EPSDT program. The implementation of these | | | |
| 32 | changes shall be developed in partnership with the Department of Behavioral Health and | | | |
| 33 | Developmental Services. | | | |
| 34 | 3. Out of this appropriation, \$328,452 the first year and \$656,903 the second year from the | | | |
| 35 | general fund and \$328,452 the first year and \$656,903 the second year from nongeneral | | | |
| 36 | funds shall be provided for a Northern Virginia rate differential in the family home | | | |
| 37 | payment for Sponsored Residential services. Effective January 1, 2017, the rates for | | | |
| 38 | Sponsored Residential services in the Intellectual Disability waiver shall include in the | | | |
| 39 | rate methodology a higher differential of 24.5 percent for Northern Virginia providers, in | | | |
| 40 | the family home payment as compared to the rest-of-state rate. The Department of | | | |
| 41 | Medical Assistance Services and the Department of Behavioral Health and Developmental | | | |
| 42 | Services shall, in collaboration with sponsored residential providers, the Virginia Network | | | |
| 43 | of Private Providers, the Virginia Association of Community Services Boards, the | | | |
| 44 | Virginia Sponsored Residential Provider Group, and family home providers, collect | | | |
| 45 | information and feedback related to payments to family homes and the extent to which | | | |
| 46 | changes in rates have impacted payments to the family homes statewide, and the increase | | | |
| 47 | or decrease in the capacity in each of the five geographic regions. The Department of | | | |
| 48 | Medical Assistance Services, in cooperation with the Department of Behavioral Health | | | |
| 49 | and Developmental Services, shall report the findings of this analysis to the Governor and | | | |
| 50 | the Chairmen of the House Appropriations and Senate Finance Committees by October 1, | | | |
| 51 | 2017. | | | |
| 52 | 4. For any state plan amendments or waiver changes to effectuate the provisions of | | | |
| 53 | paragraphs CCCC 1 and CCCC 2 above, the Department of Medical Assistance Services | | | |
| 54 | shall provide, prior to submission to the Centers for Medicare and Medicaid Services, | | | |
| 55 | notice to the Chairmen of the House Appropriations and Senate Finance Committees, and | | | |
| 56 | post such changes and make them easily accessible on the department's website. | | | |
| 57 | 5. The department shall have the authority to implement necessary changes upon federal | | | |

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| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | approval and prior to the completion of any regulatory process undertaken in order to effect | | | |
| 2 | such changes. | | | |
| 3 | DDDD. The Department of Medical Assistance Services shall amend the 1915 (c) home-and- | | | |
| 4 | community based Community Living waiver to add 390 slots effective July 1, 2016 and an | | | |
| 5 | additional 180 slots effective July 1, 2017. The Department of Medical Assistance Services | | | |
| 6 | shall seek federal approval for necessary changes to the waiver to add the additional slots. | | | |
| 7 | EEEE.1. The Department of Medical Assistance Services shall amend the Family and | | | |
| 8 | Individual Support waiver to add 140 new slots effective July 1, 2016 and an additional 344 | | | |
| 9 | slots effective July 1, 2017. The Department of Medical Assistance Services shall seek federal | | | |
| 10 | approval for necessary changes to the waiver to add the additional slots. | | | |
| 11 | 2. Effective July 1, 2016, the Department of Medical Assistance Services shall amend the | | | |
| 12 | Individual and Family Developmental Disabilities Support (DD) waiver to add 200 slots in | | | |
| 13 | fiscal year 2017 for individuals at the top of the chronological waiting list as of June 30, 2016. | | | |
| 14 | 3. Out of this appropriation, \$632,040 the first year and \$632,040 the second year from the | | | |
| 15 | general fund and \$632,040 the first year and \$632,040 the second year from nongeneral funds | | | |
| 16 | shall be used for up to 40 emergency reserve slots for emergencies, for individuals | | | |
| 17 | transferring between waivers and for individuals transitioning from an Intermediate Care | | | |
| 18 | Facility (ICF) or state nursing facility (SNF) to the community to ensure the health and safety | | | |
| 19 | of individuals in crisis. The Department of Medical Assistance Services shall amend the | | | |
| 20 | appropriate waiver to add up to 40 emergency reserve slots across the Intellectual Disability | | | |
| 21 | (ID) waiver, Individual and Family Developmental Disabilities Support (DD) waiver and Day | | | |
| 22 | Support (DS) waiver within the limits of this appropriation, effective July 1, 2016. The | | | |
| 23 | Department of Medical Assistance Services shall seek federal approval for necessary changes | | | |
| 24 | to the ID, DD and DS waivers to add the additional emergency reserve slots. | | | |
| 25 | FFFF.1. Out of this appropriation, \$1,250,000 from the general fund and \$1,250,000 from | | | |
| 26 | nongeneral funds the second year shall be used to fund 25 new medical residency slots. The | | | |
| 27 | Department of Medical Assistance Services shall submit a State Plan amendment to make | | | |
| 28 | supplemental payments for new graduate medical education residency slots effective July 1, | | | |
| 29 | 2017. Supplemental payments shall be made for up to 25 new medical residency slots in fiscal | | | |
| 30 | year 2018. Of the 25 new residency slots, 13 shall be for primary care and 12 shall be for high | | | |
| 31 | need specialties. In addition, preference shall be given for residency slots located in | | | |
| 32 | underserved areas. The department shall adopt criteria for primary care, high need specialties | | | |
| 33 | and underserved areas developed by the Virginia Health Workforce Development Authority. | | | |
| 34 | The department shall make supplemental payments to the following hospitals for the specified | | | |
| 35 | number of primary care residencies: Sentara Norfolk General (2 residencies), Carilion | | | |
| 36 | Medical Center (6 residencies), Centra Lynchburg General Hospital (1 residency), Riverside | | | |
| 37 | Regional Medical Center (2 residencies), Bon Secours St. Francis Medical Center (2 | | | |
| 38 | residencies). The department shall make supplemental payments to Carilion Medical Center | | | |
| 39 | for two psychiatric residencies. The supplemental payment for each new qualifying residency | | | |
| 40 | slot shall be \$100,000 annually minus any Medicare residency payment for which the hospital | | | |
| 41 | is eligible. Supplemental payments shall be made for up to four years for each new qualifying | | | |
| 42 | resident. The hospital will be eligible for the supplemental payments as long as the hospital | | | |
| 43 | maintains the number of residency slots in total and by category as a result of the increase in | | | |
| 44 | fiscal year 2018. Payments shall be made quarterly following the same schedule for other | | | |
| 45 | medical education payments. Subsequent to the award of a supplemental payment, the | | | |
| 46 | hospital must provide documentation annually by June 1 that they continue to meet the | | | |
| 47 | criteria for the supplemental payments and report any changes during the year to the number | | | |
| 48 | of residents. The department shall require all hospitals receiving medical education funding to | | | |
| 49 | report annually by June 1 on the number of residents in total and by specialty/subspecialty. | | | |
| 50 | The supplemental payments are subject to federal Centers for Medicare and Medicaid | | | |
| 51 | Services approval. The department shall have the authority to promulgate emergency | | | |
| 52 | regulations to implement this amendment within 280 days or less from the enactment of this | | | |
| 53 | act. | | | |
| 54 | 2. Any remaining appropriation for this program at the end of the fiscal year shall be carried | | | |
| 55 | forward to the subsequent fiscal year to fund medical residency slots. The Department of | | | |
| 56 | Medical Assistance Services shall adjust the 2018-20 Medicaid forecast to include annual | | | |
| 57 | funding for the 25 residency slots as approved by the 2016 General Assembly. | | | |

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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 3. Effective July 1, 2018, the department shall make supplemental payments to the | | | | |
| 2 | following hospitals for the specified number of primary care residencies: Sentara Norfolk | | | | |
| 3 | General (1 residency) and Carilion Medical Center (6 residencies). The department shall | | | | |
| 4 | make supplemental payments to Carilion Medical Center for 2 psychiatry residencies and | | | | |
| 5 | to Sentara Norfolk General for 1 OB/GYN residency. | | | | |
| 6 | GGGG. The Department of Medical Assistance Services shall amend the State Plan for | | | | |
| 7 | Medical Assistance to limit inflation to 50 percent of the inflation factor for fiscal year | | | | |
| 8 | 2017 and eliminate inflation in fiscal year 2018. This shall apply to inpatient hospital | | | | |
| 9 | operating rates (including long-stay and freestanding psychiatric hospitals), graduate | | | | |
| 10 | medical education (GME) payments, disproportionate share hospital (DSH) payments and | | | | |
| 11 | outpatient hospital rates. Similar reductions shall be made to the general fund share for | | | | |
| 12 | Type One hospitals as reflected in paragraph B. of this Item. <i>The department shall make a</i> | | | | |
| 13 | <i>full inflation adjustment payment in both FY 2017 and FY 2018 to Virginia freestanding</i> | | | | |
| 14 | <i>children's hospitals with greater than 50 percent Medicaid utilization in 2009. The</i> | | | | |
| 15 | department shall have the authority to implement these reimbursement changes effective | | | | |
| 16 | July 1, 2016 and prior to the completion of any regulatory process in order to effect such | | | | |
| 17 | changes. | | | | |
| 18 | HHHH. The Department of Medical Assistance Services shall amend the State Plan for | | | | |
| 19 | Medical Assistance to provide the full inflation factor for nursing facility and specialized | | | | |
| 20 | care operating and NATCEP rates for FY2018. The department shall have the authority to | | | | |
| 21 | implement these reimbursement changes effective July 1, 2017, and prior to the | | | | |
| 22 | completion of any regulatory process in order to effect such changes. | | | | |
| 23 | IIII. The Department of Medical Assistance Services shall amend the State Plan for | | | | |
| 24 | Medical Assistance to limit inflation to 50 percent of the inflation factor for outpatient | | | | |
| 25 | rehabilitation agencies and home health agencies for FY2018. The department shall have | | | | |
| 26 | the authority to implement these reimbursement changes effective July 1, 2017, and prior | | | | |
| 27 | to the completion of any regulatory process in order to effect such changes. | | | | |
| 28 | JJJJ. Effective July 1, 2016, the Department of Medical Assistance Services shall increase | | | | |
| 29 | the rates for agency and consumer directed personal care, respite and companion services | | | | |
| 30 | in the EDCD and ID/DD waivers and EPSDT program by two percent from current levels. | | | | |
| 31 | KKKK. Effective July 1, 2016, the Department of Medical Assistance Services shall | | | | |
| 32 | increase the rates for private duty nursing in the Tech waiver and Early and Periodic | | | | |
| 33 | Screening, Diagnostic and Treatment (EPSDT) program by 11.5 percent from current | | | | |
| 34 | levels. | | | | |
| 35 | LLLL. Out of this appropriation, \$79,505 from the general fund and \$79,505 from the | | | | |
| 36 | nongeneral fund the first year and \$87,581 from the general fund and \$87,581 from | | | | |
| 37 | nongeneral funds the second year shall be used to increase reimbursement rates for adult | | | | |
| 38 | day health services provided through Medicaid home- and community-based waiver | | | | |
| 39 | programs by 2.5 percent effective July 1, 2016. | | | | |
| 40 | MMMM.1. The Department of Medical Assistance Services, in consultation with the | | | | |
| 41 | appropriate stakeholders, shall amend the state plan for medical assistance and/or seek | | | | |
| 42 | federal authority through an 1115 demonstration waiver, as soon as feasible, to provide | | | | |
| 43 | coverage of inpatient detoxification, inpatient substance abuse treatment, residential | | | | |
| 44 | detoxification, residential substance abuse treatment, and peer support services to | | | | |
| 45 | Medicaid individuals in the Fee-for-Service and Managed Care Delivery Systems. The | | | | |
| 46 | department shall have the authority to implement this change effective upon passage of | | | | |
| 47 | this Act, and prior to the completion of any regulatory process undertaken in order to | | | | |
| 48 | effect such change. | | | | |
| 49 | 2. The Department of Medical Assistance Services shall make programmatic changes in | | | | |
| 50 | the provision of all Substance Abuse Treatment Outpatient, Community Based and | | | | |
| 51 | Residential Treatment services (group homes and facilities) for individuals with substance | | | | |
| 52 | abuse disorders in order to ensure parity between the substance abuse treatment services | | | | |
| 53 | and the medical and mental health services covered by the department and to ensure | | | | |
| 54 | comprehensive treatment planning and care coordination for individuals receiving | | | | |
| 55 | behavioral health and substance use disorder services. The department shall take action to | | | | |
| 56 | ensure appropriate utilization and cost efficiency, and adjust reimbursement rates within | | | | |

| ITEM 306. | | Item Details(\$) | | Appropriations(\$) | |
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| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | the limits of the funding appropriated for this purpose based on current industry standards. | | | | |
| 2 | The department shall consider all available options including, but not limited to, service | | | | |
| 3 | definitions, prior authorization, utilization review, provider qualifications, and reimbursement | | | | |
| 4 | rates for the following Medicaid services: substance abuse day treatment for pregnant women, | | | | |
| 5 | substance abuse residential treatment for pregnant women, substance abuse case management, | | | | |
| 6 | opioid treatment, substance abuse day treatment, and substance abuse intensive outpatient. | | | | |
| 7 | The department shall have the authority to implement this change effective upon passage of | | | | |
| 8 | this Act, and prior to the completion of any regulatory process undertaken in order to effect | | | | |
| 9 | such change. | | | | |
| 10 | 3. The Department of Medical Assistance Services shall amend the State Plan for Medical | | | | |
| 11 | Assistance and any waivers thereof to include peer support services to children and adults | | | | |
| 12 | with mental health conditions and/or substance use disorders. The department shall work with | | | | |
| 13 | its contractors, the Department of Behavioral Health and Developmental Services, and | | | | |
| 14 | appropriate stakeholders to develop service definitions, utilization review criteria and provider | | | | |
| 15 | qualifications. The department shall have the authority to implement this change effective | | | | |
| 16 | upon passage of this Act, and prior to the completion of any regulatory process undertaken in | | | | |
| 17 | order to effect such change. | | | | |
| 18 | 4. The Department of Medical Assistance Services shall, prior to the submission of any state | | | | |
| 19 | plan amendment or waivers to implement paragraphs MMMM 1, MMMM 2, and MMMM 3, | | | | |
| 20 | submit a plan detailing the changes in provider rates, new services added and any other | | | | |
| 21 | programmatic changes to the Chairmen of the House Appropriation and Senate Finance | | | | |
| 22 | Committees. | | | | |
| 23 | NNNN. The Department of Medical Assistances shall amend the State Plan for Medical | | | | |
| 24 | Assistance to convert the specialized care rates to a prospective rate consistent with the | | | | |
| 25 | existing cost-based methodology by adding inflation to the per diem costs subject to existing | | | | |
| 26 | ceilings for direct, indirect and ancillary costs from the most recent settled cost report prior | | | | |
| 27 | to the state fiscal year for which the rates are being established. The same inflation adjustment | | | | |
| 28 | shall apply to plant costs for specialized care facilities that do not have prospective capital | | | | |
| 29 | rates that are based on fair rental value. The department shall use the state fiscal year rate | | | | |
| 30 | methodology recently adopted for regular nursing facilities. Partial year inflation shall be | | | | |
| 31 | applied to per diem costs if the provider fiscal year end is different than the state fiscal year. | | | | |
| 32 | Ceilings shall also be maintained by state fiscal year. The department shall have the authority | | | | |
| 33 | to implement these changes effective July 1, 2016, and prior to completion of any regulatory | | | | |
| 34 | process to effect such changes. | | | | |
| 35 | OOOO. The Department of Medical Assistance Services (DMAS), in consultation with the | | | | |
| 36 | appropriate stakeholders, shall seek federal authority via a state plan amendment to cover | | | | |
| 37 | low-dose computed tomography (LDCT) lung cancer screenings for high-risk adults. The | | | | |
| 38 | department shall promulgate emergency regulations to implement this amendment within 280 | | | | |
| 39 | days or less from the enactment of this Act. | | | | |
| 40 | PPPP. The Department of Medical Assistance Services shall amend the State Plan under Title | | | | |
| 41 | XIX of the Social Security Act, and any necessary waivers, to reflect that no authority is | | | | |
| 42 | provided for the payment of overtime for Medicaid-reimbursed consumer-directed personal | | | | |
| 43 | assistance, respite and companion services. The Department shall implement the necessary | | | | |
| 44 | regulatory changes and other necessary measures to be consistent with federal approval of any | | | | |
| 45 | appropriate state plan and/or waiver changes, and prior to the completion of any regulatory | | | | |
| 46 | process undertaken in order to effect such change." | | | | |
| 47 | QQQQ. The Department of Medical Assistance Services shall convene a work group of | | | | |
| 48 | stakeholders, which shall include the Department for Aging and Rehabilitative Services, | | | | |
| 49 | dementia service providers and dementia advocacy organizations to review the Alzheimer's | | | | |
| 50 | Assisted Living (AAL) Waiver to determine if it can be modified to meet the 2014 Centers for | | | | |
| 51 | Medicare and Medicaid Services Home and Community Based Services final rule | | | | |
| 52 | requirements. If the waiver cannot be modified to meet the federal requirements, then the | | | | |
| 53 | department shall create a plan that: (i) ensures current waiver recipients continue to receive | | | | |
| 54 | services and (ii) addresses the service needs of the persons with dementia who are currently | | | | |
| 55 | eligible for the AAL Waiver. The department shall report its plan and implementation | | | | |
| 56 | recommendations to the Governor and the Chairmen of the House Appropriations and Senate | | | | |
| 57 | Finance Committees by October 1, 2016. | | | | |

| ITEM 306. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | RRRR. The Department of Medical Assistance Services shall not expend any | | | |
| 2 | appropriation for an approved Delivery System Reform Incentive Program (DSRIP) | | | |
| 3 | §1115 waiver unless the General Assembly appropriates the funding in the 2017 Session. | | | |
| 4 | The department shall notify the Chairmen of the House Appropriations and Senate | | | |
| 5 | Finance Committees within 15 days of any final negotiated waiver agreement with the | | | |
| 6 | Centers for Medicare and Medicaid Services. | | | |
| 7 | SSSS. The Department of Medical Assistance Services shall seek federal authority | | | |
| 8 | through a State Plan Amendment under Title XIX of the Social Security Act to permit | | | |
| 9 | individuals to use certified appraisals conducted by appraisers licensed by the Virginia | | | |
| 10 | Real Estate Appraiser Board as an alternative to the use of the tax assessed value to | | | |
| 11 | establish the value of any non-commercial real property for purposes of Medicaid resource | | | |
| 12 | eligibility. The cost of the appraisal shall be borne by the applicant or his designee. | | | |
| 13 | TTTT. Effective July 1, 2017, the Department of Medical Assistance Services shall amend | | | |
| 14 | the Building Independence waiver to add 60 slots in FY 2018. | | | |
| 15 | UUUU. Effective July 1, 2017, the Department of Medical Assistance Services shall | | | |
| 16 | amend the managed care regulations to specify that all contracts with health plans in a | | | |
| 17 | Medicaid managed care delivery model, including long-term services and supports, | | | |
| 18 | require reimbursement to nursing facility and specialized care services at no less than the | | | |
| 19 | Medicaid established per diem rate for Medicaid covered days, using the department's | | | |
| 20 | methodologies, unless the managed care organization and the nursing facility or | | | |
| 21 | specialized care services provider mutually agree to an alternative payment. The | | | |
| 22 | department shall have authority to implement this provision prior to the completion of any | | | |
| 23 | regulatory process in order to effect such change. | | | |
| 24 | VVVV. Omitted. | | | |
| 25 | WWWW.1. The Department of Medical Assistance Services shall monitor the capacity | | | |
| 26 | available under the Upper Payment Limit (UPL) for all hospital supplemental payments | | | |
| 27 | and adjust payments accordingly when the UPL cap is reached. The department shall | | | |
| 28 | make an adjustment to stay under the UPL cap by reducing or eliminating as necessary | | | |
| 29 | supplemental payments to hospitals based on when the first supplemental payments were | | | |
| 30 | actually made so that the newest supplemental payments to hospitals would be impacted | | | |
| 31 | first and so on. | | | |
| 32 | 2. The Department of Medical Assistance Services shall have the authority to implement | | | |
| 33 | reimbursement changes deemed necessary to meet the requirements of this paragraph prior | | | |
| 34 | to the completion of any regulatory process in order to effect such changes. | | | |
| 35 | XXXX. Effective upon enactment of this act, the Department of Medical Assistance | | | |
| 36 | Services, in collaboration with the Department of Behavioral Health and Developmental | | | |
| 37 | Services, shall make sponsored residential services eligible for customized rates. The | | | |
| 38 | department may implement any changes necessary to implement this provision prior to the | | | |
| 39 | promulgation of regulations undertaken in order to effect such changes. | | | |
| 40 | YYYY.1. Effective no later than January 1, 2019, the Department of Medical Assistance | | | |
| 41 | Services is authorized to require consumer-directed aides providing personal care, respite | | | |
| 42 | care and companion services in the Medicaid Elderly and Disabled with Consumer | | | |
| 43 | Direction (EDCD) and Developmental Disability waiver programs and the Early and | | | |
| 44 | Periodic Screening Diagnosis and Treatment (EPSDT) program to utilize an Electronic | | | |
| 45 | Visit Verification (EVV) system. The department is authorized to contract with a vendor | | | |
| 46 | to provide access to an EVV system for use by consumer-directed aides. | | | |
| 47 | 2. For personal care, respite care and companion services agencies, the department shall | | | |
| 48 | work with the appropriate stakeholders to develop standards for electronic visit | | | |
| 49 | verification systems and certification requirements to ensure EVV systems used by such | | | |
| 50 | agencies meet all federal requirements and are capable of providing the necessary data the | | | |
| 51 | department may require. | | | |
| 52 | 3. The department shall ensure that implementation of electronic visit verification | | | |
| 53 | complies with all requirements of the federal Centers of Medicare and Medicaid Services. | | | |
| 54 | ZZZZ. Effective July 1, 2017, the Department of Medical Assistance Services shall amend | | | |

| ITEM 306. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | the State Plan for Medical Assistance to increase the formula for indirect medical education | | | | |
| 2 | (IME) for freestanding children's hospitals with greater than 50 percent Medicaid utilization | | | | |
| 3 | in 2009 as a substitute for DSH payments. The formula for these hospitals for indirect medical | | | | |
| 4 | education for inpatient hospital services provided to Medicaid patients but reimbursed by | | | | |
| 5 | capitated managed care providers shall be identical to the formula for Type One hospitals. | | | | |
| 6 | The IME payments shall continue to be limited such that total payments to freestanding | | | | |
| 7 | children's hospitals with greater than 50 percent Medicaid utilization do not exceed the federal | | | | |
| 8 | uncompensated care cost limit to which disproportionate share hospital payments are | | | | |
| 9 | subject,excluding third party reimbursement for Medicaid eligible patients. The department | | | | |
| 10 | shall have the authority to implement these changes effective July 1, 2017, and prior to | | | | |
| 11 | completion of any regulatory action to effect such changes. | | | | |
| 12 | <i>AAAAA. Disproportionate Share Hospital payments shall not be reallocated to other eligible</i> | | | | |
| 13 | <i>hospitals based on hospital non-participation in fiscal year 2018. The department shall have</i> | | | | |
| 14 | <i>the authority to implement these changes effective upon the passage of this act and prior to</i> | | | | |
| 15 | <i>the completion of any regulatory action to effect such change.</i> | | | | |
| 16 | 307. Not set out. | | | | |
| 17 | 308. Medical Assistance Services for Low Income | | | | |
| 18 | Children (46600)..... | | | \$135,948,364 | \$140,478,700 |
| 19 | | | | | \$145,844,732 |
| 20 | Reimbursements for Medical Services Provided to | | | | |
| 21 | Low-Income Children (46601)..... | \$135,948,364 | \$140,478,700 | | |
| 22 | | | \$145,844,732 | | |
| 23 | Fund Sources: General..... | \$16,313,804 | \$16,857,444 | | |
| 24 | | | \$17,501,368 | | |
| 25 | Federal Trust..... | \$119,634,560 | \$123,621,256 | | |
| 26 | | | \$128,343,364 | | |
| 27 | Authority: Title 32.1, Chapters 9, 10 and 13, Code of Virginia; P.L. 89-97, as amended, Titles | | | | |
| 28 | XIX and XXI, Social Security Act, Federal Code. | | | | |
| 29 | To the extent that appropriations in this Item are insufficient, the Department of Planning and | | | | |
| 30 | Budget shall transfer general fund appropriation, as needed, from Children's Health Insurance | | | | |
| 31 | Program Delivery (44600) and Medicaid Program Services (45600), if available, into this | | | | |
| 32 | Item to be used as state match for federal Title XXI funds. | | | | |
| 33 | 309. Medical Assistance Management Services | | | | |
| 34 | (Forecasted) (49600)..... | | | \$60,861,251 | \$63,316,049 |
| 35 | | | | | \$63,899,573 |
| 36 | Medicaid payments for enrollment and utilization | | | | |
| 37 | related contracts (49601)..... | \$57,406,098 | \$59,969,846 | | |
| 38 | | | \$60,349,591 | | |
| 39 | CHIP payments for enrollment and utilization related | | | | |
| 40 | contracts (49632)..... | \$3,455,153 | \$3,346,203 | | |
| 41 | | | \$3,549,982 | | |
| 42 | Fund Sources: General..... | \$21,197,151 | \$22,450,685 | | |
| 43 | | | \$22,666,141 | | |
| 44 | Federal Trust..... | \$39,664,100 | \$40,865,364 | | |
| 45 | | | \$41,233,432 | | |
| 46 | To the extent that appropriations in this Item are insufficient, the Department of Planning and | | | | |
| 47 | Budget, is authorized to transfer amounts, as needed, from Medicaid Program Services | | | | |
| 48 | (45600), Medical Assistance Services for Low Income Children (46600) and Children's | | | | |
| 49 | Health Insurance Program Delivery (44600), if available, into this Item to fund administrative | | | | |
| 50 | expenditures associated with contracts between the department and companies providing | | | | |
| 51 | dental benefit services, consumer-directed payroll services, claims processing, behavioral | | | | |
| 52 | health management services and disease state/chronic care programs for Medicaid and | | | | |
| 53 | FAMIS recipients. | | | | |
| 54 | 310. Administrative and Support Services (49900)..... | | | \$213,492,763 | \$229,332,563 |
| 55 | | | | | \$239,756,469 |

| ITEM 310. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|--------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | General Management and Direction (49901)..... | \$195,765,886 | \$211,605,686 | | |
| 2 | | | \$222,029,592 | | |
| 3 | Information Technology Services (49902)..... | \$14,895,620 | \$14,895,620 | | |
| 4 | Administrative Support for the Family Access to | | | | |
| 5 | Medical Insurance Security Plan (49932)..... | \$2,831,257 | \$2,831,257 | | |
| 6 | Fund Sources: General..... | \$57,862,485 | \$61,063,111 | | |
| 7 | | | \$65,675,064 | | |
| 8 | Special..... | \$1,565,000 | \$1,565,000 | | |
| 9 | | | \$2,265,000 | | |
| 10 | Federal Trust..... | \$154,065,278 | \$166,704,452 | | |
| 11 | | | \$171,816,405 | | |
| 12 | Authority: Title 32.1, Chapters 9 and 10, Code of Virginia; P.L. 89-97, as amended, Titles | | | | |
| 13 | XIX and XXI, Social Security Act, Federal Code. | | | | |
| 14 | A.1. By November 1 of each year, the Department of Planning and Budget, in cooperation | | | | |
| 15 | with the Department of Medical Assistance Services, shall prepare and submit a forecast | | | | |
| 16 | of Medicaid expenditures, upon which the Governor's budget recommendations will be | | | | |
| 17 | based, for the current and subsequent two years to the Chairmen of the House | | | | |
| 18 | Appropriations and Senate Finance Committees. | | | | |
| 19 | 2. The forecast shall be based upon current state and federal laws and regulations. | | | | |
| 20 | Rebasing and inflation estimates that are required by existing law or regulation for any | | | | |
| 21 | Medicaid provider shall be included in the forecast. The forecast shall also include an | | | | |
| 22 | estimate of projected increases or decreases in managed care costs, including estimates | | | | |
| 23 | regarding changes in managed care rates for the three-year period. In preparing for each | | | | |
| 24 | year's forecast of the managed care portions of the budget, the department shall submit to | | | | |
| 25 | its actuarial contractor a letter, with a copy sent to the Department of Planning and Budget | | | | |
| 26 | and the Chairmen of the House Appropriations and Senate Finance Committees. This | | | | |
| 27 | letter shall document the department's request for a point estimate of the rate of increase in | | | | |
| 28 | rates, based on application of actuarial principals and methodologies and information | | | | |
| 29 | available at the time of the forecast, that the contractor estimates will occur in the years | | | | |
| 30 | being forecast, and shall specify the population groupings for which estimates are | | | | |
| 31 | requested. The department shall request that the contractor reply in writing with a copy to | | | | |
| 32 | all parties copied on the department's letter. | | | | |
| 33 | 3. The Department of Planning and Budget and the Department of Medical Assistance | | | | |
| 34 | Services shall convene a meeting on or before October 15 of each year with the | | | | |
| 35 | appropriate staff from the House Appropriations and Senate Finance Committees to | | | | |
| 36 | review current trends and the assumptions used in the Medicaid forecast prior to its | | | | |
| 37 | finalization. | | | | |
| 38 | B. The Department of Medical Assistance Services shall submit monthly expenditure | | | | |
| 39 | reports of the Medicaid program by service. The report for the month at the end of each | | | | |
| 40 | quarter shall compare expenditures to the official Medicaid forecast, adjusted to reflect | | | | |
| 41 | budget actions from each General Assembly Session. The monthly report shall be | | | | |
| 42 | submitted to the Department of Planning and Budget and the Chairmen of the House | | | | |
| 43 | Appropriations and Senate Finance Committees within 20 days after the end of each | | | | |
| 44 | month and the quarterly report shall be submitted within 30 days after the end of the | | | | |
| 45 | quarter. | | | | |
| 46 | C.1. Out of this appropriation, \$50,000 the first year and \$50,000 \$1,000,000 the second | | | | |
| 47 | year from the special fund is appropriated to the Department of Medical Assistance | | | | |
| 48 | Services for the administration of the disbursement of civil money penalties (CMP) levied | | | | |
| 49 | against and collected from Medicaid nursing facilities for violations of rules identified | | | | |
| 50 | during survey and certification as required by federal law and regulation. Based on the | | | | |
| 51 | nature and seriousness of the deficiency, the Agency or the Centers for Medicare and | | | | |
| 52 | Medicaid Services may impose a civil money penalty, consistent with the severity of the | | | | |
| 53 | violations, for the number of days a facility is not in substantial compliance with the | | | | |
| 54 | facility's Medicaid participation agreement. Civil money penalties collected by the | | | | |
| 55 | Commonwealth must be applied to the protection of the health or property of residents of | | | | |
| 56 | nursing facilities found to be deficient. Penalties collected are to be used for (1) the | | | | |
| 57 | payment of costs incurred by the Commonwealth for relocating residents to other | | | | |

| ITEM 310. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | facilities; (2) payment of costs incurred by the Commonwealth related to operation of the | | | |
| 2 | facility pending correction of the deficiency or closure of the facility; and (3) reimbursement | | | |
| 3 | of residents for personal funds or property lost at a facility as a result of actions by the facility | | | |
| 4 | or individuals used by the facility to provide services to residents. These funds are to be | | | |
| 5 | administered in accordance with the revised federal regulations and law, 42 CFR 488.400 and | | | |
| 6 | the Social Security Act § 1919(h), for Enforcement of Compliance for Long-Term Care | | | |
| 7 | Facilities with Deficiencies. Any special fund revenue received for this purpose, but | | | |
| 8 | unexpended at the end of the fiscal year, shall remain in the fund for use in accordance with | | | |
| 9 | this provision. | | | |
| 10 | <i>2. Of the amounts appropriated in C.1. of this Item, up to \$175,000 the second year from</i> | | | |
| 11 | <i>special funds may be used for the costs associated with administering CMP funds.</i> | | | |
| 12 | <i>3. Of the amounts appropriated in C.1. of this Item, up to \$325,000 the second year from the</i> | | | |
| 13 | <i>special funds may be used for special projects that benefit residents and improve the quality</i> | | | |
| 14 | <i>of nursing Facilities.</i> | | | |
| 15 | <i>4. No spending or activity authorized under the provisions of paragraph C. of this Item shall</i> | | | |
| 16 | <i>necessitate general fund spending or require future obligations to the Commonwealth.</i> | | | |
| 17 | <i>5. The department shall maintain CMP special fund balance of at least \$1.0 million to</i> | | | |
| 18 | <i>address emergency situations in Virginia's nursing facilities.</i> | | | |
| 19 | D. The Department of Medical Assistance Services, to the extent permissible under federal | | | |
| 20 | law, shall enter into an agreement with the Department of Behavioral Health and | | | |
| 21 | Developmental Services to share Medicaid claims and expenditure data on all Medicaid- | | | |
| 22 | reimbursed mental health, intellectual disability and substance abuse services, and any new or | | | |
| 23 | expanded mental health, intellectual disability retardation and substance abuse services that | | | |
| 24 | are covered by the State Plan for Medical Assistance. The information shall be used to | | | |
| 25 | increase the effective and efficient delivery of publicly funded mental health, intellectual | | | |
| 26 | disability and substance abuse services. | | | |
| 27 | E. In addition to any regional offices that may be located across the Commonwealth, any | | | |
| 28 | statewide, centralized call center facility that operates in conjunction with a brokerage | | | |
| 29 | transportation program for persons enrolled in Medicaid or the Family Access to Medical | | | |
| 30 | Insurance Security plan shall be located in Norton, Virginia. | | | |
| 31 | F. The Department of Medical Assistance Services shall, to the extent possible, require web- | | | |
| 32 | based electronic submission of provider enrollment applications, revalidations and other | | | |
| 33 | related documents necessary for participation in the fee-for-service program under the State | | | |
| 34 | Plans for Title XIX and XXI of the Social Security Act. | | | |
| 35 | G. The Department of Medical Assistance Services shall report on the operations and costs of | | | |
| 36 | the Medicaid call center (also known as the Cover Virginia Call Center). This report shall | | | |
| 37 | include number of calls received on a monthly basis, the purpose of the call, the number of | | | |
| 38 | applications for Medicaid submitted through the call center, and the costs of the contract. The | | | |
| 39 | department shall submit the report for FY 2015 by August 15, 2015, and for FY 2016 by | | | |
| 40 | August 15, 2016. The report shall be submitted to the Director, Department of Planning and | | | |
| 41 | Budget and the Chairmen of the House Appropriations and Senate Finance Committees. | | | |
| 42 | H. Out of this appropriation, \$100,000 the first year and \$100,000 the second year from the | | | |
| 43 | general fund shall be provided to contract with the Virginia Center for Health Innovation for | | | |
| 44 | research, development and tracking of innovative approaches to healthcare delivery. | | | |
| 45 | I. Out of this appropriation, \$3,283,004 the first year and \$3,283,004 the second year from the | | | |
| 46 | general fund and \$9,839,000 the first year and \$9,839,000 the second year from nongeneral | | | |
| 47 | funds is provided for the enhanced operation of the Cover Virginia Call Center as a | | | |
| 48 | centralized eligibility processing unit (CPU) that shall be limited to processing Medicaid | | | |
| 49 | applications received from the Federally Facilitated Marketplace, telephonic applications | | | |
| 50 | through the call center, or electronically submitted Medicaid-only applications. The | | | |
| 51 | department shall report the number of applications processed on a monthly basis and | | | |
| 52 | payments made to the contractor to the Director, Department of Planning and Budget and the | | | |
| 53 | Chairman of the House Appropriations and Senate Finance Committees. The report shall be | | | |
| 54 | submitted no later than 30 days after the end of each quarter of the fiscal year. | | | |

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

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

| ITEM 310. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | design and implementation of an inter-rater reliability test for the pre-admission screening | | | | |
| 2 | process. | | | | |
| 3 | 2. The department shall work with relevant stakeholders to (i) assess whether hospital | | | | |
| 4 | screening teams are making appropriate recommendations regarding placement in | | | | |
| 5 | institutional care or home and community-based care; (ii) determine whether hospitals | | | | |
| 6 | should have a role in the screening process; and (iii) determine what steps must be taken | | | | |
| 7 | to ensure the Uniform Assessment Instrument is implemented consistently and does not | | | | |
| 8 | lead to unnecessary institutional placements. | | | | |
| 9 | 3. The department shall report to the General Assembly by December 1 on steps taken to | | | | |
| 10 | address the risks associated with hospital screenings, including any statutory or regulatory | | | | |
| 11 | changes needed to improve such screenings. | | | | |
| 12 | U.1. Effective January 1, 2018, the Department of Medical Assistance Services shall | | | | |
| 13 | include in all its contracts with managed care organizations (MCOs) the following: | | | | |
| 14 | a. A provision requiring the MCOs to return one-half of the underwriting gain in excess of | | | | |
| 15 | three percent of Medicaid premium income up to 10 percent. The MCOs shall return 100 | | | | |
| 16 | percent of the underwriting gain above 10 percent. | | | | |
| 17 | b. A requirement for detailed financial and utilization reporting. The reported data shall | | | | |
| 18 | include: (i) income statements that show expenses by service category; (ii) balance sheets; | | | | |
| 19 | (iii) information about related-party transactions; and (iv) information on service | | | | |
| 20 | utilization metrics. | | | | |
| 21 | c. Upon the inclusion of behavioral health care in managed care, behavioral health- | | | | |
| 22 | specific metrics to identify undesirable trends in service utilization. | | | | |
| 23 | d. Upon the inclusion of behavioral health care in managed care, a report on their policies | | | | |
| 24 | and processes for identifying behavioral health providers who provide inappropriate | | | | |
| 25 | services and the number of such providers that are disenrolled. | | | | |
| 26 | 2. For rate periods effective January 1, 2018 and thereafter, the Department of Medical | | | | |
| 27 | Assistance Services shall direct its actuary as part of the rate setting process to: | | | | |
| 28 | a. Identify potential inefficiencies in the Medallion program and adjust capitation rates for | | | | |
| 29 | expected efficiencies. The department is authorized to phase-in this adjustment over time | | | | |
| 30 | based on the portion of identified inefficiencies that MCOs can reasonably reduce each | | | | |
| 31 | year. | | | | |
| 32 | b. Monitor medical spending for related-party arrangements and adjust historical medical | | | | |
| 33 | spending when deemed necessary to ensure that capitation rates do not cover excessively | | | | |
| 34 | high spending as compared to benchmarks. Related-party arrangements shall mean those | | | | |
| 35 | in which there is common ownership or control between the entities, and shall not include | | | | |
| 36 | Medicaid payments otherwise authorized in this item. | | | | |
| 37 | c. Adjust capitation rates in the Medallion program to account for a portion of expected | | | | |
| 38 | savings from required initiatives. | | | | |
| 39 | d. Allow negative historical trends in medical spending to be carried forward when setting | | | | |
| 40 | capitation rates. | | | | |
| 41 | e. Annually rebase administrative expenses per member per month for projected | | | | |
| 42 | enrollment changes. | | | | |
| 43 | f. Annually incorporate findings on unallowable administrative expenses from audits of | | | | |
| 44 | MCOs into its calculations of underwriting gain and administrative loss ratios for the | | | | |
| 45 | purposes of ongoing financial monitoring, including enforcement of the underwriting gain | | | | |
| 46 | cap. | | | | |
| 47 | g. Adjust calculations of underwriting gain and medical loss ratio by classifying as profit | | | | |
| 48 | medical spending that is excessively high due to related-party arrangements. | | | | |
| 49 | 3. The Department of Medical Assistance Services shall report to the General Assembly | | | | |
| 50 | on spending and utilization trends within Medicaid managed care, with detailed | | | | |

| ITEM 310. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | population and service information and include an analysis and report on the underlying | | | |
| 2 | reasons for these trends, the agency's and MCOs' initiatives to address undesirable trends, and | | | |
| 3 | the impact of those initiatives. The report shall be submitted each year by September 1. | | | |
| 4 | 4. The Department of Medical Assistance Services shall develop a proposal for cost sharing | | | |
| 5 | requirements based on family income for individuals eligible for long-term services and | | | |
| 6 | supports through the optional 300 percent of Supplemental Security Income eligibility | | | |
| 7 | category and submit the proposal to the Centers for Medicare and Medicaid Services to | | | |
| 8 | determine if such a proposal is feasible. No cost sharing requirements shall be implemented | | | |
| 9 | unless approved by the General Assembly. | | | |
| 10 | 5. The Department of Medical Assistance Services shall assess and report on additional or | | | |
| 11 | different resources needed to implement recommendations in the Joint Legislative Audit and | | | |
| 12 | Review Committee (JLARC) report Managing Spending in Virginia's Medicaid Program. The | | | |
| 13 | department shall submit its report to the Chairmen of the House Appropriations and Senate | | | |
| 14 | Finance Committees no later than November 1, 2017. | | | |
| 15 | 6. The Department of Medical Assistance Services shall ensure that the capitation rates for the | | | |
| 16 | Commonwealth Coordinated Care Plus program for fiscal year 2018 are budget neutral and do | | | |
| 17 | not exceed the cost of care for the enrolled population than that which would have been | | | |
| 18 | incurred in the Medicaid fee-for-service program. | | | |
| 19 | V. The Director, the Department of Medical Assistance Services, shall include language in all | | | |
| 20 | managed care contracts, for all department programming, requiring the plan sponsor to report | | | |
| 21 | quarterly, for all quarters through the one ending June 30, 2019, to the department for all | | | |
| 22 | pharmacy claims; the amount paid to the pharmacy provider per claim, including but not | | | |
| 23 | limited to cost of drug reimbursement; dispensing fees; copayments; and the amount charged | | | |
| 24 | to the plan sponsor for each claim by its pharmacy benefit manager. In the event there is a | | | |
| 25 | difference between these amounts, the plan sponsor shall report an itemization of all | | | |
| 26 | administrative fees, rebates, or processing charges associated with the claim. All data and | | | |
| 27 | information provided by the plan sponsor shall be kept secure; and notwithstanding any other | | | |
| 28 | provision of law, the department shall maintain the confidentiality of the proprietary | | | |
| 29 | information and not share or disclose the proprietary information contained in the report or | | | |
| 30 | data collected with persons outside the department. Only those department employees | | | |
| 31 | involved in collecting, securing and analyzing the data for the purpose of preparing the report | | | |
| 32 | shall have access to the proprietary data. The department shall provide a report using | | | |
| 33 | aggregated data only to the Chairmen of the House Appropriations and Senate Finance | | | |
| 34 | Committees on the implementation of this initiative and its impact on program expenditures | | | |
| 35 | by December 1, 2017. Nothing in the report to the Chairmen of the House Appropriations and | | | |
| 36 | Senate Finance Committees shall contain confidential or proprietary information. | | | |
| 37 | <i>W. Out of this appropriation, \$3,500,000 from the general fund and \$3,500,000 from</i> | | | |
| 38 | <i>nongeneral funds the second year is provided for the Department of Medical Assistance</i> | | | |
| 39 | <i>Services to obtain services to assist in the transformation of the Medicaid program for newly</i> | | | |
| 40 | <i>eligible individuals pursuant to 42 U.S.C. § 1396d(y)(1)[2010] of the Patient Protection and</i> | | | |
| 41 | <i>Affordable Care Act. Such services shall include, but not be limited to, assistance in the</i> | | | |
| 42 | <i>development and implementation of necessary § 1115 demonstration waiver applications</i> | | | |
| 43 | <i>including actuarial services, project management consultation, DMAS systems changes, and</i> | | | |
| 44 | <i>services necessary to operationalize reforms. The department shall ensure each vendor</i> | | | |
| 45 | <i>selected has had experience in designing or assisting in the development and implementation</i> | | | |
| 46 | <i>of similar activities. The department shall report on the vendors selected to the Chairmen of</i> | | | |
| 47 | <i>the House Appropriations and Senate Finance Committees within 15 days of making the</i> | | | |
| 48 | <i>selection. Unexpended funds for this procurement shall be carried forward into fiscal year</i> | | | |
| 49 | <i>2019 for such purpose.</i> | | | |
| 50 | Total for Department of Medical Assistance Services. | | \$9,923,368,296 | \$10,352,984,821 |
| 51 | | | | \$10,678,462,974 |
| 52 | General Fund Positions..... | 232.02 | | 240.02 |
| 53 | Nongeneral Fund Positions..... | 241.98 | | 249.98 |
| 54 | Position Level..... | 474.00 | | 490.00 |
| 55 | Fund Sources: General..... | \$4,450,859,097 | \$4,729,698,510 | |
| 56 | | | \$4,785,782,724 | |

| ITEM 310. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|---|-----------------------|-------------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Special..... | \$1,565,000 | \$1,565,000 | | |
| 2 | | | \$2,265,000 | | |
| 3 | Dedicated Special Revenue..... | \$413,895,813 | \$373,280,157 | | |
| 4 | | | \$413,949,950 | | |
| 5 | Federal Trust..... | \$5,057,048,386 | \$5,248,441,154 | | |
| 6 | | | \$5,476,465,300 | | |
| 7 | § 1-13. DEPARTMENT OF BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES (720) | | | | |
| 8 | 311. | Not set out. | | | |
| 9 | 312. | Not set out. | | | |
| 10 | 313. | Administrative and Support Services (49900)..... | | \$78,005,357 | \$78,026,064 |
| 11 | | | | | \$78,226,064 |
| 12 | | General Management and Direction (49901)..... | \$12,695,336 | \$12,445,389 | |
| 13 | | | | \$12,645,389 | |
| 14 | | Information Technology Services (49902)..... | \$25,933,722 | \$26,046,863 | |
| 15 | | Architectural and Engineering Services (49904)..... | \$2,660,847 | \$2,660,847 | |
| 16 | | Collection and Locator Services (49905)..... | \$2,999,764 | \$2,999,764 | |
| 17 | | Human Resources Services (49914)..... | \$494,989 | \$494,989 | |
| 18 | | Program Development and Coordination (49933).... | \$33,220,699 | \$33,378,212 | |
| 19 | | Fund Sources: General..... | \$44,941,260 | \$44,639,048 | |
| 20 | | | | \$44,839,048 | |
| 21 | | Special..... | \$14,454,916 | \$14,509,445 | |
| 22 | | Federal Trust..... | \$18,609,181 | \$18,877,571 | |
| 23 | Authority: Title 16.1, Article 18, and Title 37.2, Chapters 2, 3, 4, 5, 6 and 7, and Title 2.2, | | | | |
| 24 | Chapters 26 and 53 Code of Virginia; P.L. 102-119, Federal Code. | | | | |
| 25 | A. The Commissioner, Department of Behavioral Health and Developmental Services | | | | |
| 26 | shall, at the beginning of each fiscal year, establish the current capacity for each facility | | | | |
| 27 | within the system. When a facility becomes full, the commissioner or his designee shall | | | | |
| 28 | give notice of the fact to all sheriffs. | | | | |
| 29 | B. The Commissioner, Department of Behavioral Health and Developmental Services | | | | |
| 30 | shall work in conjunction with community services boards to develop and implement a | | | | |
| 31 | graduated plan for the discharge of eligible facility clients to the greatest extent possible, | | | | |
| 32 | utilizing savings generated from statewide gains in system efficiencies. | | | | |
| 33 | C. Notwithstanding § 4-5.09 of this act and paragraph C of § 2.2-1156, Code of Virginia, | | | | |
| 34 | the Department of Behavioral Health and Developmental Services is hereby authorized to | | | | |
| 35 | deposit the entire proceeds of the sales of surplus land at state-owned behavioral health | | | | |
| 36 | and intellectual disability facilities into a revolving trust fund. The trust fund may initially | | | | |
| 37 | be used for expenses associated with restructuring such facilities. Remaining proceeds | | | | |
| 38 | after such expenses shall be dedicated to continuing services for current patients as facility | | | | |
| 39 | services are restructured. | | | | |
| 40 | D. The Department of Behavioral Health and Developmental Services shall identify and | | | | |
| 41 | create opportunities for public-private partnerships and develop the incentives necessary | | | | |
| 42 | to establish and maintain an adequate supply of acute-care psychiatric beds for children | | | | |
| 43 | and adolescents. | | | | |
| 44 | E. The Department of Behavioral Health and Developmental Services, in cooperation with | | | | |
| 45 | the Department of Juvenile Justice, where appropriate, shall identify and create | | | | |
| 46 | opportunities for public-private partnerships and develop the incentives necessary to | | | | |
| 47 | establish and maintain an adequate supply of residential beds for the treatment of juveniles | | | | |
| 48 | with behavioral health treatment needs, including those who are mentally retarded, | | | | |
| 49 | aggressive, or sex offenders, and those juveniles who need short-term crisis stabilization | | | | |
| 50 | but not psychiatric hospitalization. | | | | |
| 51 | F. Out of this appropriation, \$656,538 the first year and \$656,538 the second year from the | | | | |
| 52 | general fund shall be provided for placement and restoration services for juveniles found | | | | |

| ITEM 313. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | to be incompetent to stand trial pursuant to Title 16.1, Chapter 11, Article 18, Code of | | | | |
| 2 | Virginia. | | | | |
| 3 | G. Out of this appropriation, \$50,000 the first year and \$50,000 the second year from the | | | | |
| 4 | general fund shall be used to pay for legal and medical examinations needed for individuals | | | | |
| 5 | living in the community and in need of guardianship services. | | | | |
| 6 | H. Out of this appropriation, \$2,419,930 the first year and \$2,419,930 the second year from | | | | |
| 7 | the general fund shall be provided for services for the civil commitment of sexually violent | | | | |
| 8 | predators including the following: (i) clinical evaluations and court testimony for sexually | | | | |
| 9 | violent predators who are being considered for release from state correctional facilities and | | | | |
| 10 | who will be referred to the Clinical Review Committee for psycho-sexual evaluations prior to | | | | |
| 11 | the state seeking civil commitment, (ii) conditional release services, including treatment, and | | | | |
| 12 | (iii) costs associated with contracting with a Global Positioning System service to closely | | | | |
| 13 | monitor the movements of individuals who are civilly committed to the sexually violent | | | | |
| 14 | predator program but conditionally released. | | | | |
| 15 | I. Out of this appropriation, \$146,871 the first year and \$146,871 the second year from the | | | | |
| 16 | general fund shall be used to operate a real-time reporting system for public and private acute | | | | |
| 17 | psychiatric beds in the Commonwealth. | | | | |
| 18 | J. The Department of Behavioral Health and Developmental Services shall submit a report to | | | | |
| 19 | the Governor and the Chairmen of the House Appropriations and Senate Finance Committees | | | | |
| 20 | no later than December 1 of each year for the preceding fiscal year that provides information | | | | |
| 21 | on the operation of Virginia's publicly-funded behavioral health and developmental services | | | | |
| 22 | system. The report shall include a brief narrative and data on the numbers of individuals | | | | |
| 23 | receiving state facility services or CSB services, including purchased inpatient psychiatric | | | | |
| 24 | services, the types and amounts of services received by these individuals, and CSB and state | | | | |
| 25 | facility service capacities, staffing, revenues, and expenditures. The annual report also shall | | | | |
| 26 | describe major new initiatives implemented during the past year and shall provide information | | | | |
| 27 | on the accomplishment of systemic outcome and performance measures during the year. | | | | |
| 28 | K. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the | | | | |
| 29 | general fund shall be used for a comprehensive statewide suicide prevention program. The | | | | |
| 30 | Commissioner of the Department of Behavioral Health and Developmental Services | | | | |
| 31 | (DBHDS), in collaboration with the Departments of Health, Education, Veterans Services, | | | | |
| 32 | Aging and Rehabilitative Services, and other partners shall develop and implement a | | | | |
| 33 | statewide program of public education, evidence-based training, health and behavioral health | | | | |
| 34 | provider capacity-building, and related suicide prevention activity. | | | | |
| 35 | L.1. Beginning October 1, 2013, the Commissioner of the Department of Behavioral Health | | | | |
| 36 | and Developmental Services shall provide quarterly reports to the House Appropriations and | | | | |
| 37 | Senate Finance Committees on progress in implementing the plan to close state training | | | | |
| 38 | centers and transition residents to the community. The reports shall provide the following | | | | |
| 39 | information on each state training center: (i) the number of authorized representatives who | | | | |
| 40 | have made decisions regarding the long-term type of placement for the resident they represent | | | | |
| 41 | and the type of placement they have chosen; (ii) the number of authorized representatives who | | | | |
| 42 | have not yet made such decisions; (iii) barriers to discharge; (iv) the general fund and | | | | |
| 43 | nongeneral fund cost of the services provided to individuals transitioning from training | | | | |
| 44 | centers; and (v) the use of increased Medicaid reimbursement for congregate residential | | | | |
| 45 | services to meet exceptional needs of individuals transitioning from state training centers. | | | | |
| 46 | 2. At least six months prior to the closure of a state intellectual disabilities training center, the | | | | |
| 47 | Commissioner of Behavioral Health and Developmental Services shall complete a | | | | |
| 48 | comprehensive survey of each individual residing in the facility slated for closure to | | | | |
| 49 | determine the services and supports the individual will need to receive appropriate care in the | | | | |
| 50 | community. The survey shall also determine the adequacy of the community to provide care | | | | |
| 51 | and treatment for the individual, including but not limited to, the appropriateness of current | | | | |
| 52 | provider rates, adequacy of waiver services, and availability of housing. The Commissioner | | | | |
| 53 | shall report quarterly findings to the Governor and Chairmen of the House Appropriations and | | | | |
| 54 | Senate Finance Committees. | | | | |
| 55 | 3. The department shall convene quarterly meetings with authorized representatives, families, | | | | |
| 56 | and service providers in Health Planning Regions I, II, III and IV to provide a mechanism to | | | | |

| ITEM 313. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | (i) promote routine collaboration between families and authorized representatives, the | | | | |
| 2 | department, community services boards, and private providers; (ii) ensure the successful | | | | |
| 3 | transition of training center residents to the community; and (iii) gather input on Medicaid | | | | |
| 4 | waiver redesign to better serve individuals with intellectual and developmental disability. | | | | |
| 5 | 4. In the event that provider capacity cannot meet the needs of individuals transitioning | | | | |
| 6 | from training centers to the community, the department shall work with community | | | | |
| 7 | services boards and private providers to explore the feasibility of developing (i) a limited | | | | |
| 8 | number of small community group homes or intermediate care facilities to meet the needs | | | | |
| 9 | of residents transitioning to the community, and/or (ii) a regional support center to provide | | | | |
| 10 | specialty services to individuals with intellectual and developmental disabilities whose | | | | |
| 11 | medical, dental, rehabilitative or other special needs cannot be met by community | | | | |
| 12 | providers. The Commissioner shall report on these efforts to the House Appropriations | | | | |
| 13 | and Senate Finance Committees as part of the quarterly report, pursuant to paragraph L.1. | | | | |
| 14 | M.1. A joint subcommittee of the House Appropriations and Senate Finance Committees, | | | | |
| 15 | in collaboration with the Secretary of Health and Human Resources and the Department of | | | | |
| 16 | Behavioral Health and Developmental Services, shall continue to monitor and review the | | | | |
| 17 | closure plans for the three remaining training centers scheduled to close by 2020. As part | | | | |
| 18 | of this review process the joint subcommittee may evaluate options for those individuals | | | | |
| 19 | in training centers with the most intensive medical and behavioral needs to determine the | | | | |
| 20 | appropriate types of facility or residential settings necessary to ensure the care and safety | | | | |
| 21 | of those residents is appropriately factored into the overall plan to transition to a more | | | | |
| 22 | community-based system. In addition, the joint subcommittee may review the plans for | | | | |
| 23 | the redesign of the Intellectual Disability, Developmental Disability and Day Support | | | | |
| 24 | Waivers. | | | | |
| 25 | 2. To assist the joint subcommittee, the Department of Behavioral Health and | | | | |
| 26 | Developmental Services shall provide a quarterly accounting of the costs to operate and | | | | |
| 27 | maintain each of the existing training centers at a level of detail as determined by the joint | | | | |
| 28 | subcommittee. The quarterly reports for the first, second and third quarter shall be due to | | | | |
| 29 | the joint subcommittee 20 days after the close of the quarter. The fourth quarter report shall | | | | |
| 30 | be due on August 15 of each year. | | | | |
| 31 | N. The Department of Behavioral Health and Developmental Services in collaboration | | | | |
| 32 | with the Department of Medical Assistance Services shall provide a detailed report for | | | | |
| 33 | each fiscal year on the budget, expenditures, and number of recipients for each specific | | | | |
| 34 | intellectual disability (ID) and developmental disability (DD) service provided through the | | | | |
| 35 | Medicaid program or other programs in the Department of Behavioral Health and | | | | |
| 36 | Developmental Services. This report shall also include the overall budget and | | | | |
| 37 | expenditures for the ID, DD and Day Support waivers separately. The Department of | | | | |
| 38 | Medical Assistance Services shall provide the necessary information to the Department of | | | | |
| 39 | Behavioral Health and Developmental Services 90 days after the end of each fiscal year. | | | | |
| 40 | This information shall be published on the Department of Behavioral Health and | | | | |
| 41 | Developmental Services' website within 120 days after the end of each fiscal year. | | | | |
| 42 | O. Effective July 1, 2015, the Department of Behavioral Health and Developmental | | | | |
| 43 | Services shall not charge any fee to Community Services Boards or private providers for | | | | |
| 44 | use of the knowledge center, an on-line training system. | | | | |
| 45 | P. The Department of Behavioral Health and Developmental Services in collaboration | | | | |
| 46 | with the Community Services Boards shall compile and report all available information | | | | |
| 47 | regarding the services and support needs of the individuals on waiting lists for Intellectual | | | | |
| 48 | and Developmental Disability (I/DD) waiver services, including an estimate of the number | | | | |
| 49 | of graduates with I/DD who are exiting secondary education each fiscal year. The | | | | |
| 50 | department shall submit a report to the Chairmen of the House Appropriations and Senate | | | | |
| 51 | Finance Committees by December 1, 2015. | | | | |
| 52 | Q.1. Out of this appropriation, \$400,000 the first year from the general fund is included to | | | | |
| 53 | provide compensation to individuals who were involuntarily sterilized pursuant to the | | | | |
| 54 | Virginia Eugenical Sterilization Act and who were living as of February 1, 2015. In | | | | |
| 55 | addition, any funds carried over from House Bill 29 passed by the 2016 General Assembly | | | | |
| 56 | from Item 307 T, shall also be used for this purpose. | | | | |

| ITEM 313. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 2. A claim may be submitted on behalf of an individual by a person lawfully authorized to act | | | | |
| 2 | on the individual's behalf. A claim may be submitted by the estate of or personal | | | | |
| 3 | representative of, an individual who dies on or after February 1, 2015. | | | | |
| 4 | 3. Reimbursement shall be contingent on the individual or their representative providing | | | | |
| 5 | appropriate documentation and information to verify the claim under guidelines established | | | | |
| 6 | by the department. | | | | |
| 7 | 4. Reimbursement per verified claim shall be \$25,000 and shall be contingent on funding | | | | |
| 8 | being available, with disbursements being prioritized based on the date at which sufficient | | | | |
| 9 | documentation is provided. | | | | |
| 10 | 5. Should the funding provided for compensation be exhausted prior to the end of fiscal year | | | | |
| 11 | 2018, the department shall continue to collect applications. The department shall provide a | | | | |
| 12 | report to the Governor and the Chairmen of the House Appropriations and Senate Finance | | | | |
| 13 | Committees on a quarterly basis on the number of additional individuals who have been | | | | |
| 14 | applied. | | | | |
| 15 | R. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from the | | | | |
| 16 | general fund shall be used to provide mental health first aid training and certification to | | | | |
| 17 | recognize and respond to mental or emotional distress. Funding shall be used to cover the cost | | | | |
| 18 | of personnel dedicated to this activity, training, manuals, and certification for all those | | | | |
| 19 | receiving the training. | | | | |
| 20 | S. The Department of Behavioral Health and Developmental Services shall review and | | | | |
| 21 | evaluate existing mental health dockets used by courts in the Commonwealth to develop a | | | | |
| 22 | model that can be replicated in other courts and jurisdictions that determine a need for such a | | | | |
| 23 | docket. As part of the review, the department shall evaluate mental health dockets in other | | | | |
| 24 | states and incorporate best practices. The department shall include consideration for a | | | | |
| 25 | specialty veterans mental health docket and the feasibility for such a docket to handle a | | | | |
| 26 | population with unique needs. The evaluation shall also review funding practices of these | | | | |
| 27 | dockets by courts or local governments. The department shall prepare a report on a model | | | | |
| 28 | program and post it to their website no later than December 1, 2016, and provide notice of the | | | | |
| 29 | report's availability to courts and local governments. | | | | |
| 30 | T.1. Out of this appropriation, up to \$100,000 the first year from the general fund is provided | | | | |
| 31 | to the Department of Behavioral Health and Developmental Services to contract with an | | | | |
| 32 | independent contractor to develop options for the General Assembly. Such contract shall | | | | |
| 33 | consider the Commonwealth's options of how to operate the Central Virginia Training Center | | | | |
| 34 | to provide care in the event that sufficient community capacity is not available or is | | | | |
| 35 | insufficient to meet the care needs of individuals. The options developed shall focus on | | | | |
| 36 | operating the facility by primarily utilizing the newly renovated buildings and include | | | | |
| 37 | estimates on operating and capital costs and other operational changes necessary to operate | | | | |
| 38 | such facility. The department, in collaboration with the Department of Planning and Budget | | | | |
| 39 | (DPB), shall develop the Request for Proposals (RFP), if the RFP process is utilized. DPB | | | | |
| 40 | shall review the proposals, along with the department, and no award shall be approved | | | | |
| 41 | without the concurrence of DPB. If the RFP process is not used for any reason then DPB staff | | | | |
| 42 | shall be jointly involved with the department in selecting the contractor and shall grant final | | | | |
| 43 | approval before awarding the contract. The Department of Behavioral Health and | | | | |
| 44 | Developmental Services shall provide all necessary information in a timely manner as | | | | |
| 45 | requested by the contractor. The contract shall require the work to be completed and the plan | | | | |
| 46 | submitted by December 1, 2016, to the Chairmen of the House Appropriations and Senate | | | | |
| 47 | Finance Committees. | | | | |
| 48 | 2. The Department of Behavioral Health and Developmental Services shall make available | | | | |
| 49 | relevant information as requested by private entities considering possible submission of | | | | |
| 50 | proposals in accordance with Chapter 22.1 of the Code of Virginia that are related to Central | | | | |
| 51 | Virginia Training Center. | | | | |
| 52 | U. Out of this appropriation, \$200,000 the second year from the federal State Targeted | | | | |
| 53 | Response to the Opioid Crisis Grant is provided for the purchase of opioid overdose reversal | | | | |
| 54 | kits and opioid antidotes. | | | | |
| 55 | V. The Department of Behavioral Health and Developmental Services shall provide a | | | | |

| ITEM 313. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------------------|--------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | progress report on the implementation of the Developmentally Disabled Waiver programs | | | | |
| 2 | to include information about the population served by the waivers, the level and | | | | |
| 3 | reimbursement tier, and service utilization and expenses for (i) individuals who have used | | | | |
| 4 | waiver services for less than one year and (ii) individuals who have used waiver services | | | | |
| 5 | for 1-5 years. The department shall submit this report by October 15, 2017 to the | | | | |
| 6 | Chairmen of the House Appropriations and Senate Finance Committees. | | | | |
| 7 | W. The Department of Behavioral Health and Developmental Services shall provide a | | | | |
| 8 | report on the management and characteristics of individuals on the waiting list for services | | | | |
| 9 | through the Developmentally Disabled Waiver programs. The report shall include (i) the | | | | |
| 10 | age of individuals on the waiting list, and (ii) the number of individuals designated as | | | | |
| 11 | Priority 1, 2 and 3 on the waiting list. The department shall submit this report by October | | | | |
| 12 | 15, 2017 to the Chairmen of the House Appropriations and Senate Finance Committees. | | | | |
| 13 | 314. Not set out. | | | | |
| 14 | Total for Department of Behavioral Health and | | | | |
| 15 | Developmental Services..... | | | \$88,606,080 | \$92,485,514 |
| 16 | | | | | \$92,685,514 |
| 17 | General Fund Positions..... | 393.60 | 391.75 | | |
| 18 | Nongeneral Fund Positions..... | 29.40 | 29.25 | | |
| 19 | Position Level..... | 423.00 | 421.00 | | |
| 20 | Fund Sources: General..... | \$55,086,308 | \$58,642,823 | | |
| 21 | | | \$58,842,823 | | |
| 22 | Special..... | \$14,550,780 | \$14,605,309 | | |
| 23 | Federal Trust..... | \$18,968,992 | \$19,237,382 | | |
| 24 | | | | | |
| | | Grants to Localities (790) | | | |
| 25 | 315. Financial Assistance for Health Services (44500).... | | | \$397,142,984 | \$425,201,175 |
| 26 | | | | | \$426,082,891 |
| 27 | Community Substance Abuse Services (44501)..... | \$97,162,190 | \$97,162,190 | | |
| 28 | Community Mental Health Services (44506)..... | \$230,617,697 | \$249,962,348 | | |
| 29 | Community Developmental Disability Services | | | | |
| 30 | (44507)..... | \$69,363,097 | \$78,076,637 | | |
| 31 | | | \$78,958,353 | | |
| 32 | Fund Sources: General..... | \$330,827,537 | \$349,491,728 | | |
| 33 | | | \$350,373,444 | | |
| 34 | Dedicated Special Revenue..... | \$4,000,000 | \$8,550,000 | | |
| 35 | Federal Trust..... | \$62,315,447 | \$67,159,447 | | |
| 36 | Authority: Title 37.2, Chapters 5 and 6; Title 2.2, Chapter 53, Code of Virginia. | | | | |
| 37 | A. It is the intent of the General Assembly that community mental health, intellectual | | | | |
| 38 | disability and substance abuse services are to be improved throughout the state. Funds | | | | |
| 39 | provided in this Item shall not be used to supplant the funding effort provided by localities | | | | |
| 40 | for services existing as of June 30, 1996. | | | | |
| 41 | B. Further, it is the intent of the General Assembly that funds appropriated for this Item | | | | |
| 42 | may be used by Community Services Boards to purchase, develop, lease, or otherwise | | | | |
| 43 | obtain, in accordance with §§ 37.2-504 and 37.2-605, Code of Virginia, real property | | | | |
| 44 | necessary to the provision of residential services funded by this Item. | | | | |
| 45 | C. Out of the appropriation for this Item, funds are provided to Community Services | | | | |
| 46 | Boards in an amount sufficient to reimburse the Virginia Housing Development Authority | | | | |
| 47 | for principal and interest payments on residential projects for the mentally disabled | | | | |
| 48 | financed by the Housing Authority. | | | | |
| 49 | D. The Department of Behavioral Health and Developmental Services shall make | | | | |
| 50 | payments to the Community Services Boards from this Item in twenty-four equal | | | | |

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

| ITEM 315. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Funded services shall focus on recovery models and the use of best practices. | | | | |
| 2 | N. Out of this appropriation, \$2,780,645 the first year and \$2,780,645 the second year | | | | |
| 3 | from the general fund shall be used to provide outpatient clinician services to children | | | | |
| 4 | with mental health needs. Each Community Services Board shall receive funding as | | | | |
| 5 | determined by the commissioner to increase the availability of specialized mental health | | | | |
| 6 | services for children. The department shall require that each Community Services Board | | | | |
| 7 | receiving these funds agree to cooperate with Court Service Units in their catchment areas | | | | |
| 8 | to provide services to mandated and nonmandated children, in their communities, who | | | | |
| 9 | have been brought before Juvenile and Domestic Relations Courts and for whom | | | | |
| 10 | treatment services are needed to reduce the risk these children pose to themselves and | | | | |
| 11 | their communities or who have been referred for services through family assessment and | | | | |
| 12 | planning teams through the Comprehensive Services Act for At-Risk Youth and Families. | | | | |
| 13 | O. Out of this appropriation, \$17,701,997 the first year and \$17,701,997 the second year | | | | |
| 14 | from the general fund shall be used to provide emergency services, crisis stabilization | | | | |
| 15 | services, case management, and inpatient and outpatient mental health services for | | | | |
| 16 | individuals who are in need of emergency mental health services or who meet the criteria | | | | |
| 17 | for mental health treatment set forth pursuant to §§ 19.2-169.6 , 19.2-176 , 19.2-177.1 , | | | | |
| 18 | 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 | | | | |
| 19 | Virginia. Funding provided in this item also shall be used to offset the fiscal impact of (i) | | | | |
| 20 | establishing and providing mandatory outpatient treatment, pursuant to House Bill 499 | | | | |
| 21 | and Senate Bill 246, 2008 Session of General Assembly; and (ii) attendance at involuntary | | | | |
| 22 | commitment hearings by community services board staff who have completed the | | | | |
| 23 | prescreening report, pursuant to §§ 19.2-169.6 , 19.2-176 , 19.2-177.1 , 37.2-808 , 37.2-809 , | | | | |
| 24 | 37.2-813 , 37.2-815 , 37.2-816 , 37.2-817 and 53.1-40.2 of the Code of Virginia. | | | | |
| 25 | P. Out of this appropriation, \$8,800,000 the first year and \$8,800,000 the second year | | | | |
| 26 | from the general fund shall be used to provide community crisis intervention services in | | | | |
| 27 | each region for individuals with intellectual or developmental disabilities and co-occurring | | | | |
| 28 | mental health or behavioral disorders. | | | | |
| 29 | Q. Out of this appropriation, \$1,900,000 the first year and \$1,900,000 the second year | | | | |
| 30 | from the general fund shall be used to expand community-based services in Health | | | | |
| 31 | Planning Region V. These funds shall be used for services intended to delay or deter | | | | |
| 32 | placement, or provide discharge assistance for patients in a state mental health facility. | | | | |
| 33 | R. Out of this appropriation, \$2,000,000 the first year and \$2,000,000 the second year | | | | |
| 34 | from the general fund shall be used to expand crisis stabilization and related services | | | | |
| 35 | statewide intended to delay or deter placement in a state mental health facility. | | | | |
| 36 | S. Out of this appropriation, \$8,400,000 the first year and \$8,400,000 the second year | | | | |
| 37 | from the general fund shall be used to provide child psychiatry and children's crisis | | | | |
| 38 | response services for children with mental health and behavioral disorders. These funds, | | | | |
| 39 | divided among the health planning regions based on the current availability of the | | | | |
| 40 | services, shall be used to hire or contract with child psychiatrists who can provide direct | | | | |
| 41 | clinical services, including crisis response services, as well as training and consultation | | | | |
| 42 | with other children's health care providers in the health planning region such as general | | | | |
| 43 | practitioners, pediatricians, nurse practitioners, and community service boards staff, to | | | | |
| 44 | increase their expertise in the prevention, diagnosis, and treatment of children with mental | | | | |
| 45 | health disorders. Funds may also be used to create new or enhance existing community- | | | | |
| 46 | based crisis response services in a health planning region, including mobile crisis teams | | | | |
| 47 | and crisis stabilization services, with the goal of diverting children from inpatient | | | | |
| 48 | psychiatric hospitalization to less restrictive services in or near their communities. The | | | | |
| 49 | Department of Behavioral Health and Developmental Services shall report on the use and | | | | |
| 50 | impact of this funding to the Chairmen of the House Appropriations and Senate Finance | | | | |
| 51 | Committees beginning on October 1, 2014 and each year thereafter. | | | | |
| 52 | T. Out of this appropriation, \$10,500,000 the first year and \$10,500,000 the second year | | | | |
| 53 | from the general fund shall be used for up to 32 drop-off centers to provide an alternative | | | | |
| 54 | to incarceration for people with serious mental illness and individuals with acquired brain | | | | |
| 55 | injury and co-occurring serious mental health illness. Priority for new funding shall be | | | | |
| 56 | given to programs that have implemented Crisis Intervention Teams pursuant to § 9.1-102 | | | | |
| 57 | and § 9.1-187 et seq. of the Code of Virginia and have undergone planning to implement | | | | |

| ITEM 315. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | drop-off centers. | | | | |
| 2 | U. Out of this appropriation, \$1,250,000 the first year and \$1,250,000 the second year from | | | | |
| 3 | the general fund shall be used to develop and implement crisis services for children with | | | | |
| 4 | intellectual or developmental disabilities. | | | | |
| 5 | V. Out of this appropriation, \$2,652,500 the first year and \$5,805,000 the second year from | | | | |
| 6 | the general fund shall be used to provide community-based services to individuals residing in | | | | |
| 7 | state hospitals who have been determined clinically ready for discharge. Of this appropriation, | | | | |
| 8 | \$652,500 the first year and \$1,305,000 the second year shall be allocated for individuals | | | | |
| 9 | residing at Western State Hospital who are clinically ready for discharge. | | | | |
| 10 | W. Out of this appropriation, \$620,000 the first year and \$620,000 the second year from the | | | | |
| 11 | general fund shall be used to expand access to telepsychiatry and telemedicine services. | | | | |
| 12 | X. Out of this appropriation, \$8,800,000 the first year and \$8,800,000 the second year from | | | | |
| 13 | the general fund shall be used to implement nine new Programs of Assertive Community | | | | |
| 14 | Treatment (PACT). | | | | |
| 15 | Y. Out of this appropriation, \$4,000,000 the first year and \$4,000,000 the second year from | | | | |
| 16 | the general fund shall be used to increase availability of community-based mental health | | | | |
| 17 | outpatient services for youth and young adults. The Department of Behavioral Health and | | | | |
| 18 | Developmental Services shall report on the use and impact of this funding to the Chairmen of | | | | |
| 19 | the House Appropriations and Senate Finance Committees on December 1, 2016. | | | | |
| 20 | Z. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the | | | | |
| 21 | general fund shall be used to increase mental health inpatient treatment purchased in | | | | |
| 22 | community hospitals. Priority shall be given to regions that exhaust available resources before | | | | |
| 23 | the end of the year in order to ensure treatment is provided in the community and do not result | | | | |
| 24 | in more restrictive placements. | | | | |
| 25 | AA. Out of this appropriation, \$4,270,500 the first year and \$9,170,500 the second year from | | | | |
| 26 | the general fund is provided for permanent supportive housing to support rental subsidies and | | | | |
| 27 | services to be administered by community services boards or private entities to provide stable, | | | | |
| 28 | supportive housing for persons with serious mental illness. The Department of Behavioral | | | | |
| 29 | Health and Developmental Services shall report by October 1, 2016, the number of | | | | |
| 30 | individuals being served through Permanent Supportive Housing, how the funds are allocated | | | | |
| 31 | by organization, the average rental subsidy, and any available outcome-based data to | | | | |
| 32 | determine effectiveness in preventing hospitalizations, incarceration or homelessness. | | | | |
| 33 | BB.1. Out of this appropriation, up to \$4,000,000 the first year shall be provided from the | | | | |
| 34 | Behavioral Health and Developmental Services Trust Fund for one-time expenses related to | | | | |
| 35 | developing housing options, specialized services and making capital improvements to | | | | |
| 36 | enhance and expand services for individuals with intellectual and developmental disabilities. | | | | |
| 37 | A minimum of 60 percent of the appropriation shall be used to build additional capacity in | | | | |
| 38 | Northern Virginia for Virginia citizens with intensive behavioral and/or medical needs who | | | | |
| 39 | currently are not able to access needed services or residential supports. The remaining funding | | | | |
| 40 | shall be for projects that address the needs of individuals who are transitioning to the | | | | |
| 41 | community from the Southwestern Virginia Training Center. Such projects shall be located in | | | | |
| 42 | Virginia within 100 miles of the Southwestern Virginia Training Center. The Department of | | | | |
| 43 | Behavioral Health and Developmental Services shall give preference to projects involving | | | | |
| 44 | existing Virginia providers to expand service capacity. | | | | |
| 45 | 2. The Department of Behavioral Health and Developmental Services shall report on the use | | | | |
| 46 | of the funds from the Trust Fund by December 1, 2016 to the Chairmen of the House | | | | |
| 47 | Appropriations and Senate Finance Committees. | | | | |
| 48 | 3. Pursuant to language contained in Item 312, paragraph C., any unexpended funds in the | | | | |
| 49 | Trust Fund shall remain in the Trust Fund and are subject to an appropriation in an | | | | |
| 50 | appropriation bill passed by the General Assembly. | | | | |
| 51 | CC. Out of this appropriation, \$400,000 the first year and \$400,000 the second year is | | | | |
| 52 | provided for rental subsidies and associated costs for individuals served through the Rental | | | | |
| 53 | Choice VA program. | | | | |

| ITEM 315. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | DD. Out of this appropriation, \$1,875,000 the first year and \$3,750,000 the second year | | | | |
| 2 | from the general fund shall be used to implement a program of rental subsidies for | | | | |
| 3 | individuals with intellectual and developmental disabilities. | | | | |
| 4 | EE. Out of this appropriation, \$636,000 the first year and \$480,000 the second year from | | | | |
| 5 | the Behavioral Health and Developmental Services Trust Fund is provided for the | | | | |
| 6 | transitional costs of individuals moving from state intellectual disability training centers | | | | |
| 7 | into alternate settings. | | | | |
| 8 | FF. The Department of Behavioral Health and Developmental Services shall develop a | | | | |
| 9 | plan to implement a performance based contracting system for funds provided by the | | | | |
| 10 | department to the Community Services Boards. The department shall work with the | | | | |
| 11 | boards to define performance and outcome measures; describe data collection, analysis | | | | |
| 12 | and reporting requirements and processes; and identify a funding mechanism and the | | | | |
| 13 | estimated costs, including any incentives and disincentives, of implementing the system. | | | | |
| 14 | The department shall submit the plan for consideration to the Secretary of Health and | | | | |
| 15 | Human Resources, the Secretary of Finance, and the chairmen of the House | | | | |
| 16 | Appropriations and Senate Finance Committees by November 1, 2016. | | | | |
| 17 | GG. Out of this appropriation, \$4,895,651 the second year from the general fund shall be | | | | |
| 18 | provided to Community Service Boards and Behavioral Health Authorities to implement | | | | |
| 19 | same day access for community behavioral health services. The Department of Behavioral | | | | |
| 20 | Health and Developmental Services shall report on the disbursement of the funds to the | | | | |
| 21 | Governor and Chairmen of the House Appropriations and Senate Finance Committees no | | | | |
| 22 | later than November 1, 2017, and on any results from the boards who implemented same | | | | |
| 23 | day access and where other boards stand with respect to assessment, consultation, and | | | | |
| 24 | implementation. Annually, thereafter on October 1, the department shall report to the | | | | |
| 25 | Governor and Chairmen of the House Appropriations and Senate Finance Committees on | | | | |
| 26 | the effectiveness and outcomes of the program funding. | | | | |
| 27 | HH. Out of this appropriation, \$5,000,000 the second year from the federal State Targeted | | | | |
| 28 | Response to the Opioid Crisis Grant is provided to increase access to medication assisted | | | | |
| 29 | treatment for individuals with substance use disorders who are addicted to opioids. In | | | | |
| 30 | expending this amount, the department shall ensure that preferred drug classes shall | | | | |
| 31 | include non-narcotic, non-addictive, injectable prescription drug treatment regimens. | | | | |
| 32 | II. Out of this appropriation, \$1,000,000 the second year from the general fund is provided | | | | |
| 33 | for community detoxification and sobriety services for individuals in crisis. | | | | |
| 34 | JJ. Out of this appropriation, \$880,000 the second year from the general fund is provided | | | | |
| 35 | for one regional, multi-disciplinary team for older adults. This team shall provide clinical, | | | | |
| 36 | medical, nursing, and behavioral expertise and psychiatric services to nursing facilities | | | | |
| 37 | and assisted living facilities. | | | | |
| 38 | KK. Out of this appropriation, \$8,550,000 the second year is provided from the Behavioral | | | | |
| 39 | Health and Developmental Services Trust Fund and shall be used for: (i) development of | | | | |
| 40 | behavior/medical intense programs; (ii) subsidies for capital costs associated with rental | | | | |
| 41 | units; (iii) establishment of a House Call Program in Northern Virginia; (iv) support for | | | | |
| 42 | individual crisis events; and (v) development of providers in Virginia for individuals with | | | | |
| 43 | intellectual and developmental disabilities with significant behavioral and mental health | | | | |
| 44 | support needs. | | | | |
| 45 | Total for Grants to Localities..... | | | \$397,142,984 | \$425,201,175 |
| 46 | | | | | \$426,082,891 |
| 47 | Fund Sources: General..... | \$330,827,537 | \$349,491,728 | | |
| 48 | | | \$350,373,444 | | |
| 49 | Dedicated Special Revenue..... | \$4,000,000 | \$8,550,000 | | |
| 50 | Federal Trust..... | \$62,315,447 | \$67,159,447 | | |
| 51 | 316. Not set out. | | | | |
| 52 | 317. Not set out. | | | | |

| ITEM 318. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|--|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 318. | Not set out. | | | |
| 2 | 319. | Not set out. | | | |
| 3 | 320. | Not set out. | | | |
| 4 | 321. | Not set out. | | | |
| 5 | 322. | Not set out. | | | |
| 6 | 323. | Not set out. | | | |
| 7 | 324. | Not set out. | | | |
| 8 | 325. | Not set out. | | | |
| 9 | 326. | Not set out. | | | |
| 10 | Virginia Center for Behavioral Rehabilitation (794) | | | | |
| 11 | 327. | Not set out. | | | |
| 12 | 328. | Not set out. | | | |
| 13 | 329. | Not set out. | | | |
| 14 | 330. | State Health Services (43000)..... | | | \$9,633,569 |
| 15 | | | | | \$9,633,569 |
| 16 | | State Mental Health Facility Services (43014)..... | \$9,633,569 | \$9,633,569 | |
| 17 | | | | \$9,847,416 | |
| 18 | | Fund Sources: General..... | \$9,633,569 | \$9,633,569 | |
| 19 | | | | \$9,847,416 | |
| 20 | | Authority: Title 37.2, Chapters 1 and 9, Code of Virginia. | | | |
| 21 | 331. | Not set out. | | | |
| 22 | | Total for Virginia Center for Behavioral | | | |
| 23 | | Rehabilitation..... | | | \$35,428,802 |
| 24 | | | | | \$35,738,470 |
| 25 | | General Fund Positions..... | 564.50 | 576.50 | |
| 26 | | | | 596.50 | |
| 27 | | Position Level..... | 564.50 | 576.50 | |
| 28 | | | | 596.50 | |
| 29 | | Fund Sources: General..... | \$35,428,802 | \$35,738,470 | |
| 30 | | | | \$35,952,317 | |
| 31 | | Grand Total for Department of Behavioral Health | | | |
| 32 | | and Developmental Services..... | | | \$1,092,932,248 |
| 33 | | | | | \$1,119,153,084 |
| 34 | | General Fund Positions..... | 5,935.10 | 5,970.25 | |
| 35 | | | | 5,990.25 | |
| 36 | | Nongeneral Fund Positions..... | 1,602.40 | 1,602.25 | |
| 37 | | Position Level..... | 7,537.50 | 7,572.50 | |
| 38 | | | | 7,592.50 | |
| 39 | | Fund Sources: General..... | \$749,145,364 | \$772,594,888 | |
| 40 | | | | \$773,890,451 | |
| 41 | | Special..... | \$258,102,445 | \$251,211,367 | |

| ITEM 331. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-------------------------|----------------------|-------------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Dedicated Special Revenue..... | \$4,000,000 | \$8,550,000 | | |
| 2 | Federal Trust..... | \$81,684,439 | \$86,796,829 | | |
| 3 | 332. Not set out. | | | | |
| 4 | 333. Not set out. | | | | |
| 5 | 334. Not set out. | | | | |
| 6 | 335. Not set out. | | | | |
| 7 | 336. Not set out. | | | | |
| 8 | 337. Not set out. | | | | |
| 9 | 338. Not set out. | | | | |
| 10 | 339. Not set out. | | | | |
| 11 | 340. Not set out. | | | | |
| 12 | § 1-14. DEPARTMENT OF SOCIAL SERVICES (765) | | | | |
| 13 | 341. Program Management Services (45100)..... | | | \$39,192,893 | \$38,872,182 |
| 14 | | | | | \$39,381,664 |
| 15 | Training and Assistance to Local Staff (45101)..... | \$4,389,082 | \$4,439,943 | | |
| 16 | Central Administration and Quality Assurance for | | | | |
| 17 | Benefit Programs (45102)..... | \$13,260,449 | \$12,959,820 | | |
| 18 | | | \$13,200,652 | | |
| 19 | Central Administration and Quality Assurance for | | | | |
| 20 | Family Services (45103)..... | \$7,740,353 | \$7,669,410 | | |
| 21 | | | \$7,723,140 | | |
| 22 | Central Administration and Quality Assurance for | | | | |
| 23 | Community Programs (45105)..... | \$8,947,984 | \$8,947,984 | | |
| 24 | | | \$9,162,904 | | |
| 25 | Central Administration and Quality Assurance for | | | | |
| 26 | Child Care Activities (45107)..... | \$4,855,025 | \$4,855,025 | | |
| 27 | Fund Sources: General..... | \$15,406,927 | \$15,331,101 | | |
| 28 | | | \$15,497,782 | | |
| 29 | Special..... | \$100,000 | \$100,000 | | |
| 30 | Federal Trust..... | \$23,685,966 | \$23,441,081 | | |
| 31 | | | \$23,783,882 | | |
| 32 | Authority: Title 2.2, Chapter 54; Title 63.2, Chapters 2 and 21, Code of Virginia; Title VI, | | | | |
| 33 | Subtitle B, P.L. 97-35, as amended; P.L. 103-252, as amended; P.L. 104-193, as amended, | | | | |
| 34 | Federal Code. | | | | |
| 35 | A. The Department of Social Services, in collaboration with the Office of Children's | | | | |
| 36 | Services, shall provide training to local staff serving on Family Assessment and Planning | | | | |
| 37 | Teams and Community Policy and Management Teams. Training shall include, but need | | | | |
| 38 | not be limited to, the federal and state requirements pertaining to the provision of the | | | | |
| 39 | foster care services funded under § 2.2-5211, Code of Virginia. The training shall also | | | | |
| 40 | include written guidance concerning which services remain the financial responsibility of | | | | |
| 41 | the local departments of social services. Training shall be provided on a regional basis at | | | | |
| 42 | least once per year. Written guidance shall be updated and provided to local Office of | | | | |
| 43 | Children's Services teams whenever there is a change in allowable expenses under federal | | | | |
| 44 | or state guidelines. In addition, the Department of Social Services shall provide ongoing | | | | |
| 45 | local oversight of its federal and state requirements related to the provision of services | | | | |
| 46 | funded under § 2.2-5211, Code of Virginia. | | | | |
| 47 | B. By November 1 of each year, the Department of Planning and Budget, in cooperation | | | | |

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

| ITEM 342. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | to the State Plan for the Temporary Assistance for Needy Families program, the | | | |
| 2 | Commissioner of the Department of Social Services shall provide the Chairmen of the | | | |
| 3 | House Appropriations and Senate Finance Committees as well as the Director, | | | |
| 4 | Department of Planning and Budget written documentation detailing the proposed policy | | | |
| 5 | changes. This documentation shall include an estimate of the fiscal impact of the proposed | | | |
| 6 | changes and information summarizing public comment that was received on the proposed | | | |
| 7 | changes. | | | |
| 8 | C. Notwithstanding any other provision of state law, the Department of Social Services | | | |
| 9 | shall maintain a separate state program, as that term is defined by federal regulations | | | |
| 10 | governing the Temporary Assistance for Needy Families (TANF) program, 45 C.F.R. § | | | |
| 11 | 260.30, for the purpose of providing welfare cash assistance payments to able-bodied two- | | | |
| 12 | parent families. The separate state program shall be funded by state funds and operated | | | |
| 13 | outside of the TANF program. Able-bodied two-parent families shall not be eligible for | | | |
| 14 | TANF cash assistance as defined at 45 C.F.R. § 260.31 (a)(1), but shall receive benefits | | | |
| 15 | under the separate state program provided for in this paragraph. Although various | | | |
| 16 | conditions and eligibility requirements may be different under the separate state program, | | | |
| 17 | the basic benefit payment for which two-parent families are eligible under the separate | | | |
| 18 | state program shall not be less than what they would have received under TANF. The | | | |
| 19 | Department of Social Services shall establish regulations to govern this separate state | | | |
| 20 | program. | | | |
| 21 | D. As a condition of this appropriation, the Department of Social Services shall disregard | | | |
| 22 | the value of one motor vehicle per assistance unit in determining eligibility for cash | | | |
| 23 | assistance in the Temporary Assistance for Needy Families (TANF) program and in the | | | |
| 24 | separate state program for able-bodied two-parent families. | | | |
| 25 | E. The Department of Social Services, in collaboration with local departments of social | | | |
| 26 | services, shall maintain minimum performance standards for all local departments of | | | |
| 27 | social services participating in the Virginia Initiative for Employment, Not Welfare | | | |
| 28 | (VIEW) program. The department shall allocate VIEW funds to local departments of | | | |
| 29 | social services based on these performance standards and VIEW caseloads. The allocation | | | |
| 30 | formula shall be developed and revised in cooperation with the local social services | | | |
| 31 | departments and the Department of Planning and Budget. | | | |
| 32 | F. A participant whose Temporary Assistance for Needy Families (TANF) financial | | | |
| 33 | assistance is terminated due to the receipt of 24 months of assistance as specified in § | | | |
| 34 | 63.2-612, Code of Virginia, or due to the closure of the TANF case prior to the completion | | | |
| 35 | of 24 months of TANF assistance, excluding cases closed with a sanction for | | | |
| 36 | noncompliance with the Virginia Initiative for Employment Not Welfare program, shall be | | | |
| 37 | eligible to receive employment and training assistance for up to 12 months after | | | |
| 38 | termination, if needed, in addition to other transitional services provided pursuant to § | | | |
| 39 | 63.2-611, Code of Virginia. | | | |
| 40 | G. The Department of Social Services, in conjunction with the Department of Correctional | | | |
| 41 | Education, shall identify and apply for federal, private and faith-based grants for pre- | | | |
| 42 | release parenting programs for non-custodial incarcerated parent offenders committed to | | | |
| 43 | the Department of Corrections, including but not limited to the following grant programs: | | | |
| 44 | Promoting Responsible Fatherhood and Healthy Marriages, State Child Access and | | | |
| 45 | Visitation Block Grant, Serious and Violent Offender Reentry Initiative Collaboration, | | | |
| 46 | Special Improvement Projects, § 1115 Social Security Demonstration Grants, and any new | | | |
| 47 | grant programs authorized under the federal Temporary Assistance for Needy Families | | | |
| 48 | (TANF) block grant program. | | | |
| 49 | H.1. Out of this appropriation, \$10,703,748 the first year and \$10,703,748 the second year | | | |
| 50 | from nongeneral funds is included for Head Start wraparound child care services. | | | |
| 51 | 2. Included in this Item is funding to carry out the former responsibilities of the Virginia | | | |
| 52 | Council on Child Day Care and Early Childhood Programs. Nongeneral fund | | | |
| 53 | appropriations allocated for uses associated with the Head Start program shall not be | | | |
| 54 | transferred for any other use until eligible Head Start families have been fully served. Any | | | |
| 55 | remaining funds may be used to provide services to enrolled low-income families in | | | |
| 56 | accordance with federal and state requirements. Families, who are working or in education | | | |
| 57 | and training programs, with income at or below the poverty level, whose children are | | | |

| ITEM 342. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|--|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | enrolled in Head Start wraparound programs paid for with the federal block grant funding in | | | |
| 2 | this Item shall not be required to pay fees for these wraparound services. | | | |
| 3 | I. Out of this appropriation, \$2,647,305 the first year and \$2,647,305 the second year from the | | | |
| 4 | general fund and \$72,503,762 the first year and \$72,503,762 the second year from federal | | | |
| 5 | funds shall be provided to support state child care programs which will be administered on a | | | |
| 6 | sliding scale basis to income eligible families. The sliding fee scale and eligibility criteria are | | | |
| 7 | to be set according to the rules and regulations of the State Board of Social Services, except | | | |
| 8 | that the income eligibility thresholds for child care assistance shall account for variations in | | | |
| 9 | the local cost of living index by metropolitan statistical areas. The Department of Social | | | |
| 10 | Services shall make the necessary amendments to the Child Care and Development Funds | | | |
| 11 | Plan to accomplish this intent. Funds shall be targeted to families who are most in need of | | | |
| 12 | assistance with child care costs. Localities may exceed the standards established by the state | | | |
| 13 | by supplementing state funds with local funds. | | | |
| 14 | J. Out of this appropriation, \$600,000 the first year and \$600,000 the second year from | | | |
| 15 | nongeneral funds shall be used to provide scholarships to students in early childhood | | | |
| 16 | education and related majors who plan to work in the field, or already are working in the field, | | | |
| 17 | whether in public schools, child care or other early childhood programs, and who enroll in a | | | |
| 18 | state community college or a state supported senior institution of higher education. | | | |
| 19 | K. Out of this appropriation, \$505,000 the first year and \$505,000 the second year from | | | |
| 20 | nongeneral funds shall be used to provide training of individuals in the field of early | | | |
| 21 | childhood education. | | | |
| 22 | L. Out of this appropriation, \$300,000 the first year and \$300,000 the second year from | | | |
| 23 | nongeneral funds shall be used to provide child care assistance for children in homeless and | | | |
| 24 | domestic violence shelters. | | | |
| 25 | M. Out of this appropriation, the Department of Social Services shall use \$4,800,000 the | | | |
| 26 | second year from the federal Temporary Assistance to Needy Families (TANF) block grant to | | | |
| 27 | provide to each TANF recipient with two or more children in the assistance unit a monthly | | | |
| 28 | TANF supplement equal to the amount the Division of Child Support Enforcement collects up | | | |
| 29 | to \$200, less the \$100 disregard passed through to such recipient. The TANF child support | | | |
| 30 | supplement shall be paid within two months following collection of the child support payment | | | |
| 31 | or payments used to determine the amount of such supplement. For purposes of determining | | | |
| 32 | eligibility for medical assistance services, the TANF supplement described in this paragraph | | | |
| 33 | shall be disregarded. In the event there are sufficient federal TANF funds to provide all other | | | |
| 34 | assistance required by the TANF State Plan, the Commissioner may use unobligated federal | | | |
| 35 | TANF block grant funds in excess of this appropriation to provide the TANF supplement | | | |
| 36 | described in this paragraph. | | | |
| 37 | N. The Department of Social Services shall increase the Temporary Assistance for Needy | | | |
| 38 | Families (TANF) cash benefits by 2.5 percent on July 1, 2016 and by 2.5 percent on July 1, | | | |
| 39 | 2017. | | | |
| 40 | O. The Board of Social Services shall combine Groups I and II for the purposes of Temporary | | | |
| 41 | Assistance to Needy Families cash benefits and use the Group II rates for the new group. | | | |
| 42 | 343. | Financial Assistance for Local Social Services Staff | | |
| 43 | | (46000)..... | | \$431,538,105 |
| 44 | | | | \$436,189,250 |
| 45 | | Local Staff and Operations (46010)..... | \$431,538,105 | \$463,928,469 |
| 46 | | | | \$436,189,250 |
| 47 | | Fund Sources: General..... | \$117,525,003 | \$122,107,972 |
| 48 | | Dedicated Special Revenue..... | \$3,000,000 | \$3,000,000 |
| 49 | | Federal Trust..... | \$311,013,102 | \$311,081,278 |
| 50 | | | | \$338,820,497 |
| 51 | Authority: Title 63.2, Chapters 1 through 7 and 9 through 16, Code of Virginia; P.L. 104-193, | | | |
| 52 | Titles IV A, XIX, and XXI, Social Security Act, Federal Code, as amended. | | | |
| 53 | A. The amounts in this Item shall be expended under regulations of the Board of Social | | | |
| 54 | Services to reimburse county and city welfare/social services boards pursuant to § 63.2-401, | | | |

| ITEM 343. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|--|--------------------------|--------------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Code of Virginia, and subject to the same percentage limitations for other administrative | | | |
| 2 | services performed by county and city public welfare/social services boards and | | | |
| 3 | superintendents of public welfare/social services pursuant to other provisions of the Code | | | |
| 4 | of Virginia, as amended. | | | |
| 5 | B. Pursuant to the provisions of §§ 63.2-403, 63.2-406, 63.2-407, 63.2-408, and 63.2-615 | | | |
| 6 | Code of Virginia, all moneys deducted from funds otherwise payable out of the state | | | |
| 7 | treasury to the counties and cities pursuant to the provisions of § 63.2-408, Code of | | | |
| 8 | Virginia, shall be credited to the applicable general fund account. | | | |
| 9 | C. Included in this appropriation are funds to reimburse local social service agencies for | | | |
| 10 | eligibility workers who interview applicants to determine qualification for public | | | |
| 11 | assistance benefits which include but are not limited to: Temporary Assistance for Needy | | | |
| 12 | Families (TANF); Supplemental Nutrition Assistance Program (SNAP); and Medicaid. | | | |
| 13 | D. Included in this appropriation are funds to reimburse local social service agencies for | | | |
| 14 | social workers who deliver program services which include but are not limited to: child | | | |
| 15 | and adult protective services complaint investigations; foster care and adoption services; | | | |
| 16 | and adult services. | | | |
| 17 | E. Out of the federal fund appropriation for local social services staff, amounts estimated | | | |
| 18 | at \$65,000,000 the first year and \$65,000,000 \$72,000,000 the second year shall be set | | | |
| 19 | aside for allowable local costs which exceed available general fund reimbursement and | | | |
| 20 | amounts estimated at \$16,000,000 the first year and \$16,000,000 \$22,000,000 the second | | | |
| 21 | year shall be set aside to reimburse local governments for allowable costs incurred in | | | |
| 22 | administering public assistance programs. | | | |
| 23 | F. Out of this appropriation, \$439,338 the first year and \$439,338 \$562,260 the second | | | |
| 24 | year from the general fund and \$422,109 the first year and \$422,109 \$540,211 the second | | | |
| 25 | year from nongeneral funds is provided to cover the cost of the health insurance credit for | | | |
| 26 | retired local social services employees. | | | |
| 27 | G. The Department of Social Services shall work with local departments of social services | | | |
| 28 | on a pilot project in the western region of the state to evaluate the available data collected | | | |
| 29 | by local departments on facilitated care arrangements. The department shall, based on the | | | |
| 30 | findings from the pilot project, determine the most appropriate mechanism for collecting | | | |
| 31 | and reporting such data on a statewide basis. | | | |
| 32 | H.1. Out of this appropriation, \$4,527,969 the second year from the general fund shall be | | | |
| 33 | available for the reinvestment of adoption general fund savings as authorized in Title IV, | | | |
| 34 | parts B and E of the federal Social Security Act (P.L. 110-351). | | | |
| 35 | 2. Of the amount in paragraph H.1. above, \$1,333,031 the second year from the general | | | |
| 36 | fund shall be used to provide Child Protective Services (CPS) assessments and | | | |
| 37 | investigations in response to all reports of children born exposed to controlled substances | | | |
| 38 | regardless of whether the substance had been prescribed to the mother when she has | | | |
| 39 | sought or gained substance abuse counseling or treatment. | | | |
| 40 | 344. | Child Support Enforcement Services (46300)..... | | \$772,660,895 |
| 41 | | | | \$772,660,895 |
| 42 | | Support Enforcement and Collection Services | | \$772,104,895 |
| 43 | | (46301)..... | \$107,754,586 | |
| 44 | | | \$107,754,586 | |
| 45 | | Public Assistance Child Support Payments (46302) | | \$107,198,586 |
| 46 | | | \$11,000,000 | |
| 47 | | Non-Public Assistance Child Support Payments | | \$11,000,000 |
| 48 | | (46303)..... | \$653,906,309 | |
| 49 | | Fund Sources: General..... | \$13,288,793 | |
| 50 | | | \$13,288,793 | |
| 51 | | Special..... | \$694,897,989 | |
| 52 | | | \$694,897,989 | |
| 53 | | Federal Trust..... | \$64,474,113 | |
| 54 | | | \$64,474,113 | |
| 54 | Authority: Title 20, Chapters 2 through 3.1 and 4.1 through 9; Title 63.2, Chapter 19, | | | |

| ITEM 344. | Item Details(\$) | | Appropriations(\$) | | |
|-----------|--|--|----------------------|-------------------------|--------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 | |
| 1 | Code of Virginia; P.L. 104-193, as amended; P.L. 105-200, P.L. 106-113, Federal Code. | | | | |
| 2 | A. Any net revenue from child support enforcement collections, after all disbursements are | | | | |
| 3 | made in accordance with state and federal statutes and regulations, and after the state's share | | | | |
| 4 | of the cost of administering the program is paid, shall be estimated and deposited into the | | | | |
| 5 | general fund by June 30 of the fiscal year in which it is collected. Any additional moneys | | | | |
| 6 | determined to be available upon final determination of a fiscal year's costs of administering | | | | |
| 7 | the program shall be deposited to the general fund by September 1 of the subsequent fiscal | | | | |
| 8 | year in which it is collected. | | | | |
| 9 | B. In determining eligibility and amounts for cash assistance, pursuant to the Personal | | | | |
| 10 | Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, the | | | | |
| 11 | department shall continue to disregard up to \$100 per month in child support payments and | | | | |
| 12 | return to recipients of cash assistance up to \$100 per month in child support payments | | | | |
| 13 | collected on their behalf. | | | | |
| 14 | C. The state share of amounts disbursed to recipients of cash assistance pursuant to paragraph | | | | |
| 15 | B of this Item shall be considered part of the Commonwealth's required Maintenance of Effort | | | | |
| 16 | spending for the federal Temporary Assistance for Needy Families program established by the | | | | |
| 17 | Social Security Act. | | | | |
| 18 | D. The department shall expand collections of child support payments through contracts with | | | | |
| 19 | private vendors. However, the Department of Social Services and the Office of the Attorney | | | | |
| 20 | General shall not contract with any private collection agency, private attorney, or other private | | | | |
| 21 | entity for any child support enforcement activity until the State Board of Social Services has | | | | |
| 22 | made a written determination that the activity shall be performed under a proposed contract at | | | | |
| 23 | a lower cost than if performed by employees of the Commonwealth. | | | | |
| 24 | E. The Division of Child Support Enforcement, in cooperation with the Department of | | | | |
| 25 | Medical Assistance Services, shall identify cases for which there is a medical support order | | | | |
| 26 | requiring a noncustodial parent to contribute to the medical cost of caring for a child who is | | | | |
| 27 | enrolled in the Medicaid or Family Access to Medical Insurance Security (FAMIS) Programs. | | | | |
| 28 | Once identified, the division shall work with the Department of Medical Assistance Services | | | | |
| 29 | to take appropriate enforcement actions to obtain medical support or repayments for the | | | | |
| 30 | Medicaid program. | | | | |
| 31 | 345. | Adult Programs and Services (46800)..... | | \$40,061,169 | \$39,561,169 |
| 32 | | | | | \$37,761,169 |
| 33 | | Auxiliary Grants for the Aged, Blind, and Disabled | | | |
| 34 | | (46801)..... | \$21,898,969 | \$21,398,969 | \$19,598,969 |
| 35 | | | | | \$6,822,995 |
| 36 | | Adult In-Home and Supportive Services (46802)..... | \$6,822,995 | \$6,822,995 | |
| 37 | | Domestic Violence Prevention and Support | | | |
| 38 | | Activities (46803)..... | \$11,339,205 | \$11,339,205 | |
| 39 | | Fund Sources: General..... | \$23,356,141 | \$22,856,141 | \$21,056,141 |
| 40 | | | | | \$16,705,028 |
| 41 | | Federal Trust..... | \$16,705,028 | \$16,705,028 | |
| 42 | Authority: Title 63.2, Chapters 1, 16 and 22, Code of Virginia; Title XVI, federal Social | | | | |
| 43 | Security Act, as amended. | | | | |
| 44 | A.1. Effective January 1, 2017 2018, the Department of Social Services, in collaboration with | | | | |
| 45 | the Department for Aging and Rehabilitative Services, is authorized to base approved licensed | | | | |
| 46 | assisted living facility rates for individual facilities on an occupancy rate of 85 percent of | | | | |
| 47 | licensed capacity, not to exceed a maximum rate of \$1,221 \$1,236 per month, which rate is | | | | |
| 48 | also applied to approved adult foster care homes, unless modified as indicated below. The | | | | |
| 49 | department may add a 15 percent differential to the maximum amount for licensed assisted | | | | |
| 50 | living facilities and adult foster care homes in Planning District Eight. | | | | |
| 51 | 2. Effective January 1, 2013, the monthly personal care allowance for auxiliary grant | | | | |
| 52 | recipients who reside in licensed assisted living facilities and approved adult foster care | | | | |
| 53 | homes shall be \$82 per month, unless modified as indicated below. | | | | |
| 54 | 3. The Department of Social Services, in collaboration with the Department for Aging and | | | | |

| ITEM 345. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|--|-------------------------|--------------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Rehabilitative Services, is authorized to increase the assisted living facility and adult | | | |
| 2 | foster care home rates and/or the personal care allowance cited above on January 1 of each | | | |
| 3 | year in which the federal government increases Supplemental Security Income or Social | | | |
| 4 | Security rates or at any other time that the department determines that an increase is | | | |
| 5 | necessary to ensure that the Commonwealth continues to meet federal requirements for | | | |
| 6 | continuing eligibility for federal financial participation in the Medicaid program. Any | | | |
| 7 | such increase is subject to the prior concurrence of the Department of Planning and | | | |
| 8 | Budget. Within thirty days after its effective date, the Department of Social Services shall | | | |
| 9 | report any such increase to the Governor and the Chairmen of the House Appropriations | | | |
| 10 | and Senate Finance Committees with an explanation of the reasons for the increase. | | | |
| 11 | 4. The number of auxiliary grant recipients in a supportive housing setting shall not | | | |
| 12 | exceed 60. | | | |
| 13 | B. Out of this appropriation, \$4,185,189 the first year and \$4,185,189 in the second year | | | |
| 14 | from the federal Social Services Block Grant shall be allocated to provide adult | | | |
| 15 | companion services for low-income elderly and disabled adults. | | | |
| 16 | C. The toll-free telephone hotline operated by the Department of Social Services to | | | |
| 17 | receive child abuse and neglect complaints shall also be publicized and used by the | | | |
| 18 | department to receive complaints of adult abuse and neglect. | | | |
| 19 | D. Out of this appropriation, \$248,750 the first year and \$248,750 the second year from | | | |
| 20 | the general fund and \$1,346,792 the first year and \$1,346,792 the second year from | | | |
| 21 | federal Temporary Assistance for Needy Families (TANF) funds shall be provided as a | | | |
| 22 | grant to local domestic violence programs for purchase of crisis and core services for | | | |
| 23 | victims of domestic violence, including 24-hour hotlines, emergency shelter, emergency | | | |
| 24 | transportation, and other crisis services as a first priority. | | | |
| 25 | E. Out of this appropriation, \$75,000 the first year and \$75,000 the second year from the | | | |
| 26 | general fund and \$400,000 the first year and \$400,000 the second year from nongeneral | | | |
| 27 | funds shall be provided for the purchase of services for victims of domestic violence as | | | |
| 28 | stated in § 63.2-1615, Code of Virginia, in accordance with regulations promulgated by | | | |
| 29 | the Board of Social Services. | | | |
| 30 | F. Out of this appropriation \$1,100,000 the first year and \$1,100,000 the second year from | | | |
| 31 | the general fund and \$2,000,000 the first year and \$2,000,000 the second year from | | | |
| 32 | federal Temporary Assistance to Needy Families (TANF) funds shall be provided as a | | | |
| 33 | grant to local domestic violence programs for services. | | | |
| 34 | <i>G. The Director, Department of Planning and Budget, shall unallot in the second year</i> | | | |
| 35 | <i>\$250,000 from this item which reflects unused balances in the Auxiliary Grant program.</i> | | | |
| 36 | 346. | Child Welfare Services (46900)..... | | \$211,602,863 |
| 37 | | | | \$219,775,860 |
| 38 | | Foster Care Payments (46901)..... | \$60,158,124 | \$226,252,697 |
| 39 | | | \$62,104,143 | |
| 40 | | Supplemental Child Welfare Activities (46902)..... | \$28,063,364 | \$66,507,369 |
| 41 | | | | \$32,249,287 |
| 42 | | Adoption Subsidy Payments (46903)..... | \$123,381,375 | \$32,349,287 |
| 43 | | | | \$125,422,430 |
| 44 | | Fund Sources: General..... | \$107,582,982 | \$127,396,041 |
| 45 | | | | \$109,715,398 |
| 46 | | Special..... | \$425,030 | \$111,958,184 |
| 47 | | Dedicated Special Revenue..... | \$235,265 | \$1,425,030 |
| 48 | | | | \$485,265 |
| 49 | | Federal Trust..... | \$103,359,586 | \$585,265 |
| 50 | | | | \$108,150,167 |
| 51 | | | | \$112,284,218 |
| 52 | | Authority: Title 63.2, Chapters 1, 2, 4 and 8 through 15, Code of Virginia; P.L. 100-294, | | |
| 53 | | P.L. 101-126, P.L. 101-226, P.L. 105-89, P.L. 110-351, P.L. 111-320, as amended, | | |
| 54 | | Federal Code. | | |
| 55 | | A. Expenditures meeting the criteria of Title IV-E of the Social Security Act shall be fully | | |
| | | reimbursed except that expenditures otherwise subject to a standard local matching share | | |

| ITEM 346. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | under applicable state policy, including local staffing, shall continue to require local match. | | | | |
| 2 | The commissioner shall ensure that local social service boards obtain reimbursement for all | | | | |
| 3 | children eligible for Title IV-E coverage. | | | | |
| 4 | B. The commissioner, in cooperation with the Department of Planning and Budget, shall | | | | |
| 5 | establish a reasonable, automatic adjustment for inflation each year to be applied to the room | | | | |
| 6 | and board maximum rates paid to foster parents. However, this provision shall apply only in | | | | |
| 7 | fiscal years following a fiscal year in which salary increases are provided for state employees. | | | | |
| 8 | C. Out of this appropriation, \$500,000 the first year and \$500,000 the second year from the | | | | |
| 9 | general fund shall be provided for the purchase of services for victims child abuse and neglect | | | | |
| 10 | prevention activities as stated in § 63.2-1502, Code of Virginia, in accordance with | | | | |
| 11 | regulations promulgated by the Board of Social Services. | | | | |
| 12 | D. Out of this appropriation, \$180,200 the first year and \$180,200 the second year from the | | | | |
| 13 | general fund and \$99,800 the first year and \$99,800 the second year from nongeneral funds | | | | |
| 14 | shall be provided to continue respite care for foster parents. | | | | |
| 15 | E. Notwithstanding the provisions of §§ 63.2-1300 through 63.2-1303, Code of Virginia, | | | | |
| 16 | adoption assistance subsidies and supportive services shall not be available for children | | | | |
| 17 | adopted through parental placements. This restriction does not apply to existing adoption | | | | |
| 18 | assistance agreements. | | | | |
| 19 | F.1. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from | | | | |
| 20 | the general fund shall be provided to implement pilot programs that increase the number of | | | | |
| 21 | foster care children adopted. | | | | |
| 22 | 2. Beginning July 1, 2017, the department shall provide an annual report, not later than 45 | | | | |
| 23 | days after the end of the state fiscal year, on the use and effectiveness of this funding | | | | |
| 24 | including, but not limited to, the additional number of special needs children adopted from | | | | |
| 25 | foster care as a result of this effort and the types of ongoing supportive services provided, to | | | | |
| 26 | the Governor, Chairmen of House Appropriations and Senate Finance Committees, and the | | | | |
| 27 | Director, Department of Planning and Budget. | | | | |
| 28 | G. Out of this appropriation, \$23,771,657 the first year and \$20,654,627 \$19,169,445 the | | | | |
| 29 | second year from the general fund and \$7,000,000 the first year and \$7,000,000 the second | | | | |
| 30 | year from nongeneral funds shall be provided for special needs adoptions. | | | | |
| 31 | H. Out of this appropriation \$45,644,961 the first year and \$47,978,106 \$50,613,298 the | | | | |
| 32 | second year from the general fund and \$45,644,961 the first year and \$47,978,106 | | | | |
| 33 | \$50,613,298 the second year from nongeneral funds shall be provided for Title IV-E adoption | | | | |
| 34 | subsidies. | | | | |
| 35 | I. The Commissioner, Department of Social Services, shall ensure that local departments that | | | | |
| 36 | provide independent living services to persons between 18 and 21 years of age make certain | | | | |
| 37 | information about and counseling regarding the availability of independent living services is | | | | |
| 38 | provided to any person who chooses to leave foster care or who chooses to terminate | | | | |
| 39 | independent living services before his twenty-first birthday. Information shall include the | | | | |
| 40 | option for restoration of independent living services following termination of independent | | | | |
| 41 | living services, and the processes whereby independent living services may be restored should | | | | |
| 42 | he choose to seek restoration of such services in accordance with § 63.2-905.1 of the Code of | | | | |
| 43 | Virginia. | | | | |
| 44 | J.1. Notwithstanding the provisions of § 63.2-1302, Code of Virginia, the Department of | | | | |
| 45 | Social Services shall negotiate all adoption assistance agreements with both existing and | | | | |
| 46 | prospective adoptive parents on behalf of local departments of social services. This provision | | | | |
| 47 | shall not alter the legal responsibilities of the local departments of social services set out in | | | | |
| 48 | Chapter 13 of Title 63.2, Code of Virginia, nor alter the rights of the adoptive parents to | | | | |
| 49 | appeal. | | | | |
| 50 | 2. Out of this appropriation, \$342,414 the first year and \$342,414 the second year from the | | | | |
| 51 | general fund and \$215,900 the first year and \$215,900 the second year from nongeneral funds | | | | |
| 52 | shall be provided for five positions to execute these negotiations. | | | | |
| 53 | K.1. The Department of Social Services shall partner with Patrick Henry Family Services to | | | | |

| ITEM 346. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | implement a pilot program in the area encompassing Planning District 11 (Amherst, | | | |
| 2 | Appomattox, Bedford, Campbell Counties and the City of Lynchburg) for the temporary | | | |
| 3 | placements of children for children and families in crisis. | | | |
| 4 | The pilot program will allow a parent or legal custodian of a minor, with the assistance of | | | |
| 5 | Patrick Henry Family Services, to delegate to another person by a properly executed | | | |
| 6 | power of attorney any powers regarding care, custody, or property of the minor for a | | | |
| 7 | temporary placement for a period that is not greater than 90 days. The program will allow | | | |
| 8 | for an option of a one-time 90 day extension. | | | |
| 9 | 2. The department shall ensure that this pilot program meets the following specific | | | |
| 10 | programmatics and safety requirements outlined in 22 VAC 40-131 and 22 VAC 40-191: | | | |
| 11 | (i) The pilot program organization shall meet the background check requirements | | | |
| 12 | described in 22 VAC 40-191. | | | |
| 13 | (ii) The pilot program organization shall develop and implement written policies and | | | |
| 14 | procedures for governing active and closed cases, admissions, monitoring the | | | |
| 15 | administration of medications, prohibiting corporal punishment, ensuring that children are | | | |
| 16 | not subjected to abuse or neglect, investigating allegations of misconduct toward children, | | | |
| 17 | implementing the child's back-up emergency care plan, assigning designated casework | | | |
| 18 | staff, management of all records, discharge policies, and the use of seclusion and restraint | | | |
| 19 | (22 VAC 40-131-90). | | | |
| 20 | (iii) The pilot program organization shall provide pre-service and ongoing training for | | | |
| 21 | temporary placement providers and staff (22 VAC 40-131-210 and 22 VAC 40-131-150). | | | |
| 22 | 3. The Department of Social Services shall evaluate the pilot program and determine if | | | |
| 23 | this model of prevention is effective. A report of the evaluation findings and | | | |
| 24 | recommendations shall be submitted to the Governor, the Chairmen of the House | | | |
| 25 | Appropriations and Senate Finance Committees, and the Commission on Youth by | | | |
| 26 | December 1, 2017. | | | |
| 27 | L.1. Out of this appropriation, \$1,015,451 the first year and \$2,925,954 the second year | | | |
| 28 | from the general fund and \$999,050 the first year and \$2,886,611 the second year from | | | |
| 29 | nongeneral funds shall be available for the expansion of foster care and adoption | | | |
| 30 | assistance as authorized in the federal Foster Connections to Success and Increasing | | | |
| 31 | Adoptions Act of 2008 (P.L. 110-351; P.L. 11-148). | | | |
| 32 | 2. In order to implement the Fostering Futures program, the Department of Social Services | | | |
| 33 | shall set out the requirements for program participation in accordance with 42 U.S.C. 675 | | | |
| 34 | (8) (B) (iv) and shall provide the format of an agreement to be signed by the local | | | |
| 35 | department of social services and the youth. The definition of a child for the purpose of | | | |
| 36 | the Fostering Futures program shall be any natural person who has reached the age of 18 | | | |
| 37 | years but has not reached the age of 21. The Department of Social Services shall develop | | | |
| 38 | guidance setting out the requirements for local implementation including a requirement for | | | |
| 39 | six-month reviews of each case and reasons for termination of participation by a youth. | | | |
| 40 | The guidance shall also include a definition of a supervised independent living | | | |
| 41 | arrangement which does not include group homes or residential facilities. Implementation | | | |
| 42 | of this program includes the extension of adoption assistance to age 21 for youth who | | | |
| 43 | were adopted at age 16 or older and who meet the program participation requirements set | | | |
| 44 | out in guidance by the Department of Social Services. | | | |
| 45 | 3. The Department of Social Services shall issue guidance for the program's eligibility | | | |
| 46 | requirements and shall be available, on a voluntary basis, to an individual upon reaching | | | |
| 47 | the age of 18 who: | | | |
| 48 | (i) was in the custody of a local department of social services either: | | | |
| 49 | (a) prior to reaching 18 years of age, remained in foster care upon turning 18 years of age; | | | |
| 50 | or | | | |
| 51 | (b) immediately prior to commitment to the Department of Juvenile Justice and is | | | |
| 52 | transitioning from such commitment to self-sufficiency. | | | |

| ITEM 346. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | (ii) and who is: | | | | |
| 2 | (a) completing secondary education or an equivalent credential; or | | | | |
| 3 | (b) enrolled in an institution that provides post-secondary or vocational education; or | | | | |
| 4 | (c) employed for at least 80 hours per month; or | | | | |
| 5 | (d) participating in a program or activity designed to promote employment or remove barriers | | | | |
| 6 | to employment; or | | | | |
| 7 | (e) incapable of doing any of the activities described in subdivisions (a) through (d) due to a | | | | |
| 8 | medical condition, which incapability is supported by regularly updated information in the | | | | |
| 9 | program participant's case plan. | | | | |
| 10 | 4. Implementation of extended foster care services shall be available for those eligible youth | | | | |
| 11 | reaching age 18 on or after July 1, 2016. | | | | |
| 12 | M. Out of this appropriation, \$1,417,846 the first year and \$3,103,769 the second year from | | | | |
| 13 | the general fund and \$2,500,000 the second year from nongeneral funds shall be available for | | | | |
| 14 | the reinvestment of adoption general fund savings as authorized in title IV, parts B and E of | | | | |
| 15 | the federal Social Security Act (P.L. 110-351). | | | | |
| 16 | <i>N. The Director, Department of Planning and Budget, shall unallot in the second year</i> | | | | |
| 17 | <i>\$490,000 from this item which reflects unused balances in adoption subsidy payments.</i> | | | | |
| 18 | 347. Not set out. | | | | |
| 19 | 348. Not set out. | | | | |
| 20 | 349. Regulation of Public Facilities and Services (56100).. | | | \$26,784,680 | \$26,701,817 |
| 21 | | | | | \$27,024,668 |
| 22 | Regulation of Adult and Child Welfare Facilities | | | | |
| 23 | (56101)..... | \$23,827,865 | \$23,815,498 | | |
| 24 | | | \$24,138,349 | | |
| 25 | Interdepartmental Licensure and Certification | | | | |
| 26 | (56106)..... | \$2,956,815 | \$2,886,319 | | |
| 27 | Fund Sources: General..... | \$3,697,640 | \$3,630,266 | | |
| 28 | | | \$3,773,345 | | |
| 29 | Special..... | \$2,376,109 | \$2,360,620 | | |
| 30 | Federal Trust..... | \$20,710,931 | \$20,710,931 | | |
| 31 | | | \$20,890,703 | | |
| 32 | Authority: Title 63.2, Chapters 17 and 18, Code of Virginia. | | | | |
| 33 | A. The state nongeneral fund amounts collected and paid into the state treasury pursuant to | | | | |
| 34 | the provisions of § 63.2-1700, Code of Virginia, shall be used for the development and | | | | |
| 35 | delivery of training for operators and staff of assisted living facilities, adult day care centers, | | | | |
| 36 | and child welfare agencies. | | | | |
| 37 | B. As a condition of this appropriation, the Department of Social Services shall (i) promptly | | | | |
| 38 | fill all position vacancies that occur in licensing offices so that positions shall not remain | | | | |
| 39 | vacant for longer than 120 days and (ii) hire sufficient child care licensing specialists to | | | | |
| 40 | ensure that all child care facilities receive, at a minimum, the two visits per year mandated by | | | | |
| 41 | § 63.2-1706, Code of Virginia, and that facilities with compliance problems receive additional | | | | |
| 42 | inspection visits as necessary to ensure compliance with state laws and regulations. | | | | |
| 43 | C. As a condition of this appropriation, the Department of Social Services shall utilize a risk | | | | |
| 44 | assessment instrument for child and adult care enforcement. This instrument shall include | | | | |
| 45 | criteria for determining when the following sanctions may be used: (i) the imposition of | | | | |
| 46 | intermediate sanctions, (ii) the denial of licensure renewal or revocation of license of a | | | | |
| 47 | licensed facility, (iii) injunctive relief against a child care provider, and (iv) additional | | | | |
| 48 | inspections and intensive oversight of a facility by the Department of Social Services. | | | | |
| 49 | D. Out of this appropriation, the Department of Social Services shall implement training for | | | | |

| ITEM 349. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | new assisted living facility owners and managers to focus on health and safety issues, and | | | | |
| 2 | resident rights as they pertain to adult care residences. | | | | |
| 3 | E. Out of this appropriation, \$8,853,833 and 79 positions the first year and \$8,853,833 and | | | | |
| 4 | 79 positions second year from the federal Child Care and Development Fund (CCDF) | | | | |
| 5 | shall be provided to address the workload associated with licensing, inspecting and | | | | |
| 6 | monitoring family day homes, pursuant to § 63.2-1704, Code of Virginia. On July 1, 2016, | | | | |
| 7 | the Director of the Department of Planning and Budget shall unallot \$8,853,833 of this | | | | |
| 8 | appropriation. At such time as the department demonstrates a sufficient increase in family | | | | |
| 9 | day home licensure, inspection and monitoring activity to necessitate additional staff, the | | | | |
| 10 | Director of the Department of Planning and Budget may allot additional resources. The | | | | |
| 11 | Department of Social Services shall provide a quarterly report on the implementation of | | | | |
| 12 | this initiative to the Governor, the Chairmen of the House Appropriations and Senate | | | | |
| 13 | Finance Committees, and the Director, Department of Planning and Budget. | | | | |
| 14 | F. The Department of Social Services shall work with localities that currently inspect child | | | | |
| 15 | day care centers and family day homes to minimize duplication and overlap of inspections | | | | |
| 16 | pursuant to § 63.2-1701.1, Code of Virginia. | | | | |
| 17 | G. No child day center, family day home, or family day system licensed in accordance | | | | |
| 18 | with Chapter 17, Title 63.2; child day center exempt from licensure pursuant to § 63.2- | | | | |
| 19 | 1716; registered family day home; family day home approved by a family day system; or | | | | |
| 20 | any child day center or family day home that enters into a contract with the Department of | | | | |
| 21 | Social Services or a local department of social services to provide child care services | | | | |
| 22 | funded by the Child Care and Development Block Grant shall employ; continue to | | | | |
| 23 | employ; or permit to serve as a volunteer who will be alone with, in control of, or | | | | |
| 24 | supervising children any person who has an offense as defined in § 63.2-1719. All | | | | |
| 25 | employees and volunteers shall undergo the following background check by July 1, 2017 | | | | |
| 26 | and every 5 years thereafter, as required by the federal Child Care and Development Block | | | | |
| 27 | Grant Act of 2014 (CCDBG). | | | | |
| 28 | 350. Administrative and Support Services (49900)..... | | | \$129,164,154 | \$104,950,417 |
| 29 | | | | | \$113,401,617 |
| 30 | General Management and Direction (49901)..... | \$3,569,258 | \$3,527,344 | | |
| 31 | Information Technology Services (49902)..... | \$104,117,970 | \$80,212,078 | | |
| 32 | | | \$88,613,278 | | |
| 33 | Accounting and Budgeting Services (49903)..... | \$9,185,365 | \$9,069,782 | | |
| 34 | Human Resources Services (49914)..... | \$3,197,729 | \$3,150,366 | | |
| 35 | Planning and Evaluation Services (49916)..... | \$3,674,386 | \$3,637,223 | | |
| 36 | Procurement and Distribution Services (49918)..... | \$2,892,286 | \$2,857,397 | | |
| 37 | | | \$2,907,397 | | |
| 38 | Public Information Services (49919)..... | \$2,175,042 | \$2,148,015 | | |
| 39 | Financial and Operational Audits (49929)..... | \$352,118 | \$348,212 | | |
| 40 | Fund Sources: General..... | \$50,058,707 | \$42,779,307 | | |
| 41 | | | \$47,002,066 | | |
| 42 | Special..... | \$175,000 | \$175,000 | | |
| 43 | Federal Trust..... | \$78,930,447 | \$61,996,110 | | |
| 44 | | | \$66,224,551 | | |
| 45 | Authority: Title 63.2, Chapter 1; § 2.2-4000 et seq., Code of Virginia; P.L. 98-502, P.L. | | | | |
| 46 | 104-156, P.L. 104-193, P.L. 104-327, P.L. 105-33, as amended, P.L. 105-89, Federal | | | | |
| 47 | Code; Titles IV-A, IV-B, IV-D, IV-E, XIX, XX, XXI of the federal Social Security Act, | | | | |
| 48 | as amended. | | | | |
| 49 | A. The Department of Social Services shall require localities to report all expenditures on | | | | |
| 50 | designated social services, regardless of reimbursement from state and federal sources. | | | | |
| 51 | The Department of Social Services is authorized to include eligible costs in its claim for | | | | |
| 52 | Temporary Assistance for Needy Families Maintenance of Effort requirements. | | | | |
| 53 | B. It is the intent of the General Assembly that the Commissioner, Department of Social | | | | |
| 54 | Services shall work with localities that seek to voluntarily merge and consolidate their | | | | |
| 55 | respective local departments of social services. No funds appropriated under this act shall | | | | |
| 56 | be used to require a locality to merge or consolidate local departments of social services. | | | | |

| ITEM 350. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | C.1. Out of this appropriation, \$473,844 the first year and \$473,844 the second year from the | | | | |
| 2 | general fund and \$781,791 the first year and \$781,791 the second year from nongeneral funds | | | | |
| 3 | shall be provided to support the statewide 2-1-1 Information and Referral System which | | | | |
| 4 | provides resource and referral information on many of the specialized health and human | | | | |
| 5 | resource services available in the Commonwealth, including child day care availability and | | | | |
| 6 | providers in localities throughout the state, and publish consumer-oriented materials for those | | | | |
| 7 | interested in learning the location of child day care providers. | | | | |
| 8 | 2. The Department of Social Services shall request that all state and local child-serving | | | | |
| 9 | agencies within the Commonwealth be included in the Virginia Statewide Information and | | | | |
| 10 | Referral System as well as any agency or entity that receives state general fund dollars and | | | | |
| 11 | provides services to families and youth. The Secretary of Health and Human Resources, the | | | | |
| 12 | Secretary of Education and Workforce, and the Secretary of Public Safety and Homeland | | | | |
| 13 | Security shall assist in this effort by requesting all affected agencies within their secretariats | | | | |
| 14 | to submit information to the statewide Information and Referral System and ensure that such | | | | |
| 15 | information is accurate and updated annually. Agencies shall also notify the Virginia | | | | |
| 16 | Information and Referral System of any changes in services that may occur throughout the | | | | |
| 17 | year. | | | | |
| 18 | 3. The Department of Social Services shall communicate with child-serving agencies within | | | | |
| 19 | the Commonwealth about the availability of the statewide Information and Referral System. | | | | |
| 20 | This information shall also be communicated via the Department of Social Services' broadcast | | | | |
| 21 | system on their agency-wide Intranet so that all local and regional offices can be better | | | | |
| 22 | informed about the Statewide Information and Referral System. Information on the Statewide | | | | |
| 23 | Information and Referral System shall also be included within the department's electronic | | | | |
| 24 | mailings to all local and regional offices at least biannually. | | | | |
| 25 | D.1. Out of this appropriation, \$3,452,065 the first year from the general fund and \$961,620 | | | | |
| 26 | the first year from nongeneral funds shall be provided to complete the base contract to | | | | |
| 27 | modernize the eligibility determination systems in the Department of Social Services. If any | | | | |
| 28 | additional funding is needed, the department shall complete modernization efforts within | | | | |
| 29 | existing resources. | | | | |
| 30 | 2. Within 30 days of awarding a contract related to the eligibility project, the Department of | | | | |
| 31 | Social Services shall provide the Chairmen of House Appropriations and Senate Finance | | | | |
| 32 | Committees, and Director, Department of Planning and Budget with a copy of the contract | | | | |
| 33 | including costs. | | | | |
| 34 | 3. Beginning July 1, 2012, the Department of Social Services shall also provide semi-annual | | | | |
| 35 | progress reports that must include a current project summary, implementation status, | | | | |
| 36 | accounting of project expenditures and future milestones. All reports shall be submitted to the | | | | |
| 37 | Chairmen of House Appropriations and Senate Finance Committees, and Director, | | | | |
| 38 | Department of Planning and Budget. | | | | |
| 39 | E.1. The Department of Social Services shall provide to the Chairmen of the House | | | | |
| 40 | Appropriations and Senate Finance Committees a report on the implementation of the Asset | | | | |
| 41 | Verification Service that is part of the Eligibility Modernization Project on or before | | | | |
| 42 | September 1, 2016. It is the intent of the General Assembly to encourage financial institutions | | | | |
| 43 | with branches in Virginia to work collaboratively with the department and its vendor in order | | | | |
| 44 | to maximize participation in the Asset Verification Service program. | | | | |
| 45 | 2. The Department shall also develop a plan and submit it to the Chairmen of the House | | | | |
| 46 | Appropriations and Senate Finance Committees to incorporate searchable national real estate | | | | |
| 47 | records as part of the Asset Verification Service program as soon as the data are available. | | | | |
| 48 | 351. Not set out. | | | | |
| 49 | 352. Not set out. | | | | |
| 50 | Total for Department of Social Services..... | | | \$2,022,978,058 | \$2,026,415,182 |
| 51 | | | | | \$2,052,013,877 |

| ITEM 352. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | General Fund Positions..... | 615.21 | 618.99 | | |
| 2 | | | 676.99 | | |
| 3 | Nongeneral Fund Positions..... | 1,216.29 | 1,221.51 | | |
| 4 | | | 1,163.51 | | |
| 5 | Position Level..... | 1,831.50 | 1,840.50 | | |
| 6 | Fund Sources: General..... | \$415,809,095 | \$411,455,380 | | |
| 7 | | | \$420,181,314 | | |
| 8 | Special..... | \$697,974,128 | \$698,958,639 | | |
| 9 | | | \$695,448,849 | | |
| 10 | Dedicated Special Revenue..... | \$3,235,265 | \$3,485,265 | | |
| 11 | | | \$3,585,265 | | |
| 12 | Federal Trust..... | \$905,959,570 | \$912,515,898 | | |
| 13 | | | \$932,798,449 | | |
| 14 | 353. Not set out. | | | | |
| 15 | 354. Not set out. | | | | |
| 16 | 355. Not set out. | | | | |
| 17 | 356. Not set out. | | | | |
| 18 | 357. Not set out. | | | | |
| 19 | 358. Not set out. | | | | |
| 20 | 359. Not set out. | | | | |
| 21 | 360. Not set out. | | | | |
| 22 | 361. Not set out. | | | | |
| 23 | 362. Not set out. | | | | |
| 24 | TOTAL FOR OFFICE OF HEALTH AND | | | | |
| 25 | HUMAN RESOURCES..... | | | \$14,448,234,397 | \$14,915,980,126 |
| 26 | | | | | \$15,266,960,483 |
| 27 | General Fund Positions..... | 8,498.79 | 8,540.72 | | |
| 28 | | | 8,618.72 | | |
| 29 | Nongeneral Fund Positions..... | 6,766.23 | 6,795.30 | | |
| 30 | | | 6,737.30 | | |
| 31 | Position Level..... | 15,265.02 | 15,336.02 | | |
| 32 | | | 15,356.02 | | |
| 33 | Fund Sources: General..... | \$6,132,685,639 | \$6,437,296,229 | | |
| 34 | | | \$6,502,009,886 | | |
| 35 | Special..... | \$1,148,423,255 | \$1,142,916,118 | | |
| 36 | | | \$1,140,106,328 | | |
| 37 | Enterprise..... | \$55,283,360 | \$51,783,360 | | |
| 38 | Trust and Agency..... | \$1,095,573 | \$1,320,573 | | |
| 39 | Dedicated Special Revenue..... | \$559,455,154 | \$524,122,894 | | |
| 40 | | | \$564,892,687 | | |
| 41 | Federal Trust..... | \$6,551,291,416 | \$6,758,540,952 | | |
| 42 | | | \$7,006,847,649 | | |

| 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 \$17,050,000 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 | Total for Department of Corrections..... | | | \$1,192,539,497 | \$1,204,873,467 |
| 22 | | | | | \$1,209,873,467 |
| 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. | | | | |

| 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 \$10,500,000 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. At least 10 days prior to any draw</i> | | | |
| 35 | <i>downs from this line of credit, the Secretaries of Finance and Transportation shall report to</i> | | | |
| 36 | <i>the Chairmen of the House Appropriations and Senate Finance Committees the amount of the</i> | | | |
| 37 | <i>proposed draw down and its intended usage.</i> | | | |
| 38 | <i>R. Notwithstanding any other provision of law, the Commissioner may divulge tax</i> | | | |
| 39 | <i>information collected pursuant to § 58.1-2291 et seq., Code of Virginia, to the executive</i> | | | |
| 40 | <i>director or designee of the Northern Virginia Transportation Commission, the Potomac and</i> | | | |
| 41 | <i>Rappahannock Transportation Commission, and the Hampton Roads Transportation</i> | | | |
| 42 | <i>Accountability Commission for their confidential use of such tax information as may be</i> | | | |
| 43 | <i>necessary to facilitate the collection of the taxes collected in the respective member</i> | | | |
| 44 | <i>jurisdictions. Any person to whom tax information is divulged pursuant to this section shall be</i> | | | |
| 45 | <i>subject to the prohibitions and penalties prescribed in § 58.1-3, Code of Virginia, as though</i> | | | |
| 46 | <i>that person were a tax official as defined in that section.</i> | | | |
| 47 | 443. | Not set out. | | |
| 48 | 444. | Not set out. | | |
| 49 | Total for Department of Motor Vehicles..... | | \$257,163,185 | \$257,257,483 |
| 50 | | | | \$258,757,483 |

| ITEM 444. | | 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 | | | 2,053.00 | | | |
| 3 | Position Level..... | 2,038.00 | 2,038.00 | | | |
| 4 | | | 2,053.00 | | | |
| 5 | Fund Sources: Commonwealth Transportation..... | \$245,747,261 | \$245,841,559 | | | |
| 6 | | | \$247,341,559 | | | |
| 7 | Trust and Agency..... | \$5,446,600 | \$5,446,600 | | | |
| 8 | Federal Trust..... | \$5,969,324 | \$5,969,324 | | | |
| 9 | 445. Not set out. | | | | | |
| 10 | 446. Not set out. | | | | | |
| 11 | Grand Total for Department of Motor Vehicles..... | | | \$369,109,714 | \$369,204,012 | |
| 12 | | | | | \$370,704,012 | |
| 13 | Nongeneral Fund Positions..... | 2,038.00 | 2,038.00 | | | |
| 14 | | | 2,053.00 | | | |
| 15 | Position Level..... | 2,038.00 | 2,038.00 | | | |
| 16 | | | 2,053.00 | | | |
| 17 | Fund Sources: Commonwealth Transportation..... | \$246,138,761 | \$246,233,059 | | | |
| 18 | | | \$247,733,059 | | | |
| 19 | Trust and Agency..... | \$10,946,600 | \$10,946,600 | | | |
| 20 | Dedicated Special Revenue..... | \$79,800,000 | \$79,800,000 | | | |
| 21 | Federal Trust..... | \$32,224,353 | \$32,224,353 | | | |
| 22 | 447. Not set out. | | | | | |
| 23 | 448. Not set out. | | | | | |
| 24 | 449. Not set out. | | | | | |
| 25 | 450. Not set out. | | | | | |
| 26 | § 1-21. DEPARTMENT OF TRANSPORTATION (501) | | | | | |
| 27 | 451. Environmental Monitoring and Evaluation (51400). | | | \$13,534,237 | \$14,386,580 | |
| 28 | | | | | \$13,688,075 | |
| 29 | Environmental Monitoring and Compliance for | | | | | |
| 30 | Highway Projects (51408)..... | \$10,888,957 | \$11,645,641 | | | |
| 31 | | | \$10,700,185 | | | |
| 32 | Environmental Monitoring Program Management | | | | | |
| 33 | and Direction (51409)..... | \$2,645,280 | \$2,740,939 | | | |
| 34 | | | \$2,987,890 | | | |
| 35 | Fund Sources: Commonwealth Transportation..... | \$13,534,237 | \$14,386,580 | | | |
| 36 | | | \$13,688,075 | | | |
| 37 | 452. Ground Transportation Planning and Research | | | | | |
| 38 | (60200)..... | | | \$72,784,885 | \$73,224,297 | |
| 39 | | | | | \$73,774,836 | |
| 40 | Ground Transportation System Planning (60201).... | \$58,541,924 | \$60,147,213 | | | |
| 41 | | | \$60,671,030 | | | |
| 42 | Ground Transportation System Research (60202).... | \$10,440,699 | \$9,147,341 | | | |
| 43 | | | \$9,197,341 | | | |
| 44 | Ground Transportation Program Management and | | | | | |
| 45 | Direction (60204)..... | \$3,802,262 | \$3,929,743 | | | |
| 46 | | | \$3,906,465 | | | |
| 47 | Fund Sources: Commonwealth Transportation..... | \$72,784,885 | \$73,224,297 | | | |
| 48 | | | \$73,774,836 | | | |
| 49 | Authority: Title 33.2, Code of Virginia. | | | | | |

| ITEM 452. | Item Details(\$) | | Appropriations(\$) | | |
|-----------|---|---|----------------------|----------------------------|----------------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 | |
| 1 | A. Included in the amount for ground transportation system planning and research is no less | | | | |
| 2 | than \$6,500,000 the first year and no less than \$6,500,000 the second year from the highway | | | | |
| 3 | share of the Transportation Trust Fund for the planning and evaluation of options to address | | | | |
| 4 | transportation needs. | | | | |
| 5 | B. In addition, the Commonwealth Transportation Board may approve the expenditures of up | | | | |
| 6 | to \$500,000 the first year and \$500,000 the second year from the highway share of the | | | | |
| 7 | Transportation Trust Fund for the completion of advance activities, prior to the initiation of an | | | | |
| 8 | individual project's design along existing highway corridors, to determine short-term and | | | | |
| 9 | long-term improvements to the corridor. Such activities shall consider safety, access | | | | |
| 10 | management, alternative modes, operations, and infrastructure improvements. Such funds | | | | |
| 11 | shall be used for, but are not limited to, the completion of activities prior to the initiation of an | | | | |
| 12 | individual project's design or to benefit identification of needs throughout the state or the | | | | |
| 13 | prioritization of those needs. For federally eligible activities, the activity or item shall be | | | | |
| 14 | included in the Commonwealth Transportation Board's annual update of the Six-Year | | | | |
| 15 | Improvement program so that (i) appropriate federal funds may be allocated and reimbursed | | | | |
| 16 | for the activities and (ii) all requirements of the federal Statewide Transportation | | | | |
| 17 | Improvement Program can be achieved. | | | | |
| 18 | C. Notwithstanding the provisions of Chapter 729 and Chapter 733 of the 2012 Acts of | | | | |
| 19 | Assembly, the Commonwealth Transportation Board shall not reallocate any funds from | | | | |
| 20 | projects on roadways controlled by any county that has withdrawn or elects to withdraw from | | | | |
| 21 | the secondary system of state highways, nor from any roadway controlled by a city or town as | | | | |
| 22 | part of the state's urban roadway system, based on a determination of nonconformity with the | | | | |
| 23 | Commonwealth Transportation Board's Statewide Transportation Plan or the Six-Year | | | | |
| 24 | Improvement Program. In jurisdictions that maintain roadways within their boundaries, the | | | | |
| 25 | provisions of § 33.2-214, Code of Virginia, shall apply only to highways controlled by the | | | | |
| 26 | Department of Transportation. | | | | |
| 27 | D. The prioritization process developed under subsection B of Chapter 726 of the 2014 | | | | |
| 28 | Virginia Acts of Assembly shall not apply to use of funds provided in this item from the | | | | |
| 29 | federal apportionments in the State Planning and Research Program. | | | | |
| 30 | 453. | Highway Construction Programs (60300)..... | | \$2,382,394,166 | \$1,855,638,761 |
| 31 | | | | | \$2,211,532,373 |
| 32 | | Highway Construction Program Management | | | |
| 33 | | (60315)..... | \$27,001,888 | \$39,005,784 | |
| 34 | | State of Good Repair Program (60320)..... | \$171,957,974 | \$87,123,374 | |
| 35 | | | | \$87,690,068 | |
| 36 | | High Priority Projects Program (60321)..... | \$119,895,765 | \$35,415,609 | |
| 37 | | | | \$107,937,754 | |
| 38 | | Construction District Grant Programs (60322)..... | \$119,895,763 | \$35,415,609 | |
| 39 | | | | \$89,405,123 | |
| 40 | | Specialized State and Federal Programs (60323)..... | \$1,290,988,660 | \$1,001,678,305 | |
| 41 | | | | \$1,384,041,851 | |
| 42 | | Legacy Construction Formula Programs (60324)..... | \$652,654,116 | \$657,000,080 | |
| 43 | | | | \$503,451,793 | |
| 44 | | Fund Sources: Commonwealth Transportation..... | \$1,993,401,084 | \$1,612,338,761 | |
| 45 | | | | \$1,975,131,385 | |
| 46 | | Trust and Agency..... | \$388,993,082 | \$243,300,000 | |
| 47 | | | | \$236,400,988 | |
| 48 | | Authority: Title 33.2, Chapter 3; Code of Virginia; Chapters 8, 9, and 12, Acts of Assembly of | | | |
| 49 | | 1989, Special Session II. | | | |
| 50 | | A. From the appropriation for specialized state and federal programs funds shall be distributed | | | |
| 51 | | as follows: | | | |
| 52 | | 1. \$99,958,646 the first year and \$105,299,506 the second year in federal state and matching | | | |
| 53 | | funds shall be allocated for regional Surface Transportation Funds and distributed to | | | |
| 54 | | applicable metropolitan planning organizations pursuant to 23 USC 133; | | | |
| 55 | | 2. \$53,871,340 the first year and \$55,272,403 the second year in federal and state matching | | | |
| 56 | | funds shall be allocated for the Highway Safety Improvement Program pursuant to 23 USC | | | |

| ITEM 453. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 148; | | | | |
| 2 | 3. \$70,981,544 the first year and \$69,805,236 the second year in federal and state | | | | |
| 3 | matching funds shall be allocated for the Congestion Mitigation Air Quality program | | | | |
| 4 | pursuant to 23 USC 149; | | | | |
| 5 | 4. \$150,000,000 the first year and \$100,000,000 the second year shall be allocated for the | | | | |
| 6 | Revenue Sharing Program pursuant to § 33.2-357, Code of Virginia; | | | | |
| 7 | 5. \$20,481,315 the first year and \$20,104,007 the second year in federal funds shall be | | | | |
| 8 | allocated for the Surface Transportation Block Grant Program Set-Aside to 23 USC | | | | |
| 9 | 133(h). | | | | |
| 10 | 6. \$2,736,051 the first year and \$4,183,261 the second year in state funds shall be | | | | |
| 11 | allocated to the Virginia Transportation Infrastructure Bank pursuant to § 33.2-1500 et | | | | |
| 12 | seq, Code of Virginia. | | | | |
| 13 | 7. \$1,368,025 the first year and \$2,091,630 the second year in state funds shall be | | | | |
| 14 | allocated to the Transportation Partnership Opportunity Fund pursuant to § 33.2-1529.1, | | | | |
| 15 | Code of Virginia. | | | | |
| 16 | B. Notwithstanding § 33.2-358, Code of Virginia, the proceeds from the lease or sale of | | | | |
| 17 | surplus and residue property purchased under this program in excess of related costs shall | | | | |
| 18 | be applied to the State of Good Repair Program pursuant to § 33.2-369, Code of Virginia. | | | | |
| 19 | Proceeds must be used on Federal Title 23 eligible projects. | | | | |
| 20 | C. The Director of the Department of Planning and Budget is authorized to increase the | | | | |
| 21 | appropriation as needed to utilize amounts available from prior year balances in the | | | | |
| 22 | dedicated funds and adjust items to the most recent Commonwealth Transportation Board | | | | |
| 23 | budget. | | | | |
| 24 | D. Funds appropriated for legacy formula construction programs shall be used for the | | | | |
| 25 | purposes enumerated in subsection C of § 33.2-358, Code of Virginia, or as previously | | | | |
| 26 | appropriated. | | | | |
| 27 | E. Included in the amounts for specialized state and federal programs is the | | | | |
| 28 | reappropriation of \$145,700,000 the first year and \$131,300,000 the second year from | | | | |
| 29 | bond proceeds or dedicated special revenues for anticipated expenditure of amounts | | | | |
| 30 | collected in prior years. The amounts will be provided from balances in the Capital | | | | |
| 31 | Projects Revenue Bond Fund, Federal Transportation Grant Anticipation Revenue Bond | | | | |
| 32 | Fund, Northern Virginia Transportation District Fund, State Route 28 Highway | | | | |
| 33 | Improvement District Fund, U.S. Route 58 Corridor Development Fund and the Priority | | | | |
| 34 | Transportation Fund. These amounts were originally appropriated when received or | | | | |
| 35 | forecasted and are not related to FY 2017 and FY 2018 estimated revenues. | | | | |
| 36 | F. Revenue collected through innovative revenue efforts authorized by § 33.2-213, Code | | | | |
| 37 | of Virginia, shall be dedicated to State of Good Repair efforts as outlined in § 33.2-369, | | | | |
| 38 | Code of Virginia, after all related program and collection costs incurred by the | | | | |
| 39 | Department are considered. | | | | |
| 40 | G. 1. Of the amounts provided in Item 449.10, Chapter 847 of the 2007 Acts of Assembly, | | | | |
| 41 | \$31,070,647 was dedicated to enumerated projects funded from the Transportation | | | | |
| 42 | Partnership Opportunity Fund. This amount represents available authorization remaining | | | | |
| 43 | after the completed advancement of acquisition and construction of the projects in the | | | | |
| 44 | Item. Of this amount, \$23,110,000 is now directed to Road Improvements at military | | | | |
| 45 | installations in the Commonwealth. As part of the ongoing negotiations of a memorandum | | | | |
| 46 | of agreement between the Department of the U.S. Army and the U.S. Department of | | | | |
| 47 | Transportation and the Virginia Department of Transportation for the delivery of | | | | |
| 48 | transportation projects as in-kind payments for parcel A-2 and A-3 at the former Ft. | | | | |
| 49 | Monroe under the economic development conveyance in the Commonwealth of Virginia, | | | | |
| 50 | the Virginia Department of Transportation shall request that the Department of the U.S. | | | | |
| 51 | Army consider the reservation of funding included in this paragraph for improvements to | | | | |
| 52 | the Ft. Eustis Boulevard interchange with I-64 at mile marker 250 which directly benefits | | | | |
| 53 | Joint Base Langley-Eustis and the United States Army Training and Doctrine Command. | | | | |
| 54 | Of this amount, \$7,960,647 is now directed to Improvements at interstate rest areas | | | | |

| ITEM 453. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | throughout the Commonwealth. | | | | |
| 2 | 2. Pursuant to the provisions of Item 449.10, 1., Chapter 847 of the 2007 Acts of Assembly, | | | | |
| 3 | \$20,000,000 was deposited to the Transportation Partnership Opportunity Fund (TPOF) for | | | | |
| 4 | the purpose of purchasing right of way owned by Norfolk Southern Corporation and located | | | | |
| 5 | between Newtown Road and the Oceanfront. The subsequent contract for the TPOF award | | | | |
| 6 | signed between the Department of Transportation and the City of Virginia Beach, specified | | | | |
| 7 | that if such funds were not utilized to extend light rail along the corridor to Virginia Beach, | | | | |
| 8 | the funds were to be repaid to the Department of Transportation and redeposited into the | | | | |
| 9 | TPOF for allocations for other eligible transportation projects. Based on the failure of the | | | | |
| 10 | project to move forward, as evidenced by the failure of the voter referendum on the Virginia | | | | |
| 11 | Beach ballot in the November 2016 election, the City of Virginia Beach is required to repay to | | | | |
| 12 | the Department of Transportation the full amount in four annual payments of \$5,000,000 by | | | | |
| 13 | September 1 of each year for the next four years beginning in fiscal year 2018. To the extent | | | | |
| 14 | the annual payment is not made as required by September 1 in each year for the next four | | | | |
| 15 | years, the Department of Transportation is directed to withhold the payment amount due from | | | | |
| 16 | funds provided to the City of Virginia Beach pursuant to § 33.2-319, Code of Virginia. It is | | | | |
| 17 | the intent of the General Assembly that these sums are hereby made available to the | | | | |
| 18 | department to reallocate to eligible TPOF projects as they become available. | | | | |
| 19 | H. For funds allocated in § 58.1-1741, Code of Virginia, to state of good repair purposes for | | | | |
| 20 | fiscal year 2017 and fiscal year 2018, the distribution of funding in subsections (B) and (C) of | | | | |
| 21 | § 33.2-369, Code of Virginia, will not apply. The Commonwealth Transportation Board may | | | | |
| 22 | allocate funds to state of good repair purposes for reconstruction and replacement of | | | | |
| 23 | structurally deficient state and locally owned bridges and reconstruction and rehabilitation of | | | | |
| 24 | pavement on the interstate system and primary state highway system determined to be | | | | |
| 25 | deteriorated by the board, including municipality-maintained primary extensions, as well as to | | | | |
| 26 | work related to the condition assessment and pavement rehabilitation of secondary highways | | | | |
| 27 | and other related work to improve secondary highways. Prior to this allocation, the | | | | |
| 28 | Commonwealth Transportation Board will provide \$11,929,353 for Improvements at | | | | |
| 29 | Interstate Rest Areas throughout the Commonwealth. | | | | |
| 30 | I. The Secretary may establish a pilot program for unpaved roads sections that (i) are more | | | | |
| 31 | than 2 miles in length, (ii) is not a dead-end, (iii) intersects with existing paved roads at both | | | | |
| 32 | ends and (iv) have a traffic volume of 100 or more vehicles in a context sensitive manner. Up | | | | |
| 33 | to \$1,000,000 in the first year and \$1,000,000 in the second year from funds available under | | | | |
| 34 | subdivision (C)(v) of § 33.2-358, Code of Virginia, may be used for this pilot program. | | | | |
| 35 | J. Notwithstanding the provisions of § 33.2-358, Code of Virginia, the unanticipated amounts | | | | |
| 36 | available for construction from the December 2015 revenue forecast and from the increased | | | | |
| 37 | federal funding from the passage of the Fixing America's Surface Transportation (FAST) Act | | | | |
| 38 | shall be distributed following the new construction formula defined by § 33.2-358, Code of | | | | |
| 39 | Virginia, advancing the distribution of funds under this formula and provide 45 percent of the | | | | |
| 40 | additional funding to the State of Good Repair Program, 27.5 percent to the High Priority | | | | |
| 41 | Projects Program, and 27.5 percent to the District Grant Program. | | | | |
| 42 | K.1. Notwithstanding any other provision of the Code of Virginia, as a condition on the | | | | |
| 43 | expenditure of all amounts included in this item, the Commonwealth Transportation Board | | | | |
| 44 | shall include all amounts needed, not to exceed \$140,000,000, in the fiscal year 2017 through | | | | |
| 45 | fiscal year 2022 Six-Year Improvement Program adopted pursuant to § 33.2-214, for | | | | |
| 46 | improvements to the Interstate 66 corridor inside the Capitol Beltway, including but not | | | | |
| 47 | limited to the addition of a third eastbound travel lane on Interstate 66 from the Dulles | | | | |
| 48 | Connector Road to State Route 237, North Fairfax Drive/N. Glebe Road exit of Interstate 66. | | | | |
| 49 | 2. Environmental work pursuant to the National Environmental Policy Act for the project | | | | |
| 50 | outlined in paragraph J.1. shall commence no later than July 15, 2016, and the Department | | | | |
| 51 | shall complete a minimum of 30 percent of the design work for such capacity expansion by | | | | |
| 52 | November 1, 2017. Amounts dedicated to such project shall not reduce amounts made | | | | |
| 53 | available to the High Priority Projects Program or the District Grant Program. | | | | |
| 54 | 3. It is the intent of the General Assembly that tolling on Interstate 66 inside the Capitol | | | | |
| 55 | Beltway shall not extend beyond four hours during the morning rush hour and four hours | | | | |
| 56 | during the evening rush hour on Mondays, Tuesdays, Wednesdays, Thursdays and Fridays, | | | | |
| 57 | exclusive of national holidays, and tolling shall not apply on weekends. | | | | |

| ITEM 453. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | L. It is the intent of the General Assembly that the Commissioner, Department of | | | | |
| 2 | Transportation, with the cooperation of the Secretary of Finance, shall set-aside any | | | | |
| 3 | federal funding specifically authorized by Congress for projects on the Coalfields | | | | |
| 4 | Expressway in a special sub-account of the Transportation Trust Fund to ensure such | | | | |
| 5 | funds are used exclusively to advance the Coalfields Expressway project. | | | | |
| 6 | 454. Highway System Maintenance and Operations | | | | |
| 7 | (60400)..... | | | \$1,674,434,950 | \$1,688,854,039 |
| 8 | | | | | \$1,689,365,163 |
| 9 | Interstate Maintenance (60401)..... | \$337,737,740 | \$356,080,156 | | |
| 10 | | | \$314,805,078 | | |
| 11 | Primary Maintenance (60402)..... | \$481,225,945 | \$485,842,962 | | |
| 12 | | | \$463,485,268 | | |
| 13 | Secondary Maintenance (60403)..... | \$588,025,446 | \$583,280,567 | | |
| 14 | | | \$638,720,317 | | |
| 15 | Transportation Operations Services (60404)..... | \$185,082,091 | \$182,551,595 | | |
| 16 | | | \$193,969,234 | | |
| 17 | Highway Maintenance Operations, Program | | | | |
| 18 | Management and Direction (60405)..... | \$82,363,728 | \$81,098,759 | | |
| 19 | | | \$78,385,266 | | |
| 20 | Fund Sources: Commonwealth Transportation..... | \$1,674,434,950 | \$1,688,854,039 | | |
| 21 | | | \$1,689,365,163 | | |
| 22 | A. The department is authorized to enter into agreements with state and local law | | | | |
| 23 | enforcement officials to facilitate the enforcement of high occupancy vehicle (HOV) | | | | |
| 24 | restrictions throughout the Commonwealth and metropolitan planning regions. | | | | |
| 25 | B. Should federal law be changed to permit privatization of rest area operations, the | | | | |
| 26 | department is hereby authorized to accept or solicit proposals for their development and/or | | | | |
| 27 | operation. | | | | |
| 28 | C. The Director, Department of Planning and Budget, is authorized to increase the | | | | |
| 29 | appropriation in this Item as needed to utilize amounts available from prior year balances | | | | |
| 30 | in the dedicated funds. | | | | |
| 31 | D. The Commissioner's annual report pursuant to § 33.2-232, Code of Virginia, shall | | | | |
| 32 | include an assessment of whether the department has met its secondary road pavement | | | | |
| 33 | targets, by district and on a statewide basis. | | | | |
| 34 | E. Notwithstanding the provisions of § 4-3.02 of this act, the Secretary of Finance may | | | | |
| 35 | provide the Department of Transportation interest-free treasury loans in an amount not to | | | | |
| 36 | exceed \$1,700,000 in the first year and \$1,700,000 in the second year which may be | | | | |
| 37 | extended for a period longer than twelve months. The loan amounts would be provided to | | | | |
| 38 | the City of Portsmouth to offset losses in personal property tax collections generated by | | | | |
| 39 | the City due to the transfer of personal property from the Virginia International Gateway | | | | |
| 40 | to the Commonwealth. The specific terms and structure of any loan shall be approved by | | | | |
| 41 | the Secretary of Finance, after consultation with the Chairmen of the House | | | | |
| 42 | Appropriations and Senate Finance Committees, or their designees. A treasury loan for | | | | |
| 43 | this purpose shall be considered as bridge financing until the planned expansion of the | | | | |
| 44 | Virginia International Gateway Facility commences and additional equipment is | | | | |
| 45 | purchased which will generate personal property taxes that the City of Portsmouth shall | | | | |
| 46 | use to repay the loan. To the extent the loan is not repaid as required by the specific terms | | | | |
| 47 | of the loan, the Department of Transportation is directed to withhold the payment amount | | | | |
| 48 | due from funds provided to the City of Portsmouth pursuant to § 33.2-319, Code of | | | | |
| 49 | Virginia, to repay the loan. | | | | |
| 50 | 455. Commonwealth Toll Facilities (60600)..... | | | \$90,948,250 | \$47,094,150 |
| 51 | | | | | \$69,214,833 |
| 52 | Toll Facility Acquisition and Construction (60601). | \$55,000,000 | \$10,000,000 | | |
| 53 | | | \$12,700,000 | | |
| 54 | Toll Facility Debt Service (60602)..... | \$3,188,200 | \$3,193,400 | | |
| 55 | Toll Facility Maintenance And Operation (60603)... | \$12,912,050 | \$13,000,750 | | |
| 56 | | | \$23,671,433 | | |

| ITEM 455. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|--------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Toll Facilities Revolving Fund (60604)..... | \$19,848,000 | \$20,900,000 | | |
| 2 | | | \$29,650,000 | | |
| 3 | Fund Sources: Commonwealth Transportation..... | \$84,948,250 | \$41,050,750 | | |
| 4 | | | \$63,214,833 | | |
| 5 | Trust and Agency..... | \$6,000,000 | \$6,043,400 | | |
| 6 | | | \$6,000,000 | | |
| 7 | Authority: §§ 33.2-1524 and 33.2-1700 through 33.2-1729, Code of Virginia. | | | | |
| 8 | A. Included in this Item are funds for the installation and implementation of a statewide | | | | |
| 9 | Electronic Toll Customer Service/Violation Enforcement System. | | | | |
| 10 | B. Funds as appropriated are provided for other toll facility initiatives as needed during the | | | | |
| 11 | biennium including but not limited to funding activities to advance projects pursuant to the | | | | |
| 12 | Public-Private Transportation Act. | | | | |
| 13 | C. Outstanding obligations due to the Toll Facility Revolving Account that were to be repaid | | | | |
| 14 | from future Urban Construction allocations are hereby released. | | | | |
| 15 | D. The Department of Transportation, in consultation with various stakeholders, shall provide | | | | |
| 16 | to the Chairmen of the House Appropriations, Senate Finance, and House and Senate | | | | |
| 17 | Transportation Committees by November 15, 2017, its recommendations regarding reporting | | | | |
| 18 | to the General Assembly toll transaction data, including total toll road violation charges and | | | | |
| 19 | administrative fees, levied and collected, as well as the feasibility of providing such | | | | |
| 20 | information on an annual, facility-wide basis for all toll facilities in the Commonwealth. | | | | |
| 21 | 456. Financial Assistance to Localities for Ground | | | \$948,976,395 | \$947,678,871 |
| 22 | Transportation (60700)..... | | | | \$948,987,982 |
| 23 | | | | | |
| 24 | Financial Assistance for City Road Maintenance | | | | |
| 25 | (60701)..... | \$371,138,361 | \$375,355,526 | | |
| 26 | | | \$374,481,970 | | |
| 27 | Financial Assistance for County Road Maintenance | | | | |
| 28 | (60702)..... | \$66,000,705 | \$66,752,742 | | |
| 29 | | | \$66,775,844 | | |
| 30 | Financial Assistance for Planning, Access Roads, | | | | |
| 31 | and Special Projects (60704)..... | \$15,737,329 | \$15,370,603 | | |
| 32 | | | \$15,230,168 | | |
| 33 | Distribution of Northern Virginia Transportation | | | | |
| 34 | Authority Fund Revenues (60706)..... | \$327,200,000 | \$330,600,000 | | |
| 35 | | | \$332,900,000 | | |
| 36 | Distribution of Hampton Roads Transportation Fund | | | | |
| 37 | Revenues (60707)..... | \$168,900,000 | \$159,600,000 | | |
| 38 | Fund Sources: Commonwealth Transportation..... | \$452,876,395 | \$457,478,871 | | |
| 39 | | | \$456,487,982 | | |
| 40 | Dedicated Special Revenue..... | \$496,100,000 | \$490,200,000 | | |
| 41 | | | \$492,500,000 | | |
| 42 | Authority: Title 33.2, Chapter 1, Code of Virginia. | | | | |
| 43 | A. Out of the amounts for Financial Assistance for Planning, Access Road, and Special | | | | |
| 44 | Projects, \$7,000,000 the first year and \$7,000,000 the second year from the Commonwealth | | | | |
| 45 | Transportation Fund shall be allocated for purposes set forth in §§ 33.2-1509, 33.2-1600, and | | | | |
| 46 | 33.2-1510, Code of Virginia. Of this amount, the allocation for Recreational Access Roads | | | | |
| 47 | shall be \$1,500,000 the first year and \$1,500,000 the second year, of which an amount up to | | | | |
| 48 | \$1,000,000 each year may be provided to repair or upgrade highway signage for Virginia | | | | |
| 49 | State Parks, State Boat Landing Sites and Highway Historical Markers throughout the | | | | |
| 50 | Commonwealth. The department will work with the Department of Conservation and | | | | |
| 51 | Recreation, the Department of Game and Inland Fisheries and the Department of Historic | | | | |
| 52 | Resources to identify the related signage needs. | | | | |
| 53 | B. The Department of Transportation is encouraged to promote the construction and | | | | |
| 54 | improvement of highways and transit facilities by localities, whether or not such | | | | |
| 55 | improvements are contained in the Six-Year Improvement Program or Plan. If such | | | | |
| 56 | improvements are not contained in the Six-Year Improvement Program or Plan, the localities | | | | |

| ITEM 456. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | may not seek reimbursement from the department for the improvements. | | | | |
| 2 | C. Distribution of Northern Virginia Transportation Authority Fund Revenues represents | | | | |
| 3 | direct payments, of the revenue collected and deposited into the Fund, to the Northern | | | | |
| 4 | Virginia Transportation Authority for uses contained in Chapter 766, 2013 Acts of | | | | |
| 5 | Assembly. Notwithstanding any other provision of law, moneys deposited into the | | | | |
| 6 | Hampton Roads Transportation Fund shall be transferred to the Hampton Roads | | | | |
| 7 | Transportation Accountability Commission for use in accordance with § 33.2-2611, Code | | | | |
| 8 | of Virginia, which use may include as a source of funds for administrative expenses of the | | | | |
| 9 | Hampton Roads Transportation Accountability Commission. | | | | |
| 10 | D. The prioritization process developed under subsection B of Chapter 726 of the 2014 | | | | |
| 11 | Virginia Acts of Assembly shall not apply to use of funds provided in this item from | | | | |
| 12 | federal apportionments in the Metropolitan Planning Program. | | | | |
| 13 | <i>E. It is the intent of the General Assembly that the toll revenues, including any bond</i> | | | | |
| 14 | <i>proceeds or concession payments backed by such toll revenues, derived from the express</i> | | | | |
| 15 | <i>lanes on Interstate 64 between the interchange of Interstate 64 with Interstate 664 and the</i> | | | | |
| 16 | <i>interchange of Interstate 64 with Interstate 564 be used to reduce the necessary</i> | | | | |
| 17 | <i>contribution from the Hampton Roads Transportation Accountability Commission</i> | | | | |
| 18 | <i>established pursuant Chapter 26 of Title 33.2, Code of Virginia, for a project to expand</i> | | | | |
| 19 | <i>the capacity of Interstate 64 between the interchange of Interstate 64 with Interstate 664</i> | | | | |
| 20 | <i>and the interchange of Interstate 64 with Interstate 564.</i> | | | | |
| 21 | <i>F. Consistent with § 33.2-366, Code of Virginia, the Commonwealth Transportation</i> | | | | |
| 22 | <i>Board, when establishing annual rates of payments to Counties that have elected to</i> | | | | |
| 23 | <i>withdraw from the secondary highway system, shall adjust such rate annually with i)</i> | | | | |
| 24 | <i>procedures established for adjusting payments to cities, and ii) lane mileage adjustments.</i> | | | | |
| 25 | <i>It is the express intent of the General Assembly, that under no circumstance shall the</i> | | | | |
| 26 | <i>addition of lane miles to one jurisdiction result in the direct or indirect reduction in the</i> | | | | |
| 27 | <i>calculation of payment to any other jurisdiction receiving payment from funds</i> | | | | |
| 28 | <i>appropriated for Financial Assistance for County Road Maintenance (60702).</i> | | | | |
| 29 | 457. Non-Toll Supported Transportation Debt Service | | | | |
| 30 | (61200)..... | | | \$331,019,981 | \$375,461,840 |
| 31 | | | | | \$353,956,294 |
| 32 | Highway Transportation Improvement District | | | | |
| 33 | Debt Service (61201)..... | \$7,215,019 | \$7,212,269 | | |
| 34 | Designated Highway Corridor Debt Service | | | | |
| 35 | (61202)..... | \$66,919,646 | \$66,747,178 | | |
| 36 | | | \$65,747,176 | | |
| 37 | Commonwealth Transportation Capital Projects | | | | |
| 38 | Bond Act Debt Service (61204)..... | \$166,313,599 | \$190,531,533 | | |
| 39 | | | \$170,025,974 | | |
| 40 | Federal Transportation Grant Anticipation | | | | |
| 41 | Revenue Notes Debt Service (61205)..... | \$90,571,717 | \$110,970,860 | | |
| 42 | | | \$110,970,875 | | |
| 43 | Fund Sources: General..... | \$40,000,000 | \$40,000,000 | | |
| 44 | Commonwealth Transportation..... | \$90,592,573 | \$110,970,860 | | |
| 45 | | | \$110,970,875 | | |
| 46 | Trust and Agency..... | \$192,810,046 | \$217,105,229 | | |
| 47 | | | \$195,572,035 | | |
| 48 | Federal Trust..... | \$7,617,362 | \$7,385,751 | | |
| 49 | | | \$7,413,384 | | |
| 50 | Authority: Titles 15.2, 33.2, and 58.1 of the Code of Virginia; Chapters 827 and 914, Acts | | | | |
| 51 | of Assembly of 1990; Chapters 233 and 662, Acts of Assembly of 1994; Chapter 8, as | | | | |
| 52 | amended by Chapter 538, Acts of Assembly of 1999; Chapters 1019 and 1044, Acts of | | | | |
| 53 | Assembly of 2000; Chapter 799, Acts of Assembly of 2002; Chapter 896, Acts of | | | | |
| 54 | Assembly of 2007; and Chapters 830 and 868, Acts of Assembly of 2011 | | | | |
| 55 | A.1. The amount shown for Highway Transportation Improvement District Construction | | | | |
| 56 | shall be derived from payments made to the Transportation Trust Fund pursuant to the | | | | |

| ITEM 457. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Contract between the State Route 28 Highway Transportation Improvement District and the | | | |
| 2 | Commonwealth Transportation Board dated September 1, 1988 as amended by the Amended | | | |
| 3 | and Restated District Contract by and among the Commonwealth Transportation Board, the | | | |
| 4 | Fairfax County Economic Development Authority and the State Route 28 Highway | | | |
| 5 | Transportation Improvement District Commission (the "District Commission") dated August | | | |
| 6 | 30, 2002, and May 1, 2012 (the "District Contract"). | | | |
| 7 | 2. There is hereby appropriated for payment immediately upon receipt to a third party | | | |
| 8 | approved by the Commonwealth Transportation Board, or a bond trustee selected by such | | | |
| 9 | third party, a sum sufficient equal to the special tax revenues collected by the Counties of | | | |
| 10 | Fairfax and Loudoun within the State Route 28 Highway Transportation Improvement District | | | |
| 11 | and paid to the Commonwealth Transportation Board by or on behalf of the District | | | |
| 12 | Commission (the "contract payments") pursuant to § 15.2-4600 et seq., Code of Virginia, and | | | |
| 13 | the District Contract between the Commonwealth Transportation Board and the District | | | |
| 14 | Commission. | | | |
| 15 | 3. The contract payments may be supplemented from the Construction District Grant Program | | | |
| 16 | pursuant to § 33.2-371 allocated to the highway construction district in which the project | | | |
| 17 | financed is located, or any other lawfully available revenues of the Transportation Trust Fund, | | | |
| 18 | as may be necessary to meet debt service obligations. The payment of debt service shall be for | | | |
| 19 | the bonds (the Series 2012 Bonds) issued under the "Commonwealth of Virginia | | | |
| 20 | Transportation Contract Revenue Bond Act of 1988" (Chapters 653 and 676, Acts of | | | |
| 21 | Assembly of 1988 as amended by Chapters 827 and 914 of the Acts of Assembly of 1990). | | | |
| 22 | Funds required to pay the total debt service on the Series 2012 Bonds shall be made available | | | |
| 23 | in the amounts indicated in paragraph E of this Item. | | | |
| 24 | B.1. Out of the amounts for Designated Highway Corridor Construction, \$40,000,000 the first | | | |
| 25 | year and \$40,000,000 the second year from the general fund shall be paid to the U.S. Route 58 | | | |
| 26 | Corridor Development Fund, hereinafter referred to as the "Fund", established pursuant to § | | | |
| 27 | 33.2-2300, Code of Virginia. This payment shall be in lieu of the deposit of state recordation | | | |
| 28 | taxes to the Fund, as specified in the cited Code section. Said recordation taxes which would | | | |
| 29 | otherwise be deposited to the Fund shall be retained by the general fund. Additional | | | |
| 30 | appropriations required for the U.S. Route 58 Corridor Development Fund, an amount | | | |
| 31 | estimated at \$9,000,000 the first year and \$9,000,000 the second year shall be transferred | | | |
| 32 | from the highway share of the Transportation Trust Fund. | | | |
| 33 | 2. Pursuant to the "U.S. Route 58 Commonwealth of Virginia Transportation Revenue Bond | | | |
| 34 | Act of 1989" (as amended by Chapter 538 of the 1999 Acts of Assembly and Chapter 296 of | | | |
| 35 | the 2013 Acts of Assembly), the amounts shown in paragraph E of this Item shall be available | | | |
| 36 | from the Fund for debt service for the bonds previously issued and additional bonds issued | | | |
| 37 | pursuant to said act. | | | |
| 38 | C.1. The Commonwealth Transportation Board shall maintain the Northern Virginia | | | |
| 39 | Transportation District Fund, hereinafter referred to as the "Fund." Pursuant to § 33.2-2400, | | | |
| 40 | Code of Virginia, and for so long as the Fund is required to support the issuance of bonds, the | | | |
| 41 | Fund shall include at least the following elements: | | | |
| 42 | a. Amounts transferred from Item 266 of this act to this Item. | | | |
| 43 | b. Any public right-of-way use fees allocated by the Department of Transportation pursuant to | | | |
| 44 | § 56-468.1 of the Code of Virginia and attributable to the counties of Fairfax, Loudoun, and | | | |
| 45 | Prince William, the amounts estimated at \$5,209,445 the first year and \$5,209,445 the second | | | |
| 46 | year. | | | |
| 47 | c. Any amounts which may be deposited into the Fund pursuant to a contract between the | | | |
| 48 | Commonwealth Transportation Board and a jurisdiction or jurisdictions participating in the | | | |
| 49 | Northern Virginia Transportation District Program, the amounts estimated to be \$816,000 the | | | |
| 50 | first year and \$816,000 the second year. | | | |
| 51 | 2. The Fund shall support the issuance of bonds at a total authorized level of \$500,200,000 for | | | |
| 52 | the purposes provided in the "Northern Virginia Transportation District, Commonwealth of | | | |
| 53 | Virginia Revenue Bond Act of 1993," Chapter 391, Acts of Assembly of 1993 as amended by | | | |
| 54 | Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts of | | | |
| 55 | Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 Acts | | | |

| ITEM 457. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | of Assembly, and Chapter 621 of the 2005 Acts of Assembly. | | | |
| 2 | 3. Pursuant to the Northern Virginia Transportation District, Commonwealth of Virginia | | | |
| 3 | Revenue Bond Act of 1993, Chapter 391, Acts of Assembly of 1993, and as amended by | | | |
| 4 | Chapters 470 and 597 of the Acts of Assembly of 1994, Chapters 740 and 761 of the Acts | | | |
| 5 | of Assembly of 1998, Chapter 538 of the 1999 Acts of Assembly, Chapter 799 of the 2002 | | | |
| 6 | Acts of Assembly, and Chapter 621 of the 2005 Acts of Assembly, amounts shown in | | | |
| 7 | paragraph E of this Item shall be available from the Fund for debt service for the bonds | | | |
| 8 | previously issued and additional bonds issued pursuant to said act. | | | |
| 9 | 4. Should the actual distribution of recordation taxes to the localities set forth in § 33.2- | | | |
| 10 | 2400, Code of Virginia, exceed the amount required for debt service on the bonds issued | | | |
| 11 | pursuant to the above act, such excess amount shall be transferred to the Northern Virginia | | | |
| 12 | Transportation District Fund in furtherance of the program described in § 33.2-2401, Code | | | |
| 13 | of Virginia. | | | |
| 14 | 5. Should the actual distribution of recordation taxes to said localities be less than the | | | |
| 15 | amount required to pay debt service on the bonds, the Commonwealth Transportation | | | |
| 16 | Board is authorized to meet such deficiency, to the extent required, from funds identified | | | |
| 17 | in Enactment No. 1, Section 11, of Chapter 391, Acts of Assembly of 1993. | | | |
| 18 | D.1. The Commonwealth Transportation Board shall maintain the City of Chesapeake | | | |
| 19 | account of the Set-aside Fund, pursuant to § 58.1-816.1, Code of Virginia, which shall | | | |
| 20 | include funds transferred from Item 261 of this act to this Item, and an amount estimated | | | |
| 21 | at \$1,500,000 the first year and \$1,500,000 the second year received from the City of | | | |
| 22 | Chesapeake pursuant to a contract or other alternative mechanism for the purpose | | | |
| 23 | provided in the "Oak Grove Connector, City of Chesapeake Commonwealth of Virginia | | | |
| 24 | Transportation Program Revenue Bond Act of 1994," Chapters 233 and 662, Acts of | | | |
| 25 | Assembly of 1994 (hereafter referred to as the "Oak Grove Connector Act"). | | | |
| 26 | 2. The amounts shown in paragraph E of this Item shall be available from the City of | | | |
| 27 | Chesapeake account of the Set-aside Fund for debt service for the bonds issued pursuant | | | |
| 28 | to the Oak Grove Connector Act. | | | |
| 29 | 3. Should the actual distribution of recordation taxes and such local revenues from the | | | |
| 30 | City of Chesapeake as may be received pursuant to a contract or other alternative | | | |
| 31 | mechanism to the City of Chesapeake account of the Set-aside Fund be less than the | | | |
| 32 | amount required to pay debt service on the bonds, the Commonwealth Transportation | | | |
| 33 | Board is authorized to meet such deficiency, pursuant to Enactment No. 1, Section 11 of | | | |
| 34 | the Oak Grove Connector Act. | | | |
| 35 | E. Pursuant to various Payment Agreements between the Treasury Board and the | | | |
| 36 | Commonwealth Transportation Board, funds required to pay the debt service due on the | | | |
| 37 | following Commonwealth Transportation Board bonds shall be transferred to the Treasury | | | |
| 38 | Board as follows: | | | |
| 39 | | | FY 2017 | FY 2018 |
| 40 | Transportation Contract Revenue Refund Bonds, Series 2012 | | \$7,215,019 | \$7,212,269 |
| 41 | (Refunding Route 28) | | | |
| 42 | Commonwealth of Virginia Transportation Revenue Bonds: U.S. | | | |
| 43 | Route 58 Corridor Development Program: | | | |
| 44 | Series 2006C | | \$3,173,000 | \$3,173,000 |
| 45 | Series 2007B | | \$15,031,750 | \$15,032,500 |
| 46 | Series 2012B (Refunding) | | \$6,380,700 | \$6,380,100 |
| 47 | Series 2014B (Refunding) | | \$24,141,750 | \$24,140,250 |
| 48 | Series 2016C (Refunding) | | \$2,592,750 | \$2,592,750 |
| 49 | Northern Virginia Transportation District Program: | | | |

| ITEM 457. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Series 2006B | | \$816,750 | \$2,871,750 |
| 2 | Series 2007A | | \$4,588,150 | \$4,600,900 |
| 3 | Series 2009A-2 | | \$5,451,178 | \$5,416,203 |
| 4 | Series 2012A (Refunding) | | \$11,831,538 | \$9,792,038 |
| 5 | Series 2014A (Refunding) | | \$9,647,250 | \$9,645,750 |
| 6 | Series 2016B (Refunding) | | \$639,500 | \$2,354,500 |
| 7 | Transportation Program Revenue Bonds: | | | |
| 8 | Series 2016A (Oak Grove Connector, City of Chesapeake) | | \$1,990,000 | \$1,990,750 |
| 9 | Capital Projects Revenue Bonds: | | | |
| 10 | Series 2010 A-2 | | \$36,296,593 | \$36,092,710 |
| 11 | Series 2011 | | \$42,108,863 | \$42,110,113 |
| 12 | Series 2012 | | \$40,279,000 | \$40,276,000 |
| 13 | Series 2014 | | \$18,223,950 | \$18,226,200 |
| 14 | Series 2016 | | \$16,704,231 | \$16,798,750 |
| 15 | F. Out of the amounts provided for in this Item, an estimated \$75,595,668 the first year and | | | |
| 16 | \$110,970,859 the second year from federal reimbursements shall be provided for debt service | | | |
| 17 | payments on the Federal Transportation Grant Anticipation Revenue Notes. | | | |
| 18 | G. Out of the amounts provided for this Item, an estimated \$153,612,636 the first year and | | | |
| 19 | \$153,503,773 the second year from the Priority Transportation Fund shall be provided for | | | |
| 20 | debt service payments on the Commonwealth Transportation Capital Projects Revenue Bonds. | | | |
| 21 | Any additional amounts needed to offset the debt service payment requirements attributable to | | | |
| 22 | the issuance of the Capital Projects Revenue Bonds shall be provided from the Transportation | | | |
| 23 | Trust Fund. | | | |
| 24 | H. The Commonwealth Transportation Board is hereby authorized, by and with the consent of | | | |
| 25 | the Governor, to issue, pursuant to the applicable provisions of the Transportation | | | |
| 26 | Development and Revenue Bond Act (§ 33.2-1700 et seq., Code of Virginia) as amended | | | |
| 27 | from time to time, revenue obligations of the Commonwealth to be designated | | | |
| 28 | "Commonwealth of Virginia Transportation Capital Projects Revenue Bonds, Series XXXX" | | | |
| 29 | at one or more times in an aggregate principal amount not to exceed \$180,000,000, after all | | | |
| 30 | costs. The net proceeds of the bonds shall be used exclusively for the purpose of providing | | | |
| 31 | funds for paying the costs incurred or to be incurred for construction or funding of | | | |
| 32 | transportation projects set forth in Item 449.10 of Chapter 847 of the Acts of Assembly of | | | |
| 33 | 2007, including but not limited to environmental and engineering studies; rights-of-way | | | |
| 34 | acquisition; improvements to all modes of transportation; acquisition, construction and related | | | |
| 35 | improvements; and any financing costs and other financing expenses. Such costs may include | | | |
| 36 | the payment of interest on the bonds for a period during construction and not exceeding one | | | |
| 37 | year after completion of construction of the projects. Notwithstanding the provisions of Item | | | |
| 38 | 449.10 of Chapter 847 of the acts of Assembly 2007, any remaining funding may be used for | | | |
| 39 | the purposes set forth in subsection G of Item 453 of Chapter 665, 2015 Acts of Assembly. | | | |
| 40 | 458. Administrative and Support Services (69900)..... | | \$266,051,608 | \$262,124,502 |
| 41 | | | | \$263,439,502 |
| 42 | General Management and Direction (69901)..... | \$142,662,181 | \$136,218,719 | |
| 43 | | | \$137,533,719 | |
| 44 | Information Technology Services (69902)..... | \$88,723,194 | \$90,923,268 | |
| 45 | Facilities and Grounds Management Services | | | |
| 46 | (69915)..... | \$16,235,764 | \$16,668,596 | |
| 47 | Employee Training and Development (69924)..... | \$18,430,469 | \$18,313,919 | |

| ITEM 458. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Fund Sources: Commonwealth Transportation..... | \$266,051,608 | \$262,124,502 | |
| 2 | | | \$263,439,502 | |
| 3 | Authority: Title 33.2, Code of Virginia. | | | |
| 4 | A. Notwithstanding any other provision of law, the highway share of the Transportation | | | |
| 5 | Trust Fund shall be used for highway maintenance and operation purposes prior to its | | | |
| 6 | availability for new development, acquisition, and construction. | | | |
| 7 | B. Administrative and Support Services shall include funding for management, direction, | | | |
| 8 | and administration to support the department's activities that cannot be directly attributable | | | |
| 9 | to individual programs and/or projects. | | | |
| 10 | C. Out of the amounts for General Management and Direction, allocations shall be | | | |
| 11 | provided to the Commonwealth Transportation Board to support its operations, the | | | |
| 12 | payment of financial advisory and legal services, and the management of the | | | |
| 13 | Transportation Trust Fund. | | | |
| 14 | D. Notwithstanding any other provision of law, the department may assess and collect the | | | |
| 15 | costs of providing services to other entities, public and private. The department shall take | | | |
| 16 | all actions necessary to ensure that all such costs are reasonable and appropriate, | | | |
| 17 | recovered, and understood as a condition to providing such service. | | | |
| 18 | E. Each year, as part of the six-year financial planning process, the commissioner shall | | | |
| 19 | implement a long-term business strategy that considers appropriate staffing levels for the | | | |
| 20 | department. In addition, the commissioner shall identify services, programs, or projects | | | |
| 21 | that will be evaluated for devolution or outsourcing in the upcoming year. In undertaking | | | |
| 22 | such evaluations, the commissioner is authorized to use the appropriate resources, both | | | |
| 23 | public and private, to competitively procure those identified services, programs, or | | | |
| 24 | projects and shall identify total costs for such activities. | | | |
| 25 | F. Notwithstanding § 4-2.03 of this act, the Virginia Department of Transportation shall be | | | |
| 26 | exempt from recovering statewide and agency indirect costs from the Federal Highway | | | |
| 27 | Administration until an indirect cost plan can be evaluated and developed by the agency | | | |
| 28 | and approved by the Federal Highway Administration. | | | |
| 29 | G. The Director, Department of Planning and Budget, is authorized to adjust | | | |
| 30 | appropriations and allotments for the Virginia Department of Transportation to reflect | | | |
| 31 | changes in the official revenue estimates for commonwealth transportation funds. | | | |
| 32 | H. Out of the amounts for General Management and Direction, allocations shall be | | | |
| 33 | provided to support the capital lease agreement with Fairfax County for the Northern | | | |
| 34 | Virginia District building. An amount estimated at \$7,800,000 the first year and | | | |
| 35 | \$7,800,000 the second year from Commonwealth Transportation Funds shall be provided. | | | |
| 36 | I. Notwithstanding any other provisions of law, the Commonwealth Transportation | | | |
| 37 | Commissioner may enter into a contract with homeowner associations for grounds- | | | |
| 38 | keeping, mowing, and litter removal services. | | | |
| 39 | J. The prioritization process developed under subsection B of Chapter 726 of the 2014 | | | |
| 40 | Virginia Acts of Assembly shall not apply to use of funds provided in this item from | | | |
| 41 | federal apportionments out of the Surface Transportation Program utilized for Employee | | | |
| 42 | Training and Development. | | | |
| 43 | K. Notwithstanding the provisions § 2.2-2402 of the Code of Virginia, no construction, | | | |
| 44 | erection, repair, upgrade, removal or demolition of any building, fixture or structure | | | |
| 45 | located or to be located on property of the Commonwealth of Virginia under the control of | | | |
| 46 | the Virginia Department of Transportation (VDOT) and within the secured area of a | | | |
| 47 | residency, area headquarters or district complex shall be subject to review or approval by | | | |
| 48 | the Art and Architectural Review Board as contemplated by that section. However, for | | | |
| 49 | changes to any building or fixture located on property owned or controlled by VDOT that | | | |
| 50 | has been designated or is under consideration for designation as a historic property, then | | | |
| 51 | VDOT shall submit such changes to the Art and Architectural Review Board for review | | | |
| 52 | and approval by the Board. | | | |

| ITEM 459. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|------|---|-----------------------|----------------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | 459. | Not set out. | | | |
| 2 | | Total for Department of Transportation..... | | \$5,780,144,472 | \$5,264,463,040 |
| 3 | | | | | \$5,623,959,058 |
| 4 | | Nongeneral Fund Positions..... | 7,725.00 | 7,735.00 | |
| 5 | | Position Level..... | 7,725.00 | 7,735.00 | |
| 6 | | Fund Sources: General..... | \$40,000,000 | \$40,000,000 | |
| 7 | | Commonwealth Transportation..... | \$4,648,623,982 | \$4,260,428,660 | |
| 8 | | | | \$4,646,072,651 | |
| 9 | | Trust and Agency..... | \$587,803,128 | \$466,448,629 | |
| 10 | | | | \$437,973,023 | |
| 11 | | Dedicated Special Revenue..... | \$496,100,000 | \$490,200,000 | |
| 12 | | | | \$492,500,000 | |
| 13 | | Federal Trust..... | \$7,617,362 | \$7,385,751 | |
| 14 | | | | \$7,413,384 | |
| 15 | 460. | Not set out. | | | |
| 16 | 461. | Not set out. | | | |
| 17 | 462. | Not set out. | | | |
| 18 | 463. | Not set out. | | | |
| 19 | 464. | Not set out. | | | |
| 20 | 465. | Not set out. | | | |
| 21 | | TOTAL FOR OFFICE OF TRANSPORTATION..... | | \$6,988,449,208 | \$6,487,251,959 |
| 22 | | | | | \$6,848,247,977 |
| 23 | | Nongeneral Fund Positions..... | 10,103.00 | 10,117.00 | |
| 24 | | | | 10,132.00 | |
| 25 | | Position Level..... | 10,103.00 | 10,117.00 | |
| 26 | | | | 10,132.00 | |
| 27 | | Fund Sources: General..... | \$41,030,253 | \$41,030,253 | |
| 28 | | Special..... | \$155,249,541 | \$162,623,203 | |
| 29 | | Commonwealth Transportation..... | \$5,569,777,971 | \$5,188,693,170 | |
| 30 | | | | \$5,575,837,161 | |
| 31 | | Trust and Agency..... | \$598,749,728 | \$477,395,229 | |
| 32 | | | | \$448,919,623 | |
| 33 | | Dedicated Special Revenue..... | \$575,900,000 | \$570,000,000 | |
| 34 | | | | \$572,300,000 | |
| 35 | | Federal Trust..... | \$47,741,715 | \$47,510,104 | |
| 36 | | | | \$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 | | |

| ITEM 475. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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 | | | |

| ITEM 475. | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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. | | | |

| ITEM 475. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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 | | | | |

| ITEM 475. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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. | | | | |

| ITEM 475. | | Item Details(\$) | | Appropriations(\$) | |
|-----------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 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> | | | | |

| ITEM 475. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | \$181,038 | \$17,736 | | |
| 2 | the second year to from 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 | | | | \$16,324,953 |
| 38 | | | Miscellaneous Contingency Reserve Account | |
| 39 | | | (75801)..... | \$2,300,000 |
| 40 | | | | \$2,300,000 |
| 41 | | | | \$2,800,000 |
| 42 | | | Undistributed Support for Designated State Agency | |
| 43 | | | Activities (75806)..... | \$13,546,364 |
| 44 | | | | \$16,790,835 |
| 45 | | | | \$13,524,953 |
| 46 | | | Fund Sources: General..... | \$15,846,364 |
| 47 | | | | \$18,590,835 |
| | | | | \$15,824,953 |
| | | | Dedicated Special Revenue..... | \$0 |
| | | | | \$500,000 |
| 46 | Authority: Discretionary Inclusion. | | | |
| 47 | A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to | | | |

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

| ITEM 476. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | half of other states have made similar grants. | | | |
| 2 | 5. In addition, if the amounts appropriated in this Item are insufficient to meet the | | | |
| 3 | unanticipated events enumerated, the Governor may utilize up to \$1,000,000 the first year and | | | |
| 4 | \$1,000,000 the second year from the general fund amounts appropriated for the | | | |
| 5 | Commonwealth's Opportunity Fund for the unanticipated purposes set forth in paragraph D.1. | | | |
| 6 | through paragraph D.5. of this Item. | | | |
| 7 | 6. In addition, to provide for payment of monetary rewards to persons who have disclosed | | | |
| 8 | information of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection | | | |
| 9 | Act. | | | |
| 10 | 7. The Department of Planning and Budget shall submit a quarterly report of any | | | |
| 11 | disbursements made from, commitments made against, and requests made for such sums | | | |
| 12 | authorized for allocation pursuant to this paragraph to the Chairmen of the House | | | |
| 13 | Appropriations and Senate Finance Committees. This report shall identify each of the | | | |
| 14 | conditions specified in this paragraph for which the transfer is made. | | | |
| 15 | E. Included in this appropriation is \$300,000 the first year and \$300,000 the second year from | | | |
| 16 | the general fund to pay for private legal services and the general fund share of unbudgeted | | | |
| 17 | costs for enforcement of the 1998 Tobacco Master Settlement Agreement. Transfers for | | | |
| 18 | private legal services shall be made by the Director, Department of Planning and Budget upon | | | |
| 19 | prior written authorization of the Governor or the Attorney General, pursuant to § 2.2-510, | | | |
| 20 | Code of Virginia or Item 59, Paragraph D of this act. Transfers for enforcement of the Master | | | |
| 21 | Settlement Agreement shall be made by the Director, Department of Planning and Budget at | | | |
| 22 | the request of the Attorney General, pursuant to Item 59, Paragraph B of this act. | | | |
| 23 | F. Notwithstanding the provisions of § 58.1-608.3B.(v), Code of Virginia, any municipality | | | |
| 24 | which has issued bonds on or after July 1, 2001, but before July 1, 2006, to pay the cost, or | | | |
| 25 | portion thereof, of any public facility pursuant to § 58.1-608.3, Code of Virginia, shall be | | | |
| 26 | entitled to all sales tax revenues generated by transactions taking place in such public facility. | | | |
| 27 | G. The Director, Department of Planning and Budget, shall transfer from this Item, general | | | |
| 28 | fund amounts estimated at \$5,915,424 the first year and \$6,231,160 \$1,579,381 the second | | | |
| 29 | year to state agencies and institutions of higher education to support the general fund portion | | | |
| 30 | of costs resulting from the estimated usage of technology services provided by the Virginia | | | |
| 31 | Information Technologies Agency. | | | |
| 32 | H.1. <i>Out of this appropriation, \$1,209,209 the second year from the general fund shall be</i> | | | |
| 33 | <i>provided to the City of Richmond for expenses incurred for the development of the Slavery</i> | | | |
| 34 | <i>and Freedom Heritage Site in Richmond, including Lumpkin's Pavilion and Slave Trail</i> | | | |
| 35 | <i>improvements. Any unexpended general fund balances as of June 30, 2017 2018 that were</i> | | | |
| 36 | <i>appropriated for the purpose of supporting the City of Richmond in the development of the</i> | | | |
| 37 | <i>Slavery and Freedom Heritage Site in Richmond shall not revert to the general fund, but</i> | | | |
| 38 | <i>instead be reappropriated for its original purpose. Out of the \$2,000,000 originally</i> | | | |
| 39 | <i>appropriated amounts authorized in paragraph H.1., up to \$1,000,000 shall be used for</i> | | | |
| 40 | <i>improvements to the Slave Trail, and up to \$1,000,000 for costs associated with Lumpkin's</i> | | | |
| 41 | <i>Pavilion. On or before June 30, 2017, the Director, Department of Planning and Budget, shall</i> | | | |
| 42 | <i>revert to the general fund an amount estimated at \$1,500,000 from the appropriation</i> | | | |
| 43 | <i>authorized in Item 468 I.1. of Chapter 2, 2014 Special Session 1. The Governor is authorized</i> | | | |
| 44 | <i>to transfer up to \$500,000 from the unappropriated balance for improvements to the Slave</i> | | | |
| 45 | <i>Trail or for costs associated with Lumpkin's Pavilion if reimbursement requests exceed the</i> | | | |
| 46 | <i>amounts available in the fiscal year 2016-2018 biennium. It is the intent of the General</i> | | | |
| 47 | <i>Assembly to fully meet its commitment to the project as reimbursement requests are made</i> | | | |
| 48 | <i>and funding to meet such requests shall be included by the Governor in any budget</i> | | | |
| 49 | <i>submission made pursuant to the provisions of §§ 2.2-1508 and 2.2-1509, Code of Virginia.</i> | | | |
| 50 | 2. Prior to the receipt of state funds for the purpose set out in paragraph H.1., the Richmond | | | |
| 51 | City Council shall pass a resolution outlining its approval of and financial commitment to the | | | |
| 52 | proposed project and local matching funds in an amount totaling at least \$5,000,000 which | | | |
| 53 | shall be appropriated by the City of Richmond for the project prior to receipt of any state | | | |
| 54 | funds. Release of state funding for Lumpkin's Pavilion shall also require evidence that the | | | |
| 55 | City of Richmond has raised at least fifty percent of the remaining funding required for that | | | |
| 56 | 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> | | | |
| 39 | I VETO THIS ITEM. /s/ Terence R. McAuliffe (04/28/17) (Vetoed item is enclosed in brackets.) | | | |
| 40 | Q. In addition to the amounts provided in paragraphs C.1.,2. and 3. of Item 109 of this act, | | | |
| 41 | the Virginia Coalfields Economic Development Authority shall provide up to \$500,000 of | | | |
| 42 | its nongeneral fund balances to the Lenowisco and Cumberland Plateau Planning District | | | |
| 43 | Commissions who shall serve as fiscal agents for coordinated economic development | | | |
| 44 | activities in the Lenowisco and Cumberland Plateau Planning Districts. The funding | | | |
| 45 | provided in this paragraph is contingent upon equal matching funds being awarded by the | | | |
| 46 | Tobacco Region Revitalization Commission. | | | |
| 46 | R.1. Out of the general fund appropriation in this Item for the second year, \$500,000 is | | | |
| 47 | provided for the Commonwealth Center for Advanced Manufacturing for rent and | | | |
| 48 | operating support. | | | |
| 49 | 2. These funds are in addition to the Center's annual appropriation specified in Chapter | | | |
| 50 | 836, Item 125 (P) and may not be utilized for salary increases of any kind, including | | | |
| 51 | providing raises or bonuses, to current employees of the Commonwealth Center for | | | |
| 52 | Advanced Manufacturing, or incentives designed to attract potential future employees. | | | |
| 53 | 3. The Executive Director of the Commonwealth Center for Advanced Manufacturing | | | |
| 54 | shall certify that no raises or bonuses of any kind shall be paid to any current or potential | | | |

| ITEM 476. | Item Details(\$) | | Appropriations(\$) | |
|-----------|---|--------------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | <i>employees of the Center until such a time as the Board and Executive Director have submitted</i> | | | |
| 2 | <i>to the Governor, Chairman of the House Appropriations Committee and Chairman of the</i> | | | |
| 3 | <i>Senate Finance Committee a viable and self-sustaining business plan for the Center's</i> | | | |
| 4 | <i>operations.</i> | | | |
| 5 | <i>4. No bond proceeds for any reason, including those referenced in Item C-50 of this act, shall</i> | | | |
| 6 | <i>be released to the Commonwealth Center for Advanced Manufacturing until the</i> | | | |
| 7 | <i>mentioned business plan in paragraph 3. above has been submitted by the Board and</i> | | | |
| 8 | <i>Executive Director.</i> | | | |
| 9 | <i>S. Any nonlegislative citizen member appointed by either the Speaker of the House, the Senate</i> | | | |
| 10 | <i>Committee on Rules or the Joint Rules Committee to any Authority, Board, Commission,</i> | | | |
| 11 | <i>Committee, or other deliberative body in the Commonwealth shall serve at the pleasure of</i> | | | |
| 12 | <i>such appointing authority. Any such member may be relieved of his appointment at any time,</i> | | | |
| 13 | <i>with or without cause.</i> | | | |
| 14 | <i>T. Out of the general fund amounts included in this item, \$176,688 the second year shall be</i> | | | |
| 15 | <i>transferred to the Department of Taxation to enable the Department to hire 12 additional</i> | | | |
| 16 | <i>audit staff during fiscal year 2018. The Department shall be authorized to administratively</i> | | | |
| 17 | <i>increase their maximum employment level as needed for this initiative.</i> | | | |
| 18 | <i>U. On or before June 30, 2018, the Committee on Joint Rules shall authorize the reversion to</i> | | | |
| 19 | <i>the general fund of \$526,952, representing savings generated by legislative agencies in the</i> | | | |
| 20 | <i>second year. The total savings amount includes estimated savings within the following</i> | | | |
| 21 | <i>legislative agencies:</i> | | | |
| 22 | Legislative Agency | Estimated Savings | | |
| 23 | <i>Division of Legislative Services (107)</i> | \$100,000 | | |
| 24 | <i>Joint Commission on Technology and</i> | \$101,192 | | |
| 25 | <i>Science (845)</i> | | | |
| 26 | <i>Virginia Disability Commission (837)</i> | \$18,701 | | |
| 27 | <i>State Water Commission (971)</i> | \$11,859 | | |
| 28 | <i>Virginia Coal & Energy Commission</i> | \$21,618 | | |
| 29 | <i>(118)</i> | | | |
| 30 | <i>Virginia Housing Commission (840)</i> | \$14,459 | | |
| 31 | <i>Commission on Unemployment</i> | \$16,066 | | |
| 32 | <i>Compensation</i> | | | |
| 33 | <i>Small Business Commission (862)</i> | \$34,746 | | |
| 34 | <i>Joint Commission on Administrative</i> | \$31,558 | | |
| 35 | <i>Rules (865)</i> | | | |
| 36 | <i>Autism Advisory Council (871)</i> | \$5,409 | | |
| 37 | <i>Virginia Conflicts of Interest and Ethics</i> | \$85,000 | | |
| 38 | <i>Advisory Council (876)</i> | | | |
| 39 | <i>Joint Commission on Transportation</i> | \$26,697 | | |
| 40 | <i>Accountability (875)</i> | | | |
| 41 | <i>Comm, on Economic Opportunity for</i> | \$9,647 | | |
| 42 | <i>Virginians in Aspiring & Diverse</i> | | | |
| 43 | <i>Communities (877)</i> | | | |
| 44 | <i>Joint Commission on Health Care (844)</i> | \$35,000 | | |
| 45 | <i>The Virginia Commission on Youth (839)</i> | \$15,000 | | |
| 46 | <i>V. On or before June 30, 2018, the Director of the Department of Planning and Budget shall</i> | | | |
| 47 | <i>authorize the reversion to the general fund of \$146,890 in unexpended general fund year end</i> | | | |
| 48 | <i>balances from the State Corporation Commission.</i> | | | |
| 49 | <i>W. On or before June 30, 2018, the Committee on Joint Rules shall authorize the reversion to</i> | | | |
| 50 | <i>the general fund of \$675,000 in unexpended year end balances from the Joint Legislative</i> | | | |
| 51 | <i>Audit and Review Commission.</i> | | | |
| 52 | 477. | Omitted. | | |

| ITEM 477. | | Item Details(\$) | | Appropriations(\$) | | |
|-----------|--------|---|-----------------------|----------------------|-----------------------|--|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 | |
| 1 | 478. | Not set out. | | | | |
| 2 | 478.10 | A.1: For each year of the biennium, there is hereby appropriated from the general fund of | | | | |
| 3 | | the state treasury an amount as specified in paragraphs A.3: and A.4: below; to fund | | | | |
| 4 | | certain capital projects that are presently authorized for funding from debt issuances by | | | | |
| 5 | | either the Virginia College Building Authority or the Virginia Public Building Authority; | | | | |
| 6 | | to the extent that the existing debt for such capital projects has not been issued: The | | | | |
| 7 | | Governor shall recommend an equivalent reduction in the amount of debt authorization for | | | | |
| 8 | | the affected projects so that overall; there is no decrease or increase in total funding for | | | | |
| 9 | | such projects: | | | | |
| 10 | | 2: It is the intent of the General Assembly that any appropriation pursuant to this Item only | | | | |
| 11 | | be used to reduce the total authorized but unissued debt such that general fund cash | | | | |
| 12 | | becomes the funding source for certain capital outlay projects rather than debt: In making | | | | |
| 13 | | this substitution; priority shall be given to maintenance reserve or other small capital | | | | |
| 14 | | outlay projects that are better suited to be funded from cash or to taxable debt projects | | | | |
| 15 | | which offer the opportunity to obtain greater debt service cost savings; if funded by cash | | | | |
| 16 | | rather than debt: | | | | |
| 17 | | 3: For the first fiscal year of the biennium; the appropriation specified in paragraph A.1: | | | | |
| 18 | | above shall be equal to the lesser of \$181,900,000 or the actual total general fund revenue | | | | |
| 19 | | collections for fiscal year ending June 30; 2016; reduced by any amounts needed to meet | | | | |
| 20 | | the Constitutional or statutory deposit to the Revenue Stabilization Fund and the statutory | | | | |
| 21 | | deposit concerning surplus revenue to the Water Quality Improvement Fund; as certified | | | | |
| 22 | | by the State Comptroller; minus the "official revenue estimate" for general fund revenues | | | | |
| 23 | | for the second year of the biennium as contained in the second enactment of Senate Bill 29 | | | | |
| 24 | | of the 2016 General Assembly; as enacted: | | | | |
| 25 | | 4: For the second year of the biennium the appropriation specified in paragraph A.1: above | | | | |
| 26 | | shall be equal to the lesser of \$188,200,000 or the actual total general fund revenue | | | | |
| 27 | | collections for fiscal year ending June 30; 2017; reduced by any amounts needed to meet | | | | |
| 28 | | the Constitutional or statutory deposit to the Revenue Stabilization Fund and the statutory | | | | |
| 29 | | deposit concerning surplus revenue to the Water Quality Improvement Fund; as certified | | | | |
| 30 | | by the State Comptroller; minus the "official revenue estimate" for general fund revenues | | | | |
| 31 | | for the first year of the biennium as contained in the first enactment of this Act: | | | | |
| 32 | | B: The State Comptroller shall make a commitment for any amount appropriated in this | | | | |
| 33 | | Item pursuant to paragraph A.3: above on the balance sheet of the Commonwealth for | | | | |
| 34 | | June 30; 2016: The State Comptroller shall make a commitment for any amount | | | | |
| 35 | | appropriated in this Item pursuant to paragraph A.4: above on the balance sheet of the | | | | |
| 36 | | Commonwealth for June 30; 2017: | | | | |
| 37 | | C.1: The Director of the Department of Planning and Budget shall report quarterly to the | | | | |
| 38 | | State Treasurer and to the Six Year Capital Outlay Planning Advisory Committee; | | | | |
| 39 | | established by § 2.2-1516 Code of Virginia; identifying the projects for which the debt | | | | |
| 40 | | authorization was replaced by appropriations pursuant to paragraph A1: above: | | | | |
| 41 | | 2: Upon notification from the Director of the Department of Planning and Budget that | | | | |
| 42 | | appropriations pursuant to paragraph A1: above have been made; the State Treasurer shall | | | | |
| 43 | | not issue any debt for the affected projects: | | | | |
| 44 | 478.20 | Not set out. | | | | |
| 45 | 478.30 | Revenue Cash Reserve (23700)..... | | \$0 | \$35,000,000 | |
| 46 | | | | | \$156,395,372 | |
| 47 | | Appropriated Revenue Reserve (23701)..... | | \$0 | \$35,000,000 | |
| 48 | | | | | \$156,395,372 | |
| 49 | | Fund Sources: General..... | | \$0 | \$35,000,000 | |
| 50 | | | | | \$156,395,372 | |
| 51 | | Authority: Discretionary Inclusion. | | | | |

| ITEM 478.30. | Item Details(\$) | | Appropriations(\$) | |
|--------------|---|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | A. There is hereby appropriated in this item \$35,000,000 \$156,395,372 from the general fund | | | |
| 2 | the second year to establish a Revenue Cash Reserve to mitigate any potential revenue | | | |
| 3 | shortfalls that may arise during the remainder of the biennium. This appropriation includes an | | | |
| 4 | amount, estimated at \$31,306,555; anticipated to be generated by the Virginia Tax Amnesty | | | |
| 5 | Program authorized by House Bill 2246 and Senate Bill 1438; 2017 Session of the General | | | |
| 6 | Assembly above the amounts anticipated to be collected by such program in the revenue | | | |
| 7 | forecast contained in the first enactment of House Bill 1500 and Senate Bill 900 as | | | |
| 8 | introduced. | | | |
| 9 | B. Any additional collections generated by the Virginia Tax Amnesty Program exceeding the | | | |
| 10 | revenue estimate of such program included within the official fiscal year 2018 revenue | | | |
| 11 | estimate contained in the first enactment of this act also shall be deposited into the cash | | | |
| 12 | reserve. | | | |
| 13 | C. To determine the amounts that are to be deposited into such reserve; the comptroller shall | | | |
| 14 | first determine the tax amnesty program revenues that were collected in excess of the | | | |
| 15 | revenues forecast from such program in House Bill 1500 and Senate Bill 900 as enacted. | | | |
| 16 | D. The comptroller shall then reflect the excess revenues as a commitment on the preliminary | | | |
| 17 | balance sheet entitled Revenue Cash Reserve to be held solely for the purposes of mitigating | | | |
| 18 | any loss of general fund revenues in fiscal year 2018 from the official forecast contained in | | | |
| 19 | this act. | | | |
| 20 | E. The comptroller may draw against the balances of the Revenue Cash Reserve for an | | | |
| 21 | amount equal to any shortfall in general fund revenue <i>or transfer</i> collections from the official | | | |
| 22 | forecast contained in this act for fiscal year 2018. | | | |
| 23 | <i>F. Any amounts appropriated in this item that are unexpended on June 30, 2018, shall be</i> | | | |
| 24 | <i>reappropriated to this reserve in the next fiscal year to be used for the same purposes</i> | | | |
| 25 | <i>identified in this item.</i> | | | |
| 26 | Total for Central Appropriations..... | | \$182,823,208 | \$369,774,777 |
| 27 | | | | \$488,205,493 |
| 28 | Fund Sources: General..... | \$63,495,303 | \$249,946,872 | |
| 29 | | | \$368,377,588 | |
| 30 | Trust and Agency..... | \$119,327,905 | \$119,327,905 | |
| 31 | Dedicated Special Revenue..... | \$0 | \$500,000 | |
| 32 | TOTAL FOR CENTRAL APPROPRIATIONS..... | | \$182,823,208 | \$369,774,777 |
| 33 | | | | \$488,205,493 |
| 34 | Fund Sources: General..... | \$63,495,303 | \$249,946,872 | |
| 35 | | | \$368,377,588 | |
| 36 | Trust and Agency..... | \$119,327,905 | \$119,327,905 | |
| 37 | Dedicated Special Revenue..... | \$0 | \$500,000 | |
| 38 | TOTAL FOR EXECUTIVE DEPARTMENT..... | | \$51,003,873,417 | \$50,720,610,107 |
| 39 | | | | \$51,390,004,687 |
| 40 | General Fund Positions..... | 48,492.92 | 48,302.35 | |
| 41 | | | 48,380.35 | |
| 42 | Nongeneral Fund Positions..... | 64,047.82 | 64,540.89 | |
| 43 | | | 64,497.89 | |
| 44 | Position Level..... | 112,540.74 | 112,843.24 | |
| 45 | | | 112,878.24 | |
| 46 | Fund Sources: General..... | \$19,549,120,905 | \$19,784,449,728 | |
| 47 | | | \$19,879,761,365 | |
| 48 | Special..... | \$1,667,547,567 | \$1,676,086,252 | |
| 49 | | | \$1,673,446,462 | |
| 50 | Higher Education Operating..... | \$8,541,179,807 | \$8,249,002,756 | |
| 51 | Commonwealth Transportation..... | \$5,585,951,483 | \$5,204,941,790 | |
| 52 | | | \$5,591,800,781 | |
| 53 | Enterprise..... | \$1,215,067,094 | \$1,262,573,839 | |
| 54 | | | \$1,307,309,332 | |

| ITEM 478.30. | | Item Details(\$) | | Appropriations(\$) | |
|--------------|--------------------------------|----------------------|----------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Internal Service..... | \$2,077,103,387 | \$2,174,937,786 | | |
| 2 | | | \$1,975,159,775 | | |
| 3 | Trust and Agency..... | \$2,299,781,502 | \$2,099,963,234 | | |
| 4 | | | \$2,153,465,371 | | |
| 5 | Debt Service..... | \$329,454,313 | \$337,468,916 | | |
| 6 | Dedicated Special Revenue..... | \$1,816,192,407 | \$1,786,783,284 | | |
| 7 | | | \$1,829,853,077 | | |
| 8 | Federal Trust..... | \$7,922,474,952 | \$8,144,402,522 | | |
| 9 | | | \$8,392,736,852 | | |

| 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 | | | | | \$52,613,575,796 |
| 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 | | | 66,360.39 | | |
| 11 | Position Level..... | 118,248.45 | 118,560.95 | | |
| 12 | | | 118,601.95 | | |
| 13 | Fund Sources: General..... | \$20,113,732,383 | \$20,354,616,519 | | |
| 14 | | | \$20,449,928,156 | | |
| 15 | Special..... | \$1,767,233,155 | \$1,777,155,539 | | |
| 16 | | | \$1,781,311,993 | | |
| 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 | | | \$2,245,086,109 | | |
| 26 | Debt Service..... | \$329,454,313 | \$337,468,916 | | |
| 27 | Dedicated Special Revenue..... | \$1,885,150,986 | \$1,857,291,479 | | |
| 28 | | | \$1,900,401,515 | | |
| 29 | Federal Trust..... | \$7,928,969,335 | \$8,150,897,481 | | |
| 30 | | | \$8,399,231,811 | | |

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

1 PART 2: CAPITAL PROJECT EXPENSES

2 § 2-0. GENERAL CONDITIONS

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

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

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

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

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

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

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

22 E.1. Expenditures from Items in this act identified as "Maintenance Reserve" are to be made only for the maintenance of property,
23 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
24 purpose in Part 1 of this act are insufficient.

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

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

32 F. Conditions Applicable to Bond Projects

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

37 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
38 of Virginia.

39 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.

40 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
41 Director, Department of Planning and Budget, is hereby authorized, upon request of the affected institution, to approve an increase in
42 appropriation authority of not more than ten percent of the amount designated in §§ 2-53 and 2-54 for such project, from any available
43 nongeneral fund revenues, provided that such increase shall not constitute an increase in debt issuance authorization for such capital
44 project. Furthermore, the Director, Department of Planning and Budget, is hereby authorized to approve the expenditure of all interest
45 earnings derived from the investment of bond proceeds in addition to the amount designated in §§ 2-53 and 2-54 for such capital
46 project.

| Item Details(\$) | | Appropriations(\$) | |
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- 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

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

- 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

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

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:

| | Pool Project No. | Pool Project Title | Item Details(\$) | | Appropriations(\$) | |
|----|------------------|---|-------------------|--------------------|--------------------|--------------------|
| | | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 8 | | | | | | |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | 17775 | Public Education Institutions Capital Account | | | | |
| 12 | | | | | | |
| 13 | 17776 | State Agency Capital Account | | | | |
| 14 | | | | | | |
| 15 | 17861 | Supplements for Previously Authorized Higher Education Capital Projects | | | | |
| 16 | | | | | | |
| 17 | 17862 | Energy Conservation | | | | |
| 18 | 17967 | Capital Outlay Project Pool | | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | 18049 | Comprehensive Capital Outlay Program | | | | |
| 24 | | | | | | |
| 25 | | | | | | |
| 26 | | | | | | |
| 27 | 18196 | Capital Outlay Renovation Pool | | | | |
| 28 | 18300 | 2016 VPBA Capital Construction Pool | | | | |
| 29 | 18301 | 2016 VCBA Capital Construction Pool | | | | |

30 **EXECUTIVE DEPARTMENT**

31 **OFFICE OF AGRICULTURE AND FORESTRY**

| | | | | | | |
|----|------|--|--|--|-----|-----|
| 32 | C-1. | Omitted. | | | | |
| 33 | | TOTAL FOR OFFICE OF AGRICULTURE AND FORESTRY | | | \$0 | \$0 |
| 34 | | | | | | |

35 **OFFICE OF ADMINISTRATION**

| | | | | | | |
|----|--------|---|-----|-------------|-----|-------------|
| 36 | C-1.50 | Not set out. | | | | |
| 37 | | TOTAL FOR OFFICE OF ADMINISTRATION..... | | | \$0 | \$2,500,000 |
| 38 | | Fund Sources: Bond Proceeds..... | \$0 | \$2,500,000 | | |

39 **OFFICE OF COMMERCE AND TRADE**

| | | | | | | |
|----|------|---|-----------|-----------|-----------|-----------|
| 40 | C-2. | Not set out. | | | | |
| 41 | | TOTAL FOR OFFICE OF COMMERCE AND TRADE..... | | | \$683,000 | \$175,000 |
| 42 | | | | | | |
| 43 | | Fund Sources: Special..... | \$683,000 | \$175,000 | | |

44 **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 | | § 2-2. OLD DOMINION UNIVERSITY (221) | | | | |
| 27 | C-14.50 | New Construction: Reconstruct the Stadium at | | | | |
| 28 | | Foreman Field (18303)..... | | | \$0 | \$55,000,000 |
| 29 | | | | | | \$65,000,000 |
| 30 | | Fund Sources: Higher Education Operating..... | \$0 | \$10,000,000 | | |
| 31 | | | | \$20,000,000 | | |

| ITEM C-14.50. | | Item Details(\$) | | Appropriations(\$) | |
|---------------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Bond Proceeds..... | \$0 | \$45,000,000 | | |
| 2 | Old Dominion University is authorized to reconstruct the Stadium at Foreman Field. Any | | | | |
| 3 | debt service for the project that is supported by subsidy may be excluded from the subsidy | | | | |
| 4 | calculations defined under § 23.1-1309 A., Code of Virginia. The institution shall not raise | | | | |
| 5 | athletic fees to support the construction of this facility. | | | | |
| 6 | Total for Old Dominion University..... | | | \$0 | \$55,000,000 |
| 7 | | | | | \$65,000,000 |
| 8 | Fund Sources: Higher Education Operating..... | \$0 | \$10,000,000 | | |
| 9 | | | \$20,000,000 | | |
| 10 | Bond Proceeds..... | \$0 | \$45,000,000 | | |
| 11 | C-14.80 Not set out. | | | | |
| 12 | C-15. Not set out. | | | | |
| 13 | C-16. Not set out. | | | | |
| 14 | C-17. Not set out. | | | | |
| 15 | § 2-3. VIRGINIA COMMONWEALTH UNIVERSITY (236) | | | | |
| 16 | C-18. Not set out. | | | | |
| 17 | C-19. New Construction: Construct School of | | | \$41,341,000 | \$0 |
| 18 | Engineering Research Expansion (18243)..... | | | | \$1,118,000 |
| 19 | | | | | |
| 20 | Fund Sources: Bond Proceeds..... | \$41,341,000 | \$0 | | |
| 21 | | | \$1,118,000 | | |
| 22 | Total for Virginia Commonwealth University..... | | | \$52,141,000 | \$0 |
| 23 | | | | | \$1,118,000 |
| 24 | Fund Sources: Bond Proceeds..... | \$52,141,000 | \$0 | | |
| 25 | | | \$1,118,000 | | |
| 26 | C-20. Not set out. | | | | |
| 27 | C-21. Not set out. | | | | |
| 28 | C-22. Not set out. | | | | |
| 29 | C-22.10 Not set out. | | | | |
| 30 | C-22.20 Not set out. | | | | |
| 31 | C-22.30 Not set out. | | | | |
| 32 | § 2-4. VIRGINIA STATE UNIVERSITY (212) | | | | |
| 33 | C-22.60 Not set out. | | | | |
| 34 | C-22.70 Not set out. | | | | |
| 35 | C-22.80 Not set out. | | | | |
| 36 | C-23. Omitted. | | | | |

| ITEM C-24. | | Item Details(\$) | | Appropriations(\$) | |
|------------|---------|--|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | C-24. | Omitted. | | | |
| 2 | C-24.10 | Not set out. | | | |
| 3 | | § 2-4.1. JAMESTOWN-YORKTOWN FOUNDATION (425) | | | |
| 4 | C-24.15 | Improvements: Jamestown Settlement Pier (18383).... | | \$0 | \$3,140,000 |
| 5 | | Fund Sources: Bond Proceeds..... | | \$0 | \$3,140,000 |
| 6 | | Total for Jamestown-Yorktown Foundation..... | | \$0 | \$3,140,000 |
| 7 | | Fund Sources: Bond Proceeds..... | | \$0 | \$3,140,000 |
| 8 | C-24.20 | Not set out. | | | |
| 9 | | TOTAL FOR OFFICE OF EDUCATION..... | | \$321,899,000 | \$137,332,000 |
| 10 | | | | | \$151,590,000 |
| 11 | | Fund Sources: General..... | | \$500,000 | \$0 |
| 12 | | Higher Education Operating..... | | \$92,480,000 | \$31,050,000 |
| 13 | | | | | \$41,050,000 |
| 14 | | Bond Proceeds..... | | \$228,919,000 | \$106,282,000 |
| 15 | | | | | \$110,540,000 |
| 16 | | OFFICE OF HEALTH AND HUMAN RESOURCES | | | |
| 17 | C-24.50 | Not set out. | | | |
| 18 | | TOTAL FOR OFFICE OF HEALTH AND HUMAN | | | |
| 19 | | RESOURCES..... | | \$0 | \$3,600,000 |
| 20 | | Fund Sources: Bond Proceeds..... | | \$0 | \$3,600,000 |
| 21 | | OFFICE OF NATURAL RESOURCES | | | |
| 22 | C-25. | Not set out. | | | |
| 23 | C-26. | Not set out. | | | |
| 24 | C-27. | Not set out. | | | |
| 25 | C-28. | Not set out. | | | |
| 26 | C-29. | Not set out. | | | |
| 27 | C-30. | Not set out. | | | |
| 28 | C-31. | Not set out. | | | |
| 29 | | TOTAL FOR OFFICE OF NATURAL | | | |
| 30 | | RESOURCES..... | | \$8,426,000 | \$11,054,000 |
| 31 | | Fund Sources: Special..... | | \$525,000 | \$1,000,000 |
| 32 | | Dedicated Special Revenue..... | | \$3,778,000 | \$5,291,000 |
| 33 | | Federal Trust..... | | \$4,123,000 | \$4,763,000 |
| 34 | | OFFICE OF PUBLIC SAFETY AND HOMELAND SECURITY | | | |
| 35 | C-31.50 | Omitted. | | | |
| 36 | C-32. | Not set out. | | | |

| ITEM C-32. | | Item Details(\$) | | Appropriations(\$) | |
|------------|--|----------------------|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | C-33. | Not set out. | | | |
| 2 | C-34. | Not set out. | | | |
| 3 | C-34.10 | Not set out. | | | |
| 4 | C-34.20 | Not set out. | | | |
| 5 | C-34.30 | Not set out. | | | |
| 6 | C-34.40 | Not set out. | | | |
| 7 | C-34.50 | Not set out. | | | |
| 8 | § 2-5. DEPARTMENT OF STATE POLICE (156) | | | | |
| 9 | C-35. | Not set out. | | | |
| 10 | C-35.10 | Omitted. | | | |
| 11 | C-35.20 | Not set out. | | | |
| 12 | Total for Department of State Police..... | | | | \$10,000 |
| 13 | Fund Sources: Special..... | | \$10,000 | \$0 | |
| 14 | TOTAL FOR OFFICE OF PUBLIC SAFETY | | | | |
| 15 | AND HOMELAND SECURITY | | | | \$3,128,000 |
| 16 | Fund Sources: Special..... | | \$40,000 | \$0 | |
| 17 | Dedicated Special Revenue..... | | \$25,000 | \$0 | |
| 18 | Federal Trust..... | | \$1,000,000 | \$0 | |
| 19 | Bond Proceeds..... | | \$2,063,000 | \$8,000,000 | |
| 20 | OFFICE OF TRANSPORTATION | | | | |
| 21 | C-36. | Not set out. | | | |
| 22 | C-37. | Not set out. | | | |
| 23 | C-38. | Not set out. | | | |
| 24 | C-39. | Not set out. | | | |
| 25 | C-40. | Not set out. | | | |
| 26 | C-41. | Not set out. | | | |
| 27 | C-41.10 | Not set out. | | | |
| 28 | § 2-6. VIRGINIA PORT AUTHORITY (407) | | | | |
| 29 | C-42. | Not set out. | | | |
| 30 | C-43. | Omitted. | | | |
| 31 | Total for Virginia Port Authority..... | | | | \$3,000,000 |
| | | | | | \$3,000,000 |

| ITEM C-43. | | Item Details(\$) | | Appropriations(\$) | |
|------------|--|--|-----------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Fund Sources: Commonwealth Transportation..... | \$3,000,000 | \$3,000,000 | | |
| 2 | TOTAL FOR OFFICE OF TRANSPORTATION..... | | | \$51,766,700 | \$43,671,000 |
| 3 | Fund Sources: Commonwealth Transportation..... | \$51,766,700 | \$43,671,000 | | |
| 4 | OFFICE OF VETERANS AND DEFENSE AFFAIRS | | | | |
| 5 | C-43.50 Not set out. | | | | |
| 6 | TOTAL FOR OFFICE OF VETERANS AND | | | | |
| 7 | DEFENSE AFFAIRS..... | | | \$0 | \$10,000,000 |
| 8 | Fund Sources: Bond Proceeds..... | \$0 | \$10,000,000 | | |
| 9 | CENTRAL APPROPRIATIONS | | | | |
| 10 | § 2-7. CENTRAL CAPITAL OUTLAY (949) | | | | |
| 11 | C-44. Not set out. | | | | |
| 12 | C-45. Omitted. | | | | |
| 13 | C-45.10 Not set out. | | | | |
| 14 | C-46. Omitted. | | | | |
| 15 | C-47. Omitted. | | | | |
| 16 | C-48. Omitted. | | | | |
| 17 | C-48.10 Not set out. | | | | |
| 18 | C-48.50 Not set out. | | | | |
| 19 | C-49. Omitted. | | | | |
| 20 | C-49.20 Not set out. | | | | |
| 21 | C-50. | The provisions of Item C-46.10, Chapter 665, 2015 Acts of Assembly, as it relates to the | | | |
| 22 | | Advanced Manufacturing Apprentice Academy Center and Regional Centers of Excellence | | | |
| 23 | | are hereby extended without change for the 2016-2018 Biennium except for paragraph D. | | | |
| 24 | D.I. | Upon certification from the Virginia Economic Development Partnership and the | | | |
| 25 | | Commonwealth Center for Advanced Manufacturing that one or more federal grants have | | | |
| 26 | | been awarded or contributions from other non-governmental sources, including but not | | | |
| 27 | | limited to in-kind donations of land, equipment, software or services, have been received by | | | |
| 28 | | the Commonwealth Center for Advanced Manufacturing, the Director, Department of | | | |
| 29 | | Planning and Budget shall release all or a portion of \$25 up to \$12.5 million from this item to | | | |
| 30 | | the Virginia Economic Development Partnership (VEDP) for the Commonwealth Center for | | | |
| 31 | | Advanced Manufacturing to develop an Advanced Manufacturing Apprentice Academy | | | |
| 32 | | Center to support existing and future Regional Centers of Excellence. In-kind donations shall | | | |
| 33 | | not exceed more than 40 percent of the total match that is required. | | | |
| 34 | | 2. Upon passage of this act, the bond authorization provided for this project in Item C-46.10, | | | |
| 35 | | Chapter 665, 2015 Acts of Assembly, is reduced from \$25 million to \$12.5 million. | | | |
| 36 | C-51. Not set out. | | | | |

| ITEM C-52. | Item Details(\$) | | Appropriations(\$) | |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 C-52. Not set out. | | | | |
| 2 C-52.10 Not set out. | | | | |
| 3 C-52.20 Omitted. | | | | |
| 4 C-52.30 Omitted. | | | | |
| 5 C-52.40 Not set out. | | | | |
| 6 C-52.45 Planning: Planning funding for the Acquisition or 7 Construction of ABC Central Office and 8 Warehouse Facility (18323)..... | | | \$500,000 | \$0 |
| 9 Fund Sources: General..... | \$500,000 | \$0 | | |
| 10 A. The Department of Alcoholic Beverage Control (ABC) and the Department of General 11 Services (DGS) shall develop and deliver a plan to provide capital project options for a 12 new ABC warehouse and ABC administrative offices. | | | | |
| 13 B. The plan will be a comprehensive plan for an ABC warehouse and administrative 14 offices. At a minimum the plan will include real estate development approaches to achieve 15 operationally ready, "turn-key", cost effective and efficient solutions to meet ABC's 16 operational and business requirements. Solutions may include, but not be limited to, lease 17 or construction of new facilities, acquiring existing facilities through lease or purchase, a 18 combination of new construction and existing facilities, and must include at least one 19 option for using the existing location for the new or retrofitted warehouse and 20 administrative office building. | | | | |
| 21 C. In developing a new construction option for office space, an infill design concept 22 should be considered, which initially would accommodate not more than a ten percent 23 increase in central office staff beyond the number currently located in the headquarters 24 building, with further growth in staff beyond the ten percent to be accommodated through 25 less-expensive infill construction. | | | | |
| 26 D. The Department of General Services (DGS) shall analyze and include options in the 27 ABC plan for the use of state-owned real property declared surplus and existing 28 underutilized state-owned real property. | | | | |
| 29 E. Private sector developer options are to be included in the ABC plan. DGS is tasked and 30 authorized to publicly solicit proposals (i.e. Request For Proposal, Request For 31 Information or by other public solicitation method), to evaluate requirements in 32 paragraphs B and D of this item, from the private sector developer community interested 33 in providing solutions that meet ABC's operational, business, and cost effectiveness and 34 efficiency requirements. | | | | |
| 35 F. ABC is tasked to include in the plan financing options for the capital project options. | | | | |
| 36 G. The plan shall be delivered to the Governor, Chairmen of the House Appropriations 37 and Senate Finance Committees, and the Six-Year Capital Outlay Plan Advisory 38 Committee (§ 2.2-1516) no later than November 1, 2017. | | | | |
| 39 H. Funds authorized to the Department of General Services for this item may be used to 40 accomplish the necessary tasks to prepare, develop, complete, and execute the ABC plan. | | | | |
| 41 I. The Virginia Alcoholic Beverage Control Authority and the Department of General 42 Services (DGS) are authorized to execute an agreement for a capital project to acquire a 43 new ABC warehouse and administrative offices pursuant to the competitive public 44 solicitation process called for in Item C-52.45 of Chapter 836 of the 2017 Acts of 45 Assembly. Terms of such agreement shall be cost effective and efficient to meet ABC's 46 operational and business needs. | | | | |
| 47 C-52.50 Not set out. | | | | |

| | | Item Details(\$) | | Appropriations(\$) | |
|---------------|---|---------------------|---------------|----------------------|----------------------|
| ITEM C-52.60. | | First Year | Second Year | First Year | Second Year |
| | | FY2017 | FY2018 | FY2017 | FY2018 |
| 1 | C-52.60 A. The Virginia Public Building Authority, pursuant to § 2.2-2260 et seq. of the Code of | | | | |
| 2 | Virginia, is authorized to issue bonds in a principal amount not to exceed | | | | |
| 3 | \$24,423,000 \$27,563,000, plus amounts needed to fund issuance costs, reserve funds, original | | | | |
| 4 | issue discount, interest prior to and during the acquisition or construction and for one year | | | | |
| 5 | after completion thereof, and other financing expenses, to finance the capital costs of the | | | | |
| 6 | projects described in paragraph C. of this Item, including constructing, improving, furnishing, | | | | |
| 7 | equipping, acquiring, and renovating buidings, facilities, improvements, and land therefor. | | | | |
| 8 | B. Debt service on bonds issued under the authorization in this Item shall be provided from | | | | |
| 9 | appropriations to the Treasury Board. | | | | |
| 10 | C. The appropriations for the following authorized projects are contained in the appropriation | | | | |
| 11 | Items listed: | | | | |
| 12 | Agency Name/Project Title | Project Code | Item | VPBA Bonds | |
| 13 | Department of Military | | | | |
| 14 | Affairs (123) | | | | |
| 15 | Acquire Land for Readiness | 18309 | C-34.10 | | \$3,000,000 |
| 16 | Centers | | | | |
| 17 | Renovate Roanoke Field | 18310 | C-34.20 | | \$323,000 |
| 18 | Maintenance Shop | | | | |
| 19 | Replace / Install Fire Safety | 18318 | C-34.30 | | \$5,000,000 |
| 20 | Systems in Readiness Centers | | | | |
| 21 | Department of General | | | | |
| 22 | Services (194) | | | | |
| 23 | Repair the Exterior Envelope | 18308 | C-1.50 | | \$2,500,000 |
| 24 | of Main Street Centre | | | | |
| 25 | Jamestown-Yorktown | | | | |
| 26 | Foundation (425) | | | | |
| 27 | Improvements to Jamestown | 18383 | C-24.15 | | \$3,140,000 |
| 28 | Settlement Pier | | | | |
| 29 | Department of Behavioral | | | | |
| 30 | Health and Developmental | | | | |
| 31 | Services (720) | | | | |
| 32 | Make Infrastructure Repairs to | 18307 | C-24.50 | | \$3,600,000 |
| 33 | State Facilities | | | | |
| 34 | Department of Veterans | | | | |
| 35 | Services (912) | | | | |
| 36 | Construction of Additonal | 18319 | C-43.50 | | \$10,000,000 |
| 37 | Burial Vaults | | | | |
| 38 | C-52.70 Not set out. | | | | |
| 39 | C-52.75 <i>Improvements: WWRC Dining Hall and Activities</i> | | | | |
| 40 | <i>Building, Phase II (17975).....</i> | | | \$0 | \$0 |
| 41 | <i>The scope of the project previously authorized in Item C-39.40, Chapter 806, 2013 Acts of</i> | | | | |
| 42 | <i>Assembly, "Woodrow Wilson Rehabilitation Center Renovate Dining Hall and Activities</i> | | | | |
| 43 | <i>Building, Phase II" includes a complete renovation of the pool and locker room and lobby</i> | | | | |
| 44 | <i>areas including replacement of the existing therapy pool with a new exercise pool and lap</i> | | | | |
| 45 | <i>pool, new fire alarm and sprinkler in the gymnasium, pool, locker room, and lobby areas, and</i> | | | | |
| 46 | <i>lighting upgrades to the gymnasium and auditorium.</i> | | | | |
| 47 | Total for Central Capital Outlay..... | | | \$154,400,000 | \$278,244,132 |
| 48 | Fund Sources: General..... | \$500,000 | \$0 | | |
| 49 | Bond Proceeds..... | \$153,900,000 | \$278,244,132 | | |
| 50 | C-53. Not set out. | | | | |

| ITEM C-53. | Item Details(\$) | | Appropriations(\$) | |
|------------|--|---|----------------------|-----------------------|
| | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | § 2-8. 9(D) REVENUE BONDS (951) | | | |
| 2 | C-54. | 1. This Item authorizes the capital projects listed below to be financed pursuant to Article | | |
| 3 | | X, Section 9(d), Constitution of Virginia. | | |
| 4 | | 2. The appropriations for said capital projects are contained in the appropriation Items | | |
| 5 | | listed below and are subject to the conditions in § 2-0 F of this act. | | |
| 6 | | 3. The total amount listed in this Item includes \$280,577,000 \$281,695,000 in bond | | |
| 7 | | proceeds. | | |
| 8 | Agency Name/ | Item # | Project | Section |
| 9 | Project Title | | Code | 9(d) Bonds |
| 10 | College of William and | | | |
| 11 | Mary (204) | | | |
| 12 | Improve Auxiliary Facilities | C-4 | 18219 | \$5,000,000 |
| 13 | Improve Athletic Facilities | C-5 | 18220 | \$5,000,000 |
| 14 | Construct West Utilities Plant | C-5.20 | 18202 | \$14,986,000 |
| 15 | Virginia Polytechnic | | | |
| 16 | Institute and State | | | |
| 17 | University (208) | | | |
| 18 | Renovate Student Health | C-22 | 18224 | \$3,071,000 |
| 19 | Center | | | |
| 20 | Renovate Holden Hall | C-22.10 | 18267 | \$17,500,000 |
| 21 | (Engineering) | | | |
| 22 | Construct Central Chiller | C-22.20 | 18268 | \$9,797,000 |
| 23 | Plant, Phase II | | | |
| 24 | Construct VT Carilion | C-22.30 | 18269 | \$23,793,000 |
| 25 | Research Institute Biosciences | | | |
| 26 | Addition | | | |
| 27 | Virginia Military Institute | | | |
| 28 | (211) | | | |
| 29 | Improve Post Infrastructure | C-21 | 18204 | \$3,380,000 |
| 30 | Phases I, II and III | | | |
| 31 | Longwood University (214) | | | |
| 32 | Replace Steam Distribution | C-13.10 | 18271 | \$3,192,000 |
| 33 | System Wheeler Mall | | | |
| 34 | University of Mary | | | |
| 35 | Washington (215) | | | |
| 36 | Construct New Parking Deck, | C-15 | 18226 | \$7,000,000 |
| 37 | Phase I | | | |
| 38 | James Madison University | | | |
| 39 | (216) | | | |
| 40 | Construct East Campus | C-10 | 18231 | \$40,000,000 |
| 41 | Parking Deck | | | |
| 42 | Construct West Campus | C-10.20 | 18306 | \$7,000,000 |
| 43 | Parking Deck | | | |
| 44 | Old Dominion University | | | |
| 45 | (221) | | | |
| 46 | Reconstruct the Stadium at | C-14.50 | 18303 | \$45,000,000 |
| 47 | Foreman Field | | | |
| 48 | Virginia Commonwealth | | | |
| 49 | University (236) | | | |
| 50 | Construct School of Allied | C-18 | 18206 | \$10,800,000 |
| 51 | Health Professions Building | | | |
| 52 | Construct School of | C-19 | 18243 | \$41,341,000 |

| ITEM C-54. | | Item Details(\$) | | Appropriations(\$) | |
|------------|---------------------------------------|----------------------|--------------------------|----------------------|-----------------------|
| | | First Year FY2017 | Second Year FY2018 | First Year FY2017 | Second Year FY2018 |
| 1 | Engineering Research | | | \$42,459,000 | |
| 2 | Expansion | | | | |
| 3 | Richard Bland College (241) | | | | |
| 4 | Convert Former Humanities | C-6 | 18222 | \$1,600,000 | |
| 5 | and Social Sciences Building | | | | |
| 6 | into Student Housing | | | | |
| 7 | George Mason University | | | | |
| 8 | (247) | | | | |
| 9 | Construct/Renovate Robinson | C-7 | 18207 | \$2,582,000 | |
| 10 | Hall, New Academic and | | | | |
| 11 | Research Facility and Harris | | | | |
| 12 | Theater | | | | |
| 13 | Construct Utilities Distribution | C-8 | 18208 | \$25,228,000 | |
| 14 | Infrastructure | | | | |
| 15 | Virginia Community College | | | | |
| 16 | System (260) | | | | |
| 17 | Construct Parking Garage, | C-20 | 18223 | \$14,307,000 | |
| 18 | Virginia Western | | | | |
| 19 | Total for Nongeneral Fund | | | \$280,577,000 | |
| 20 | Obligation Bonds 9(d) | | | \$281,695,000 | |
| 21 | Total for 9(D) Revenue Bonds..... | | | \$0 | \$0 |
| 22 | TOTAL FOR CENTRAL APPROPRIATIONS..... | | | \$154,400,000 | \$278,244,132 |
| 23 | Fund Sources: General..... | \$500,000 | \$0 | | |
| 24 | Bond Proceeds..... | \$153,900,000 | \$278,244,132 | | |
| 25 | TOTAL FOR PART 2: CAPITAL PROJECT | | | | |
| 26 | EXPENSES..... | | | \$540,302,700 | \$494,576,132 |
| 27 | | | | | \$508,834,132 |
| 28 | Fund Sources: General..... | \$1,000,000 | \$0 | | |
| 29 | Special..... | \$1,248,000 | \$1,175,000 | | |
| 30 | Higher Education Operating..... | \$92,480,000 | \$31,050,000 | | |
| 31 | | | \$41,050,000 | | |
| 32 | Commonwealth Transportation..... | \$51,766,700 | \$43,671,000 | | |
| 33 | Dedicated Special Revenue..... | \$3,803,000 | \$5,291,000 | | |
| 34 | Federal Trust..... | \$5,123,000 | \$4,763,000 | | |
| 35 | Bond Proceeds..... | \$384,882,000 | \$408,626,132 | | |
| 36 | | | \$412,884,132 | | |

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 \$500,000 |
| TOTAL | \$75,731,535 | \$74,931,535 \$75,415,400 |

2.a. Transfers of net profits from the Alcoholic Beverage Control Enterprise Fund to the general fund shall be made four times

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

6 b. Pursuant to § 4.1-116 B, Code of Virginia, the Department of Alcoholic Beverage Control shall notify the State Comptroller of the
 7 amount to be deducted quarterly from the net profits for transfer to the reserve fund established by the cited section. However, § 4.1-
 8 116 B. shall not apply if depreciation is expensed directly in order to reduce net profits.

9 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 be in
 10 violation of any federal statute or regulation, or Virginia constitutional requirement, the State Comptroller is hereby directed to
 11 reverse such transfer and to return such funds to the affected nongeneral fund account.

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

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

| | | | | |
|----|-----|------------------------------|-------------|-------------|
| 19 | 154 | Department of Motor Vehicles | \$7,416,469 | \$7,416,469 |
|----|-----|------------------------------|-------------|-------------|

20 D. The provisions of Chapter 6 of Title 58.1, Code of Virginia notwithstanding, the State Comptroller shall transfer to the general
 21 fund from the special fund titled "Collections of Local Sales Taxes" a proportionate share of the costs attributable to increased local
 22 sales and use tax compliance efforts, the Property Tax Unit, and State Land Evaluation Advisory Committee (SLEAC) services by
 23 the Department of Taxation estimated at \$5,921,168 the first year and ~~\$5,921,168~~ \$5,986,862 the second 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 year
 28 to the general fund the following amounts from the agencies and fund sources listed below, for expenses incurred by central service
 29 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 & Consumer | 0200 | \$17,482 | \$17,482 |
| 34 | Services (301) | | | |
| 35 | Department of Agriculture & Consumer | 0900 | \$35,474 | \$35,474 |
| 36 | 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 Community | 0900 | \$269 | \$269 |
| 40 | 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 (181) | 0200 | \$10,226 | \$10,226 |
| 44 | Department of Professional & | 0200 | \$7,650 | \$7,650 |
| 45 | Occupational Regulations (222) | | | |
| 46 | Department of Professional & | 0900 | \$3,248 | \$3,248 |
| 47 | 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 | 0900 | \$33,161 | \$33,161 |
| 16 | (223) | | | |
| 17 | Department for Aging and | 0200 | \$61,116 | \$61,116 |
| 18 | Rehabilitative Services (262) | | | |
| 19 | Department for Aging and | 0900 | \$373 | \$373 |
| 20 | Rehabilitative Services (262) | | | |
| 21 | Virginia College Savings Plan (174) | 0500 | \$645,854 | \$645,854 |
| 22 | Supreme Court (111) | 0900 | \$273,576 | \$273,576 |
| 23 | Virginia State Bar (117) | 0900 | \$73,122 | \$73,122 |
| 24 | Department of Conservation and | 0200 | \$182,537 | \$182,537 |
| 25 | Recreation (199) | | | |
| 26 | Department of Conservation and | 0900 | \$55,954 | \$55,954 |
| 27 | Recreation (199) | | | |
| 28 | Department of Game and Inland | 0900 | \$750,436 | \$750,436 |
| 29 | Fisheries (403) | | | |
| 30 | Marine Resources Commission (402) | 0200 | \$20,208 | \$20,208 |
| 31 | Marine Resources Commission (402) | 0900 | \$10,075 | \$10,075 |
| 32 | Virginia Museum of Natural History | 0200 | \$3,930 | \$3,930 |
| 33 | (942) | | | |
| 34 | Alcoholic Beverage Control (999) | 0500 | \$150 | \$150 |
| 35 | Department of Criminal Justice | 0200 | \$56,643 | \$56,643 |
| 36 | Services (140) | | | |
| 37 | Department of Criminal Justice | 0900 | \$71,485 | \$71,485 |
| 38 | Services (140) | | | |
| 39 | Department of Fire Programs (960) | 0200 | \$14,376 | \$14,376 |
| 40 | Department of State Police (156) | 0200 | \$103,044 | \$103,044 |
| 41 | Department of Military Affairs (123) | 0900 | \$8,722 | \$8,722 |
| 42 | State Corporation Commission (171) | 0900 | \$7,120 | \$7,120 |
| 43 | 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, an
12 amount estimated at \$599,982,144 the first year and ~~\$546,495,789~~ \$608,478,473 the second year, from the Virginia Lottery Fund.
13 The transfer each year shall be made in two parts: (1) on or before January 1 of each year, the State Comptroller shall transfer the
14 balance of the Virginia Lottery Fund for the first five months of the fiscal year and (2) thereafter, the transfer will be made on a
15 monthly basis, or until the amount estimated at \$599,982,144 the first year and ~~\$546,495,789~~ \$608,478,473 the second year has been
16 transferred to the Lottery Proceeds Fund. Prior to June 20 of each year, the Virginia Lottery Director shall estimate the amount of
17 profits in the Virginia Lottery Fund for the month of June and shall notify the State Comptroller so that the estimated profits can be
18 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 Comptroller
20 shall transfer to the Lottery Proceeds Fund the remaining audited balances of the Virginia Lottery Fund for the prior fiscal year. If
21 such annual audit discloses that the actual revenue is less than the estimate on which the June transfer was based, the State
22 Comptroller shall adjust the next monthly transfer from the Virginia Lottery Fund to account for the difference between the actual
23 revenue and the estimate transferred to the Lottery Proceeds Fund. The State Comptroller shall take all actions necessary to effect
24 the transfers required by this paragraph, notwithstanding the provisions of § 58.1-4022, Code of Virginia. In preparing the
25 Comprehensive Annual Financial Report, the State Comptroller shall report the Lottery Proceeds Fund as specified in § 58.1-4022.1,
26 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 the
29 second year, will be based on a sliding fee structure as determined by the State Treasurer. The amounts shall be paid into the general
30 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 paid
35 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 structures
37 and require Treasury Board approval, including capital lease arrangements, up to 10 basis points of the amount financed in addition
38 to a share of direct costs of issuance as determined by the State Treasurer. Such amounts collected shall be paid into the general fund
39 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 issuance as
42 determined by the State Treasurer. Such amounts collected are estimated to generate \$50,000 the first year and \$50,000 the second
43 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 from
45 the Manville Property Damage Settlement Trust for the cost of asbestos abatement at state-owned facilities. The balance of the
46 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 amounts in
48 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, notwithstanding
50 the allotment specified in § 58.1-1410, Code of Virginia, funds collected pursuant to § 58.1-1402, Code of Virginia, from the general

- 1 fund to the Game Protection Fund. This transfer shall not exceed \$4,700,000 the first year and \$4,700,000 the second year.
- 2 2. Notwithstanding the provisions of subparagraph K.1. above, the Governor may, at his discretion, direct the State Comptroller
3 to transfer to the Game Protection Fund, any funds collected pursuant to § 58.1-1402, Code of Virginia, that are in excess of the
4 official revenue forecast for such collections.
- 5 L.1. On or before June 30 each year, the State Comptroller shall transfer from the general fund to the Family Access to Medical
6 Insurance Security Plan Trust Fund the amount required by § 32.1-352, Code of Virginia. This transfer shall not exceed
7 \$14,065,627 the first year and \$14,065,627 the second year. The State Comptroller shall transfer 90 percent of the yearly
8 estimated amounts to the Trust Fund on July 15 of each year.
- 9 2. Notwithstanding any other provision of law, interest earnings shall not be allocated to the Family Access to Medical
10 Insurance Security Plan Trust Fund (agency code 602, fund detail 0903) in either the first year or the second year of the
11 biennium.
- 12 M. Not later than thirty days after the close of each quarter during the biennium, the State Comptroller shall transfer to the
13 Game Protection Fund the general fund revenues collected pursuant to § 58.1-638 E, Code of Virginia. Notwithstanding § 58.1-
14 638 E, this 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
17 amount represents the Tobacco Indemnification and Community Revitalization Commission's 50 percent proportional share of
18 the Office of the Attorney General's expenses related to the enforcement of the 1998 Tobacco Master Settlement Agreement
19 and § 3.2-4201, Code 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
23 1998 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
25 ~~\$5,089,914~~ \$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
27 \$7,400,000 the second year from the Department of Motor Vehicles' Uninsured Motorists Fund. These amounts shall be from
28 the share that 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
31 at the 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
33 \$3,864,585 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
36 the 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
39 the 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
41 of state law, on June 30 of each fiscal year, the State Comptroller shall transfer to the general fund of the state treasury the cash
42 balance from any nongeneral fund account that has a cash balance of less than \$100. This provision shall not apply to
43 institutions of higher education, bond proceeds, or trust accounts. The State Comptroller shall consult with the Director of the
44 Department of Planning and Budget in implementing this provision and, for just cause, shall have discretion to exclude certain
45 balances from this transfer or to 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
47 enter into negotiations with (1) the Virginia Tobacco Indemnification and Community Revitalization Commission, (2) regional
48 local governments, and (3) regional industrial development authorities for the purchase of this property as an economic
49 development site.
- 50 2. Notwithstanding the provisions of § 2.2-1156, Code of Virginia or any other provisions of law, the proceeds of the sale of the
51 Brunswick Correctional Center shall be paid into the general fund.

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

| 39 | Fund Detail | FY 2017 |
|----|-------------------------------------|-----------|
| 40 | Department of Criminal | |
| 41 | Justice Services (140) | |
| 42 | Capture available nongeneral | \$146,388 |
| 43 | fund balance | |
| 44 | Transfer available nongeneral | \$411,000 |
| 45 | fund cash balance to general | |
| 46 | fund | |
| 47 | Department of Taxation (161) | |
| 48 | Transfer nongeneral fund | \$791,796 |
| 49 | balances to the general fund | |
| 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 | 02124 | \$140,000 |
| 12 | balance in the State Lands | | |
| 13 | Fund | | |
| 14 | Transfer portion of cash | 02515 | \$425,000 |
| 15 | balance in the Nurseries Fund | | |
| 16 | Department of | | |
| 17 | Environmental Quality (440) | | |
| 18 | Transfer cash from Hazardous | 02450 | \$500,000 |
| 19 | Waste Management Fund | | |
| 20 | Transfer cash from the Waste | 09060 | \$1,038,230 |
| 21 | Tire Trust Fund | | |
| 22 | Department of Health (601) | | |
| 23 | Transfer balance from Surplus | 02870 | \$514 |
| 24 | Property Fund | | |
| 25 | Transfer interest accumulated | 09013 | \$32,794 |
| 26 | from local health department | | |
| 27 | special fund donations | | |
| 28 | Transfer Community Health | 02050 | \$100,000 |
| 29 | Services revenue to the general | | |
| 30 | fund | | |
| 31 | Transfer Trauma Center Fund | 09020 | \$150,000 |
| 32 | revenue from reinstatement of | | |
| 33 | driver's licenses | | |
| 34 | Transfer additional revenue | 02130 | \$150,000 |
| 35 | from Emergency Medical | | |
| 36 | Services | | |
| 37 | Transfer interest accumulated | 02110 | \$189,937 |
| 38 | from local health department | | |
| 39 | special fund donations | | |
| 40 | Transfer Maternal and Child | 02601 | \$1,035,132 |
| 41 | Health revenue | | |
| 42 | Department of Behavioral | | |
| 43 | Health and Developmental | | |
| 44 | Services (720) | | |
| 45 | Capture nongeneral fund cash | 02003 | \$1,100,000 |
| 46 | no longer required to support | | |
| 47 | the CCBHC initiative | | |
| 48 | Department of Forensic | | |
| 49 | Science (778) | | |
| 50 | Realize savings from reduced | 02870 | \$19,771 |
| 51 | discretionary spending, | | |
| 52 | vacancies, and operational | | |
| 53 | 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 Fund to
12 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 year~~ and
13 \$500,000 the second year resulting from anticipated proceeds from various settlements. *It is hereby acknowledged that \$19,931,999*
14 *in transfers 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 year
17 to the general fund from agency nongeneral funds, as detailed below, to fund a portion of the nongeneral share of costs for the
18 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 Management (127) | 02880 | \$17,829 | |
| 26 | | | | |
| 27 | Department of Human Resource Management (129) | 02129 | \$114,651 | |
| 28 | | | | |
| 29 | Department of Human Resource Management (129) | 02271 | \$9,525 | |
| 30 | | | | |
| 31 | Department of Human Resource Management (129) | 02351 | \$5,177 | |
| 32 | | | | |
| 33 | Department of Human Resource Management (129) | 02500 | \$5,849 | |
| 34 | | | | |
| 35 | Department of Human Resource Management (129) | 07129 | \$17,251 | |
| 36 | | | | |
| 37 | Department of Elections (132) | 07011 | \$26,239 | |
| 38 | Auditor of Public Accounts (133) | 02133 | \$26,054 | |
| 39 | Virginia Information Technologies Agency (136) | 02101 | \$100,426 | |
| 40 | | | | |
| 41 | Virginia Information Technologies Agency (136) | 06136 | \$271,125 | \$260,539 |
| 42 | | | | |
| 43 | Virginia Information Technologies Agency (136) | 09051 | \$16,623 | |
| 44 | | | | |
| 45 | Virginia Information Technologies Agency (136) | 09281 | \$35,028 | |
| 46 | | | | |

| | | | | |
|----|------------------------------------|-------|-----------|-----------|
| 1 | Virginia Information Technologies | 09104 | \$10,302 | |
| 2 | Agency (136) | | | |
| 3 | Department of Criminal Justice | 02140 | \$48,406 | |
| 4 | Services (140) | | | |
| 5 | Department of Criminal Justice | 02210 | \$6,257 | |
| 6 | Services (140) | | | |
| 7 | Department of Criminal Justice | 02820 | \$4,975 | |
| 8 | Services (140) | | | |
| 9 | Department of Criminal Justice | 09035 | \$5,017 | |
| 10 | Services (140) | | | |
| 11 | Department of Criminal Justice | 09120 | \$4,328 | |
| 12 | Services (140) | | | |
| 13 | Department of Criminal Justice | 09300 | \$7,699 | |
| 14 | Services (140) | | | |
| 15 | Attorney General and Department of | 02141 | \$110,147 | \$110,147 |
| 16 | Law (141) | | | |
| 17 | Attorney General and Department of | 02395 | \$16,265 | |
| 18 | Law (141) | | | |
| 19 | Attorney General and Department of | 02800 | \$33,039 | |
| 20 | Law (141) | | | |
| 21 | Division of Debt Collection (143) | 02143 | \$55,564 | |
| 22 | The Science Museum of Virginia | 02146 | \$20,978 | \$20,977 |
| 23 | (146) | | | |
| 24 | Department of Accounts (151) | 06150 | \$3,417 | |
| 25 | Department of Accounts (151) | 06080 | \$66,164 | |
| 26 | Department of Accounts (151) | 06090 | \$70,156 | |
| 27 | Department of the Treasury (152) | 02152 | \$4,329 | |
| 28 | Department of the Treasury (152) | 07030 | \$94,445 | |
| 29 | Department of the Treasury (152) | 07152 | \$90,222 | |
| 30 | Department of the Treasury (152) | 09090 | \$1,420 | |
| 31 | Department of Motor Vehicles (154) | 04540 | \$710,947 | \$741,859 |
| 32 | Department of Motor Vehicles (154) | 04100 | \$53,512 | \$55,839 |
| 33 | Department of State Police (156) | 02800 | \$66,608 | |
| 34 | Department of State Police (156) | 02156 | \$44,582 | |
| 35 | Department of State Police (156) | 02270 | \$93,709 | |
| 36 | Department of State Police (156) | 02610 | \$93,709 | |
| 37 | Department of State Police (156) | 09142 | \$70,560 | |
| 38 | Department of State Police (156) | 09163 | \$70,560 | |
| 39 | Department of Taxation (161) | 02005 | \$1,207 | |
| 40 | Department of Taxation (161) | 02080 | \$12,664 | |
| 41 | Department of Taxation (161) | 02090 | \$4,072 | |
| 42 | Department of Taxation (161) | 02164 | \$14,696 | |
| 43 | Department of Taxation (161) | 02230 | \$4,193 | |
| 44 | Department of Taxation (161) | 02510 | \$251 | |
| 45 | Department of Taxation (161) | 09260 | \$9,250 | |
| 46 | Department of Taxation (161) | 09281 | \$1,263 | |
| 47 | Department of Housing and | 02165 | \$46,652 | |

| | | | | |
|----|--|-------|-----------|-----------|
| 1 | Community Development (165) | | | |
| 2 | State Corporation Commission (171) | 02080 | \$332,765 | |
| 3 | State Corporation Commission (171) | 02090 | \$480,660 | |
| 4 | State Corporation Commission (171) | 02100 | \$258,817 | |
| 5 | State Corporation Commission (171) | 02173 | \$258,817 | |
| 6 | State Corporation Commission (171) | 02205 | \$499,147 | |
| 7 | State Corporation Commission (171) | 09023 | \$18,487 | |
| 8 | Virginia Lottery (172) | 05172 | \$756,470 | |
| 9 | Virginia College Savings Plan (174) | 05174 | \$197,627 | |
| 10 | Virginia College Savings Plan (174) | 05175 | \$91,096 | |
| 11 | Department of Labor and Industry (181) | 02181 | \$6,158 | |
| 12 | Department of Labor and Industry (181) | 02800 | \$13,670 | |
| 13 | Virginia Employment Commission | 02182 | \$96,684 | |
| 14 | (182) | | | |
| 15 | Virginia Workers' Compensation | 09191 | \$701,831 | |
| 16 | Commission (191) | | | |
| 17 | Virginia Workers' Compensation | 09030 | \$53,062 | |
| 18 | Commission (191) | | | |
| 19 | Department of General Services (194) | 02060 | \$65,299 | |
| 20 | Department of General Services (194) | 02615 | \$6,084 | |
| 21 | Department of General Services (194) | 02700 | \$7,894 | |
| 22 | Department of General Services (194) | 05010 | \$61,964 | |
| 23 | Department of General Services (194) | 05050 | \$15,313 | |
| 24 | Department of General Services (194) | 06020 | \$2,669 | |
| 25 | Department of General Services (194) | 06040 | \$269,326 | |
| 26 | Department of General Services (194) | 06070 | \$408,039 | |
| 27 | Department of General Services (194) | 06100 | \$30,660 | |
| 28 | Department of General Services (194) | 06030 | \$13,433 | |
| 29 | Department of Conservation and | 02164 | \$7,207 | |
| 30 | Recreation (199) | | | |
| 31 | Department of Conservation and | 02199 | \$12,012 | |
| 32 | Recreation (199) | | | |
| 33 | Department of Conservation and | 02630 | \$7,474 | |
| 34 | Recreation (199) | | | |
| 35 | Department of Conservation and | 09080 | \$1,064 | |
| 36 | Recreation (199) | | | |
| 37 | Department of Conservation and | 09261 | \$5,196 | |
| 38 | Recreation (199) | | | |
| 39 | Department of Education, Central | 02201 | \$23,087 | \$23,087 |
| 40 | Office Operations (201) | | | |
| 41 | Department of Education, Central | 02800 | \$192,733 | \$192,733 |
| 42 | Office Operations (201) | | | |
| 43 | The Library Of Virginia (202) | 02202 | \$38,283 | |
| 44 | Wilson Workforce and Rehabilitation | 02203 | \$92,218 | \$92,218 |
| 45 | Center (203) | | | |
| 46 | Virginia School for the Deaf and the | 02218 | \$6,727 | \$6,727 |

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

| | | | | |
|----|--|-------|-----------|-----------|
| 1 | Department of Forestry (411) | 02515 | \$21,502 | |
| 2 | Department of Forestry (411) | 02640 | \$22,304 | |
| 3 | Department of Historic Resources (423) | 02423 | \$9,443 | |
| 4 | Jamestown-Yorktown Foundation (425) | 02425 | \$57,244 | \$57,243 |
| 5 | Department of Environmental Quality | 02149 | \$2,923 | |
| 6 | (440) | | | |
| 7 | Department of Environmental Quality | 02440 | \$19,362 | |
| 8 | (440) | | | |
| 9 | Department of Environmental Quality | 02450 | \$20,000 | |
| 10 | (440) | | | |
| 11 | Department of Environmental Quality | 09024 | \$74,846 | |
| 12 | (440) | | | |
| 13 | Department of Environmental Quality | 09042 | \$240 | |
| 14 | (440) | | | |
| 15 | Department of Environmental Quality | 09060 | \$1,576 | |
| 16 | (440) | | | |
| 17 | Department of Environmental Quality | 09070 | \$2,156 | |
| 18 | (440) | | | |
| 19 | Department of Environmental Quality | 09190 | \$250,000 | |
| 20 | (440) | | | |
| 21 | Department of Environmental Quality | 09143 | \$133,448 | |
| 22 | (440) | | | |
| 23 | Department of Environmental Quality | 09250 | \$50,000 | |
| 24 | (440) | | | |
| 25 | Department of Environmental Quality | 07480 | \$206,120 | \$206,120 |
| 26 | (440) | | | |
| 27 | Department of Rail and Public | 04000 | \$81,030 | \$81,030 |
| 28 | Transportation (505) | | | |
| 29 | Motor Vehicle Dealer Board (506) | 02120 | \$50,977 | |
| 30 | Department of Health (601) | 02000 | \$44,816 | \$44,816 |
| 31 | Department of Health (601) | 02020 | \$49,417 | \$49,417 |
| 32 | Department of Health (601) | 02030 | \$1,063 | \$1,063 |
| 33 | Department of Health (601) | 02063 | \$2,080 | \$2,080 |
| 34 | Department of Health (601) | 02110 | \$4,897 | \$4,897 |
| 35 | Department of Health (601) | 02130 | \$27,478 | \$27,478 |
| 36 | Department of Health (601) | 02150 | \$1,078 | \$1,078 |
| 37 | Department of Health (601) | 02260 | \$659 | \$659 |
| 38 | Department of Health (601) | 02480 | \$30,945 | \$30,945 |
| 39 | Department of Health (601) | 02800 | \$468,651 | \$468,651 |
| 40 | Department of Health (601) | 09013 | \$14,206 | \$14,206 |
| 41 | Department of Health (601) | 09100 | \$1,078 | \$1,078 |
| 42 | Department of Health (601) | 09312 | \$6,403 | \$6,403 |
| 43 | Department of Health (601) | 09450 | \$16,167 | \$16,167 |
| 44 | Department for the Blind and Vision | 02702 | \$646 | |
| 45 | Impaired (702) | | | |
| 46 | Department for the Blind and Vision | 05910 | \$31,973 | \$31,973 |
| 47 | Impaired (702) | | | |
| 48 | Department for the Deaf and Hard-Of- | 02751 | \$7,798 | |
| 49 | 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 | 09430 | \$11,314 | \$11,314 |
| 9 | Youth (852) | | | |
| 10 | Department of Veterans Services | 02912 | \$252,836 | |
| 11 | (912) | | | |
| 12 | Southern Virginia Higher Education | 02937 | \$14,562 | \$14,563 |
| 13 | Center (937) | | | |
| 14 | Southwest Virginia Higher Education | 02948 | \$4,698 | \$4,697 |
| 15 | Center (948) | | | |
| 16 | Commonwealth's Attorneys' Services | 02957 | \$281 | \$281 |
| 17 | Council (957) | | | |
| 18 | Department of Fire Programs (960) | 02180 | \$22,307 | \$22,307 |
| 19 | Department of Alcoholic Beverage | 05001 | \$500,882 | \$500,882 |
| 20 | Control (999) | | | |
| 21 | | | \$11,951,845 | \$3,758,423 |

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

26 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
27 year to the general fund the following amounts from the agencies and funds listed below, to fund a portion of the nongeneral
28 share of costs for the expedited repayment of deferred contributions to the Virginia Retirement System authorized in Chapter
29 732, 2016 Acts of Assembly. Agencies may determine the appropriate fund detail amount within each fund.

| 30 | Agency Name | Fund | FY 2017 | FY 2018 |
|----|--------------------------------|------|-------------|-------------|
| 31 | Christopher Newport | 03 | \$390,307 | \$260,205 |
| 32 | University (242) | | | |
| 33 | College of William and Mary | 03 | \$1,020,946 | \$680,630 |
| 34 | (204) | | | |
| 35 | Richard Bland College (241) | 03 | \$42,715 | \$28,476 |
| 36 | George Mason University | 03 | \$1,935,422 | \$1,290,281 |
| 37 | (247) | | | |
| 38 | James Madison University | 03 | \$1,551,829 | \$1,034,553 |
| 39 | (216) | | | |
| 40 | Longwood University (214) | 03 | \$326,500 | \$217,667 |
| 41 | Norfolk State University (213) | 03 | \$486,295 | \$324,197 |
| 42 | Old Dominion University | 03 | \$1,002,931 | \$668,621 |
| 43 | (221) | | | |
| 44 | Radford University (217) | 03 | \$517,096 | \$344,731 |
| 45 | University of Mary | 03 | \$314,079 | \$209,386 |

| | | | | |
|----|-----------------------------------|----|---------------------|---------------------|
| 1 | Washington (215) | | | |
| 2 | University of Virginia (207) | 03 | \$5,048,921 | \$3,365,948 |
| 3 | University of Virginia Medical | 03 | \$1,072,236 | \$714,824 |
| 4 | Center (209) | | | |
| 5 | University of Virginia's College | 03 | \$117,388 | \$78,259 |
| 6 | at Wise (246) | | | |
| 7 | Virginia Commonwealth | 03 | \$3,210,947 | \$2,140,631 |
| 8 | University (236) | | | |
| 9 | VCU Medical College of | 03 | \$772,167 | \$514,778 |
| 10 | Virginia Hospitals Authority | | | |
| 11 | (206) | | | |
| 12 | Virginia Community College | 03 | \$3,377,834 | \$2,251,889 |
| 13 | System (260) | | | |
| 14 | Virginia Military Institute (211) | 03 | \$288,536 | \$192,357 |
| 15 | Virginia Polytechnic Institute | 03 | \$4,110,195 | \$2,740,130 |
| 16 | and State University (208) | | | |
| 17 | Virginia State University (212) | 03 | \$477,961 | \$318,641 |
| 18 | Total | | \$26,064,305 | \$17,376,204 |

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

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

| 23 | Department of Health (601) | Fund Detail | FY 2018 |
|----|---|-------------|----------|
| 24 | Waterworks Technical Assistance Fund | 02480 | \$23,295 |
| 25 | Donations - Local Health Departments | 09013 | \$9,391 |
| 26 | Trauma Center Fund | 09020 | \$49,920 |
| 27 | Virginia Rescue Squads Assistance Fund | 09100 | \$82,542 |
| 28 | Water Supply Assistance Grant Fund | 09224 | \$38,802 |
| 29 | Radioactive Materials Facility Licensure/Inspection Fund | 09312 | \$4,521 |
| 30 | Medical And Physician's Assistant Scholarship And Loan Repayment Fund | 09341 | \$74 |
| 31 | Nursing Scholarship And Loan Repayment Fund | 09321 | \$1,455 |

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

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

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

39 OO. On or before June 30, of each fiscal year, the State Comptroller shall transfer to the Health Insurance Fund - Local (Fund
40 05200) at the Administration of Health Insurance the balance from the Administration of Local Benefits Services Fund (Fund
41 05220) at the Department of Human Resource Management.

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

45 § 3-1.02 INTERAGENCY TRANSFERS

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

48 § 3-1.03 SHORT-TERM ADVANCE TO THE GENERAL FUND FROM NONGENERAL FUNDS

49 A. To meet the occasional short-term cash needs of the general fund during the course of the year when cumulative year-to-date
50 disbursements exceed temporarily cumulative year-to-date revenue collections, the State Comptroller is authorized to draw cash

1 temporarily from nongeneral fund cash balances deemed to be available, although special dedicated funds related to commodity
 2 boards are exempt from this provision. Such cash drawdowns shall be limited to the amounts immediately required by the
 3 general fund to meet disbursements made in pursuance of an authorized appropriation. However, the amount of the cash
 4 drawdown from any particular nongeneral fund shall be limited to the excess of the cash balance of such fund over the amount
 5 otherwise necessary to meet the short-term disbursement requirements of that nongeneral fund. The State Comptroller will
 6 ensure that those funds will be replenished in the normal course of business.

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

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

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

22 § 3-2.00 WORKING CAPITAL FUNDS AND LINES OF CREDIT

23 § 3-2.01 ADVANCES TO WORKING CAPITAL FUNDS

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

26 § 3-2.02 CHARGES AGAINST WORKING CAPITAL FUNDS

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

33 § 3-2.03 LINES OF CREDIT

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

| | | |
|----|--|---------------|
| 35 | Administration of Health Insurance | \$150,000,000 |
| 36 | Administration of Health Insurance, Line of Duty Act | \$10,000,000 |
| 37 | Administration of Health Insurance, Local Option | \$150,000,000 |
| 38 | Department of Accounts, for the Payroll Service Bureau | \$400,000 |
| 39 | Department of Accounts, Transfer Payments | \$5,250,000 |
| 40 | Department of Alcoholic Beverage Control | \$60,000,000 |
| 41 | Department of Corrections, for Virginia Correctional Enterprises | \$1,000,000 |
| 42 | Department of Corrections, for Educational Grant Processing | 300,000 |
| 43 | Department of Emergency Management | \$150,000 |
| 44 | Department of Environmental Quality | \$5,000,000 |
| 45 | Department of Human Resource Management, for the Workers' Compensation Self 46 Insurance Trust Fund | \$10,000,000 |
| 47 | Department of Behavioral Health and Developmental Services | \$30,000,000 |
| 48 | Department of Medical Assistance Services, for the Virginia Health Care Fund | \$12,000,000 |
| 49 | Department of Motor Vehicles | \$5,000,000 |
| 50 | Department of the Treasury, for the Unclaimed Property Trust Fund | \$5,000,000 |
| 51 | Department of the Treasury, for the State Insurance Reserve Trust Fund | \$25,000,000 |
| 52 | Virginia Lottery | \$40,000,000 |

| | | |
|----|--|---------------------|
| 1 | Virginia Information Technologies Agency | \$75,000,000 |
| 2 | Virginia Tobacco Settlement Foundation | \$3,000,000 |
| 3 | Department of Historic Resources | \$600,000 |
| 4 | Department of Fire Programs | \$30,000,000 |
| 5 | Compensation Board | \$8,000,000 |
| 6 | Department of Conservation and Recreation | \$4,000,000 |
| 7 | Department of Military Affairs, for State Active Duty | \$5,000,000 |
| 8 | Department of Military Affairs, for Federal Cooperative Agreements | \$21,000,000 |
| 9 | Innovation and Entrepreneurship Authority | \$2,500,000 |
| 10 | <i>Department of Motor Vehicles</i> | <i>\$10,500,000</i> |

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

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

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

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

30 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 the
 31 actual costs of expanding the availability of vital records through the Department Motor Vehicles to be repaid from administrative
 32 processing fees provided under Code of Virginia, § 32.1-273 until such time as the line of credit is repaid.

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

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

40 § 3-3.00 GENERAL FUND DEPOSITS

41 § 3-3.01 PAYMENT BY THE STATE TREASURER

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

44 § 3-3.02 PAYMENT BY THE VIRGINIA RESOURCES AUTHORITY

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

47 § 3-3.03 INTEREST EARNINGS

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

1 Virginia Commonwealth University, Virginia Tech and Virginia Tech Extension.

2 **§ 3-4.00 AUXILIARY ENTERPRISES AND SPONSORED PROGRAMS IN INSTITUTIONS OF HIGHER**
3 **EDUCATION**

4 § 3-4.01 AUXILIARY ENTERPRISE INVESTMENT YIELDS

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

9 B. No interest shall be credited for that portion of the fund's cash balance that represents any outstanding loans due from the
10 State Treasurer. The provisions of this section shall not apply to the capital projects authorized under Items C-36.21 and C-
11 36.40 of Chapter 924, 1997 Acts of Assembly.

12 **§ 3-5.00 ADJUSTMENTS AND MODIFICATIONS TO TAX COLLECTIONS**

13 § 3-5.01 RETALIATORY COSTS TO OTHER STATES TAX CREDIT

14 Notwithstanding any other provision of law, the amount deposited to the Priority Transportation Trust Fund pursuant to § 58.1-
15 2531 shall not be reduced by more than \$266,667 by any refund of the Tax Credit for Retaliatory Costs to Other States
16 available under § 58.1-2510.

17 §3-5.02 PAYMENT OF AUTO RENTAL TAX TO THE GENERAL FUND

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

21 § 3-5.03 IMPLEMENTATION OF CHAPTER 3, ACTS OF ASSEMBLY OF 2004, SPECIAL SESSION I

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

29 § 3-5.04 RETAIL SALES & USE TAX EXEMPTION FOR INTERNET SERVICE PROVIDERS

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

34 § 3-5.05 DISPOSITION OF EXCESS FEES COLLECTED BY CLERKS OF THE CIRCUIT COURTS

35 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,
36 2009, the Commonwealth shall be entitled to two-thirds of the excess fees collected by the clerks of the circuit courts as
37 required to be reported under § 17.1-283.

38 § 3-5.06 ACCELERATED SALES TAX

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

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

49 C. For purposes of this section, taxable sales or purchases shall be computed without regard to the number of certificates of

1 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,
2 Consumer's Use Tax Return.

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

8 E. Payments made pursuant to this section shall be made in accordance with procedures established by the Tax Commissioner and
9 shall be considered general fund revenue, except with respect to those revenues required to be distributed under the provisions of §§
10 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.

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

19 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
20 electronic fund transfers, and by June 30, 2017, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of
21 Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of
22 \$2,500,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

23 2. Beginning with the tax payment that would be remitted on or before June 25, 2018, if the payment is made by other than
24 electronic fund transfers, and by June 30, 2018, if payments are made by electronic fund transfer, the provisions of § 3-5.08 of
25 Chapter 874, 2010 Acts of Assembly, shall apply only to those dealers or permit holders with taxable sales and purchases of
26 \$4,000,000 or greater for the 12-month period beginning July 1 and ending June 30 of the immediately preceding calendar year.

27 § 3-5.07 DISCOUNTS AND ALLOWANCES

28 A. Notwithstanding any other provision of law, effective beginning with the return for June 2010, due July 2010, the compensation
29 allowed under § 58.1-622, Code of Virginia, shall be suspended for any dealer required to remit the tax levied under §§ 58.1-603 and
30 58.1-604, Code of Virginia, by electronic funds transfer pursuant to § 58.1-202.1, Code of Virginia, and the compensation available
31 to all other dealers shall be limited to the following percentages of the first three percent of the tax levied under §§ 58.1-603 and
32 58.1-604, Code of Virginia:

| 33 Monthly Taxable Sales | Percentage |
|--------------------------|------------|
| 34 \$0 to \$62,500 | 1.6% |
| 35 \$62,501 to \$208,000 | 1.2% |
| 36 \$208,001 and above | 0.8% |

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

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

40 § 3-5.08 SALES TAX COMMITMENT TO HIGHWAY MAINTENANCE AND OPERATING FUND

41 The sales and use tax revenue for distribution to the Highway Maintenance and Operating Fund shall be consistent with Chapter 766,
42 2013 Acts of Assembly.

43 § 3-5.09 INTANGIBLE HOLDING COMPANY ADDBACK

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

45 (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
46 imposed by Virginia, another state, or a foreign government shall be limited and apply only to the portion of such income received
47 by the related member, which portion is attributed to a state or foreign government in which the related member has sufficient nexus
48 to be subject to such taxes; and

49 (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 to
50 unrelated parties shall be limited and apply only to the portion of such income derived from licensing agreements for which the rates

1 and terms are comparable to the rates and terms of agreements that the related member has actually entered into with unrelated
2 entities.

3 § 3-5.10 REGIONAL FUELS TAX

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

9 § 3-5.11 DEDUCTION FOR ABLE ACT CONTRIBUTIONS

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

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

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

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

29 § 3-5.12 RETAIL SALES AND USE TAX EXEMPTION FOR RESEARCH AND DEVELOPMENT

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

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

38 § 3-5.13 ADMISSIONS TAX

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

46 § 3-5.14 SUNSET DATES FOR INCOME TAX CREDITS AND SALES AND USE TAX EXEMPTIONS

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

1 B. By November 1, 2020, the Department of Taxation shall report to every member of the General Assembly and to the Joint
 2 Subcommittee to Evaluate Tax Preferences, on the revenue impact of every sales tax exemption and tax credit scheduled to expire on
 3 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
 4 exemption, and the prior fiscal year's general fund revenue impact of each expiring tax credit. The tax credit revenue impact analysis
 5 shall be inclusive of credits claimed against any tax imposed under Title 58.1 of the Code of Virginia.

6 C. The Department shall provide an updated revenue impact report no later than November 1, 2025, and every five years thereafter,
 7 for sales tax exemptions and tax credits set to expire within two years following the date of the report. Such reports shall be
 8 distributed to every member of the General Assembly and to the Joint Subcommittee to Evaluate Tax Preferences.

9 § 3-5.15 SALES TAX NEXUS

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

13 § 3-5.16. Omitted.

14 § 3-5.17 VIRGINIA TAX AMNESTY PROGRAM

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

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

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

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

28 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 than
 29 75 days. The exact dates of the program shall be established by the Tax Commissioner.

30 2. All civil or criminal penalties assessed or assessable, as provided in this title, including the addition to tax under §§ 58.1-492 and
 31 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 result of
 32 nonpayment, underpayment, nonreporting or underreporting of tax liabilities, shall be waived upon receipt of the payment of the
 33 amount of taxes and interest owed, with the following exceptions:

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

36 b. No person, individual, corporation, estate, trust or partnership shall be eligible to participate in the program with respect to any
 37 assessment outstanding for which the date of assessment is less than 90 days prior to the first day of the program or with respect to
 38 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 the first day of
 39 the program.

40 c. No person, individual, corporation, estate, or trust shall be eligible to participate in the program with respect to any tax liability
 41 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 attributable to
 42 taxable years beginning on and after January 1, 2016.

43 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
 44 subject to a decision of a Virginia court rendered on or after January 1, 2016.

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

50 F. 1. If any taxpayer eligible for amnesty under this section and under the rules and guidelines established by the Tax Commissioner

1 retains any outstanding balance after the close of the Virginia Tax Amnesty Program because of the nonpayment,
 2 underpayment, nonreporting or underreporting of any tax liability eligible for relief under the Virginia Tax Amnesty Program,
 3 then such balance shall be subject to a 20 percent penalty on the unpaid tax. This penalty is in addition to all other penalties that
 4 may apply to the taxpayer.

5 2. Any taxpayer who defaults upon any agreement to pay tax and interest arising out of a grant of amnesty is subject to
 6 reinstatement of the penalty and interest forgiven and the imposition of the penalty under this section as though the taxpayer
 7 retained the original outstanding balance at the close of the Virginia Tax Amnesty Program.

8 **§ 3-5.18 LIMITATION ON THE AMOUNT OF HISTORIC REHABILITATION TAX CREDITS CLAIMED**

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

12 **§ 3-5.19 LIMITATION ON THE AMOUNT OF LAND PRESERVATION TAX CREDITS CLAIMED**

13 Notwithstanding § 58.1-512 or any other provision of law, effective for the taxable year beginning on and after January 1,
 14 2017, the amount of the Land Preservation Tax Credit that may be claimed by each taxpayer, including amounts carried over
 15 from prior taxable years, shall not exceed \$20,000.

16 .

17 **§ 3-6.00 ADJUSTMENTS AND MODIFICATIONS TO FEES**

18 **§ 3-6.01 RECORDATION TAX FEE**

19 There is hereby assessed a twenty dollar fee on (i) every deed for which the state recordation tax is collected pursuant to §§
 20 58.1-801 A and 58.1-803, Code of Virginia; and (ii) every certificate of satisfaction admitted under § 55-66.6, Code of
 21 Virginia. The revenue generated from fifty percent of such fee shall be deposited to the general fund. The revenue generated
 22 from the other fifty percent of such fee shall be deposited to the Virginia Natural Resources Commitment Fund, a subfund of
 23 the Virginia Water Quality Improvement Fund, as established in § 10.1-2128.1, Code of Virginia. The funds deposited to this
 24 subfund shall be disbursed for the agricultural best management practices cost share program, pursuant to § 10.1-2128.1, Code
 25 of Virginia.

26 **§ 3-6.02 ANNUAL VEHICLE REGISTRATION FEE (\$4.25 FOR LIFE)**

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

29 **§ 3-6.03 DRIVERS LICENSE REINSTATEMENT FEE**

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

32 **§ 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.

b.1. Changed Expenditure Factors: The Governor is authorized to reduce spending authority, by withholding allotments of

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

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

8 c. Increased Nongeneral Fund Revenue:

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

32 3. In making this determination, the Governor shall take into account actual general fund revenue collections for the current
 33 fiscal year and the results of a formal written re-estimate of general fund revenues for the current and next biennium, prepared
 34 within the previous 90 days, in accordance with the process specified in § 2.2-1503, Code of Virginia. Said re-estimate of
 35 general fund revenues shall be communicated to the Chairmen of the Senate Finance, House Appropriations and House Finance
 36 Committees, 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
 38 Governor shall provide a written quarterly assessment of the current economic outlook for the remainder of the fiscal year to
 39 the Chairmen of 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
 41 shall provide the Governor with the actual total of (1) individual income taxes, (2) corporate income taxes, and (3) sales taxes
 42 for the just-completed fiscal year, with a comparison of such actual totals with the total of such taxes in the official budget
 43 estimate for that fiscal year. If that comparison indicates that the total of (1) individual income taxes, (2) corporate income
 44 taxes, and (3) sales taxes, as shown on the preliminary close, was one percent or more below the amount of such taxes in the
 45 official budget estimate for the just-completed fiscal year, the Governor shall prepare a written re-estimate of general fund
 46 revenues for the current biennium and the next biennium in accordance with § 2.2-1503, Code of Virginia, to be reported to the
 47 Chairmen of the Senate Finance, House Finance and House Appropriations Committees, not later than September 1 following
 48 the close of the fiscal year.

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

54 b) In addition to the budget reduction plan approved by the Governor, all budget reduction proposals submitted by state

1 agencies to the Governor or the Governor's staff, including but not limited to the Department of Planning and Budget, the Governor's
2 Cabinet secretaries, or the Chief of Staff, whether submitted electronically or otherwise, shall be made available via electronic means
3 to the Chairmen of the House Appropriations and Senate Finance Committees concurrently with that budget reduction plan.

4 6. In effecting the reduction of expenditures, the Governor shall not withhold allotments of appropriations for:

5 a) More than 15 percent cumulatively of the annual general fund appropriation contained in this act for operating expenses of any
6 one state or nonstate agency or institution designated in this act by title, and the exact amount withheld, by state or nonstate agency
7 or institution, shall be reported within five calendar days to the Chairmen of the Senate Finance and House Appropriations
8 Committees. State agencies providing funds directly to grantees named in this act shall not apportion a larger cut to the grantee than
9 the proportional cut apportioned to the agency. Without regard to § 4-5.05 b.4. of this act, the remaining appropriation to the grantee
10 which is not subject to the cut, equal to at least 85 percent of the annual appropriation, shall be made by July 31, or in two equal
11 installments, one payable by July 31 and the other payable by December 31, if the remaining appropriation is less than or equal to
12 \$500,000, except in cases where the normal conditions of the grant dictate a different payment schedule.

13 b) The payment of principal and interest on the bonded debt or other bonded obligations of the Commonwealth, its agencies and its
14 authorities, or for payment of a legally authorized deficit.

15 c) The payments for care of graves of Confederate and historical African American dead.

16 d) The employer contributions, and employer-paid member contributions, to the Social Security System, Virginia Retirement
17 System, Judicial Retirement System, State Police Officers Retirement System, Virginia Law Officers Retirement System, Optional
18 Retirement Plan for College and University Faculty, Optional Retirement Plan for Political Appointees, Optional Retirement Plan
19 for Superintendents, the Volunteer Service Award Program, the Virginia Retirement System's group life insurance, sickness and
20 disability, and retiree health care credit programs for state employees, state-supported local employees and teachers. If the Virginia
21 Retirement System Board of Trustees approves a contribution rate for a fiscal year that is lower than the rate on which the
22 appropriation was based, or if the United States government approves a Social Security rate that is lower than that in effect for the
23 current budget, the Governor may withhold excess contributions. However, employer and employee paid rates or contributions for
24 health insurance and matching deferred compensation for state employees, state-supported local employees and teachers may not be
25 increased or decreased beyond the amounts approved by the General Assembly. Payments for the employee benefit programs listed
26 in this paragraph may not be delayed beyond the customary billing cycles that have been established by law or policy by the
27 governing board.

28 e) The payments in fulfillment of any contract awarded for the design, construction and furnishing of any state building.

29 f) The salary of any state officer for whom the Constitution of Virginia prohibits a change in salary.

30 g) The salary of any officer or employee in the Executive Department by more than two percent (irrespective of the fund source for
31 payment of salaries and wages); however, the percentage of reduction shall be uniformly applied to all employees within the
32 Executive Department.

33 h) The appropriation supported by the State Bar Fund, as authorized by § 54.1-3913, Code of Virginia, unless the supporting
34 revenues for such appropriation are estimated to be insufficient to pay the appropriation.

35 7. The Governor is authorized to withhold specific allotments of appropriations by a uniform percentage, a graduated reduction or on
36 an individual basis, or apply a combination of these actions, in effecting the authorized reduction of expenditures, up to the
37 maximum of 15 percent, as prescribed in subdivision 6a of this subsection.

38 8. Each nongeneral fund appropriation shall be payable in full only to the extent the nongeneral fund revenues from which the
39 appropriation is payable are estimated to be sufficient. The Governor is authorized to reduce allotments of nongeneral fund
40 appropriations by the amount necessary to ensure that expenditures do not exceed the supporting revenues for such appropriations;
41 however, the Governor shall take no action to reduce allotments of appropriations for major nongeneral fund sources on account of
42 reduced revenues until such time as a formal written re-estimate of revenues for the current and next biennium, prepared in
43 accordance with the process specified in § 2.2-1503, Code of Virginia, has been reported to the Chairmen of the Senate Finance,
44 House Finance, and House Appropriations Committees. For purposes of this subsection, major nongeneral fund sources are defined
45 as Highway Maintenance and Operating Fund and Transportation Trust Fund.

46 9. Notwithstanding any contrary provisions of law, the Governor is authorized to transfer to the general fund on June 30 of each year
47 of the biennium, or within 20 days from that date, any available unexpended balances in other funds in the state treasury, subject to
48 the following:

49 a) The Governor shall declare in writing to the Chairmen of the Senate Finance and House Appropriations Committees that a fiscal
50 emergency exists which warrants the transfer of nongeneral funds to the general fund and reports the exact amount of such transfer
51 within five calendar days of the transfer;

52 b) No such transfer may be made from retirement or other trust accounts, the State Bar Fund as authorized by § 54.1-3913, Code of
53 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
2 amount 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
6 item.

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

11 § 4-1.03 APPROPRIATION TRANSFERS

12 GENERAL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 § 4-1.04 APPROPRIATION INCREASES

26 a. UNAPPROPRIATED NONGENERAL FUNDS:

27 1. Sale of Surplus Materials:

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

30 2. Insurance Recovery:

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

34 3. Gifts, Grants and Other Nongeneral Funds:

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

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

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

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

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

1 b. The Director, Department of Planning and Budget, may transfer reappropriated amounts within an agency to cover nonrecurring
2 costs.

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

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

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

12 b. NONGENERAL FUND OPERATING EXPENSE:

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

18 c. CAPITAL PROJECTS:

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

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

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

34 § 4-1.06 LIMITED ADJUSTMENTS OF APPROPRIATIONS

35 a. LIMITED CONTINUATION OF APPROPRIATIONS.

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

41 b. LIMITATIONS ON CASH DISBURSEMENTS.

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

50 § 4-1.07 ALLOTMENTS

51 Except when otherwise directed by the Governor within the limits prescribed in §§ 4-1.02 Withholding of Spending Authority, 4-

1 1.03 Appropriation Transfers, and 4-1.04 Appropriation Increases of this act, the Director, Department of Planning and Budget,
 2 shall prepare and act upon the allotment of appropriations required by this act, and by § 2.2-1819, Code of Virginia, and the
 3 authorizations for rates of pay required by this act. Such allotments and authorizations shall have the same effect as if the
 4 personal signature of the Governor were subscribed thereto. This section shall not be construed to prohibit an appeal by the
 5 head of any state agency to the Governor for reconsideration of any action taken by the Director, Department of Planning and
 6 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
 11 except under written guidelines issued by the Governor which provide for the solicitation and acceptance of nongeneral funds,
 12 except that donations or gifts to the Virginia War Memorial Foundation that are small in size and number and valued at less
 13 than \$5,000, such as library items or small display items, may be approved by the Executive Director of the Virginia War
 14 Memorial in consultation with the Secretary of Veterans Affairs and Homeland Security. All other gifts and donations to the
 15 Virginia War Memorial Foundation must receive written approval from the Secretary of Veterans Affairs and Homeland
 16 Security.

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

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

25 4. The use of endowment funds for property, plant or equipment for state-owned facilities is subject to §§ 4-2.03 Indirect Costs,
 26 4-4.01 Capital Projects-General and 4-5.03 Services and Clients of this act.

27 b. HIGHER EDUCATION TUITION AND FEES

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

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

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

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

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

52 3. a) In setting the nongeneral fund appropriation for educational and general programs at the institutions of higher education,
 53 the General Assembly shall take into consideration the appropriate student share of costs associated with providing full funding

- 1 of the base adequacy guidelines referenced in subparagraph 2. b), raising average salaries for teaching and research faculty to the
2 60th percentile of peer institutions, and other priorities set forth in this act.
- 3 b) In determining the appropriate state share of educational costs for resident students, the General Assembly shall seek to cover at
4 least 67 percent of educational costs associated with providing full funding of the base adequacy guidelines referenced in
5 subparagraph 2. b), raising average salaries for teaching and research faculty to the 60th percentile of peer institutions, and other
6 priorities set forth in this act.
- 7 4. a) Each institution and the State Council of Higher Education for Virginia shall monitor tuition, fees, and other charges, as well as
8 the mix of resident and nonresident students, to ensure that the primary mission of providing educational opportunities to citizens of
9 Virginia is served, while recognizing the material contributions provided by the presence of nonresident students. The State Council
10 of Higher Education for Virginia shall also develop and enforce uniform guidelines for reporting student enrollments and the
11 domiciliary status of students.
- 12 b) The State Council of Higher Education for Virginia shall report to the Governor and the Chairmen of the House Appropriations
13 and Senate Finance Committees no later than August 1 of each year the annual change in total charges for tuition and all required
14 fees approved and allotted by the Board of Visitors. As it deems appropriate, the State Council of Higher Education for Virginia
15 shall provide comparative national, peer, and market data with respect to charges assessed students for tuition and required fees at
16 institutions outside of the Commonwealth.
- 17 c) Institutions of higher education are hereby authorized to make the technology service fee authorized in Chapter 1042, 2003 Acts
18 of Assembly, part of ongoing tuition revenue. Such revenues shall continue to be used to supplement technology resources at the
19 institutions of higher education.
- 20 d) Except as provided in Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly,
21 and Chapters 675 and 685 of the 2009 Acts of Assembly, each institution shall work with the State Council of Higher Education for
22 Virginia and the Virginia College Savings Plan to determine appropriate tuition and fee estimates for tuition savings plans.
- 23 5. It is the intent of the General Assembly that each institution's combined general and nongeneral fund appropriation within its
24 educational and general program closely approximate the anticipated annual budget each fiscal year.
- 25 6. Nonresident graduate students employed by an institution as teaching assistants, research assistants, or graduate assistants and
26 paid at an annual contract rate of \$4,000 or more may be considered resident students for the purposes of charging tuition 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 construction
29 of buildings approved by the Commonwealth of Virginia Educational Institutions Bond Act of 1992 and the Commonwealth of
30 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 general
33 programs shall not be increased for Virginia undergraduates beyond five percent annually, excluding requirements for wage, salary,
34 and fringe benefit increases, authorized by the General Assembly. Fee increases required to carry out actions that respond to
35 mandates of federal agencies are also exempt from this provision, provided that a report on the purposes of the amount of the fee
36 increase is submitted to the Chairmen of the House Appropriations and Senate Finance Committees by the institution of higher
37 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 General
40 Assembly.
- 41 c) Due to the small mandatory non-educational and general program fees currently assessed students in the Virginia Community
42 College System, increases in any one year of no more than \$15 shall be allowed on a cost-justified case-by-case basis, subject to
43 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 Code of
45 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 those
48 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, subject to

1 the following:

- 2 1. Such revenues are identified by language in the appropriations in this act to any such institution.
- 3 2. The use of such moneys is fully documented by the institution to the Governor prior to each fiscal year and prior to
4 allotment.
- 5 3. The moneys are supplemental to, and not a part of, ongoing expenditure levels for educational and general programs used as
6 the basis for funding in subsequent biennia.
- 7 4. The receipt and expenditure of these moneys shall be recorded as restricted funds on the books of the Department of
8 Accounts and shall not revert to the surplus of the general fund at the end of the biennium.
- 9 5. Tuition and fee revenues generated by the institution other than as provided herein shall be subject to the provisions of § 4-
10 1.04 a.3 Gifts, Grants, and Other Nongeneral Funds of this act.

11 § 4-2.02 GENERAL FUND REVENUE

12 a. STATE AGENCY PAYMENTS INTO GENERAL FUND:

13 1. Except as provided in § 4-2.02 a.2., all moneys, fees, taxes, charges and revenues received at any time by the following
14 agencies from the sources indicated shall be paid immediately into the general fund of the state treasury:

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

- 16 1) Revenues payable to the Public Oyster Rocks Replenishment Fund established by § 28.2-542, Code of Virginia.
- 17 2) Revenue payable to the Virginia Marine Products Fund established by § 3.2-2705, Code of Virginia.
- 18 3) Revenue payable to the Virginia Saltwater Recreational Fishing Development Fund established by § 28.2-302.3, Code of
19 Virginia.
- 20 4) Revenue payable to the Marine Fishing Improvement Fund established by § 28.2-208, Code of Virginia.
- 21 5) Revenue payable to the Marine Habitat and Waterways Improvement Fund established by § 28.2-1206, Code of Virginia.

22 b1) Department of Labor and Industry, or any other agency, for the administration of the state labor and employment laws
23 under Title 40.1, Code of Virginia.

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

26 c) All state institutions for the mentally ill or intellectually disabled, from fees or per diem paid employees for the performance
27 of services for which such payment is made, except for a fee or per diem allowed by statute to a superintendent or staff member
28 of any such institution when summoned as a witness in any court.

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

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

32 f) Auditor of Public Accounts, from charges for audits or examinations when the law requires that such costs be borne by the
33 county, city, town, regional government or political subdivision of such governments audited or examined.

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

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

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

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

38 j) Department of Social Services, from net revenues received from child support collections after all disbursements are made in
39 accordance with state and federal statutes and regulations, and the state's share of the cost of administering the programs is
40 paid.

41 k) Department of General Services, from net revenues received from refunds of overpayments of utilities charges in prior fiscal
42 years, after deduction of the cost of collection and any refunds due to the federal government.

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

1 general fund and shall be deposited as follows: (1) payments to Virginia Correctional Enterprises shall be deposited into the Virginia
 2 Correctional Enterprises Fund; (2) payments to the Departments of Corrections and Juvenile Justice for work performed by inmates,
 3 work release prisoners, probationers or wards, which are intended to cover the expenses of these inmates, work release prisoners,
 4 probationers, or wards, shall be retained by the respective agencies for their use; and (3) payments to the Departments of Corrections
 5 and Juvenile Justice for work performed by inmates in educational programs shall be retained by the agency to increase vocational
 6 training activities and to purchase work tools and work clothes for inmates, upon release.

7 m) the Department of State Police, from the fees generated by the Firearms Transaction Program Fund, the Concealed Weapons
 8 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

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

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

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

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

27 c. DATE OF RECEIPT OF REVENUES:

28 All June general fund collections received under Subtitle I of Title 58.1, Code of Virginia, bearing a postmark date or electronic
 29 transactions with a settlement or notification date on or before the first business day in July, when June 30 falls on a Saturday or
 30 Sunday, shall be considered as June revenue and recorded under guidelines established annually by the Department of 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 Committee
 35 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 Attorney
 38 General's participation on behalf of the Commonwealth or on behalf of an agency of the Commonwealth, the Attorney General shall
 39 seek input from the Committee, to the extent permissible under applicable federal law and guidelines, for the preparation of a
 40 proposed Distribution Plan (the "Plan") regarding the distribution and use of money or property, or both. If a federal entity must
 41 approve the Plan for such distribution or use, or both, and does not approve the Plan submitted by the Attorney General, the Plan
 42 may be revised if deemed appropriate and resubmitted to the federal entity for approval following notification of the Committee. If
 43 the federal entity approves the original Plan or a revised Plan, the Attorney General shall inform the Committee, and ensure that such
 44 money or property, or both, is distributed or used, or both, in a manner that is consistent with the Plan approved by the federal entity.
 45 The distribution of any money or property, or both, shall be done in a manner as prescribed by the State Comptroller and consistent
 46 with any federal authorization in order to ensure proper accounting on the books of the Commonwealth.

47 § 4-2.03 INDIRECT COSTS

48 a. INDIRECT COST RECOVERIES FROM GRANTS AND CONTRACTS:

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

51 b. AGENCIES OTHER THAN INSTITUTIONS OF HIGHER EDUCATION:

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

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

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

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

10 c. INSTITUTIONS OF HIGHER EDUCATION:

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

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

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

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

22 d. REPORTS

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

26 e. REGULATIONS:

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

29 **§ 4-3.00 DEFICIT AUTHORIZATION AND TREASURY LOANS**

30 § 4-3.01 DEFICITS

31 a. GENERAL:

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

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

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

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

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

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

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

44 4. The Department of Transportation may obligate funds in excess of the current biennium appropriation for projects of a
 45 capital nature not covered by § 4-4.00 Capital Projects, of this act provided such projects a) are delineated in the Virginia
 46 Transportation Six-Year Improvement Program, as approved by the Commonwealth Transportation Board; and b) have

1 sufficient cash allocated to each such project to cover projected costs in each year of the Program; and provided that c) sufficient
 2 revenues are projected to meet all cash obligations for such projects as well as all other commitments and appropriations approved
 3 by the General Assembly in the biennial budget.

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

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

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

23 § 4-3.02 TREASURY LOANS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 a) REPORTING: All outstanding loans shall be reported by the Governor to the Chairmen of the House Appropriations and
39 Senate Finance Committees by August 15 of each year. The report shall include a status of the repayment schedule for each
40 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
44 that 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
46 Directors of the Departments of Planning and Budget and General Services, the State Comptroller, and the State Treasurer. The
47 Secretary of 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
51 annual Debt Capacity Advisory Committee reports.

1 b. APPROVAL OF FINANCINGS:

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

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

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

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

19 **§ 4-4.00 CAPITAL PROJECTS**

20 § 4-4.01 GENERAL

21 a. Definition:

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

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

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

34 4. The provisions of this section shall not apply to property leased by state agencies for the purposes described in §§ 2.2-1151 C and
35 33.2-1010, Code of Virginia.

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

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

41 2. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and
42 616 of the 2008 Acts of Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, financings for capital projects shall
43 comply, where applicable, with the Treasury Board Guidelines issued pursuant to § 2.2-2416, Code of Virginia, and any subsequent
44 amendments thereto.

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

47 c. Each agency head shall provide annually to the Director, Department of Planning and Budget, a report on the use of the
48 maintenance reserve appropriation of the agency in Part 2 of this act. In the use of its maintenance reserve appropriation, an agency
49 shall give first priority to the repair or replacement of roof on buildings under control of the agency. The agency head shall certify in
50 the agency's annual maintenance reserve report that to the best of his or her knowledge, all necessary roof repairs have been
51 accomplished or are in the process of being accomplished. Such roof repairs and replacements shall be in accord with the technical

- 1 requirements of the Commonwealth's Construction and Professional Services Manual.
- 2 d. The Department of Planning and Budget shall review its approach to capital outlay planning and budgeting from time to time
3 and make available via electronic means a report of any proposed change to the Chairmen of the House Appropriations and
4 Senate Finance Committees and the public prior to its implementation. Such report shall include an analysis of the impact of the
5 suggested change on affected agencies and institutions.
- 6 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
7 Virginia, amended by Chapter 488, 1997 Acts of Assembly, relating to Virginia Port Authority capital projects and
8 procurement activities.
- 9 f. Legislative Approval: It is the intent of the General Assembly that, with the exceptions noted in this paragraph and paragraph
10 m, all capital projects to be undertaken by agencies of the Commonwealth, including institutions of higher education, shall be
11 pursuant to approvals by the General Assembly as provided in the Six-Year Capital Outlay Plan established pursuant to § 2.2-
12 1515, et seq., Code of Virginia. Otherwise, the consideration of capital projects shall be limited to:
- 13 1. Supplementing projects which have been bid and determined to have insufficient funding to be placed under contract, and
14 2. Projects declared by the Governor or the General Assembly to be of an emergency nature, which may avoid an increase in
15 cost or otherwise result in a measurable benefit to the state, and/or which are required for the continued use of existing
16 facilities.
- 17 3. This paragraph does not prohibit the initiation of projects authorized by § 4-4.01 m hereof, or projects included under the
18 central appropriations for capital project expenses in this act.
- 19 g. Preliminary Requirements: In regard to each capital project for which appropriation or reappropriation is made pursuant to
20 this act, or which is hereafter considered by the Governor for inclusion in the Executive Budget, or which is offered as a gift or
21 is considered for purchase, the Governor is hereby required: (1) to determine the urgency of its need, as compared with the need
22 for other capital projects as herein authorized, or hereafter considered; (2) to determine whether the proposed plans and
23 specifications for each capital project are suitable and adequate, and whether they involve expenditures which are excessive for
24 the purposes intended; (3) to determine whether labor, materials, and other requirements, if any, needed for the acquisition or
25 construction of such project can and will be obtained at reasonable cost; and (4) to determine whether or not the project
26 conforms to a site or master plan approved by the agency head or board of visitors of an institution of higher education for a
27 program approved by the General Assembly.
- 28 h. Initiation Generally:
- 29 1. No architectural or engineering planning for, or construction of, or purchase of any capital project shall be commenced or
30 revised without the prior written approval of the Governor or his designee.
- 31 2. The requirements of § 10.1-1190, Code of Virginia, shall be met prior to the release of funds for a major state project,
32 provided, however, that the Governor or his designee is authorized to release from any appropriation for a major state project
33 made pursuant to this act such sum or sums as may be necessary to pay for the preparation of the environmental impact report
34 required by § 10.1-1188, Code of Virginia.
- 35 3. The Governor, at his discretion, or his designee may release from any capital project appropriation or reappropriation made
36 pursuant to this act such sum (or sums) as may be necessary to pay for the preparation of plans and specifications by architects
37 and engineers, provided that the estimated cost of the construction covered by such drawings and specifications does not exceed
38 the appropriation therefor; provided, further, however, that the architectural and engineering fees paid on completion of the
39 preliminary design for any such project may be based on such estimated costs as may be approved by the Governor in writing,
40 where it is shown to the satisfaction of the Governor that higher costs of labor or material, or both, or other unforeseen
41 conditions, have made the appropriation inadequate for the completion of the project for which the appropriation was made,
42 and where in the judgment of the Governor such changed conditions justify the payment of architectural or engineering fees
43 based on costs exceeding the appropriation.
- 44 4. Architectural or engineering contracts shall not be awarded in perpetuity for capital projects at any state institution, agency or
45 activity.
- 46 i. Capital Projects Financed with Bonds: Capital projects proposed to be financed with (i) 9 (c) general obligation bonds or (ii)
47 9(d) obligations where debt service is expected to be paid from project revenues or revenues of the agency or institution, shall
48 be reviewed as follows:
- 49 1. By August 15 of each year, requests for inclusion in the Executive Budget of capital projects to be financed with 9(c) general
50 obligation bonds shall be submitted to the State Treasurer for evaluation of financial feasibility. Submission shall be in
51 accordance with the instructions prescribed by the State Treasurer. The State Treasurer shall distribute copies of financial
52 feasibility studies to the Director, Department of Planning and Budget, the Secretary for the submitting agency or institution,
53 the Chairmen of the House Appropriations and Senate Finance Committees, and the Director, State Council of Higher

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

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

1 Budget, or his designee. A report providing the rationale for each approved transfer shall be made to the Chairmen of the House
2 Appropriations and Senate Finance Committees.

3 n. Legislative Intent and Reporting: Appropriations for capital projects shall be deemed to have been made for purposes which
4 require their expenditure, or being placed under contract for expenditure, during the current biennium. Agencies to which such
5 appropriations are made in this act or any other act are required to report progress as specified by the Governor. If, in the opinion of
6 the Governor, these reports do not indicate satisfactory progress, he is authorized to take such actions as in his judgment may be
7 necessary to meet legislative intent as herein defined. Reporting on the progress of capital projects shall be in accordance with § 4-
8 8.00, Reporting Requirements.

9 o. No expenditure from a general fund appropriation in this act shall be made to expand or enhance a capital outlay project beyond
10 that anticipated when the project was initially approved by the General Assembly except to comply with requirements imposed by
11 the federal government when such capital project is for armories or other defense-related installations and is funded in whole or in
12 part by federal funds. General fund appropriations in excess of those necessary to complete the project shall not be reallocated to
13 expand or enhance the project, or be reallocated to a different project. The prohibitions in this subsection shall not apply to transfers
14 from projects for which reappropriations have been authorized.

15 p. Local or private funds to be used for the acquisition, construction or improvement of capital projects for state agency use as owner
16 or lessee shall be deposited into the state treasury for appropriation prior to their expenditure for such projects.

17 q. State-owned Registered Historic Landmarks: To guarantee that the historical and/or architectural integrity of any state-owned
18 properties listed on the Virginia Landmarks Register and the knowledge to be gained from archaeological sites will not be adversely
19 affected because of inappropriate changes, the heads of those agencies in charge of such properties are directed to submit all plans
20 for significant alterations, remodeling, redecoration, restoration or repairs that may basically alter the appearance of the structure,
21 landscaping, or demolition to the Department of Historic Resources. Such plans shall be reviewed within thirty days and the
22 comments of that department shall be submitted to the Governor through the Department of General Services for use in making a
23 final determination.

24 r.1. The Governor may authorize the conveyance of any interest in property or improvements thereon held by the Commonwealth to
25 the educational or real estate foundation of any institution of higher education where he finds that such property was acquired with
26 local or private funds or by gift or grant to or for the use of the institution, and not with funds appropriated to the institution by the
27 General Assembly. Any approved conveyance shall be exempt from § 2.2-1156, Code of Virginia, and any other statute concerning
28 conveyance, transfer or sale of state property. If the foundation conveys any interest in the property or any improvements thereon,
29 such conveyance shall likewise be exempt from compliance with any statute concerning disposition of state property. Any income or
30 proceeds from the conveyance of any interest in the property shall be deemed to be local or private funds and may be used by the
31 foundation for any foundation purpose.

32 2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of
33 Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and Chapters
34 675 and 685 of the 2009 Acts of Assembly.

35 s.1. Facility Lease Agreements Involving Institutions of Higher Education: In the case of any lease agreement involving state-owned
36 property controlled by an institution of higher education, where the lease has been entered into consistent with the provisions of §
37 2.2-1155, Code of Virginia, the Governor may amend, adjust or waive any project review and reporting procedures of Executive
38 agencies as may reasonably be required to promote the property improvement goals for which the lease agreement was developed.

39 2. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of
40 Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824 and 829 of the 2008 Acts of Assembly, and Chapters
41 675 and 685 of the 2009 Acts of Assembly.

42 t. Energy-efficiency Projects: Improvements to state-owned properties for the purpose of energy-efficiency shall be treated as
43 follows:

44 1. Such improvements shall be considered an operating expense, provided that:

45 a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of Heating,
46 Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-1989 and is
47 limited to measures listed in guidelines issued by the Department of General Services;

48 b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board approval
49 and is executed through a nonprofessional services contract with a vendor approved by the Department of General Services;

50 c) the scope of work has been reviewed and recommended by the Department of Mines, Minerals and Energy;

51 d) the total cost does not exceed \$3,000,000; and

52 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

- 1 the project, including debt service and interest payments.
- 2 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
3 \$7,000,000, and the energy savings from the project do not fully offset the total cost of the project, including debt services and
4 interest payments, the improvement shall be considered a capital expense regardless of the type of improvement and the
5 following conditions must be met:
- 6 a) the scope of the project meets or exceeds the applicable energy-efficiency standards set forth in the American Society of
7 Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), the Illuminating Engineering Society (IES) standard 90.1-
8 1989 and is limited to measures listed in guidelines issued by the Department of General Services;
- 9 b) the project is financed consistent with the provisions of § 2.2-2417, Code of Virginia, which requires Treasury Board
10 approval and is executed through a nonprofessional services contract with a vendor approved by the Department of General
11 Services;
- 12 c) the scope of work has been reviewed and recommended by the Department of Mines, Minerals and Energy;
- 13 d) the project has been reviewed by the Department of Planning and Budget; and
- 14 e) the project has been approved by the Governor.
- 15 3. If the total project exceeds \$250,000, the agency director will submit written notification to the Director, Department of
16 Planning and Budget, verifying that the project meets all of the conditions in subparagraph 1 above.
- 17 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
18 conservation projects that qualify as capital expenses.
- 19 4. As used in this paragraph, “improvement” does not include (a) constructing, enlarging, altering, repairing or demolishing a
20 building or structure, (b) changing the use of a building either within the same use group or to a different use group when the
21 new use requires greater degrees of structural strength, fire protection, exit facilities or sanitary provisions, or (c) removing or
22 disturbing any asbestos-containing materials during demolition, alteration, renovation of or additions to building or structures,
23 If the projected scope of an energy-efficiency project includes any of these elements, it shall be subject to the capital outlay
24 process as set out in this section.
- 25 5. The Director, Department of Planning and Budget, shall notify the Chairmen of the House Appropriations and Senate
26 Finance Committees upon the initiation of any energy-efficiency projects under the provisions of this paragraph.
- 27 u. No expenditures shall be authorized for the purchase of fee simple title to any real property to be used for a correctional
28 facility or for the actual construction of a correctional facility provided for in this act, or by reference hereto, that involves
29 acquisition or new construction of youth or adult correctional facilities on real property which was not owned by the
30 Commonwealth on January 1, 1995, until the governing body of the county, city or town wherein the project is to be located
31 has adopted a resolution supporting the location of such project within the boundaries of the affected jurisdiction. The
32 foregoing does not prohibit expenditures for site studies, real estate options, correctional facility design and related
33 expenditures.
- 34 v. Except for institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594
35 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, any alternative financing
36 agreement entered into between a state agency or institution of higher education and a private entity or affiliated foundation
37 must be reviewed 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
39 study to determine whether an alternative financing arrangement or public-private transaction would provide a more effective
40 option for the construction of the proposed facility. This study shall be submitted to the Department of Planning and Budget as
41 part of the budget 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
43 process when the state procurement process is utilized, except for those projects with both an estimated cost of \$3,000,000 or
44 less and are 100 percent federally reimbursed. The Department of Military Affairs shall submit by July 30 of each year to the
45 Department of Planning and Budget a list of such projects that were funded pursuant to this exemption in the previous fiscal
46 year and any projects 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
48 of higher education and state agencies considering the use of Design Build or Construction Management procurement methods
49 for 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
51 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, operating under a memorandum

- 1 of understanding pursuant to § 23.1-1003, and those operating under a pilot program under § 4-9.02 shall:
- 2 a) Develop a process for determining the selected procurement method which, at a minimum, must consider cost, schedule,
3 complexity, and building use;
- 4 b) Submit the process for determining the procurement method to the Department of General Services for review and
5 recommendations;
- 6 c) Submit for approval, the process for determining the procurement method with the Department of General Services
7 recommendations, to the Board of Visitors.
- 8 2. All other institutions of higher education and state agencies shall submit procurement method requests to the Director, Department
9 of General Services for review and approval.
- 10 3. Processes for considering Construction Management procurement method shall include, among other processes as determined by
11 the owning institution of higher education or state agency, the following requirements:
- 12 a) Cost and project timeline are critical components of the selection process;
- 13 b) Construction Management contract will be initiated no later than the Schematic Phase of design unless prohibited by authorization
14 of funding restrictions; and,
- 15 c) A written justification that sealed bidding is not practicable and/or fiscally advantageous and such written justification shall be
16 stated in the Request for Qualifications used to procure the Construction Management services.
- 17 4. All state entities, including institutions of higher education governed under Chapters 933 and 943 of the 2006 Acts of Assembly,
18 Chapters 594, 616, 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, operating under
19 a memorandum of understanding pursuant to § 23.1-1003, and those operating under a pilot program under § 4-9.02 shall report
20 annually, on November 1st of each year, to the Director, Department of General Services on completed capital projects, beginning
21 with those authorized for construction under Chapter 665 of the 2015 Virginia Acts of Assembly, to include at a minimum
22 procurement method, project budget, actual project costs, expected timeline, actual completion time and any post-project issues. The
23 Department of General Services shall consolidate received report data and submit the consolidated data to the Governor and
24 Chairmen of the House Appropriations and Senate Finance Committees no later than December 1st of each year.
- 25 5. The Auditor of Public Accounts shall, as part of its annual audit plan, determine that institutions of higher education governed
26 under Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594, 616, 824 and 829 of the 2008 Acts of Assembly, Chapters
27 675 and 685 of the 2009 Acts of Assembly, operating under a memorandum of understanding pursuant to § 23.1-1003 and those
28 operating under a pilot program under §4-9.02 complied with their internal review process in the selection of procurement method.
- 29 6. All state entities, including institutions of higher education governed under Chapters 933 and 943 of the 2006 Acts of Assembly,
30 Chapters 594, 616, 824 and 829 of the 2008 Acts of Assembly, Chapters 675 and 685 of the 2009 Acts of Assembly, operating under
31 a memorandum of understanding pursuant to § 23.1-1003 and those operating under a pilot program under § 4-9.02 shall post
32 approved capital projects, beginning with those authorized for construction under Chapter 665 of the 2015 Virginia Acts of
33 Assembly, and approved procurement methods and advertise for project delivery services no less than 30 days publicly on the
34 Commonwealth's statewide electronic procurement system and program, eVA.

35 § 4-4.02 PLANNING AND BUDGETING

- 36 a. It shall be the intent of the General Assembly to make biennial appropriations for a capital improvements program sufficient to
37 address the program needs of the Commonwealth. The capital improvements program shall include maintenance and deferred
38 maintenance of the Commonwealth's existing facilities, and of the facility requirements necessary to deliver the programs of state
39 agencies and institutions.
- 40 b. In effecting these policies, the Governor shall establish a capital budget plan to address the renewal and replacement of the
41 Commonwealth's physical plant, using such guidelines as recommended by industry or government to maintain the Commonwealth's
42 investment in its property and plant.

43 § 4-5.00 SPECIAL CONDITIONS AND RESTRICTIONS ON EXPENDITURES

44 § 4-5.01 TRANSACTIONS WITH INDIVIDUALS

- 45 a. SETTLEMENT OF CLAIMS: Whenever a dispute, claim or controversy involving the interest of the Commonwealth is settled
46 pursuant to § 2.2-514, Code of Virginia, payment may be made out of any appropriations, designated by the Governor, to the state
47 agency(ies) which is (are) party to the settlement.
- 48 b. STUDENT FINANCIAL ASSISTANCE FOR HIGHER EDUCATION:
- 49 1. General:

- 1 a) The appropriations made in this act to state institutions of higher education within the Items for student financial assistance
 2 may be expended for any one, all, or any combination of the following purposes: grants to undergraduate students enrolled at
 3 least one-half time in a degree, certificate, industry-based certification and related programs that do not qualify for other
 4 sources of student financial assistance or diploma program; grants to full-time graduate students; graduate assistantships; grants
 5 to students enrolled full-time in a dual or concurrent undergraduate and graduate program. The institutions may also use these
 6 appropriations for the purpose of supporting work study programs. The institution is required to transfer to educational and
 7 general appropriations all funds used for work study or to pay graduate assistantships. Institutions may also contribute to
 8 federal or private student grant aid programs requiring matching funds by the institution, except for programs requiring work.
 9 The State Council of Higher Education for Virginia shall annually review each institution's plan for the expenditures of its
 10 general fund appropriation for undergraduate student financial assistance prior to the start of the fall term to determine program
 11 compliance. The institution's plan shall include the institution's assumptions and calculations for determining the cost of
 12 attendance, student financial need, and student remaining need as well as an award schedule or description of how funds are
 13 awarded. For the purposes of the proposed plan, each community college shall be considered independently. No limitations
 14 shall be placed on the awarding of nongeneral fund appropriations made in this act to state institutions of higher education
 15 within the Items for student financial assistance other than those found previously in this paragraph and as follows: (i) funds
 16 derived from in-state student tuition will not subsidize out-of-state students, (ii) students receiving these funds must be making
 17 satisfactory academic progress, (iii) awards made to students should be based primarily on financial need, and (iv) institutions
 18 should make larger grant and scholarship awards to students taking the number of credit hours necessary to complete a degree
 19 in a timely manner.
- 20 b) All awards made to undergraduate students from such Items shall be for Virginia students only and such awards shall offset
 21 all, or portions of, the costs of tuition and required fees, and, in the case of students qualifying under subdivision b 2 c)1)
 22 hereof, the cost of books. All undergraduate financial aid award amounts funded by this appropriation shall be proportionate to
 23 the remaining need of individual students, with students with higher levels of remaining need receiving grants before other
 24 students. No criteria other than the need of the student shall be used to determine the award amount. Because of the low cost of
 25 attendance and recognizing that federal grants provide a much higher portion of cost than at other institutions, a modified
 26 approach and minimum award amount for the neediest VGAP student should be implemented for community college and
 27 Richard Bland College students based on remaining need and the combination of federal and grant state aid. Student financial
 28 need shall be determined by a need-analysis system approved by the Council.
- 29 c)1) All need-based awards made to graduate students shall be determined by the use of a need-analysis system approved by the
 30 Council.
- 31 2) As part of the six-year financial plans required in the provisions of Chapters 933 and 945 of the 2005 Acts of Assembly,
 32 each institution of higher education shall report the extent to which tuition and fee revenues are used to support graduate
 33 student aid and graduate compensation and how the use of these funds impacts planned increases in student tuition and fees.
- 34 d) A student who receives a grant under such Items and who, during a semester, withdraws from the institution which made the
 35 award must surrender the unearned portion. The institution shall calculate the unearned portion of the award based on the
 36 percentage used for federal Return to Title IV program purposes.
- 37 e) An award made under such Items to assist a student in attending an institution's summer session shall be prorated according
 38 to the size of comparable awards made in that institution's regular session.
- 39 f) The provisions of this act under the heading "Student Financial Assistance for Higher Education" shall not apply to (1) the
 40 soil scientist scholarships authorized under § 23.1-615, Code of Virginia and (2) need-based financial aid programs for
 41 industry-based certification and related programs that do not qualify for other sources of student financial assistance, which will
 42 be subject to guidelines developed by the State Council of Higher Education for Virginia.
- 43 g) Unless noted elsewhere in this act, general fund awards shall be named "Commonwealth" grants.
- 44 h) Unless otherwise provided by statute, undergraduate awards shall not be made to students seeking a second or additional
 45 baccalaureate degree until the financial aid needs of first-degree seeking students are fully met.
- 46 2. Grants To Undergraduate Students:
- 47 a) Each institution which makes undergraduate grants paid from its appropriation for student financial assistance shall expend
 48 such sums as approved for that purpose by the Council.
- 49 b) A student receiving an award must be duly admitted and enrolled in a degree, certificate or diploma program at the
 50 institution making the award, and shall be making satisfactory academic progress as defined by the institution for the purposes
 51 of eligibility under Title IV of the federal Higher Education Act, as amended.
- 52 c)1) It is the intent of the General Assembly that students eligible under the Virginia Guaranteed Assistance Program (VGAP)
 53 authorized in Title 23.1, Chapter 4.4:2, Code of Virginia, shall receive grants before all other students at the same institution
 54 with equivalent remaining need from the appropriations for undergraduate student financial assistance found in Part 1 of this

1 act (service area 1081000 - Scholarships). In each instance, VGAP eligible students shall receive awards greater than other students
2 with equivalent remaining need.

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

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

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

11 3. Grants To Graduate Students:

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

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

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

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

24 5. Discontinued Loan Program:

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

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

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

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

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

44 C. PAYMENTS TO CITIZEN MEMBERS OF NONLEGISLATIVE BODIES:

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

48 d. VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

49 1. Notwithstanding any other provision of law, the Virginia Birth-Related Neurological Injury Compensation Program is authorized
50 to require each admitted claimant's parent or legal guardian to purchase private health insurance (the "primary payer") to provide

1 coverage for the actual medically necessary and reasonable expenses as described in Virginia Code § 38.2-5009(A)(1) that were,
 2 or are, incurred as a result of the admitted claimant's birth-related neurological injury and for the admitted claimant's benefit.
 3 Provided, however, that the Program shall reimburse, upon receipt of proof of payment, solely the portion of the premiums that is
 4 attributable to the admitted claimant's post-admission coverage from the effective date of this provision forward and paid for by
 5 the admitted claimant's parent or legal guardian.

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

10 § 4-5.02 THIRD PARTY TRANSACTIONS

11 a. EMPLOYMENT OF ATTORNEYS:

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

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

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

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

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

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

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

39 d. DEBT COLLECTION SERVICES:

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

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

53 3. Notwithstanding any provision of the Code of Virginia or this act to the contrary, the Department of Taxation shall be

1 exempt from participating in the debt collection process of the Office of the Attorney General.

2 § 4-5.03 SERVICES AND CLIENTS

3 a. CHANGED COST FACTORS:

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

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

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

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

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

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

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

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

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

37 b. NEW SERVICES:

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

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

45 3. a) The General Assembly is supportive of the increasing commitment by both Virginia Tech and the Carilion Clinic to the
46 success of the programs at the Virginia Tech/Carilion School of Medicine and the Virginia Tech/Carilion Research Institute, and
47 encourages these two institutions to pursue further developments in their partnership. Therefore, notwithstanding § 4-5.03 c. of the
48 Appropriation Act, if through the efforts of these institutions to further strengthen the partnership, Virginia Tech acquires the
49 Virginia Tech Carilion School of Medicine during the current biennium, the General Assembly approves the creation and
50 establishment of the Virginia Tech/Carilion School of Medicine within the institution notwithstanding § 23.1-203 Code of Virginia.
51 No additional funds are required to implement establishment of the Virginia Tech/Carilion School of Medicine within the institution.

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

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

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

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

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

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

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

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

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

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

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

28 d. PERFORMANCE MEASUREMENT

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

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

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

45 § 4-5.04 GOODS AND SERVICES

46 a. STUDENT ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION:

47 1. Public Information Encouraged: Each public institution of higher education is expected and encouraged to provide
 48 prospective students with accurate and objective information about its programs and services. The institution may use public
 49 funds under the control of the institution's Board of Visitors for the development, preparation and dissemination of factual
 50 information about the following subjects: academic programs; special programs for minorities; dates, times and procedures for

1 registration; dates and times of course offerings; admission requirements; financial aid; tuition and fee schedules; and other
 2 information normally distributed through the college catalog. This information may be presented in any and all media, such as
 3 newspapers, magazines, television or radio where the information may be in the form of news, public service announcements or
 4 advertisements. Other forms of acceptable presentation would include brochures, pamphlets, posters, notices, bulletins, official
 5 catalogs, flyers available at public places and formal or informal meetings with prospective students.

6 2. Excessive Promotion Prohibited: Each public institution of higher education is prohibited from using public funds under the
 7 control of the institution's Board of Visitors for the development, preparation, dissemination or presentation of any material intended
 8 or designed to induce students to attend by exaggerating or extolling the institution's virtues, faculty, students, facilities or programs
 9 through the use of hyperbole. Artwork and photographs which exaggerate or extol rather than supplement or complement
 10 permissible information are prohibited. Mass mailings are generally prohibited; however, either mass mailings or newspaper inserts,
 11 but not both, may be used if other methods of distributing permissible information are not economically feasible in the institution's
 12 local service area.

13 3. Remedial Education: Senior institutions of higher education shall make arrangements with community colleges for the
 14 remediation of students accepted for admission by the senior institutions.

15 4. Compliance: The president or chancellor of each institution of higher education is responsible for the institution's compliance with
 16 this subsection.

17 b. INFORMATION TECHNOLOGY FACILITIES AND SERVICES:

18 1.a) The Virginia Information Technologies Agency shall procure information technology and telecommunications goods and
 19 services of every description for its own benefit or on behalf of other state agencies and institutions, or authorize other state agencies
 20 or institutions to undertake such procurements on their own.

21 b) Except for research projects, research initiatives, or instructional programs at public institutions of higher education, or any non-
 22 major information technology project request from the Virginia Community College System, Longwood University, or from an
 23 institution of higher education which is a member of the Virginia Association of State Colleges and University Purchasing
 24 Professionals (VASCUPP) as of July 1, 2003, or any procurement of information technology and telecommunications goods and
 25 services by public institutions of higher education governed by some combination of Chapters 933 and 945 of the 2005 Acts of
 26 Assembly, Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, Chapters 824
 27 and 829 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly, requests for authorization from
 28 state agencies and institutions to procure information technology and telecommunications goods and services on their own behalf
 29 shall be made in writing to the Chief Information Officer or his designee. Members of VASCUPP as of July 1, 2003, are hereby
 30 recognized as: The College of William and Mary, George Mason University, James Madison University, Old Dominion University,
 31 Radford University, Virginia Commonwealth University, Virginia Military Institute, Virginia Polytechnic Institute and State
 32 University, and the University of Virginia.

33 c) The Chief Information Officer or his designee may grant the authorization upon a written determination that the request conforms
 34 to the statewide information technology plan and the individual information technology plan of the requesting agency or institution.

35 d) Any procurement authorized by the Chief Information Officer or his designee for information technology and telecommunications
 36 goods and services, including geographic information systems, shall be issued by the requesting state agency or institution in
 37 accordance with the regulations, policies, procedures, standards, and guidelines of the Virginia Information Technologies Agency.

38 e) Nothing in this subsection shall prevent public institutions of higher education or the Virginia Community College System from
 39 using the services of Network Virginia.

40 f) To ensure that the Commonwealth's research universities maintain a competitive position with access to the national optical
 41 research network infrastructure including the National LambdaRail and Internet2, the Network Virginia Contract Administrator is
 42 hereby authorized to renegotiate the term of the existing contracts. Additionally, the contract administrator is authorized to
 43 competitively negotiate additional agreements in accordance with the Code of Virginia and all applicable regulations, as required, to
 44 establish and maintain research network infrastructure.

45 2. If the billing rates and associated systems for computer, telecommunications and systems development services to state agencies
 46 are altered, the Director, Department of Planning and Budget, may transfer appropriations from the general fund between programs
 47 affected. These transfers are limited to actions needed to adjust for overfunding or underfunding the program appropriations affected
 48 by the altered billing systems.

49 3. The provisions of this subsection shall not in any way affect the duties and responsibilities of the State Comptroller under the
 50 provisions of § 2.2-803, Code of Virginia.

51 4. It is the intent of the General Assembly that information technology (IT) systems, products, data, and service costs, including
 52 geographic information systems (GIS), be contained through the shared use of existing or planned equipment, data, or services
 53 which may be available or soon made available for use by state agencies, institutions, authorities, and other public bodies. State

1 agencies, institutions, and authorities shall cooperate with the Virginia Information Technologies Agency in identifying the
 2 development and operational requirements for proposed IT and GIS systems, products, data, and services, including the
 3 proposed use, functionality, capacity and the total cost of acquisition, operation and maintenance.

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

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

12 c. MOTOR VEHICLES AND AIRCRAFT:

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

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

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

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

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

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

41 2. The first 15,000 miles of use during each fiscal year of personal automobiles in the discharge of official duties within the
 42 continental limits of the United States shall be reimbursed at an amount equal to the most recent business standard mileage rate
 43 as established by the Internal Revenue Service for employees or self-employed individuals to use in computing their income tax
 44 deductible costs for operating passenger vehicles owned or leased by them for business purposes, or in the instance of a state
 45 employee, at the lesser of (a) the IRS rate or (b) the lowest combined capital and operational trip pool rate charged by the
 46 Department of General Services, Office of Fleet Management Services (OFMS), posted on the OFMS website at time of travel,
 47 for the use of a compact state-owned vehicle. If the head of the state agency concerned certifies that a state-owned vehicle was
 48 not available, or if, according to regulations issued by the State Comptroller, the use of a personal automobile in lieu of a state-
 49 owned automobile is considered to be an advantage to the state, the reimbursement shall be at the rate of the IRS rate. For such
 50 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-
 51 owned vehicle is not available; then the rate shall be the IRS rate;

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

53 4. The State Comptroller may authorize reimbursement by per diem in lieu of actual costs of meals and any other expense
 54 category deemed necessary for the efficient and effective operation of state government;

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

- 1 a) Such agency is located in and operates in Virginia.
- 2 b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually
3 been incurred for its operation.
- 4 3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance
5 that cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be
6 provided by the General Assembly, unless the organization is specifically exempted from this requirement by language in this
7 act. Such matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.
- 8 4. Operating appropriations for nonstate agencies equal to or in excess of \$150,000 shall be disbursed to nonstate agencies in
9 twelve or fewer equal monthly installments depending on when the first payment is made within the fiscal year. Operating
10 appropriations for nonstate agencies of less than \$150,000 shall be disbursed in one payment once the nonstate agency has
11 successfully met applicable match and application requirements.
- 12 5. The provisions of § 2.2-4343 A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate
13 agency.
- 14 c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency
15 thereof holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its
16 biennial budget request to the state agency under which such commission or organization is listed in this act. The state agency
17 shall include the request of such commission or organization within its own request, but identified separately. Requests by the
18 commission or 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,
20 listing the name and purpose for organizational memberships held by that agency with annual dues of \$5,000 or more. The
21 institutions of 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
24 authority 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-
28 5.08b of Chapter 912, 1996 Acts of Assembly shall no longer be considered pilot projects, and shall remain in effect until
29 revoked.
- 30 c. Institutions wishing to participate in a nongeneral fund capital outlay decentralization program for the first time shall submit
31 a letter of interest to the appropriate Cabinet Secretary. Within 90 calendar days of the receipt of the institution's request to
32 participate, the responsible Cabinet Secretary shall determine whether the institution meets the eligibility criteria and, if
33 appropriate, establish a decentralization program at the institution. The Cabinet Secretary shall report to the Governor and
34 Chairmen of the Senate Finance and House Appropriations Committees by December 1 of each year all institutions that have
35 applied for inclusion in a decentralization program and whether the institutions have been granted authority to participate in the
36 decentralization program.
- 37 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
38 programs for selected capital outlay projects and memoranda of understanding in institutions of higher education are hereby
39 continued. Notwithstanding these provisions, those projects shall be insured through the state's risk management liability
40 program.
- 41 e. If during an independent audit conducted by the Auditor of Public Accounts, the audit discloses that an institution is not
42 performing within the terms of the memoranda of understanding or their addenda, the Auditor shall report this information to
43 the Governor, the responsible Cabinet Secretary, and the Chairmen of the Senate Finance and House Appropriations
44 Committees.
- 45 f. Institutions that have executed memoranda of understanding with the Secretary of Administration for nongeneral fund capital
46 outlay decentralization programs are hereby granted a waiver from the provisions of § 2.2-4301, Competitive Negotiation,
47 subdivision 3a, Code of Virginia, regarding the not to exceed amount of \$100,000 for a single project, the not to exceed sum of
48 \$500,000 for all projects performed, and the option to renew for two additional one-year terms.
- 49 g. Notwithstanding any contrary provision of law or this act, delegations of authority in this act to the Governor shall apply
50 only to agencies and personnel within the Executive Department, unless specifically stated otherwise.
- 51 h. This section shall not apply to public institutions of higher education governed by Chapters 933 and 943 of the 2006 Acts of
52 Assembly.

1 § 4-5.07 LEASE, LICENSE OR USE AGREEMENTS

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

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

14 § 4-5.08 SEMICONDUCTOR MANUFACTURING PERFORMANCE GRANT PROGRAMS

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

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

30 § 4-5.09 DISPOSITION OF SURPLUS REAL PROPERTY

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

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

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

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

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

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

53 d. Notwithstanding the provisions of § 2.2-1156, Code of Virginia, if tax-exempt bonds were issued by the Commonwealth or its

1 related authorities, boards or institutions to finance the acquisition, construction, improvement or equipping of real property,
 2 proceeds from the sale or disposition of such property and any improvements may first be applied toward remediation options
 3 available under federal law to maintain the tax-exempt status of such bonds.

4 § 4-5.10 SURPLUS PROPERTY TRANSFERS FOR ECONOMIC DEVELOPMENT

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

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

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

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

21 § 4-6.00 POSITIONS AND EMPLOYMENT

22 § 4-6.01 EMPLOYEE COMPENSATION

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

32 b. Annual salaries of persons appointed to positions by the General Assembly, pursuant to the provisions of §§ 2.2-200 and 2.2-
 33 400, Code of Virginia, shall be paid in the amounts shown. *However, if an incumbent is reappointed, his or her salary may be*
 34 *as high as 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 |
| 39 Chief of Staff | \$167,737 | \$167,737 | \$167,737 \$175,000 |
| 41 Secretary of Administration | \$159,762 | \$159,762 | \$159,762 \$172,000 |
| 43 Secretary of Agriculture and Forestry | \$159,817 | \$159,817 | \$159,817 \$172,000 |
| 45 Secretary of Commerce and Trade | \$166,915 | \$166,915 | \$166,915 \$172,000 |
| 47 Secretary of the Commonwealth | \$158,966 | \$158,966 | \$158,966 \$172,000 |

| | | | | |
|----|--|-----------|-----------|----------------------|
| 1 | Secretary of Education | \$159,960 | \$159,960 | \$159,960 |
| 2 | | | | \$172,000 |
| 3 | Secretary of Finance | \$170,854 | \$170,854 | \$170,854 |
| 4 | | | | \$172,000 |
| 5 | Secretary of Health and Human Resources | \$159,291 | \$159,291 | \$159,291 |
| 6 | | | | \$172,000 |
| 7 | Secretary of Natural Resources | \$158,966 | \$158,966 | \$158,966 |
| 8 | | | | \$172,000 |
| 9 | Secretary of Public Safety and Homeland Security | \$168,838 | \$168,838 | \$168,838 |
| 10 | | | | \$172,000 |
| 11 | Secretary of Technology | \$158,966 | \$158,966 | \$158,966 |
| 12 | | | | \$172,000 |
| 13 | Secretary of Transportation | \$166,915 | \$166,915 | \$166,915 |
| 14 | | | | \$172,000 |
| 15 | Secretary of Veterans and Defense Affairs | \$163,642 | \$163,642 | \$163,642 |
| 16 | | | | \$172,000 |

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

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

26 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.

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

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

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

36 b)1) The appointing or governing authority may grant performance bonuses of 0-5 percent for positions whose salaries are listed in
37 §§ 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 with policies and
38 procedures established by such appointing or governing authority. Such performance bonuses shall be over and above the salaries
39 listed in this act, and shall not become part of the base rate of pay.

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

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

46 4. Notwithstanding § 4-6.01.c.2.b)1) of this Act, the Board of Commissioners of the Virginia Port Authority may supplement the
47 salary of its Executive Director, with the prior approval of the Governor. The Board should be guided by criteria which provide a

1 reasonable limit on the total additional income of the Executive Director. The criteria should include, without limitation, a
 2 consideration of the salaries paid to similar officials at comparable ports of other states. The Board shall report approved
 3 supplements to the Department of Human Resource Management for retention in its records.

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

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

| | July 1, 2016 to June 24, 2017 | June 25, 2017 to November 24, 2017 | November 25, 2017 to June 30, 2018 |
|-----------|--|---|---|
| 13 | | | |
| 14 | | | |
| 15 | Level I Range | \$150,915 - \$206,467 | \$150,915 - \$206,467 |
| 16 | Midpoint | \$178,691 | \$178,691 |
| 17 | Chief Information Officer, | \$175,000 | \$175,000 |
| 18 | Virginia Information | | |
| 19 | Technologies Agency | | |
| 20 | Commissioner, Department | \$160,165 | \$160,165 |
| 21 | of Motor Vehicles | | |
| 22 | Commissioner, Department | \$150,915 | \$150,915 |
| 23 | of Social Services | | |
| 24 | Commissioner, Department | \$178,500 | \$178,500 |
| 25 | of Behavioral Health and | | |
| 26 | Developmental Services | | |
| 27 | Commonwealth | \$202,419 | \$202,419 |
| 28 | Transportation Commissioner | | |
| 29 | Director, Department of | \$156,060 | \$156,060 |
| 30 | Corrections | | |
| 31 | Director, Department of | \$184,649 | \$184,649 |
| 32 | Environmental Quality | | |
| 33 | Director, Department of | \$193,736 | \$193,736 |
| 34 | Medical Assistance Services | | |
| 35 | Director, Department of | \$167,669 | \$167,669 |
| 36 | Planning and Budget | | |
| 37 | State Health Commissioner | \$196,139 | \$196,139 |
| 38 | State Tax Commissioner | \$159,855 | \$159,855 |
| 39 | Superintendent of Public | \$206,467 | \$206,467 |
| 40 | Instruction | | |
| 41 | Superintendent of State | \$179,325 | \$179,325 |
| 42 | Police | | |

| 1 | July 1, 2016 | June 25, 2017 | November 25, 2017 |
|----|-------------------------------|-----------------------|-----------------------|
| 2 | to | to | to |
| 3 | June 24, 2017 | November 24, 2017 | June 30, 2018 |
| 4 | Level II Range | \$118,223 - \$167,541 | \$118,223 - \$167,541 |
| 5 | Midpoint | \$142,882 | \$142,882 |
| 5 | Alcoholic Beverage Control | \$125,935 | \$125,935 |
| 6 | Commissioner | | |
| 7 | Alcoholic Beverage Control | \$124,440 | \$124,440 |
| 8 | Commissioner | | |
| 9 | Chairman, Alcoholic Beverage | \$133,598 | \$133,598 |
| 10 | Control Board | | |
| 11 | Commissioner, Department for | \$151,354 | \$151,354 |
| 12 | Aging and Rehabilitative | | |
| 13 | Services | | |
| 14 | Commissioner, Department of | \$165,552 | \$165,552 |
| 15 | Agriculture and Consumer | | |
| 16 | Services | | |
| 17 | Commissioner, Department of | \$142,800 | \$142,800 |
| 18 | Veterans Services | | |
| 19 | Commissioner, Virginia | \$156,970 | \$156,970 |
| 20 | Employment Commission | | |
| 21 | Executive Director, | \$140,208 | \$140,208 |
| 22 | Department of Game and | | |
| 23 | Inland Fisheries | | |
| 24 | Commissioner, Marine | \$118,223 | \$118,223 |
| 25 | Resources Commission | | |
| 26 | Director, Department of | \$162,685 | \$162,685 |
| 27 | Forensic Science | | |
| 28 | Director, Department of | \$162,344 | \$162,344 |
| 29 | General Services | | |
| 30 | Director, Department of | \$145,628 | \$145,628 |
| 31 | Human Resource Management | | |
| 32 | Director, Department of | \$123,165 | \$123,165 |
| 33 | Juvenile Justice | | |
| 34 | Director, Department of | \$142,500 | \$142,500 |
| 35 | Mines, Minerals and Energy | | |
| 36 | Director, Department of Rail | \$147,900 | \$147,900 |
| 37 | and Public Transportation | | |
| 38 | Director, Department of Small | \$135,404 | \$135,404 |
| 39 | Business and Supplier | | |
| 40 | Diversity | | |
| 41 | Executive Director, Motor | \$111,000 | \$111,000 |

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

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

1 Department of Fire Programs

2 Executive Director, Virginia \$88,009 \$88,009 \$88,009
3 Commission for the Arts

4 Chairman of Board \$22,831 \$22,831 \$22,831
5 Chairman, Compensation
6 Board

7 7. Annual salaries of the directors of the independent agencies, as listed in this subdivision, shall be paid in the amounts shown.
8 All salary changes shall be subject to subdivisions c 1, c 2, and c 3 above.

| | July 1, 2016 to June 24, 2017 | June 25, 2017 to November 24, 2017 | November 25, 2017 to 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 13 System | \$180,458 | \$180,458 | \$180,458 |
| 14 Chief Executive Officer, 15 Virginia College Savings Plan | \$178,021 | \$178,021 | \$178,021 |

16 8. Notwithstanding any provision of this Act, the Board of Trustees of the Virginia Retirement System may supplement the
17 salary of its Director. The Board should be guided by criteria, which provide a reasonable limit on the total additional income
18 of the Director. The criteria should include, without limitation, a consideration of the salaries paid to similar officials in
19 comparable public pension plans. The Board shall report such criteria and potential supplement level to the Chairmen of the
20 Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The
21 Board shall report approved supplements to the Department of Human Resource Management for retention in its records.
22
23

24 9. Notwithstanding any provision of this Act, the Board of the Virginia College Savings Plan may supplement the
25 compensation of its Chief Executive Officer. The Board should be guided by criteria which provide a reasonable limit on the
26 total additional income of the Chief Executive Officer. The criteria should include, without limitation, a consideration of
27 compensation paid to similar officials in comparable qualified tuition programs, independent public agencies or other entities
28 with similar responsibilities and size. The Board shall report such criteria and potential supplement level to the Chairmen of the
29 Senate Finance and House Appropriations Committees at least 60 days prior to the effectuation of the compensation action. The
30 Board shall report approved supplements to the Department of Human Resource Management for retention in its records.

31 d.1. Annual salaries of the presidents of the senior institutions of higher education, the President of Richard Bland College, the
32 Chancellor of the University of Virginia's College at Wise, the Superintendent of the Virginia Military Institute, the Director of
33 the State Council of Higher Education, the Director of the Southern Virginia Higher Education Center, the Director of the
34 Southwest Virginia Higher Education Center and the Chancellor of Community Colleges, as listed in this paragraph, shall be
35 paid in the amounts shown. The annual salaries of the presidents of the community colleges shall be fixed by the State Board
36 for Community Colleges within a salary structure submitted to the Governor prior to June 1 each year for approval.

37 2.a) The board of visitors of each institution of higher education or the boards of directors for Southern Virginia Higher
38 Education Center, Southwest Virginia Higher Education Center, and the New College Institute may annually supplement the
39 salary of a president or director from private gifts, endowment funds, foundation funds, or income from endowments and gifts.
40 Supplements paid from other than the cited sources prior to June 30, 1997, may continue to be paid. In approving a supplement,
41 the board of visitors or board of directors should be guided by criteria which provide a reasonable limit on the total additional
42 income of a president or director. The criteria should include a consideration of additional income from outside sources
43 including, but not being limited to, service on boards of directors or other such services. The board of visitors or board of
44 directors shall report approved supplements to the Department of Human Resource Management for retention in its records.

45 b) The State Board for Community Colleges may annually supplement the salary of the Chancellor from any available
46 appropriations of the Virginia Community College System. In approving a supplement, the State Board for Community
47 Colleges should be guided by criteria which provide a reasonable limit on the total additional income of the Chancellor. The
48 criteria should include consideration of additional income from outside sources including, but not being limited to, service on

1 boards of directors or other such services. The Board shall report approved supplements to the Department of Human Resource
2 Management for retention in its records.

3 c) Norfolk State University is authorized to supplement the salary of its president from educational and general funds up to \$17,000.

4 d) Should a vacancy occur for the Director of the State Council of Higher Education on or after the date of enactment of this act, the
5 salary for the new director shall be established by the State Council of Higher Education based on the salary range for Level I
6 agency heads. Furthermore, the state council may provide a bonus of up to five percent of the annual salary for the new director.

| | July 1, 2016 | June 25, 2017 | November 25, 2017 |
|-----------|---|--------------------------|--------------------------|
| | to | to | to |
| | June 24, 2017 | November 24, 2017 | June 30, 2018 |
| 9 | NEW COLLEGE INSTITUTE | | |
| 10 | | | |
| 11 | Executive Director, New College Institute | \$126,844 | \$126,844 |
| 12 | STATE COUNCIL OF | | |
| 13 | HIGHER EDUCATION FOR | | |
| 14 | VIRGINIA | | |
| 15 | Director, State Council of Higher Education for Virginia | \$193,669 | \$193,669 |
| 16 | | | |
| 17 | SOUTHERN VIRGINIA | | |
| 18 | HIGHER EDUCATION | | |
| 19 | CENTER | | |
| 20 | Director, Southern Virginia Higher Education Center | \$130,362 | \$130,362 |
| 21 | | | |
| 22 | SOUTHWEST VIRGINIA | | |
| 23 | HIGHER EDUCATION | | |
| 24 | CENTER | | |
| 25 | Director, Southwest Virginia Higher Education Center | \$130,000 | \$130,000 |
| 26 | | | |
| 27 | VIRGINIA COMMUNITY | | |
| 28 | COLLEGE SYSTEM | | |
| 29 | Chancellor of Community Colleges | \$175,705 | \$175,705 |
| 30 | | | |
| 31 | SENIOR COLLEGE | | |
| 32 | PRESIDENTS' SALARIES | | |
| 33 | Chancellor, University of Virginia's College at Wise | \$127,210 | \$127,210 |
| 34 | | | |
| 35 | President, Christopher Newport University | \$138,452 | \$138,452 |
| 36 | | | |
| 37 | President, The College of William and Mary in Virginia | \$163,602 | \$163,602 |
| 38 | | | |
| 39 | President, George Mason University | \$154,298 | \$154,298 |
| 40 | | | |
| 41 | President, James Madison University | \$159,372 | \$159,372 |
| 42 | | | |
| 43 | President, Longwood University | \$153,858 | \$153,858 |
| 44 | President, Norfolk State University | \$146,500 | \$146,500 |
| 45 | | | |

| | | | | |
|----|-----------------------------------|-----------|-----------|-----------|
| 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 | \$134,420 | \$134,420 | \$134,420 |
| 5 | College | | | |
| 6 | President, University of Mary | \$146,711 | \$146,711 | \$146,711 |
| 7 | Washington | | | |
| 8 | President, University of Virginia | \$188,749 | \$188,749 | \$188,749 |
| 9 | President, Virginia | \$181,387 | \$181,387 | \$181,387 |
| 10 | Commonwealth University | | | |
| 11 | President, Virginia Polytechnic | \$194,378 | \$194,378 | \$194,378 |
| 12 | Institute and State University | | | |
| 13 | President, Virginia State | \$149,496 | \$149,496 | \$149,496 |
| 14 | University | | | |
| 15 | Superintendent, Virginia | \$150,277 | \$150,277 | \$150,277 |
| 16 | Military Institute | | | |

17 e. 1. Salaries for newly employed or promoted employees shall be established consistent with the compensation and
18 classification plans established by the Governor.

19 2. The State Comptroller is hereby authorized to require payment of wages or salaries to state employees by direct deposit or by
20 credit to a prepaid debit card or card account from which the employee is able to withdraw or transfer funds.

21 f. The provisions of this section, requiring prior written approval of the Governor relative to compensation, shall apply also to
22 any system of incentive award payments which may be adopted and implemented by the Governor. The cost of implementing
23 any such system shall be paid from any funds appropriated to the affected agencies.

24 g. No lump sum appropriation for personal service shall be regarded as advisory or suggestive of individual salary rates or of
25 salary schedules to be fixed under law by the Governor payable from the lump sum appropriation.

26 h. Subject to approval by the Governor of a plan for a statewide employee meritorious service awards program, as provided for
27 in § 2.2-1201, Code of Virginia, the costs for such awards shall be paid from any operating funds appropriated to the affected
28 agencies.

29 i. The General Assembly hereby affirms and ratifies the Governor's existing authority and the established practice of this body
30 to provide for pay differentials or to supplement base rates of pay for employees in specific job classifications in particular
31 geographic and/or functional areas where, in the Governor's discretion, they are needed for the purpose of maintaining salaries
32 which enable the Commonwealth to maintain a competitive position in the relevant labor market.

33 j.1. If at any time the Administrator of the Commonwealth's Attorneys' Services Council serves on the faculty of a state-
34 supported institution of higher education, the faculty appointment must be approved by the Council. Such institution shall pay
35 one-half of the salary listed in § 4-6.01 c 6 of this act. Further, such institution may provide compensation in addition to that
36 listed in § 4-6.01 c 6; provided, however, that such additional compensation must be approved by the Council.

37 2. If the Administrator ceases to be a member of the faculty of a state-supported institution of higher education, the total salary
38 listed in § 4-6.01 c 6 shall be paid from the Council's appropriation.

39 k.1.a. Except as otherwise provided for in this subdivision, any increases in the salary band assignment of any job role
40 contained in the compensation and classification plans approved by the Governor shall be effective beginning with the first pay
41 period, defined as the pay period from June 25 through July 9, of the fiscal year if: (1) the agency certifies to the Secretary of
42 Finance that funds are available within the agency's appropriation to cover the cost of the increase for the remainder of the
43 current biennium and presents a plan for covering the costs next biennium and the Secretary concurs, or (2) such funds are
44 appropriated by the General Assembly. If at any time the Secretary of Administration shall certify that such change in the salary
45 band assignment for a job role is of an emergency nature and the Secretary of Finance shall certify that funds are available to
46 cover the cost of the increase for the remainder of the biennium within the agency's appropriation, such change in compensation
47 may be effective on a date agreed upon by these two Secretaries. The Secretary of Administration shall provide a monthly

- 1 report of all such emergency changes in accordance with § 4-8.00, Reporting Requirements.
- 2 b. Notwithstanding any other provision of law, state employees will be paid on the first workday of July for the work period June 10
3 to June 24 in any calendar year in which July 1 falls on a weekend.
- 4 2. Salary adjustments for any employee through a promotion, role change, exceptional recruitment and retention incentive options,
5 or in-range adjustment shall occur only if: a) the agency has sufficient funds within its appropriation to cover the cost of the salary
6 adjustment for the remainder of the current biennium or b) such funds are appropriated by the General Assembly.
- 7 3. No changes in salary band assignments affecting classified employees of more than one agency shall become effective unless the
8 Secretary of Finance certifies that sufficient funds are available to provide such increase or plan to all affected employees supported
9 from the general fund.
- 10 l. Full-time employees of the Commonwealth, including faculty members of state institutions of higher education, who are appointed
11 to a state-level board, council, commission or similar collegial body shall not receive any such compensation for their services as
12 members or chairmen except for reimbursement of reasonable and necessary expenses. The foregoing provision shall likewise apply
13 to the Compensation Board, pursuant to § 15.2-1636.5, Code of Virginia.
- 14 m.1. Notwithstanding any other provision of law, the board of visitors or other governing body of any public institution of higher
15 education is authorized to establish age and service eligibility criteria for faculty participating in voluntary early retirement incentive
16 plans for their respective institutions pursuant to § 23.1-1302 B and the cash payment offered under such compensation plans
17 pursuant to § 23.1-1302 D, Code of Virginia. Notwithstanding the limitations in § 23.1-1302 D, the total cost in any fiscal year for
18 any such compensation plan, shall be set forth by the governing body in the compensation plan for approval by the Governor and
19 review for legal sufficiency by the Office of the Attorney General.
- 20 2. Notwithstanding any other provision of law, employees holding full-time, academic-year classified positions at public institutions
21 of higher education shall be considered "state employees" as defined in § 51.1-124.3, Code of Virginia, and shall be considered for
22 medical/hospitalization, retirement service credit, and other benefits on the same basis as those individuals appointed to full-time,
23 12-month classified positions.
- 24 n. Notwithstanding the Department of Human Resource Management Policies and Procedures, payment to employees with five or
25 more years of continuous service who either terminate or retire from service shall be paid in one sum for twenty-five percent of their
26 sick leave balance, provided, however, that the total amount paid for sick leave shall not exceed \$5,000 and the remaining seventy-
27 five percent of their sick leave shall lapse. This provision shall not apply to employees who are covered by the Virginia Sickness and
28 Disability Program as defined in § 51.1-1100, Code of Virginia. Such employees shall not be paid for their sick leave balances.
29 However, they will be paid, if eligible as described above, for any disability leave credits they have at separation or retirement or
30 may convert disability credits to service credit under the Virginia Retirement System pursuant to § 51.1-1103 (F), Code of Virginia.
- 31 o. It is the intent of the General Assembly that calculation of the faculty salary benchmark goal for the Virginia Community College
32 System shall be done in a manner consistent with that used for four-year institutions, taking into consideration the number of faculty
33 at each of the community colleges. In addition, calculation of the salary target shall reflect an eight percent salary differential in a
34 manner consistent with other public four-year institutions and for faculty at Northern Virginia 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 Acts of
36 Assembly may supplement annual salaries for classified employees from private gifts, endowment funds, or income from
37 endowments and gifts, subject to policies approved by the board of visitors. The Commonwealth shall have no general fund
38 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 this
40 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-down
43 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 funds
46 appropriated to such department, institution or other agency in this act or subsequently made available for the purpose, compensation
47 or expenses or both compensation and expenses for employees pursuing approved training courses or academic studies for the
48 purpose of becoming better equipped for their employment in the state service. The rules and regulations shall include reasonable
49 provision for the return of any employee receiving such benefits for a reasonable period of duty, or for reimbursement to the state for
50 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

- 1 employee, as defined in § 2.2-2818, Code of Virginia, shall have the option to accept or reject coverage.
- 2 b. Except as provided for sworn personnel of the Department of State Police, no payment of, or reimbursement for, the
 3 employer paid contribution to the State Police Officers' Retirement System, or any system offering like benefits, shall be made
 4 by the Compensation Board of the Commonwealth at a rate greater than the employer rate established for the general classified
 5 workforce of the Commonwealth covered under the Virginia Retirement System. Any cost for benefits exceeding such general
 6 rate shall be borne by the employee or, in the case of a political subdivision, by the employer.
- 7 c. Each agency may, within the funds appropriated by this act, implement a transit and ridesharing incentive program for its
 8 employees. With such programs, agencies may reimburse employees for all or a portion of the costs incurred from using public
 9 transit, car pools, or van pools. The Secretary of Transportation shall develop guidelines for the implementation of such
 10 programs and any agency program must be developed in accordance with such guidelines. The guidelines shall be in
 11 accordance with the federal National Energy Policy Act of 1992 (P.L. 102-486), and no program shall provide an incentive that
 12 exceeds the actual costs incurred by the employee.
- 13 d. Any hospital that serves as the primary medical facility for state employees may be allowed to participate in the State
 14 Employee Health Insurance Program pursuant to § 2.2-2818, Code of Virginia, provided that (1) such hospital is not a
 15 participating provider in the network, contracted by the Department of Human Resource Management, that serves state
 16 employees and (2) such hospital enters into a written agreement with the Department of Human Resource Management as to
 17 the rates of reimbursement. The department shall accept the lowest rates offered by the hospital from among the rates charged
 18 by the hospital to (1) its largest purchaser of care, (2) any state or federal public program, or (3) any special rate developed by
 19 the hospital for the state employee health benefits program which is lower than either of the rates above. If the department and
 20 the hospital cannot come to an agreement, the department shall reimburse the hospital at the rates contained in its final offer to
 21 the hospital until the dispute is resolved. Any dispute shall be resolved through arbitration or through the procedures established
 22 by the Administrative Process Act, as the hospital may decide, without impairment of any residual right to judicial review.
- 23 e. Any classified employee of the Commonwealth and any person similarly employed in the legislative, judicial and
 24 independent agencies who (i) is compensated on a salaried basis and (ii) works at least twenty hours per week shall be
 25 considered a full-time employee for the purposes of participation in the Virginia Retirement System's group life insurance and
 26 retirement programs. Any part-time magistrate hired prior to July 1, 1999, shall have the option of participating in the programs
 27 under this provision.
- 28 f.1. Any member of the Virginia Retirement System who is retired under the provisions of § 51.1-155.1, Code of Virginia who:
 29 1) 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
 30 four years, 2) receives no other compensation for service to a public employer than that provided for the position covered by §
 31 51.1-155.1, Code of Virginia during such period of reemployment, 3) retires within one year of commencing such period of
 32 reemployment, and 4) retires directly from service at the end of such period of reemployment may either:
- 33 a) Revert to the previous retirement benefit received under the provisions of § 51.1-155.1, Code of Virginia, including any
 34 annual cost of living adjustments granted thereon. This benefit may be adjusted upward to reflect the effect of such additional
 35 months of service and compensation received during the period of reemployment, or
- 36 b) Retire under the provisions of Title 51.1 in effect at the termination of his or her period of reemployment, including any
 37 purchase of service that may be eligible for purchase under the provisions of § 51.1-142.2, Code of Virginia.
- 38 2. The Virginia Retirement System shall establish procedures for verification by the employer of eligibility for the benefits
 39 provided for in this paragraph.
- 40 g. Notwithstanding any other provision of law, no agency head compensated by funds appropriated in this act may be a member
 41 of the Virginia Law Officers' Retirement System created under Title 51.1, Chapter 2.1, Code of Virginia. The provisions of this
 42 paragraph are effective on July 1, 2002, and shall not apply to the Chief of the Capitol Police.
- 43 h. Full-time employees appointed by the Governor who, except for meeting the minimum service requirements, would be
 44 eligible for the provisions of § 51.1-155.1, Code of Virginia, may, upon termination of service, use any severance allowance
 45 payment to purchase service to meet, but not exceed, the minimum service requirements of § 51.1-155.1, Code of Virginia.
 46 Such service purchase shall be at the rate of 15 percent of the employee's final creditable compensation or average final
 47 compensation, whichever is greater, and shall be completed within 90 days of separation of service.
- 48 i. When calculating the retirement benefits payable under the Virginia Retirement System (VRS), the State Police Officers'
 49 Retirement System (SPORS), the Virginia Law-enforcement Officers' Retirement System (VaLORS), or the Judicial
 50 Retirement System (JRS) to any employee of the Commonwealth or its political subdivisions who is called to active duty with
 51 the armed forces of the United States, including the United States Coast Guard, the Virginia Retirement System shall:
- 52 1) utilize the pre-deployment salary, or the actual salary paid by the Commonwealth or the political subdivision, whichever is
 53 higher, when calculating average compensation, and

2) include those months after September 1, 2001 during which the employee was serving on active duty with the armed forces of the United States in the calculation of creditable service.

j. The provisions in § 51.1-144, Code of Virginia, that require a member to contribute five percent of his creditable compensation for each pay period for which he receives compensation on a salary reduction basis, shall not apply to any (i) "state employee," as defined in § 51.1-124.3, Code of Virginia, who is an elected official, or (ii) member of the Judicial 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 July 1, 2010," as defined in § 51.1-124.3, Code of Virginia.

k. Notwithstanding the provisions of subsection G of § 51.1-156, any employee of a school division who completed a period of 24 months of leave of absence without pay during October 2013 and who had previously submitted an application for disability retirement to VRS in 2011 may submit an application for disability retirement under the provisions of § 51.1-156. Such application shall be received by the Virginia Retirement System no later than October 1, 2014. This provision shall not be construed to grant relief in any case for which a court of competent jurisdiction has already rendered a decision, as contemplated by Article II, Section 14 of the Constitution of Virginia.

§ 4-6.04 CHARGES

a. FOOD SERVICES: Except as exempted by the prior written approval of the Director, Department of Human Resource Management, and the provisions of § 2.2-3605, Code of Virginia, state employees shall be charged for meals served in state facilities. Charges for meals will be determined by the agency. Such charges shall be not less than the value of raw food and the cost of direct labor and utilities incidental to preparation and service. Each agency shall maintain records as to the calculation of meal charges and revenues collected. Except where appropriations for operation of the food service are from nongeneral funds, all revenues received from such charges shall be paid directly and promptly into the general fund. The provisions of this paragraph shall not apply to on-duty employees assigned to correctional facilities operated by the Departments of Corrections and Juvenile Justice.

b. HOUSING SERVICES:

1. Each agency will collect a fee from state employees who occupy state-owned or leased housing, subject to guidelines provided by the Director, Department of General Services. Each agency head is responsible for establishing a fee for state-owned or leased housing and for documenting in writing why the rate established was selected. In exceptional circumstances, which shall be documented as being in the best interest of the Commonwealth by the agency requesting an exception, the Director, Department of General Services may waive the requirement for collection of fees.

2. All revenues received from housing fees shall be promptly deposited in the state treasury. For housing for which operating expenses or rent are financed by general fund appropriations, such revenues shall be deposited to the credit of the general fund. For housing for which operating expenses or rent are financed by nongeneral fund appropriations, such revenues shall be deposited to the credit of the nongeneral fund. Agencies which provide housing for which operating expenses or rent are financed from both general fund and nongeneral fund appropriations shall allocate such revenues, when deposited in the state treasury, to the appropriate fund sources in the same proportion as the appropriations. However, without exception, any portion of a housing fee attributable to depreciation for housing which was constructed with general fund appropriations shall be paid into the general fund.

c. PARKING SERVICES:

1. State-owned parking facilities

Agencies with parking space for employees in state-owned facilities shall, when required by the Director, Department of General Services, charge employees for such space on a basis approved by the Governor. All revenues received from such charges shall be paid directly and promptly into a special fund in the state treasury to be used, as determined by the Governor, for payment of costs for the provision of vehicle parking spaces. Interest shall be added to the fund as earned. -

2. Leased parking facilities in metropolitan Richmond area

Agencies occupying private sector leased or rental space in the metropolitan Richmond area, not including institutions of higher education, shall be required to charge a fee to employees for vehicle parking spaces that are assigned to them or are otherwise available either incidental to the lease or rental agreement or pursuant to a separate lease agreement for private parking space. In such cases, the individual employee parking fee shall not be less than that paid by employees parking in Department of General Services parking facilities at the Seat of Government. The Director, Department of General Services may amend or waive the fee requirement for good cause. Revenues derived from employees paying for parking spaces in leased facilities will 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 space must be approved by the Director, Department of General Services.

3. The assignment of Lot P1A of the Department of General Services, Capitol Area Site Plan, to include parking spaces 1 through 37, but excluding spaces 34 and 36, which shall be reserved for the Department of General Services, and the surrounding surfaces around those spaces shall be under the control of the Committee on Joint Rules and administered by the Clerk of the House and the Clerk of the Senate. Any employee permanently assigned to any of these spaces shall be subject to the provisions of paragraph 1 of

1 this item.

2 § 4-6.05 SELECTION OF APPLICANTS FOR CLASSIFIED POSITIONS

3 It is the responsibility of state agency heads to ensure that all provisions outlined in Title 2.2, Chapter 29, Code of Virginia (the
4 Virginia Personnel Act), and executive orders that govern the practice of selecting applicants for classified positions are strictly
5 observed. The Governor's Secretaries shall ensure this provision is faithfully enforced.

6 § 4-6.06 POSITIONS GOVERNED BY CHAPTERS 933 AND 943 OF THE 2006 ACTS OF ASSEMBLY

7 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
8 higher education governed by Chapters 933 and 943 of the 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of
9 Assembly and Chapters 675 and 685 of the 2009 Acts of Assembly, with regard to their participating covered employees, as
10 that term is defined in those two chapters, except to the extent a specific appropriation or language in this act addresses such an
11 employee.

12 **§ 4-7.00 STATEWIDE PLANS**

13 § 4-7.01 MANPOWER CONTROL PROGRAM

14 a.1. The term Position Level is defined as the number of full-time equivalent (FTE) salaried employees assigned to an agency
15 in this act. Except as provided in § 4-7.01 b, the Position Level number stipulated in an agency's appropriation is the upper limit
16 for agency employment which cannot be exceeded during the fiscal year without approval from the Director, Department of
17 Planning and Budget for Executive Department agencies, approval from the Joint Committee on Rules for Legislative
18 Department agencies or approval from the appropriate governing authority for the independent agencies.

19 2. Any approval granted under this subsection shall be reported in writing to the Chairmen of the House Appropriations
20 Committee and the Senate Finance Committee, the Governor and the Directors of the Department of Planning and Budget and
21 Department of Human Resource Management within ten days of such approval. Approvals for executive department agencies
22 shall be based on threats to life, safety, health, or property, or compliance with judicial orders or federal mandates, to support
23 federal grants or private donations, to administer a program for another agency or to address an immediate increase in workload
24 or responsibility or when to delay approval of increased positions would result in a curtailment of services prior to the next
25 legislative session. Any such position level increases pursuant to this provision may not be approved for more than one year.

26 b. The Position Levels stipulated for the individual agencies within the Department of Behavioral Health and Developmental
27 Services and the Department of Corrections are for reference only and are subject to changes by the applicable Department,
28 provided that such changes do not result in exceeding the Position Level for that department.

29 c.1. The Governor shall implement such policies and procedures as are necessary to ensure that the number of employees in the
30 Executive Department, excluding institutions of higher education and the State Council of Higher Education, may be further
31 restricted to the number required for efficient operation of those programs approved by the General Assembly. Such policies
32 and procedures shall include periodic review and analysis of the staffing requirements of all Executive Department agencies by
33 the Department of Planning and Budget with the object of eliminating through attrition positions not necessary for the efficient
34 operation of programs.

35 2. The institutions of higher education and the State Council of Higher Education are hereby authorized to fill all positions
36 authorized in this act. This provision shall be waived only upon the Governor's official declaration that a fiscal emergency
37 exists requiring a change in the official estimate of general fund revenues available for appropriation.

38 d.1. Position Levels are for reference only and are not binding on agencies in the legislative department, independent agencies,
39 the Executive Offices other than the offices of the Governor's Secretaries, and the judicial department.

40 2. Positions assigned to programs supported by internal service funds are for reference only and may fluctuate depending upon
41 workload and funding availability.

42 3. Positions assigned to sponsored programs, auxiliary enterprises, continuing education, and teaching hospitals in the
43 institutions of higher education are for reference only and may fluctuate depending upon workload and funding availability.
44 Positions assigned to Item Detail 43012, State Health Services Technical Support and Administration, at Virginia
45 Commonwealth University are for reference only and may fluctuate depending upon workload and funding availability.

46 4. Positions assigned to educational and general programs in the institutions of higher education are for reference only and may
47 fluctuate depending upon workload and funding availability. However, total general fund positions filled by an institution of
48 higher education may not exceed 105 percent of the general fund positions appropriated without prior approval from the
49 Director, Department of Planning and Budget.

50 5. Positions assigned to Item Details 47001, Job Placement Services; 47002, Unemployment Insurance Services; 47003,
51 Workforce Development Services; and 53402, Economic Information Services, at the Virginia Employment Commission are

1 for reference only and may fluctuate depending upon workload and funding availability. Unless otherwise required by the funding
 2 source, after enactment of this act, any new positions hired using this provision shall not be subject to transitional severance benefit
 3 provisions of the Workforce Transition Act of 1995, Title 2.2, Chapter 32, Code of Virginia.

4 e. Prior to implementing any Executive Department hiring freeze, the Governor shall consider the needs of the Commonwealth in
 5 regards to the safe and efficient operation of state facilities and performance of essential services to include the exemption of certain
 6 positions assigned to agencies and institutions that provide services pertaining to public safety and public health from such hiring
 7 freezes.

8 f.1. Full-time, part-time, wage or contractual state employees assigned to the Governor's Cabinet Secretaries from agencies and
 9 institutions under their control for the purpose of carrying out temporary assignments or projects may not be so assigned for a period
 10 exceeding 180 days in any calendar year. The permanent transfer of positions from an agency or institution to the Offices of the
 11 Secretaries, or the temporary assignment of agency or institutional employees to the Offices of the Secretaries for periods exceeding
 12 180 days in any calendar year regardless of the separate or discrete nature of the projects, is prohibited without the prior approval of
 13 the General Assembly.

14 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
 15 Cabinet Secretary, unless specifically approved in writing by the Governor. The Governor shall notify the Chairmen of the House
 16 Appropriations and Senate Finance Committees in the case of any such approvals.

17 g. All state employees, including those in the legislative, judicial, and executive branches and the independent agencies of the
 18 Commonwealth, who are not eligible for benefits under a health care plan established and administered by the Department of Human
 19 Resource Management (DHRM) pursuant to Va. Code § 2.2-2818, or by an agency administering its own health care plan, may not
 20 work more than 29 hours per week on average over a twelve month period. Adjunct faculty at institutions of higher education may
 21 not work more than 29 hours per week on average over a twelve month period, including classroom or other instructional time plus
 22 additional hours determined by the institution as necessary to perform the adjunct faculty's duties. DHRM shall provide relevant
 23 program requirements to agencies and employees, including, but not limited to, information on wage, variable and seasonal
 24 employees. All state agencies/employers in all branches of government shall provide information requested by DHRM concerning
 25 hours worked by employees as needed to comply with the Affordable Care Act (the "Act") and this provision. State
 26 agencies/employers are accountable for compliance with this provision, and are responsible for any costs associated with
 27 maintaining compliance with it and for any costs or penalties associated with any violations of the Act or regulations thereunder and
 28 any such costs shall be borne by the agency from existing appropriations. The provisions of this paragraph shall not apply to
 29 employees of state teaching hospitals that have their own health insurance plan; however, the state teaching hospitals are accountable
 30 for compliance with, and are responsible for any costs associated with maintaining compliance with the Act and for any costs or
 31 penalties associated with any violations of the Act or regulations thereunder and any such costs shall be borne by the agency from
 32 existing appropriations. Subject to approval of the Governor, DHRM shall modify this provision consistent with any updates or
 33 changes to federal law and regulations.

34 § 4-8.00 REPORTING REQUIREMENTS

35 § 4-8.01 GOVERNOR

36 a. General:

37 1. The Governor shall submit the information specified in this section to the Chairmen of the House Appropriations and Senate
 38 Finance Committees on a monthly basis, or at such intervals as may be directed by said Chairmen, or as specified elsewhere in this
 39 act. The information on agency operating plans and expenditures as well as agency budget requests shall be submitted in such form,
 40 and by such method, including electronically, as may be mutually agreed upon. Such information shall be preserved for public
 41 inspection in the Department of Planning and Budget.

42 2. The Governor shall make available annually to the Chairmen of the Senate Finance, House Finance, and House Appropriations
 43 Committees a report concerning the receipt of any nongeneral funds above the amount(s) specifically appropriated, their sources,
 44 and the amounts for each agency affected.

45 3. a) It is the intent of the General Assembly that reporting requirements affecting state institutions of higher education be reduced or
 46 consolidated where appropriate. State institutions of higher education, working with the Secretary of Education and Workforce,
 47 Secretary of Finance, and the Director, Department of Planning and Budget, shall continue to identify specific reporting
 48 requirements that the Governor may consider suspending.

49 b) Reporting generally should be limited to instances where (1) there is a compelling state interest for state agencies to collect, use,
 50 and maintain the information collected; (2) substantial risk to the public welfare or safety would result from failing to collect the
 51 information; or (3) the information collected is central to an essential state process mandated by the Code of Virginia.

52 c) Upon the effective date of this act, and until its expiration date, the following reporting requirements are hereby suspended or
 53 modified as specified below:

| 1 | Agency | Report Title of Descriptor | Authority | Action |
|---|--|--|---|---|
| 2 3 | Department of Accounts | Intercollegiate Athletics Receipts & Disbursements | Code of Virginia § 23.1-102. | Suspend reporting. |
| 4 5 | Department of Accounts | Prompt Pay Summary Report | Agency Directive | Change reporting from monthly to quarterly. |
| 6 7 | Department of General Services | Usage of State-Assigned and State-Owned Vehicles Report | Agency Directive -- Executive Order 89 (2005) | Suspend reporting. |
| 8 9 | Department of General Services | Gas Report/Repair Charge | Agency Directive--Executive Order 89 (2005) | Suspend reporting. |
| 10 11 | Department of Human Resource Management | Report of Personnel Development Service | Agency Directive | Suspend reporting. |
| 12 13 14 15 | Department of Human Resource Management | Human Capital Report (Full-Time, Part-Time, Temporary, Contractual employees funded by the Commonwealth) | Code of Virginia § 2.2-1201. A. 14. | Change reporting from annually to monthly. |
| 16 17 18 19 | Department of Human Resource Management State Employee Workers' Compensation Program | Work-related injuries and illnesses report -- goals, strategies, and results | Agency Directive -- Executive Order 94 (2005) | Suspend reporting. |
| 20 21 | Governor's Office | Small, Women-and Minority-owned Businesses (SWaM) | Executive Directive | Change reporting from weekly to monthly. |
| 22 23 | Secretary of Commerce and Trade | Recruitment of National and Regional Conferences Report | Agency Directive -- Executive Order 14 (2006) | Suspend reporting. |
| 24 25 26 27 28 | d) The Department of Planning and Budget (DPB) and the State Council of Higher Education for Virginia (SCHEV) shall work jointly to attempt to consolidate various reporting requirements pertaining to the estimates and projections of nongeneral fund revenues in institutions of higher education. The purpose of this effort shall be aimed at developing a common form for use in collecting nongeneral fund data for DPB's six-year nongeneral fund revenue estimate submission and SCHEV's annual survey of nongeneral fund revenue from institutions of higher education. | | | |
| 29 | b. Operating Appropriations Reports: | | | |
| 30 31 32 33 34 | 1. Status of Adjustments to Appropriations. Such information must include increases and decreases of appropriations or allotments, transfers and additional revenues. A report of appropriation transfers from one agency to another made pursuant to § 4-1.03 of this act shall be made available via electronic means to the Chairmen of the House Appropriations and Senate Finance Committees, and the public by the tenth day of the month following that in which such transfer occurs, unless otherwise specified in § 4-1.03. | | | |
| 35 36 37 38 | 2. Status of each sum sufficient appropriation. The information must include the amount of expenditures for the period just completed and the revised estimates of expenditures for the remaining period of the current biennium, as well as an explanation of differences between the amount of the actual appropriation and actual and/or projected appropriations for each year of the current biennium. | | | |
| 39 40 | 3. Status of Economic Contingency Appropriation. The information must include actions taken related to the appropriation for economic contingency. | | | |
| 41 | 4. Status of Withholding Appropriations. The information must include amounts withheld and the agencies affected. | | | |
| 42 | 5. Status of reductions occurring in general and nongeneral fund revenues in relation to appropriations. | | | |
| 43 | 6. Status of approvals of deficits. | | | |
| 44 | c. Employment Reports: | | | |
| 45 | 1. Status of changes in positions and employment of state agencies affected. The information must include the number of | | | |

- 1 positions and the agencies affected.
- 2 2. Status of the employment by the Attorney General of special counsel in certain highway proceedings brought pursuant to Chapter
3 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
4 report shall include fees for special counsel for the respective county or city for which the expenditure is made and shall be
5 submitted within 60 days of the close of the fiscal year (see § 4-5.02 a.3).
- 6 3. Changes in the level of compensation authorized pursuant to § 4-6.01 k, Employee Compensation. Such report shall include a list
7 of the positions changed, the number of employees affected, the source and amount of funds, and the nature of the emergency.
- 8 4. Pursuant to requirements of § 2.2-203.1, Code of Virginia, the Secretary of Administration, in cooperation with the Secretary of
9 Technology, shall provide a report describing the Commonwealth's telecommuting policies, which state agencies and localities have
10 adopted telecommuting policies, the number of state employees who telecommute, the frequency with which state employees
11 telecommute by locality, and the efficacy of telecommuting policies in accomplishing the provision of state services and completing
12 state functions. This report shall be provided to the Chairmen of the House Committee on Appropriations, the House Committee on
13 Science and Technology, the Senate Committee on Finance, and the Senate Committee on General Laws and Technology each year
14 by October 1.
- 15 d. Capital Appropriations Reports:
- 16 1. Status of progress of capital projects on an annual basis (see § 4-4.01 o).
- 17 2. Notice of all capital projects authorized under § 4-4.01 m (see § 4-4.01 m. 1. b) 4)).
- 18 e. Utilization of State Owned and Leased Real Property:
- 19 1. By November 15 of each year, the Department of General Services (DGS) shall consolidate the reporting requirements of § 2.2-
20 1131.1 and § 2.2-1153 of the Code of Virginia into a single report eliminating the individual reports required by § 2.2-1131.1 and §
21 2.2-1153 of the Code of Virginia. This report shall be submitted to the Governor and the General Assembly and include (i)
22 information on the implementation and effectiveness of the program established pursuant to subsection A of § 2.2-1131.1, (ii) a
23 listing of real property leases that are in effect for the current year, the agency executing the lease, the amount of space leased, the
24 population of each leased facility, and the annual cost of the lease; and, (iii) a report on DGS's findings and recommendations under
25 the provisions of § 2.2-1153, and recommendations for any actions that may be required by the Governor and the General Assembly
26 to identify and dispose of property not being efficiently and effectively utilized.
- 27 2. By October 1 of each year, each agency that controls leased property, where such leased property is not under the DGS lease
28 administration program, shall provide a report on each leased facility or portion thereof to DGS in a manner and form prescribed by
29 DGS. Specific data included in the report shall identify at a minimum, the number of square feet occupied, the number of employees
30 and contractors working in the leased space, if applicable, and the cost of the lease.
- 31 f. Services Reports:
- 32 Status of any exemptions by the State Council of Higher Education to policy which prohibits use of funds in this act for the
33 operation of any academic program by any state institution of higher education, unless approved by the Council and included in the
34 Governor's recommended budget, or approved by the General Assembly (see § 4-5.05 b 2).
- 35 g. Standard State Agency Abbreviations:
- 36 The Department of Planning and Budget shall be responsible for maintaining a list of standard abbreviations of the names of state
37 agencies. The Department shall make a listing of agency standard abbreviations available via electronic means on a continuous basis
38 to the Chairmen of the House Appropriations and Senate Finance Committees, the State Comptroller, the Director, Department of
39 Human Resource Management and the Chief Information Officer, Virginia Information Technologies Agency, and the public.
- 40 h. Educational and General Program Nongeneral Fund Administrative Appropriations Approved by the Department of Planning and
41 Budget:
- 42 The Secretary of Finance and Secretary of Education, in collaboration with the Director, Department of Planning and Budget, shall
43 report in December and June of each year to the Chairmen of the House Appropriations and Senate Finance Committees on
44 adjustments made to higher education operating funds in the Educational and General Programs (10000) items for each public
45 college and university contained in this budget. The report shall include actual or projected adjustments which increase nongeneral
46 funds or actual or projected adjustments that transfer nongeneral funds to other items within the institution. The report shall provide
47 the justification for the increase or transfer and the relative impact on student groups.
- 48 § 4-8.02 STATE AGENCIES
- 49 a. As received, all state agencies shall forward copies of each federal audit performed on agency or institution programs or activities
50 to the Auditor of Public Accounts and to the State Comptroller. Upon request, all state agencies shall provide copies of all internal

1 audit reports and access to all working papers prepared by such auditors to the Auditor of Public Accounts and to the State
2 Comptroller.

3 b. Annually: Within five calendar days after state agencies submit their budget requests, amendment briefs, or requests for
4 amendments to the Department of Planning and Budget, the Director, Department of Planning and Budget shall submit,
5 electronically if available, copies to the Chairmen of the Senate Finance and House Appropriations Committees.

6 c. By September 1 of each year, state agencies receiving any asset as the result of a law-enforcement seizure and subsequent
7 forfeiture by either a state or federal court, shall submit a report identifying all such assets received during the prior fiscal year
8 and their estimated net worth, to the Chairmen of the House Appropriations and Senate Finance Committees.

9 d. Any state agency that is required to return federal grant funding as a result of not fulfilling the specifications of a grant, shall,
10 as soon as practicable but no later than November 1st, report to the Chairmen of the Senate Finance and House Appropriations
11 Committees of such forfeiting of federal grant funding.

12 § 4-8.03 LOCAL GOVERNMENTS

13 a.1. The Auditor of Public Accounts shall establish a workgroup to develop criteria for a preliminary determination that a local
14 government may be in fiscal distress. Such criteria shall be based upon information regularly collected by the Commonwealth
15 or otherwise regularly made public by the local government. This information includes expenditure reports submitted to the
16 Auditor, budget information posted on local government websites, and reports prepared by the Commission on Local
17 Government on revenue fiscal stress. Information provided by the Virginia Retirement System, the Virginia Resources
18 Authority, the Virginia Public Building Authority, and other state and regional authorities concerning late or missed debt
19 service payments shall be shared with the Auditor. Fiscal distress as used in this context shall mean a situation whereby the
20 provision and sustainability of public services is threatened by various administrative and financial shortcomings including but
21 not limited to cash flow issues; inability to pay expenses; revenue shortfalls; deficit spending; structurally imbalanced budgets;
22 billing and revenue collection inadequacies and discrepancies; debt overload; failure to meet obligations to authorities, school
23 divisions, or political subdivisions of the Commonwealth; and/or lack of trained and qualified staff to process administrative
24 and financial transactions. Fiscal distress may be caused by factors internal to the unit of government or external to the unit of
25 government and in various degrees such conditions may or may not be controllable by management, or the local governing
26 body, or its constitutional officers.

27 2. Based upon the criteria established by the workgroup and using information identified above, the Auditor of Public Accounts
28 shall establish a prioritized early warning system. Under the prioritized early warning system, the Auditor of Public Accounts
29 shall establish a regular process whereby it reviews data on at least an annual basis to make a preliminary determination that a
30 local government is in fiscal distress.

31 3. For local governments where the Auditor of Public Accounts has made a preliminary determination of fiscal distress based
32 upon the early warning system criteria, the Auditor of Public Accounts shall notify the local governing body of its preliminary
33 determination that it may meet the criteria for fiscal distress. Based upon the request of the local governing body or chief
34 executive officer, the Auditor of Public Accounts may conduct a review and request documents and data from the local
35 government. Such review shall consider factors including, but not limited to, budget processes, debt, borrowing, expenses and
36 payables, revenues and receivables, and other areas including staffing, and the identification of external variables contributing
37 to a locality's financial position, and if so, the scope of the issues involved. Any local governing body that receives requests for
38 information from the Auditor of Public Accounts pursuant to such preliminary determination based on the above described
39 threshold levels shall acknowledge receipt of such a request and shall ensure that a response is provided within the time frames
40 specified by the Auditor of Public Accounts. After such review, if the Auditor of Public Accounts is of the opinion that state
41 assistance, oversight, or targeted intervention is needed, either to further assess, help stabilize, or remediate the situation, the
42 Auditor shall notify the Governor and the Chairmen of the House Appropriations and Senate Finance Committees, and the
43 governing body of the local government in writing outlining specific issues or actions that need to be addressed by state
44 intervention.

45 4. The notification issued by the Auditor of Public Accounts pursuant to paragraph 3 above shall satisfy the notification
46 requirement necessary to effectuate the provisions of this act in paragraph b.3 below.

47 b.1. The Director of the Department of Planning and Budget shall identify any amounts remaining unexpended from general
48 fund appropriations in this Act as of June 30, 2017, which constitute state aid to local governments. The Director shall provide
49 a listing of such amounts designated by item number and by program on or before August 15, 2017, to the Governor and the
50 Chairmen of the House Appropriations Committee and the Senate Finance Committee.

51 2. From such unexpended balances identified by the Director of the Department of Planning and Budget, the Governor may
52 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*
53 *year* from amounts which would otherwise revert to the balance of the general fund and transfer such amounts as necessary to
54 establish a component of fund balance which may be used for the purpose of providing technical assistance and intervention
55 actions for local governments deemed to be fiscally distressed and in need of intervention to address such distress. Any such
56 reappropriation approved by the Governor, shall be separately identified in the commitments specified on the balance sheet and

1 financial statements of the State Comptroller for the close of fiscal year 2017 and thereafter, to the extent that such reserve is not
2 used or added to by future appropriation actions.

3 3. Prior to any expenditure of the reappropriated reserve, the Governor and the Chairmen of the House Appropriations Committee
4 and the Senate Finance Committee must receive a notification from the Auditor of Public Accounts that a specific locality is in need
5 of intervention because of a worsening financial situation. The Auditor of Public Accounts may issue such a notification upon
6 receipt of audited financial statement or other information that indicates the existence of fiscal distress. But, no such notification
7 shall be made until appropriate follow up and correspondence ascertains that, in the opinion of the Auditor of Public Accounts, such
8 fiscal distress indeed exists. Such notification may also be issued by the Auditor of Public Accounts if written concerns raised about
9 fiscal distress are not adequately addressed by the locality in question.

10 4. Once the Governor has received a notification from the Auditor of Public Accounts indicating fiscal distress in a specific local
11 government, the Governor shall consult with the Chairmen of the House Appropriations Committee and the Senate Finance
12 Committee about a plan for state intervention prior to any expenditure of funds from the cash reserve. Any plan approved by the
13 Governor for intervention should, at a minimum, specify the purpose of such intervention, the estimated duration of the intervention,
14 and the anticipated resources (dollars and personnel) directed toward such effort. The staffing necessary to carry out the intervention
15 plan may be assembled from either public agencies or private entities or both and, notwithstanding any other provisions of law, the
16 Governor may use an expedited method of procurement to secure such staffing when, in his judgment, the need for intervention is of
17 an emergency nature such that action must be taken in a timely manner to avoid or address unacceptable financial risks to the
18 Commonwealth.

19 5. The governing body and the elected constitutional officers of a locality subject to an intervention plan approved by the Governor
20 shall assist all state appointed staff conducting the intervention regardless of whether such staff are from public agencies or private
21 entities. Intervention staff shall provide periodic reports in writing to the Governor and the Chairmen of the House Appropriations
22 Committee and the Senate Finance Committee outlining the scope of issues discovered and any recommendations made to remediate
23 such issues, and the progress that is made on such recommendations or other remediation efforts. These periodic reports shall
24 specifically address the degree of cooperation the intervention team is receiving from locally elected officials, including
25 constitutional officers, city, county, or town managers and other local personnel in regards to their intervention work.

26 6. The Department of General Services is hereby encouraged to develop a master contract of qualified private sector turnaround
27 specialists with expertise in local government intervention that the Governor can use to procure intervention services in an
28 expeditious manner when he determines that state intervention is warranted in situations of local fiscal distress.

29 **§ 4-9.00 HIGHER EDUCATION RESTRUCTURING**

30 **§ 4-9.01 ASSESSMENT OF INSTITUTIONAL PERFORMANCE**

31 Consistent with § 23.1-206, Code of Virginia, the following education-related and financial and administrative management
32 measures shall be the basis on which the State Council of Higher Education shall annually assess and certify institutional
33 performance. Such certification shall be completed and forwarded in writing to the Governor and the General Assembly no later than
34 October 1 of each even-numbered year. Institutional performance on measures set forth in paragraph D of this section shall be
35 evaluated year-to-date by the Secretaries of Finance, Administration, and Technology as appropriate, and communicated to the State
36 Council of Higher Education before October 1 of each even-numbered year. Financial benefits provided to each institution in
37 accordance with § 2.2-5005 will be evaluated in light of that institution's performance.

38 In general, institutions are expected to achieve all performance measures in order to be certified by SCHEV, but it is understood that
39 there can be circumstances beyond an institution's control that may prevent achieving one or more performance measures. The
40 Council shall consider, in consultation with each institution, such factors in its review: (1) institutions meeting all performance
41 measures will be certified by the Council and recommended to receive the financial benefits, (2) institutions that do not meet all
42 performance measures will be evaluated by the Council and the Council may take one or more of the following actions: (a) request
43 the institution provide a remediation plan and recommend that the Governor withhold release of financial benefits until Council
44 review of the remediation plan or (b) recommend that the Governor withhold all or part of financial benefits.

45 Further, the State Council shall have broad authority to certify institutions as having met the standards on education-related
46 measures. The State Council shall likewise have the authority to exempt institutions from certification on education-related measures
47 that the State Council deems unrelated to an institution's mission or unnecessary given the institution's level of performance.

48 The State Council may develop, adopt, and publish standards for granting exemptions and ongoing modifications to the certification
49 process.

50 **a. BIENNIAL ASSESSMENTS**

51 1. Institution meets at least 95 percent of its State Council-approved biennial projections for in-state undergraduate headcount
52 enrollment.

53 2. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state associate and

- 1 bachelor degree awards.
- 2 3. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state STEM-H
3 (Science, Technology, Engineering, Mathematics, and Health professions) associate and bachelor degree awards.
- 4 4. Institution meets at least 95 percent of its State Council-approved biennial projections for the number of in-state, upper level
5 - sophomore level for two-year institutions and junior and senior level for four-year institutions - program-placed, full-time
6 equivalent students.
- 7 5. Maintain or increase the number of in-state associate and bachelor degrees awarded to students from under-represented
8 populations.
- 9 6. Maintain or increase the number of in-state two-year transfers to four-year institutions.
- 10 b. Elementary and Secondary Education
- 11 1. The Virginia Department of Education shall share data on teachers, including identifying information, with the State Council
12 of Higher Education for Virginia in order to evaluate the efficacy of approved programs of teacher education, the production
13 and retention of teachers, and the exiting of teachers from the teaching profession.
- 14 2. a) The Virginia Department of Education and the State Council of Higher Education for Virginia shall share personally
15 identifiable information from education records in order to evaluate and study student preparation for and enrollment and
16 performance at state institutions of higher education in order to improve educational policy and instruction in the
17 Commonwealth. However, such study shall be conducted in such a manner as to not permit the personal identification of
18 students by persons other than representatives of the Department of Education or the State Council for Higher Education for
19 Virginia, and such shared information shall be destroyed when no longer needed for purposes of the study.
- 20 b) Notwithstanding § 2.2-3800 of the Code of Virginia, the Virginia Department of Education, State Council of Higher
21 Education for Virginia, Virginia Community College System, and the Virginia Employment Commission may collect, use,
22 share, and maintain de-identified student data to improve student and program performance including those for career
23 readiness.
- 24 3. Institutions of higher education shall disclose information from a pupil's scholastic record to the Superintendent of Public
25 Instruction or his designee for the purpose of studying student preparation as it relates to the content and rigor of the Standards
26 of Learning. Furthermore, the superintendent of each school division shall disclose information from a pupil's scholastic record
27 to the Superintendent of Public Instruction or his designee for the same purpose. All information provided to the Superintendent
28 or his designee for this purpose shall be used solely for the purpose of evaluating the Standards of Learning and shall not be
29 redisclosed, except as provided under federal law. All information shall be destroyed when no longer needed for the purposes
30 of studying the content and rigor of the Standards of Learning.
- 31 c. SIX-YEAR PLAN
- 32 Institution prepares six-year financial plan consistent with § 23.1-907.
- 33 d. FINANCIAL AND ADMINISTRATIVE STANDARDS
- 34 The financial and administrative standards apply to all institutions except those governed under Chapters 933 and 943 of the
35 2006 Acts of Assembly, Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of
36 Assembly.
- 37 1. As specified in § 2.2-5004, Code of Virginia, institution takes all appropriate actions to meet the following financial and
38 administrative standards:
- 39 a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;
- 40 b) No significant audit deficiencies attested to by the Auditor of Public Accounts;
- 41 c) Substantial compliance with all financial reporting standards approved by the State Comptroller;
- 42 d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any
43 standards for outstanding receivables and bad debts; and
- 44 e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any
45 standards for accounts payable past due.
- 46 2. Institution complies with a debt management policy approved by its governing board that defines the maximum percent of
47 institutional resources that can be used to pay debt service in a fiscal year, and the maximum amount of debt that can be
48 prudently issued within a specified period.

1 3. The institution will achieve the classified staff turnover rate goal established by the institution; however, a variance of 15 percent
2 from the established goal will be acceptable.

3 4. The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) plan as submitted to the
4 Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase goal, as stated in
5 the plan, will be acceptable.

6 The institution will make no less than 75 percent of dollar purchases through the Commonwealth's enterprise-wide internet
7 procurement system (eVA) from vendor locations registered in eVA.

8 5. The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally approved
9 by the institution's governing board for projects initiated under delegated authority, or the budget set out in the Appropriation Act or
10 other Acts of Assembly. If the institution exceeds the budget for any such project, the Secretaries of Administration and Finance
11 shall review the circumstances causing the cost overrun and the manner in which the institution responded and determine whether
12 the institution shall be considered in compliance with the measure despite the cost overrun.

13 6. The institution will complete major information technology projects (with an individual cost of over \$1,000,000) within the
14 budgets and schedules originally approved by the institution's governing board. If the institution exceeds the budget and/or time
15 schedule for any such project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and
16 the manner in which the institution responded and determine whether the institution appropriately adhered to Project Management
17 Institute's best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun
18 and/or delay.

19 e. FINANCIAL AND ADMINISTRATIVE STANDARDS

20 The financial and administrative standards apply to institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly,
21 Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly. They shall be
22 measured by the administrative standards outlined in the Management Agreements and § 4-9.02.d.4. of this act. However, the
23 Governor may supplement or replace those administrative performance measures with the administrative performance measures
24 listed in this paragraph. Effective July 1, 2009, the following administrative and financial measures shall be used for the assessment
25 of institutional performance for institutions governed under Chapters 933 and 943 of the 2006 Acts of Assembly and those governed
26 under Chapters 594 and 616 of the 2008 Acts of Assembly, and Chapters 675 and 685 of the 2009 Acts of Assembly.

27 1. Financial

28 a) An unqualified opinion from the Auditor of Public Accounts upon the audit of the public institution's financial statements;

29 b) No significant audit deficiencies attested to by the Auditor of Public Accounts;

30 c) Substantial compliance with all financial reporting standards approved by the State Comptroller;

31 d) Substantial attainment of accounts receivable standards approved by the State Comptroller, including but not limited to, any
32 standards for outstanding receivables and bad debts; and

33 e) Substantial attainment of accounts payable standards approved by the State Comptroller including, but not limited to, any
34 standards for accounts payable past due.

35 2. Debt Management

36 a) The institution shall maintain a bond rating of AA- or better;

37 b) The institution achieves a three-year average rate of return at least equal to the imoney.net money market index fund; and

38 c) The institution maintains a debt burden ratio equal to or less than the level approved by the Board of Visitors in its debt
39 management policy.

40 3. Human Resources

41 a) The institution's voluntary turnover rate for classified plus university/college employees will meet the voluntary turnover rate for
42 state classified employees within a variance of 15 percent; and

43 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
44 fiscal year.

45 4. Procurement

46 a) The institution will substantially comply with its annual approved Small, Women and Minority (SWAM) procurement plan as
47 submitted to the Department of Small Business and Supplier Diversity; however, a variance of 15 percent from its SWAM purchase

1 goal, as stated in the plan, will be acceptable; and

2 b) The institution will make no less than 80 percent of purchase transactions through the Commonwealth's enterprise-wide
3 internet procurement system (eVA) with no less than 75 percent of dollars to vendor locations in eVA.

4 5. Capital Outlay

5 a) The institution will complete capital projects (with an individual cost of over \$1,000,000) within the budget originally
6 approved by the institution's governing board at the preliminary design state for projects initiated under delegated authority, or
7 the budget set out in the Appropriation Act or other Acts of Assembly which provides construction funding for the project at
8 the preliminary design state. If the institution exceeds the budget for any such project, the Secretaries of Administration and
9 Finance shall review the circumstances causing the cost overrun and the manner in which the institution responded and
10 determine whether the institution shall be considered in compliance with the measure despite the cost overrun;

11 b) The institution shall complete capital projects with the dollar amount of owner requested change orders not more than 2
12 percent of the guaranteed maximum price (GMP) or construction price; and

13 c) The institution shall pay competitive rates for leased office space – the average cost per square foot for office space leased by
14 the institution is within 5 percent of the average commercial business district lease rate for similar quality space within
15 reasonable proximity to the institution's campus.

16 6. Information Technology

17 a) The institution will complete major information technology projects (with an individual cost of over \$1,000,000) on time and
18 on budget against their managed project baseline. If the institution exceeds the budget and/or time schedule for any such
19 project, the Secretary of Technology shall review the circumstances causing the cost overrun and/or delay and the manner in
20 which the institution responded and determine whether the institution appropriately adhered to Project Management Institute's
21 best management practices and, therefore, shall be considered in compliance with the measure despite the cost overrun and/or
22 delay; and

23 b) The institution will maintain compliance with institutional security standards as evaluated in internal and external audits. The
24 institution will have no significant audit deficiencies unresolved beyond one year.

25 f. REPORTING

26 The Director, Department of Planning and Budget, with cooperation from the Comptroller and institutions of higher education
27 governed under Management Agreements, shall develop uniform reporting requirements and formats for revenue and
28 expenditure data.

29 g. EXEMPTION

30 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
31 Assembly of 2011.

32 § 4-9.02 LEVEL II AUTHORITY

33 a. Notwithstanding the provisions of § 5 of Chapter 824 and 829 of the 2008 Acts of Assembly, institutions of higher education
34 that have met the eligibility criteria for additional operational and administrative authority set forth in Chapters 824 and 829 of
35 the 2008 Acts of Assembly shall be allowed to enter into separate negotiations for additional operational authority for a third
36 and separate functional area listed in Chapter 824 and 829 of the 2008 Acts of Assembly, provided they have:

37 1. successfully completed at least three years of effectiveness and efficiencies operating under such additional authority granted
38 by an original memorandum of understanding;

39 2. successfully renewed an additional memoranda of understanding for a five year term for each of the original two areas.

40 The institutions shall meet all criteria and follow policies for negotiating and establishing a memorandum of understanding with
41 the Commonwealth of Virginia as provided in § 2.0 (Information Technology), § 3.0 (Procurement), and § 4.0 (Capital Outlay)
42 of Chapter 824 and 829 of the 2008 Acts of Assembly.

43 b. As part of the memorandum of understanding, each institution shall be required to adopt at least one new education-related
44 measure for the new area of operational authority. Each education-related measure and its respective target shall be developed
45 in consultation with the Secretary of Finance, Secretary of Education, the appropriate Cabinet Secretary, and the State Council
46 of Higher Education for Virginia. Each education-related measure and its respective target must be approved by the State
47 Council of Higher Education for Virginia and shall become part of the certification required by § 23.1-206.

48 c. 1. As part of a five-year pilot program, George Mason University and James Madison University are authorized, for a period
49 of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of

1 information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the
 2 second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates contained in Chapter
 3 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item, and (ii) the institution is not required to
 4 have a signed memorandum of understanding with the Secretary of Administration regarding participation in the nongeneral fund
 5 decentralization program as provided in subsection C of § 2.2-1132 in order to be eligible for the additional capital project authority.

6 2. In addition, each institution shall exercise additional financial and administrative authority over financial operations as follows:

7 a). BOARD OF VISITORS ACCOUNTABILITY AND DELEGATION OF AUTHORITY.

8 The Board of Visitors of the University shall at all times be fully and ultimately accountable for the proper fulfillment of the duties
 9 and responsibilities set forth in, and for the appropriate implementation of, this Policy. Consistent with this full and ultimate
 10 accountability, however, the Board may, pursuant to its legally permissible procedures, specifically delegate either herein or by
 11 separate Board resolution the duties and responsibilities set forth in this Policy to a person or persons within the University, who,
 12 while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties
 13 and responsibilities pursuant to the University's usual delegation policies and procedures.

14 b) FINANCIAL MANAGEMENT AND REPORTING SYSTEM.

15 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be
 16 authorized by the Board to maintain existing and implement new policies governing the management of University financial
 17 resources. These policies shall continue to (i) ensure compliance with Generally Accepted Accounting Principles, (ii) ensure
 18 consistency with the current accounting principles employed by the Commonwealth, including the use of fund accounting principles,
 19 with regard to the establishment of the underlying accounting records of the University and the allocation and utilization of resources
 20 within the accounting system, including the relevant guidance provided by the State Council of Higher Education for Virginia chart
 21 of accounts with regard to the allocation and proper use of funds from specific types of fund sources, (iii) provide adequate risk
 22 management and internal controls to protect and safeguard all financial resources, including moneys transferred to the University
 23 pursuant to a general fund appropriation, and ensure compliance with 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 placed
 27 on the use of the resources available to the University, the accounting and bookkeeping system of the University shall continue to be
 28 maintained in accordance with the principles prescribed for governmental organizations by the Governmental Accounting Standards
 29 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 provide
 32 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 and
 35 implement any and all financial management policies necessary to establish a financial management system with adequate risk
 36 management and internal control processes and procedures for the effective protection and management of all University financial
 37 resources. Such policies will not address the underlying accounting principles and policies employed by the Commonwealth and the
 38 University, but rather will focus on the internal operations of the University's financial management. These policies shall include, but
 39 need not be limited to, the development of a tailored set of finance and accounting practices that seek to support the University's
 40 specific business and administrative operating environment in order to improve the efficiency and effectiveness of its business and
 41 administrative functions. In general, the system of independent financial management policies shall be guided by the general
 42 principles contained in the Commonwealth's Accounting Policies and Procedures such as establishing strong risk management and
 43 internal accounting controls to ensure University financial resources are properly safeguarded and that appropriate stewardship of
 44 public funds is obtained through management's oversight of the effective and efficient use of such funds in the performance of
 45 University programs.

46 The University shall continue to follow the Commonwealth's accounting policies until such time as specific alternate policies can be
 47 developed, approved and implemented. Such alternate policies shall include applicable accountability measures and shall be
 48 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 from
 53 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 entitled to

1 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
 3 than reverting such savings back to the Commonwealth. This financial resource policy assists the University by providing the
 4 framework for retaining and managing non-general funds, for the receipt of general funds, and for the use and stewardship of
 5 all these funds.

6 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue
 7 to provide oversight of the University's cash management system which is the framework for the retention of non-general
 8 funds. The Internal Audit Department of the University shall periodically audit the University's cash management system in
 9 accordance with appropriate risk assessment models and make reports to the Audit and Compliance Committee of the Board of
 10 Visitors. Additional oversight shall continue to be provided through the annual audit and assessment of internal controls
 11 performed by the Auditor of Public Accounts. For the receipt of general and non-general funds, the University shall conform to
 12 the Security for Public Deposits Act, Chapter 44 (§ 2.2-4400 et seq.) of Title 2.2 of the Code of Virginia as it currently exists
 13 and from time to time may be amended.

14 e) ACCOUNTS RECEIVABLE MANAGEMENT AND COLLECTION.

15 The President, through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue to be
 16 authorized to create and implement any and all Accounts Receivable Management and Collection policies as part of a system
 17 for the management of University financial resources. The policies shall be guided by the requirements of the Virginia Debt
 18 Collection Act, Chapter 48 (§ 2.2-4800 et seq.) of the Code of Virginia, such that the University shall take all appropriate and
 19 cost effective actions to aggressively collect accounts receivable in a timely manner.

20 These shall include, but not be limited to, establishing the criteria for granting credit to University customers; establishing the
 21 nature and timing of collection procedures within the above general principles; and the independent authority to select and
 22 contract with collection agencies and, after consultation with the Office of the Attorney General, private attorneys as needed to
 23 perform any and all collection activities for all University accounts receivable such as reporting delinquent accounts to credit
 24 bureaus, obtaining judgments, garnishments, and liens against such debtors, and other actions. In accordance with sound
 25 collection activities, the University shall continue to utilize the Commonwealth's Debt Set-Off Collection Programs, shall
 26 develop procedures acceptable to the Tax Commissioner and the State Comptroller to implement such Programs, and shall
 27 provide a quarterly summary report of receivables to the Department of Accounts in accordance with the reporting procedures
 28 established pursuant to the Virginia Debt Collection Act.

29 f) DISBURSEMENT MANAGEMENT.

30 The President, acting through the Executive Vice President, Chief Operating Officer, or Chief Financial Officer, shall continue
 31 to be authorized to create and implement any and all disbursement policies as part of a system for the management of
 32 University financial resources. The disbursement management policies shall continue to define the appropriate and reasonable
 33 uses of all funds, from whatever source derived, in the execution of the University's operations. These policies also shall
 34 continue to address the timing of appropriate and reasonable disbursements consistent with the Prompt Payment Act, and the
 35 appropriateness of certain goods or services relative to the University's mission, including travel-related disbursements. Further,
 36 the University's disbursement policy shall continue to provide for the mechanisms by which payments are made including the
 37 use of charge cards, warrants, and electronic payments.

38 These disbursement policies shall authorize the President, acting through the Executive Vice President, Chief Operating
 39 Officer, or Chief Financial Officer, to independently select, engage, and contract for such consultants, accountants, and
 40 financial experts, and other such providers of expert advice and consultation, and, after consultation with the Office of the
 41 Attorney General, private attorneys, as may be necessary or desirable in his or her discretion. The policies also shall continue to
 42 include the ability to locally manage and administer the Commonwealth's credit card and cost recovery programs related to
 43 disbursements, subject to any restrictions contained in the Commonwealth's contracts governing those programs, provided that
 44 the University shall submit the credit card and cost recovery aspects of its financial and operations policies to the State
 45 Comptroller for review and comment prior to implementing those aspects of those policies. The disbursement policies shall
 46 ensure that adequate risk management and internal control procedures shall be maintained over previously decentralized
 47 processes for public records, payroll, and non-payroll disbursements. The University shall continue to provide summary
 48 quarterly prompt payment reports to the Department of Accounts in accordance with the reporting procedures established
 49 pursuant to the Prompt Payment Act.

50 The University's disbursement policies shall be guided by the principles of the Commonwealth's policies as included in the
 51 Commonwealth's Accounting Policy and Procedures Manual. The University shall continue to follow the Commonwealth's
 52 disbursement policies until such time as specific alternative policies can be developed, approved and implemented. Such
 53 alternate policies shall be submitted to the State Comptroller for review and comment prior to their implementation by the
 54 University.

55 3. The Auditor of Public Accounts or his legally authorized representatives shall audit annually the accounts of each institution
 56 and shall distribute copies of each annual audit to the Governor and to the Chairmen of the House Committee on
 57 Appropriations and the Senate Committee on Finance. Pursuant to § 30-133, the Auditor of Public Accounts and his legally

1 authorized representatives shall examine annually the accounts and books of each such institution, but the institution shall not be
 2 deemed to be a state or governmental agency, advisory agency, public body, or agency or instrumentality for purposes of Chapter 14
 3 (§ 30-130 et seq.) of Title 30 except for those provisions in such chapter that relate to requirements for financial recordkeeping and
 4 bookkeeping. Each such institution shall be subject to periodic external review by the Joint Legislative and Audit Review
 5 Commission and such other reviews and audits as shall be required by law.

6 d. Subject to review of its Shared Services Center by the Department of General Services, and approval to proceed with
 7 decentralized procurement of authority by the Department of General Services, the Virginia Community College System (VCCS) is
 8 authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three
 9 functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0,
 10 3.0 and 4.0 of the second enactment of Chapter 824 and 829 of the Acts of Assembly of 2008 except that (i) any effective dates
 11 contained in Chapter 824 and 829 of the Acts of Assembly of 2008 are superseded by the provisions of this item. The State Board
 12 for Community Colleges may request any subsequent delegation of procurement authority after consultation with and positive
 13 recommendation by the Department of General Services.

14 § 4-9.03 LEVEL III AUTHORITY

15 The Management Agreements negotiated by the institutions contained in Chapters 675 and 685 of the 2009 Acts of Assembly shall
 16 continue in effect unless the Governor, the General Assembly, or the institutions determine that the Management Agreements need
 17 to be renegotiated or revised.

18 § 4-9.04 IMPLEMENT JLARC RECOMMENDATIONS

19 a. The Boards of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall:

20 1. require their institutions to clearly list the amount of the athletic fee on their website's tuition and fees information page. The page
 21 should include a link to the State Council of Higher Education for Virginia's tuition and fee information. The boards should consider
 22 requiring institutions to list the major components of all mandatory fees, including the portion attributable to athletics, on a separate
 23 page attached to student invoices;

24 2. assess the feasibility and impact of raising additional revenue through campus recreation and fitness enterprises to reduce reliance
 25 on mandatory student fees. The assessments should address the feasibility and impact of raising additional revenue through charging
 26 for specialized programs and services, expanding membership, and/or charging all users of recreation facilities;

27 3. direct staff to perform a comprehensive review of the institution's organizational structure, including an analysis of spans of
 28 control and a review of staff activities and workload, and identify opportunities to streamline the organizational structure. Boards
 29 should further direct staff to implement the recommendations of the review to streamline their organizational structures where
 30 possible;

31 4. require periodic reports on average and median spans of control and the number of supervisors with six or fewer direct reports;

32 5. direct staff to revise human resource policies to eliminate unnecessary supervisory positions by developing standards that
 33 establish and promote broader spans of control. The new policies and standards should (i) set an overall target span of control for the
 34 institution, (ii) set a minimum number of direct reports per supervisor, with guidelines for exceptions, (iii) define the circumstances
 35 that necessitate the use of a supervisory position, (iv) prohibit the establishment of supervisory positions for the purpose of recruiting
 36 or retaining employees, and (v) establish a periodic review of departments where spans of control are unusually narrow; and,

37 6. direct institution staff to set and enforce policies to maximize standardization of purchases of commonly procured goods,
 38 including use of institution-wide contracts;

39 7. consider directing institution staff to provide an annual report on all institutional purchases, including small purchases, that are
 40 exceptions to the institutional policies for standardizing purchases;

41 8. participate in national faculty teaching load assessments by discipline and faculty type.

42 b. The State Council on Higher Education for Virginia, to the extent practicable, shall:

43 1. convene a working group of institution financial officers, with input from the Department of Accounts, the Department of
 44 Planning and Budget, and the Auditor of Public Accounts, to create a standard way of calculating and publishing mandatory non-
 45 E&G fees, including for intercollegiate athletics;

46 2. update the state's Chart of Accounts for higher education in order to improve comparability and transparency of mandatory non-
 47 E&G fees, with input from the Department of Accounts, the Department of Planning and Budget, the Auditor of Public Accounts,
 48 and institutional staff. This process should be coordinated with the standardization of tuition and fee reporting;

49 3. convene a working group of institutional staff to develop instructional and research space guidelines that adequately measure
 50 current use of space and plans for future use of space at Virginia's public higher education institutions;

1 4. coordinate a committee of institutional representatives, such as the previously authorized Learning Technology Advisory
 2 Committee. In addition to the objectives set out in the Appropriation Act for the Learning Technology Advisory Committee,
 3 the committee should identify instructional technology initiatives and best practices for directly or indirectly lowering
 4 institutions' instructional expenditures per student while maintaining or enhancing student learning;

5 5. include factors such as discipline, faculty rank, cost of living, and regional comparisons in developing faculty salary goals;

6 6. identify instructional technology best practices that directly or indirectly lower student cost while maintaining or enhancing
 7 learning.

8 c. Notwithstanding the provisions of § 23.1-1304, the State Council of Higher Education for Virginia shall annually train
 9 boards of visitors members on the types of information members should request from institutions to inform decision making,
 10 such as performance measures, benchmarking data, the impact of financial decisions on student costs, and past and projected
 11 cost trends. Boards of Visitors members serving on finance and facilities subcommittees should, at a minimum, participate in
 12 the training within their first year of membership on the subcommittee. SCHEV should obtain assistance in developing or
 13 delivering the training from relevant agencies such as the Department of General Services and past or present finance officers at
 14 Virginia's public four-year institutions, as appropriate.

15 d. The Department of Planning and Budget shall revise the formula used to make allocation recommendations for the state's
 16 maintenance reserve funding to account for higher maintenance needs resulting from poor facility condition, aging of facilities,
 17 and differences in facility use. Beginning with fiscal year 2016, the Department of Planning and Budget shall submit these
 18 recommendations to the Governor and General Assembly no later than November 1 of each year.

19 e. The Six-Year Capital Outlay Plan Advisory Committee, the Department of Planning and Budget, and others as appropriate
 20 shall use the results of the prioritization process established by the State Council of Higher Education for Virginia in
 21 determining which capital projects should receive funding.

22 f. Beginning with fiscal year 2016, the Auditor of Public Accounts shall include in its audit plan for each public institution of
 23 higher education a review of progress in implementing the JLARC recommendations contained in paragraph § 4-9.04 a.

24 § 4-11.00 STATEMENT OF FINANCIAL CONDITION

25 Each agency head handling any state funds shall, at least once each year, upon request of the Auditor of Public Accounts, make
 26 a detailed statement, under oath, of the financial condition of his office as of the date of such call, to the Auditor of Public
 27 Accounts, and upon such forms as shall be prescribed by the Auditor of Public Accounts.

28 § 4-12.00 SEVERABILITY

29 If any part, section, subsection, paragraph, sentence, clause, phrase, or item of this act or the application thereof to any person
 30 or circumstance is for any reason declared unconstitutional, such decisions shall not affect the validity of the remaining portions
 31 of this act which shall remain in force as if such act had been passed with the unconstitutional part, section, subsection,
 32 paragraph, sentence, clause, phrase, item or such application thereof eliminated; and the General Assembly hereby declares that
 33 it would have passed this act if such unconstitutional part, section, subsection, paragraph, sentence, clause, phrase, or item had
 34 not been included herein, or if such application had not been made.

35 § 4-13.00 CONFLICT WITH OTHER LAWS

36 Notwithstanding any other provision of law, and until June 30, 2018, the provisions of this act shall prevail over any conflicting
 37 provision of any other law, without regard to whether such other law is enacted before or after this act; however, a conflicting
 38 provision of another law enacted after this act shall prevail over a conflicting provision of this act if the General Assembly has
 39 clearly evidenced its intent that the conflicting provision of such other law shall prevail, which intent shall be evident only if
 40 such other law (i) identifies the specific provision(s) of this act over which the conflicting provision of such other law is
 41 intended to prevail and (ii) specifically states that the terms of this section are not applicable with respect to the conflict
 42 between the provision(s) of this act and the provision of such other law.

43 § 4-14.00 EFFECTIVE DATE

44 This act is effective on its passage as provided in § 1-214, Code of Virginia.

45 ADDITIONAL ENACTMENTS

46 3. That § 33.2-309 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding
 47 in Chapter 1 of Title 33.2 a section numbered 33.2-118, as follows:

48 § 33.2-118. Limitation on tolling.

49 A. For purposes of this section, "auxiliary lane" means the portion of the roadway adjoining the traveled way as a shoulder or for
 50 speed 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 vehicle
 4 lanes, excluding auxiliary lanes, after the reconstruction is not less than the number of un-tolled, non-high-occupancy vehicle lanes,
 5 excluding auxiliary lanes, prior to such reconstruction; (ii) new construction that is opened to the public as a tolled facility; (iii) new
 6 construction that is opened to the public as high-occupancy vehicle lanes; (iv) existing high-occupancy vehicle lanes; or (v) an existing
 7 lane on a segment of a highway whose length does not exceed 10 miles and is between an interchange and an interchange or an
 8 interchange and a bridge, provided that the number of un-tolled non-high-occupancy vehicle lanes on such segment is equal to the
 9 number of un-tolled non-high-occupancy vehicle lanes on the portion of the highway preceding such segment.

10 C. Notwithstanding the provisions of subsection B, prior approval of the General Assembly shall be required prior to the imposition
 11 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 the approaches
 12 to a bridge or tunnel or (ii) Interstate 81.

13 **§ 33.2-309. Tolls for use of Interstate System components.**

14 A. Subject to the limitations provided in § 33.2-118 and in accordance with all applicable federal and state statutes and requirements,
 15 the Board may impose and collect tolls from all classes of vehicles in amounts established by the Board for the use of any component
 16 of the Interstate System within the Commonwealth.

17 B. The toll facilities authorized by this section shall be subject to the provisions of federal law for the purpose of tolling motor vehicles
 18 to finance interstate construction and reconstruction, promote efficiency in the use of highways, reduce traffic congestion, and improve
 19 air quality and for such other purposes as may be permitted by federal law.

20 C. In order to mitigate traffic congestion in the vicinity of the toll facilities, no toll facility shall be operated without high-speed
 21 automated toll collection technology designed to allow motorists to travel through the toll facilities without stopping to make payments.
 22 Nothing in this subsection shall be construed to prohibit a toll facility from retaining means of nonautomated toll collection in some
 23 lanes of the facility. The Board shall also consider traffic congestion and mitigation thereof and the impact on local traffic movement as
 24 factors in determining the location of the toll facilities authorized pursuant to this section.

25 D. The revenues collected from each toll facility established pursuant to this section shall be deposited into segregated subaccounts in
 26 the Transportation Trust Fund and may be allocated by the Board as the Board deems appropriate to:

27 1. Pay or finance all or part of the costs of programs or projects, including the costs of planning, operation, maintenance, and
 28 improvements incurred in connection with the toll facility, provided that such allocations shall be limited to programs and projects that
 29 are reasonably related to or benefit the users of the toll facility. The priorities of metropolitan planning organizations, planning district
 30 commissions, local governments, and transportation corridors shall be considered by the Board in making project allocations from such
 31 revenues deposited into the Transportation Trust Fund.

32 2. Repay funds from the Toll Facilities Revolving Account or the Transportation Partnership Opportunity Fund.

33 3. Pay the Board's reasonable costs and expenses incurred in the administration and management of the toll facility.

34 **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 Code of**
 35 **Virginia, as amended by this act, shall become effective upon the return of the Commonwealth's spot in the Interstate System**
 36 **Reconstruction and Rehabilitation Pilot Program.**

37 **5. Enactments 4 and 5 of Chapters 778 and 779 of the 2016 Acts of Assembly are hereby repealed. The General Assembly finds**
 38 **that the creation of the Virginia Growth and Opportunity Foundation to support the Board satisfies the intent of Enactment 4**
 39 **of Chapters 778 and 779 of the 2016 Acts of Assembly.**

40 **6. Enactment 2 of Chapters 776 and 777 of the 2016 Acts of Assembly are hereby repealed.**

41 **7. A.I. Notwithstanding the provisions of § 2.2-1514, Code of Virginia, or any other provision of law, any general fund revenues**
 42 **collected and deposited for fiscal year 2017 that are in excess of the official forecast contained in this act, shall be reflected by**
 43 **the Comptroller as committed on the June 30, 2017, preliminary balance sheet pursuant to the provisions of this enactment for**
 44 **the purposes of establishing a cash reserve to mitigate any potential revenue shortfalls that may arise during the remainder of**
 45 **the biennium.**

46 **2. Notwithstanding the provisions of § 2.2-1514, Code of Virginia, or any other provision of law, any general fund revenues**
 47 **collected and deposited for fiscal year 2018 that are in excess of the official forecast contained in this act, shall be reflected by the**
 48 **Comptroller as committed on the June 30, 2018, preliminary balance sheet pursuant to the provisions of this section for the**
 49 **purposes of establishing a cash reserve to mitigate any potential revenue or transfer shortfalls that may arise during the remainder**
 50 **of the biennium.**

51 **B. To determine the amounts that are to be committed, the Comptroller shall first determine the revenues that were collected in**

- 1 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
5 revenue 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,
7 which would include mandatory carryforwards, unexpended balances in capital projects, and balances required to be
8 carried forward 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, shall
10 be further reduced by fifty percent.
- 11 D.I. The Comptroller shall then reflect the remaining fifty percent *from the fiscal year 2017 surplus revenues* as a
12 commitment on the preliminary balance sheet entitled Revenue Cash Reserve to be held solely for the purposes of
13 mitigating any loss of general fund revenues *or transfers* in fiscal year 2018 from the official forecast contained in this act.
- 14 2. *Notwithstanding the limits prescribed in § 2.2-1831.3, B, Code of Virginia, the Comptroller shall reflect 100 percent of the*
15 *amounts remaining from the fiscal year 2018 surplus revenues as a commitment on the preliminary balance sheet entitled*
16 *"Revenue Reserve" to be held solely for the purposes of mitigating any loss of general fund revenues or transfers in future*
17 *biennia pursuant to the provisions of Chapter 827, 2018 Session of the General Assembly, and any future appropriation acts.*
- 18 E. The Comptroller may draw against the balances of the Revenue Cash Reserve for an amount equal to any shortfall in
19 general fund revenue *or transfer* collections from the official forecast contained in this act for fiscal year 2018.
- 20 8. That the provisions of the first enactment, second enactment, and seventh enactment of this act shall expire at midnight
21 on 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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